

**People, Pride and Purpose**

**John McTernan**

**13 May 2010**

**Transcript**

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After decades of decline, Chicago, Glasgow and Manchester are experiencing a renaissance. Different cities have different stories to tell. However, three ingredients are common across all these cities; people, pride and purpose. The people who make the city, whose knowledge and talent are increasingly the drivers of the economy and who provide leadership. The pride in the history and the presence of the city which is the fuel for future growth. And the sense of purpose that gives a continuing reason for saying that this city is the best place in the world to live, work, learn and raise a family.

John McTernan presented a Grattan seminar which discussed the future of our cities. John McTernan was special adviser to the Rt Hon Jim Murphy MP, Secretary of State for Scotland and from 2007-8 he was special adviser to the Rt Hon Des Browne, Secretary of State for Defence and Scotland. Previously John McTernan worked at 10 Downing Street for three and a half years. From May 2005 until July 2007 he was Director of Political Operations for Prime Minister Tony Blair. From January 2004 until April 2005 he was a Senior Policy Adviser in the No 10 Policy Directorate leading on regeneration, social exclusion, arts, sports, lottery and gambling. John McTernan is also experienced as the senior political columnist, and lead writer, for 'Scotland on Sunday' and acknowledged as one of Scotland's leading political thinkers. He has also written for the Guardian, the Sunday Times and the Daily Telegraph and contributed to a wide range of think tanks with many publications.

**Speaker: John McTernan (John)**

**Moderator: Jane-Frances Kelly (Jane-Frances)**

JANE-FRANCES: So, Grattan Institute recently has been doing work on what makes a successful city, and a really interesting thing to think about in that context is what is it that makes cities that have declined or have gone to the brink of collapse turn around? And that's what John's going to speak about this evening. So I wanted to start by asking him what kind of cities it is that he's got in mind and tell us about what it was that happened in those cities that led to that decline.

JOHN: I think one of the best things that the Labour Government achieved in the last 13 years was a genuine urban renaissance and cities which had been in decline in population terms and decline in terms of the quality of the public sphere, in terms of jobs and industry, have turned themselves round. They're nicer places, they're brighter places, they're more confident and it's a reflection really that, in a sense, that people are now starting to forget that there was an era when British cities, and actually cities worldwide, were on the brink of dying.

The 1970s was not kind to London. London lost a third of its manufacturing in the late '70s and early '80s. I don't know Melbourne's history as well but I think the '70s was not a great time for Melbourne here. The '70s was dreadful for New York. One of the reasons why there was such a fantastic outpouring of music in the late 1970s in New York was that you could live in Manhattan incredibly cheaply because the place was very, very dangerous. I remember reading about Richard Hale saying he walked down the middle of the road, partly to avoid the garbage that was piled up at the edge of the streets, but also to avoid the people who might mug you on the streets.

So great cities, which we now think of like New York and London, those that we measure other cities against, they almost died. And so it's an interesting fact for me to think how quickly we forget what didn't happen. And it's not as if it was counterfactual, actually it was the factual that was actually happening, that as manufacturing declined and as the traditional base of the cities disappeared, it seems as though they had no future.

JANE-FRANCES: And so, for those that turned around, what would you call a successful turnaround? What turned around and what didn't?

JOHN: I mean obviously in the American context it's quite stark. If you look at Chicago and you look at St. Louis, those cities were the same, broadly the same size, they had the same wealth

per capita in the '50s. And St. Louis is a shadow of itself now and Chicago is still one of the world's great cities. And Chicago was certainly saved by the leadership of one man, not a pleasant man, Mayor Richard Daley, a brutal democratic boss, a racist leader, a man who believed that, because white working class people like himself from an Irish background had dragged themselves from poverty, so could black people. No real concept of race as a barrier. But he saved the city. And there's something about the personal leadership of a mayor which I think contributed there.

You look at Detroit, I think it wouldn't really matter how powerful a mayor you were, Detroit's purpose, its reason for existence has disappeared. And although there's a kind of revisionism at the moment which blames the labour unions for killing Detroit by saying that they demanded too much in terms of pay, too much in terms of pay when they were laid off, too much in health benefits, you know, the truth was it took people 50 years, no, it took people 30 to 40 years to unionise those plants. They went through brutal battles and all they wanted was a middle class income. It was the senior managers who betrayed the workers and betrayed Detroit because they did not manage to innovate in a world in which people wanted different types of cars.

And you know, across the world, the footloose managerial class have got a lot more to be blamed for than workers 'cause workers in Chicago, workers in Detroit, workers in St. Louis don't have many options to go and move elsewhere. Footloose managerial, the international managerial class can go where they want. And so again in a sense, local politicians don't have anywhere else to go. If you're the mayor of a city, you can't say I failed in Manchester, I'll run somewhere else, I'll run in Glasgow.

So there's something about leadership. There's something about a sense of the totality of the city, and there's something about can you diversify the base that underpins a city, because obviously some cities end up being in the wrong place.

One of Europe's biggest problems at the moment is that Europe's on the wrong side of the planet. That's actually a major disadvantage for us, you know. The advantage that you have, being a Pacific nation, as the world has become Pacific, or Asian Pacific, you know, with the rise of India and the rise of China, turns out that America's quite lucky it's a Pacific and an Atlantic nation. But Europe is an old and cold part of the planet and it's on the wrong side, when the world is moving south and east.

And so some disadvantages you can't overcome, geographic disadvantages. On the coast of England there's a port called Whitehaven and Whitehaven was actually attacked during the American War of Independence. You go to Whitehaven now, Whitehaven is a tiny little port with some nice Georgian houses, but it was the third largest port in the UK at the time. So sometimes, you can be in the right place for a period, but in the wrong place for a long time. And you can see that pattern emerging.

But I think one of the interesting things about the last 20 years in the reinvention of cities is that in a sense geography matters less in an odd kind of way because some of the industries on which you can revive yourself aren't the old fashioned heavy industries which you have a city near a port because it's also near coal. And you dig the coal and you put it onto a boat, you don't carry it very far, and you take it down the river to where the iron is and then you can make iron and steel. So some of the requirements of co-location have gone which mean that when one of your primary purposes goes, you can invent another one and you may actually have enough space from where the old one left to have space in which people can play and then can find things to do with that space.

JANE-FRANCES: So the theme from what you are going to talk to about this evening is People, Pride and Purpose and what you've just been talking about relates to purpose. So one of the things that I think is interesting is, does the leadership of a city have to be clear about what that purpose is, and then kind of go after it? I'm just curious about the number of places around the planet that have decided to be kind of a new Silicone Valley. In Scotland we even had a Silicone Glen, and so on. Do you have to be ...

JOHN: Don't laugh, it was very, very successful.

JANE-FRANCES: Yeah, absolutely. And do they have to be clear about what that is, or is it a case about being realistic about what they can and can't be and then setting a framework for what might evolve?

JOHN: For my sins I've read an incredibly large number of city development, regional development, economic development plans from across the world. And they've all got two major characteristics: every single economic development strategy says at the end of it, if only the transport department would build us a bridge, an airport, a canal, a motorway, and if Treasury would just fund that, that would be fine. So there's a sort of if we build it they will come mentality, and a kind of fetishisation of infrastructure. So the other thing is, and it's also really good to have an economic development plan which means that although I did it and I run economic development, it's somebody else's fault, it's not going to happen because you know that the motorway won't get built and the second runway won't get built and all that.

The second thing that people do, as I say, we are going to be a centre for excellence in the creative industries, in service industries, and now high added value service industries, and we'll also do some biosciences as well. Nonsense. I mean, it's just nonsense. Not everybody can be that. Or if they can be that, it's not a distinguishing characteristic. So at a certain level, every city will have a chunk of services and some will be low level and some will be high value added. I mean it's the nature of city economy, it requires that just internally to service itself.

I've been in politics a long time and it's increasingly clear to me that one of the great gifts of politicians is post hoc rationalisation. As advisors you keep saying to your boss, look we need a bit more vision, we did this and journalists love vision and values and actually really great politicians, they say they're going to do something, then it doesn't quite happen, something else happens and then they say afterwards, well that happened because of this. And they create a framework that they impose on the past, which then gives a sense of controlling the future. That is a great skill. And I think that in a sense, purpose is emergent and that what you have to do is be always scanning the horizon for what is emerging.

So, I did some work for Inverness, the City of Inverness, it's the fastest growing city in Scotland. It's about 60,000, it will grow to 100,000. It's a nice place, it's a really nice place to live. It's beautiful, I mean it's a long way from anywhere but it's a beautiful place to live. And I said two things to the business leaders there. One of them was I said, this is a busy, busy, busy world and in a busy world you have to grab people's attention.

And one of the ways you grab attention is by being actually quite crude. So I said you've got Loch Ness, you've got the Loch Ness monster, actually, I know it's really embarrassing but that's a brand identity that gets you identified across the world. So use it, 'cause the Irish economic development people taught me when I was doing work in ... for Scotland, they said ... I said how do you do business in America? They said you, you know, shamrocks, shillelaghs, green Guinness, you do anything that gets you in the door, then you have a hard headed deal and you do the deal. But use any way of getting through the door that you can, but then be business-like when you're inside the door.

And they kind of took that. And then I said, of course, my real question for you is where's the gay quarter in Inverness? That actually got me abusive email when it went on the front of the Inverness Courier. And my point was, I'm saying to them, successful cities are driven by talent, and talent comes from diversity because increasingly the footloose, talented individuals who drive the creative economy, who drive the kind of emerging ... the weightless economy are the kinds of people who like to live in the kind of place that has a gay quarter.

So I said look, why has San Francisco got Silicone Valley? It's 'cause of the Castro. Why has it got the Castro? 'Cause it was the centre of union organisation in the '20s and it had the Beats in the '50s. You know, if you want the geeks, you need the freaks. Nobody in San Francisco decided that when the international workers of the world were organising longshoremen that that would create the pre-conditions for turbocharged capitalism of the dot com economy.

But it did. So there's emergent properties, and some ... why has Melbourne got such good bars? Well partly it had the space in the lanes, and partly somebody somewhere decided to change the licensing laws to lower the barrier to entry. And that's an infrastructure thing. Again, I don't suppose when that change was made by the state government, the intention was to create the foundations for the, what we call in Britain the black collar economy, that's people who go to work in t-shirts.

But it did. It's part of the pre-conditions for the ... so, and a final point on this is really you have to be ... it's a bit like people who do trend surfing and trend spotting. I mean imagine being on Venice Beach in California in the late '70s and realising that there was a transfer going on from male gay culture to male straight culture that was going to take a fitness boom, it was going to take body building, there was going to be a whole change in the way that men regarded themselves and a whole industry was going to emerge in terms of ... imagine being there and then building that business in the countries it was going to come to. So you have to just be looking and looking and looking and listening.

I know somebody who's working with Linton Crosbie on the World Cup bid, which of course England's going to win.

(Audience laughter)

JOHN: I say that as a patriotic Scot. And what does Linton Crosbie do when he wants to run an electoral campaign? He hires a car and he drives around for a couple of weeks and just talks to people and listens. And it's only when he's done his listening does he ask his focus groups questions. I mean I know I'm talking at you, but there's a good saying which is that sometimes people need a good listening to, you know, not a good talking to, they need a good listening to. And that's one of the things that's really, really important for particularly this kind of modern economy that you're trying to create.

JANE-FRANCES: That's a genius segue to 'People'. So you've already spoken about the importance of political leadership and Chicago, and I imagine you probably want to say some more about that. So tell us a bit more about the people aspect.

JOHN: In a sense, look, again in a very crude sense, in the 19<sup>th</sup> Century the civic elite and the business elite of communities were almost identical. And so Glasgow City Chambers is one of the most ornate civic buildings you could ever be in. And it's said that when the council built it in the 19<sup>th</sup> Century, they said to their architect, we want marble stairs. And he said you can only take marble stairs up one flight because they're so heavy. And they said how many flights have they got in the Vatican? Well there's two flights of marble stairs in the Vatican. They said okay, we need three, we need to go right up to three floors. We need more marble stairs. And ...

JANE-FRANCES: Was that the Protestants that ... (chuckles). I just couldn't ...

JOHN: It was the Protestants, it was about we have to have the most ornate building. It was to be better than the Pope of Rome.

JANE-FRANCES: Sorry, it's two Scots reverting to ... (chuckles).

JOHN: But the civic elite and the business elite being identical, they could mobilise themselves to do the great business of building a great city. You know, the trajectory of the 20<sup>th</sup> Century has been to separate the business elite and the civic elite for a number of reasons. One is democratic politics. It's probably a good thing. Another is that all life has got professionalised and therefore it's much harder to be a senior business leader and to be a councillor, it's just both of these things become full time jobs. Political leadership is a full time job.

But ultimately it's leadership that transforms cities. And leadership is emergent just as purpose is emergent. And great politicians facilitate emergent leadership. And certainly in Britain, the pattern is a strong political leader in a council can drive a city to change. That happened in Glasgow. But equally, a very strong chief executive, a strong bureaucrat can drive, as long ... and quite often what you have is a partnership between a visionary and a chief operating officer.

And sometimes the visionary is actually the bureaucrat and it's the leader that then drives the change, gets the political acceptance of the change.

JANE-FRANCES: We've heard the turn around in Manchester described that way.

JOHN: Yeah, the Manchester one is definitely one of a powerful bureaucrat, and look, it takes a very, very smart person to have clever people working for them. And so, you know, a leader that allows a chief executive to have their head is a very smart politician.

And one of the problems in British politics is that when people get to the top in city life, they think that what they really should be is a Member of Parliament. And having been a really creative individual who actually can drive the destiny of a place, they become a backbencher and they never, you know, I was a councillor. I can take you around my part of South London and I changed the face of my bit of South London. I changed the whole of my borough, I gave a million pounds to the Tate Gallery to look at whether they could use a disused power station for an art gallery. Now, that feasibility study money they didn't have, they had it, they did the study, they raised the money. We didn't give any money towards the actual conversion of Tate or creation of Tate Modern, but Tate Modern came because I got a bunch of philistine Labour councillors to agree to give a million pounds in a working class borough to something that's going to be an art gallery.

Now, I cashed eight years worth of council expertise and all kinds of deals to get that done, but it was the right thing to do. Now that's a modest example of something which is an act of leadership and brings things together.

Now you do get leadership, you know, political leadership is not the only thing that's needed, but the mayoral model works in Britain. I think it works in American cities where a political position maps onto a media market. And that's important because, again there's another difference with the 19<sup>th</sup> Century which is that our publics are much better informed, in a world where between a third and half of people have gone to university, what politicians say is no longer taken as gospel. It's challenged. And politicians and bureaucrats get a surprise when they try to make a change that's opposed by local people. And what they suddenly find out is that there's a blogger, a journalist, a copywriter, an advertising executive, a lawyer, all live in this community and they all get together and they can run a fantastic grass roots campaign.

And this links to another of my points which is that cities are full of resources and by and large they're informally organised. And by and large, the formal organisation of the city at whatever level only encounters them when they stir them up. There's no very good ways of going upstream, spotting that energy, that dedication and saying let's harness that to a public purpose. Let's harness that to transform in the public space.

So in a sense, when I talk about people and places, there's the two ends: there's the leadership, but then there's also the led. And sometimes great leadership is follower-ship. You know the story of the French politician in 1848 who was sitting in a café reading and saw this riot going past. He put down his coffee shouting they are my people, I must follow them. Ran after them. Sometimes that's actually what you have to do – great leadership is great follower-ship – is actually go back to you see what's happening, you see the emergent things and you work to speed them up because sometimes actually what you're doing with a trend is seeing something that is going to be there in your future. And you bring the future nearer. And one of the great acts of political leadership is to make the future happen faster, when it's a good future.

JANE-FRANCES: Your third P was 'Pride'. Can you talk about that? And one of the questions in my mind is can it be manufactured? I've heard some people want to go out and try and have a branding strategy which gives the people a sense of something. Is that possible to do that?

JOHN: It's a really great question.

JANE-FRANCES: Thank you.

JOHN: I think pride is like leadership, I don't think you can create it but you can see it, you can find it. There are more people who are great leaders than think they're leaders. One of the great failings of public services and great failings of politics is that when we want to engage with the public, we find it really difficult. So what do we do? We engage with the community leaders. And who do we find when we go to community leaders? We find mainly men, and we find men who have self-presented as community leaders. So what you do is you have a conversation with the kind of person who would identify themselves as a community leader, which is great but it's pointless. Or it's only part of the point.

And the same is true of trying to turn a great city into a marketing slogan. Marketing at a certain level is about giving something or somebody the benefit of the doubt. In the 1980s in Britain we made really bad cars. So if you got up in the morning and tried to drive your car and it wouldn't work, you blamed the unions, the government, British Leyland, the company, you blamed anybody. If you came out and got in a BMW and it wouldn't start, you'd say oh there must be something wrong with the engine, I'll get it fixed. You didn't blame BMW. And so you couldn't have done that with a British Leyland car because you can't get the benefit of the doubt for a lump of metal that won't move and was ruined by the government, the unions, the management.

But a city, a city needs to have a brand or an identity that is authentic to the actual experience in that city. So the most boring question that people ask me here is, what do you think of Melbourne compared to Sydney? And alright, I want to punch people when they say that.

(Audience laughter)

JOHN: Because it's a category error, right, they're two different cities, like Glasgow and Edinburgh. Edinburgh's a much, much nicer city than it was when I was growing up as a teenager, but it still hasn't quite loosened the top button of its shirt and taken its tie off. Right, it's never going to, it's a banker's city, it's a lawyer's city. Glasgow's a port. Glasgow is a drinker's city, it's a riotous city, it's a brawl of a city. But Glasgow and Edinburgh still think they compete with each other at a certain level which isn't ... they don't compete with each other, they compete in a global economy for the location of certain industries in which, if you're making a location decision in America, you think Glasgow and Edinburgh are one city.

Now, the competition between great cities is with the other great cities in the world. The more interesting question is how does Melbourne compare to Vancouver at the moment? And actually to go back to a point you said, can you create a purpose for a city? The Chinese government are creating a purpose for Shanghai that didn't exist before. They're going to make it a great financial centre. Now they can do that by Fiat.

But Shanghai has underneath that, I don't know if anybody who's been there agrees, Shanghai still has in it the city that was run by gangsters and was lawless and that's why the Chinese Communist Party was formed there. The city that was made a closed city by the Chinese Communist Party, because it was where the Communist Party came from, it was too dangerous. It was the place that all the White Russians fled to in 1917, 1918. It's the place that Noel Coward used to go to. It did have its gay quarter. So Shanghai has still encoded in it a greatness as a city which goes back to its history as well as a purpose which was being created for it.

So pride again comes from purpose and it comes from people, and it can't really be manufactured because essentially... The National Health Service in Britain is a thing that we're proud of. It's got loads and loads and loads of flaws. One of the biggest flaws it has as an organisation is that most people don't go to hospital, they go to see a general practitioner. Nine out of 10 visits to the health service are to a GP. Who do you see before you see a GP? You see a receptionist. And most people in Britain have got a really bad story about a grumpy receptionist, because nobody in the entire health system or entire health economy thinks that the front face of their service is this woman ... it is normally women ... this woman, who's not paid very much, who does get harassed by all these people on the phone and people trying to get around the system and trying to get appointments. But this woman is the NHS for most people in Britain.

Now, that's one of the difficulties about trying to brand manage something, which has got to be authentic, and authenticity goes right the way through to the bottom, and everybody has a role and great messages are ones that have authenticity and an echo at every level. It maybe a fragment you get when you're shopping for jewellery or when you go into a bar or whatever you're doing, but it refracts the bigger message. But if the bigger message isn't authentic, it will not work because there's a dissonance between what people do and say and what the city slogan says they should say. So you know in the States you have political lobbyists who can create a grass roots campaign for anything and they call them Astroturf campaigns. Now, you can't Astroturf a city strategy or city pride.

JANE-FRANCES: We're going to open it up for questions in a few moments, so please start thinking now. And I'd encourage you to really do that because often what we find is at the start of questions there'll be kind of one or two semi-tentative hands go up and then at two minutes to the end of the session, 15 hands go up and it's very stressful for me. But before we do that, I want to ask, John, what were your reflections about the state of Australian cities compared to some of these cities we've been talking about overseas?

JOHN: I suppose there's a few obvious things. One is population growth which is not a characteristic of European cities. One of the things which has happened in Britain city renaissance outside London has been a stabilisation of the collapse of population. So Manchester's now stuck on 800,000. Glasgow's gone below a mill ... Glasgow's actually about 500,000 from a million. And that leads to some false consciousness in our cities which is that there's an aspiration amongst all the northern British cities to grow in population.

Well it's not happening because people aren't having kids. We're an ageing society. You're lucky to be able to keep the population at the level you've got. There's an opportunity, a massive opportunity which is to return some derelict land and some unused land and some unused housing to return that to usable public space, more parkland and some of the more imaginative regeneration of the small mill towns around in Greater Manchester is about recreating more public space where there was just rows and rows and rows of back-to-back housing.

And I think the fetishisation of a growing population, which I detect in the debate about big Australia, one, is moronic, and two, it can be self-defeating. And we have a massive debate in Britain about immigration and the tipping point for Britain was a million white European Catholic Poles coming who filled up our churches but also filled up our primary schools, and also became competitors for scarce public housing. And so you had the population boost that people wanted and what skills that you had that you bring with it, a genuine contest which is silly, it's really bad politics not to acknowledge it. But it's also kind of predictable as well.

And anyway, by 2060 China is going to be an ageing population. The notion that you can shunt around the world trying to look for young people to come and live in your place, the challenge is to actually make our great cities two things now: one, machines for green living; and two, great places for people to grow old and to work and grow old and to contribute. Ever since I turned 50 I've stopped being interested in the issues of young people. I think there's far too much talk about young people. But in an ageing society you have to start thinking about re-shaping, because again that is our future, it's happening anyway. So it's good politics to share because if you don't anticipate and shape it, it's not that our institutions won't be shaped to accommodate ageing populations, they'll be shaped disruptively. And whoever's sitting there holding political power at the time something is shaped and re-shaped, disruptively, they'll lose and they'll lose for quite a long time 'cause they'll correctly get the blame for not preparing for this.

So there's a stabilisation of population in Britain and here you do have growing population. That is a thing to use but it's a thing which will in its time come its own end.

What else is happening in Australian cities? Actually I do get a slight sense that people in Sydney don't ask you the Sydney-Melbourne question. And people in Melbourne ask you the Melbourne-Sydney question more out of form than out of intent really, is my actual guess.



There's an obsession with public transport infrastructure. If you ask politicians what is the biggest problem, they say public transport. And you have to say, you know, in terms of Maslow's hierarchy, it's not a bad thing if that's what people are worrying about, public transport. It's not crime, it's not ...

I think there's still not always a sense of self-comparison. So a sense of honest self-comparison, which is that you can feel there's a deficit in cities in Australia when you compare them not to other cities in totality, but to parts of other cities. So it's not got this from Manhattan or that from Paris or that from London or that from Chicago. I mean, no other city has got all these things together so it's kind of, there can be a falsity in it.

I think the final thing would be the level of public discourse about the potential of cities. We've had 10 ... 13 years with Labour in government, and before that, to be fair to the Tories, at least 10 of them. So nearly a quarter century in which focusing on changing our cities has been a major, major part of British politics. And that's because in terms of jobs, welfare, social problems, public services, the best and the worst of what goes on in Britain goes on in our cities and therefore you want to maintain the best but also if you're going to have any lasting impact on changing the face of your nation, you have to change the face and nature of your cities because that's where the people whose lives are the hardest live as well as where the people who create the greatest amount of wealth is one of the paradoxes that other bits of the country in the UK have a constant conversation about why can't they get more money from the government. And the one bit that actually subsidises the rest of the country, which is London, you can never get an argument off the ground.

Ken Livingstone, the Mayor of London, tried to attack Scotland by saying Scotland gets subsidised from London, London's taxes go there. And do you know what? Londoners don't care 'cause they're too busy working hard to worry and be resentful about other people. And that's actually, when it comes down to it, one of the great things about cities is they're machines for civilising people as well. I'm a great believer the city life is, at its best, the best kind of life.

JANE-FRANCES: Let me open it up for questions now. And if you could wait for Liz to bring you a microphone, and if you could just then tell us your name and where you are from, unless you're uncomfortable doing that.

JOHN: I know some of you anyway.

JANE-FRANCES: Yeah, so up the back and then two down here.

AUDIENCE: John Austonley (John A.) from the City of Melbourne, that's the council not ...

JOHN: Yeah.

AUDIENCE - JOHN A: ... well I actually live in the City of Melbourne. Federal government in Australia is looking at developing an urban policy. What role do you see for the federal government or a federal government in urban policy?

JOHN: Again I may be wrong about this, but it seems to me that the role of the federal government should be facilitative, which is that to do urban policy properly, you do need to have a rich conversation about potential problems and possibilities. And if the federal government put their attention to it, then actually done the right way it could be a huge enabler and a huge moment in which then actually the people and the places can start to consider what's best for them in their own place but also have some kind of exchange that enriches rather than exchange that's simply a kind of well we're better than you 'cause we, you know, like I ...

Three ... four years ago I went to see a band on Friday. And they came on and they said we're the Dangermen, we are from Brisbane, our river's bigger than yours. Right. Which was actually a good line for starting kicking off a gig. But it's a really bad starting point for urban policy. But there's a lot of conversations which are basically my river's bigger than yours. Or actually having a smaller river than yours is better. So it could be a great moment and it's one of the

things I'm going to talk to people in Canberra about next week when I'm up there. But what's your view? Do you think it's a good thing or bad?

AUDIENCE - JOHN A: I think it's a good thing, yes. It's a great opportunity.

JANE-FRANCES: Liz? And so the gentleman with the beard and then if we could take two questions at once, actually, the lady in front with the red scarf would be great.

AUDIENCE: My name's Stefan. And following on from that one, another issue of governance I suppose. Cities like London and Vancouver have quite a strong metropolitan governance authority. And I suppose Melbourne's interesting in that while it's got City of Melbourne, the broader metropolitan area doesn't have that governance. So I was wondering whether you had any thoughts on the importance of a broader metropolitan governance and what form that might take in Melbourne?

JANE-FRANCES: Thanks. We'll just take the second one as well.

AUDIENCE: Anna Cook from Meridian Tours. And I won't ask you whether you prefer Sydney or Melbourne, rather could you advise what you perceive to be the brand Melbourne? I'm interested in how you would perhaps describe the city if someone overseas was asking about Melbourne and what might be impressive?

JOHN: Okay. Right. There's a sort of smug type of policy making which I really despise which is a combination of what I call right-sizism, you know, this place is the right size to, so. People say Scotland's the right size to get all the leaders in education and health together, we can decide what we're going to do and then we'll do it. And it's like, no it's not. I mean it's just like if the purpose is right, 500 people, 5,000 people, 5 million, 500,000, 50 million, and the kind of ... it's the sister of that, the relation of that argument is the sort of, if only we can get the structures right, everything will flow from that.

There's an obvious difficulty with metropolitan governance in that you've got a state government. And if, what is it, 80%, 85% of the population of Victoria live in Melbourne? Same things happens in Catalonia, five million, you know, it's a similar proportion of the population of Catalonia live in Barcelona. I'm sure the same thing's true of Adelaide and South Australia, maybe even bigger, but the reality is you've got a state government and a Premier who will not, unless they're utterly insane, create a directly elected opponent who will actually be elected directly.

In London, the Mayor of London has the second largest personal political mandate in Europe. There's the President of France then the Mayor of London, because almost every other person is chosen by their Party and they're elected through a parliamentary constituency basis. Now, that just about works in London.

One of the reasons obviously it works in London is that 83% of what is spent by the Mayor of London comes directly from the UK government. So it's quite a tight chain that the Mayor is on, so it becomes a bully pulpit and that's quite a good thing to have a bully pulpit and a kind of a focus for leadership and, as you can see, well you get a showman, you get a showman of the left in Ken Livingstone, and a showman of the right in Boris Johnston.

So I would be very careful about saying that the solution to Melbourne is a directly elected Mayor of Greater Melbourne. I think, and I'll be honest about this, I believe both in the merging of councils and not in the merging of councils in the sense that there's another madness in British politics which is we've got 600 councils – they all have refuse collectors. If we put them all together and bought one big contract, we could save a third on the contract.

And the thing is, I live in Southwark and who cares more about whether the streets are clean in Southwark? Somebody who's paid a contract for the whole of the UK or somebody who's a councillor who I can phone up and shout at or actually see shopping. I see them when they're taking their kids to school. Who actually cares about the place?

There's a good story about an American mayor that Tom Peters has in one of his books where he says that there was a mayor, a type of leadership. The mayor would travel in some sort of public transport on the drive in, would go and get the senior bureaucrats together, say there's an abandoned car I want cleared off the streets. And they go that's fine, where? And he'd say no, no, there's an abandoned car, I want you to find it and clean it off the streets. And they'd have to go and actually go through the whole city and find every single abandoned car, which was his purpose.

Now why did the mayor do that? Because the mayor cared about the quality of the public space. Why did he care? Because he knew he would get the blame. And that's where I come back to. There are natural communities and it is right, they may be of different sizes and it is right to find some way of getting our governments to map onto it.

There's an intriguing thing that people told me about in, I think it's in Finland. There's five million people and 444 different local authorities. And they join together for commissioning different levels of services. So if it's street cleaning they do it themselves. If it's mental health services they maybe going on in a larger locality, the group of locals like themselves. And there is something about the inflexibility of the structures that we have which says that once we do this size or that size or that size and we don't really have in our structures some of the capacities that you see in the new businesses created by the new economy. You think of how light the head offices of Google or EBay or ... there's something different going on in some of the new companies, some of the new business models and there's something there. I've not worked it out myself and I've not worked the thought through, so it's a half-formed one.

JANE-FRANCES: Let's ask you quickly about brand Melbourne and find the fast response to those kind of things is one of the best ones. And then we should take a couple more ...

JOHN: Good coffee, good bars and European trams.

JANE-FRANCES: Cool.

JOHN: That's not very ...

JANE-FRANCES: Let's take a couple more questions and then we'll have to finish. The gentleman in the yellow tie, if you could? And then Liz, the gentleman by the pillar, Jock. Jock? You.

AUDIENCE - JOCK: Just a question ... you mentioned the sort of fantasies about infrastructure, the next bridge is going to fix everything, but all your examples were transport ones. I'm interested in communication infrastructure which is also lots of fantasies spending lots and lots of money at the national level on a national broadband network which, similar kinds of planes which are going to transform everything in Melbourne [unclear].

JOHN: Yeah.

JOCK: Is this money well spent?

JANE-FRANCES: Thanks. And then the ... go ahead. We will take both the questions first and then, yeah, we'll just ...

AUDIENCE: Neil Wong from the National Transport Commission. You touched a little bit about mobility in terms of you're talking about public transport there too. Just interested about your comments on mobility and cities, what makes it good in cities?

JANE-FRANCES: You've got three minutes to answer both of those and then we'll need to close.

JOHN: Okay. Transport's not an end in itself, it's a means. It's a means of connecting grannies and their grandchildren. It's a means of connecting people to work. And the problem with most transport is that ... Alistair Dowling who was a good Transport Secretary, but when he took the

job in Britain, I met him on a plane and said what's it like? He says well, you open things that the Tories decided on 15 years ago and you decide on things the Tories will open in 15 years' time. And he says that you got a department full of men who can put tarmac on any bit of England, any bit.

(Audience laughter)

JOHN: And it goes back to purpose. What is the purpose of transport? The purpose of transport is for economic growth and social justice. And one of the difficulties we have in Britain, I'm sure you have it too, is that the economy doesn't take the shape that we want it to anymore. So there's lots of people, there's lots of people whose journeys could never be serviced by public transport, they're serviced by private cars because they're on the edges, they live on the edge and they go to jobs on the edge of the city, they don't come in and out like we like to do to our jobs in the bureaucracy and our jobs in the big end of town. That's the reality. There's factories built around cities.

So there's a statistic which says there's two factors which allow you to guess whether somebody will come off benefit quickly or not in Britain: one is they have a university degree, which is obvious; the other is do they have a driving licence, which is less obvious. But owning your own car is a great economic liberator and so private cars are part, to my mind, of a sensible authentic transport policy.

On infrastructure, there's a very ... look, it's very, very, very good question. I suppose the question is has all the money been wasted on rolling out fixed line telephony? No it hasn't. There are some new infrastructures which are constitutive of the new economy. And that one of the things that makes people leave is if they don't have fast enough broadband.

One of the reasons actually of living in Upper Inverness is it's a lovely place to live, and actually with good quality broadband connections, mobile telephony and email, you don't need to be in the place, you don't need to be in the place you do business, you know, we don't have to live by our factories anymore, we don't have to, we can live further away and that's a liberation. It's both a liberation for the individual but it also can be transformative for the economy.

So while I do think there's an element of cargo cult about any national infrastructure plans like that, equally it's true that we wouldn't be without our railways and our railways took 70 years and lots of crashes in Britain, you know, booms and busts and people losing lots of money before the railway infrastructure was fully rolled out, so I think it is a role of government if it sees something which is so central to do that. But just as with the bridge or an airport or a motorway, there are costs and I don't think we are very good at having an honest conversation about costs and benefits because there may well be the benefit is in national pride, and national pride is a real thing.

It probably is, by and large, good to be in the top five or 10 countries in terms of broadband speed and coverage, just as a thing because that's about how you think about your country. And it's not an ignoble thing for a government to want people to think better of their country than they did at the beginning. But it has a price. And that could have been spent on something else, but by and large, you know, we, in our country, we cabled the entire country, we forced the private sector to cable. We gave licences and we got a competition between our telecom operator, BT, and other providers. Now they have collapsed but when we rolled out that cable infrastructure, we didn't know that that would be the vehicle for competition on broadband provision.

So some things ... I think on balance I'd do it, but I think also you've got to understand that politicians do *grandes projects* for a reason which is they want to leave something and the easiest thing to do is leave a physical legacy. It's much easier to build a new school than it is to guarantee high quality teaching programs. And that's where the tension is because actually, the newspapers will take a picture of a new school but they won't take a picture of a high quality teaching program. So there's a built intention there which I'm not trying to avoid answering the question, I'm trying to kind of tease out some of the complexities.

JANE-FRANCES: I'm going to hand over to Paul Quinn now and in doing that, also thank Allens Arthur Robinson for hosting us here. So thank you before you thank John and bring it to a close.

HOST: Okay, a pleasure. My name is Paul Quinn, I'm the Practice Director here at Allens Arthur Robinson. We're delighted to have hosted tonight's event. And I'd like to thank Grattan Institute, and particularly like to thank John. You've come a long way to talk to us, landing this morning, coping with the jet lag, I hope. And it's been fascinating insight. We really appreciate you talking to us and just hearing your insights of what makes a city good, what makes a city great. So thank you very much. We have a small gift for you.

JANE-FRANCES: Excellent.

PAUL: Hopefully if the jet lag gets to you that might help you tonight.

JOHN: Oh, thank you.

PAUL: Thank you very much.

JOHN: Thank you.

(Audience applause)

End of recording