BUSINESS NEWS

A vineyard at Poverty Plains

THE OLD Poverty Plains run has been sold to a group of people who intend to establish a vineyard on it.

One of the new owners, Francesco "Frank" Tiratelli, is from Italy, and all the group have worked in the wine industry there. Frank told us that there are an immense number of grape varieties native to Italy, five hundred by one count, and only a few of these are grown in Australia. He thinks there is potential for other varieties that are not commonly grown here, but are well-known in Italy for making quality wine.

The climate at Poverty Plains is said to be suitable for the Italian varieties the new owners are planning to introduce, with expected relatively low yields resulting in intense flavours. The vineyard will produce a small range under the rather cheeky label "Whyte Wines", as they will be producing exclusively red wines, at least at first. The name refers to the official name of the Poverty Plains run, which is Whyte Plains.

Whyte Wines vineyard to be sold

The The Whyte Wines vineyard is for sale.

The proprietors, who all have wine industry backgrounds, bought the old Poverty Plains property eight years ago, intending to produce a small range of wines using Italian grape varieties.

The climate was considered to be suitable for the varieties that were planted, but the venture ran into problems with unseasonable weather, equipment failures and other difficulties. The owners saw that they could not realise their aim of premium wine

production in the foreseeable future, and have reluctantly decided to sell out.

An informed observer, who did not wish to be named but who has detailed knowledge of the business, said that the fundamental problem is that the business was under-capitalised.

The sale of the property is being handled by S.A. Schwartz Real Estate, who have called for expressions of interest. The vertical wine press, fermentation tanks, bottling line and other specialised equipment will be available separately.

Local historian remembers

"Graveyard" resurrected?

Poverty Plains has long been notorious as a graveyard for the dreams and hopes of successive owners. A number of ventures have been launched with high hopes, only to fail after a few years. In recent times the failures have included a caravan park and golf course complex and a vineyard.

We spoke with local historian and long-time local resident Mrs Mabel Crouch, 83, who remembers her uncle saying that when he was a boy the owner of the run was a violent drunk who eventually committed suicide, leaving the weed-infested property wasteland. Mrs Crouch said that nobody since has really been able to do much better, and that the property has long had a reputation as unlucky. She personally knew one family who essentially just walked away after a series of setbacks, heart-broken that all their hard work had left them with nothing. Mrs Crouch said that the property was actually named Whyte Plains, but it has had the nickname of "Poverty Plains" for well over a century.

Now a business grouping has bought the whole of the old run and plans to do something different: they intend to start a new town from scratch. They have begun by renaming the run "Bellmorn", and hope to attract businesses and residents who are looking for cheap land. Perhaps the new name will dispel the ghosts of the past? We wish the group luck in their venture.

New Development for Poverty Plains

A new development has been announced for Poverty Plains, under the name "Bellmorn". The promoters intend to establish a new town on free-enterprise principles. They think that their policy of no zoning rules, no height limits on buildings, and a minimum of other such hindrances (their words) will make the new town attractive to entrepreneurs and developers. Their slogan is "Build what you want to, not what some bureaucrat thinks you ought to build!"

Asked what sort of businesses the

new town might see, the reply was that the availability of land would make warehousing, logistics, light industry and small-scale agribusiness attractive at first

As the town develops, the promoters hope Bellmorn would attract companies to locate call centres and back office functions there, and eventually even corporate headquarters. Also, as the population grows, there will be opportunities for retail offerings, hospitality venues, and service businesses.

Bold new development promotes freedom!

A triumph for free enterprise!

A group of entrepreneurs have taken a bold initiative in a new development in the Poverty Plains area.

The development, to be called "Bellmorn", is to be run on free enterprise principles, with an absolute minimum of regulation. As a private venture away from existing settlements, development is free of the planning restrictions that have been the bane of entrepreneurs elsewhere. Their slogan is "Build what you want to, not what some bureaucrat thinks you ought to build!"

Bellmorn is now open for enquiries from businesses of all types. With the cheap land available, it is expected warehousing and logistics businesses will be among the first to set up shop, but the promoters confidently expect that call centres and other office functions will not be far behind. As the new town grows, there will be a demand for retail outlets, cafes and restaurants, and all the other businesses that make for a flourishing city.

We congratulate the promoters of Bellmorn on behalf of freedomlovers everywhere!

Capitalism RUNS RIOT!

Bosses seek total freedom to do anything they want!

A new development, called "Bellmorn", has been announced for Poverty Plains. The developers have announced that, since this is a private development, there will be no building regulations: anyone can build anything anywhere. If you are thinking of moving there, consider what could happen: a chemical factory could be built next to your home, large trucks could drive up and down your street twenty-four hours a day, and you will have no rights and no power to do anything.

We also urge anyone taking up a job in "Bellmorn" to read their employment contract thoroughly. The bosses are still subject to the law of the land, whatever the promoters of "Bellmorn" say about "freedom", but be careful what you sign. We expect that the sort of employer who will set up in Bellmorn will try to bend the rules as far as they can.

"Bellmorn" is about one thing: more profit for the bosses!

WORKERS BEWARE!



Bellmorn — off to a good start

The new "private enterprise" town called "Bellmorn", occupying the old Poverty Plains run, has got off to a good start, according to business owners and residents. The cheap land has proved attractive to light manufacturers and warehouse operations, and workers and service businesses have followed.

As promised by the promoters, the road-builders have been busy, and most parts of the development are well connected; only a few outlying places still need traversing rough tracks to reach.

Growth in Bellmorn has so far largely been ribbon development along the roads, and there is still an abundance of cheap land for businesses looking to move in.

Why would you live in Bellmorn?

Bellmorn is the new town on the old Poverty Plains run that has been promoted as being run on "free enterprise" principles.

Why would you live in Bellmorn? Because it's cheap. That's the first thing that people say.

Joe Newbold, 20, is typical of the younger residents. He has an entry-level job at a warehouse, and he can afford to live in a house. He's looking for a housemate, but more to have company than from a necessity to share the rent. Joe says that he knew there wouldn't be much here when he arrived, but there are a couple of pubs, and some footy teams are starting up. Joe says: "Bottom line: I couldn't afford to move out of home, but I can here."

Karen Mortensen, in her midthirties, runs her own homewares business, a dream of hers after working as an employee in similar businesses. Karen says that with the low rent on the shop and the affordable housing here, she can take the plunge. According to her, a number of artists and craftspeople have moved here because they can get cheap studio space, and she likes to stock things that people won't find elsewhere. Karen says: "There is a growing arts/crafts community here, which people find surprising."

Charles Richardson is the manager of the Bellmorn branch of a national metal fabrication business. Charles says that the lack of rules and permits was attractive, because it allowed them to start the business here much more quickly. He says: "Don't get me wrong — this isn't about safety. All our people have their certificates and licences, and we do ongoing safety training. But anyplace else you it would easily take a year before you could open your doors - even if you just want to put up a sign there would be an application process. We want to get on with our business, not be sitting on our bums waiting for permits."

Bellmorn is growing fast

The "free enterprise" town of Bellmorn has been established long enough for a judgement to be made on its success, and the verdict is positive. As the promoters expected, the cheap land attracted light manufacturing, warehousing and logistics operations at first.

Several motorways have been built, so getting around Bellmorn is easy, and the free enterprise ethos means that businesses can get up and running quickly.

As more people have come to take up jobs, the demand for services has increased correspondingly. Office jobs are also on the increase: with inexpensive housing available, staff are fairly easy to attract, and a number of large companies are locating back office operations here.

With all types of business looking to set up in Bellmorn, the town is growing remarkably rapidly. The future looks bright for Bellmorn.

Is Bellmorn an attractive place to live?

Bellmorn is the new town on the old Poverty Plains run that has been promoted as being run on "free enterprise" principles.

Henry Giles, aged in his midfifties, has been in Bellmorn pretty much since it started, working in truck maintenance and more recently in a smash repair business. He says Bellmorn is changing fast. At the beginning there was the pub and that was about it, but now there are quite a few cafés and restaurants; Henry still prefers the pub. More important for him is the improvement in medical and related services - he no longer has to travel for hours to get his glasses fixed or see his cardiologist. Asked about the possibility that someone could build a factory next to his house, he says: "Well, I knew the risk, but when I moved here I couldn't afford a place anywhere else. It is still a worry - my wife and I, we've put a ton of work into the house and it would be a blow to have to move out. But I reckon people with money get what they want, wherever you are."

Wendy Barraud, in her early twenties, is one of the newer arrivals in Bellmorn. She has an office job, assisting with accounts retrievable, and is studying part-time to become a bookkeeper. Asked about living in Bellmorn, she says: "It's not exactly the big city. But it's alright. The big pub has live music and there's a few bands that play regularly. And there's this cool wine bar that's just opened. And the shopping's better than I expected. And my office is friendly, way better than the last place I was at. Yeah, living here is OK."

Sylvia Dowling, late thirties, is a call centre manager. She says: "The company had unsatisfactory experiences with overseas call centres, so they decided to set one up here. I got the job of setting it up. It was very good experience, but I expect that I'll be moving on soon. Not that there is anything much wrong with this town as a place to live, but I want my next post to be at head office. That's where the real opportunities are."

Other people give the same picture of life in Bellmorn: the town is still not very large, but there is more here than people expected, it is still relatively cheap, and the "free enterprise" ethos doesn't seem to play a big part in people's lives. Right now, for many people Bellmorn is an attractive place to live.

News and Views

BELLMORN: A NATURAL EXPERIMENT?

Aby Haxton, BArch MUrbanPlan *

The new "private enterprise" town of Bellmorn was set up with an unusual framework, or lack of one: no height limits and no zoning rules. Customer demand was to rule everything. Even the roads were to evolve on "desire line" principles, meaning that the road builders would simply react to demand: if a road became congested, they would enlarge the road. There was no central or advance planning of roads.

City planners have been watching Bellmorn with interest, as a kind of natural experiment. It was expected that Bellmorn would grow outwards from the centre, but that didn't happen. At first there were rather scattered settlements, including small-scale agricultural enterprises. One settlement was in the centre, but there were half a dozen others of comparable size. The next stage was ribbon development along the connecting roads. Now, some consolidation and amalgamation of settlements has happened, and there are two main developed areas, one in the centre and south-west of the town and the other to the north; however, other early settlements have also grown, and there is still much undeveloped land close to the centre.

Despite the complete absence of zoning rules, definite areas of specialisation have developed. Most of the industry is concentrated in four areas, one of them being the centre, though there are still some parts of the town where workshops and the like are mixed in with housing. Office towers are going up in the suburb of Cricklade, and several retail and hospitality districts are emerging. Most of the dwellings are one-storey houses, but medium-rise apartment blocks have been built in several suburbs and there is one well-known residential tower of twenty-one storeys in Buttongrass.

The "desire lines" approach to road-building attracted considerable scepticism: waiting to see where congestion developed looked like a recipe for an incoherent road network. But so far the approach has worked well, and

^{*} Partner, Frazer and Associates. The views expressed are the personal opinion of the author and do not necessarily represent the views of Frazer and Associates.

commuting times are short. There is effectively a ring motorway connecting all parts of the town except the south-west, and there is another motorway joining the centre to the south-west of the town. There are certainly some odd-looking configurations and unnecessary duplication of roads, but overall, abandoning central planning of roads has worked much better than observers anticipated.

Bellmorn is a respectably sized town, but not yet big enough to have the traffic and congestion problems afflicting major cities. The further evolution of this natural experiment will be closely watched.

Bellmorn's CRAZY roads!

BELLMORN'S roads have again hit the headlines. Bellmorn is the free enterprise city with no central planning, not even of roads. Instead, the engineers have simply followed the demand – if a road becomes congested, enlarge it. With motorways, it is not so simple, as they can't have sharp bends and junctions take up a lot of space, but the engineers have tried to stick to the principle of following demand.

The results have been a road network that only locals can understand. It seems to work pretty well for them, as commuting times are relatively short. Visitor to the city are left totally confused, and indeed the road network has become something of a tourist attraction, especially the interlocking rings of motorways in Bellmorn's northern suburbs.

Unfortunately these same interlocking rings have attracted hoons, who have been organising races around them at night. One such race recently made headlines across the country when the racers were involved in a horrendous eight-car crash that left two people dead. Such hoon races are one form of "free enterprise" that Bellmorn does not wish to see celebrated!

Bellmorn: The new Big Smoke

The "free enterprise" town of Bellmorn is now a big city, and it is developing big city problems.

Bellmorn was founded on the premise that there would be no central planning: individual businesses, residents and developers could do what they wanted without impediments like zoning regulations. Even the roads followed this principle: the road engineers would enlarge roads that became congested, but there was no advance planning of any kind.

Bellmorn has undoubtedly been a success. A substantial number of businesses moved in quickly, jobseekers followed, and other businesses developed to service the growing population. And for a long time Bellmorn offered relatively cheap housing and a town that was easy to get around, with short commutes.

Now Bellmorn is classed as a big city, and with the growth has come problems. Housing is no longer so cheap, except near industrial areas, though there is still a good supply of commercial properties of all types. New businesses continue to move in, workers follow, and the population continues to grow steadily. In recent times commuting times have increased, and

now half the workforce has onerous journeys to work.

The "laissez-faire" road system, which worked surprisingly well, is now often very congested. A contributing factor is the concentration of high-rise office buildings in the inner north of Bellmorn. This development indicates a vibrant business culture, but the roads leading to these massive centres of employment are often badly choked. See our special report "What went wrong with Bellmorn's roads?" on p. 9.

Where for now Bellmorn? Bellmorn's growth shows no signs of slowing down, and now large businesses have substantial presences in Bellmorn, leading to an increasing proportion of senior-level jobs. A considerable number of high net worth individuals now call Bellmorn home. But with the continued growth come problems: observers do not see any way for the city to avoid the problems other big cities face: congestion, overcrowding, very long commuting times, unaffordable housing, and serious inequality. Indeed, the laissez-faire approach, which has served Bellmorn well in the past, may now worsen these problems.

Welcome to Bellmorn, the new Big Smoke!

What went wrong with Bellmorn's roads?

Bellmorn is famous for having no central planning, and that extends to the roads. For roads the laissez-faire approach took the form of following the "desire lines" principle, based on what happens when pedestrians who use a park or other open ground create their own paths if the official ones are inconvenient or non-existent. Thus the road engineers do not try to predict where congestion may occur, but wait until it happens and then enlarge the congested roads.

For quite a long time this "let the decide" approach surprisingly well. At the beginning the only roads were rough tracks, but very soon paved roads connected most areas. Once the town had grown further, what amounted to a ring motorway connected the centre with the north, east and west of the town, and another motorway linked the centre and the south. This worked well, though there were some odd isolated sections and "roads to nowhere". As the town continued to develop, the motorway network became convoluted and very difficult for visitors to navigate, though locals were able to use it to get around effectively; commuting times remained relatively short. The illogical motorways became a point of pride with locals, who enjoyed seeing the confusion of out-of-towners.

However, more recently commuting times have blown out, and many people face long and exhausting commutes.

Marcus* is a road engineer in Bellmorn who asked that his name not be given, as he is not authorised to speak publicly. He says that upgrading any road, even a dirt track, to a major road is in principle relatively straightforward. The situation with motorways is different. Motorways cannot have sharp bends, and there is pressure not to have too many access points. Motorway junctions require a lot of space and have to meet other conditions. And the engineers do not like building motorways too close together, due to road stability issues. All this means that many roads cannot be enlarged to motorways, even if the traffic would warrant it. So in the inner city there is for effectively no room motorways.

We invited Hilda Gude, city planner and self-described urban pathologist, to respond to Marcus's comments. Hilda said that the technical issues that Marcus described with motorways, together with the absence of central planning for motorway system, certainly exacerbated the traffic problems, but are not their root cause. Rather, the root cause is the lack of zoning and height limits, which has allowed extraordinary concentration of tall office towers in Cricklade and nearby. Other areas are also overbuilt, but the Cricklade concentration is by far the worst

Hilda says that no conceivable road system could cope with the number of people coming into Cricklade in a midweek morning, as long as the commuting is by road, which in Bellmorn means private cars, carpooling, and ride-share services. The only feasible way of moving so many people is a metro rail system. But this requires a very large initial capital investment and ongoing subsidies; in a

city ruled by individual interests there is no mechanism to achieve this.

We asked both Marcus and Hilda about the future of Bellmorn, given that the growth of the city shows no signs of growing down.

Marcus said that there is still some room to build bigger roads in the outer parts of the city, but this will not help the inner-city congestion. He said that the "desire lines" principle has never been applied on this scale before; he conceded that in Bellmorn it has probably reached its limits, and the congestion problems cannot be solved with the current approach to road-building.

Hilda said that Bellmorn remains attractive to businesses, in part because of the concentration of office buildings:

these form a kind of Silicon Valley for entrepreneurial and managerial talent, where networking, informal contacts and casual meetings make for a productive business culture. However, the quality of life in the city is declining, and this is particularly true for the lower-paid workers. Hilda thinks that fairly soon it will be difficult to fill lower-level jobs in Bellmorn, and that the city will eventually stagnate; in the meantime the traffic congestion will get even worse

Bellmorn's "no central planning" ethos has worked well until recently. To Marcus and Hilda, the future looks less rosy.

^{*}Not his real name.

Why would you move to Bellmorn?

In Bellmorn's early days the answer to the question "Why would you move to Bellmorn?" would be: "Because there are jobs there and it's cheap." Now the answer is likely to be some variant of "To climb up the corporate greasy pole."

Quite a few big companies have a substantial presence in Bellmorn, often amounting to whole departments. For some reason marketing departments in particular have located here. The business culture in Bellmorn has a reputation for being fast-paced, highly competitive, and dominated by youngish high-flyers, but at the same time an excellent place for networking and making contacts, and for picking up on all the latest trends in the business world.

Bellmorn is also known for its difficult housing market and appalling traffic congestion. Some have argued that a posting to Bellmorn is a corporate equivalent of boot camp: if someone looks as though they could be a high-flyer, promote them one or two levels and send them to the Bellmorn office. If they perform well there and shrug off the

bad accommodation situation and gruelling commutes, then they are truly dedicated to their career and are likely destined for C-suite roles. Those who value quality of life more than career progression will weed themselves out and move away. Of course in such a hothouse atmosphere there is a certain amount of poaching of talent, people leaving to set up their own enterprises, and so on, but on the whole companies consider that they gain more than they lose through exposing their people to the "Bellmorn culture".

A problem that has recently become acute is that of filling junior and support roles in businesses, and also of finding people for all the low-level jobs in retail, hospitality and services that are needed in any sizeable city. For those likely to take up these jobs the answer to "Why would you move to Bellmorn?" is along the lines of "Why the hell would I?", and such jobs are becoming very difficult to fill. Ironically, this inability to fill relatively menial jobs may eventually doom the high-flying "Bellmorn culture".

BELLMORN: THE END OF THE EXPERIMENT?

We interview Dr Hilda Gude, well-known in city planning circles for her role as a self-described urban pathologist, and a long-time observer of the development of the "free enterprise" city of Bellmorn. Dr Gude (BSc, MArch, DPhil) is Principal of the Gude Consultancy.

JCP: Dr Gude, what principles was Bellmorn founded under?

HG: Bellmorn is a private development, and was set up to be completely laissez-faire. Thus in Bellmorn there are no zoning rules and no height restrictions. Remarkably, there is no central planning for roads either. Instead, they adopted a "let the customer decide" policy: a road that becomes congested will be enlarged, but the road-builders never take the initiative or anticipate demand.

JCP: Bellmorn has been described as a "natural experiment". Could you elucidate?

HG: In developed countries, no town of any size has been free to develop is such a thorough-going laissez-faire way. Yet Bellmorn was not conceived as an experiment; it grew out of an ideological commitment to "free enterprise".

JCP: How would you describe the earlier development of Bellmorn?

HG: Bellmorn thrived in its earlier years, surprising me and other observers. It was generally thought that the lack of central planning for roads, in particular, would lead to traffic chaos. It did lead to strange configurations of roads, but for a long period commuting times were short. Bellmorn became known as a "boom town", with a very active business culture and the sense of excitement that went with that, but small enough to get around easily and live in comfortably.

JCP: In the early days, Bellmorn had an artists' colony?

HG: I don't think there was a colony as such, but there were several artist collectives. Developers built warehouses ahead of the market, and groups of artists were able to lease them cheaply for studio spaces. The availability of cheap housing was also an important factor. It didn't last: more businesses arrived, commercial rents went up and housing became more expensive. The artists were squeezed out; an all too common story.

ICP: What has happened to Bellmorn more recently?

HG: A vigorous business culture developed in Bellmorn. The "Bellmorn boosters" (as they became known) ascribe this to the free enterprise environment, and this may have been a factor. However, after some time the business culture became self-propelling: essentially it grew because it was growing.

The continued growth brought with it serious problems. By the time Bellmorn reached the status of a major city the traffic congestion had become pretty bad, with many people facing a draining commute, and it has got worse since. Housing is expensive, and the quality of life is perceived to be low. The city remains an important business centre.

JCP: Some years ago you predicted that Bellmorn would stagnate. Has that happened?

HG: Bellmorn was still growing when I made the prediction, but the latest figures show that growth has essentially stopped. Yes, Bellmorn has stagnated. A big reason is that people in lower-level jobs cannot afford to live there.

JCP: What is your comment on the housing situation in Bellmorn?

HG: Housing is very tight, and even people on high salaries often cannot find the sort of accommodation they would like. The lack of zoning and regulations was supposed to ensure that developers would build whatever there was a shortage of, and that did happen for a long time. But more recently the developers say there is more profit to be obtained in building workplaces rather than housing, even though housing is in short supply. The dynamics of this are not clear to me.

JCP: If the housing problem could be solved, would Bellmorn grow again?

HG: Bellmorn's other big problem is the very long commuting times and extremely congested roads. Comparisons have been drawn with Bangkok and Mumbai, even though those are far larger cities. I would say that if there were affordable housing, people who are desperate for jobs would come, but they would move elsewhere when they got the chance. Right now, it is noticeable that there are almost no retirees in Bellmorn: as soon as people can move away, they do.

JCP: What of Bellmorn's famed business culture?

HG: Now that Bellmorn is has ceased to grow, I expect that the intense business culture, which has rightly become famous, will fade away. Growth and the constant arrival of new firms were big factors in the success of this culture; other cities are now looking more exciting, have more to offer spouses and partners, and can offer a better quality of life. I believe the shift of go-getters and high-flyers from Bellmorn has already started.

JCP: Should the Government take over Bellmorn? You have said that the city needs a metro train system.

HG: Bellmorn is being strangled by traffic. The only way that it can grow, or even maintain its present size, is by the installation of a metro system, and a city

that consists entirely of individual enterprises doesn't have a way to create something on that scale. As for a Government takeover, there isn't any plausible mechanism. Bellmorn has a complex legal structure under the "free enterprise" surface. Specifically, most of the land is actually leased from the Bellmorn Corporation on long leases; the usual freehold/leasehold arrangements apply to the buildings and sometimes the airspace, but not to the actual land. Furthermore, the ownership of the Bellmorn Corporation itself is opaque; I have heard that there is a perpetual trust somewhere in the background, and there is speculation about entities registered overseas. I understand that the setup was designed to make Government intervention as difficult as possible.

ICP: Does Bellmorn have a future?

HG: It may not. Bellmorn's business culture was a unique growth-fuelled phenomenon that will not be repeated, and once that culture is gone there will be nothing to sustain the city. Bellmorn has two features that combine to work against its long-term survival. One is that, as part of the free-enterprise ethos, private philanthropy is relied on for even the most basic of public amenities such as sports grounds. The other is that generally people, especially those with money, with high salaries and share options, regard Bellmorn as a way-station: you get the promotion and move on, or grow your start-up business and then relocate it and yourself to a capital city. Bellmorn has never developed the sense of a stable community, so people don't leave money in their wills to institutions in the town, for example. Thus what we could call civic institutions have been weak to non-existent, and without them no city has much of a future.

That said, Bellmorn has a role as a service centre for the surrounding area. This is a genuine and ongoing need, which a medium-sized town could fulfil. I expect Bellmorn to start shrinking soon, and to decline quite fast. The existence of the Bellmorn Corporation complicates any prediction, but I would not be surprised if, once the shrinking really sets in, the beneficial owners of the Bellmorn Corporation wind it up, and hand over the roads and what would normally be public lands to the Government. If so, Bellmorn would probably survive as another medium sized service town, albeit with a legacy of empty office towers and too many motorways. Artists might even come back.

JCP: So, the end of the Bellmorn experiment?

HG: Yes, I consider so. To flourish in the long term a town needs vigorous civic institutions, and residents who have a strong sense of commitment to the town. These have been lacking in Bellmorn, and in my view will inevitably be lacking in any private enterprise town structured along Bellmorn's lines.

JCP: Dr Gude, thank you for your insights into a fascinating phenomenon.