A FAIR GO FOR THE WEST?

CAPITAL ACCUMULATION, URBAN PLANNING, AND THE GREATER SYDNEY COMMISSION

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Honours Thesis
Submitted as partial requirement for the degree of Bachelor of Arts (Honours), Political Economy, University of Sydney, 11 October 2017.
STATEMENT OF ORIGINALITY

This work contains no material which has been accepted for the award of another degree or diploma in any university, and to the best of my knowledge and belief, this thesis contains no material previously published or written by another person except where due references is made in the text of the thesis.
ACKNOWLEDGEMENTS

I would never have completed this work without the support of many. In fact, I would never have begun this work without the support of many!

Political Economy was never my major: I somehow entered Honours with three Political Economy senior units under my belt and without ever completing the pre-honours units. I came to Sydney University to study philosophy and literature, but have finished my undergraduate fascinated with political economy and how the society works.

This fascination began in 2014 and 2015, with the provocations of comrades who sparked my interest with political, social, and economic concerns. In particular, I’d like to thank Pete Landi and Evan van Zijl. In 2016, I decided to convert these interests into academic study. I asked Mike Beggs to waive all prerequisites and give me the chance to study ECOP2011, despite its infamy as the ‘most difficult subject’ in the department. Mike, without your support, I would never have done Honours in Political Economy. In second semester, I continued begging for waivers, and I am immensely grateful to Adam Morton and Susan Schroeder for letting me enrol in your subjects.

I then found myself wanting to do Honours yet woefully below the prerequisites. To Mike and Adam, again: Your astonishingly generous letters of recommendation made doing Honours a possibility. To Liz Hill: Thank you for taking a chance on me and shepherding me through the bureaucratic hurdles. The year has been more than worth it. My thinking has been challenged, opening whole new avenues of thought. My thanks to Stuart Rosewarne and Gareth Bryant for your stimulating seminar courses. You provided the fertile ground necessary for this work to get to where it is today. From this fertile ground sprang the insights of the 2017 Honours Cohort: your lively debate are fond memories, even if those memories are a bit foggy from our 9am seminar starts.

I’d like to thank Llewelyn for pestering me for months to read Surface City, even if I decided its approach doesn’t suit mine, and for commenting on my drafts in the week before submission. To my housemates: Bridget, Dylan, Elee, and Shimmy. Thank you for making our home a welcoming and safe place throughout the year.

I’d particularly like to thank my supervisor, Damien Cahill, for giving me his time and attention, as well as insisting that I write material. Your critical commentary on my work pushed me to think through my problems more rigorously than I would have otherwise.

Finally, to Bella, your support and love sustained me when nothing else would. Thank you.
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INTRODUCTION

They’re not doing a very good job, are they? Everything’s ripped up and everything’s the same. They’re only working for rich people, not for everyone who works or everyone in between.

–Unknown, comment to author on Sydney urban planning (Aug 2017).

Calls for a metropolitan planning authority in Sydney have persisted for decades. In 1913, a NSW Commission proposed a coordinated body for the town planning of Greater Sydney, followed by a succession of attempts over the next twenty years. The second half of the twentieth century was marked by numerous strategic metropolitan plans that set out to determine the direction of urban development in Sydney, beginning with the Cumberland County Plan of 1959, developed by the Cumberland County Council—a planning body whose members were elected by local councils (Local Government Amendment Act, 1945). In 1964, it was dissolved for want of a planning scheme without the constraints of a green belt. Since then, planning has been organised only through the scales of state and local government.

That is, until the formation of the Greater Sydney Commission (GSC) in early 2016. This thesis explores the question: how can we best account for the formation of the Greater Sydney Commission? This is an essential question for at least three reasons.

First, there is a political imperative for the study of institutions that regulate urban space. As the above epigraph scornfully suggests, urban planning is not an impartial science. Yet the production of space is crucial for how we live. As Lefebvre continually emphasised, space is the locus of everyday life (Lefebvre, 1991, 2014). If its development is uneven and structurally biased against our interests, then an account of the social relations that drive this process is needed. It is my hope that this account will contribute to a political intervention into urban development that takes our interests as its lodestone.

Second, there is a theoretical problem in existing accounts of Sydney. Adequately theorising the relation between urban politics and urban economics is a crucial step for understanding the trajectory of urban space. But both mainstream and critical accounts of Sydney fail to adequately theorise this relation. On the one hand, mainstream accounts obscure the dynamics of the urban economy. As Obeng-Odoom (2016, p. 4) points out: “insufficient attention has been drawn to cities divided and segregated along class and income lines, or colonially created
racial lines, environmental pillage, persistent and new forms of poverty, socio-economic and spatial inequalities, and housing disadvantage.” On the other hand, critical accounts disembed urban politics from urban economics. This emerges from their ontological rejection of social structuration. As Wachsmuth et al (2011) underscore: “If urban inquiry is to remain intellectually and politically relevant, it must engage systematically with the ongoing mutual structuration of global capitalism and planetary urbanization.” If these approaches are inadequate to the task at hand, then a fresh approach to Sydney is needed. By accounting for the formation of the GSC, this thesis proposes to account for how urban politics is related to urban economics.

Third, the formation of the GSC forms part of a recent and ongoing shift in urban planning in Sydney. Inquiry into its form, logic, and spatial configuration is therefore timely. I maintain that accounting for its formation provides insights into the strategic goals of Sydney-based fractions of capital. Urban planning is one of the few micro-economic policy levers available to the NSW State Government. It regulates a key condition of the production process: the supply, use, and allocation of land. This thesis argues that the formation of the GSC reshaped the urban planning regime with neoliberal inflections. An urban class alliance, dominated by fractions of capital, advanced this project to buttress the conditions of accumulation and legitimation in Sydney.

**SITUATING MY PERSPECTIVE**

This thesis deploys a theoretical framework derived from Marxist and heterodox spatial political economy. I especially rely on Harvey’s urban political economy and the Brenner–Jessop spatialized strategic relational approach to state theory. But in the Australian context, I depend on the pioneering work of Frank Stilwell’s elaboration of urban and regional political economy. These insights form the background intellectual context to this thesis rather than an expressly mobilised theoretical apparatus. Stilwell’s concerns with spatial tensions that exacerbate Australian urban and regional development inform the direction of this thesis. It is worth elaborating upon three of these.

First, the Australian experience of urban and regional development is determined by a spatial tension stretching across our three tiers of government: federal, state, and local. As Stillwell and Troy (2000) argue, this tension is expressed by fiscal and juridical imbalances between tiers. The federal government exerts a fiscal dominance over state government; but the states
determine urban and regional policy. State governments exert juridical authority over local
government; but local governments traditionally assess local developments. Whether tiers of
government are coordinated determines the potential for effective state policy on urban and
regional development. But, the Australian experience has been characterised by a “tendency
towards spatial inertia, frustrating the potential for more systematic or ambitious planning of
urban and regional development” (Stilwell and Troy, 2000). This is well-captured in the
general sentiment that Sydney’s development has been unplanned and unruly. Yet inertia
suggests ‘following along the same path’ as much as it suggests ‘unaffected by external forces.’
In turn, these definitions suggest that urban development is not chaotic but internally
determined by capitalist social relations (as opposed to the alleged ‘external’ determination of
the state).

Second, Australian cities are determined by local, regional, national and global scales. Whether
to think about cities as primarily embedded in the national or global economy is a live issue. It
leads some scholars, for example, to reignite Lefebvre’s prophecy of ‘planetary urbanisation’
(Brenner and Schmid, 2015; Lefebvre, 2014). Certainly, contemporary urban development is
greatly exposed to the fickle caprices of the global economy, suggesting that the ‘spatial inertia’
of Australian cities threatens to become a ‘spatial volatility,’ subject to international flows of
capital. But the ongoing endurance of national economies and states warns against bending the
stick too far in the direction of the transnational state, for example. Capital remains bound to
territories, yet more able than ever to flee abroad. As Stillwell (1992, p. 206) puts it, there are
tensions “between the exercise of private power on an international scale and public policy on
a national (and regional and local) scale.”

Third, the Australian urban experience is deeply riven by spatial inequality. There is a spatial
divide in Sydney between the ‘haves’ and ‘have-nots,’ captured in the incisively named ‘Latte
Line’ that roughly divides the wealthy north-east and struggling south-west (Chrysanthos and
Ding, 2017). Of course, spatial inequality is not organised along a single axis—spatial or
otherwise—but this line suggests one way of carving up inequality across space. This uneven
development colours urban spaces: islands of poverty exist amongst seas of wealth, as with the
soon-to-be demolished Waterloo public housing towers, in close proximity to over 20 cranes
operating on large mixed-use property developments (Rider Levett Bucknall, 2017). Stilwell
(1992, pp. 33–34) clarifies that spatial inequality is socio-economic inequality, just expressed
in space, and arises “mainly because of the differential capacity to pay for the housing in the
more expensive suburbs.” Mapping housing costs reveals that the less well-off are forced out from their homes as rental profitability increases (Smith, 1996). These scholarly claims capture the urban experience as suggested by the epigraph that leads this introduction. Urban development fails to serve the interests of workers, residents, or commuters. The urban experience, in other words, is a class experience.

**STRUCTURE OF THESIS**

This thesis focusses on how we can best account for the formation of the GSC. The crucial theoretical concern embedded in this argument is how we can adequately relate urban politics to urban economics. I argue that we need a Marxist spatial political economy to accomplish this task. Since the state is a terrain of class struggle, yet structurally bound to reproduce capitalist social relations, I situate the GSC as a strategic intervention by an urban class alliance to reproduce an accumulation strategy within Sydney. This urban class alliance is primarily composed from financial, knowledge-intensive, and property fractions of capital. To reproduce their conditions for accumulation, they need the GSC to reregulate urban planning with the objective of bolstering Sydney’s competitive advantage vis-à-vis global circuits of capital. In so doing, a fresh round of neoliberal logic is embedded into the Sydney planning regime. A crucial feature of this logic is the subsumption of distributional and ecological outcomes into the accumulation process, where these outcomes are met only to the extent that it benefits urban fractions of capital. We may expect this to deepen, not rectify, spatial inequality.

I divide this thesis into four chapters. The first chapter reviews mainstream and critical accounts of Sydney, arguing that neither adequately theorises the relation between urban politics and urban economics. This motivates Chapter 2’s development of a Marxist approach that links Harvey’s urban political economy to the Brenner–Jessop spatialized strategic-relational approach to state theory. Chapters 3 and 4 use this theoretical frame to account for the formation of the GSC. Chapter 3 identifies the composition of the Sydney economy and urban class alliance, and how it acted upon the state and legitimated the proposal for the GSC. Chapter 4 deepens this analysis into the structural and spatial reconfiguration of Sydney’s planning regime after the formation of the GSC. It poses that it inscribes a neoliberal logic into urban planning. Perversely, the formation of the GSC occurred under the auspices of a media campaign named: “A Fair Go for the West.” Yet this thesis shows that the formation of the GSC is the opposite: it is a ‘Fair Go’ for Capital.
1. **SYDNEY: URBAN PLANNING, ECONOMICS, AND POLITICS**

**INTRODUCTION**

This chapter reviews mainstream and critical accounts of Sydney and argues that they are inadequate on two general grounds. First, they fail to capture the social relations underpinning urban economies. Second, they fail to relate urban economics to urban politics. To account for the formation of the GSC, as is the aim of this thesis, it is necessary to adequately theorise these issues. I identify two distinct versions of the mainstream account. First, the discursive construal of Sydney as the ‘Harbour City’: a spatial imaginary that evades any recognition of its own illusions. Second, the preoccupations of mainstream urban economics and planning. Both fail to grasp the nature of class relations within capitalist society and interpret urban politics as a neutral sphere of competing interests, arbitrated through the state. There are two critical accounts that I identify, which are both attentive to inequalities of power within urban space. First, the human- and cultural-geographical accounts of urban space as constituted by differential discourses. And, second, the poststructuralist accounts of urban statehood in Sydney that deny structuration of urban politics through urban economics. But these views suggest that social structuration through capitalist social relations are, at least, diminished in significance if not outright excluded from analysis. Throughout this chapter, I develop an argument for the necessity of relating urban politics to urban economics by identifying the shortcomings of each approach.

1.1. **MAINSTREAM ACCOUNTS**

**THE ‘HARBOUR CITY’**

Approaching Sydney by air, the modern traveller flies … across the ultramarine harbour fringed with green-grey bushland. The aeroplane banks over the city’s shiny skyscrapers, often giving a fleeting glimpse of the greater surfing beaches on the coast, and then finally descends into Sydney Airport on the shores of Botany Bay, where Sydney’s modern history began.

(Turnbull, 1999)
Lucy Turnbull, inaugural Chief Commissioner of the GSC, wrote a book in 1999 extolling the millennial virtues of Sydney. Her ‘biography of Sydney,’ however, is located from an exclusive perspective—her ‘modern traveller’ that opens her book, through the conjunction of invasion in 1788 and modern aeroplane landing, might well be a business traveller, venturing to Sydney to invest capital in firms or the built environment. She begins with a vision of the Harbour and ends with a call for a ‘Greater Sydney Movement’ to advocate for the interests of Sydney and resolve its underlying spatial tensions (Turnbull, 1999, pp. 2, 500). Elsewhere, she suggests a commonality of the Sydney identity through the hedonic luxuries of Sydney’s centralised high culture:

How many of us have left a performance at the Opera House only to be entranced by the glittering reflections on Sydney Cove as the Bridge salutes the Opera House and the Jetcats scud in and out of Circular Quay? That walk along the promenade makes the whole evening worthwhile… (Turnbull, 2000)

How many, indeed, have walked that walk, paid those expensive tickets, and seen Sydney in that way? The ‘spatial imaginary’ that she produces is close kin to the place-marketing of Sydney by government departments around the turn of the millennium. The concept of a spatial imaginary refers to the discursive construal of a particular space or place (Baker and Ruming, 2015); it is essential to the human- and cultural-geographical approach surveyed later in this chapter. Place-marketing is a specific practice of branding and selling a region, place or city, emphasising the (imaginary or real) features that pick that space out as unique, often emphasising different features to different audiences (Dinnie, 2011). Sydney’s place-marketing focusses on the cultured and wealthy central districts, on the ‘Global Economic Corridor,’ which is perhaps better put as the ‘Arc of Capital’ (see Fig 1.1). This is supported by findings from a survey of government officials and business representatives, where Kerr and Balakrishnan (2012) identified urban sophistication, leisure, and environments as key themes of Sydney’s place-marketing strategy. Watson and Murphy (1997) argue that the pace and variety of place-marketing activity has increased as Sydney has deindustrialised and globalised.

Place-marketing conceals spatial inequality: it is not concerned with urban uneven development. But it is a superficial spatial imaginary: as Waitt (1999) argues city-branding is an elite account that reifies surface differences with other cities. But, the spatial imaginary of Lucy Turnbull’s ‘Greater Sydney Movement’ addresses itself to spatial inequality, albeit still
from an elite perspective. She sets Sydney’s 90’s boom and high-productivity CBD firms against unemployment, welfare dependence, and crime in ethnic areas to describe spatial inequality (Turnbull, 1999, pp. 499–500). The Sydney elite should not become “heedless towards the plight of others” (Turnbull, 2000) but instead develop “a way of looking at this

Figure 1.1 Global Economic Corridor (aka Arc of Capital)
Source: (Department of Planning and Environment, 2014, p. 45)
great city in its entirety” (Turnbull, 1999, p. 500). Engels (1955, pp. 63–64) suggested that, to the urban moralist, slums (or spatial inequalities) are always somewhere ‘over there’ and threaten to fester and ferment dissent. But, crucially, this urban moral sensitivity goes hand-in-hand with a failure to grasp the nature of class relations in capitalist society.

Spatial inequality is for the state to resolve, if only because it is ethically required. But such intervention, through the state, has historically been a project to integrate the working class within capitalist society (Connell and Irving, 1992, p. 154). Turnbull (2000), however, points out that ‘resolving’ urban inequality must be simultaneous with “trying to compete in a global environment.” Imagining Sydney in the way she does—as a beautiful, prosperous place, albeit with some issues that need resolving—leads naturally to predominance of mainstream urban planning and economics as the framework for resolution.

**Planning, Population, and Politics**

Mainstream urban planning and economics forms the scientific-technical framework for the state to mobilise policy suites for Sydney. The state, in this light, is a neutral arbiter between competing ideological positions and parties, all of whom have their ideologies converted into policies through the lenses of mainstream theory.

Australian urban planning traditionally operated via “ad hoc interventions in an economy predominantly shaped by private sector decisions” (Stilwell, 1992, p. 36). The historic strategic plans enumerated detailed land-use zoning and infrastructure outlines, often in peri-urban spaces—though the emphasis shifted from constraining sprawl to expanded greenfield development. In the last twenty-five years, Australia’s urban planning paradigm has evolved to emphasise integrated metropolitan planning, sustainable and transit-oriented development, and a greater strategic focus on economic and population growth (Gleeson et al., 2004; Searle and Bunker, 2010a, 2010b; Ruming and Davies, 2014; Duarte et al., 2016). The shift, in short, is from planning urban space as a city of zones to a ‘city of flows’ (Amin and Thrift, 2002).

Mainstream urban economics, meanwhile, emphasises locational equilibriums, agglomeration economies and inefficiency through externalities, within the context of a competitive market economy (Obeng-Odoom, 2016). A central model in urban economics is the standard bid-rent model for land prices, which shows how social utility is maximised through market-based locational decisions of agents subject to income constraints (Stilwell, 1992, pp. 145–147).
Stilwell goes on to note that land-use patterns are more complex than this simple model predicts, with the possibility of market failure induced by negative externalities—which requires state intervention to ‘fix’ the market. Recent empirical work from PricewaterhouseCoopers (2014), however, has produced geospatial maps of the Sydney economy, disaggregated by local government area and avoiding some of the simplifications of the bid-rent model. Their Geospatial Economic Model estimates localised productivity, as well as correlations between productivity and socio-economic inputs (ibid.). The purpose of this model is to enhance decision-making of firms and justify regulation changes on a location-by-location basis (PricewaterhouseCoopers, 2015). PwC Economics and Policy Director, (Tyson, 2014), notes an “interesting question” as to whether these changes should maximise localised returns on investment or economic activity.

But despite any ‘interesting questions’ the emphases of mainstream urban economics remain fixated on the market, without exploring how the market is socially embedded within class relations. As Obeng-Odoom (2016, p. 79) argues, neoclassical economics emphasises:

…”choices, assumptions about individual selfishness and rationality, and policy implications characterised by market-friendly prescriptions based on the preference for market and [sic] outcomes over state ‘intervention’…without probing the structuring and institutional context in which the choices are made.

But these emphases lead to shortcomings to the extent that the historical evolution of social relations, institutions, and the state is essential for comprehending the operation of the market, let alone the production of urban space. Stilwell (1992, p. 208) extends this argument by noting that the state and capital are often co-integrated, such that the needs of capital tend to be dominant in urban and regional development. This tendency applies equally to urban planning. Rather than understanding urban planning as an impartial guarantor of social progress, we can reveal that it is a manifestation of class relations through the state (Castells, 1977, pp. 322–323). Lefebvre (1991, p. 317) argues that the political nature of urban planning is concealed by means of ‘rational’ and ‘technical’ plans, which produce an illusory and deflationary representation of space. In a similar deflation, social justice concerns within urban planning are interpreted as questions of distribution rather than joint questions of distribution and production (Harvey, 1973).
The uniting methodological critique of the above is that mainstream urban economics and planning reifies trans-historical and violent abstractions (Sayer, 1987). Crucially, they fail to grasp the nature of class relations. Marxist methodology, however, emphasises concrete abstractions that are historically and materially situated. An analysis of the social relations of capitalist society is necessary to theorise the relation between urban politics and urban economics. We therefore need an adequate set of concepts that identify the structures and relations of capitalist society. Marx (2002, p. 41) makes this point, at length:

It seems to be correct to begin with the real and the concrete, with the real precondition, thus to begin, in economics, with e.g. the population… However, on closer examination this proves false. The population is an abstraction if I leave out, for example, the classes of which it is composed. …Thus, if I were to begin with the population, this would be a chaotic conception [Vorstellung] of the whole, and I would then, by means of further determination, move analytically towards ever more simple concepts [Begriff], from the imagined concrete towards ever thinner abstractions until I had arrived at the simplest determinations. From there the journey would have to be retraced until I had finally arrived at the population again, but this time not as the chaotic conception of a whole, but as a rich totality of many determinations and relations.

1.2. RADICAL CRITIQUES

If mainstream accounts inadequately relate urban politics to urban economics, by failing to grasp the nature of class relations, then a radical critique is necessary. But the preeminent critical accounts of Sydney are human- or cultural-geographical and poststructuralist approaches. Their emphases enable some strengths but possess shortcomings when it comes to adequately relating urban politics to urban economics.

THE ‘SIN CITY’

Where the mainstream moniker for Sydney is the ‘Harbour City,’ the radical counterpart is its other nickname: the ‘Sin City.’ Originating in the criminal underbelly of vice and vicissitude during the latter decades of the twentieth century, the ‘Sin City’ nickname conjures images in distinct contraposition to the mainstream place-marketing of Sydney. Critical research from urban human- and cultural-geography interprets urban space from a multiplicity of
perspectives. As Karskens (2002) notes in her review of Turnbull’s book, “just one interpretation is selected and presented… [which] conceals experience and silences debate.” She goes on to argue that discursive representations of Sydney need to originate from the ‘inside’ and from the ground-up, borne out of the urban experience.

This approach attends to the complexities of urban experience. Mee (2002) notes that Western Sydney is imagined as an “area of lack” relative to the central city, which she argues diverges from the experienced quality of life by residents of the region. Dowling and Power (2012) explore the relationship between house size and middle-class respectability in Sydney families, emphasising socio-cultural factors in explaining the preponderance of large homes. Elsewhere, Dowling (2009) interprets class as a heterogeneous identity reproduced through the discursive construction of spatial imaginaries. These and other studies adopt a differential approach to urban space, discourse, and identities.

Murphy and Watson’s Surface City (1997) is an exemplar of this approach. They argue that, “depending on the lens or the frame of the viewer, a different Sydney emerges” (Watson and Murphy, 1997, p. 2). Each chapter addresses a different way of representing Sydney, moving from how mainstream discourse construes urban space to how differential genders, sexualities, and classes experience Sydney. Through studying the queer spatiality of Mardi Gras parades, they argue that queers contested political ideologies and state power, resulting in increased social acceptance of queer sexuality and the repeal of homophobic legislation by the Wran government. At the urban scale, Surface City emphasises the reformation of the South Sydney Council in 1988 as a “key moment in the consolidation of a gay geography” (Watson and Murphy, 1997, p. 74). They note, in passing, that this simultaneously resulted in local government passing control over the CBD to property capital. Their ethnographical method emphasises the queering of urban space but deemphasises the state–capital relation and how it influences the production of space.

These human- and cultural-geographical approaches do much to undermine mainstream accounts that universalise and deflate the urban experience. While some alternative accounts of urban struggles only go so far as to set out underground narratives and histories (Radical Sydney (Irving and Cahill, 2010) or The Unemployed Who Kicked (Wheatley, 1976)), others suggest a full-blown methodology for theorising urban space, where the object of urban studies is the socio-spatial production of cultural and semiotic signals. An ontological extension to this
claim is that urban space is constituted by such signals. Since social reality is constituted by processes of semiotic and cultural production, and these are subjective, there can be no determinative structuration of social reality. The corresponding epistemological claim is that since theory are discursive practices and located through perspectives, then impartiality of theory is impossible. A research programme grounded on these premises may therefore adopt an approach of ‘thick description’ and ‘weak theory,’ as Gibson-Graham (2006, pp. 2–8) argues. Such an approach rejects the “embracing reach and reduced, clarified field of meaning” of ‘strong theory,’ preferring to theorise the possibilities for alternative political-economic futures embedded in the present (ibid.). The historical centrality of the working-class for Left analysis is dismantled, replaced by a multitude of (capitalist and non-capitalist) class processes, alongside many and varied differential identities and discourses.

Yet if social relations are constituted by discursive practices, or through spatial imaginaries, then this results in the ‘autonomisation of politics and ideology’ where “no class interests exist apart from, or prior to, their ideological or political expression” (Wood, 1998). E.M. Wood argues that this is not a problem of translating class interests to political expression, but the denial of class interest except as discursive practice—which deflates class interest to an empty concept. She argues that this leads to the ‘randomisation of history,’ where the course of history is radically contingent and emergent from the networked desires of varying agents (Wood, 1998, p. 75). Where it leads to the randomisation of history, we can suggest that it causes the ‘randomisation of space.’ If theorising urban spaces is funnelled towards this kind of ontology, then there is a tendency to view the production of space as an indeterminate affair where agents compete over the spatial imaginary. Urban space, in its form as the range of the daily labour market, becomes one of the naturalised components of the economic base. This tendency approaches the inclinations of the Chicago or Ecological School of urban sociology, where “the dominant inference is that ‘nature knows best’” (Stilwell, 1992). The Chicago School’s conservatism does not carry over to the human- and cultural-geographic approach, but its inadequate theorisation of how urban politics relates to urban economics certainly does.

SYDNEY, POSTSTRUCTURALISM, AND STATEHOOD

This section examines poststructuralist treatments of Sydney’s urban statehood, and the implications of their ‘assemblage’ ontology. This ‘assemblage’ ontology brings about a conception of the state as unfixed, uncertain, and radically contingent. But I extend the critique
advanced above of the autonomisation of politics and randomisation of history and space, arguing for the inadequacy of this ontology and state theory.

There is a live debate in critical urban studies over the viability of assemblage approaches for theorising urban politics, with salvoes fired between McFarlane (2011) and Brenner et al. (2011). Within critical urban studies, the assemblage ontology is mobilised as a relational network of urban actors, forms, processes, and objects that co-constitute the urban (McFarlane, 2011), where social formations are composed from ‘bottom-up’ differential and discursive relations (Kamalipour and Peimani, 2015). Brenner et al. (2011) argue that assemblage ontologies, by rejecting macrological concepts, lose resolution on the ‘context of contexts’ for the shaping of urban politics. More incisively, they argue that the assemblage approach is a ‘naïve objectivism’ with implicit macrological presumptions, and our theories should instead make these explicit (Wachsmuth et al., 2011).

Given this assemblage ontology, poststructuralist theorists of Sydney deny that urban statehood is produced by a unitary logic. Urban politics is not located through the state but through networks of governance. As McGuirk and O’Neill (2012) argue, governance arrangements are “complex terrains of contestation in which co-evolving political projects are assembled and operationalised through networks of people, institutions, knowledges, texts, technologies, and practices.” ‘Co-evolving’ political projects may circulate through the state or through more general networks of governance. If organising power in urban spaces operates within and without the state, then this suggests gaps in state power and demands new forms of discursive interventions to achieve political projects, where planning documents, for example, become discursive strategies to configure political alliances (Brandtner et al., 2017). The capacity of actors to build power through existing institutions is central for achieving goals (Ruming, 2009). The capacity to govern is configured at the local scale, through particular interventions, since it is assembled from the relations between agents, intentionality, and context (McGuirk et al., 2016). Moreover, these relational configurations of urban governance are rarely stable within Sydney and focus on highly specific issues and concerns with ad hoc solutions (Acuto, 2012; McGuirk, 2003). This instability and uncertainty is exacerbated by “an untenable planning governance ménage à trois” where participatory, technocratic, and market rationalities operate side by side in Sydney (Schatz and Rogers, 2016).
The consensus on Sydney from poststructuralist scholars is that urban governance, and urban statehood, are characterised by uncertainty, instability, and the fluctuations of alliances between agents with varying desires. They emphasise radical contingency and undetermined agential motivations in building the capacity for urban governance. The state has no coherent unity, and is characterised by a tension between its policy-propagating core and operational periphery (McGuirk and O’Neill, 2012). The periphery may have ‘excess state capacity’ to the extent that there may be residual ethics embedded within it that contest the rationality emanating from the core (McGuirk and O’Neill, 2005). Moreover, there can be no neat characterisation of the core as exhibiting a particular rationality, such as neoliberalism (Weller and O’Neill, 2014a). There are therefore two moments that political projects must grapple with: targeting the emanation of policy from the core and the operationalisation of these policies at the periphery. Attempting to overcome this core-periphery tension demands politically creating a hegemonic consensus, which must be articulated as “a multi-scaled discursive account of the articulation of a contingent conjuncture of state form, regime of political representation, and mode of intervention around the urban scale” (McGuirk, 2004). Such a project must be assembled at the local scale through local actors, although discursive formations that circulate at higher scales may impinge upon and coproduce the hegemonic consensus of urban governance. The poststructuralist authors surveyed here all implicitly maintain that close ethnographic detail of various state and non-state agents is required to adequately analyse urban statehood in Sydney.

The attentiveness to the close detail of state institutions and urban politics is a strength of their research. But it is not unique to poststructuralism; and, moreover, ethnographical detail requires concrete abstractions and macrological concepts to adequately ground interpretation. Weller and O’Neill (2014b) contrast their approach to neo-Marxist theorists that use macrological concepts such as neoliberalism to frame social reality, arguing that explanatory attention on the messy details of reality is lost. This leads them to suggest, for example, that the Hawke government was not neoliberal since it was “endorsed fulsomely by organised labour” and was “pragmatic rather than ideological” (Weller and O’Neill, 2014a). Yet Humphrys and Cahill’s (2016) close detailing of neoliberalism in Australia argues the opposite case: that labour helped make neoliberalism in Australia. I suggest that Weller and O’Neill’s argument depends on implicit presumptions about the nature of neoliberalism: that labour and social-democratic parties cannot bring about neoliberalism, but neoliberal ideas do.
We can suggest, then, that macrological framing is not a violent imposition on reality, but a real abstraction emergent from studying the world. The assemblage methodology has no special claim to close empirical detail, but has a special disadvantage in interpretation: its avowal against concrete abstractions leads to the uncritical incorporation of presumptions about the world. If we want to adequately relate urban politics to urban economics, we had best lay out our theoretical approach explicitly.

1.3. CONCLUSION: URBAN POLITICS AND URBAN ECONOMICS

This chapter has reviewed mainstream and critical accounts of urban space in Sydney. Two approaches within each have been surveyed: the mainstream spatial imaginary of Sydney and urban economics and planning, and radical human- and cultural-geography and poststructuralist urban studies. These approaches fail to grasp the nature of class relations and inadequately relate urban politics to urban economics. In my critique of the mainstream approach, I introduced a Marxist methodology of historically situated ‘real abstractions’ that produce a ‘rich totality of many determinations. The second section argued that radical accounts possess shortcomings in exploring the structuration of urban politics, since they emphasise (as methodology or ontology) culture, difference, and radical contingency. In response, I extended the Marxist methodology to argue that the analysis of urban space and statehood requires macrological concepts that connect urban politics to urban economics. The next chapter proposes a renewed approach to accomplish this task.
2. **CAPITAL, STATE, AND URBAN SPACE**

The previous chapter set us the task of relating urban politics to urban economics. Urban politics exhibits a simultaneous dependence upon the forces and relations of production and yet possesses a relative autonomy, leading to a chaotic ‘ferment’ of urban space (Harvey, 1985). But the approach set out here develops a framework to account for the formation of a state institution regulating urban planning, which is the focus of Chapters 3 and 4.

I begin with a discussion of the relation between capital and space. Following Harvey (1985, 1982) in situating the accumulation process as a spatiotemporal process, I tease out the implications of capitalist social relations for urban space. The urban economy is constituted by socio-spatial relations of production that cohere into an unstable ‘structured coherence.’ There are many sources of instability, but I stress tensions originating from class relations, uneven development, and interurban competition. On this basis, I tease out the relation between urban politics and urban economics: the formation of an urban class alliance, with political-economic goals, depends on the urban economy. These goals must try to secure the conditions for accumulation.

The second section focusses on how such an urban class alliance may accomplish its political-economic goals. I focus on the relation between the state and space. This fills the infamous state-theoretical gap in Harvey’s spatial political economy. The state is intimately involved in the production of space. But it is neither an instrument of class nor an autonomous agent. Its production of space is constrained by its twin but contradictory imperatives of accumulation and legitimation (O’Connor, 1973). This initial approach is supplemented by the spatialized strategic-relational approach (Brenner, 2004; Jessop, 2002). I argue that urban class alliances try to intercede into the state to embed fresh socio-spatial logics that strategically privilege their goals. Since my argument in Chapters 3 and 4 is that the Sydney class alliance does so on a neoliberal footing, I then set out what it means to embed a neoliberal socio-spatial logic into the state that strategically privileges a neoliberal accumulation strategy.

The concluding section then draws together these lessons on the relation between capital, the state, and space and articulates the epistemic standards that must be met by the argument in Chapters 3 and 4.
2.1. CAPITAL AND SPACE

If the relations of production are shot through with tensions of class struggle, then we would expect to see this expressed in urban space. As Engels shows quite clearly, the push-and-pull between labour and capital appears in urban spaces: in the condition of the working class in 19th century industrial Manchester, in the demolished workers’ quarters in Paris, and in the problem of housing that, when ‘solved,’ reappears in another place (Engels, 2009, 1955). The accumulation of capital is driven forward on the stage of class conflict. Accumulation depends on the extraction of surplus-value from labour and the subsequent realisation of that value. As the famous schema goes: capitalists begin with money capital, which is expended upon labour-power, inputs, and means of production. Production then brings about an output of further commodities, which may be realised into money capital once again:

\[ M \rightarrow C \rightarrow [P] \rightarrow C^1 \rightarrow M^1 \]

Expanded reproduction occurs when \( M^1 \) is greater than \( M \). Accumulation of capital is possible on this basis. Indeed, under conditions of competition, accumulation is necessary to the extent that it advances a firm’s technical capacity for production. Failing to do so is a failure to survive. But if capital in general does so, this leads to a “surplus of capital relative to opportunities to employ that capital... [which] is called the ‘overaccumulation of capital’” (Harvey, 1982, p. 192). Overaccumulation brings on crisis, where surplus capital is devalued through its inability to generate profit.

Even in the face of such an inexorable tendency, crises may be delayed, exported, or suppressed. Luxemburg (1963) argues that the survival of capitalism requires a noncapitalist ‘outside’ which need not be geographically external to capitalist territories (Bieler et al., 2016). In a similar vein, Harvey argues that the reproduction of capitalist relations of production depends on achieving a ‘spatial fix.’ This takes varied forms, but we will focus on the spatial fix through investment into the built environment. Harvey (1982, p. 236) describes this as “a godsend for the absorption of surplus, overaccumulated capital.” The spatial fix here takes the form of a switch in patterns of capital investment from the primary to secondary circuit of capital: from the production process to the built environment. Necessary for this switch is the coordinating roles of states and finance capital (Harvey, 1982). Contradictory effects result: it expands the forces of production, but this exacerbates the tendency for overproduction; it
provides certainty over the future trajectory of capitalist development, but this undermines capital’s capacity for flexibility. As Harvey (1982, p. 238) puts it:

Fixed capital, which appears from the standpoint of production as the pinnacle of capital’s success, becomes, from the standpoint of the circulation of capital, a mere barrier to further accumulation.

The spatial fix is necessary yet destructive to capital. For this reason, Harvey (2001) incisively describes the ‘spatial fix’ as a fix for crisis, a fixity of capital, and an addict’s fix. The crisis tendency is irreversibly embedded in space. This is unsurprising if our ontology maintains that social relations are spatial relations. As Lefebvre (1991, p. 53) argues:

Capitalism and neocapitalism have produced abstract space, which includes the 'world of commodities', its 'logic' and its worldwide strategies, as well as the power of money and that of the political state. This space is founded on the vast network of banks, business centres and major productive entities, as also on motorways, airports and information lattices.

The ‘abstract space’ of capitalism is ‘founded on’ a material basis. Here, Lefebvre outlines a few key nodes, suggestive of the production process, built environment, and finance capital. Crucially, abstract space includes ‘the political state,’ suggesting that statehood depends on the built environment as much as the built environment depends on statehood. We will return to this point shortly. But first we will note that Lefebvre here discusses abstract space on a global scale. The ‘world of commodities’ at the global scale is defined by the tension between the mobility and immobility of capital. Capital flows to where the profit rate is highest, away from where it is low. Over time, this diminishes the profit rate where it is presently high and raises the profit rate where it is presently low. Investment in the built environment may secure the profit rate at high levels, but we have already seen how this cannot continue indefinitely. This 'seesaw' movement of capital presents the possibility of another spatial fix for capital by flowing along global circuits of capital, which may be achieved if capital possesses sufficient mobility (Smith, 2010, pp. 196–205). Yet the pesky spatial fixity of investment in the built environment threatens this possibility. This entails a global pattern of uneven development.
This general process of uneven development defines the nature of interurban competition. The caprices of capital along global circuits are met by the cunning of cities in their production of urban space. Providing a high profit rate attracts capital, ensuring the success of the urban economy. But maintaining that rate attracts still more capital, placing a downward pressure on profits. Investment in the built environment can provide temporary relief, but we have seen the results of this process. Of course, generalising about this process as the ‘cunning of cities’ suggests that urban space has agency. Instead, we can emphasise the role of urban statehood and class alliances in jockeying for interurban competitive advantage. As Harvey (1989) argues, increasing interurban competition has been accompanied by a shift from urban management to urban entrepreneurialism, where the telos of city governance is focussed on competitive advantage rather than collective consumption. Interurban competition entails a general interest of all urban-bound agents in reproducing the conditions for accumulation—which they may attempt to accomplish through the formation of an urban class alliance.

**Urban Class Alliances: Relating Urban Politics to Urban Economics**

This general interest in reproducing the conditions for accumulation is matched, however, by a contradictory response to interurban competition: flee for greener pastures. All agents face this choice, to some extent. This choice defines how urban politics relates to urban economics. But before we address this directly, we need to set out who these agents are. The central antagonism of capitalist society is the labour–capital relation, where distinct and conflicting interests arise out of each class’ position within capitalist social relations. This labour–capital antagonism infiltrates myriad social relations. A class fraction, through its position(s) within the social relations of capitalist society, possesses distinct and potentially conflicting interests with other class fractions. A major determination of these interests is the source of value for that class fraction. Taking the view that landed property is subsumed within capital, then property capital sources value through rent—while industrial capital sources value through exploitation, but must pay a portion of that to property capital. The choice posed by interurban competition is specific to the conditions faced by a class fraction.

The dialectic of mobility and immobility defines the trade-off between remaining or leaving. Capital invested in the built environment is territorially bound in a way other capital fractions are not. Home-owning workers are similarly bound. Given absolute immobility, all class fractions cannot flee and must aim to reproduce the conditions for accumulation (or otherwise revolt against capitalist social relations). Given the inverse, however, class fractions may flee
at will—yet since production must occur somewhere at some time, there must be somewhere with the appropriate conditions for accumulation. Ideally, many places should be seeded for accumulation—for this insulates footloose capital from crisis. It is in this sense that Harvey (1985, p. 149) argues that “peripatetic multinationals have a fine appreciation of…the quantities and qualities of physical and social infrastructures.” He goes on to note a wide range of fractional class interests for reproducing the conditions for accumulation. Even if some of these class fractions fail to engage, the success of an urban class alliance in reproducing accumulation means that the need to flee for greener pastures disappears. But failing to engage means an opportunity cost if other class fractions have strategically privileged their interests.

This concept of an urban class alliance refers to a coalition of class fractions. Harvey (1985, pp. 125–64) deploys this notion to explain the ‘relative autonomy’ of urban politics, arguing that an urban class alliance emerges on the basis of an urban ‘structured coherence.’ The urban structured coherence refers to the whole pattern of economic activity within an urban space. This entails that class fractions have varying potential strategic influence, based on their position within the urban process. Later, I will introduce the term ‘accumulation strategy’ that will replace ‘structured coherence,’ since it suggests a historical periodisation of capitalist society rather than a fixed socio-spatial arrangement of production. We can say that an urban class alliance must aim to reproduce the urban structured coherence (accumulation strategy). Failing to do so leads to crisis, which no class fraction wants, and the collapse of the urban class alliance.

Under conditions of interurban competition, reproducing a structured coherence means enhancing the competitive advantage of a city vis-à-vis global circuits of capital and the international division of labour. In our context, urban planning is one means to do so. Urban planning regulates space through the supply, use, and allocation of land. Re-regulating urban planning to enhance competitive advantage means reorganising urban space to provide an urban spatial fix. This is organised through the built environment—the second circuit of capital. Fractions of capital may be partial to certain planning regimes given how investment in the built environment relates to their source of value (see Box 2.1). But these interests are in tension with each other to the extent that their sources of value are conflicting. Knowledge capital must rent from property capital: rising rents are bad for knowledge capital—yet if rents rise too far, knowledge capital may no longer invest for want of a higher rate of profit.
Box 2.1 Indicative fractions of capital: sources of value

<table>
<thead>
<tr>
<th>Selected fractions of capital</th>
<th>General source of value</th>
<th>Circuit of capital</th>
<th>Relation to investment in the built environment for production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge</td>
<td>Production</td>
<td>Primary</td>
<td>Source of value through enhanced conditions of accumulation</td>
</tr>
<tr>
<td>Construction</td>
<td>Production</td>
<td>Primary</td>
<td>Source of value through exploitation</td>
</tr>
<tr>
<td>Property</td>
<td>Rent</td>
<td>Secondary</td>
<td>Source of value through rent</td>
</tr>
<tr>
<td>Finance</td>
<td>Interest</td>
<td>---</td>
<td>Source of value through interest</td>
</tr>
</tbody>
</table>

Note: Knowledge capital refers to those sectors which rely heavily on high-skill ‘mental’ labour.

The foregoing analysis reveals the structuration of general and fractional class interests. But this logic leaves underdetermined whether an urban class alliance is effectively composed. The structure of class interests determines the difficulty of the task, but not its realisation. This conjunction of structure and agency that provides the requisite strength and flexibility to account for the relation between urban politics and urban economics.

This tradition has been described as the ‘New Urban Politics,’ characterised in its Marxist mode by its emphasis on urban class alliances that aim for the reproduction of the conditions of accumulation. Critics emphasise its inadequate attention to: processes of social reproduction (McGuirk and Dowling, 2011), the splintering of urban space into differential spaces (MacLeod, 2011; Phelps and Wood, 2011), and issues of consumption (Cox, 2011). Another major critique is its alleged tendency to evaporate differences between cities (Amin and Thrift, 2002, pp. 8–9; Roy and Ong, 2011, pp. 1–10). Yet the strength of the approach is its capacity to describe the patterning of urban space by flows of capital. The ‘New Urban Politics’ approach that I am synthesising here relies on, and derives its strength from, the relations between the built environment and urban statehood. Urban statehood has a coordinating role over the built environment. The built environment enters into the conditions for accumulation. This, in turn, determines the general and conflicting interests of class fractions—and this tension sets out the possibility for an urban class alliance to form. The success of this alliance in interceding into the state determines the trajectory of urban statehood—and, thereby, its role in the production of space. We have accomplished the first step in accounting for the relation between urban politics and urban economics through analysing the formation of urban class alliances. The next step is to examine the nature of the state and how an urban class alliance might hope to achieve its goals through it.
2.2. STATE AND SPACE

I begin by setting out some basic roles and imperatives of the capitalist state. These are elaborated through the Brenner–Jessop spatialized strategic relational approach. These are integrated with the above account by arguing that urban class alliances intercede upon the state according to the structural interests.

Capitalist economies depend upon and are characterised by a set of social relations. The state must secure these general conditions for reproducing capitalist society. Contrary to neoliberal ideas, the market depends upon state regulation. Crucially, this includes regulating the fictitious commodities of labour-power, money, and land (Polanyi, 2001). This ontology of the market suggests that it is ‘always-embedded’ in social relations (Block, 2003). Accumulation requires the state to regulate markets. In our context, it regulates the market in land use, allocation, and supply through urban planning. Adding a spatial twist to this view requires claiming that social relations are spatial relations: what Soja (1989) calls the socio-spatial dialectic. The state’s role in reproducing capitalist society entails reproducing capitalist space. But the state does not merely secure the conditions for accumulation. Instead, it has a pair of contradictory imperatives of accumulation and legitimation (O’Connor, 1973), since the capital–labour antagonism threatens the reproduction of capitalism. Yet the state may legitimate capitalist society by interceding into this relation by, for example, social welfare, as in the post-war settlement, or by other means. The extent to which it needs to do this depends on the balance of class forces: if capital has immense strategic advantage over labour, there is less imperative for the protection or decommodification of labour.

Over the long-run, the accumulation–legitimation imperatives of the state result in a ‘fiscal crisis of the state’ (O’Connor, 1973). The state cannot meet both imperatives without expenditures outrunning revenues. The implications of this for the financing of the built environment are set aside by this thesis to focus on the possibilities for short- or medium-run stabilisations of this tension. Silver (2013) argues the twentieth century exhibits swings between accumulation and legitimation, with capitalist society stabilising around particular sets of social relations in different periods as a result of contingent class struggle. The present neoliberal era represents a swing towards accumulation, achieved through embedding neoliberalism within social relations (Cahill, 2014). Appropriating from the regulationist tradition, we can describe these middle-run stabilisations as accumulation strategies, which we have mentioned above in relation to the urban ‘structured coherence.’ An accumulation
strategy provides a definite relation between state power and the market—sometimes referred to as a regime of accumulation or mode of regulation (Aglietta, 1979). I describe accumulation strategies as a set of socio-spatial relations upon which accumulation and legitimation depends, and which may be constrained to those relations underlying an urban ‘structured coherence.’ Fractions of capital want to nudge accumulation strategies to privilege their own fractional interests. Capital in general is interested in reproducing an accumulation strategy. And the state must balance reproducing the conditions for accumulation and legitimation.

**SPATIALISING THE STRATEGIC-RELATIONAL APPROACH**

We can now extend this basic account with the Brenner–Jessop spatialized strategic-relational approach (SRA). The crucial concepts are described in Box 2.2. The SRA treats state power as underdetermined by capitalist social relations. However, middle-run stabilisations of the state’s twin imperatives of accumulation and legitimation are accomplished through the state. The reproduction of accumulation strategies depends on the state. The state itself is the site, generator, and outcome of class struggle (Jessop, 1990). It has a structural bias to the interests of capital in general, and it strategically privileges certain interests, dependent on inherited institutional forms and present class struggle. Class fractions try to achieve their objectives through ‘state projects’ and ‘state strategies,’ where the former reflexively targets the state and the latter targets socio-spatial conditions. Neil Brenner’s *New State Spaces* (2004) injects a spatial twist into this approach. Brenner’s spatialisation of this approach depends on the core proposition that:

> [The] territorial coherence and interscalar coordination of state institutions and policies are not permanently fixed, but can be established only through the mobilisation of political strategies intended to influence the form, structure, and internal differentiation of state space (Brenner, 2004, p. 90).

The state is therefore characterised by the historical evolution of its institutional geography through strategic contestation by social classes. The state’s spatial selectivity is constituted through state spatial projects and strategies. The former is reflexively directed onto the geographies of state territoriality: the scalar arrangements of government, for example. The latter is directed upon broader socio-spatial conditions: the coordination of spatial fixes, for example. These examples point towards the scalar and territorial dimensions of what Brenner describes as the state spatial process (for more detail, see: Brenner, 2004, Chapter 3).
Box 2.2 Spatialising the SRA: key concepts

<table>
<thead>
<tr>
<th>Strategic Relational Approach</th>
<th>Spatialised Strategic Relational Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State form</strong></td>
<td>State power is institutionally separate from economic power, but the same social relations underpin both</td>
</tr>
<tr>
<td><strong>State projects</strong></td>
<td>The coordination of state power is contingent on <em>projects</em> that target state institutions</td>
</tr>
<tr>
<td><strong>State strategies</strong></td>
<td>The attempt to regulate socio-economic conditions towards particular forms of economic development and social legitimation</td>
</tr>
<tr>
<td><strong>Strategic selectivity</strong></td>
<td>The general structural bias to the interests of capital; and the privileging of some interests over others, emergent from the existing state structures and present projects and strategies</td>
</tr>
</tbody>
</table>

Source: (Jessop, 1990, 2002; Brenner, 2004)

Both Jessop and Brenner situate their analyses in the context of shifting global political-economic trends. The globalisation, flexibilisation, and decoupling of the accumulation process has led to changes in state power (Jessop, 2002). Brenner suggests that new state spaces that emerged throughout this process are characterised by “(a) state spatial projects oriented towards administrative differentiation and decentralisation; and (b) state spatial strategies oriented towards the differentiation of socioeconomic activities within a national territory and towards the management of scalar multiplicity” (Brenner, 2004, p. 106). In short: there has been a trend towards state power articulated at the urban scale for the purposes of securing accumulation and legitimation. This does not imply that other state structures have ‘withered away.’ Rather, the rescaling of statehood to the urban scale is a recent round of state spatial re-regulation.
NEOLIBERALISING STATE SPACE

The reregulation of state power towards the urban scale has accompanied the embedding of neoliberalism within state institutions. Accounts of neoliberalism are widely disputed. Briefly, the poststructuralist account discussed in Chapter 1 tends to reject that the Australian state can be characterised as ‘neoliberal’. This depends on the ontological rejection of social structuration and macrological concepts. Neoliberalism is a “pervasively political project” but is contested by other ethos’ within the state and, therefore, the state is always-already contingently contested (McGuirk, 2005, 2012). But their critique of neoliberalism depends on presuming it originates in a ‘policy-propagating core’ of neoliberal ideas that nonetheless leave activity at the ‘operational periphery’ undetermined (McGuirk and O’Neill, 2005, 2012). Yet this implicitly adopts an ideational account of neoliberalism. As Cahill (2014) argues, ideational accounts presume that neoliberalism is about neoliberal intellectuals enacting theory into practice.

Instead, we must situate neoliberalism as a set of social relations that strategically privileges the interests of capital (Cahill, 2014), which we may call ‘actually existing neoliberalism.’ Ryan (2015) illustrates that “it is the selective application of market-based logics that is the hallmark of ‘actually existing neoliberalism,’” where social welfare gets cut and corporate welfare does not.1 The ‘selectivity’ of market-based logics suggests that these practical implications depend on the state spatial process and strategic selectivity. Cahill (2014) argues along these lines by proposing that neoliberalism is ‘always-embedded’ in capitalist social relations. Recall the earlier Polanyi–Block argument that markets are embedded in social relations and dependent on state regulation (Block, 2003; Polanyi, 2001). Crucially, Cahill (2014, p. 106) argues that neoliberalism is embedded in state institutions through a “regulatory bias towards neoliberalism through formal rules that privilege neoliberal policy practices” and by “quarantining such practices from popular deliberation.”

2.3. CONCLUSION: EPISTEMIC STANDARDS

Chapter 1 set out a critique of leading accounts of Sydney. What emerged from this was an inadequate attention on how urban politics relates to urban economics. I argued that we need an approach that rests on an analysis of the material processes of capitalist society. By

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1 Ryan’s suggestion for exploring the complex interactions between neoliberal ideas and practices may be useful for further research into Sydney.
exploring the interrelations between capital, the state, and space in this chapter, I offer a theoretical framework that can be used for studying the formation of the GSC in Chapters 3 and 4. This theoretical framework contains some epistemic standards that must be met by Chapters 3 and 4 (see Box 2.3). A useful set of epistemic standards are articulated by Cahill (2014) in relation to the ideational conception of neoliberalism. This conception must meet three conditions: (a) that state policy resembles neoliberal theory, (b) that transmission mechanisms must be shown linking intellectuals to policy-makers, and (c) that these mechanisms and ideas were influential in shaping policy. Stripping this schema of its ideational and neoliberal context provides an abstract schema for demonstrating policy formation—or, for our purposes, the formation of a state spatial project (see Box 2.3). But there are several dangers in this abstract schema. First, it excludes ‘the who of power’ (Morton, 2016). Attention to agency, to who is causing a state spatial project, is essential. Second, it interprets the state as a tabula rasa, without paying attention to the historical evolution of its form and space. Third, it ignores the tenacious influence of the economy. Markets may well be embedded in social relations, but their pervasive influence cannot be ignored. And, fourth, treating transmission mechanisms as neat person-to-person relations oversimplifies how agents influence policy-formation. The process of discursively and ideologically legitimating certain options over others is crucial. The abstract schema of resemblance, mechanisms, and influence can then be supplemented by epistemic standards of agency, statehood, and the economy. The epistemic standards for my argument in Chapters 3 and 4 are summarised below.

**Box 2.3 Epistemic standards for assessing the formation of a state spatial project**

<table>
<thead>
<tr>
<th>Standard</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Economy</td>
<td>The urban economy has an urban accumulation strategy, structured by interurban competition and global circuits of capital. This accumulation strategy sets out the shared and conflicting interests between class fractions, as well as their relative strengths</td>
</tr>
<tr>
<td>2. Statehood</td>
<td>The inherited state structures possess a set of always-already embedded strategic spatial selectivities. These are the target of state spatial projects.</td>
</tr>
<tr>
<td>3. Agency</td>
<td>The crucial agent here is the urban class alliance, which must be identified in relation to its composite fractions of capital and whatever mediate bodies it uses to mobilise its intercessions upon the state</td>
</tr>
<tr>
<td>4. Mechanisms</td>
<td>These are the methods by which an agent may successfully accomplish its objectives. In our case, these are the ways of legitimating a neoliberal-inflected state spatial project.</td>
</tr>
<tr>
<td>5. Influence</td>
<td>The above mechanisms must be shown to have been effective.</td>
</tr>
<tr>
<td>6. Resemblance</td>
<td>The nature of the state spatial project must be shown to relate to what was legitimated by the urban class alliance and to what is in their interests (viz. reproducing or consolidating the urban accumulation strategy via configuring state-led spatial fixes)</td>
</tr>
</tbody>
</table>
3. FORMING THE GREATER SYDNEY COMMISSION

INTRODUCTION

I have so far argued that a Marxian approach successfully relates urban politics to urban economics—a crucial, but missing, emphasis in the literature on Sydney. Chapters 3 and 4 apply this analysis to account for the formation of the Greater Sydney Commission (GSC). This chapter assesses how an urban class alliance advocated for the GSC while Chapter 4 focusses on the structural and spatial configuration of the GSC. This division matches the division within Chapter 2 between assessing ‘capital and space’ and ‘state and space.’ I argue that the GSC was advocated for by an urban class alliance whose objective was maintaining Sydney’s competitive advantage vis-à-vis global circuits of capital. The first section begins with the institutional and economic context. These enable me to identify Sydney’s accumulation strategy and core fractions of capital, as well as structural weaknesses embedded in urban space. The next section explores how these fractions of capital coalesced to support the GSC proposal through the mediate bodies of the Committee for Sydney and Property Council of Australia. Finally, I explore how the GSC was legitimated through the ‘Fair Go’ media campaign in 2014, but also subsequent interventions up until its formation in early 2016. I argue that the urban class alliance successfully framed a neoliberal-inflected metropolitan planning authority as a necessary policy for the state.

3.1. INSTITUTIONAL AND ECONOMIC CONTEXT

INSTITUTIONAL CONTEXT

Urban planning falls within the authority of the NSW Department of Planning and Environment. But urban planning does not solely determine urban development: as Stilwell and Troy (2000) indicate, urban development is organised through all three tiers of Australian government. They argue that inter-tier tensions dominate the history of urban development. The central tension is the fiscal imbalance between the federal government’s revenue-raising powers and the state government’s revenue spending powers. The powers of local councils, meanwhile, are devolved from state government through legislation. Intra-tier tensions complicate urban development, since state apparatuses may strategically privilege the interests of distinct class fractions of alliances (Clark and Dear, 1984, pp. 55–59). But structural bias
inscribed within the state may be bypassed through the evolution and “creation of new institutions and arrangements” (Clark and Dear, 1984, p. 57). Overcoming these inter- and intra-tier tensions is essential for the state to effectively engage in urban development.

I now turn to a brief history of Sydney’s planning regime. This demonstrates the evolution of the regime towards its recentralisation within the state government and its construal as ‘impartial’ and ‘expert.’ The Environmental and Planning Assessment Act [1979] is the major legislative instrument regulating urban planning. Powers relating to development assessment and environmental planning were devolved to local government, with some state government overrides for cases of what is recently known as ‘state significant’ development (EPA Act, 1979). Ever since the introduction of this decentralised planning regime, the state government has rolled back the authority of local government (Searle and Bunker, 2010a; Stilwell and Troy, 2000).

Concurrent with this process has been the trend towards ‘impartial’ and ‘expert’ development assessment. Two examples of this trend are Joint Regional Planning Panels (JRRPs) and Independent Hearing and Assessment Panels (IHAPs). Both are constituted by non-elected and non-partisan expert members. Both operated between the scales of local and state government, with JRRPs assessing regionally significant development (over $20m) and IHAPs assessing

![Figure 3.1 Influence over urban development: state and local government](image)
locally significant development. Crucially, if local government failed to quickly assess developments or shows ‘political bias,’ authority can be handed over to IHAPs or JRRPs. Bishop (2014) argues that these panels exemplified the trend towards centralised planning authority and a strategic privileging of expert opinion over democratic control, resulting in ‘new state spaces.’ To legitimate these ‘impartial’ and ‘expert’ panels, the state government deployed the recent history of corruption in development assessment and the inefficiency of the planning regime—decried as a “sclerotic labyrinth of tunnels” (Freestone and Williams, 2012). But Bishop (2014) notes that enhancing planning ‘efficiency’ means an increase in investment certainty and assessment speed by decreasing community participation.

The Sydney planning regime prior to the formation of the GSC, then, contains these evolved tendencies. A wide range of state institutions are engaged in urban development, however, across the tiers of government. The same tendencies are not necessarily inscribed within those institutions in the same way. Figure 3.1 shows an overview of the major institutions involved in urban development. Figure 3.2 shows the key institutions within the Sydney planning regime and the major planning functions, which are further detailed in Box 3.1. Both figures suggest the hierarchical relations between within urban space; but simplify the complex interrelations of state involvement in urban space.

Box 3.1 Key functions of urban planning

<table>
<thead>
<tr>
<th>Function</th>
<th>Scale 1</th>
<th>Scale 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Planning</td>
<td>Regional plans</td>
<td>Subregional plans</td>
</tr>
<tr>
<td></td>
<td>• Sets direction for regional development and environmental management.</td>
<td>• Enacts regional scales at a smaller scale, and provides direction for the still smaller local environmental plans</td>
</tr>
<tr>
<td>Environmental Planning</td>
<td>State environmental planning policies</td>
<td>Local environmental plans</td>
</tr>
<tr>
<td></td>
<td>• Sets out regulations for development that is deemed ‘state or regional significant’</td>
<td>• Sets out regulations for development that apply unless superseded by state government</td>
</tr>
<tr>
<td>Development Assessment</td>
<td>Planning Minister or JRRPs</td>
<td>Local government or IHAPs</td>
</tr>
<tr>
<td></td>
<td>• The typical ‘consent authority’ for development that has state or regional significance</td>
<td>• The typical ‘consent authority’ for development, except when superseded by state government</td>
</tr>
<tr>
<td>Infrastructure Coordination</td>
<td>State government</td>
<td>Local government</td>
</tr>
<tr>
<td></td>
<td>• Planners (nominally) engage with other state departments to coordinate relevant infrastructure where it is needed: roads, railways, schools, etc</td>
<td>• Local government planners help coordinate infrastructure that local government has responsibility over.</td>
</tr>
</tbody>
</table>
Figure 3.2 The Sydney Planning Regime, pre-GSC. Arrows indicate regulatory control.
**ECONOMIC CONTEXT**

This section identifies the nature of the Sydney economy. It reveals that the accumulation strategy in Sydney depends on ‘knowledge-intensive’ sectors that offer goods and services higher in the value chain than Australia’s traditional manufacturing, agricultural, or mining industries. In turn, this reveals the dominance of certain fractions of capital: finance, property, and ‘knowledge-intensive’ fractions of capital. But the accumulation strategy faces challenges in the short- to medium-term. I highlight the problems that emerge from the spatial centralisation of the urban economy generally and the core sectors particularly. This provides a structural interest for fractions of capital to form an urban class alliance. Since the Sydney economy is central for the state and national economies, the accumulation imperative of the state strategically privileges the Sydney accumulation strategy at the state and national tiers of government. The stylised facts that this argument depends on are displayed below in Box 3.2.

**Box 3.2 Stylised facts of the Sydney economy**

<table>
<thead>
<tr>
<th>Stylised facts</th>
<th>Selected Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Sydney economy is crucial for the state and national economy</td>
<td>• 2016 Greater Sydney GRP: $378bn, 25% of AUS GDP and 70% of NSW GSP (ABS, 2016a, 2016b)</td>
</tr>
<tr>
<td></td>
<td>• Contribution to AUS GDP growth: 38.6% (SGS Economics &amp; Planning, 2016a)</td>
</tr>
<tr>
<td>Sydney’s core sectors are the finance, insurance, and real estate (FIRE), and other knowledge-intensive sectors</td>
<td>• These sectors represent over half of Sydney’s economy (see Table 3.1)</td>
</tr>
<tr>
<td></td>
<td>• Aggregate employment figures show increasing employment in these sectors (Table 3.2)</td>
</tr>
<tr>
<td>These core sectors are spatially centralised within Sydney</td>
<td>• Employment data, by place of work, shows the centralisation of the core sectors (Table 3.2 and Fig. 3.3)</td>
</tr>
<tr>
<td></td>
<td>• GVA per capita by district shows the dominance of the Central district (Fig. 3.4)</td>
</tr>
<tr>
<td>The Sydney economy faces major challenges in the short- to medium-term</td>
<td>• Saturation of residential and commercial space means rising costs of reproduction and production</td>
</tr>
<tr>
<td></td>
<td>• Poor intra-urban mobility constrains productivity and the space available for residential and commercial operations (Fig. 3.5)</td>
</tr>
</tbody>
</table>
The Sydney accumulation strategy is structured around its position as a ‘global city’ integrated into global circuits of capital. This shift occurred during ‘Australia’s New Prosperity’ of the 1990s, which was driven by “finance-based economic activity along Australia’s eastern seaboard, especially in the Sydney region” (McGuirk and O’Neill, 2002). Numerous authors stressed the rise of finance, property, and business services during this period (Fagan, 2002; Freestone and Murphy, 1998; Raskall, 2002), and an earlier study identified their role in the redevelopment of Pyrmont–Ultimo (Sant and Jackson, 1991). The 2000s have been described as Sydney’s ‘Lost Decade’ with a slump in Sydney’s economic growth and infrastructure investment (CFS, 2013a, p. 2, 2015, p. 4). But the trend of the 1990s continued to the present, reinforcing the crucial role of finance, insurance, and real estate (FIRE) sectors, along with other knowledge-intensive sectors. Table 3.1 shows the Gross Value Added for the major sectors in Sydney while the bottom row of Table 3.2 shows indicative employment figures that summarise the trend towards these sectors. Sydney’s move up the value chain, away from traditional manufacturing and towards advanced services, has been driven by Sydney’s ability to compete high (but not low) on the value chain (SGS Economics & Planning, 2016b). This competitive advantage has been grounded on a substantial supply of high-skill labour, lower residential and commercial rental costs, and a higher quality of life than interurban competitors (ibid.).

Table 3.1 Industries within Sydney economy, by GVA.

<table>
<thead>
<tr>
<th>Industry</th>
<th>GVA as % of Sydney Economy</th>
<th>GVA (AUS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance &amp; insurance services</td>
<td>18.90%</td>
<td>$52 bn</td>
</tr>
<tr>
<td>Professional scientific &amp; technical services</td>
<td>10.50%</td>
<td>$29 bn</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7.80%</td>
<td>$21 bn</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>6.7%</td>
<td>$18 bn</td>
</tr>
<tr>
<td>Transport, postal and warehousing</td>
<td>6.20%</td>
<td>$17 bn</td>
</tr>
<tr>
<td>Information media and telecommunications</td>
<td>6.00%</td>
<td>$17 bn</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>6.00%</td>
<td>$16 bn</td>
</tr>
<tr>
<td>Construction trade</td>
<td>5.50%</td>
<td>$15 bn</td>
</tr>
<tr>
<td>Education and training</td>
<td>5.40%</td>
<td>$15 bn</td>
</tr>
<tr>
<td>Retail trade</td>
<td>4.80%</td>
<td>$13 bn</td>
</tr>
<tr>
<td>Rental hiring and real estate services</td>
<td>3.70%</td>
<td>$2 bn</td>
</tr>
<tr>
<td>Other</td>
<td>18.50%</td>
<td>$61 bn</td>
</tr>
</tbody>
</table>

Source: (RDA Sydney, 2017)
Table 3.2 Employment by industry and district, 1996-2016.

<table>
<thead>
<tr>
<th>District</th>
<th>Knowledge-Intensive</th>
<th>Health and Education</th>
<th>Population Serving</th>
<th>Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>14.1%</td>
<td>16.6%</td>
<td>5.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>North</td>
<td>7.0%</td>
<td>6.8%</td>
<td>3.5%</td>
<td>4.3%</td>
</tr>
<tr>
<td>South</td>
<td>2.0%</td>
<td>1.9%</td>
<td>1.9%</td>
<td>2.4%</td>
</tr>
<tr>
<td>South West</td>
<td>1.4%</td>
<td>1.5%</td>
<td>1.6%</td>
<td>2.2%</td>
</tr>
<tr>
<td>West</td>
<td>0.9%</td>
<td>1.0%</td>
<td>1.1%</td>
<td>1.3%</td>
</tr>
<tr>
<td>West Central</td>
<td>3.5%</td>
<td>4.2%</td>
<td>2.7%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Greater Sydney</td>
<td>28.8%</td>
<td>32.1%</td>
<td>15.8%</td>
<td>19.0%</td>
</tr>
</tbody>
</table>

Source: (GSC, n.d.)

The prominence of the industrial sector in Table 3.1 seems to confound the thesis that Sydney’s accumulation strategy depends on competitive advantage high on the value chain. But employment data, aggregated differently, explains this confound fact. Table 3.2 shows the change in spatial distribution of employment within Sydney from 1996 to 2016, by aggregate sector and district. Both are organised by place of work, not place of residence. The four aggregate categories of employment used are knowledge-intensive, health and education, population serving, and industrial, where knowledge-intensive includes the financial and advanced business services sectors, along with advanced manufacturing, public administration, and real estate. Population-serving includes the traditional service industries and construction. The aggregate ‘industrial sector’ category in Table 3.1 contains both advanced and traditional industry, thereby concealing Sydney’s haemorrhaging of industrial labour.

Table 3.2 suggests a second tendency: the spatial centralisation of employment, particularly within the core sectors of the Sydney economy. Figure 3.3 shows the change in proportion of employment, relative to the total Sydney employed labour-force, by industry and district. The Central / CBD district has consolidated its position as the centre of knowledge-intensive employment while the West Central / Parramatta district has emerged as a secondary business, health, and education centre, with a rise in population-serving employment associated with increased construction and provision of amenities in the district. Other areas have not seen such
Figure 3.3 Change in proportion of employment by industry and district
Source: (GSC, n.d.)

Figure 3.4 GVA per capita in 2015
Source: (GSC, n.d.)
growth—a development that becomes even more stark upon examining the distribution of gross value added across the urban space (Figure 3.4), where the Central District occupies the leading role with the North and West Central districts following at distant second and third places.

The spatial configuration of the Sydney economy contains several structural weaknesses that threaten the short- and medium-term success of the accumulation strategy. The centralisation discussed above is one major driver of this, but is not the only factor. I highlight three underlying weaknesses: housing costs, commercial rental costs, and long commuting times. These are useful because they emphasise the conflicting interests between property capital and other fractions of capital.

First, growth in commercial rental costs increases the costs of production for firms. This decreases the rate of return for capital invested in the primary circuit of capital but increases it for capital in the secondary circuit of capital. Commercial capital loses out to property capital. At August 2015, the office sector was valued at $38.0bn, across 47 million square feet of space, with the CBD market larger than all other office markets combined (Colliers International, 2014; Whitby, 2016). Investments from foreign capital control just under one third of the office sector, attracted by high and rising office rental prices (Colliers International, 2014; Whitby, 2016). But property capital depends on demand for office space, which depends on a high profit rate for the primary circuit of capital. Continued commercial rental growth risks profits for capital in general.

Second, growth in residential costs places upward pressure on the wage-share within Sydney. Rising costs of labour reproduction places a medium-run pressure on firms to offer higher wages in order to command labour, since similar or better earnings are available elsewhere with lower costs of reproduction. This is particularly evident with high-skill, high-income workers. In the short-term, repaying substantial mortgages threatens effective demand of the service sectors of the urban economy, as workers cut back on spending to service debts. The widespread recognition of housing unaffordability is indicated by property prices reaching 8.3 times household income in September 2016 (taking medians of both) (CoreLogic, 2016).

Third, long commuting times threatens the viability of urban housing and labour markets. The centralisation of the Sydney economy entails higher property prices nearer to the CBD, since workers cannot rapidly travel long distances to commute to work. The price to income ratio,
above, is exacerbated in inner city regions. Long commuting times constrain productivity and quality of life. Figure 3.5 shows that only a small proportion can commute to work within thirty minutes, with a substantial proportion still unable to commute to work within an hour. It shows that this effect compounds Sydney’s uneven development, with the greatest disadvantage in places with low employment in Sydney’s core sectors. Low mobility of workers (and goods) diminishes the range of locations that labour and capital may locate their homes and businesses without being at a disadvantage to other workers or firms in superior locations. But increasing this mobility may suppress rents, which is against the interests of property capital, by expanding the horizons of residential and commercial location decisions.

![Travel Time from Home to Work, by District](image)

*Figure 3.5 Travel time from home to work, by district.*
*Source: (GSC, n.d.)*

Resolving these structural weaknesses by reconfiguring Sydney as a polycentric urban space demands investment in the built environment. Such investment typically includes state-coordinated infrastructure and private investment into single- or (preferably) mixed-use development. But this task must be accomplished before these structural weaknesses are exacerbated. Urgency is heightened through interurban competition: other cities may be enhancing their competitive advantage. But within these structural weaknesses are class fractional tensions. There are, then, general interests to form an urban class alliance and partial interests against forming an urban class alliance.
3.2. **The Sydney Urban Class Alliance**

Chapter 2 argued for the urban class alliance concept as a crucial mediator between urban politics and urban economics. I argued that the dialectic of mobility and immobility determine the tension between fractional and general class interests, which determines the possibilities for forming an urban class alliance. The implicit instability of urban class alliances emerges from capitalist social relations, and must always be historically situated. The institutional and economic context, above, enables me to historically situate an urban class alliance around the formation of the GSC. Box 3.3, below, summarises the key conclusions of this section about the mediate bodies of this urban class alliance.

I identify two mediate bodies through which fractions of capital coalesced to support the GSC: the Committee for Sydney (CfS) and Property Council of Australia (PCA). The CfS was formed in 1997, with the objective of advancing the interests of Sydney. This ‘whole of city’ approach requires a ‘whole of government’ approach. In 2012, the CfS has seen a substantial renewal and expansion, with membership increasing by fivefold and frequency of activities intensifying (CfS, 2016). Its present members include corporations, government departments, local councils, NGOs, and universities. Most of its members are large corporations, often transnational, and largely within the FIRE and knowledge-intensive sectors. The PCA is the peak body for the property industry, representing over 2200 firms. Its objective is supporting the interests of real estate sectors. Its present tiered membership structure suggests that it privileges the interests of larger over smaller firms (PCA, n.d.).

The overarching goals of the CfS and PCA are evident via analysis of their publications in the context of the fractional class interests they represent. The CfS sets out to achieve “the enhancement of the economic, social, cultural and environmental conditions that make Sydney a competitive and liveable global city” (CfS, n.d.). All CfS documents maintain these emphases. These emphases are calculated for the interests of the globally competitive fractions of capital that it primarily represents. Other documents extend this general goal through defending the global city thesis, the centrality of knowledge-intensive industries, the importance of technological innovation for finance, and the significance of a metropolitan planning authority (CfS, 2013b, 2013c, 2014a). The PCA has long advocated for planning reform, arguing for a homogenous and deregulated planning regime across Sydney (PCA, 2016a). They argued that planning is an impediment to development, since its byzantine web of regulations prevents investment certainty (PCA, 2012). Impeding development is held to
impede supply of residential and commercial space, driving up prices, which nobody wants (PCA and Deloitte Access Economics, 2016). They stress the importance of ‘liveable’ urban space and affordable residential space, but only through greater supply enabled by deregulation. These interests are organised around the central principle of providing greater certainty of a profitable return on investment for property capital.

Box 3.3 Summary of Committee for Sydney and Property Council of Australia

<table>
<thead>
<tr>
<th>Committee for Sydney</th>
<th>Property Council of Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>History</td>
<td>• Formed in 1997, renewal in 2012</td>
</tr>
<tr>
<td></td>
<td>• Formed in 1969 as Building Owner’s and Managers Association. Renewed in 1996 as PCA</td>
</tr>
<tr>
<td>Membership / Fractions of Capital</td>
<td>• Sydney-based fractions of capital, particularly FIRE and knowledge-intensive sectors</td>
</tr>
</tbody>
</table>
|                      | • Property capital and associated real estate fractions of capital
|                      | • Preferential towards the interests of larger firms |
| Overarching goals    | • Enhancing Sydney’s competitive advantage for its globally competitive core sectors |
|                      | • Maximising the capacity for profitable development |
| Shared interests in the GSC | • GSC strategically privileges the interests of capital in reproducing the Sydney accumulation strategy |
|                      | • GSC aims to resolve the spatial centralisation of the Sydney economy, partially meeting the accumulation / legitimation imperatives for reproducing capitalist society |
|                      | • GSC subjects urban planning to a neoliberal market logic |
|                      | • GSC homogenises and partially deregulates development assessment, enabling greater investment certainty |
| Strategies           | • Discursive and ideological legitimisation of neoliberal policy sets |
|                      |   o Release of public reports, timed with media blitzes |
|                      |   o Solicited and unsolicited submissions on state policy |
|                      |   o Private events that advocate neoliberal-inflected policy |
|                      | • Framing the terms of public debate and media campaigns |
|                      |   o Press releases advocating neoliberal framing of policy |
|                      |   o Specially prepared reports that have the gravitas of expertise |
This thesis focusses on how the conflicting and partial interests of fractions of capital were superseded by their shared and general interest in reproducing Sydney’s accumulation strategy. Indeed, some fractional interests are met. Homogenised development assessment secures investment certainty for property capital. Supply of potential high-value, high-rise property is expanded by state-coordinated infrastructure. The structural weaknesses of Sydney’s spatial centralisation might be resolved. We can see a hint of cross-fractional accommodation in the PCA’s call for landlords to offer more flexible and short-term leases for knowledge-intensive firms (PCA, 2016a), which the PCA suggests is to their mutual interest. Given the cross-fractional interest in the GSC, I turn to assess the strategies employed in its advocacy.

I group these strategies under two categories: discursive legitimisation of neoliberal-inflected policy and engaging in public debate and media campaigns. I distinguish the first two since the latter is characterised by specific interventions and engagements rather than general framing of policy. Both organisations engage in the specific activities listed in Box 3.3. Many of the CfS publications are produced by member organisations, typically advanced business services that act as consultancies. The Geospatial Economic Model, discussed in Chapter 1, was prepared by PwC for use by the CfS in arguing for a metropolitan planning authority (CfS and PwC, 2015). Following Cahill (2014), these functions may be summarised as interventions in public discourse to legitimate neoliberal-inflected policy, with their peculiar authority of ‘impartiality’ and ‘expertise’ as non-politically-affiliated industry representatives and ‘business leaders.’

These strategies are primarily deployed to legitimate policy sets with neoliberal inflections. Given the always-embedded character of neoliberalism within class relations, institutions, and ideology, the neoliberal inflections of the CfS and PCA possess a strategic advantage relative to policy sets inflected by a different logic. To foreshadow my argument in the next section, the GSC was legitimated in such a way as to construct its political necessity by the neoliberal urban class alliance. The PCA is recognised broadly as a neoliberal organisation with considerable political influence. David Shoebridge MLC conspiratorially suggests that the PCA is the ‘shadow government of NSW,’ where “the major wins of the Property Council looks awfully like the entire Baird Government agenda” (Shoebridge, 2016).

But the CfS receives blunted critique or even muted praise from otherwise critical scholars, because it emphasises more than economic growth and diverges from ideational neoliberal
norms. Wetzstein (2013) argues that the CfS blends neoliberalism and after-neoliberalism because its membership base is broader than corporations and it promotes accumulation and social and ecological reproduction. Grant and Drew (2017) stress that “the Committee has been at pains to be inclusive” while Acuto (2012) notes that, “curiously, due to the volatility of the city’s political processes, even the corporate sector has begun asking for a more comprehensive metropolitan governance structure,” referencing a CfS publication. These theorists share an approach to urban politics as a governance network constituted through social agents with diverse interests that cannot be reduced to urban economics. Chapters 1 and 2, however, have argued against this account of urban politics and urban economics and advocating for a focus on how the dialectic between conflicting fractional class interests and shared general class interests. My analysis relies on situating discursive practices within material conditions, not on ideational norms, to show the neoliberal inflections of an urban class alliance. Advocacy that extends beyond economic growth or alleged neoliberal norms may be (a) political cover to legitimate their preferred approach, (b) the reframing of ‘non-economic’ issues with neoliberal inflections, or (c) the securing of ‘non-economic’ conditions for accumulation.

3.3. LEGITIMATING THE GSC

During [a] 40-minute meeting the idea for a powerful and passionate campaign was born… [which] developed into the Daily Telegraph’s mission to bring economic justice to Western Sydney (Whittaker, 2014).

Captains of industry and political heavyweights are grasping the fact that a tangible difference can be made when those with power and influence put their heads and resources together to redress decades of neglect (Carswell, 2014).

During April–June 2014, The Daily Telegraph ran the first iteration of its ‘Fair Go For The West’ media campaign. The vast array of Sydney-based News Limited media outlets ran stories highlighting local and systemic inequality within Western Sydney, paired with editorials demanding state and federal government action. One key demand was the formation of a metropolitan planning authority. By the campaign’s conclusion, the editor of The Daily Telegraph announced that the “small idea” of a ‘Fair Go for the West’ “grew into a powerful push for geographic justice” (Whittaker, 2014). This formation process continued till early 2016. And, so, in late 2016, the PCA proclaimed the success of a decade-long goal (PCA, 2015)
in achieving the formation of the GSC (PCA, 2016b). At the same time, the CfS declared their role in “initiat[ing] and shap[ing] the Greater Sydney Commission…” (CfS, 2016).

The success of this campaign depended on legitimating the GSC proposal to the point where its formation was a discursive necessity. I argue that the GSC was formed only through the backing of Sydney’s urban class alliance, mediated through the CfS and PCA. Their backing provided the requisite legitimating force to discursively necessitate the GSC. I explore the three discursive bases of the campaign to identify how the GSC was legitimated. First, the GSC was posed as the solution to the spatial tension between tiers and departments of government. Second, the GSC was formulated in such a way as to meet the state’s twin imperatives of accumulation and legitimation, by promising economic prosperity would bring about ‘geographic justice.’ Third, the GSC was legitimated by construing it as an ‘impartial’ and ‘expert’ arbiter of urban planning that would not be subject to corruption. These three bases exist within the context of always-embedded neoliberalism that structurally privileged the GSC proposal as a neoliberalisation of the planning regime. I turn to each of these three in turn.

First, the GSC was legitimated as the solution to the spatial tension within Australian government. It was posed as the missing urban-scaled piece of the puzzle between national, subnational, and local scales of government. The ‘Fair Go’ campaign represented this lack of coordination as what was holding Sydney—and the West—back (Daily Telegraph, 2014a). This argument was supported by pronouncements from the CfS and PCA. The Daily Telegraph noted that, in urban planning and infrastructure delivery, “disjointed decision-making…is holding the city back” (Lehmann, 2014a) In the same breath, they published comments by the CfS about a new taskforce that would advocate for a strategy “to overcome the lack of leadership and disjointed approach created by a multitude of small local councils and poor coordination across government” (ibid.). The CfS (2013c) defends this perspective with a comparative study of innovative governance in other cities, arguing Sydney will fall behind without a metro-scaled state institution. The thrust of these arguments focussed on state failure in urban planning and infrastructure delivery at the subnational and, particularly, local scales. Continued economic development depends on coordinated state policy:
Strengthening metro and sub-regional planning is a key tool for realising [Sydney’s] full economic potential… The proposed Greater Sydney Commission – which the Committee has played its part in encouraging and on which it is actively involved with the Government in deliberations on its functions – represents considerable progress towards the coordination Greater Sydney needs. (CfS, 2014b)

However, the proposal for an urban-scaled institution does not inherently bias the state towards the interests of capital. Stilwell, for example, defends metropolitan and regional governments since they enable more effective regional development and decreased socio-spatial inequality (Stilwell, 1999). This arises because the spatial selectivity embedded in a regional-scaled institution privileges policy beneficial to that region. By supplementing this with a discourse of state inefficiency, messy infrastructure delivery, and sclerotic urban planning, the grounds for neoliberalising planning were laid. Together, this legitimates a neoliberal-inflection of a metropolitan planning authority.

Second, the GSC was legitimated by a discourse of ‘geographic justice’ through economic prosperity. Geographic injustice was broadly conveyed by pointing to shortfalls in infrastructure spending, transport, hospitals, wages, and even the arts (Whittaker, 2014). These were backed up by modelling conveyed through the CfS regarding the housing–jobs mismatch: jobs have centralised while housing has not. The media campaign can then mobilise public support from workers, residents, and commuters in the West (or, at least, the appearance of public support—as published by News Ltd.). Since the West is frequently represented as a crucial area for electoral success, this ‘public support’ translates into a political incentive for parties to support the GSC. The Daily Telegraph (2014a) declared that residents of the West were ‘hard-working’ but had been let down by the state. When political leaders declared their support for the GSC, The Daily Telegraph editors responded with praise (Lehmann, 2014b).

However, we can deepen this analysis by suggesting that joining geographic justice to economic prosperity provides the state the possibility of temporarily linking its accumulation and legitimisation imperatives. The Daily Telegraph, CfS, and PCA claim that the market will spatially distribute prosperity if the state invests in the built environment to counteract the spatial centralisation of globally competitive firms and high-wage employment (CfS, 2014b; PCA, 2015). The Daily Telegraph (2014a) argued that, for Western Sydney:
A key to the growth is the sensible management of that support. Western Sydney
doesn’t need handouts. It needs a platform upon which to construct what
amounts to a new city, with new visions for tomorrow.

Neoliberalism undermines direct welfare provision—expressed by the pejorative ‘handouts.’
But the legitimisation imperative of the state remains. A discursive frame that claims to meet the
accumulation and legitimisation imperatives, through a neoliberal-inflected metropolitan
planning authority, was strategically privileged during the GSC formation process.

Third, the GSC was legitimated by construing it as an impartial and expert arbiter of planning
and infrastructure that would not fall sway, as local councils do, to NIMBY politics or
developer donations. Earlier I noted that impartiality and expertise are part of a broader trend
in Sydney’s planning regime. If “nimby-ism is out [and] co-ordinated infrastructure delivery is
in” (Large, 2014) and nimby-ism is politically biased, then infrastructure delivery must be
politically neutral! Construing technocratic decision-making as impartial depends on the
presumption that politics refers to a distinct sphere, stereotyped by parliamentary politics. This
‘political’ sphere is construed as inherently incapable of efficiency. The PCA continually
reinforces this presumption. Their e-novella Planning Gone Mad satirises local government
planning as a Kafkaesque nightmare of bureaucratic NIMBY politics (PCA, 2012). They linked
the housing crisis to NIMBY politics which prevented development, backing up their argument
with a commissioned report exclusively provided to The Daily Telegraph (Godfrey, 2015).
And they positioned the GSC as a crucial achievement in depoliticising Sydney’s planning
regime (PCA, 2017, pp. 5–6). As such, the GSC was discursively constructed as a ‘planning
revolution’ that would cut through bureaucracy to deliver results to Western Sydney (Baird,
2014; Daily Telegraph, 2014b; Veiszadeh, 2014).

These three related bases for the legitimisation of the GSC proposal worked to such great extent
that neither major party opposed it during the 2015 state election or at the parliamentary debates
on the GSC Bill [2015]. The frame of acceptable debate was constrained to the functions and
powers of the GSC. The Labor Party proposed an institution with authority over other state
government departments to deliver infrastructure (Clennell, 2015). The Liberal–National
colission argued collaborative governance networks across state government departments
would suffice (NSW Legislative Assembly, 2015). Only the Greens rejected these positions,
critiquing the GSC proposal through themes of democratic proceduralism and anti-corruption
(NSW Legislative Council, 2015).
A wide range of models for metropolitan institutions are possible: from Stilwell’s regional governments to the elected Brisbane City Council. But the effect of the discourse surrounding the formation of the GSC was to constrain this wide range of institutional models. Instead, the acceptable range was defined by the aims of demolishing local government authority, linking geographic justice to reproducing the conditions for accumulation, and reducing ‘political’ or democratic engagement. The range of urban planning models related to these institutional models emphasised neoliberal themes of deregulation and market-dependent logic. Chapter 1 reviewed the mainstream urban economics and planning which forms the theoretical backbone for these themes. I critiqued these for their inadequate and uncritical attention to the social relations of urban space. Yet the ‘Fair Go’ campaign, motivated and mobilised by Sydney’s urban class alliance, constrained the range of acceptable policies such that the GSC was necessitated—and a neoliberal institutional logic was the only acceptable basis for it to be formed upon.

3.4. Conclusion

This chapter has assessed the formation of the GSC by linking the Sydney accumulation strategy to the objectives of an urban class alliance. To do so, I set out the necessary institutional and economic context to comprehend how an urban class alliance coalesced around the proposal for a metropolitan planning authority. This analysis revealed that fractions of capital centred around financial, knowledge-intensive and property sectors were the crucial core of this urban class alliance. These are mediated through two peak bodies: the Committee for Sydney and Property Council of Australia. I argued that these mediate bodies, along with the Daily Telegraph, were crucial in discursively legitimating the GSC proposal. In legitimating a metropolitan planning authority, the range of acceptable policy solutions to the campaign’s posed problems was constrained within a neoliberal logic. Sydney’s problems are centred on a potential weakness in maintaining its competitive advantage vis-à-vis global circuits of capital. The next chapter picks up this analysis by assessing how the form and space of the GSC is configured to try to resolve this underlying problem for reproducing the conditions for accumulation in Sydney.
4. A FAIR GO FOR THE WEST OR FOR CAPITAL?

INTRODUCTION

Chapter 3 demonstrated that a Sydney class alliance legitimated a neoliberal-inflected metropolitan planning authority. It became a discursive necessity to the extent that it was construed as the only viable solution within the domains of urban planning and infrastructure delivery that could help resolve underlying tensions in the Sydney economy. The ‘Fair Go for the West’ campaign was suffused with themes of ‘geographic justice’ and ‘economic prosperity.’ This chapter extends these arguments by exploring the nature of the GSC. As a state spatial project, it reconfigures the state’s logic, form, and space to try to meet the accumulation and legitimation imperatives. As a neoliberal project, it does so by embedding a fresh layer of urban neoliberalism upon the Sydney planning regime. The first section assesses the rescaling of state space via the formation of the GSC and how this strategically privileges the neoliberal interests of Sydney’s urban class alliance. The second section assesses the underlying logic of the GSC, captured by its triadic principles of productivity, liveability, and sustainability. I show that these are made functional for capital and, in so doing, reproduce the general conditions for accumulation and legitimation. My overarching argument is that the fundamental objective of Sydney’s class alliance is to reproduce their accumulation strategy through enhancing their competitive advantage vis-à-vis global circuits of capital. The formation of the GSC introduces a strategic spatial selectivity into Sydney’s planning regime that structurally privileges the middle-run interests of Sydney’s class alliance, mediated by the state’s twin imperatives towards accumulation and legitimation.

4.1. RESCALING URBAN STATEHOOD IN SYDNEY

Chapter 3 discussed Sydney’s institutional context before the formation of the GSC. I noted two tendencies: first, towards impartiality and expertise in planning; and, second, the centralisation of authority over urban space. Sydney’s planning regime had an urban-scaled gap in its institutional arrangement (which was discursively construed by Sydney’s urban class alliance). The formation of the GSC filled that scalar gap and continued the above two tendencies. I now present a brief overview of the GSC’s structure and how it reshaped Sydney’s planning regime. The Commission is constituted by the Chief Commissioner, three commissioners themed around the economy, society, and environment, a five district
commissioners for each district of Sydney, and three ex officio members who are the Secretaries of Treasury, Planning, and Transport (Greater Sydney Commission Act, 2015). More importantly, its functions may be divided into three arms of the GSC: planning, development assessment, and infrastructure coordination. These are summarised by Box 4.1. Figures 4.1 and 4.2 indicate the internal structure of the GSC and the reconfiguration of the Sydney planning regime after its formation, respectively.

Box 4.1 The three roles of the GSC

<table>
<thead>
<tr>
<th>Role</th>
<th>Institutional form</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Strategic Planning</td>
<td>• State government transferred its planning powers to the GSC</td>
</tr>
<tr>
<td></td>
<td>Committee</td>
<td>• GSC charged with setting out one regional plan for Greater</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sydney and five (originally, six) district plans for subregions</td>
</tr>
<tr>
<td>Development</td>
<td>Sydney Planning</td>
<td>• SPPs take on the function of JRRPs, assessing regionally</td>
</tr>
<tr>
<td>Assessment</td>
<td>Panels</td>
<td>significant development (generally, development over $30m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• SPPs can alter LEPs if doing so will give effect to provisions in a</td>
</tr>
<tr>
<td></td>
<td></td>
<td>regional or district plan</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Infrastructure Delivery</td>
<td>• The GSC cannot direct state investment in the built</td>
</tr>
<tr>
<td>Coordination</td>
<td>Committee</td>
<td>environment, but does try to coordinate it across state and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>federal government departments</td>
</tr>
</tbody>
</table>

On 22 Sep 2017, the six districts and planning panels were reconfigured into five. This change reflected the ‘Three Cities’ vision set out in 2016, where strategic planning for Sydney would be organised into three intra-urban spaces (Turnbull, 2016a). Box 4.2 provides details about these districts.

Box 4.2 Restructuring districts for the ‘three cities’ model

<table>
<thead>
<tr>
<th>Original District</th>
<th>North (unchanged)</th>
<th>Central (renamed)</th>
<th>West Central (renamed)</th>
<th>West + South (West merged)</th>
<th>South (unchanged)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present District</td>
<td>North</td>
<td>Eastern City</td>
<td>Central City</td>
<td>Western City</td>
<td>South</td>
</tr>
<tr>
<td>Indicative areas</td>
<td>Chatswood</td>
<td>CBD</td>
<td>Parramatta</td>
<td>Badgery’s Creek</td>
<td>Sutherland</td>
</tr>
<tr>
<td>Snapshot of planned</td>
<td>Knowledge-intensive</td>
<td>Financial and business</td>
<td>Knowledge-intensive,</td>
<td>‘Aerotropolis’</td>
<td>Health and</td>
</tr>
<tr>
<td>economic focus</td>
<td>and health sectors</td>
<td>centre</td>
<td>high-end services</td>
<td>around airport</td>
<td>education</td>
</tr>
</tbody>
</table>
Figure 4.1 Structure of the GSC
Arrows indicate regulatory control
The flow of authority in Figure 4.2 (and Fig 3.2) is only indicative; more complex interrelations exist than can be usefully shown in a diagram.

Figure 4.2 Sydney planning regime, post-GSC.

Arrows indicate regulatory control.

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1. SPPs sometimes regulate local scale developments.
Note: Institutions and planning instruments have multiscale effects. These categorisations are not intended to indicate fixed scales, but reflect the dominant production of scale within the Sydney planning regime.
NEW STATE SPACES: EMBEDDING A SCALAR HIERARCHY INTO SYDNEY’S PLANNING REGIME

[Local councils] are by necessity limited to their council borders. A co-ordinated body established above these councils would be better able to recognise shared needs...

(Daily Telegraph, 2014a)

Local jurisdictions frequently divide rather than unify the urban region, thus emphasising the segmentations rather than the tendency toward structured coherence and alliance-formation. Other means then have to be found within the higher tiers of government...to forge a ruling class alliance.

(Harvey, 1985, p. 153)

The strange bedfellows of David Harvey and The Daily Telegraph note that local government rarely accords to the needs of urban space, diminishing its capacity to work on ‘shared needs’ and motivating intercession into a higher tier of government—or creating a new scale. The formation of the GSC was a state spatial project to reshape the spatial selectivity of the state to strategically privilege the interests of Sydney’s urban class alliance. The GSC produces ‘new state spaces’: crucially, it introduces an urban scale and a scalar hierarchy (see Fig 4.2). Brenner (2004) argues that the rescaling of statehood to the urban scale is a decentralisation of state power away from the national scale that is concurrent with the increasingly global-embedded character of urban space—with the caveat that this is not equivalent to a ‘withering away’ of the national scale of the state. But the GSC decentralises state power away from the subnational state government and centralises authority away from local government. Brenner’s suggestion of a decentralisation of state power is better put as a tendency for state power to rescale towards the urban scale.

The production of an urban scale entails a spatial selectivity of planning and development assessment that privileges economic activity within that space and scale. This entails two things. First, there is a strategic exclusion of activity external to the Greater Sydney region. This author’s evaluation of GSC planning documents found next to no references to economic, environmental, or social activity beyond the borders of Greater Sydney, despite the always-already presence of interrelationships between spatial units. This suggests that the ‘global city thesis’—that urban spaces are primarily embedded in the global scale rather than the national scale—is a foundational presumption of the GSC. Second, there is a strategic privileging of
activity within the Greater Sydney region that is configured at the urban scale. In other words, one development proposal will win out over a competing proposal if it is configured to meet urban-scaled strategic goals and the other is not (with all other things being equal). In more realistic terms, developers that wish to alter the land-use zoning of an LEP will succeed if they demonstrate that it will meet the objectives of a regional or district plan.

This suggests the presence of a scalar hierarchy within the Sydney planning regime. The spatial selectivity of the state is expressed through the scalar hierarchy of regional, district, and local environmental plans (LEPs). Authority flows downhill through the planning system: district plans must give effect to regional plans; LEPs must give effect to district plans. The GSC produces both regional and district plans—and can exercise the power of amending any LEP in general, or through the Sydney Planning Panels upon request for alteration of an LEP by a development proposal (*Greater Sydney Commission Act, 2015*). Development assessment has a similar scalar hierarchy. Local councils assess proposals valued at less than $5m. Local planning panels assess proposals valued between $5m and $30m. And Sydney Planning Panels assess proposals valued over $30m. Other criteria exist for LPPs and SPPs assessing proposals, which amount to provisions for developments that may be regionally significant yet not valued above these values. The scalar hierarchy within the planning and development assessment functions is matched by a general authority of the GSC over local councils, slyly captured in the below legislative function, where the GSC ‘assists’ councils to implement the plans that it has developed—where it assists councils to follow its instructions:

(e) to assist local councils in the Greater Sydney Region… on the implementation of any plan or proposal relating to development in the Greater Sydney Region

(*Greater Sydney Commission Act, 2015*)

**EMBEDDING NEOLIBERALISM: ROLLING BACK DEMOCRACY, ROLLING OUT TECHNOCRACY:**

A hallmark of institutionally embedded neoliberalism is its de-democratised character (Cahill, 2014, p. 106). The effect of this is to produce a structural bias against popular or democratic intervention into state power. The scalar hierarchy of urban planning rescales state power to the urban scale, away from both state and local government. The GSC is insulated from any direct democratic input of an electoral process by its scalar position between the elected state and local tiers of government. But this formal-democratic angle of analysis misses several
subtler ways that neoliberalism is embedded within urban planning. First, the preceding argument regarding the flow of authority through the scalar hierarchy suggests that the GSC produces an authoritarian state space in the domain of urban planning: any sources of authority from distinct scales of the state are largely demolished, aside from a veto power vested in the state legislature.

Second, the GSC continues a trend for rolling back democratic engagement and rolling out technocratic decision-making. This double movement of roll-back / roll-out neoliberalism captures the way in which neoliberal policies dismantle previous regulatory systems and replace them with new regulations that strategically privilege capital (Peck and Tickell, 2002). In Chapter 3, I noted a trend towards ‘impartiality’ and ‘expertise’ in development assessment (Bishop, 2014). This trend was shown through the formation of Joint Regional Planning Panels and Independent Hearing Assessment Panels—which are replaced by Sydney Planning Panels and Local Planning Panels. The GSC culminates this trend within the domain of strategic planning: an independent, unelected body whose members must be expert authorities within their relevant fields. The discursive smokescreen of ‘impartial expertise’ conceals the strategic privileging of the interests of the Sydney class alliance.

Third, the GSC takes on a ‘meta-governance’ role that is characterised by a series of exclusions from the process of decision-making. The governance concept is analytically ambiguous but for my purposes refers to a set of rules produced by a network of agents for regulating some domain (Jessop, 1995; Obeng-Odoo, 2012). This network may itself be organised according to some set of rules, where the capacity to produce and amend these rules is a ‘meta-governance’ function (Jessop, 2003). The GSC is distinct from a stereotypical governance model, since final authority over urban planning remains vested in it. Instead, its governance model is characterised by the production of advisory reports and data analysis, typically by consultancy firms. Its meta-governance capacity is exhibited in a set of exclusions as to who may participate in this governance model. The tendency towards ‘impartial expertise,’ canvassed above, is extended here by the privileging of the apparently neutral, apparently expert urban planning advisor—whose neutrality comes from their lack of political affiliation and whose expertise is within mainstream urban economics and planning. But Lefebvre (1991, p. 95) suggests that:
Surely it is the supreme illusion to defer to architects, urbanists, or planners as experts or supreme authorities in matters relating to space. What the ‘interested parties’ here fail to appreciate is that they are bending their demands (from below) to suit commands (from above).

Chapter 1 critiqued the ontology of mainstream urban planning and economics for failing to grasp the relation between urban politics and urban economics, as mediated by class relations. Urban planning and expert advice are always-already political. Yet the GSC has the capacity to determine (a) what kind of advice is permitted and (b) what constitutes ‘impartiality.’ This meta-governance capacity deepens the hold of neoliberalism on the Sydney planning regime by minimising footholds for progressive alternatives.

Together, these three institutional forms entail the embedding of neoliberalism within the Sydney planning regime in such a way that is reflexively reproductive: they constitute a strategic privileging of neoliberal interests, and they strategically exclude alternative interests or views, diminishing the potential for a progressive state spatial project to roll-back the neoliberalisation of urban planning. Moreover, they produce the necessary capacity for the GSC to enact state spatial strategies to reproduce the accumulation strategy of the Sydney class alliance.

4.2. ACCUMULATION, DISTRIBUTIONAL, AND ECOLOGICAL OUTCOMES

Productivity: A city with more jobs in many centres, with more people being able to access their jobs within 30 minutes of where they live.

Liveability: A liveable city that helps maintain and improve our quality of life. A city with many different places, experiences with greater housing choice.

Sustainability: A city that uses its natural landscape as an asset, builds Greater Sydney’s resilience and enhances its waterways and biodiversity.

(GSC, n.d.)

Productivity. Liveability. Sustainability. Three components of a successful city. Stilwell (1992, pp. 207–209) motivates his general case for urban and regional reform by noting three spheres of life: society, economy, and ecology. At the interstices of these, there are three principles:
equity, liveability, and environmental sustainability. The resemblance between the triadic principles of Stilwell and the GSC is uncanny—substitute only productivity for equity. But resemblance is insufficient for the GSC to adopt a munificent character or Stilwell to adopt a neoliberal character! Rather, abstract normative principles obtain their character through how they are carried out in practice.

I argue that this triad of principles expresses the underlying logic of the GSC. They organise and structure how the GSC coordinates urban planning and infrastructure delivery. I reinterpret these principles as a triad of accumulation, distributional, and ecological outcomes. Crucially, I demonstrate that distributional and ecological outcomes are subsumed by the accumulation imperative. ‘Liveability’ and ‘sustainability’ are means to the end of maximising ‘productivity.’ In other words, distributional and ecological outcomes are made functional for capital. I argue that these outcomes are partially met: despite articulating them across the urban space, there are structural barriers against accomplishing them for everyone across the whole city. Nonetheless, by partially meeting distributional and ecological outcomes while consolidating the accumulation strategy across the middle-run, the state is attempting to balance its accumulation and legitimation imperatives.

The principle of productivity is the easiest to show as a cipher for the accumulation imperative. Increases in output with lacklustre growth in wages or hours worked entails increases in capital income, even if productivity is relatively modest. This tendency has characterised the global neoliberal accumulation strategy and was driven by the relative power of capital over labour (Cahill, 2014, p. 91). Liveability and sustainability, however, warrant closer examination.

**Making liveability functional for capital**

‘Liveability’ is framed through the GSC’s Liveability Framework (GSC et al., 2017), which sets the direction for regional and district plans. It structures liveability through eight challenges, three principles, and nine outcomes, which are organised in a ‘virtuous cycle’ where enhanced liveability leads to enhanced competitive advantage vis a vis global circuits of capital (GSC et al., 2017, pp. 16–21). Meeting liveability outcomes amounts to securing the conditions for the reproduction of labour-power, particularly the high-skill labour necessary for the fractions of capital at the core of Sydney’s accumulation strategy. As the GSC notes, attracting and keeping high-skill labour requires highly liveable urban space, which makes liveability “important for international competitiveness, particularly in the context of the
growing financial and business sectors that are highly concentrated in city centres” (State of the Environment 2011 Committee, 2011; quoted in: GSC et al., 2017). Liveability may be reinterpreted as a set of distributional outcomes limited by what is necessary to secure the reproduction of labour-power.

Already it is evident that ‘liveability’ is subsumed within the needs of the Sydney accumulation strategy. It is in this sense that the GSC makes liveability functional for capital. The GSC accomplishes this by reconfiguring urban space through coordinating and planning investment in the built environment (GSC, 2016, pp. 10–11). Urban space is defined, in part, by the range of the daily commute, which sets out the spatial dimension of the urban labour market and links workplaces to homes: the places of production and places of reproduction (Harvey, 1985, pp. 127–135; Smith, 2010, pp. 181–185). But, as we discussed in Chapter 3, there are serious constraints on this range to the extent that there is a spatial centralisation of high-skill employment and limited intra-urban mobility. Investment into the built environment provides a spatial fix to this structural tension.

The strategic plan for Sydney outlines a polycentric urban space with interconnected routes (Department of Planning and Environment, 2014; GSC, 2016). Strategic centres that supplement the CBD are established through ‘transit oriented development,’ where transport routes intersect at the proposed economic nodes (Duarte et al., 2016). The underlying land values around these freshly established nodes increase, a tendency agreed upon by both Marxist and mainstream economists (Smith, 2010, p. 184). Local increases in land values drive investment in the built environment, providing an outlet for local or foreign surplus capital. But as urban space shifts to a polycentric model, the urban topography of land values flattens since more places are closer to more centres, according to neoclassical bid-rent and Marxist ground-rent models (Smith, 1996, pp. 58–74; Stilwell, 1992, pp. 145–149). High land values moderate while low land values increase. Places previously unprofitable for redevelopment become profitable.

A polycentric model is presumed possible only if newly profitable land markets are ‘liveable places,’ since workers are assumed by the Liveability Framework to make residential and employment decisions based on more than commuting length: that people care about how they live, not just where they live (GSC et al., 2017). Transit-oriented development is insufficient
alone: investment in the built environment to secure at least some of the conditions for the reproduction of labour is necessary. As the GSC puts it:

…a focus on place is critical for the increasingly time-hungry ‘knowledge-workers’ that companies are looking to attract, who are increasingly eager to live in highly liveable urban environments close to work and amenity.

(GSC et al., 2017)
Flattening the topography of land values benefits urban capital in general. The rent component of costs of production declines, or its growth is at least moderated. The conjunction of suppressed residential rental prices and an extended range of the urban labour market entails the alleviation of middle-run upward pressures on wages, as discussed in Chapter 3. While rents per square metre may decline, suppressing income to property capital, the range of places available for development increases— with potential for substantial gains through reinvestment in spaces that were significantly undervalued. And meeting the conditions for reproducing high-skill labour-power ensures that sufficient numbers of workers are attracted to and/or kept in Sydney to generate value for the core fractions of capital. What this suggests is the subsumption of distributional outcomes into the accumulation process, through state-led investment in the built environment. Castells (2002, p. 109) summarises this point (referring to ‘collective consumption’ rather than ‘reproducing labour-power’):

[The] contradiction between the increasingly collective and interdependent character of the process of consumption and its domination by the interests of private capital...[determines] the life styles of people as a function of the greatest profit from capital investment, but also, and above all, it provokes lacunae in vast areas of consumption which are essential to individuals...

Castells argues that capitalist provision of ‘collective consumption’ through the state cannot meet all needs of all people. Liveability is made functional for capital only to the extent necessary to consolidate the Sydney accumulation strategy. Liveability for high-skill labour is the central emphasis across the GSC planning documents. As Neil Smith (1996, p. 89) argues in his study of gentrification, making urban space ‘liveable’ means making room for fractions of labour (the ‘middle classes’):

A predictably populist symbolism underlies the hoopla and boosterism with which gentrification is marketed. It focuses on “making cities liveable,” meaning liveable for the middle class. In fact, and of necessity, they have always been liveable for the working class. The so-called renaissance is advertised and sold as bringing benefits to everyone regardless of class, but available evidence suggests otherwise.
Where gentrification operates at the local scale, the embedding of liveability within the accumulation process is organised at the urban scale. The GSC identifies underutilised spaces where investment in the built environment will assist in reconfiguring the range of the urban labour market and urban space in general. But constructing ‘liveable’ spaces means prioritising the needs of capital. This is well-evident in the sell-off of public housing in Waterloo or Millers Point, the decades-long home of wharfies—both prime real estate located adjacent to the CBD, heart of the knowledge-intensive industries. The housing question is resolved for fractions of labour, buying their legitimisation of capitalist society, yet remains unresolved for other fractions of labour. As Engels (1955) suggests, bourgeois solutions to the housing question means that the housing problem is “merely shifted elsewhere.”

**Making sustainability functional for capital**

The environment is the third major emphasis in the triad of productivity, liveability, and sustainability. GSC planning documents reflect the potential of environmental shocks and stresses to pose problems for urban space (GSC and Total Environmental Centre, 2016; GSC, 2016, 2017a, 2017b). Mainstream environmental economics typically poses acute and chronic environmental hazards in terms of negative externalities (Moore, 2015, p. 101). The manifestation of these problems is specific to Sydney, but the general phenomenon of environmental degradation is global. If such negative externalities impede market functioning within cities across the world, but Sydney can effectively incorporate them within its planning framework, then Sydney’s competitive advantage vis à vis global circuits of capital is enhanced. This reconstitution of GSC’s approach to ecological issues is supported by their own representations on the matter:

> The completion of Barangaroo by Lend Lease as the first carbon neutral precinct of its type in the world presents a real opportunity for us to market our capacity in this area and use it as basis for a new centre of excellence of enterprises that build world’s low carbon, high efficiency buildings [sic] (Turnbull, 2016a).

Their conception of sustainability also emphasises positive environmental externalities:

> Sustainable natural systems provide ‘ecosystem services’ to the city, by providing water, absorbing and converting waste, moderating the local climate and creating attractive places and recreational spaces (GSC, 2016, p. 12).
Finally, sustainability includes an emphasis on reproducing urban space through ‘urban resilience’ which is:

the capacity of individuals, communities, institutions, businesses and systems within a city to survive, adapt and thrive no matter what kinds of chronic stresses and acute shock they experience (100 Resilient Cities Project, quoted in: GSC, 2017a, p. 30).

If capitalist society and the natural ecology are mutually embedded (Moore, 2015), then state policies for sustainability means reproducing the general conditions for production. As the CfS notes, Sydney’s urban resilience is interpreted through “two connected themes: what is holding back Sydney’s ability to remain competitive in a global marketplace; and the disparity that exists across Sydney as a metropolitan region” (Kernaghan and Williams, 2015). They go on to argue that the GSC produces the necessary authority at the appropriate (urban) scale to grapple with develop sustainability policies that grapple with these themes.

The GSC’s framework for sustainability, however, overwhelmingly emphasises incorporating ecological outcomes within economic calculations. If the environment is primarily a source of externalities, then state policy must be oriented towards minimising negative impacts on the economy. I have suggested, above, that the GSC’s temporal horizon for securing the conditions for accumulation and legitimation focusses on middle-run concerns and is not locked in to short-run profit motives. The techniques for assessing sustainability suggest precisely these emphases:

The Panel paid attention to expressing environmental parameters in terms of economic outcomes, as well as acknowledging it is not always possible to give them a quantified value. In other words environmental values can engage in an economic discourse that should be considered just as important as more conventional commercial numbers.

(GSC and Total Environmental Centre, 2016, p. 9)

Unquantifiable parameters are in the minority: across 16 sustainability categories, there are 88 quantitative metrics versus 10 qualitative metrics (GSC and Total Environmental Centre, 2016).
These unquantifiable metrics typically refer to aesthetic values, community perceptions, and intangible sentiments, which are assessed through qualitative surveys. The quantification of nature emerges from the calculative impulse of the law of value, such that the accumulation process is strategically privileged in debates over ecological outcomes: “state- and market-led simplifications… [entrain] a range of processes aimed at standardizing and geometrically encoding and mapping natures in the interests of capital accumulation” (Moore, 2015, p. 216). These metrics provide a framework for assessing how ‘sustainable’ urban planning can be configured to enhance Sydney’s competitive advantage—to make the market profitable for the urban class alliance in Sydney.

**Making Markets Possible for Capital in General**

In Chapter 2, we discussed the role of the state in securing the accumulation and legitimation imperatives. A crucial dimension of this is the socially embedded nature of markets. Neoliberal policy, importantly, operates to extend the range of markets. What the foregoing analysis of GSC reveals is that it strives to make markets possible for the urban class alliance in Sydney. By making liveability and sustainability functional for capital, it attempts to stabilise the middle-run conditions for reproducing capitalist accumulation and legitimation. This potentially provides the basis for a ‘renewed’ and ‘resilient’ urban land and labour market, in such a way as to enhance the competitive advantage of the globally oriented fractions of capital.

Debate over land markets in Australia has focussed on supply-side constraints originating in planning regimes, despite the weakness of evidence for planning regulations constraining supply (Ruming et al., 2014). Ruming et al. (ibid.) argue that, since planning reform is not clearly advantageous to property capital, planning reform must be a “compelling distraction” from alternative policies that run counter to the neoliberal trend. However, this presumes that neoliberal planning reform is only about *deregulating* planning regimes, as opposed to extending markets into spaces that were previously unprofitable for investment. High-yield developments are made possible in places through state-coordinated investment in the built environment. The strategic-planning and infrastructure-delivery functions of the GSC enable this capacity, while its control over development assessment diminishes the capacity of local government to object to such developments. Ensuring the future yields of these developments depends on ensuring that Sydney’s accumulation strategy is reproduced. This means securing its conditions for accumulation and legitimation; but it also means making markets possible.
Importantly, this has a spatial dimension. Socially embedded markets are embedded in space, and the GSC alters the underlying spatial conditions through planning and coordinating investment in the built environment. As we saw earlier in this chapter, its capacity to do so depends on its production of an authoritarian and de-democratised state space with a neoliberal and technocratic tenor. Its production of the urban scale embeds in urban space a structural bias to the general interests of the urban class alliance, which has been demonstrated through this study of how the GSC makes liveability and sustainability functional for capital, and ‘makes markets possible.’

4.3. PARRAMATTA CITY COUNCIL VS GREATER SYDNEY COMMISSION

Before November 2015, high-rise development in the Parramatta City CBD was required to show that it would not overshadow Parramatta Square, a public open space. But the Parramatta City Council (PCC) amended this rule to allow high-rise development if it cast less than 45 minutes of shadow on Parramatta Square from 12pm to 2pm during midwinter (Morris, 2015). With the relaxation of the rule, several private developers produced designs and submitted them for approval. The first of these that came for assessment was the proposed Greenway Tower, stretching 86 storeys or 210m tall, and containing mixed uses of retail, offices, and residential space. In July 2016, the GSC assessed the Greenway Tower proposal and reinstated the prohibition against overshadowing Parramatta Square (Johnson, 2016). Several other high-rise projects were affected and had to go back to the drawing board. But, as reported in the SMH, “the trouble with the 45-minute rule, however, is that it would have applied to individual buildings. And with multiple towers planned for the north of Parramatta Square, collectively they may have cast the entire area in shadow” (Saulwick, 2016). Lucy Turnbull (2016b) defended the decision, stating:

> The commission will unashamedly champion growth that improves the city and it will challenge growth that puts the quality of our public spaces at risk… International evidence has shown that the greatest value in cities is formed when they are great places to live in and walk through. Building a cold, sunless, windswept and alienated city square is not a recipe for urban success.

The GSCs spatial selectivity at the urban scale inoculates it from prejudice towards individual developments and enables it to articulate a middle-run vision for reproducing Sydney’s accumulation strategy. In other words, producing state spaces is linked to the state’s capacity
for producing a middle-run temporal horizon that allows the state to act in the interest of capital in general. A shorter-run temporal horizon would have led to the GSC approving the ‘windfall’ profits of high-rise development, at the cost of a ‘windswept’ city square.

Despite the loss of short-run profits for property capital, investment in the built environment in Parramatta remains strong. Up to $8bn of development in the Parramatta CBD was slated over the decade from 2014 (Lehmann, 2014c). After the GSC’s decision on overshadowing, developers suggested the resultant decline in development heights would decrease investment certainty and profitability, causing property capital to avoid investing in Parramatta (Adoranti, 2016). Yet, at present, Parramatta Square is projected to have $2bn in investment, ranging from Western Sydney University, NAB, the NSW State Government, and commercial and residential operations (Parramatta City Council, n.d.). The nearby Riverbank urban renewal project has a further $1.2bn targeted for investment, including the new location of the Powerhouse Museum (ibid., n.d.). The 2017Q2 RLB Crane Index details 15 cranes for residential projects in the suburb of Parramatta, the highest count throughout Greater Sydney (Rider Levett Bucknall, 2017). Meanwhile, a PwC study projects Parramatta’s GRP to climb to $30bn by 2021 from $23bn in 2016 (Tabakoff, 2016). The warnings of capital flight from Parramatta have not borne out, with development projects simply in redesign to avoid overshadowing Parramatta Square.

Overturning the overshadowing allowance was a crucial way to ensure the liveability of the Parramatta CBD. But the GSC makes liveability functional for capital. If Parramatta Square is an attractive place to live and work, it extends the competitive advantage of Sydney vis-à-vis global circuits of capital. By ensuring a sunny square, the GSC helps secure the conditions for the land market in that area across the middle-run as well as general conditions for accumulation and legitimation. This analysis of this decision illuminates the usefulness of this neomarxian account of the GSC for understanding its role, nature, and formation.

4.4. CONCLUSION

This chapter demonstrated that the GSC must be understood as acting in the general interests of the Sydney’s class alliance across the middle-run. It accomplishes this by neoliberalising urban planning and space. Crucially, the reproduction of Sydney’s accumulation strategy, discussed in Chapter 3, depends on the capacity for the state to operate at the urban scale. I established that this general interest motivated fractions of capital to unite in legitimating the
GSC. This chapter then explored the structure, roles, and logic of the GSC to observe that it strategically privileges the urban-scaled, middle-run interests of capital in Sydney. First, I argued that the GSC’s production of space introduced a scalar hierarchy, on which its authority depends, and a de-democratisation of urban planning, on which the durability of embedded neoliberalism depends. I also argued that the articulation of the GSC at the urban scale entails a spatial selectivity towards activity at the urban scale. Second, I revealed that the underlying logic of the GSC makes ‘liveability’ and ‘sustainability’ functional for capital accumulation. Meeting distributional and ecological outcomes is necessary only to the extent it consolidates Sydney’s accumulation strategy across the middle-run. I argued that this, in general, ‘makes markets possible’ that otherwise were unprofitable by meeting the imperatives for accumulation and legitimisation. Finally, I explored a particular decision by the GSC that is a prima facie confound fact to the thesis that it acts in the interest of capital: the rejection of high-rise, high-investment development. I showed that the urban scale and middle-run temporal horizon of the GSC allows us to explain this decision as a strategy for securing the conditions for accumulation into the middle-run. Whether, of course, it accomplishes this task is a question answerable only by the passing of time.
CONCLUSION

This thesis has established that the formation of the Greater Sydney Commission was an objective of a Sydney-based class alliance to shore up the conditions for reproducing Sydney’s accumulation strategy. Sustaining an account of urban planning reformation and evolution depends on appropriately relating urban politics to urban economics. I have argued that this task requires a Marxist spatial political economy approach, which has been mobilised in this thesis by conjoining the neomarxian contributions within urban political economy and spatialized strategic-relational state theory. What these contributions enable, in the Australian context, is a close appreciation of the spatial tensions exhibited in tiers of government, scales of capitalist society, and spatial inequality. I have primarily focussed on the urban scale, within the context of global circuits of capital and various scales of the state. Neoliberal logics have been further embedded in the Sydney planning regime, whereby distributional and ecological outcomes are subsumed within the accumulation process. On this basis, the GSC is potentially able to reproduce the conditions for capitalist accumulation and legitimation.

Chapter 1 contended that existing accounts of Sydney inadequately theorise the relation between urban politics and urban economics. Either they fail to grasp the nature of class relations or they disassociate urban politics from urban economics. On the one hand, mainstream accounts conceal the social relations underlying capitalist society. As a result, they tend to view the state as a neutral arbiter of competing views. On the other hand, critical accounts fail to adequately relate urban politics to urban economics. I argue that this emerges from a ‘flat’ ontology that artificially separates urban politics from urban economics. This ‘autonomisation of politics and economics’ leads to a strong emphasis on differential contexts and experiences. But the virtue of this ethnographical detail is undermined by failing to address the ‘context of contexts’ produced by macrological and structural forces of the global accumulation and circulation of capital (Brenner et al., 2011). The inadequacy of these accounts for studying the relation between urban politics and urban economics suggests the need for a new critical account of Sydney.

Chapter 2 took up this task by developing a Marxist theoretical frame for understanding the relation between urban politics and urban economics. It developed this approach in two stages. First, it situated the urban economy within global circuits of capital, which is characterised by ‘seesaw’ flows of capital (Smith, 2010). This logic of uneven development is expressed by interurban competition, where maintaining competitive advantage is essential for the continued
viability of a given urban space. Failing to do so leads to urban crisis. This provides the basic relation between urban politics and urban economics: Urban class alliances are premised upon and must reproduce an urban accumulation strategy (Harvey, 1982, 1985). Second, I extended this conception of urban politics through Marxist state theory. The state must moderate twin imperatives of securing the conditions for accumulation and legitimation (O’Connor, 1973). These are contradictory in the long-run, but strategies for balancing them are possible in the short- to medium-run. How urban class alliances intercede into the state to develop these strategies is addressed through the spatialized strategic-relational approach (Jessop, 2002, 1990; Brenner, 2004). Urban class alliances embed a structural bias into the state to buttress their urban accumulation strategy. The state production of space is a crucial dimension of accomplishing this task. I then provided an account of the nature of neoliberalism as ‘always-embedded’ in social relations (Cahill, 2014), providing a foothold for accounting for the formation of the GSC as a neoliberal state spatial project to privilege the interests of an urban class alliance in Sydney.

Chapter 3 and 4 took up this task of accounting for the formation of the GSC. Chapter 3 identified who advocated for the GSC, how it was accomplished, and why it was done. Chapter 4 examined the nature of its spatial and strategic selectivities, and how it neoliberalises urban planning.

Chapter 3 began with an exposition of the institutional context of the GSC. This exposed the evolution of Sydney’s planning regime away from decentralised democratic control and towards ‘impartial,’ ‘expert,’ and centralised authority. I then showed that the Sydney economy centres on knowledge-intensive and property fractions of capital, which employ high-skill workers. Despite tensions between these fractions of capital, I showed how they share a common interest in a Sydney-based accumulation strategy—and, therefore, how they are united in an urban class alliance. On these bases, I made sense of the legitimation of the proposal for the GSC. First, the GSC was posed as the solution to the spatial tension between tiers and departments of government. Second, the GSC was formulated in such a way as to meet the twin imperatives of accumulation and legitimation, by promising ‘geographic justice’ through economic prosperity. Third, the GSC was legitimated by construing it as an ‘impartial’ and ‘expert’ arbiter of urban planning.
Chapter 4 deepened the case study by peering into the nature of the GSC. The first section set out the reformed institutional arrangement of the Sydney planning regime, and demonstrates that the inscription of a scalar hierarchy is a spatial selectivity that benefits the interests of Sydney’s class alliance. I showed that the rescaling of urban statehood through the GSC led to an authoritarian and de-democratised state space, producing a structural bias towards neoliberal urban planning by inoculating Sydney’s planning regime from democratic or popular intervention. I then established that the GSC makes urban planning functional for capital. It subsumes distributional and ecological outcomes to the accumulation process to try to stabilise, across the middle-run, Sydney’s accumulation strategy. This ‘makes markets possible’ that were otherwise unprofitable. The overarching aim of this is to enhance Sydney’s competitive advantage vis-à-vis global circuits of capital, so as to forestall the always-imminent threat of crisis.

Yet the epigraph that led this thesis suggested that, for most of us, the crisis is always-already upon us. My argument here has been guided by experiencing Sydney as a class experience. My hope is that this foray into how urban planning has been neoliberalised provides some guides to challenge the structural bias to capital inscribed into urban space. “Praxis guides theory” and “theory guides praxis.” It is this experience, and the account set out in these pages, that lets us see that the GSC is not a ‘Fair Go’ for the West. If anything, it is a ‘Fair Go’ for capital. Yet as Stilwell (1992, p. 221) suggests: “Progress is possible, albeit not on a terrain of our own choosing.” I add only that the possibility of a democratic transformation of urban space remains with us, so long as our capacity for organisation and for hope remain with us.
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