# URBAN POLITICAL CONFLICT IN AUSTRALIA: THE REDEVELOPMENT OF INNER SYDNEY



**Chusnul Mariyah**

**A thesis submitted**
**in fulfilment of the requirements**
**the degree of Doctor of Philosophy**

**Department of Government**
**The University of Sydney**
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# ABSTRACT

## Urban Political Conflict In Australia: The Redevelopment of Inner Sydney

Australia is one of the most urbanised countries in the world. However, the study of urban politics in Australia is still developing. This thesis contributes to such study through an empirical analysis of two case studies of inner city redevelopment: the rezoning of five sites in Sydney's Balmain and the City West project in Ultimo-Pyrmont. A number of theoretical approaches to urban politics – "community power" approach, "growth machine" analysis and Stone's urban regime analysis are examined as alternative frameworks for analysis. The attempt to apply the frameworks of analysis highlights some distinctive features of Australian urban politics. Urban regime theory, modified to take account of the particular historical and institutional context, provides valuable insights. The crucial aspect of urban regime analysis is its focus on the arrangements of political power in the city. Even though cities are constrained by larger political and economic forces, they can also transform themselves through the capacity of the urban regime to moderate the context. However, the study shows that the capacity remains limited and can vary on a project-by-project basis. Some projects are successful; others face delays, as was evident in the two case studies. The case studies suggest the need to put a "local" focus back into the theory of urban politics.

# ACKNOWLEDGMENTS

*Al Hamd li Allah SWT* (Praise be to Allah). Finally I am able to finish and submit this thesis after such a long journey. My study for this Ph.D thesis was supported by a scholarship from the Australia-Indonesia Institute from 1991 to 1992 and I wish to thank especially to the former Director, Elaine McKay and the former Australian Cultural Attache in Jakarta, Dr. Jennifer Lindsay. Support was then continued by AUSAID from 1993 to March 1997. I would like to thank both institutions. As a lecturer at the Department of Political Science, University of Indonesia, I would like to thank my Department and Faculty for giving me leave to broaden my knowledge in Australia. For their encouragement and support, I want to thank Prof. Dr. Juwono Sudharsono (the then the Dean of Faculty of Social and Political Sciences, University of Indonesia), Prof. Dr. Nazarruddin Sjamsuddin, Prof. Miriam Budiardjo, Prof. Dr. Rahman Zainuddin, Dr. Amir Santoso (the then Head of the Department of Political Science), and Dr. Maswadi Rauf (the current Head of the Department of Political Science).

During my study in Australia, I have received several scholarships. In 1992, I received a scholarship support for a short course entitled "A Federated Ph.D Scheme for Urban Studies in Australia" from the Urban Research Program, Research School of Social Sciences at the Australian National University (ANU). That two weeks intensive course at ANU was an invaluable experience for me. In 1993, I received a scholarship from the International Society of City and Regional Planners (ISOCARP) to attend its 29$^{th}$ Congress in Glasgow, Great Britain. I would like to thank the secretary of ISOCARP in Den Haag for providing me whole opportunity to participate in that Conference. In 1995, I received an Ansett Australia Scholarship to fly within

Australia to broaden my understanding of the country. I flew to Adelaide, Alice Springs, Uluru and Darwin. I would like to give my thanks to all the above institutions.

Parts of this thesis have been published by Sydney University's Indonesian Student Association, as proceedings from a Seminar of Indonesian Scholars (Ph.D students) at the University of Sydney in 1993, and a second conference held in 1996.

As a foreign student in Australia, I have experienced a time of heightened learning because so many aspects of my stay have involved personal, social, linguistic and cultural issues, quite apart from the intellectual demands of the thesis. In 1991, I arrived without having much knowledge of Australian culture or the Australian people. However, I developed my knowledge through being involved in the community. I came to know Australian culture through tremendous friends. Therefore, I am indebted to many friends who have directly affected the thesis and my well-being.

First of all, I am very grateful to Assoc. Prof. Dr. Martin Painter for his very careful supervision of my Ph.D thesis. Our discussions have always been challenging. Through six years of my study, he generously gave his time, especially in the penultimate year of finishing this thesis, from pressing demands of his own scholarly work and as the Head of the Department of Government. I would also like to thank the general staff and academics of the Department of Government.

My thanks are extended to all respondents from Leichhardt Council, the residents groups in Balmain and Pyrmont-Ultimo, from City West Development Corporation, the NSW Department of Planning, BBC Projects Sydney City Council, Members of Parliament and the State Electoral Office. I am indebted to them all for

their knowledge of the subject. They made me most welcome at all times and helped me with much information, formal and informal, oral and written.

Writing a thesis is a long and lonely journey, especially for a person from overseas with a different background to that of Australian students. Without a family around, without friends around, and in an unfamiliar place and culture, it has sometimes been difficult, psychologically, to cope. Writing a thesis involves not only writing an intellectual document, but also having to cope with life, adjustment to a new culture and a new way of life. Everything was new. Therefore, the small community I created had to support me and to motivate me to finish this project. For this, I would like to convey my gratitude to all the members of my community.

For the last three and a half years, I have been honoured to stay with the Leigh family, Prof. Dr. Michael Leigh and Dr. Barbara Leigh. Through them I have learnt not only about politics, but more importantly about life in Australia and about the sociology of the family in Australia. Their support has given me tremendous strength to finish this thesis. They have reminded me to be disciplined to finish this project which will be important both for my home country and for the development of the relationship between Australia and Indonesia. There are no words to express my gratitude. Throughout the whole endeavour, Michael and Barbara have been my constant intellectual companions, helping to clarify and develop my thoughts. Our discussions have always been illuminating.

I would also like to thank Andrew Leigh from whom I have learned about Australian politics in practice and especially about the Australian Labor Party. Since he is a member of Young Labor, I have had the privilege of attending many meetings including the ALP (NSW) Congress of 1995 and Turramurra Young Labor Party Branch meetings. A most unforgettable experience was to be involved in the 1995 NSW state election in which Andrew stood the Labor Party candidate for Northcott,

the third safest seat for the Liberal Party. Andrew obtained a swing to Labor of 8.4 %. In a similar vein, I would also like to thank Tim Leigh for his smile. Every time I felt the heavy burden of life or the thesis, talking with Tim has made life much easier. Tim has always been there when I need his assistance on computer's problems. He had also always made sure that I had had enough exercise to stay healthy and productive, not spending the whole time in front of computer without break.

I would like to give my thanks to Dr. Richard Chauvel, lecturer at the Victoria University of Technology, Melbourne, for his concern that I finish my thesis and return back to Indonesia. This is the first Ph.D thesis on Australian domestic politics by an Indonesian student. Richard is one of the persons responsible for my decision to undertake post-graduate study on Australian politics. Our friendship while he was guest lecturer at the Department of Political Science at the University of Indonesia (1987-1992) resulted in my pursuit of study abroad. For his encouragement and good advice, I owe him a great deal.

I would also like to thank Dr. Michael van Langenberg and Carolyn van Langenberg, MA, both of whom gave me a different poetic picture to help me to understand Australia. As an Indonesianist, Michael is my sparring partner in keeping alive my previous specialisation as an Indonesian political scientist. We discuss, argue, debate and fight on the subject of Indonesian politics and at the same time Australian politics. This open environment to express our opinions is very rare in my culture. I enjoy having that luxury. Talking about my thesis with Michael and Carolyn has enabled me to learn more about Australia's life style and about the process of "gentrification" of the inner suburbs given that they live in the inner Sydney suburb of Forest Lodge. Just think of Michael and Carolyn in Forest Lodge. Who would have dreamt of living in Forest Lodge before Michael made it "fashionable"? Thus, I really enjoyed my experience. Carolyn, a novelist has been my window to understanding

Australian literature. My study in Australia has involved not merely writing a thesis on urban politics but also learning in understanding Australian politics. Literature has been a most illuminating aspect in my view and has given me a different angle from which to look at Australia. I shall use these insights in my future teaching of Australian politics.

My intellectual journey has been assisted by my constant engagement and discussions with a great many experts in different fields in Australia. They have opened up my mind and given me new horizons. For that, especially, I would like to thank Prof. Herb Feith and Betty Feith, Dr. Adrian Vickers, Dr. Angus McIntyre, Dr. Jeane Taylor, Dr. Peter King, Prof. Dr. Frank Stilwell, Dr. John von Steumer, Prof. Dr. James Fox, Dr. Margot Lyon, Dr. Anna Rubbo and Dr. David Reeve.

I would like to give my thanks to Christine Olsen and Curtis Levy, Balmain resident activists and documentary film makers. They introduced me to the invaluable experience involved in making a documentary films about Indonesia; the three part of their series "Riding the Tiger" and their film about Islam in Indonesia "An Invitation to A Wedding". At the same time, they gave me inside knowledge of Balmain. In particular, when I stayed for one year in Balmain in 1992, they introduced me to Balmain local politics through the residents' group. Christine and Curtis are resident activists whose property lost 75 % of its water views because of the redevelopment of the Howard Smith site, despite their group having won in the Land and Environment Court.

I have an interesting story regarding my experience during my data collection about local politics. One day I attended a public community meeting at Balmain Town Hall about the rezoning of the five sites in Balmain. When the meeting finished, we went to the Balmain pub. Since I never drink, I always order a soft drink or juice. I went with Larry Hand, the then Mayor of Leichhardt Council and talked about local

politics with many councillors in the Balmain pub in Birchgrove Road. I was still a little ignorant. I counted how many glasses of beer the Mayor of Leichhardt Council had had. He had had seven glasses of beer. I reminded him, "Larry, you have had seven glasses already". He answered "Oh.. it is just light ones". However, I still didn't understand the difference. It is indeed interesting to understand other cultures through being a participant observer. One thing that amazes me in Australia is the practice of talking politics and meeting politicians in the pub.

I would like to thank my very good friends Diana Iles, Johanna Myles and Dr. Ron Witton who helped my English and made clearer the differences between spoken and academic language. Other special friends include Ayu Trisna, MBA, Ade Armando MA, Dr. Cynthia Hunter, Jackie Horlock, Dr. Chitra Sudharsan, Kevin Huby, Dra. Nargis Mualahela, Shereen Mathews and Drs. H. Sofjan S. Gazali, MPA. They are all friends who have always been there when I needed them.

I would also like to thank my Ph.D colleagues: Xue Wang (Mainland China), Habib Shirazi (Iran), Muhammad Akhter (Bangladesh), Imam Tholkah (Indonesia), Paul Kadang (Malaysia), Cathlyn Weekly (Australia), Dr. Lily Rahim (Singapore), Jeroen Bijleveld (Dutch),William Atkinson (Australia) and Laksiri Fernando (Sri Lanka). We created a small United Nations community, in which we motivated each other to finish our work and just shared our worst experiences in writing a doctoral thesis.

Particular thanks go to Tony Gorman, with whom I have experienced Australian multiculturalism besides discussing our theses. Even though we spent a lot of time as concert goers at the Opera House, he also took me on a "pub crawl". I don't dance, I don't drink, but at least I can enjoy the music. It was interesting to find that there are pubs of different "classes". We prefer to go to working class pubs rather than to yuppie pubs.

My life in Australia has been an interlude. I am committed to go back to Indonesia. Going back to Indonesia will therefore come with a great mixture of emotions. The notion of "going home" makes my heart beat fast with anticipation and excitement. Nonetheless, "going home" will mean "leaving a home" and that will make me feel very sad. Throughout my six years absence from my country, I have had a good friend, Suraya Afiff who now doing her Ph.D at Berkeley and with whom I have had constant discussions about the future of our country, Indonesia. Our discussions have made me more aware that I have to go back to my beloved country. There are so many things to be done there. Our long friendship goes back to when we were still student activists at the University of Indonesia from 1980 to 1986 and then later when we worked together in an non governmental organisation (NGO). In a similar vein, I also want to thank Ir. Quraisy A. Shatri for his encouragement, his beautiful poems and *do'a* (prayer) which he sent. They inspired me with strength to finish this project. For all the beautiful memories we have, for all the ways he has shown his care, for our intense discussions about Indonesian politics, for reminding me that the important thing is to finish my work and go home, I am highly appreciative.

Last but not least my thanks go to my family in Indonesia who have always given me encouragement to finish this thesis through out six years of frequent letters and *do'a* (prayer) which they sent. They have been a constant source of love and support to me. The Javanese principle of *"mangan ora mangan asal kumpul"* (eating is not as important as being together) is still quite strong as a philosophy in our minds. Even though we do not literally practise that philosophy, my family is still very close. They missed me a lot because I could not be with them for important days. For example *"Lebaran"*, the celebration after *Ramadlan* (the Muslim fasting month), is a family tradition when all the family gathers together, and for the last six years the gathering has been with my absence. The occasion is the equivalent to Christmas day

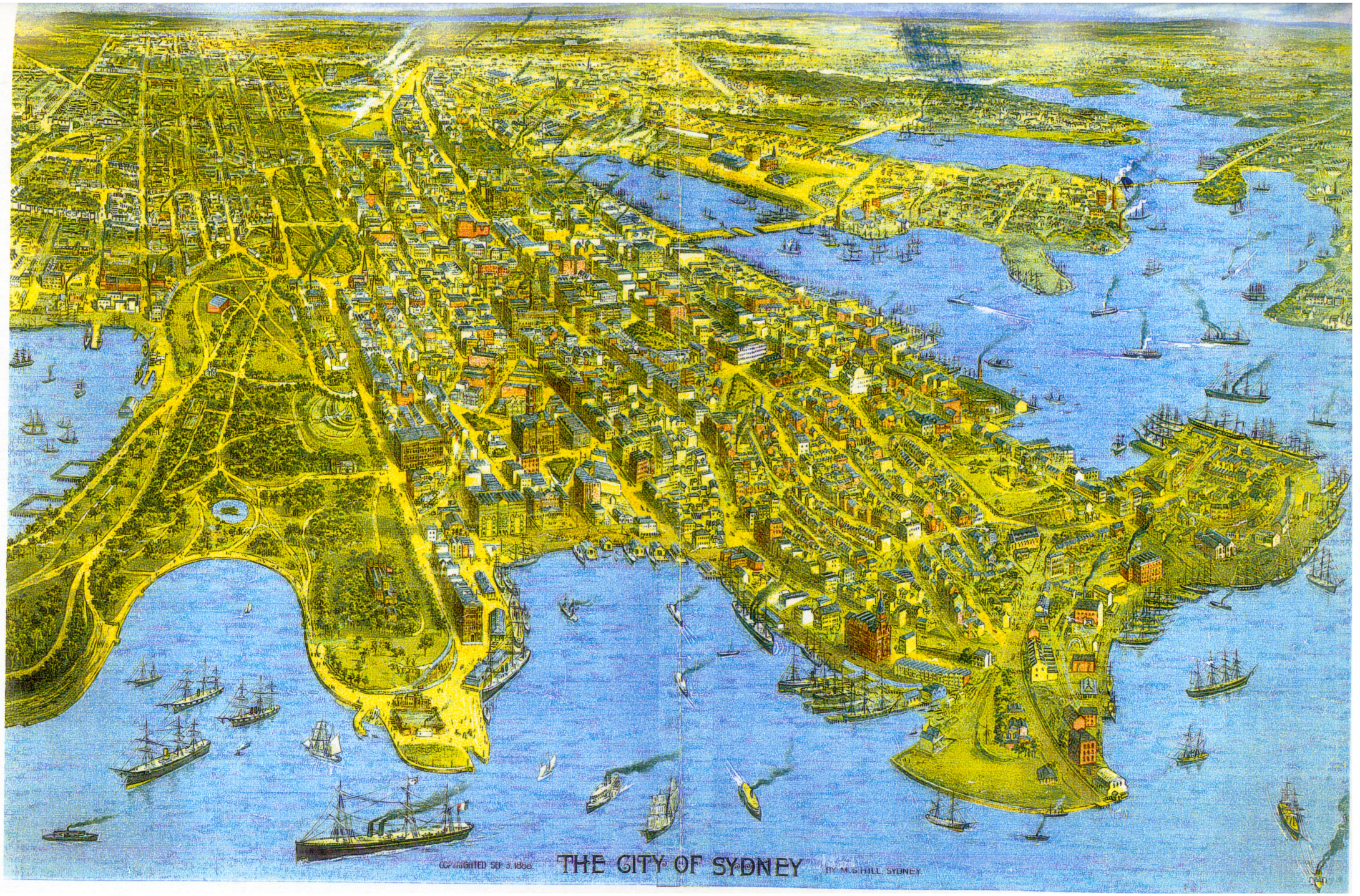
in Australia. I can never express adequately the profound gratitude I feel toward my parents, Ibu Hajjah Shofiyah and Bapak Haji Marlim Hadisujoso, for the strong encouragement they offered my entire life. Furthermore, I would like to offer thanks to my little sisters: Dra. Luthfinayati, Ir. Nanik Nasyi'atin and Nur Lina Sari; my little brothers: Drs. Farid Widigdo, Ir. Imron Bintoro and Drs. Zamroni; my in-laws: Drs. Ferry Novari Sitepu and Dra. Wardah Farid Widigdo; my nieces: Khairun Nisa' Sitepu, Nuri Indah Wati Farid and Amrina Rosyada Sitepu; and my nephew: Nur Azlin Tauhid Sitepu, I shall love to return to my beloved country and be with you. *Wa al Hamd li Allah Rabb al 'Aalamiin* (All Praise and Gratitude is due to Allah, the Lord and Sustainer of the Worlds).

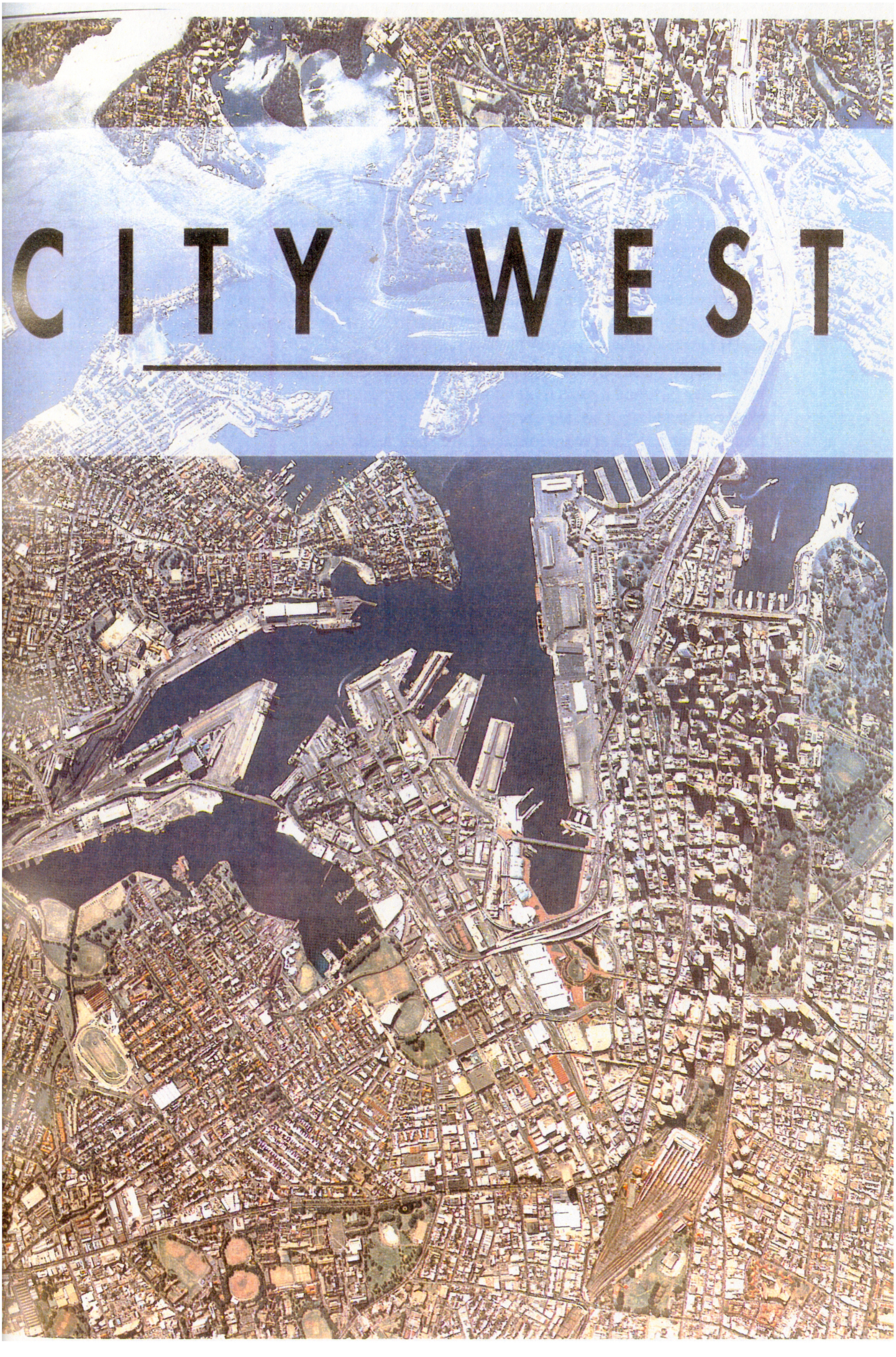
***This thesis is dedicated to my three nieces and one nephew***
***as members of the next generation,***
***may they learn to look with high ideals***
***upon the world around them.***

*chusnul mariyah,*
*Sydney, 1998*
*(Syawal, 1418H)*

O mankind! We created
You from a single (pair)
Of a male and a female,
And made you into
***Nations*** and ***Tribes***, that
Ye may know each other
Not that ye may despise Each other.

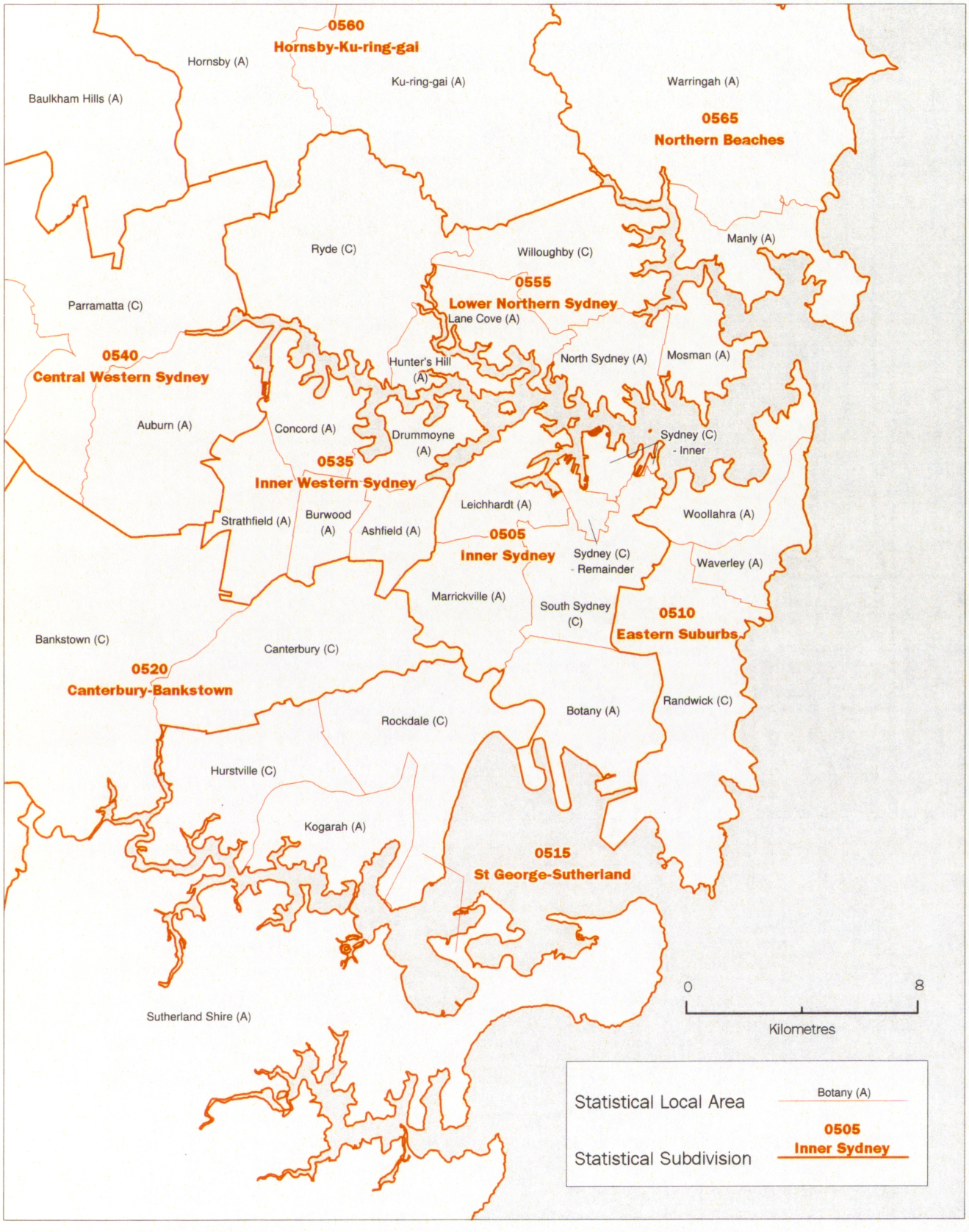
*Al-Qur'an, Al Hujurat: 13*


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THE CITY OF SYDNEY
BY M.G.HILL SYDNEY


CITY WEST

## Maps: City of Sydney 1988 and Sydney City West, NSW Department of Planning and Urban Affairs, 1992.

**When I was browsing in a second hand book store in Sydney, my eyes were caught by this 1988 City of Sydney map hanging on the wall. In my mind's eye, I immediately contrasted it with the current map I had from City West project which was an aerial photograph taken over one hundred years later. They are placed together in the thesis to show that land redevelopment is an ongoing process.**


0560
Hornsby-Ku-ring-gai
Hornsby (A)
Ku-ring-gai (A)
Baulkham Hills (A)
Warringah (A)
0565
Northern Beaches
Ryde (C)
Willoughby (C)
Manly (A)
0555
Lower Northern Sydney
Parramatta (C)
Lane Cove (A)
0540
Central Western Sydney
Hunter's Hill (A)
North Sydney (A)
Mosman (A)
Auburn (A)
Concord (A)
Drummoyne (A)
Sydney (C) - Inner
0535
Inner Western Sydney
Leichhardt (A)
Strathfield (A)
Burwood (A)
Ashfield (A)
Woollahra (A)
0505
Inner Sydney
Sydney (C) - Remainder
Waverley (A)
Marrickville (A)
South Sydney (C)
0510
Eastern Suburbs
Bankstown (C)
Canterbury (C)
0520
Canterbury-Bankstown
Randwick (C)
Botany (A)
Rockdale (C)
Hurstville (C)
Kogarah (A)
0515
St George-Sutherland
Sutherland Shire (A)
0
8
Kilometres
Statistical Local Area
Botany (A)
Statistical Subdivision
0505
Inner Sydney

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# Preface

> The fate of an epoch that has eaten of the tree of knowledge is that it must... recognise that general views of life and the universe can never be the products of increasing empirical knowledge, and that the highest ideals, which move us most forcefully, are always formed only in the struggle with other ideals which are just as sacred to others as ours are to us.
>
> *Max Weber (as quoted by David Harvey, The Condition of PostModernity,Part I)*

In 1989, I began to have the idea of undertaking a Ph.D thesis topic on *Australian Politics* while Dr. Richard Chauvel was at the University of Indonesia as a guest lecturer (1988-1992). At that time, I was a lecturer in the Department of Political Science, University of Indonesia. I discussed with Richard the subject of Australian politics. There were two reasons I was interested in undertaking a Ph.D in Australian Politics. Firstly, the University of Indonesia through its newly established Australian Studies Centre, was keen to develop a strong Australian Politics content in its courses but we did not have any experts in that field.

Secondly, I specialised in urban politics because this field has preoccupied my mind ever since I was a student and activist working in non governmental organisations. I was interested in the process by which so called "development" in Indonesia produced "externalities/exclusion", the dispossessed, particularly with regard to land. Jakarta, Indonesia's capital city, became a megapolits, with a population of around ten million. The booming economy with an annual growth of seven per cent in the last two and a half decades and a rapid process of industrialisation has produced side effects. The most outstanding feature of Jakarta were the development of high-rise buildings, the development of big shopping centres, real estates, highways, tollways and fly-over roads in the 1980s and 1990s. The result was that many residential areas were sacrificed for development without

any significant social movements arising. The residents were just simply "powerless". They accepted what they called "*ganti rugi*" (literally "compensation"). They had to sell their land and houses to developers at very cheap prices not based on market prices. This was particularly so for prime land in the city. They then had to move to other places. These issues have concerned me. I was developing an interest in knowing more about urban politics. There was still a lack of legal infrastructure such as planning legislation, and institutions such as the Land and Environment Court have still not yet been established. The questions which arise are: Do people have a right to have their say? In which direction will development in the city go? How are public disputes over cases of development and redevelopment to be solved? There were among my list of questions. Through formal education and comparative study in Australia, I hoped to have the ability to develop arguments about such knowledge and to explore such arguments.

My original idea was to explore topics in urban politics in Australia through a comparative study with Indonesia. However, I changed this idea soon after arriving in Sydney. I decided to take Sydney as my unit of analysis for this thesis through specific reference to Balmain and Pyrmont-Ultimo. I found the topic after just one week in Sydney in February 1991. I read the *Sydney Morning Herald* and found a headline in the newspaper stating that the Balmain Association Inc. had won in court against the NSW Minister for Planning. This amazed me. From my experience in Indonesia I believe it would be difficult (impossible, one might say) to win against a minister in the court. I therefore decided to make a serious study of Balmain in order to find out more about this phenomenon.

Not only was it difficult to absorb and understand what was happening in the politics of land use in Sydney, there was for me, as an Indonesian the quite distinct challenge of trying to write about it in Australia with the its western/liberal political

tradition. None of this was easy for me, at first, and could be done only intermittently. Through my limited knowledge and the struggle to understand politics in Australia, then, I learnt about Balmain. As one of my case studies, I found that it has some of the most complex and progressive residents' groups. They have a long labour tradition. It was the place of the first labor union strike, the place where the contestation of leftist ideology flourished. But in the 1980s and 1990s, Balmain became a middle-class suburb. During my study, I met some very strong progressive councillors. The rezoning of five sites in Balmain itself took six years of conflict between the residents and the council against the NSW Minister for Planning. Finally, the Leichhardt council could claim a victory in its power battle to have the right to rezone.

Pyrmont and Ultimo - the City West Project- came two years later in 1993, when I participated in an International Conference on Cities and Well-being at the University of Strathclyde, Glasgow. I met the Australian delegation (Helen O'Loghlin and Gordon Kirkby) from the NSW Department of Planning who had worked on the City West Project. After long discussions on the subject during the conference, later continued in Sydney, I found that the case for redevelopment of Pyrmont-Ultimo was different to the case of Balmain. The City West project is the type of redevelopment where the Minister has autonomous power. Therefore, I decided to examine the City West project to broaden the scope of my study by including another pattern of urban redevelopment in Sydney. Then, in October 1993, I put together the two case studies in my thesis and presented the material to a post-graduate seminar at the Department of Government.

Upon my return to Indonesia, I hope that I will be able to make a contribution to the development of Australian politics. Moreover, there is an unbalanced information flow between Indonesia and Australia. Australia has many Indonesianists

while Indonesia has very few Australianist. By undertaking this thesis, I hope that it will help to further open the door for Indonesians to understand Australia.

In writing this thesis I have had a lot of help and critical encouragement. Martin Painter (my supervisor), Richard Chauvel and Barbara Leigh have provided a host of comments on the manuscript or upon ideas I was developing. I have derived great enjoyment and stimulation from the culturally "other", six years is not a short time but it is still not enough to learn any other society and other people. It was my good fortune to have such good friends around who were always willing to answer my questions and provided tremendous intellectual stimulation during my last six years in Australia. Thus, this is just a small part of my process of learning in Australia.

I take full responsibility for all that is contained in this thesis.

*chusnul mariyah*
*Syawal 1418 H,*
*Sydney, 1998*

# ABBREVIATIONS

| | |
|---|---|
| ABS | Australian Bureau of Statistics |
| ALP | Australian Labor Party |
| BBC | Building Better Cities |
| BSR | Board of Social Responsibility |
| BURST | The Balmain United Residents' Strategic Force |
| CBD | Central Business District |
| CCC | The Cumberland County Council |
| CSPC | The Central Sydney Planning Committee |
| CSR | The Colonial Sugar Refinery |
| CWDC | The City West Development Corporation |
| DA | Development Application |
| DLEP | Draft Local Environment Plans |
| DURD | Department of Urban and Regional Development |
| DUP | Department of Urban Planning |
| DoH | Department of Housing |
| EIS | Environmental Impacts Assessment |
| EPA Act | Environmental Planning and Assessment Act. |
| GMREP | Greater Metropolitan Regional Environment Plan |
| HMO | Housing Management Organisation |
| IND | Independent Candidates |
| LEP | Local Environment Plan |
| LIB | Liberal Party |
| LC | Local Council |
| LG | Local Government |
| LGA | Local Government Association |
| MPs | Member of Parliaments |
| NAT | National Party |
| NAN | No Aircraft Noise Party |
| NIMBY | Not in My Back Yard |
| NSW | New South Wales |
| NSWPD | New South Wales Parliamentary Debates |
| PEC | The Planning and Environment Commission |
| REP | Regional Environment Plan |
| SEPP | The State Environmental Planning Policy |
| SOGOC | Sydney Organising Committee of the Olympics Games |
| SPA | The State Planning Authority |
| SRPA | Sydney Regional Planning Authority |
| SMH | *the Sydney Morning Herald* |
| UK | United Kingdom |
| USA | United States of America |
| WSC | *the Western Suburb Courier* |

Chapter One

# INTRODUCTION

This study is an attempt to analyse the interplay of power in Australian urban politics, with specific reference to local political conflicts over urban planning. The project explores the relationship between levels of government in the planning process. It shows how planning policies can create new conflicts that eventually undermine the political and economic support upon which the planning interventions depended, particularly through the political channels by which excluded groups resist the adverse outcomes of planning decisions and protest against the results. The local power structure is set in the context of the political economy of the city (Sydney) and the state (New South Wales). The principal focus is on two case studies of conflicts over inner city redevelopment, one in Balmain and the other in Pyrmont-Ultimo ("the City West Project"). The development conflicts in Balmain and Pyrmont-Ultimo are used as case studies of the interplay of public and private forces and influences in urban politics. In Balmain, community groups succeeded in exercising power over urban development. In the Pyrmont-Ultimo case, the focus is on a successful governing coalition which put its weight behind development, demonstrating the role of formal and informal alliances between government and business interests as determinants of urban development.

*Background*

Sydney is the most important city in Australia for many reasons. First, it is the capital of the largest state, a seat of government and a centre of public administration, as well as a major focus for transport, trade, finance and commerce (see Tables 1 and 2). It is a cosmopolitan city, built around a harbour of outstanding beauty, with a wide

range of social, cultural and recreational facilities. It is a city where development is shaped by the interests of international, national and local private capital, operating either through the market or through political processes. With the Olympics 2000 on the horizon, Sydney's prominence and profile as a global city will develop further. Indeed, that process has already begun.

***Table*** 1: Five Australia's Largest Cities 1996 with Comparison in 1976 and 1891

| City | 1996 Population ('000) | Rank 1996 | Rank 1976 | Rank 1891 |
|---|---|---|---|---|
| Sydney | 3,821.4 | 1 | 1 | 2 |
| Melbourne | 3,248.8 | 2 | 2 | 1 |
| Brisbane | 1,358.0 | 3 | 3 | 4 |
| Perth | 1,282.8 | 4 | 5 | 11 |
| Adelaide | 1,086.5 | 5 | 4 | 3 |

Source: *ABS.*

***Table*** 2: Location of Australia's Largest Corporation, 1982 and 1990, Distribution of Headquarters (per cent)

| City | Top 500 Companies | | Top 100 Companies | |
|---|---|---|---|---|
| | 1982 | 1990 | 1982 | 1990 |
| Sydney | 46.0 | 45.6 | 52.0 | 54.0 |
| Melbourne | 31.8 | 28.6 | 40.0 | 33.0 |
| Brisbane | 5.4 | 6.8 | 4.0 | 3.0 |
| Perth | 5.0 | 6.6 | 1.0 | 4.0 |
| Adelaide | 6.0 | 6.4 | 2.0 | 4.0 |

Source: *Australian Business: Riddells The Business, Who's Who of Australia*

Gottdiener and Feagin assert that "urban political economy posits two principal sets of concepts to analyse urban affairs: urban structure and transformation and state structure and restructuring."[1] Urban structures provide constraints and opportunities for local political action, while government policy and those

[1] M. Gottdiener and J.R. Feagin, "The Paradigm Shift in Urban Sociology," *Urban Affairs Quarterly*, 1989, Vol. 24, No. 3, p. 191.

participating in it, seek to influence the urban restructuring process. The state, or more broadly, the political realm within which governments and other actors operate, itself is structured by economic and institutional constraints and forces. Exploring the interactions between these elements is the main task of urban political analysis.

Australia cannot escape the global dimensions of economic change. Transformation of the world economy has produced changes in the function of cities, a process that has been continuing for centuries.[2] A sectoral shift in recent decades toward service production has combined with new technologies and the investment strategies of multinational corporate organisations to "rearrange the urban hierarchies of the manufacturing period."[3] Many changes have affected local politics over the past two decades, some of which have "congealed into patterns common across national and regional particularities."[4] At the top of the emergent system of cities, some cities become global control centres, including being sites for the location of corporate headquarters, financial institutions within the networks of global financial markets, advanced corporate services, and industries aimed at fulfilling the consumption needs of corporate managers and well-off tourists.[5] Sydney can be categorised as such a city within the network of global cities.

In last two decades, Sydney has experienced a period of major economic restructuring. This change has related to the shifting of sectoral industries - from manufacturing industries to the service economy. One of the indicators of this sectoral

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[2] Saskia Sassen, *The Global City: New York, London, Tokyo*, Princeton: Princeton University Press, 1991, p. 3.

[3] Thomas Stanback, "The Changing Fortune of Metropolitan Economies", In Manuel Castells (ed.), *High Technology, Space and Society*, Beverley Hills CA: Sage, 1985.

[4] Saskia Sassen-Koob, "Capital Mobility and labour Migration: Their Expression in Core Cities", In Michael Timberlake (ed.), *Urbanisation in the World Economy*, New York: Academic Press, 1985.

[5] *Ibid.*

change is in employment changes. Crough and Wheelwright identified the principal dimension of the economic changes in Australia to be:[6]

- "de-industrialisation" which has occurred as a result of Australia's integration into the new international division of labour;
- "rationalisation", whether as a result of mergers or take-overs or due to the introduction of new managerial techniques, which has led to further labour-shedding;
- "de-labourisation" which has been associated, most generally, with the impact of technological change, including computerisation, resulting in high capital-labour ratios.

In the study of structural change and spatial equity in Sydney, Stilwell found that this restructuring in the economy and the labour market has had spatial impacts. As jobs and economic activity have shifted from one sector to another, so whole suburbs and neighbourhoods have been affected, with traditional land uses and places of employment becoming disused, and new activities supplanting them. Stilwell uses data on shifting patterns of employment and unemployment to trace the pace of these changes and their spatial dimensions.[7] These structural shifts in economic activity and employment have been behind the local changes and in Balmain and City West that are the subject of case studies for this thesis. Vacant industrial sites in Balmain and Pyrmont-Ultimo have been the product of the decline of manufacturing industry in Sydney; the lands were ready to be rezoned and the NSW Government sought to incorporate them within its overall policy of urban consolidation.

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[6] G.J. Crough and E.L. Wheelwright, *Australia: a Client State*, Ringwood: Penguin Books, 1982.

[7] Frank Stilwell, "Structural Change and Spatial Equity in Sydney", *Urban Policy and Research*, Vol. 7, No. 1, March 1989, p. 4. See also Frank Stilwell, *Economic Crises, Cities and Regions*, Sydney: Pergamon Press, 1980.

Another aspect of the consequence of these structural changes in world capitalism and their impact on urban structures is the process of gentrification.[8] Cohen notes that the demand for highly educated and paid professionals in the CBD by multi national corporations (MNC) and their advanced corporate services advisers, has led to a rapid growth in demand for high quality housing close to the city.[9] The City West redevelopment in Pyrmont-Ultimo and the pressures for medium density housing development in Balmain were both responses to this growing demand of managerial and professional people who need housing close to the city.

Thus in the 1980s Sydney has been experiencing rapid structural change. This change in economic functions plays itself out in the politics of land use. However, the specific character of land use change cannot simply be deduced from global economic forces; rather it depends on previous usage, local development activity, and government response.[10] The politics of land use involves conflict among sectoral actors, such as manufacturing versus housing developers. It is also between sectoral and spatially defined interests, for example, developers versus community residents. Local or state government can have an important role in affecting spatial and physical reconstruction, as it encourages economic growth, coordinates public and private investment decisions through a planning process and mediates conflicts.[11]

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[8] R.B. Cohen, "The International Division of Labour, Multinational Corporations and the Urban Hierarchy", in Michael Dear and Allen J.Scott (eds.), *Urbanisation and Urban Planning in Capitalist Society,* London: Methuen, 1981, pp. 287-315.

[9] *Ibid.*

[10] Fanstein and Fanstein, "New Haven: The Limits of the Local State", in Susan S. Fainstein et.al (eds.), *Restructuring the City: The Political Economy of Urban Redevelopment*, New York: Longman, 1983.

[11] Norman I. Fainstein and Susan S. Fainstein, "Economic Restructuring and the Politics of Land Use Planning in New York City", *APA Journal*, Spring 1987, pp. 236-248.

In many countries, the role of the state in shaping or responding to global economic forces and urban restructuring has been shown to be highly significant, and local politics in particular have gained in importance.[12] Because of specific local conditions, capital cannot be orchestrated by the central state. Local political organisation, and the skills of urban government officials in negotiating with supranational and multinational capital, have become decisive factors in shaping a city's profile as well as its place in the international urban hierarchy. Another trend in urban governance is an expansion of the sphere of local political action to involve not only the local authority but a range of private and semi public actors. The consequences of this trend is that the role of the local authority in respect of business and real estate interests, and the voluntary sector and community groups, is becoming redefined. However, what contributes the "local" authority differ between countries. "Local" power in the Australian case is mostly in the hands of state rather than local government, since local governments have historically been weak, and subordinate to state government.

*The Study of Redevelopment in Sydney: a Comparative Study of Redevelopment in Balmain and in the City West Project*

To approach the study of the role of power interplays in land use policy, this thesis starts by positing questions central to the cases of Balmain and the City West Project in inner Sydney. These are, "Who are the holders of power in the locality?" and "How is this power translated into public policy?" There are two major foci in the study. It will analyse power within the local political system by distinguishing the various power groups in the locality. Secondly, the study will employ a political

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[12] Margit Mayer, "Post-Fordist City Politics", in Ash Amin (ed.), *Post-Fordism*, Oxford: Blackwell, 1994, p. 317.

economy analysis. It will concentrate on power and policy at both the local, state and where relevant, federal, levels of government. The study will examine the extent to which political and economic factors are manifested in conflict over the urban form, with specific reference to the context of land use policy.

The interplay of local, regional and wider forces is evident not only through different levels of government but also in the clustering of economic and political interests at different levels. For example, land-based business interests have different interests depending on their relationship to the market. The "local elite" depends for its wealth on capturing development resources for the locality, and includes real estate and building interests, related professional groups and possibly building unions. The second group, "the corporate elite" is broader and non-local, and depends on market growth. For this group, market growth is not restricted to any spatial locality.[13] The exercise of power by a local elite is more likely to occur in local government arenas whereas the exercise of power by a corporate elite is more likely to take place in state and national political arenas.

Second, community power within a spatial locality (Balmain and Ultimo-Pyrmont) is viewed according to each group's response to government growth policies. The local elite can be expected actively to encourage development policies. Other groups include resident action groups who oppose specific development policies because they conflict with their interests, which may range from preservation of a particular neighbourhood to the enhancement of the local environment as a whole.[14]

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[13] Harvey Molotch and John Logan, "Tension in the Growth Machine," *Social Problems*, 31 June 1984, pp. 483-499.

[14] See Janice Caulfield, "Community Power, Public Policy Initiatives and the Management of Growth in Brisbane," *Urban Policy and Research,* 1991, Vol 4 No. 4, pp. 209-219.

*Methodology*

Data for this study was collected, utilising various resources. Firstly, the field research relied on in-depth interviews with people who were involved in the political process in Balmain and in the City West project, including local councillors, resident activists, Members of Parliament, officials in the Department of Planning, developers and lawyers.[15] In order to get inside knowledge of the process of a social movement in Balmain, the author lived in Balmain for one year. Through being a participant observer, engaging every day with residents and with the residents' group, insight into the complexity of the case was gained. Second, documentary information available from local and the state governments was collected. Third, secondary sources based on earlier research was also drawn on. Finally, data was collected through attending various public community meetings, attending a public inquiry and attending a case in the Land and Environment Court of NSW.

*Case Studies*

This thesis uses case studies as a research method. There are competing research paradigm in social sciences, with their own standards and strategies, particularly between surveys and case studies.[16] In an influential article entitled "Case Study and Situational Analysis", Clyde Mitchell has argued that since the early 1950s there have been major developments in survey research techniques, but that there has

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[15] These include six councillors from Leichhardt Council and from the City of Sydney, an interview with the lawyer from the Leda Holding Company who owned the Unilever sites, an interview with Tom Uren, interviews with leaders of resident groups (Balmain Trust Assoc.; Pyrmont Community, Ultimo Community, Glebe-Pyrmont-Ultimo-Annandale Community Committee, the Ballast Point Group), interview with an officer concerned with the Building Better Cities initiative from the City of Sydney Council, an interview with officers of the City West Development Corporation, an interview with officials from Department of Planning, and an interview with Sandra Nori MP for Port Jackson. In 1992, the author was able to attend almost all the local political meetings which occurred in that year.

[16] Martyn Hammersly, *What's Wrong with Ethnography*, London: Routledge, 1992, pp. 174-197.

been little parallel development in "the epistemology of the case study".[17] Mitchell argues that much criticism of case study research, and in particular the claim that it is invalid because it seeks to generalise from a single case, is based on the misconception that case studies and survey research use the same basis for extrapolating from data to theory. According to Mitchell, this is a misconception because while survey research uses two types of inference, statistical inference from a sample to a population and logical inference about necessary or logical relationships among features within a case, case study research relies entirely upon logical inference: "(t)he validity of extrapolation (in case study analysis) depends not on the typicality or representativeness of the case but on the cogency of theoretical reasoning."[18]

However, I believe that the two strategies of the research paradigm have left us with a problem, particularly the problem of generalisation. In the research paradigm there is still "no source of deterministic inference of this kind to which any algorithmic solution is available."[19] There is no basis for demonstrating the certainty of any such generalisation. However, there are ways in which we can maximise the level of confidence which can legitimate the truth of a theory. According to Eckstein, "confidence is maximised by subjecting a theory to the severest possible test through the way we select cases for study."[20] He argues that the investigation of both the most favourable and least favourable cases for a theory can provide powerful evidence. Furthermore, he suggests that:

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[17] J.C. Mitchell, "Case Study and Situational Analysis", *Sociological Review*, 1983, 31, 2, pp. 187-211.
[18] *Ibid*, p. 207.
[19] Hammersly, *op.cit.*, p. 182.
[20] H. Eckstein, "Case Study and Theory in Political Science", in F. Greenstein and N.Polsby (eds.), *Strategies of Inquiry, Handbook of Political Science*, Vol. 7, California: Addison-Wesley, 1975.

> in a crucial case it must be extremely difficult, or clearly petulant, to dismiss any finding contrary to theory as simply "deviant" (due to chance, or the operation of unconsidered factors, or whatever "deviance" might refer to other than the fact or deviation from theory *per se*), and equally difficult to hold that any finding confirming theory might just as well express quite different regularities.[21]

As to whether the survey paradigm or the case study paradigm is actually a process of scientific inquiry, I believe that with regard to theory building, the case is the same for both survey and case study research. Both can provides a basis for extrapolation from cases studies to all cases relevant to a theory.

Therefore, in order to obtain a detailed account of the study of power relationships, this thesis has chosen to use case studies. The argument about choosing a strategy for this research is not based on the idea that one strategy is more comprehensive than the other. In doing research, there are many roads which sometimes are difficult to choose between. The research process is more like finding one's way through a maze which is very complex, especially in the social sciences. Therefore, a methodological language is needed which can give better guidance to reach a goal. Every choice in research strategy has advantages and disadvantages depending on the purposes and circumstances of the research.

*Themes*

**Chapter Two,** "Urban Politics: Theoretical Approaches", examines competing theories on community power and urban politics with particular attention to theories of urban political economy and of citizen power.

**Chapter Three,** "Metropolitan Planning, Urban Redevelopment Policy and Urban Government in Sydney", examines the institutional context of urban

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[21] *Ibid*, p. 118.

development in Sydney. It discusses a number of factors which define the context of any consideration of the role of government at local, state, and federal level with regard to urban development. It examines the jurisdiction for urban planning, the legislative framework and the process of policy on land use. First, it takes into account local and state jurisdictions, as well as responsibility for urban planning and urban services. It also presents a brief history of the urban planning system since the 1960s and predicts a trend towards greater state control. It concentrates on the Local Government Act and Environmental Planning and Assessment Act (1979) that relates to the case study and discusses land use planning, its legislative framework and the formal decision making processes. The role of the Court in the decision-making process is also discussed.

**Chapter Four,** "Citizen, Development Interests, and Land Use Conflicts in Urban Planning: Case Study of the Rezoning of Five Sites in Balmain", analyses a case study of rezoning policy in Balmain, with specific reference to the rezoning of five sites in the area. This chapter analyses the individuals involved in the political decision-making process and examines the question: How do individuals affect political decisions in the community? This part of the thesis will include detailed accounts of decisions and events over recent years and attempts to explain outcomes by identifying the economic and political forces at work in the planning and land use decision-making process.

**Chapter Five,** "Planning and Power in the City of Sydney: a Case Study of the City West Redevelopment Project", discusses in detail the case of the NSW state government's role in the City West project. The chapter examines the redevelopment of the City West site in the inner city of Sydney and explores the direct way in which the federal and state governments influenced locational benefits through the control,

funding and planning of a large-scale inner-city redevelopment. It also examines power relations between the three levels of government over the control and regulation of land use. In this context, it provides a very different type of setting from Balmain to investigate the relative potential and actual power of different groups and interests affected by urban development.

**Chapter Six,** "Residents, Development and the Planning Process" analyses the role of citizen associations as a power grouping in local politics. In this chapter, the focus of the study is on how citizen groups in municipal politics are involved in the decision-making process. The cases of rezoning in Balmain and redevelopment in Pyrmont-Ultimo (City West) are used to exemplify the impact of participation and power on public policy. Further, this study concentrates on the roles, interests, and political influence of neighbourhood citizen associations. It also distinguishes between the different kinds of citizen organisations which are actively involved in the implementation of land use policy in the case study areas.

**Chapter Seven** presents the conclusion drawn from the study.

Chapter Two

# URBAN POLITICS: THEORETICAL APPROACHES

In seeking to understand urban politics, political theorists have frequently questioned the degree to which urban governments can autonomously pursue their local interests. A political economy perspective concentrates on the economic limits of local autonomy, focusing on the power of capital, both local and global, in shaping urban conditions. Other urban studies focus on the interplay of private and public power in governing the city. Recent work about urban politics in the United States has developed a theory of the urban regime, which seeks to understand the local political economy that constrains the formation and activities of governing coalitions. This chapter begins by reviewing a number of theoretical approaches to urban politics, including the "community power" approach, "growth machine" analysis, and "urban regime" theory. An attempt is made to adapt the insights of these approaches to the Australian context, with a view to providing a framework for analysis in the case studies that follow. Particular attention is paid to two issues: the role of business interests in urban governance, and the potential power of community groups seeking to resist or oppose urban development trends.

## *Community Power and Urban Politics*

John Wanna has noted that the study of relative access to power within urban communities, known as "community power studies" in political science, is largely undeveloped in Australia, particularly in the context of urban development in

Australia's metropolitan centres.[1] A number of writers have discussed theoretical issues concerned with power, and related this discussion in varying degrees to urbanisation and local communities in Australia.[2] A large literature exists on policy issues associated with urbanisation, processes of urban development in Australia's large cities and particular aspects of the structures and institutions of urban and local government.[3] Other studies of urban politics, such as those by Sandercock, Stilwell and Parkin, provide accounts of aspects of urban politics and policy, but do not focus primarily on providing detailed accounts of the process of decision-making, or other indicators of the distribution of power in the urban political system.[4] Recent studies by Wanna and Caulfield and their collaborators in Brisbane have pioneered the empirical study of power structure in Australian cities.[5] Following on from the work of Wanna and Caulfield, this thesis attempts to add to this literature by examining the relationship between power and policy-making within a city.

In political science, particularly in classic studies of community power in the United States, the concept of community power refers to an established structure of power within a given spatial community.[6] In this study of Balmain and the City West Project, "community" is broadly defined in spatial terms, and there is a focus on

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[1] John Wanna, "Community Power Debates: Themes, Issues and Remaining Dilemmas", *Urban Policy and Research*, 1994, Vol. 9, No. 4, pp. 193-208.

[2] See J. Playford and D. Kirsner (eds.), *Australian Capitalism*, Ringwood: Penguin, 1972; R.W. Connell, *Ruling Class, Ruling Culture,* Melbourne: Cambridge University Press, 1977; I. Szelenyi, "Structural Changes and Alternatives to Capitalist Development in the Contemporary Urban and Regional System," *International Journal of Urban and Regional Research*, 1981, 5 (1), pp. 1-14.

[3] See Patrick N. Troy, *A Fair Price: The Land Commission Program*, Sydney: Hale and Iremonger, 1987; *The Peril of Urban Consolidation*, Sydney: Hale and Iremonger, 1996; Max Neutze, Urban Development in Australia, Sydney: George, Allen & Unwin, 1977; J. Halligan and C. Paris (eds.), *Australian Urban Politics,* Melbourne: Longman Cheshire, 1984.

[4] Leonie Sandercock, *Cities For Sale*, Melbourne: Melbourne University Press, 1975; Andrew Parkin, *Governing the Cities*, Melbourne: Macmillan, 1982; Frank Stilwell, *Australian Urban and Regional Development*, Sydney: ANZ Book Co., 1975.

[5] Janice Caulfield and John Wanna (eds.), *Power and Politics in the City: Brisbane in Transition,* Melbourne: MacMillan Education of Australia, 1995.

[6] The classic studies of urban community power are Floyd Hunter, *Community Power Structure*, Chapel Hill: University of North Carolina Press, 1953 and Robert Dahl, *Who Governs? Democracy and Power in an American City,* New Haven: Yale University Press, 1961.

political action by members of those spatial communities. The study is also about wider forces in urban politics. The very concept of local "community", with its idea of closure and spatial boundaries may be increasingly misleading for urban political studies. Many of the groups and institutions involved in planning and other decisions that impact on localities are not local in origin or scope of influence, while the economic and social forces that shape urban development also have non-local - sometimes even global - significance. The extent to which modern cities such as Sydney convey social or political meaning as localities is thus questionable. While localities within Sydney may have some political relevance as residential communities of interest, the economic and political decisions that shape them often come from outside.

"Power" is a complex term to define in this context. A number of typologies have been devised to identify the different resources or assets which allow for the exercise of power. The bases of power focus on the power holder while the forms of power focus on the reasons and motives for exercising power. They include instruments of force, material rewards and symbols of legitimacy. This analytical distinction between the bases and the forms of power demonstrates the relational nature of power between a power holder and a power subject. The assumption is that power is unequally distributed because the power subject lacks access to resources. However, the power holders may not exercise their power and it may remain potential rather than actual.[7] Power may be "real" while not being "exercised" in observable "acts of influence".

Many of these theoretical and empirical issues associated with the study of power in local communities were canvassed in the "community power" debate in American political science in the 1950s and 1960s. In the community power debate, the central dispute was between pluralists and elitists and was often purely about methodology,

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[7] D. Wrong, *Power: Its Forms, Bases and Uses*, Oxford: Blackwell, 1979, p. 124.

while conceptual confusions abounded. Pluralists such as Robert Dahl and Nelson Polsby insisted on "observable acts" of influence as their indices of power, focussing on overt political decisions by which one group or coalition of groups won a contest over/with others.[8] Elitists such as Floyd Hunter and G.W. Domhoff argued that this missed the point: power resided in social structures and institutions, and those at their peak were clearly "the powerful": they had access to resources that allowed them to maintain their privileged positions over others.[9]

Neither view was wrong but the debate left a number of issues unresolved, and more recent studies of local power structure have gone in new directions. They were analysing different types of power: pluralists measured a narrow range of acts and power relations to do with government decisions, while elitists measured the patterns of stratification and privilege which accounted for the unequal access by political actors to important resources. Pluralists were blind to structural phenomena that limited the scope of political power, while elitists ignored the potential for political power to open up new ways to acquire structural resources. When writing about local communities, both tended to ignore the inter-relationship between local and non-local factors. It was not until later, with a new wave of studies, that the study of urban politics took full account of the relationship between political and economic factors in the distribution of power. As Caulfield and Wanna have argued:

> ...studies of community power can no longer rely on simplistic interpretation and methodological debates over whether the decisional, reputational or positional model best explains how power is exercised by community leaders. New institutional and socioeconomic analyses have broadened the scope of political inquiry and radically changed the way we view community power and understand power relations.[10]

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[8] Dahl, *op.cit.*. Nelson Polsby, "Empirical Investigation of the Mobilization of Bias in Community Power Research", *Political Studies*, 1981, 27(4), pp. 527-541.

[9] Hunter, *op.cit.*. See also G. W. Domhoff, *Who Really Rules?: New Haven and Community Power Reexamined*, (New Brunswick: Transaction Books, 1978.

[10] Caulfield and Wanna, *"Power and Community: Theoretical Approaches"*, in Caulfield and Wanna (eds.), *op.cit.*, p. 16.

Echoes of the community power debate and later sociological and political science debates about power structures have been influential in Australia although largely in the context of studies of rural communities. Ron Wild's study of *Bradstow* examined life in a small NSW country town.[11] The main focus of the study was on questions of social stratification, status and positional power. However, the study did not discuss the exercise of power or the process of decision making in terms of public policy. Later studies by Gretchen Poiner and Ian Gray were also concerned with small rural towns.[12] Both drew on social stratification literature as well as on social control theory with particular reference to Steven Lukes's "third dimension of power", that is, the dimension that shapes values and beliefs so that something akin to "false consciousness" prevents the powerless from realising the nature of their interests and the need for action.[13] Gray found that the local council played an important role in perpetuating a structural bias in the agenda of local politics such that certain interests and groups remained permanently excluded. None of these studies paid much attention to either structural or situational aspects of economic processes or relations other than regarding the ownership of land or other productive forces as a basis for social stratification or resource inequality. Neither did they situate the local political economy in a broader context of non-local economic and governmental processes by which local communities are made the objects - victims or beneficiaries - of metropolitan or global decision processes. Useful though they are for their insights into power and stratification in rural communities, none of these studies has much relevance for understanding the dynamics of political and economic forces impacting upon localities in complex metropolitan regional political economies.

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[11] Ron Wild, *Bradstow*, Sydney: Angus and Robertson, 1974.

[12] Gretchen Poiner, *The Good Old Rule: Gender and Other Power Relationships in a Rural Community*, Sydney: Sydney University Press, 1990. Ian Gray, *Politics in Place: Social Power Relations in an Australian Country Town*, Melbourne: Cambridge University Press, 1991.

[13] Steven Lukes, *Power: A Radical View,* London: Macmillan, 1974.

There was no major political science study of community power in large Australian cities until Caulfield and Wanna and their collaborators undertook the Brisbane project in the 1995.[14] This study of Brisbane City provided a particularly interesting case since Brisbane is the only city in Australia which has a metropolitan government, that is a local government authority encompassing all or most of the metropolitan area. Other major cities in Australia such as Sydney and Melbourne are divided into many local government areas (municipalities). The pattern of power in the City of Brisbane, then, is very specific in terms of the scale of local government – its territory, its population of over one million, and its budget.

In the context of the community power debate, Caulfield and Wanna note that local autonomy carries two meanings: (1) the limits to local authority and (2) the capacity of political structures to make decisions within a city. In their case, power is taken to be highly constrained by what happens beyond the city walls.[15] While granting that the city of Brisbane has been shaped more by the transnational economy's forms of production, rather than by elite politics, the study also found that there was still a level of local democracy, in which democratic local structures mediate the influence of business, mobilising significant and, at times, effective citizen opposition against certain development in the city.[16] Although there was still room for citizens to exercise their power, Caulfield and Wanna maintained that an analysis of power relations "must consider a range of socioeconomic and resource factors as influences and constraints on the operation of power", many of them non-local in origin and scale.[17]

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[14] Caulfield and Wanna (eds.), *op.cit.*.

[15] Janice Caulfield and John Wanna, "Power and Community: ...", in Caulfield and Wanna (eds.), *Power in the City ...op.cit.*, pp. 1-16.

[16] Janice Caulfield, "Development Interests and Growth in the Local Economy", in Caulfield and Wanna (eds.), *op.cit.*, pp. 97-118.

[17] Caulfield and Wanna, "Power and Community:...", *op.cit.*, p. 16.

*Urban Politics: The Political Economy Paradigm*

The study of urban politics in recent decades has shifted from a predominant concern with local social stratification and political culture to political economy and especially the political economy of urban development.[18] Many studies have suggested that the important decisions about location are often in the hands of large national and international corporations. Few of them are strictly local; most have links to a national or even a world market.[19] In this matter, studies of urban politics cannot be confined strictly to the geographical boundaries of cities. For example political and other processes in cities are shaped by forces beyond their boundaries because of the national or international dimension of economic markets. The following sections discuss in more detail specific theories of urban politics that extend the political economy approach.

There are two different approaches towards the theory of the politics of urban development: market-centred and state-centred. The market-centred analysis derives from the assumption that the market dominates the politics of local economic development. In this case, business interests become the central actors in shaping urban development. Paul Kantor and H.V. Savitch in their analysis of the capacity of local government to influence economic development suggest three dimensions of interdependency between government and business: "the creation and maintenance of market conditions; the management of the popular-control system; and public intervention mechanisms."[20] By market conditions is meant "the circumstances or forces that make cities more or less appealing to private investors."[21] Paul Peterson,

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[18] Clarence Stone, "The Study of Politics of Urban Development," *The Politics of Urban Development,* Kansas: University Press of Kansas, 1987, p. 13.

[19] *Ibid.*

[20] Paul Kantor and H.V. Savitch, "Can Politicians Bargain With Business? A Theoretical and Comparative Perspective on Urban Development", *Urban Affairs Quarterly*, Vol 29, No. 2 December 1993, p. 230

[21] *Ibid,* p. 233.

for example, whose work is discussed below, emphasises the external dependence of cities and the imperative of attracting capital for economic development in the city.[22]

The other dimension is the "popular control system," or the democratic processes "through which public-sector decisions that effect urban development are legitimised."[23] The public have the opportunity to influence urban government policy through "processes of public participation, the extent to which participation is organised, and the effectiveness of electoral mechanisms in ensuring accountability in the process of legitimation."[24] The popular-control system can thus become a means by which local politicians play a part in the process of "legitimising economic development decisions", and hence giving local government the potential for some control over business investment.[25] Finally, the third dimension, "public intervention mechanisms" refers to the means used by state institutions to regulate the marketplace. The various means of intervention and the manner in which they are coordinated and organised are important because their use can influence the distribution of bargaining advantages between business and government. Kantor and Savitch suggest that a governmental system, "which successfully centralises or coordinates power as well as financial support, is better able to regulate economic development and shape the market place."[26] Thus, institutional forms and patterns of government organisation can be an important factor.

However, variations in the influence of local government reflect the ways in which the political economy distributes bargaining resources between the public and private sectors. The private sector is responsible for the production of wealth in market systems, where price mechanisms shape choices over production and

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[22] Paul Peterson, *City Limits*, Chicago: University of Chicago Press, 1981.
[23] Kantor and Savitch, *loc. cit.*, p. 234.
[24] *Ibid.*
[25] *Ibid.*
[26] *Ibid.*

exchange. This model suggests that there are interdependencies between public and private sectors. The private sector produces economic resources that are necessary for the well-being of the political community, such as creating jobs, revenue for public programs, and political support that is likely to flow to public authorities from popular satisfaction with economic prosperity and security.[27] For business, the public sector is important because it intervenes in the market in ways that are necessary for the promotion of economic enterprises. Such intervention can only occur through government policy, such as providing infrastructure or other forms of support. Political actors bring unique and necessary skills and resources to the bargaining table. At the same time, the city's democratic processes might add new elements that disrupt these interdependencies. The need to legitimate urban development decisions taken in concert between interdependent public and private sectors suggests a realm of power and influence that has the potential for expressing local autonomy.

Peterson's study is an example of a market-centred analysis. He regards the city as a utility-maximising entity seeking to enhance its economic position in the arena of developmental policy. According to this view, cities differ mainly in the degree of efficiency they bring to the task of promoting economic well-being. He presents New Haven and Oakland as contrasting examples of "the able servant" and "inefficient slave." Policy for Peterson is an outgrowth of the competitive economic relationship among localities. Cities actively pursue economic development, practise non-decision making with regard to redistribution, and leave groups free to compete and bargain over the rest, because the logic of their economic situation dictates such behaviour. The city is like a business firm,[28] with a clear economic goal. In respect of economic developmental policies, the official in city politics can be expected to act rationally in pursuit of that goal.[29] In Peterson's perspective, citizens have no greater

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[27] *Ibid,* p.233.

[28] Peterson, *op.cit.*, pp. 18-21, and 29.

[29] *Ibid*, p. 133.

need to be involved in decision making than do stockholders in running a business corporation. Those who are best informed make the best decisions.[30] Common interests unite public and private elites and joins the interest of decision-makers with the populace.[31]

But what is the role of politics in the developmental arena? In Peterson's view, while there is politics, it involves neither domination nor conflict. Peterson refers little to winners and losers but instead points to the benefits of development for all members of the city.[32] Thus, there is a broad climate of support for developmental policy.[33] This situation is not one in which one element has power over another, nor is it a "zero sum game".[34] Power is best thought of, as "the capacity of the community to realise its objective".[35] Here business participation is "apolitical", motivated in part by an easy chance for a "halo effect".[36] Political leaders, Petersons suggestion, operate in a quiet arena in which they are able to "give reasoned attention to the longer range interests of the city taken as a whole".[37]

Peterson's version of developmental politics is conflict free.[38] Business involvement is non-political, largely a matter of providing know-how. The leaders of the city politics practise the art of persuasion, and support for the projects grows, as they near completion and benefits presumably become more apparent. The political

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[30] *Ibid,* p. 141-148.
[31] *Ibid,* pp. 21-22.
[32] *Ibid,* p. 147.
[33] *Ibid,* p. 132.
[34] *Ibid,* p. 148.
[35] *Ibid.*
[36] *Ibid,* p. 142.
[37] *Ibid,* p. 109.
[38] See also a critique of Paul Peterson's treatment of developmental politics in *City Limits* by Heywood T. Sanders and Clarence N. Stone, "Developmental Politics Reconsidered", *Urban Affairs Quarterly,* Vol. 22, No. 4, June 1987, pp. 521-539.

task is not one of subduing opposition but of overcoming inertia. That is why the early stages of a project are the most difficult.

Peterson's model has many weaknesses. Many projects substantively concerned with development are characterised by conflict rather than consensus. There is significant uncertainty about the long-range net economic effect of many of these projects. Individual actors may not act on the basis of a desire to maximise utility for the city as a corporate entity, or, if they do, they see that utility through lenses coloured by their particular place in the scheme of things. Governing officials must accommodate or in some manner cope with fragmented and parochial interests as well as conflicting understandings of what is in the general interest.[39] In order to do so, they must engage in coalition building and conflict management, that is, responding to a political imperative. Because there is no one best way to put together coalitions and manage conflicts, political arrangements vary from community to community and, in a given community, vary through time and succeeding administrations.[40] Without trying to discard the notion that policy influences politics, there is much to be gained from the opposite view that politics shapes policy - that is, developmental policy can be expected to reflect and, in important ways, vary with the changing character of political arrangements.[41] In the next two sections, we look at examples of theories of urban political economy that adopt a more state-centred approach.

*The Pro-Growth Entrepreneur in Local Government: The City as a Growth Machine*

The urban sociologist, Harvey Molotch published his "city as a growth machine" thesis in 1976. This study was important for making an attempt, first, to identifying the particular characteristics of *urban* politics and power, and second, in

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[39] *Ibid.*

[40] *Ibid*, p. 532.

[41] *Ibid,* p. 531.

drawing links and making distinctions between local and non-local bases and forms of power in the city. He argued that urban growth is the major "prize" in the urban power game. The indications of growth are a rising population, expanding industry and labour force, increased finance and commerce, and increasingly intensive land development. Furthermore, Molotch argued that the growth imperative is the unifying force among those who stand to benefit from it: "land interests are capable of strategic coalition and action."[42] Molotch assumes that there is an existing power or ruling group when he writes that the city is the spatial expression of the interests of a particular land-based elite. Importantly, however, he specifies that elite as a particular grouping with relevance to *urban* affairs.[43] Any given parcel of land represents an interest and, politically speaking, any given locality is an aggregate of land-based interests.[44] Place entrepreneurs - those who buy, sell, and rent the physical environment - achieve their goals through continuous bargains and contests with government, citizen groups, political parties, and big business.[45] Coalitions of interests emerge in the private and public sectors, built on a mutual desire to maximise development and their own interest in the city.[46] Molotch characterises such a coalition formed by this land-based elite as the "urban growth machine". There is competition between city elites for growth by attracting resources to be invested in their area as opposed to another area. For Molotch, the degree to which otherwise competing land-based interest groups collude to achieve a common land-enhancement scheme defines the existence of an urban community.[47] Molotch argues that this land-based elite is different to the national corporate elite in that its profits are to be made not from the production of goods and services but from the intensification of land use.

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[42] Harvey Molotch, "The City as a Growth Machine: Toward a Political Economy of Place," *American Journal of Sociology,* 1976, 82, No. 2. pp. 310-311.

[43] *Ibid,* p. 309.

[44] Harvey Molotch, "Toward More Human Ecology", *Land Economics*, 1967, 43 (August): 336-341.

[45] Molotch, "The City...", *loc.cit.*.

[46] *Ibid.*

[47] *Ibid,* p. 311.

Although Molotch's theory is still based on an elitist view of community power, an important new aspect of his framework is the inclusion of a structural dimension into the analysis namely the centrality of land-based power in the community.[48]

According to Molotch, growth will bring to the locality that produces it a bigger "pie" of rents, fees and other economic rewards for local entrepreneurs to divide among them.[49] The members of the growth elite attempt to mobilise every local civic and political institution. They try to turn the city into a "growth machine", and they largely succeed - even in the face of opposition of community interests and public opinion.[50] Furthermore, in the United States, the core membership of these growth coalitions is broader than just those who own land and buildings. The growth coalition typically consists of builders, financiers, realtors, surveyors, construction suppliers, architects, property-oriented lawyers and accountants. In addition there are non-land business entrepreneurs who have other types of immovable investments, such as the owner of the local city newspaper.[51]

Molotch focuses part of his analysis specifically on political variables. An important factor underpinning the emergence of local growth machine politics is a strong political party system with ideologically committed voting constituencies. In the United States, politicians have depended on growth elites to promote their careers but relied on committed party voters to continue voting for them. Growth interests usually form the largest block of financial contributors in local campaigns, and often politicians, have real estate investments of their own. Thus, politicians share their benefactors' desire to make the locality into a business environment that can attract

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[48] *Ibid.*

[49] *Ibid.*

[50] John Logan and Harvey Molotch, *Urban Fortunes: The Political Economy of Place*, Berkeley and Los Angeles: University of California Press, 1987.

[51] Roger Friendland and Donald Palmer, "Park Place and Main Street: Business and the Urban Power Structure" in R. Turner (ed.), *Annual Review of Sociology*, Vol. 10, Beverley Hills, CA: Sage, 1984, pp. 393-416.

capital. As a result, tax policies, zoning, pollution controls, and urban redevelopment schemes, are shaped to encourage development, as well as social policies that affect labour costs. Moreover, elected officials also lobby higher level bureaucrats and politicians for defence contracts, airport funding and other public works to promote growth.[52]

The national government is generally passive with regard to urban policy or simply responds to local growth initiatives. There is no national urban planning unit in the United States federal government. According to Molotch and Vicari the vacuum in the government at the highest level sustains the hegemony of the locally based growth machine system.[53]

While Molotch does not address the distribution of power, his analysis suggests different and potentially conflicting interests exist. For example, what is the role of locally-based managers of national and international companies? Are their interests the same as the land-based elite, and if not, what is the relative distribution of power among land-based business elites and non land-based business elites in a city? Local elites who derive their wealth from non-local resources may be committed to conservation rather than growth. Molotch takes some account of these considerations, and argues that despite growth having been the dominant ideology, there has always been resistance toward growth.[54] The emerging counter-coalition - "the anti-growth movement" - succeeded in those places where reform movements and activists had a strong constituency - "a leisured and sophisticated middle class with a tradition of broad-based activism, free from an entrenched machine".[55]

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[52] Harvey Molotch and Serena Vicari, "Three Ways To Build: The Development Process in the United States, Japan and Italy," *Urban Affairs Quarterly,* Vol. 24, No. 2 December 1988, pp. 188-214.

[53] *Ibid,* pp. 191-192.

[54] Molotch, "The City ...", *loc.cit.,* p. 326.

[55] *Ibid*, p. 327.

The depiction of local growth machines in Molotch's accounts is somewhat inappropriate in the Australian context. Within the boundaries of local political economy of the United States, considerable political and economic resources are marshalled behind a purely domestic, locally inspired and locally controlled sphere of "growth politics". Australian entrepreneurs and city promoters operates in a context where governmental authority resides largely at state and federal levels, not in localities. "Growth politics," like urban development itself, is caught up in the dynamics of regional and international growth and is influenced by levels of government and political organisation that go far beyond the local authority. Given these different settings in terms of the political system, the political structure and developmental politics, Molotch's model of growth coalitions can be viewed more generally as a way of looking at the relationship between state, market, and the urban growth process. Not all capitalist states have organised their spatial relations in the same way. Urban development patterns are geographically and historically contingent. The property owners and/or entrepreneurs take their actions, including their political stands, by virtue of the way state and market contexts are intertwined in a particular local, national and international setting. [56]

In the discussion of the politics of economic and urban growth, Wanna and Caulfield suggest that there are two dimensions in understanding a government's approach to economic development.[57] Firstly, the analysis needs to focus on the actors and secondly it has to recognise system constraints. In this case, the policy of a state or a city government focuses on how a competitive environment can attract international investment to local economies in order to lift productive output and increase population. In the case of the state government of Queensland, the government has concentrated on market facilitation and market enhancement

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[56] Molotch and Vicari, "Three Ways ...", *loc.cit.*.

[57] Wanna and Caulfield, "Introduction", in *Power and Politics in the City*..., p. xvii.

approaches to economic policy. The local government of Brisbane has limited itself to business promotion. The NSW state government can be considered to have taken the same approach as has the Queensland state government, albeit with a more intensive and detailed involvement in local planning and the promotion of development. This has been due to the weaker status of local government in NSW and the relatively low level of involvement by Queensland's state government in planning policy and administration. The urban consolidation policy and its close involvement in both the rezoning of five sites in Balmain and in the redevelopment of Pyrmont-Ultimo are examples of strong involvement of the NSW state government in promoting economic development through local planning controls, detailed negotiations to advantage particular developers, and broader infrastructure provision and strategic planning processes. The establishment of the City West Development Corporation (CWDC) represented a state government's instrument to exercise this detailed level of control over development in order to promote growth.

Thus, Molotch's approach has to be severely modified to adapt it to circumstances where local elites are less economically or politically autonomous. The "state" in this context is not a local entity but a large provincial one, the state government of NSW. Molotch suggested that studies in every local city would show different results due to the larger framework within which entrepreneurs operate but the starting point for any analysis would be the local land-based elite. The emphasis in the framework on "land-based elites" is valuable, so long as it is not tied too closely to a purely parochial setting. Other sorts of business elites who control such multinational companies as the Sydney Casino or Balmain's four industrial companies, are powerful political actors in city development politics, as are other political and bureaucratic actors apart from local ones.

Molotch's analysis is an example of a somewhat more state-centred point of view, even though much of the focus is market forces and actors. Like Molotch, in *The Contested City* John Mollenkopf also challenges the notion of a neutral market as

the allicator of locational advantages and identifies ways in which coalitions of pro-development interests intervene in the market through political action.[58] He also invites us to consider the ways in which national policy decisions in the United States have tilted the market process toward greater suburbanisation within metropolitan areas, and facilitated regional growth. Based on the American political system, Mollenkopf believes that there are side effects with urban impacts that come from national political entrepreneurs who are seeking partisan advantage in the game of coalition building.

Mollenkopf explains the logic by which the government intervenes. The urban redevelopment program in the 1960s in the United States of America created whole new bureaucracies and took on a momentum of its own which reinforced the power of political entrepreneurs. Mollenkopf acknowledges the potential power of the electorate and the need for governments to be sensitive to it. He cautions that politicians need not only revenue but also votes. From his research of two North American cities (Boston and San Francisco), he concludes that the political entrepreneurs who put together pro-growth coalitions were not operating according to some class-conscious scheme. Few of the actors involved were aware of the systemic consequences of their actions, and when they were, it was the political consequences they most often had in mind. They were searching for concrete solutions to pressing problems.[59]

Mollenkopf employs two concepts - "the pro-growth coalition", and "political entrepreneurship"- in analysing the interplay between economic and political forces. He rejects economic determinism in explaining the dependent variable of urban development. He argues that while there are some similarities between certain kinds of capitalist and socialist cities, cities with the same mode of production have a wide

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[58] John Mollenkopf, *The Contested City,* Princeton, N.J.: Princeton University Press, 1983.
[59] *Ibid*, pp. 94-96.

variety of politics and forms. Advanced capitalism has moderated and modified class conflict in the workplace and in many other arenas, such as, neighbourhood-based urban social movements. He concludes that the specificity of urban forms arises more from political factors than any purely economic functional requirements.

While urban political economy theorists attempt to comprehend how the division between market and state shapes urban structures and processes, some scholars argue that a consideration of local power structures is missing from the urban political economy paradigm.[60] There is a danger in going too far, and construing city politics primarily as by-products of the larger forces of national and international social and economic change.[61]

*Urban Regime Theory*

Regime theory was an important new approach in the 1980s for explaining urban political power today.[62] Molotch's theory of the pro-growth development machine took somewhat more account of local political dynamics than did Peterson's approach. Stone's idea of an urban regime is even more inclusive in its view of urban politics. Urban regime theory focuses on the role or importance of local governing coalitions in shaping patterns of urban development.[63] Urban regime theory provided a

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[60] See R.C. Hill, "Urban Political Economy: Emergence, Consolidation, and Development". In *Cities in Transformation: Class, Capital, and the State,* edited by M.P. Smith, Beverley Hills, CA: Sage, 1984, pp. 123-137. And see also S. Elkin, "Twentieth Century Urban Regimes", *Journal of Urban Affairs,* 1985, 7 (2), pp. 11-28.

[61] N.I. Fainstein, and S.S. Fainstein, "Restructuring the American City: A Comparative Perspective" In *Urban Policy Under Capitalism,* edited by N. Fainstein and S. Fainstein, Beverly Hills, CA: Sage, 1982, pp. 161-190. See also M.P. Smith (ed.), *Cities in Transformation: Class, Capital, and the State,* Beverly Hills, CA: Sage, 1984. Smith and J.R. Feagin (eds.), *The Capitalist City: Global Restructuring and Community Politics,* Oxford: Clarendon Press, 1987.

[62] This analysis of urban regime theory concentrates on the work of Clarence Stone, *Regime Politics: Governing Atlanta, 1946-1988*, Lawrence: University Press of Kansas, 1989. There are other works of urban regime theory including: Frank R. Baumgartner and Brian D.Jones, *Agendas and Instability in American Politics*, Chicago: University of Chicago Press, 1993; Steven Elkin, *City and Regime in the American Republic*, Chicago: University of Chicago Press, 1987; and Rich DeLeon, *Left Coast City: Progressive Politics in San Francisco 1975-1991*, Lawrence: University Press of Kansas, 1992.

[63] Stone, *Regime Politics...op.cit.*.

new perspective on the issue of power as structured to gain certain outcomes through public policy. The key point of the urban regime theory is "the internal politics of coalition building" between private and public actors.[64]

Stone defines an urban regime as "the informal arrangements by which public bodies and private interests function together in order to be able to make and carry out governing decisions".[65] This definition acknowledges that formal structures of government authority are themselves inadequate in mobilising and coordinating the resources necessary to "produce a capacity to govern and to bring about a publicly significant result".[66] Governance in the United States is "constrained by the accommodation of two basic institutional principles of the American political economy: firstly, popular control by the formal machinery of government; and secondly, private ownership of business enterprise."[67] In this case popular control is modified and compromised in various ways but nevertheless remains as one of the basic principles of government.

Stone argues that there are some elements of urban development politics that are neglected by existing schools of thought.[68] He provides evidence that local government officials make genuine choices, albeit within structural boundaries. Stone and Sanders try to combine community power structures with an urban political economy paradigm.[69] Stone's work rejected the paradigmatic framework fashioned by the pluralist-elite debate of Dahl and Hunter, which Stone argued grew out of a *social control* conception of urban political power. In this conception, pluralist and elite

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[64] *Ibid* p. 178.
[65] *Ibid,* p. 6.
[66] *Ibid,* p. 9.
[67] *Ibid,* p. 6.
[68] Clarence Stone, "The Study of Politics of Urban Development," in Stone (ed.), *The Politics of Urban Development,* Kansas: The University Press of Kansas, 1987, pp. 4-5.
[69] Clarence Stone and H. Sanders (eds.), *The Politics of Urban Development,* Kansas: The University Press of Kansas, 1987.

theorists assumed that those who governed sought to exercise control over the mass public. In Stone's words, "The two sides agree that a few rule; they disagree over the nature of mass compliance."[70] Stone's concept of regime derives from what he called a *social-production model* of urban governance. For Stone, "the power struggle (between rulers and challengers) concerns not control and resistance, but gaining and fusing a capacity to act - *power to*, not *power over*".[71] Therefore, power is structured through regimes to produce certain kinds of outcomes or results, not to gain domination or control over the powerless. Governance, in this sense, does not mean social control:

> 'Governing,' as used in governing coalition, I must stress, does not mean rule in command and control fashion. Governance through informal arrangements is about how some forms of coordination of effort prevail over others. It is about mobilising efforts to cope and to adapt; it is not about absolute control. Informal arrangements are a way of bolstering (and guiding) the formal capacity to act, but even this enhanced capacity remains quite limited.[72]

These limitations arise from the limited scope and authority of government. In democratic-capitalist societies, political power is fractured into separate spheres of influence, in which business elites control crucial capital investment resources in the economic realm and government officials operate the levers of public authority. As a consequence, government alone lacks the power to command or coordinate market forces. As Stone points out, the "inadequacies of formal government authority are the foundation for urban regimes and account for the necessity of developing informal arrangements."[73] Furthermore, business leaders play an important role in the informal governing coalition that implements public policy because they have access to substantial institutional resources.[74]

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[70] Stone, *Regime Politics..op.cit.*, p. 227.
[71] *Ibid.*
[72] *Ibid*, pp. 5-6.
[73] *Ibid*, p. 231.
[74] *Ibid*, pp. 231-232.

As Stone elaborated,

> Because localities have only weak formal means through which coordination can be achieved, informal arrangements to promote cooperation are especially useful. *These informal modes of coordinating efforts across institutional boundaries are what I call "civic cooperation"* (emphasis in the original).[75]

Therefore, regimes comprise the informal arrangements between public and private sectors that promote civic cooperation, which, in turn, enables alliances of public and private interests to govern. However, Stone added that "a regime involves not just any informal group that comes together to make a decision but an informal yet relatively stable group *with access to institutional resources* that enables it to have a sustained role in making governing decisions" (emphasis in the original).[76]

Stone noted that urban regime formation results from "a purposive coordination of efforts" that often depends heavily on tacit understandings between public and private interests about what should be done and how to carry out decisions once they have been made.[77] Following Wilson and Barnard, this understanding of regime is based on organisational theory, in which selective incentives are used to achieve civic cooperation among governing coalition members.[78] Stone called such incentives "small opportunities."[79] Regimes are formed and maintained because members receive material and symbolic benefits for their participation in governing coalition activities. Moreover, the resulting civic cooperation revolves around efforts to accomplish relatively manageable tasks rather than around a shared ideological perspective or a "grand vision of how the world might be reformed."[80]

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[75] *Ibid*, p. 5.
[76] *Ibid*, p. 4.
[77] *Ibid*, p. 4.
[78] J.Q. Wilson, *Political Organizations*, New York: Basic Book, 1973. C. Barnard, *The Function of Executive*, Cambridge: Harvard University Press, 1968.
[79] Stone, *Regime Politics...op.cit.*, p. 232.
[80] *Ibid*, p. 193.

Stone has emphasised that governing decisions do not involve running or controlling everything. They have to do with *managing conflict* and *making adaptive responses* to social change.[81] Even informal arrangements differ from community to community. According to Stone, two important aspects drive the informal arrangements. Firstly: there is "institutional scope", that is, the need to encompass a wide enough scope of institutions to mobilise the resources required to make and implement governing decisions. Secondly, there is "cooperation", that is, the need to promote enough cooperation and coordination to enable the diverse participants to reach decisions and sustain action in support of those decisions.[82]

Stone's model of the urban regime maintains that business-dominated urban regimes can maintain themselves even in the face of sporadic resistance or organised revolts. Stone paid particular attention to business interests for two reasons. The first reason is "the now well-understood need to encourage business investment in order to have an economically thriving community."[83] The second reason is "the sometimes overlooked factor that businesses control politically important resources and are rarely absent totally from the scene."[84] Stone argues that they can do so through the pre-emptive power of their social production performance, not through coercive domination or ideological hegemony.[85] Furthermore, as long as such regimes perform better than imagined alternatives in achieving collective goals and providing some albeit restricted opportunities, citizens and politicians will support them. Therefore, it can be argued that Stone's model of social production *"power to"* is superior to the social-control model *"power over"* in explaining regime continuity. Moreover, the model also explains why regimes are hard to change. If its social production

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[81] *Ibid,* p. 6.
[82] *Ibid.*
[83] *Ibid,* p. 7.
[84] *Ibid,* p. 7.
[85] *Ibid,* p. 6.

performance is adequate, and if no alternative institutional means exists, the regime can become self-entrenching and impervious to external threats.

In an era of globalisation, deindustrialisation, privatisation, and - at least in the American context – of restricted federal intervention in urban problems, any urban government that gives high priority to economic development goals will be compelled to sustain business-centred regimes that can deliver the goods - literally.[86] It is difficult for the regime to dare to alienate business elites who can withdraw their resources at any time. As Elkin pointed out, "a reputation for being anti-business, for not listening to local businessmen's schemes for making a greater city, is an invitation to fiscal trouble that even the hardiest progressive politicians are unlikely to be anxious to accept".[87]

Stone concludes that the study of urban regimes is thus a study of who cooperates and how their cooperation is achieved across institutional sectors of community life. Moreover, it is an examination of how that cooperation is maintained when confronted with an ongoing process of social change, a continuing influx of new actors and a potential breakdown through conflict or indifference.[88]

Gerry Stoker has suggested exercising caution in the application of urban regime theory.[89] Firstly, there is a need for care in defining and applying the regime conception of power. In the analysis of urban politics, regime theory observes power in various forms - systemic, command, coalition and social production.[90] Systemic power means the power available to a certain interest because of its position in the

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[86] Richard E. DeLeon, "The Urban Antiregime: Progressive Politics in San Fransisco", *Urban Affairs Quarterly*, Vol. 27, No. 4, June 1992, p. 557.

[87] S. Elkin, *op.cit.*, p.32.

[88] Stone, *Regime Politics...op.cit.*, p. 7.

[89] Gerry Stoker, "Regime Theory and Urban Politics," in Richard T. LeGates and Frederic Stout (eds.), *The City Reader*, New York, Routledge, 1997, p. 276.

[90] Stone, *Regime Politics...op.cit.*.

socio-economic structure.[91] According to Stone this power "is a matter of context, of the nature or 'logic' of the situation".[92] The second form is command power. This form in the urban regime approach can be either command or social control which is less positional and more active. This form of power achieves domination over other interests and by active to mobilise the resources such as information, finance, reputation and knowledge.[93] Stone argues that the emphasis of the command power is "...on one actor's capacity to achieve compliance and the other capacity to resist".[94] The third type is coalition power. This form of power involves bargaining power where the actors not seeking to dominate but rather to bargain.[95] Finally, the important contribution of urban regime theory is that this approach emphasises the power of social production which is intentional and active.[96] Urban regime theory is distinct from the elitist and pluralist approaches in its emphasis on explaining a process of urban politics rather than the outcome.[97]

Stoker's second point is that the development of a city is shaped not only by local, but also by regional and even global regimes.[98] Since Stone's work focused on Atlanta, it was too limited in its application of urban regime theory. As a framework, it should be less localist. As Keating also pointed out:

> The wider political context is critical in determining the terms of relationship. The central state can be oppressive, or it can be a resource allowing localities to escape other forms of dependence...This, in turn, depends on the weight of local

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[91] Stoker, *op.cit.*, p. 276-277.

[92] Stone, "Systemic Power in Community Decision Making: A Restatement of Stratification Theory," *American Political Science Review,* 1980, 74 (4), p. 979.

[93] Stoker, *op.cit.,* p. 276.

[94] Stone, "Pre-emptive Power: Floyd Hunter's 'Community Power Structure' Reconsidered, *American Journal of Political Science*, 1988, Vol. 32, p. 88.

[95] Stoker, *op.cit.,* p. 277.

[96] *Ibid.*

[97] *Ibid*, p. 278. Stone, *The Regime...op.cit.,* see the discussion on a power social production model in earlier section of this chapter.

[98] Stocker, *op.cit.,* p. 277.

elites in the national political system and their ability to forge coalitions to extract resources on this own terms.[99]

An important consideration in a study of urban governance is the character of the political-economic context in which the system operates. Thus, the location of a local state within a larger state structure and its relationship to its markets, delimits the scope and structure of a local governmental authority. In the United States, for example, local government planning powers and regulatory authority over land use are more limited.[100] Given the nature of the public-private relationship in the United States, political leaders find it necessary to forge alliances with private sector leaders to accomplish the tasks of governance. In Australia, state authority has greater powers to regulate land. State authority does not always find it necessary to seek cooperation with the private sector to formulate and implement every development strategy.[101] In this situation, the cooperative relationship with business takes a different form.

The third points Stoker notes is the need to explain regime continuity and change.[102] Even though DeLeon notes that it is difficult to destroy an urban regime, it is quite another matter to create one.[103] Discussing the urban regime in San Francisco, he explored the transition "between two urban regimes, a crumbling business-dominated pro-growth regime and an emerging progressive slow-growth regime."[104] In the early 1970s, the urban regime was dominated by business in San Francisco in a way similar to the Atlanta of Stone's analysis. The urban coalition included the downtown business elites, labor unions and local government officials unified in a

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[99] Michael Keating, *Comparative Urban Politics: Power and the City in the United States, Canada, Britain, and France,* Lawrence: University of Kansas Press, 1991, p. 66.

[100] Stone, *Regime Politics...op.cit.*.

[101] In the Australian political system, especially in NSW, the state has an important role and power over planning and land use regulation. The state can produce a special Act to regulate land, such as the Darling Harbour Act, or use a Regional Environment Plan to overrule the local government power to regulate land (see chapter 3).

[102] Stoker, *op.cit.*, p. 279.

[103] Richard DeLeon, "The Urban Antiregime: Progressive Politics in San Francisco," *Urban Affairs Quarterly*, Vol. 27, No. 4, June 1992, p. 561.

[104] *Ibid,* p. 555.

pro-growth development in San Francisco. There was some localised resistance from neighbourhoods, even if it was sporadic, but most believed that development would fulfill the dream of many San Franciscans to have 'jobs, profits and glory'.[105] However, by the mid-1980s, the business-dominated urban regime had fallen apart. There was a decline in federal funding and the subsequent disintegration of local business leaders.[106] DeLeon describes the destruction of the pro-growth coalition:

> By overbuilding office space, it produced a surplus that divided the interests of the business community. By inducing formation of a service economy, it created a new middle class of slow-growth postmaterialists while displacing blue-collar workers who supported progrowth materialist goals. By Manhattanizing the central business district, menacing nearby neighbourhoods, obliterating sunlight, accelerating housing costs, burdening the infrastructure, and snarling traffic, the progrowth coalition assaulted the environmentalist sensibilities and communal identities of the new populations it had brought forth. By displacing the poor, creating high-end jobs for commuters, and building housing for the rich, the progrowth promises of small opportunities for low-income minorities and residents workers could not be kept. In effect, the progrowth coalition's social production performance dramatically altered the physical and social environment that originally had given rise to the progrowth coalition.[107]

Orr and Stoker formulate a model of regime transition which involves a three stage scheme.[108] The first stage is the questioning of the established regime. The second stage concerns "a conflict about redefining the scope and purpose of the regime."[109] This stage allows room for competing groups of elite actors to build different coalitions. The third stage is the institutionalisation of the new regime.[110] Throughout the three stages proposed by Orr and Stoker, conflict is an important factor in changes in urban politics. With the insitutionalisation of a new regime, conflict becomes more settled and constrained. Stone believes that "conflicts -

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[105] *Ibid,* p. 559.
[106] *Ibid.*
[107] *Ibid,* p. 560.
[108] M. Orr and Gerry Stocker, "Ürban Regime and Leadership in Detroit," *Urban Quarterly Affairs,* 1994, 30 (1): pp. 48-73.
[109] *Ibid.*
[110] *Ibid.*

between races, over particular interests, between haves and have nots, over ideology, between development and residential interests, and many more - are constrained by the fact that governance requires informal collaboration between the major institutional sectors of the community."[111]

*Importing the American Model*

The origins of the theoretical approaches to urban politics discussed above lay in attempts to understand the politics of urban development in the United States. An important question is whether the concept of the urban regime, and Stone's broader framework in which it is located, can be applied to an Australian context. The questions that need to be answered include: what is the nature of the relationship between private and public interests? What is the scope of the public domain in an urban governing coalition, and conversely, what role does the private sector play in the urban regime?

There are some general, contextual considerations to be taken into account in applying the United States model to the Australian experience. Firstly, in the United States, all government authority is limited in quite particular ways – by the constitution, the nation's political traditions and by the autonomy enjoyed under its law and tradition by privately owned business enterprises.[112] The state is characterised as weak in relation to many urban development matters. Indeed, an important feature of the American state system is its fragmentation and the dispersal of overlapping powers among different levels of government and its constituent parts. In the majority of the United States case studies on urban politics there is an unquestioned acceptance

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[111] Stone, *Regime Politics:..., op.cit.,* p. 231.

[112] *Ibid,* p. 3. See also, Michael Keating, "The Politics of Economic Development....", *loc.cit.*, pp. 373-396. A discussion on state and local government as semiautonomous decision making units especially focus on interjurisdictional competition in the US federalism, see Daphne A. Kenyon and John Kincaid (eds.), *Competition Among State and Local Government: Efficiency and Equity in the American Federalism,* Washington: the Urban Institute Press, 1991.

of the role of capital and capitalist interests in shaping the local policy agenda and determining many of the broad outcomes of urban government.

Some of these basic assumptions about the organisation of the state, economy and society lose their relevance when one seeks to understand urban politics outside the United States. This is not to say there are no common features. Western liberal countries are urbanised and developed nations in which the active process of economic restructuring has led to comparable urban economic conditions, which have produced converging policy responses. Both the United States and Australia share a liberal democratic tradition in which there is a presumed division of labour between state and market. In this sense, involvement in the market by any level of government requires specific justification, and involves public and private bargaining. Nonetheless, the study of an Australian city is not simply a matter of applying American theories to a new setting but requires the consideration of further variables. The Australian state has a relatively strong government in several senses. In chapter 3, Australia's distinctive political and constitutional traditions are discussed in more detail. Australian colonial governments (what are now state governments) in the nineteenth century were active and interventionist, and directly responsible for much of the economic development that took place.[113] State governments in particular have retained this capacity and willingness to intervene in the market, even if this waxes and wanes according to the government of the day. They also inherit British traditions of strong, sovereign powers exercised through parliament. They play a very significant role in setting policy such as land use planning and regional development. Australia has strong state governments but relatively weak local authorities, although within their limited scope or jurisdiction, they are also agents of a tradition of sovereign power and active government.

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[113] N.G. Butlin, A. Barnard, A. and J.J. Pincus, *Government and Capitalism,* Sydney: Allen & Unwin, 1982.

In the light of such differences, the application of urban regime theory has been questioned by Michael Keating, in his analysis of urban regimes in the United States, Canada, Britain and France. Keating points out that the scope of the public domain in Britain is much larger and that, as a consequence, business interests have often been excluded from urban governing coalitions, contrary to the common pattern found in American cities.[114] Further, he notes that the planning and regulatory powers of the British local state authorities are more extensive than in the United States.[115] As a consequence local government can act relatively independently of business influence in carrying out its tasks of urban development and redevelopment. However, even in Britain, business still has a prominent role in national politics. In recent years, additional comparative studies on urban regime theory in the United States and European countries such as Britain, France and Germany have appeared.[116] However, there has not been any discussion on the prospect of applying urban regime theory to urban politics in Australia. The focus of this study is to examine to what extent urban regime theory can be taken forward and developed in Australia.

*Neighbourhoods, Local Communities and Regime Politics*

A central question in this thesis concerns the capacity of citizens to influence urban development, politics and policy. There has been a historical shift in the social and economic forces underlying urban political cleavages away from those arising from conflicts between employers and employees in the industrial era to those related to conflicts over urban amenities in the post-industrial era. These conflicts involve

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[114] M. Keating, *Comparative ...op.cit.*, p. 11.

[115] *Ibid*, pp. 71-72.

[116] Alan DiGaetano and John S. Klemanski, "Urban Regimes Comparative Perspective: The Politics of Urban Development in Britain," *Urban Affairs Quarterly*, Vol. 29, No. 1 September 1993, pp. 54-83. See also A. Harding, "Urban Regimes and Growth Machine: Toward a Cross-National Research Agenda," *Urban Affairs Quarterly,* Vol 29 No. 3, 1994, pp. 356-382. M.A. Levine, "The transformation of Urban Politics in France: The Roots of Growth Politics and Urban Regimes," *Urban Affairs Quarterly*, Vol 29, No. 3, 1994, pp. 383-410.

groups of residents - often middle class in leadership if not in constituency - ranged against non-local economic and political forces. The mobilisation or participation of the neighbourhood association is an important field of study in analysing the evolving characteristics of a modern democratic society.

Both Elkin, and Fainstein and Fainstein, have emphasised the centrality of the pro-growth coalitions in urban politics. In their accounts the greatest oppositional role is played by lower-income and minority residents, while middle-class residents are viewed as important constituents whose interests are often protected by the local regime.[117] It might generally be the case that middle class groups enjoy political advantages over marginalised, lower-income groups but it is quite a different question whether resident groups, spatially organised and locally based, whatever their socio-economic composition, have a particular role in urban political conflict and significant potential in a democratic urban planning process.

There are conflicting assertions about how much influence citizens and business interests have on a local governing body's rezoning decisions. Some have argued that members of city councils and county commissions in the United States decide rezoning by satisfying as many constituents as possible in order to be reelected, and therefore are most likely to reject or modify applications that generate public protest.[118] The limited evidence suggests that public officials are responsive to citizen pressure over land use regulation. Another view holds that business interests, especially those of developers, exert the most influence over land use decisions.[119] Those who make their profit from land development rely on local governments to provide infrastructure and regulation, which can be to their financial advantage.

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[117] S. Elkin, "Twentieth Century Urban Regimes", *Journal of Urban Affairs*, 1985, No. 7 (2) Spring: pp. 11-28. And see also Fainstein and Fainstein, "Local Control as Social Reform: Planning for big Cities in the seventies," *Journal of the American Institute of Planners*, 42, July, pp. 275-285.

[118] William A. Fishel, *The Economic of Zoning Laws: A Property Rights Approach to American Land Use Control,* Baltimore: John Hopkins University Press, 1985, pp. 207-230.

[119] John R. Logan, Harvey L. Molotch, *Urban Fortunes The Political Economy of Place*, Berkeley: University of California Press, 1987, pp. 17-20.

Moreover, since developers are concerned with the specific location of growth, they are expected to be active and regular participants in local politics. Other North American research suggests that real estate interests are among the most powerful groups in local politics because of their role as potential contributers in political campaigns, and the frequent appointment of developers and real estate agents to planning commissions.[120]

Others explain business dominance of the rezoning process as the result of a mismatch in which local officials are rarely an intellectual or political match for the high-priced talent developers can command.[121] Further explanation for the influence of developers' influence lies in the predisposition of local officials to support requests for more intensive development of land in order to enhance a city's fiscal well being.[122] Those who argue that development interests control rezoning essentially describe what Wilson calls "client politics" - a pattern of regulation in which benefits are narrowly concentrated and costs are dispersed.[123] While developers benefit financially as rezoned tracts of land are improved, costs such as traffic congestion, public improvements and the like are distributed to the community as a whole. Individuals have little incentive to oppose most rezoning under such conditions. It is possible, however, that zoning is a form of what Wilson labels "interest group politics".[124] Both the costs and benefits of regulation are narrowly concentrated in such issues and this leads to frequent competition between groups. Thus, if a developer and nearby property owners will be affected significantly by a rezoning proposal, the activities of both could influence the outcome of a case.

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[120] Carol A. Pieranunzi, and Arnold Fleischmann, "Citizen, Development Interests, and Local Land Use Regulation", *Journal of Politics*, V. 52, No. 3, August 1990, pp. 833-853.

[121] Don T. Allenswoth, *City Planning Politics*, New York: Praeger, 1980, p. 3.

[122] Logan and Molotch, *Urban Fortune...op.cit.*.

[123] James Q. Wilson, *The Politics of Regulation*, New York: Basic Books, 1980, pp. 369-370.

[124] *Ibid.*

Stone sees urban governing coalitions as a means of empowerment of interests groups in a community, but pays less attention to the manner in which excluded groups might exercise power. However, as DeLeon notes sporadic anti-regime movements with their roots in local communities have been important in the urban history of San Francisco. In Molotch's growth machine model, the central issue in local politics is the pursuit of ever more intensive growth. Political control is attributed to a coalition of pro-growth entrepreneurs against whom the interests of city residents seldom prevail.[125] Mollenkopf portrays growth politics in a similar fashion, although in his view, neighbourhood mobilisation has stalled the growth machine in number of major cities. The neighbourhood association is often the vehicle for such mobilisation.[126]

Thus, it is important to look closely at what role neighbourhood or residents groups play in the governing coalition, or in opposition to it. A "neighbourhood association" is defined in this thesis as "a civic organisation oriented toward maintaining or improving the quality of life in a geographically delimited residential area."[127] An association is not only a form of local voluntary organisation but also has a distinctive form in which the common interests of residents of a bounded community area are expressed. However, there are many possible types of local organisation that might fit this broad definition including political party organisations, churches, local union branches, ethnic clubs and environmental groups. Community associations, such as the Balmain Society, are a special case. A neighbourhood association is commonly the vehicle through which neighbours inform themselves about local problems, formulate opinions and seek to intervene in the political process to protect their local interests or to promote their interests in the political arena. By comparing two case studies in Balmain and Pyrmont-Ultimo, a later chapter in this

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[125] Harvey Molotch, "The City as a Growth Machine", *American Journal of Sociology*, 82 (February), 1976, pp. 309-330.

[126] John H. Mollenkopf, *The Contested City*, Princeton: Princeton University Press, 1987.

[127] See John R. Logan, "The Neighbourhood Association", *Urban Affairs Quarterly*, September 1990.

thesis will examine the role of neighbourhood associations in the case of a rezoning process and the redevelopment of an inner city area.

*Citizen Participation*

Where city governments engage in urban planning, it has been common for the planning process to include structured opportunities for citizen participation. From Brisbane's experience of redevelopment, it could be said that there is an increasing tendency for local and state government to organise consultation on behalf of a "community", and to include representatives in the planning process.[128] In the case studies in this thesis, local opposition to proposed urban redevelopment plans was channelled in part through such structured avenues, and in part through other channels of where resistance could be effective. However, in the literature on urban politics, much scepticism has been voiced about structured opportunities for citizen participation in planning.

Matthews defines participation as follows: "...as used by its advocates...what participation involves is the sharing or taking some part in actual decision making by ordinary citizens. Thus, participation is about power."[129] Power has to be considered in the analysis of participation, in terms of taking part in the decision making process. However, the other face of participation in practice is that it can be an instrument for the authority to strengthen the legitimacy of policy. The extent to which participation has an influence on public officials' policy agenda depends on the success of the activities of community groups in attempting to exert power over the output of that policy. This is different from a view that sees participation as part of an information

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[128] Janice Caulfield and Robyn Davies, "Residents and Environment Politics in Brisbane", in Caulfield and Wanna, *Power and Politics in the City: Brisbane in Transition*, Melbourne: MacMillan Education Australia, 1995, pp. 227-244.

[129] Martin Painter, "Participation and Power", in M. Munro-Clark (ed.), *Citizen Participation in Government,* Sydney: Hale & Iremonger, 1992.

exchange process, a simple exercise in communication which involves activities such as making submissions in a consultative process. Information alone will not shape policy outcomes, but is part of the armoury of power and influence that is deployed by players in the contest.

Arnstein developed a "ladder of citizen participation" which had eight "rungs" divided into three groupings: "non-participation"; "degree of tokenism"; and "degrees of citizen power".[130] At the lowest "non-participation" level operations are described by Arnstein as distortions of participation, illusionary, dishonest and arrogant. Their impact on decision outcomes is scarcely measurable. In "degrees of tokenism" we find increased levels of potential involvement but within limits drawn by a paternalistic elite. Participation at this level is possibly the most common because activities may be controlled by the governing body of elected representatives and professional advisers to the extent that there are no significant shifts in the community power structure. At the top of the ladder, "degrees of citizen power" involves shifts in the distribution of power from elites to citizens.

A similar set of models of participation is used by Sandercock, following Dennis: "participation as market research, as decision making, as the dissolution of organised opposition, as social therapy and as grass root radicalism."[131] Sandercock is somewhat sceptical about the effectiveness of community participation, but for her participation is not synonymous with power.[132] Participation as market research emphasises the responsibility and power of the bureaucracy, and the participant is seen as a consumer or customer.[133] This form of participation is about gaining useful

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[130] Sherry J. Arnstein, "A Ladder of Citizen Participation in the USA", *Journal of the Town Planning Institute,* 1971, Vol. 57, No. 4 (April), pp. 176-182. The ladder is described follows: *Non-participation*: 1. Manipulation. 2. Therapy; *Degrees of tokenism*: 3. Informing. 4. Consultation. 5. Placation; *Degree of citizen power*: 6. Partnership. 7. Delegated power. 8. Citizen power.

[131] N. Dennis, *Public Participation and Planners' Blight*, London: Faber and Faber, 1972, p. 120.

[132] Leonie Sandercock, "Citizen Participation: The New Conservatism", pp. 117-132, in Patrick N. Troy (ed.), *Federal Power in Australia's Cities*, Sydney: Hale and Iremonger, 1978.

[133] Dennis, *op.cit.*

advice and suggestions, usually about details rather that about questions of policy. This mode of participation is prevalent in most Australian public authorities, and is based on a rationale of bureaucratic efficiency.[134] A contrasting view, which conceives of the citizen as a decision maker rather than passive consumer, presumes that the ordinary citizen currently has inadequate avenues for participating in policy decisions and would welcome additional opportunities. Much evidence suggests the contrary and emphasises the apathy of citizens: "the problem with this view is that it bears little relation to existing evidence as to how people actually behave."[135]

For some public authorities, the issue is not so much one of apathy as one of being besieged by disgruntled individuals and groups. Here, the other face of participation is often seen. Various strategies of "dissolutionary participation" have been used to cope with troublesome opposition which makes bureaucratic lives uncomfortable. For instance, authorities may emphasise the forms of participation while channelling action into administrative functions and preserving decisions in their own hands. They may co-opt leaders of opposition groups into the decision making process in a way that divorces them from their supporters and divert them into unproductive activity. This approach fits closely with bureaucratic and professional notions of technical expertise.[136] A model of "participation as social therapy" is a model by which citizens add to the labour force available to carry out public projects on a voluntary or paid basis, normally under the guidance and control of the public agency. The final model that Dennis refers to - "participation as grassroots radicalism" - "represents the citizen at his (*sic*) most conflict oriented, they participate by using against authority all available and tactically appropriate sanctions...".[137] However the

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[134] *Ibid*, p. 121.
[135] *Ibid*, p. 121-122.
[136] *Ibid.*
[137] *Ibid*, p. 121.

difficulty with this is the naive assumption that there is a reservoir of popular enthusiasm waiting to be tapped.[138]

Fainstein and Fainstein define citizen participation as a "process whereby particular constituencies influence governmental activities through a set of specified modes which affect the output side of government".[139] This definition implied that unless participation translates into influence, it is not participation. Fainstein and Fainstein have also argued that such situation only distract citizens, coopting them without meeting their demands.[140] The question arises as to whether neighbourhood participation affects outcomes in the planning process or not.

These models of participation are, on the one hand, blueprints for political tactics on the part of both activists and authority structures. In so far as they also provide empirical models for understanding participation, they highlight the importance of political power, in particular the relative power of citizens and authority structures in a process of planning and development decision making. A structured process of public participation, or any set of procedures written into the planning process by law or as a result of policy, can in itself affect the distribution of resources between the players. However such structured processes - for example a public consultation or the exhibition of a local plan so as to hear objections - only provide channels or opportunities for action. It is the capacity (or power) of different groups to take advantage of these opportunities that ultimately affects outcomes.

*Planning, Participation and Urban Regimes*

As discussed above the urban regime framework accepts that political forces enjoy some degree of autonomy; however it argues that even though a complex set of

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[138] *Ibid*, p. 122-123.

[139] Susan S. Fainstein and Norman I. Fainstein, "Citizen Participation in Local Government", p. 224, in D.R. Judd (ed.), *Public Policy Across States and Communities,* Greenwich, CT: JAI, 1985.

[140] *Ibid.*

governing arrangements is shaped by such non-economic factors, economic relations strongly influence the power configuration. As Stone states: "regime analysis ...recognizes the enormous political importance of privately controlled investment, but does so without going so far as to embrace a position of economic determinism."[141] Business has the power to influence through its decisions which concern where and in what to invest its capital resources. Most theorists believe that those with more resources have a superior opportunity to be able to exercise their power in negotiation and coalition building.

Fainstein argues that the importation of regime analysis into planning theory will ground such theory in political realities. In practice, the planning process confronts powerful adversaries. Stone mentions that the attractiveness of the urban regime framework is its identification of the processes that empower social forces towards productive ends in the urban setting. Thus urban regime theory leaves room for agency at local level, for example involvement in the informal arrangements of the governing coalition. Within the urban regime formulation, participation becomes instrumental rather than a goal in itself. The potential of a governing coalition is to empower the community but at the same time it can be seen as co-optation or efforts to distract activists from focussing on overarching issues. The main aim of the governing coalition is to mobilise support and commitment to a development program. It frequently supports the agenda of groups that are hostile to the disadvantaged, for example, the exclusion of certain groups in the neighbourhood. It also can foster parochialism and, through lengthy, elaborate processes, lead to the stifling of all enthusiasm.[142]

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[141] Stone, *Urban Regime...op.cit.*, p.2.

[142] Fainstein and S.S. Hirst, "Neighbourhood Organisations and Community Planning: The Minneapolis Experience," in D. Keating, N. Krumholz, P. Star, (eds.), *Revitalizing Urban Neighbourhoods*, Kansas: University Press of Kansas Lawrence.

However, it is important to explore further the circumstances under which neighbourhood participation might challenge or even break down the power of a directive regime unsympathetic to any but business interests. Where it conflicts with unitary logic of the urban development discourse, the neighbourhood might generally be expected to be subordinated or co-opted. One aim of the case studies is to explore the channels and avenues for participation and cooptation, and to assess outcomes in terms of conflicting neighbourhood, government and business interests. The value of the urban regime framework will be explored as a way of analysing these different elements in the power system. The case of Balmain will be explored as an example of an unsuccessful governing coalition's attempt to control the planning process. There was no consensus among parties in the urban regime in that case, and a weak form of governance eventuated. The aim will be to explore the reasons for the breakdown of the urban regime's domination. The Pyrmont-Ultimo case study represents a case of successful cooperation within the governing coalition. What role, if any, did forms of co-optation of neighbourhood interests play in this story? What institutional forms of public control and intervention existed in this case that were absent from Balmain? What were the respective roles of the local government bodies in the two cases?

*Conclusion*

The utility of Stone's conception of urban governance is that it turns our attention to what governing coalitions do and how they do it. In applying the framework the present study, given the very different institutional and political circumstances of Australian urban governance, a central question is the extent to which the public domain in Australia holds power in an urban regime compared with business interests. If, as Stone argues, the key to understanding urban power structures is the manner in which government and business cooperates, what is the form this cooperation takes, and how far does it extend? What is the Australian style of public-private coalitions, compared with Stone's depiction of the American public and

private coalition? To what extent do local political practices generate resistance to, and produce differences in, city responses to the imperatives that emanate from the national or regional political economy? In a context where local suburban councils share jurisdiction over urban development, through a complex set of land use planning institutions, with an overarching state government, do all parts of the governing system get drawn together in an urban regime form? And how does local resistance and opposition fare in the specific context of Sydney's institutional and political settings? These questions guide much of this analysis that follows.

Chapter Three

# Metropolitan Planning, Urban Redevelopment Policy and Urban Government in Sydney

*Introduction*

This chapter discusses the framework of metropolitan planning, urban policy and urban government in Sydney. The study of urban politics in Australia - and in New South Wales especially - is to a large degree about the study of the impact of state government policy. In Australia there is no "metropolitan government" - that is, no general purpose metropolitan wide authority - except in Brisbane.[1] Sydney is divided into a number of local government areas (municipalities) but they are in a subordinate relationship to the state government. In recent years there has been an encroachment by state government on the powers of local government, with an increasing concentration of decision-making power in many policy areas at state government level, and at the same time a growing financial dependency of local government on both state and federal governments. The federal government has intervened sporadically in urban affairs through funding and other programs. In recent years, the Commonwealth's Building Better Cities Program has made a significant impact.

The main activities of government that relate to urban development are the provision of public services and urban planning.[2] Urban planning entails both control

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[1] Tucker et. al, *Local Government in Queensland: Vol 1*, Australian Institute of Urban Studies, Canberra, 1981.

[2] Martin Painter, "Local Government", in Rodney Smith and Lex Watson, *Politics in Australia*, Sydney: Allen and Unwin, 1989, pp. 165-175.

over private land use and the involvement of government in servicing and developing land and providing urban infrastructure and other services. Metropolitan planning policies where they exist are set by state governments and their agencies. Coordination and integration have traditionally been weak, but there has long been a hierarchical system of land use planning through metropolitan, regional and local planning schemes.

In recent years there have been numerous conflicts between state and local governments over local and metropolitan policies. Recent state government "urban consolidation" policy has been resisted by many local councils. Particular state government sponsored development of large scale tourist and "events" projects often arouse opposition at the local level. Examples are the Olympics 2000 project, and the building of a casino in Pyrmont. These conflicts arise from clashes between local amenity and "livability" issues, and the forces underlying economic development which stem from the wider arenas of state, national and international political and economic relations.

The focus of this study is the local impact of such wider economic and political forces, and the manner in which conflicting responses to them are mediated through state and local political structures. The process has resulted in intense conflict between levels of government. This chapter sets the scene for the case studies and discusses the structure, role and scope of urban government in the Sydney metropolis. It also looks at the role of local government in urban planning and the institutional context of this conflict between local and state government.

*Intergovernmental Relations*

As a parliamentary federation, the Australian political system deviates from the pattern of centralised nation-state structure which has developed in most Western

European countries. Its main character is a combination of a federal division of powers and a parliamentary mode of operation of executive authority.[3] Federalism partitions political authority vertically into national (federal) government and sub-national (state and/or local) governmental strata. Ideally such a system can produce autonomous powers and authority at the state and local levels. As a result, the structure of federalism permits state and local political leaders to carve out an autonomous arena of political power and authority for their regions. In this sense, federalism in theory creates a political condition that encourages the formation of locally based political institutions.[4]

However, the historical development of the three spheres of government in Australia has produced a strange hybrid.[5] Historically "local" government developed before Federation. The nature of local government is a product of the nature of colonial government in the nineteenth century. Federation did not change state/colonial government relations with local government. Local government developed as a relatively weak creature of the colonial legislature. Demand for local self-government was not absent but neither was it strong enough to overcome the tendency for colonial governments and parliaments to establish their own structures of administrative and political control over local areas.[6] Local government was a legislative creation of colonial parliaments, with no tradition of constitutional autonomy and little capacity to resist any incursions of power or jurisdiction. In Sydney special purpose colonial or state service provision and regulatory agencies intruded increasingly on local powers and stepped in where local councils were

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[3] Campbell Sharman, "Executive Federalism", in Brian Galligan, et.al., *Inter-governmental Relations and Public Policy,* Sydney: Allen and Unwin, 1991, pp. 24-25.

[4] *Ibid.*

[5] Painter, *op.cit.*

[6] *Ibid.*

uninterested in, or incapable of, exercising functions, or had not been granted them in the first place. Thus in the Australian federal system, local government is not a creature of the federal tradition but of the other part of the hybrid: parliamentary and executive authority.[7] The federal dynamic and political gamesmanship of state-commonwealth relations sometimes extends to local government, which is to local government's advantage if it can play state and commonwealth governments off against each other, but the dominant relationship is the hierarchical one between state and local government.

A critical factor in the division of powers in the Australian federal system is the allocation of fiscal power.[8] The orthodox view argues that the federal government is dominant in the intergovernmental relationship due to its dominant financial power.[9] But how far does this aspect of intergovernmental relations influence the outcomes of urban policy? Despite voluminous research and writing on Australian federalism and on specific fields of policy involving more than one level of government, there is less literature on the impact of intergovernmental relations on particular policy areas such as urban planning. The constitutional powers that are most significant for urban planning and development lie with the states, not the Commonwealth. However, the multiple levers of power characteristic of federal politics, involving not only formal jurisdiction but also revenue capacities, administrative resources and political legitimacy, leave it open for each level of government to exercise influence, and for powers to be fluid and contested.[10] Intergovernmental relations in this sense involves not only relations between the state

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[7] *Ibid.*

[8] Brian Galligan, *Intergovernmental Relations and Public Policy*, Sydney: Allen and Unwin, 199, pp. 4-5.

[9] *Ibid.*

[10] *Ibid.*

and Commonwealth levels of government but also between state and local government, and Commonwealth and local government, especially on issues related to land use, zoning, development and redevelopment, industrialisation and deindustrialisation, and urban policy in general.

How deep is the federal, state and local government's effective penetration into urban political affairs? Roweis and Scott identify three kinds of government intervention in urban affairs in relation to urban land policy.[11] The first type is by the application of fiscal devices. In this method, government control is exerted by policy instruments such as property tax, the subsidisation of public transport and the allocation of funds to housing programs.[12] In addition, an important aspect of government intervention is its control of the pricing of urban goods and services. These policies can directly effect urban land prices and land use and they have implications for strategic or global urban planning.[13] Of the major fiscal instruments, local government in Sydney has access only to property taxes, and even then it is under close state government supervision and relates only to rate setting.

The second type is the legal restriction on the right of private persons to the use of urban land in certain ways, in particular through land-use planning by zoning or rezoning. One of the aims of the legal restriction on land use is to regulate land prices and control windfall profits in urban areas. However, in many cases it can be shown that land prices are raised or stabilised, rather than lowered by legal restriction.[14] Another objective of such controls is to prescribe the nature of development or

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[11] Shoukry T. Roweis and Allen J. Scott, "The Urban Land Question", in Kevin Cox (ed.), *Urbanisation and Conflict in Market Societies*, London: Methuen and Co. 1978, pp. 43-45.
[12] *Ibid,* p. 43.
[13] *Ibid.*
[14] *Ibid*, pp. 44-45.

redevelopment so as to try to enhance public amenities through the direct private provision of public goods or through privately funded measures to ameliorate harmful slipovers. Yet another objective is to direct the broad nature and shape of development in such a way that "inefficiencies" do not occur in urban development, including the allocation of public expenditure. The New South Wales state government's urban consolidation policy made use of land use controls for such objectives. Zoning, and land use control more broadly, can be deployed for purposes far wider than simply determining the nature of development on particular parcels of land. State and local government share planning, zoning and development control powers, in ways discussed later in this chapter.

The third type is the direct physical undertaking of urban development, and/or redevelopment programs such as the provision of various types of urban infrastructure and social overhead facilities, public housing, urban renewal, industrial estates and land banking. The major direct provider of such programs is the state government through its various public instrumentalities and corporations. However, the Commonwealth is a significant player through fiscal transfers that underpin these expenditures. Many such transfers - for housing, roads, schools, public transport, hospitals and so on - have occurred through specific purpose tied grants, with the Commonwealth thereby enjoying the capacity to exercise some influence over policy.

Each of these roles or functions of government in urban policy is important for the cases studied in this thesis. In reviewing the structures and functions of government and the division of powers in urban policy, reference is made to each of them.

*State Government*

The existing state political systems in Australia (including local government) were essentially in place before Federation.[15] The system is a derivative of the Westminster system and dominated by a two party system. Government policies are made by a cabinet which has executive powers. Thus cabinet is the political executive, the centre of power and the repository of political authority. Cabinet is responsible for making policies and controlling the administrative arm of the executive - ministerial departments, statutory bodies and state corporations. It is the centre of power where the political executive has responsibility for taking the initiative in government and in controlling the administration. As the Australian government system is inherited from the British system, the executive, or the members of cabinet, are the parliamentary members of the governing party or coalition. Through elections, the party with the majority of seats in the lower house forms the governing party. Its leader becomes premier and its senior politicians become members of cabinet. Thus, in this system, ministers are important power holders.

As the most powerful body in the state government, the cabinet is a central player in "metropolitan" urban policy. Decisions concerning the City of Sydney are in the hands of the state cabinet with greater powers than the Sydney City Council. The Minister for Planning has power to appoint the members of the Central Sydney Planning Committee.[16] In the case of redevelopment in Pyrmont-Ultimo and the rezoning of five sites in Balmain, the Minister for Planning can produce legislation or

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[15] Helen Nelson, "State Politics", in Rodney Smith and Lex Wetson (eds.), *Politics in Australia*, Sydney: Allen and Unwin, 1993, pp. 159-160.

[16] *Central Sydney Planning Committee* (CSPC) comprises three councillors from Sydney City Council, one councillor from South Sydney Council and five State Government appointees. They are responsible for developing long-term planning policies and determining all government and private development applications valued at over $50 million.

place it under a Regional Environmental Plan (REP) which is under the control of the state government rather than local government.

The state ministers who have powers relating to the redevelopment of land use in this case study are the Minister for Planning (now called the Minister for Urban Affairs and Planning in the Carr Government) and the Minister for Housing. The Minister for Urban Affairs and Planning has consent authority over major redevelopment in "metropolitan" urban policy. Through the REP, the Minister can overrule the powers of local government. Therefore, it is important to see how far the state government can exercise power in the case of redevelopment in urban areas within existing political structures.

As there is no metropolitan government in Sydney, the state government provides important urban services in the Sydney metropolitan area. Some of the most important institutions of state government agencies which related to urban policy and government in 1976 were the Urban Affairs and Planning Department, Sydney Water, the Department of Housing, and Pacific Power. Not all these agencies are purely metropolitan in scope. Nevertheless, individually or collectively, they are the institutions which make the major decisions at the strategic metropolitan policy level. Special attention is paid to urban planning and development control by state government structures, particularly under the 1988-1995 governments. The state government has actively promoted the development of Sydney's CBD. The Wran Labor government expanded the boundaries of the City of Sydney in 1981 to include resident interests in surrounding areas and to give the Labor Party a voice. However, history went in a different direction. When the interests of residents made themselves felt in council, and threatened to delay development, the City Council was sacked by the State Government in 1987. Following this, a joint State-Municipal committee was set up to deal with applications for development in Central Sydney. Furthermore, the

State Government also promoted the vast development of Darling Harbour adjoining the CBD and constructed the monorail to connect the development with the CBD. This development was carried out under a special Act of Parliament (1984) which gave the Darling Harbour Authority extraordinary powers. The consequences of this Act was that all existing legislation which related to planning matters was suspended.[17]

It is interesting to look at what the state government has considered the role of the three levels of government and private interests in the urban planning policy. A recent planning document sets out what is seen as the full range of forces which shape the metropolitan region:[18]

> *The State Government* is responsible for urban planning and for coordinating and supplying major infrastructure. It has, therefore, considerable power to set and achieve goals for the metropolitan region.
>
> *The Commonwealth Government* has controls over immigration, monetary policy and the taxation system also determine the way cities grow and function. These issues must be accounted for in metropolitan strategic planning.
>
> *Local Government* has a special role. It represents local communities and has vital functions in the local planning, building and development approval system and provides local infrastructure. *Its understanding and cooperation is crucial to achieve metropolitan goals.*
>
> *Market forces and the private sector* have a profound impact on the style of Australia's cities. The boom in commercial office building in the 1980s for example, will greatly influence commercial employment for the rest of this decade.

This illustrates the state government's idealised view of governance of cities in NSW. The central power holder in this game is the state government in partnership with the private sector, while the Commonwealth government provides the

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[17] C. Devine, "The new Darling Harbour project", *Australian Planner*, 1985, 23/1, pp. 14-18.

[18] NSW state government, Department of Planning, *Sydney Future*, October 1994.

infrastructure and local government is expected to "cooperate with" state government policy.

*Local Government*

Local government in Australia has no status in the Constitution. It is, in a statutory sense, a creation of state legislation.[19] Thus its structures, powers and functions are determined by various State acts.[20] In this sense, local government has limited autonomy. Unlike Queensland, where local authorities under the Local Government Act and the City of Brisbane Act have a general competency power that allows them to undertake any reasonable function, in New South Wales councils can only do what is specifically allowed by the Local Government Act. Moreover, many other acts impinge on, and constrain, local councils' activities. Often the limits and restraints are exercised by the executive arm of the state government which, in many respects, tries to treat councils simply as extensions of the executive. Executive powers over local government extend to dismissal of a council and the appointment of an "administrator" to exercise council functions, at the minister's discretion. Another example is the relatively recent phenomenon of "rate pegging", under which parliament has given the political executive discretion to limit the overall annual level of council rate increases, formerly a matter purely for council discretion.[21]

At the same time, councils are elected bodies and gain legitimacy and authority from their democratic status. In matters of local interest, electors often look to their council for representation, regardless, in some cases, of any formal legal

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[19] Tucker et.al. *op.cit.*

[20] Chris Purdon and Terry Burke, *Local Government and Housing,* Commonwealth of Australia, 1991, pp. 10-14.

[21] The rate is fixed annually as a percentage tax raised on the value of each property in the municipality.

definition of powers and responsibilities. Councils are often called on to represent local communities in battles with the "outside world", including other levels of government, even though council is not the only "local" representation since state and federal MPs also have electoral legitimacy.[22] Given its subordinate position in relation to the state executive and parliament, however, there are major doubts about how far local government has the capacity to be responsive to local issues so as to realise this potential. In some respects, the notion of local electoral accountability is more symbolic than real.

Local government has a wide range of responsibilities for local services in their clearly defined geographical areas. Clearly, there are limitations to the management of local areas because of a lack of sovereignty. The tasks in most people's eyes remain "services to property", such as road works and garbage collection, "community services" such as parks, playing fields and local libraries and "personal services" such as provision of care for young children or the aged. But many other "services to property" are provided by state and even commonwealth instrumentalities (eg. electricity supply and telephone services respectively). In regard to community and personal services, other levels of government very frequently rely on local councils to deliver and coordinate local provision. Local government has the opportunity to combine functions and integrate services that have direct relevance to, and close links with, the public.

There are important sets of values that local government arguably promotes more effectively than other levels of government, perhaps to the extent that they may be regarded as distinctive values of local government.[23] These values, exemplified in

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[22] Painter, *op.cit.*

[23] Tucker, at. al. *op.cit.*

the tendency for many personal services in welfare provision to involve local government in their provision, include participation and economic efficiency.[24] Thus, in this sense, it is important that the local government system should be shaped to permit the distinctive virtues of local government to be as fully expressed as possible. Notwithstanding the point that these values may conflict, and their expression in a system of government will entail necessary compromises, they provide a benchmark from which to evaluate structures and processes of government, including relations with other levels of government. Where participation is concerned, for example, when local groups and communities find them the most responsive of governments and turn to them for support, the use of central powers to override or deny such participation suggests a major dilemma or contradiction that requires some attention. In the case of the City West project and the rezoning in Balmain, local communities have been more responsive than the local parliamentary representatives. However, there has been a different level of response by different local councils. For example, Leichhardt Council, at the time of the conflict between local government and state government, held a very clear position with the majority of councillors taking the residents' groups side, while councillors in Sydney City Council held no really clear position and tended more to support the state machine of development.

Local government is an elected system of government, representative of, and directly accountable to, its local community. Local councils are characteristically quite small bodies. For example, the Leichhardt Council has twelve elected members, formerly called aldermen and now called councillors, and the City of Sydney has seven members called councillors.[25] The Council is chaired by a mayor who is elected

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[24] *Ibid.*

[25] Pre 1993, the member of council was called aldermen and post 1993 councillor, under the new Local Government Act. In this thesis, we use both terms interchangeable.

by council members from among their number every year. The mayor and councillors are not paid full-time salaries, although they do enjoy some benefits of office. Council has several committees, such as public works, library and town planning, each of which is responsible for a certain area. The permanent staff of council officers is responsible to the council. The council has several departments of such staff, such as the Department of Town Planning. The chief officer of the council, traditionally called the Town Clerk but now commonly titled the "General Manager", exercises overall coordination of these departments. However, in many instances, strong departmental heads, relating directly with their committees, the mayor and the council, can run their own activities quite separately.

Many traditional features of council administration have been under critical scrutiny for a number of years. Recent reforms to the Local Government Act in 1993 have sought to impose on councils a more "corporate" style of management under a chief executive or general manager, with council delegating more of their detailed administrative work to departmental officials and a heightened focus on strategic policy questions in committees, perhaps under the supervision of a central strategic planning or budget committee. However, this process of "modernisation" in local government management has been only slowly implemented. One thing remains constant: the importance in council decision making of a few key people: the mayor; the councillors who chair the committees; the chief officer; and departmental heads.[26] Critics of local government often point to the power of these officials in arguing that councils do not live up to their image of responsiveness and of being "close to the people".

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[26] Painter, *op.cit.*

In relations between local government and state government, the Local Government Association plays an important role. This body not only provides many services to local councils. It also represents local government in the wider political community. According to the president of the Local Government Association, Councillors Peter Wood, the major role of the Association is to build on councils' confidence about their capacity to govern, and provide them with the means to establish a more participatory form of administration.[27] Its services tend to be somewhat more mundane, such as providing financial advice and training courses. The Local Government Association is potentially very important, even though it is an informal structure or association, because the organisation can give collective voice to local government's interests in the face of the power of state government. On the face of it, the organisation is not in a very strong position to defend local government against a determined state government with a secure parliamentary majority and prepared to exercise its executive powers to the full. However, the relationship between local and state government has to be seen in terms of both formal and informal power. Although the state government would seem to have almost unlimited power over local government, there are political restraints on its exercise in the real world of community perceptions and sympathies. Just as importantly, as we note later, there are also legal restraints.

*Federal Government*

During the 1950s, the government became increasingly involved in providing financial assistance for specific urban services, such as housing, hospitals, airports, universities and roads. However, grants for these services were provided separately,

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[27] *Interview with Peter Wood (President of Local Government Association of NSW), The Glebe*, August 1992.

without any obvious interest in the overarching "urban" dimensions of expenditure and outcomes. "Urban affairs" was, until the 1970s, a sphere of policy in which the commonwealth showed little interest. Immigration was a classic case of a commonwealth policy in which no account was taken in the initial and direct framing of a policy that had direct and major effects on metropolitan settlement patterns and service demands.

The Whitlam administration of 1972-1975 came to power on a prominent "urban" platform and pursued interventionist urban and regional policies through a new Department of Urban and Regional Development (DURD). DURD became a conduit for some major expenditure programs for urban areas, for example, the channelling of new funds to poorer areas of cities for urban services and the purchase of inner city estates for urban redevelopment schemes. DURD also hoped to get involved cooperatively with state and local government to lift the quality of urban planning and to inject a much stronger focus on equity questions into the planning and development process. However, it aroused strong state government resistance that thwarted many of its efforts. One of the most ambitious initiatives of DURD, but one that achieved little in the face of state government hostility, was the establishment of an urban and regional budget.[28] This dealt with urban and regional development programs and showed the total public and private investment occurring in the regions. Another important arm of urban policy concerned decentralisation. In April 1973, Tom Uren, the Minister for Urban and Regional Development introduced the Cities Commission Bill into Parliament. The Cities Commission produced a report entitled *A Recommended New Cities Program 1973-1978*, which nominated thirteen areas as

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[28] See C.J. Lloyd, Patrick N. Troy, *Innovation and Reaction: The Life and Death of the Federal Department of Urban and Regional Development,* Sydney: George Allen and Unwin, 1981. Tom Uren, *Straight Left*, Sydney: Random House Australia, 1995, p. 265. See also Budget Paper No. 8 of 1974-1875, and Budget Paper No. 9 1975-1976.

"growth centres".[29] The program provided the states with funds for land acquisition and development, as well as feasibility studies.[30] After the dismissal of the Whitlam Government in November 1975 and the loss by the ALP of the December federal election, the incoming coalition government under Malcolm Fraser quickly disbanded DURD and its philosophies.[31]

When Labor returned to power under Bob Hawke as Prime Minister in 1983, only a vestigial urban policy presence under a junior department could be found in Canberra. However, by the early 1990s there had been a considerable revival in the Commonwealth's interest in urban affairs. Urban issues were important in the suburban marginal seats in the close 1990 election. In 1990 the Prime Minister called a special conference of all Housing and Town Planning ministers. At the same time, senior left faction minister Brian Howe, who had an impressive record in community and urban issues, was promoted to Deputy Prime Minister. A National Housing Strategy was prepared.[32] In 1991 the Federal Government launched the "Building Better Cities" (BBC) Program as a partnership with state, territory and local governments, to explore a new approach to managing urban development. The objective of the program was to have more efficient, environmentally sustainable and socially just urban growth and change.[33] A total of $816 million over five years was

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[29] *Ibid,* pp. 263-264. The thirteen areas included the Holdsworthy-Campbelltown area in Sydney's southwest; Gosford-Wyong on the NSW central cost; Geelong in Victoria; Albury-Wodonga on the border of Victoria and NSW; Bathurst-Orange in central NSW; Townsville, the Fitzroy region (including Rockhampton and Gladstone) and the Moreton region ( the area between Brisbane and Gold Coast) in Queensland; Monarto (east of Adelaide); Salvado in Perth's northwest corridor, the Pilbara and Albany-Bunbury-Geraldton in Western Australia; and Tamar in Tasmania.

[30] *Ibid,* p. 164.

[31] Brian McLoughlin, "Urban Consolidation and Urban Sprawl: A question of Density", *Urban Policy and Research*, Vol. 9, No. 3, 1991, pp. 148-156. See also, Tom Uren, *Straight Left,* Sydney: Random House Australia, 1995, pp. 254-283. And interview with Tom Uren, 1992.

[32] McLoughlin, *Ibid*, p. 149.

[33] Department of Planning, "Better Cities an Overview", 1994.

provided by the Commonwealth government. The BBC program sought to demonstrate, for example, that a planned, coordinated area strategy approach can result in the development of new housing close to jobs and to existing transport, in conjunction with upgraded transport and other infrastructure, such that many of the problems of equity and access that have plagued urban development in the past could be avoided and overcome.[34] The New South Wales government is participating in the BBC with several projects, one of which is the City West project covering the inner-city areas of Ultimo-Pyrmont and Eveleigh. This project is the subject of a case study in this thesis. The federal government's main role is in funding the project but the most powerful body in the project is the state government.

*Metropolitan, Regional and Local Planning*

Metropolitan planning proper in NSW dates back to the late 1940s and has been accommodated in four organisational forms, each one succeeding the other: the Cumberland County Council,[35] the State Planning Authority, the Planning and Environment Commission, and the Department of Environment and Planning.[36] These bodies have drawn up or overseen a series of metropolitan plans, policies and strategies for the Sydney metropolitan area. Many policies and strategies, for example the attempt to preserve a "Green Belt" in the Cumberland County Council Planning Scheme, have been discredited or overtaken by events. Meanwhile, Sydney has continued to grow and "urban sprawl" has continued to be identified as the principal

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[34] *Ibid.*

[35] CCC (Cumberland County Council), created by the state government in 1945, was a metropolitan-level government made up of 10 members elected from the 40 constituent municipal and shire councils. The planning scheme prepared by the CCC was completed in 1948 and became law in 1951. The CCC was abolished in 1963.

[36] John Paterson, "Sydney's Great Experiment Goes into Mass Production", Paper presented at Royal Australian Planning Institute 16th Biennial Congress, Canberra, Wednesday, 12 May 1980.

planning problem. The latest policy of "urban consolidation", for example, conjures up an image of the "compact city" and seeks to encourage higher housing density so as to use the existing infrastructure of the city.

In 1948 the Cumberland County Council presented its planning scheme. The plan sought to direct future development closely through strict statutory land use controls. Its vision was a contained pattern of growth within a green belt, and the emergence of satellite cities beyond it. New urban highways would link the suburbs with the central city and new cities. Looking back, a major flaw was the continuing focus on central city jobs and development and the radial pattern of transport links, a misplaced faith in the power of statutory land use controls to prevent incremental, unplanned urban sprawl, with not enough attention to proper coordination of basic public infrastructure services.[37] The authors of the plan were preoccupied with the beautification of the city at the expense of anticipating the consequences of suburban development. The County Plan, it is argued, did constitute an appropriate basis for control, perhaps superior in many ways to more "modern" outline or structure plans.[38] Furthermore, it can be said that the project failed for complex reasons of which the main one was the attempt to contain metropolitan growth within the fragile barrier of a Green Belt.[39] This was a girdle of rural open space encircling the urban districts and penetrating towards the centre between some of the outer districts, ensuring for all time ready access by urban populations to a countryside specially planned and maintained for their benefit.[40] It was the one part of the Cumberland Plan that most caught the public imagination, but it was the most vulnerable, as land speculation and

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[37] Peter Spearrit and Christina Demarco, *Planning Sydney's Future*, Sydney: Allen and Unwin, 1988, pp. 12-22.

[38] Paterson, *loc.cit.* p. 2.

[39] *Ibid.*

[40] Spearrit, *op.cit.* p. 22. See also, *The Cumberland County Planning Scheme*, p. 65.

the search for affordable, accessible housing in the suburbs placed irresistible pressure upon the land reserved for open space. The failure of the Green Belt spelt the demise of the Cumberland County Council.

In 1962, the Minister for Local Government announced the replacement of the County Council. The Minister highlighted the failure of the Council, as an indirectly elected local government body, to coordinate planning on a state level successfully.[41] Indeed, resistance to some planning policies by state instrumentalities had been a major reason for the Plan being undermined. The Housing Commission, for example, had acquired land for housing in the Green Belt. The State Planning Authority (SPA), constituted by the State Planning Authority Act 1963, assumed office on 1 March 1964, and started full functioning on 1 June 1964. The State Planning Authority inherited a massive backlog of statutory work. Local councils had begun with varying degrees of enthusiasm to prepare local planning schemes, and many of the detailed instruments for local development control were still not properly in place or effectively administered. Under the SPA, statutory planning controls were more effectively institutionalised and regulated, often as a result of the application of state government executive powers but also through the increasing professionalisation of the local government town planning function under the oversight of the SPA.

In 1974 the SPA was replaced by a new body responsible for planning matters, the Planning and Environment Commission (PEC). A major reason appears to have been objections by local government and other interests to delays in processing development plans within the SPA. In its report on changes to planning administration, which was published in November 1975, the PEC proposed that greater land-use planning powers and directions be conferred upon Local Government

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[41] Paterson, *loc.cit.* p. 15.

councils with the aim of freeing the central planning authority from detailed administrative and professional supervision of local affairs. At the same time new statutory instruments for regional and state planning were recommended.[42]

The Labor government elected in 1976 in New South Wales undertook a major review of environmental planning legislation and introduced new legislation in 1979. The Environmental Planning and Assessment (EPA) Act introduced a new focus on regional planning, to be undertaken at state level, and also facilitated the promulgation of state level planning guidelines that would be binding on local councils. Under the EPA Act, there are three different types of environmental planning instruments: State Environmental Planning Policies (SEPP), Regional Environmental Plans (REP) and Local Environmental Plans (LEP). Under the legislation, each instrument - state, regional and local - imposes legally binding controls on land use that operate simultaneously. There may also be more than one policy or plan operating at each level. If there is an inconsistency between plans there is a general presumption that state policy prevails over a regional environmental plan or a local plan, and that a regional plan prevails over a local plan. However, for the purpose of resolving such inconsistencies, there is a provision that a later instrument prevails over an earlier instrument, unless the contrary intention appears. Details of the operation of the 1979 Act, which is still in force (as amended) appear below.

*The Evolution of Environmental Planning Controls*

Controls over residential districts, residential flat buildings, and other buildings are dealt with through environmental planning. In modern western

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[42] Noel George Butlin (ed.), *Sydney's Environmental Amenity 1970-1975*, Canberra: the Australian National University Press, 1976, p. 104.

countries, there are many demands for environmental planning which have developed out of concern for such matters as:

1. Preservation of a worthwhile environment for individuals (the preservation and amenity enhancement).
2. Protection of the environment generally.
3. Conservation of resources.
4. Co-ordination and planning of transport and industry.

While legislation to impose certain minimum standards in Sydney dates back to 1837, and despite calls for town planning legislation as early as 1909, no town planning legislation came into force in New South Wales until the Local Government Amendment Act, 1945.[43] This act was modelled on the English 1932 Act. There was no serious attempt made to change the Act until 1974.

Part XIIA of the 1945 Act was introduced into the Act to authorise the making of town and country planning schemes by shire and municipal councils and county councils. A "scheme" was described as:

> an instrument or set of instruments including maps, plans and specifications and other particulars which in the prescribed manner defined the land to which it applied and specified the responsible authority charged with carrying into effect and enforcing its provision.[44]

The schemes were required to be enacted in the form of Ordinances. "Land" that was proposed to be brought under schemes was made subject to interim development control. Establishment of the Cumberland County Council was authorised to prepare a scheme for Metropolitan Sydney and surrounds. A Town and

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[43] The 1945 Act set up the Cumberland County Council, which in 1951 became the County of Cumberland Ordinance, appended as a schedule to the Local Government Amendment Act 1951.

[44] Harry Whitmore, *Local Government And Environmental Planning Law New South Wales,* Sydney : The Law Book Company Limited, 1981, pp. 123-124.

Country Planning Advisory Committee was set up to report to, and advise, the Minister.[45]

The Act provided detailed rules for the preparation of schemes by councils, such as public exhibitions, representations, objections, determination of objections and the making of schemes by Ordinance. The County of Cumberland Planning Scheme Ordinance was brought into operation by the *Local Government (Amendment) Act,* 1951. The scheme made provision for the reservation of land for special uses, that is, open space, county roads and railways. It also *zoned* land for particular purposes, for example, living areas, business and commercial centres, and industrial area class "A". "Responsible authorities" were defined for administering planning controls: the County Council was designated for general matters; and local councils were designated for more specific local purposes. The broad outlines of the Cumberland Planning Scheme had to be followed in the preparation of local planning schemes, which were to fill in the detail.[46]

The local schemes drawn up under this set of provisions still, in form if not in precise content, govern much day-to-day land use and development control in Sydney. Every scheme was based on land-use tables. If consent was needed for the development of a particular kind in a zone, a development application or "DA" needed to be made to the responsible authority, such as the local council. Council could approve or disapprove development applications or approve them subject to conditions. Matters to be taken into account were listed in the schemes and they always included "the existing and the future amenity of the neighbourhood", "the circumstances of the case", and "the public interest".

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[45] *Ibid.*
[46] *Ibid.*

When in 1963 the State Planning Authority replaced the Cumberland County Council, it was also given new advisory and initiating powers in relation to planning throughout the State. When the PEC replaced the SPA in 1974, it inherited the powers of the Authority and was again given additional duties and powers. One of its more important duties was to investigate the law and practice relating to town and country planning and land use and environmental planning. Its interim and final report became one of the sources of the new 1979 legislation. The entire system was reformed by the 1979 legislation which came into force in 1980 called the *Environmental Planning and Assessment Act*, 1979.

Five cognate bills introduced by the Minister in 1979 had their genesis in a complete review of planning legislation initiated by Sir John Fuller in 1974. He initiated public participation with the issue of a green book, followed by a blue book and finally by a draft Bill in 1976 shortly before the Askin government went out of office. After the Hon. Paul Landa introduced the five cognate Bills, they lay upon the table for three months and submissions were made by many interested bodies on various aspects of their contents.[47]

The greatest issues surrounding the introduction and passing of the EPA Act 1979 has been the question of ministerial power. The Hon. Paul Landa, the then Minister for Planning and the Environment, pointed out that the Act provides for the dissolution of the Planning and Environment Commission, which was a statutory body. The Minister stated at a seminar held on 11 June 1979 that:

> two of the principal objectives of the legislation are firstly, to authorise the preparation of different to deal with the state, regional and local planning issues and problems. Secondly to differentiate levels of significance and responsibility to ensure that the state is mainly concerned with matters of policy and objectives

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[47] W.J. Holt and K.J. Palmer, *Guidebook to Environmental Planning Practice in New South Wales*, Sydney: Tax and Business Law Publishers, 1980, p. xv.

> rather than matters of detailed local land use. These objectives are the basis for the policy of devolution of responsibilities to local government which underlies the provisions of the Bills and principles in accordance with which the government proposes to utilise the provisions of the Bills.[48]

*The Environmental Planning and Assessment Act 1979*

The Act contains a list of the "objects" sought to be achieved by the environmental planning system, including: encouraging the proper management, development and conservation of the economic use and development of land; the protection, provision and coordination of communication and utility services; the provision of land for public purposes; the provision and coordination of community services and facilities and the protection of the environment. Other objects are to promote the sharing of responsibility for environmental planning between different levels of government and to provide increased opportunity for public participation.[49]

Responsibility for administration of the Act is vested in the Minister,[50] The Director of Environment and Planning and the Department of Environment and Planning.[51] The Minister has a number of general responsibilities in relation to research, advice to councils, promotion of economic planning and monitoring progress in environmental planning.[52] The Minister is a sole body for the purposes of the Act and may acquire and hold land,[53] and exercise certain powers in relation to such matters as demolition of buildings, subdivision of the land, construction of roads

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[48] *Ibid*, p. xi.
[49] *Environmental Planning and Assessment Act,* 1979, section 5.
[50] *Ibid,* section 7.
[51] *Ibid,* section 13.
[52] *Ibid,* section 7.
[53] *Ibid,* section 9 and 10.

and dedication of public reserves.[54] Provision is made for Commissioners of Inquiry,[55] and an Advisory Co-ordinating Committee to advise the Minister and the Director.

Planning may be pursued at three levels. First, the Minister may prepare State Environmental Planning Policies (SEPPs) in such a format as is determined by the Minister.[56] The policies are first prepared in draft form; they are then published in whatever form the Minister considers appropriate, with an invitation to the public to make submissions. After consideration of submissions, the Minister may recommend to the Governor that an SEPP be made.[57]

The Director is authorised to prepare draft Regional Environmental Plans after the preparation of environmental studies of the land is effected.[58] Provision is made: for notice to be given of the intention to make a regional environmental plan; for submissions to be made about aims, objectives, policies and strategies; for consultation with the Advisory Co-ordinating Committee, the Local Government Liaison Committee and others; for information to be supplied by public authorities; for public exhibition of the draft plan; for consideration of submissions received (including, if the Director sees the need, the consideration by a Commission of Inquiry established under s.119); and for making of the regional environmental plan by the Minister.[59]

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[54] *Ibid,* section 11.
[55] *Ibid,* section 18.
[56] *Ibid,* section 38.
[57] *Ibid,* section 39.
[58] *Ibid,* section 40 and 41.
[59] *Ibid,* section 42 to 52.

Local environmental plans may be made by a single council or by two or more councils together.[60] Local plans may cover a whole municipality, a part of it or land straddling more than one. The preparation of such plans requires a process of public exhibition and the hearing of objections, as under the previous planning legislation. They are subject to the approval of the Minister and also, of course, to any Regional Environmental Plan or SEPP that has been gazetted or may be adopted in the future (see tables 1, 2 and 3).

In practice, not only do local plans have to embody wider planning policies as set out by the Department or the Minister, but many decisions of local councils to give consent or refuse developments under local planning schemes are also subject to higher consent or wider consultation within the machinery of state government. In some cases, the concurrence of the Minister for Planning or some other public authority may need to obtained.[61] In the case of the rezoning of five sites in Balmain, there has been a conflicts between local government - Leichhardt Council- and the state government in order to determine who has the power to regulate the land. However, in the case of the redevelopment in Pyrmont-Ultimo, the state government is the most important power holder.

The scope and content of the powers exercised by local councils is a legacy of many years of public health, planning and environmental controls. A wide range of building and public health controls is exercised through detailed supervision, approval and inspection of building standards through statutory instruments in the Local Government and other Acts. Numerous powers have historically been exercised by Councils over various forms of so-called "public nuisance", such as controls to

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[60] *ibid,* section 53 and 54.

[61] *Ibid,* sections 117, 118, 119.

regulate smoke, fumes, waste water, and noise in or near a public place.[62] Many of these have been inherited and consolidated in planning and environmental instruments.

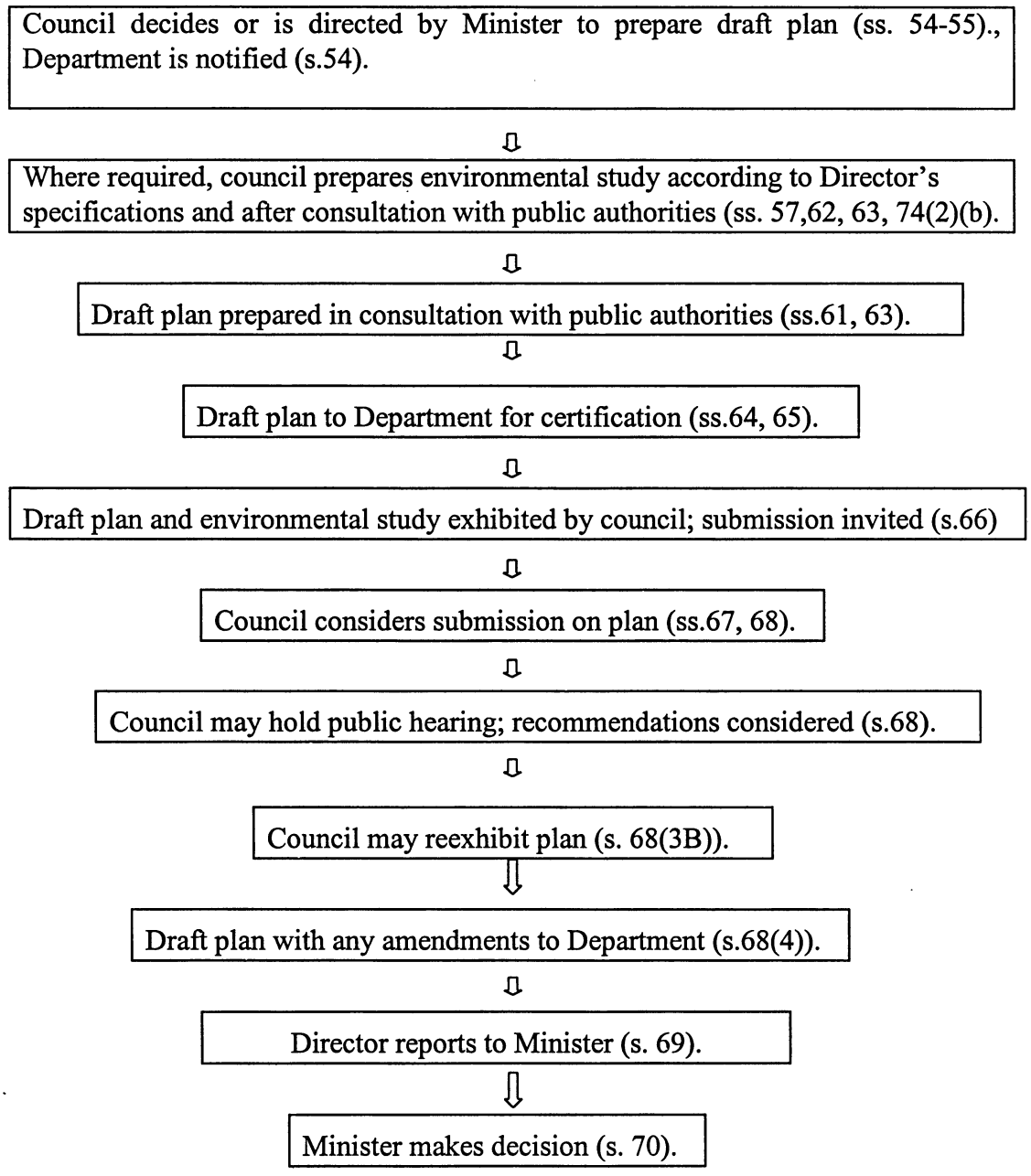
The NSW Town Planning legislation of 1945 and subsequent elaborations upon it brought into prominence other objects of regulation, more concerned with the physical impact of development on its wider urban environment. For example, the height of buildings was a subject of regulation, as was density of occupation and provision of parking. Latterly, particularly with major developments, the provision of public space or other public amenities, or financial contributions *in lieu*, have also become aspects legitimately taken into account when providing consent.

In the case of rezoning in Balmain and also City West, these "public amenity" questions are among the most important issues. They involve not only the provision of amenities for new residents but also the provision of new benefits for existing residents, such as access to the waterfront, and the minimisation of adverse effects, such as the obstruction of waterfront outlooks for existing residents. With so many matters subject to regulation and consent, there is considerable scope for publicly regulated trade-offs. However, such trade-offs do not alleviate or mitigate the intensity of some of the conflicts caused by new developments in existing suburbs, which are as much about community "life style" and image as about selective, private gains and losses such as waterfront views and access to open space.

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[62] *Ibid,* s. 249.

*Table 1: Local Environmental Plans (LEPs)*[63]




[63] EPA Act 1979, Environmental Responsibilities Law, NSW, Lawbook Co., Looseleaf.

*Table 2: Regional Environmental Plans (REPs)*

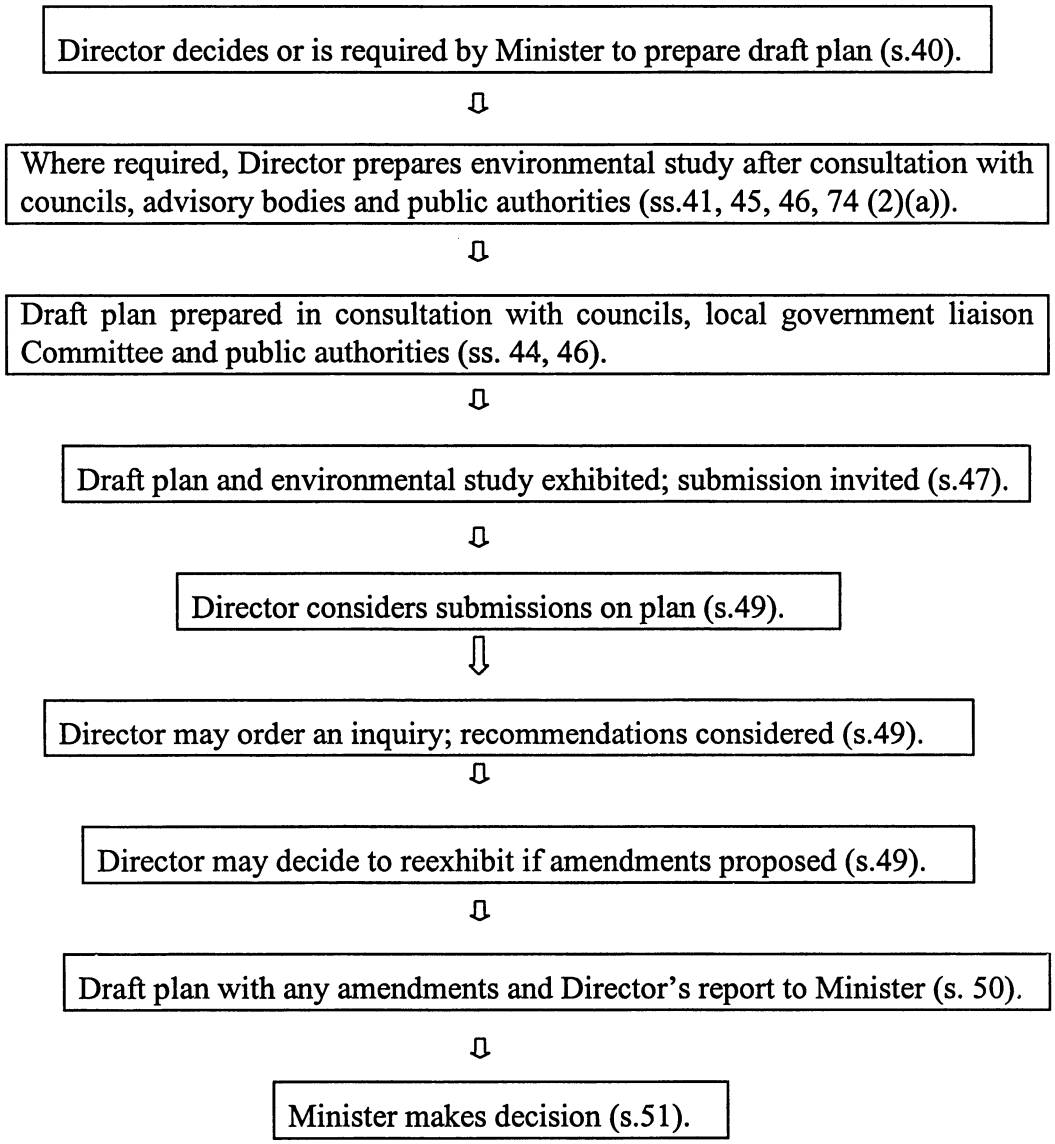
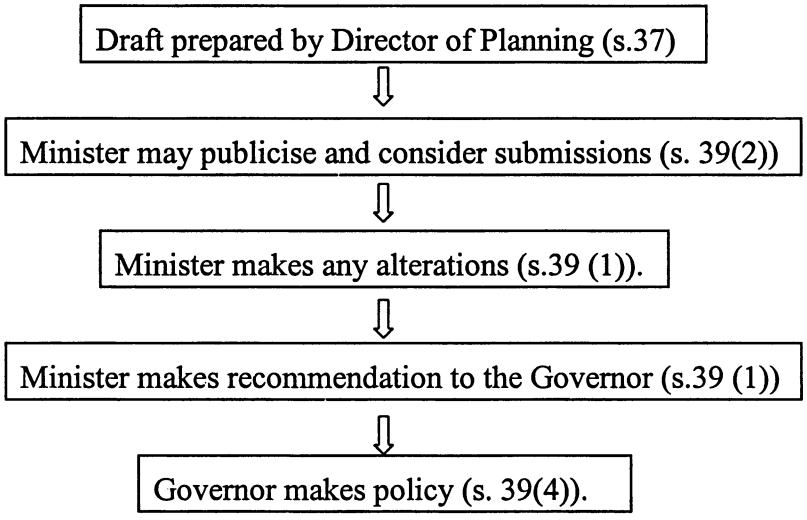


*Table 3: State Environmental Planning Policies (SEPPs)*




*The Land and Environment Court*

The Land and Environment Court played a vital role in the Balmain case study, presented later in this thesis. A system of judicial appeal against the decisions of development control or planning authorities has been part of town planning legislation for many years. The present Court was established by the Land and Environment Court Act 1979 as a court of appeal to consider cases arising from decisions taken by government authorities with respect to planning, subdivision and building matters. Most of these decisions fall within the EPA Act 1979 and the Local Government Act 1993, but the court also hears appeals under other Acts such as the Clean Air Act 1961, the Clean Waters Act 1970, the State Pollution Control Commission Act 1970, the Strata Titles Act 1986, the Noise Control Act 1975, the Heritage Act 1977, the National Parks and Wildlife Act 1974, the Environmental Hazardous Chemical Act 1985 and the Community Land Management Act 1989.[64] Examples of types of appeal within these jurisdictions are provided in Table 4 below.

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[64] NSW, *Land and Environment Court Act 1979*, s. 17.

Many appeals are lodged by developers against an adverse decision by a development authority, but appeals may also be lodged by local councils and other agencies against the decisions of higher authorities, including the minister. Third parties, such as groups of local residents, have limited rights of appeal, and public participation is ordinarily restricted to the making of representations to councils and government bodies, including public inquiries established by those bodies.[65] However, when there is an appeal or an application to the Court, the view of dissatisfied residents can be heard. The Land and Environment Court's judgements can review decisions 'on the merits', that is the Court looks into the substance, not just the form (or procedural correctness) of planning decisions. The Court's judgements are then subject to appeals to the Supreme Court on points of law. The Supreme Court can also become involved, on appeal from injured parties, in points of legal dispute on interpretations of the Land and Environment Act in its application by public authorities. One such case was significant in Balmain. At the behest of a resident action group, *Balmain Association Inc. v Planning Administrator for Leichhardt Municipal Council 1991*, a decision of the Court of Appeal declared void the appointment of a planning administrator for Leichhardt Council by the Minister for Planning. The legal basis of the challenge was, in part, that the Council was not given sufficient time to prepare a local plan. Furthermore, the direction by the Minister did not allow enough time for local residents to persuade the Council to undertake an inquiry to consider the objections.

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[65] JS Cropps, "Administrative Law," in Tim Bonyhady (ed.), *Environmental Protection and Legal change*, Federation Press, 1992, pp. 25.

*Table* 4: Jurisdiction of the Land and Environment Court[66]

| | Class 1 | Class 2 | Class 3 | Class 4 | Classes 5 & 6 |
|---|---|---|---|---|---|
| Key Words | Development appeal | Building applications | Valuation and compensation | Civil enforcement | Criminal offences – summary enforcement<br><br>Appeals from Magistrate decisions on minor pollution charges |
| Case examples | Developers appeals against rejection of DA or against conditions imposed on development consent. Objector appeals against "designated development" consent. | Local council rejects, delays in considering or approves subject to conditions which developer disputes. | The RTA exercises statutory powers to purchase land for road widening – dispute as to fair valuation. | Challenge to the legality or procedural compliance of local council or statutory authority in exercising powers under the planning or other legislation. | Pollution licence - holder prosecuted by EPA for breach licence conditions.<br><br>Appeal by local council or person convicted regarding pollution infringement notice |
| Relevant Acts (see ss. 17-20 L & E Court Act) | EPA Act | Local Government Act 1993 s. 176 | Land Acquisition (Just Terms Compensation Act) | EPA Act s. 123, Environmental Offences & Penalties Act s. 25 | Pollution legislation<br><br>Justices Act |
| Judge or Assessor? | Either, judge for third party designated development appeals | Often an assessor | Judge and/or assessor | Judge | Judge |
| Merits or legal appeal? | Merits; judge to consider question of law | See Class 1 | see Class 1 | Legal (civil) | Legal (criminal) |

[66] Environmental Law, " Environmental responsibilities Law - NSW", Law book Co., Looseleaf.

# Jurisdiction of the Land and Environment Court (cont.)

| | Class 1 | Class 2 | Class 3 | Class 4 | Class 5 & 6 |
|---|---|---|---|---|---|
| Who can sue? | Developers and, with regard to designated development, people who lodge objections with the local council during the exhibition period for the EIS | The person who lodge the building application | Landowner | any person | The EPA or some regulatory authority or any citizen ( s. 13 EOP Act)<br><br>Appellant from Magistrate decision |
| Appeals | In assessor hearings, questions of law are refered to a judge. The Court of Appeal may, at its direction, grant leave to appeal from the Land and Environment Court with regard to alleged errors of law (not merits or factual issues) | See Class 1 | See Class 1 | Appeals on question of law to the Court of Appeal if that court grants leave | See Class 4 |
| Usual Cost Order | Each party pays their own costs | See Class 1 | See Class 1 | Loser pays | At discretion of judge |

*State versus Local : the Case of Urban Consolidation*

Urban consolidation measures are typical of the issues that can be embodied in state and regional planning instruments, with the intention of promulgating state-wide policies and overriding local discretion. The state government's urban consolidation policy, with the encouragement of the Commonwealth government, was its principal public justification for intervening in local planning in Balmain and taking direct control of planning in Ultimo-Pyrmont for the City West project. Urban consolidation measures were first introduced in Sydney as part of official state government planning policy in the late 1970s. The New South Wales Labor Party was in office and took the lead in adopting urban consolidation policy,[67] and since then the policy has had the support of both major political parties when in office. The principal urban consolidation policy instruments in New South Wales were Sydney Regional Environmental Plan 1 and Plan 2, introduced in 1980 and 1981, respectively.[68] Urban consolidation as a policy was also adopted by other state governments, namely Victoria and South Australia.[69] The federal government has no policy specifically directed at urban consolidation, but it has generally supported and promulgated the notion.

Urban consolidation means the increase of population and/or dwellings within a defined urban area. Urban consolidation can happen simply as the result of the increase in the average household size, without any additional urban development,

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[67] *Australian Financial Review*, "NSW Labor adopt Urban Consolidation,"1st August, 1978.

[68] SREP, 1 and 2, 1980 and 1981, *Department of Planning NSW.* SREPs 1 & 2: Dual Occupancy, gave way to SREP 12 and SEPP 25, Amendment 2. These improved the prospects for dual occupancy and the later instrument made for easier development and subdivision. Other instruments of urban consolidation include : SEPP5: Aged People' Housing. SEPP28: Town and Villa Homes. This was "forced" on Councils and at the end of the negotiations resulted in an increase in the area zoned for medium density by 20 %. SEPP 32, Large and Surplus sites and GMREP 1, The Balmain Sites.

[69] Bunker, *Urban Consolidation: the Experience of Sydney, Melbourne and Adelaide,* Canberra: Australian Institute of Urban Studies, 1983, p. 39.

although this is a rare occurrence. In established suburbs it is more common for the opposite to happen. Urban consolidation policies are positive measures to increase residential density, by increasing the concentration of dwellings or concentration of population, or both.[70] The most common measure in settled urban areas is a policy of replacement of single dwellings by multi-unit dwellings.

Urban consolidation policy has been the subject of a long and vigorous debate in Australian planning and policy circles.[71] Ray Bunker has identified four main reasons for the attractiveness of a policy of containment and consolidation of urban spread in recent times. First, the energy crisis caused by the rise in oil prices by OPEC countries in 1973 drew attention to the high costs of urban sprawl, and encouraged people to support the idea of a compact city. Second, there was a need for greater efficiency in the expenditure of capital funds on urban infrastructure, especially as a result of the declining taxing and spending capacities of modern governments in the political and economic climates of the 1980s and 1990s. Third, there was a mismatch between the needs of households and existing dwelling stock, for example with older households occupying more dwelling space than they needed and new households finding the costs of such space beyond them, or having needs that could not be met on the urban fringes. Finally, urban consolidation was said to be more "efficient" not only because of the lower infrastructure and travel costs of a compact city, but because multi-unit housing is cheaper and uses less land than detached houses.[72]

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[70] NSW Department of Environmental and Planning, *Planning Issue in the Sydney Region: Urban Consolidation*, Sydney: Department of Environmental and Planning, 1984.

[71] See for example Ray Bunker, *Urban Consolidation...op.cit.*. Raymond W. Archer (ed.), *Planning For Urban Consolidation*, Sydney: Planning Research Centre, University of Sydney 1980.

[72] Ray Bunker, "Heroic measures: Urban Consolidation in Australia," in J.Brian McLoughlin and Margo Huxley (eds.), *Urban Planning in Australia: Critical Readings*, Melbourne: Longman Cheshire, 1986, pp. 157-172.

Urban consolidation in the Sydney region is said to be essential because Sydney will soon outgrow its site. The Department of Planning in its latest forecast suggests an increase in Sydney's population of one million in the next 20 years, giving rise to a need for more houses. There is a real demand for more dwellings, since household size is forecast to continue to decline. In the '70s, it was 3.3 persons per household and in the 1990s 2.7 persons per household. It is forecast that by 2005, the ration will be 2.1 persons per household. One argument which has been put by state government is that urban consolidation will save public money and assist in the protection of the environment. Heightened public concern for environmental degradation is one factor which has seen the policy become a best solution. However, the political landscape is mostly shaped by severe pressures on the state budget.[73] The Federal Government offered $182 million to the states in 1992-1993 to encourage urban consolidation and thereby reduce urban sprawl.[74] The City West project received $115 million from the Federal Government. Clearly, one attraction of urban consolidation to state governments was their desire to get this federal money.

The interests favouring urban consolidation in a city such as Sydney are formidable. Property owners, investors and building developers see an opportunity for profit from the unfreezing of assets if land is re-zoned and if other measures are taken to encourage urban consolidation; government policy makers, planners and infrastructure providers see the chance for lower costs, greater efficiency and convenience if a more compact city can become a reality; prospective home-owners may be persuaded they will benefit from cheaper, more convenient housing; and interest groups such as environmentalists are encouraged to support such measures if

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[73] July Smith, "Myths Build up around Urban Consolidation", *Property, The Weekend Australian*, August 7-8 1993, p. 7.

[74] *Ibid.*

they can be associated with less wasteful resource use, a stop to urban sprawl and lower levels of pollution. An increase in densities, it is argued, is a necessary condition for increased efficiency in access to infrastructure and services, and reduction of the consequential negative environmental impacts of urban sprawl.[75] A "more compact city" would be one in which there would be less need to travel long distances, thus minimising pollution from motor vehicles. Slower development on the urban fringe would place less strain on river systems and other aspects of the eco-system of the Sydney basin.

Given this spread of interests potentially supportive of consolidation it policy, it appeared to be an attractive political strategy to politicians keen to be seen to be doing something - anything - about the problems of major cities. Arguably, economic factors – costs of infrastructure, budgetary considerations, and forces operating within the housing and property markets – could be said to be "determinant" in the emergence of urban consolidation as a priority. But as John Paterson remarked, the choice of urban consolidation is a political choice not a choice of the technocrat.[76] Importantly, there will generally be opposition and conflict over the issue, and this will bring it into the political realm. On the one hand, supporters of urban consolidation can point to powerful potential benefits: regulations which restrict opportunity for redevelopment to allow for urban consolidation will inhibit the adaptability of the urban fabric, prevent access to high amenity areas to people of low to middle incomes, and perpetuate some undesirable features of residential segregation; on the other hand, the opponents can muster some powerful local forces

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[75] Garlick, "Australian Social Trends 1994," *Urban Policy and Research*, Vol. 12, No.2, 1994, pp. 91-99.

[76] John Paterson, "Urban Consolidation: Lovelier the Second Time Around?", in R.W. Archer (ed.), *Planning for Urban Consolidation,* Sydney: Planning Research Centre, University of Sydney Australia, 1980, p. 111.

of resistance, in particular the interests of existing residents in maintaining exclusionary zonings and preventing the widespread adoption of lower, uniform standards of development over large parts of individual municipalities. Short-term, concentrated costs arising from the disturbance of the status quo will be set against the future and long-term, diffuse benefits, a familiar pattern of political conflict in which the former often has the political advantage.[77]

Many local governments are strongly opposed to increased densities in their area.[78] As councillor Mark Latham of Liverpool states:

> This has come about because the Greiner Government has taken a confrontationist approach to land planning issues, preferring to strip local councils of their planning powers than to work to pre-agreed goals for population density in the inner city. It is exceptionally difficult - especially during the 1990s – for governments to achieve anything unless they have the ongoing confidence of the people, the ongoing confidence of the electorate. We will never produce strong urban consolidation until the state government forms a genuine partnership with inner ring councils and their communities and gains a degree of community support for the essential goal of urban consolidation in the Sydney metropolitan strategy. Councils in my area, western Sydney, will not stop campaigning against greenfield estate like South Creek Valley until the state government makes a sensible statement about the limits to Sydney urban sprawl and population limits on the urban fringe.[79]

Councils have been able to resist external pressures for consolidation especially in more affluent local government areas. The policy was resisted by local governments throughout Sydney which found themselves facing laws and regulations introduced by the NSW state government that were seriously reducing their capacity to control local

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[77] James Q. Wilson, *Political Organizations*, New York: Basic Book, 1973.

[78] Tony Sabino, "Urban Consolidation, is Urban Design the Key?, *Urban Policy and Research*, November 1991, pp. 29-36.

[79] Commonwealth Environment Protection Agency, *Urban Consolidation: An Environment Perspective,* Conference Proceedings, Canberra: Australian Government Publishing Service, 19 May 1992, p. 60.

development.[80] Consolidation means relaxing the kinds of controls on density and height that many councils see as essential to preserving highly valued qualities of traditional, suburban, single-dwelling residential areas. Because of resistance from established areas, most of the "gains" in increasing densities have occurred on the urban fringe. In the case of Balmain, and also City West, when the state government called on urban consolidation policy as a justification for intensive residential redevelopment of unused waterfront land, the local residents resisted on the grounds that they were already living in an area of above average density. The density of Balmain is such that it already conforms to the urban consolidation guidelines. The guidelines set out in the Department of Planning Study Brief in 1991 showed that Sydney's population will increase by up to 368,000 people by the year 2006. To meet this figure, Leichhardt Council needs only to increase its population by 927. The population of Leichhardt in 1986 was 53,453 and in Balmain in 1986 it was 14,671 or 27% of the municipality.[81] Therefore, to meet the urban consolidation guidelines, Balmain-Rozelle only has to increase its population by less than 250 people (27% of 927).[82] However, the rezoning of the five sites in Balmain and redevelopment in the area would bring another 7000 people to the area.[83]

Many of the arguments in favour of consolidation have been discredited or questioned.[84] First, there are arguments on grounds of social costs and equity. A major criticism of the policy has been that it accentuates the degeneration of Sydney into "a city divided": "The urban consolidation policy and Commonwealth housing policies

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[80] Patrick N. Troy, *The Perils of Urban Consolidation: A Discussion of Australian Housing and Urban Development Policies*, Melbourne: The Federation Press, 1996, p. 8.

[81] Nick Masterman, *Public Inquiry into Rezoning of the Five Inner City Industrial Sites*, 3 June 1991, p. 4.

[82] *Ibid*, p. 4.

[83] *A Leichhardt Report on The Rezoning five sites in Balmain*, August 1990.

[84] Patrick N. Troy, *op.cit.*

have accentuated the divide between the haves and have-nots". Second, there are arguments disputing the potential economic benefits. For example, one has to consider the costs of inner city renewal, particularly of renewing an aging infrastructure if higher densities are to eventuate, such that some of the "savings" from making additional use of consolidation may not eventuate. In any case, higher density living has a relatively small impact on urban sprawl because less than half of urban land is used for housing. The rest is used for commerce, industry, hospitals, education, recreation, culture and open space. In practice consolidation does not save much land, and also has not been effective in increasing inner-city population densities. Third, there are arguments about feasibility and the appropriateness of particular planning instruments. The instruments used for implementing the policy have not all been successful. They have been successfully resisted by local councils, as was the case of Leichhardt Council, and have not provided sufficient incentives or constraints to overcome the traditional preference of most Australian households for the suburban cottage and garden. Recent critics have come to the conclusion that urban consolidation policy after ten years or more, intended to curb Sydney's urban sprawl by using less land for more housing, has failed. New figures reveal that nearly 90 per cent of new housing to 2021 is destined for Sydney's outer fringes. Population growth will remain concentrated in areas most likely to be lacking in basic social services such as water, sewerage, schools and hospitals.[85] The net effect of the decade-long urban consolidation approach repudiates its major goals of alleviating environmental stress and ensuring better use of existing infrastructure.

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[85] Paolo Totaro, "Planning Experts Warn of a City Divided", *The Sydney Morning Herald*, 25 August 1995, pp. 1 and 11.

*Conclusion*

The key governmental players in metropolitan and local planning issues in the politics of urban development generally, are state and local governments. Conflicts between them are common, and on the surface will generally be resolved in favour of the state government due to its superior legislative and executive standing and power. However, the role of the Land and Environment Court as an arbiter of some of these conflicts introduces an element of uncertainty. Moreover, the interplay of local political forces with the wider system of government is not solely determined by the "map" of formal powers and structures. As we shall see the case study presented in Chapter Four, local initiative and resistance can be a separate and distinct source of power in urban politics.

# Chapter Four

# Citizen, Development Interests, and Land Use Conflict in Urban Planning:
## A Case Study of the Rezoning of Five Sites in Balmain

*Introduction*

As an inner harbourside suburb of Sydney, the Balmain peninsula has always supported a wide range of land uses. Although not necessarily compatible, houses have co-existed with workshops, warehouses and shipyards, essentially because the latter provided employment opportunities and the former, accommodation within close proximity and at a relatively low cost. The trend towards the suburbanisation of Australian cities accelerated through the 1960s into the 70s and 80s. At the same time, the growing popularity of the inner suburbs, and especially areas of high amenity, has in turn impacted on the structure of the inner city population and has led to new standards of amenity and environmental quality. This has given further momentum to housing markets, particularly as factories disappear, houses are built or renovated and new foreshore parks are established.[1]

Against this background, the rezoning of five sites on the Balmain peninsula (Ampol, Unilever, Monsanto, the Balmain Power Station, and Caltex) has been the most contentious issue in the Leichhardt Municipal council in recent years. This issue reflects conflict of interest in the community between the residents, the council/local government, the developers, and the state government. The rezoning of these five, large industrial sites reflects land use trends in the

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[1]Leichhardt Municipal council, Report on The Rezoning of the Ampol, Unilever, Balmain Power Station, Monsanto, and Caltex Sites, Town Planning Department, December 1990.

inner city in the last two decades, that is, a change from industrial to residential use. The five sites became available for redevelopment because of the economic and social restructuring of the city - long term trends in the movement of population and land use which impacted dramatically on Balmain. The redevelopment also coincided with a state policy of urban consolidation, within which one specific policy refers to redundant sites, especially industrial sites, which are suitable for medium-density housing. Indeed, that policy was framed in part with these sites specifically in mind, though the issues raised were not merely of local impact or importance.

Urban conflict, the struggle for resources and territory, is endemic. The state, particularly through the planning process, is important in mediating this conflict. At the same time, the state may seek to intervene in the game and exert control. Participation may assist particular groups to challenge and control outcomes in the planning process. As well as legitimating the process of planning, participation may transfer some of the control from the elected and accountable representatives of government to other actors in the game.

As Williams and Peterson suggest, the physical location of individuals, groups, businesses and other organisations provide them with various benefits and costs, many of which result from the actions of local government.[2] This chapter examines the most direct way local and state governments influence locational benefits, especially their power to regulate land use. Further, it will focus on the question of how local and state government planning policies advantage or disadvantage individuals, groups and firms because of their location. Particular attention is paid to how residents' groups affect the policy

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[2]Oliver P. Williams, *Metropolitan Political Analysis: A Social Access Approach,* New York: Free Press, 1971, p. 36. Paul E. Peterson, *City Limits,* Chicago: University of Chicago Press, 1981, p. 25.

orientations of governments. The role of planners in this contest between local government, state government, residents groups and other participants, is investigated. This study of rezoning in Balmain shows how and why residents become involved in attempting to influence planning.

*The Municipality of Leichhardt*

The Municipality of Leichhardt is part of inner suburban Sydney. It has an area of about 15 $km^2$, and lies immediately west of downtown Sydney. The new Glebe Island Bridge is the link between the municipality and the Sydney Central Business District. The municipality has strong physical boundaries. To the south, Parramatta Road divides the municipality from neighbouring areas, and most of the other boundaries are the long and indented harbour foreshore and open space along the beds of old flood creeks and bays.

There are six main suburbs in the municipality: Balmain, Rozelle, Lilyfield, Leichhardt, Annandale and Glebe. The municipality's topography is such that, as well as the whole area having a strong physical identity, so does each suburb. A main ridge runs north-east through the municipality of Leichhardt. Two subsidiary plateaux in the centre and east are occupied by Annandale and Glebe. Between these ridges and plateaux, and surrounding them on all sides but the south, are deep water bays of the harbour, or open space on former swamps and beds of former creeks. Each suburb is thus divided from its neighbours by water or by open space. The land slopes steeply from the plateaux and the Balmain ridge, giving extensive harbour or urban views to many parts of the municipality.

*MAP OF LEICHHARDT*

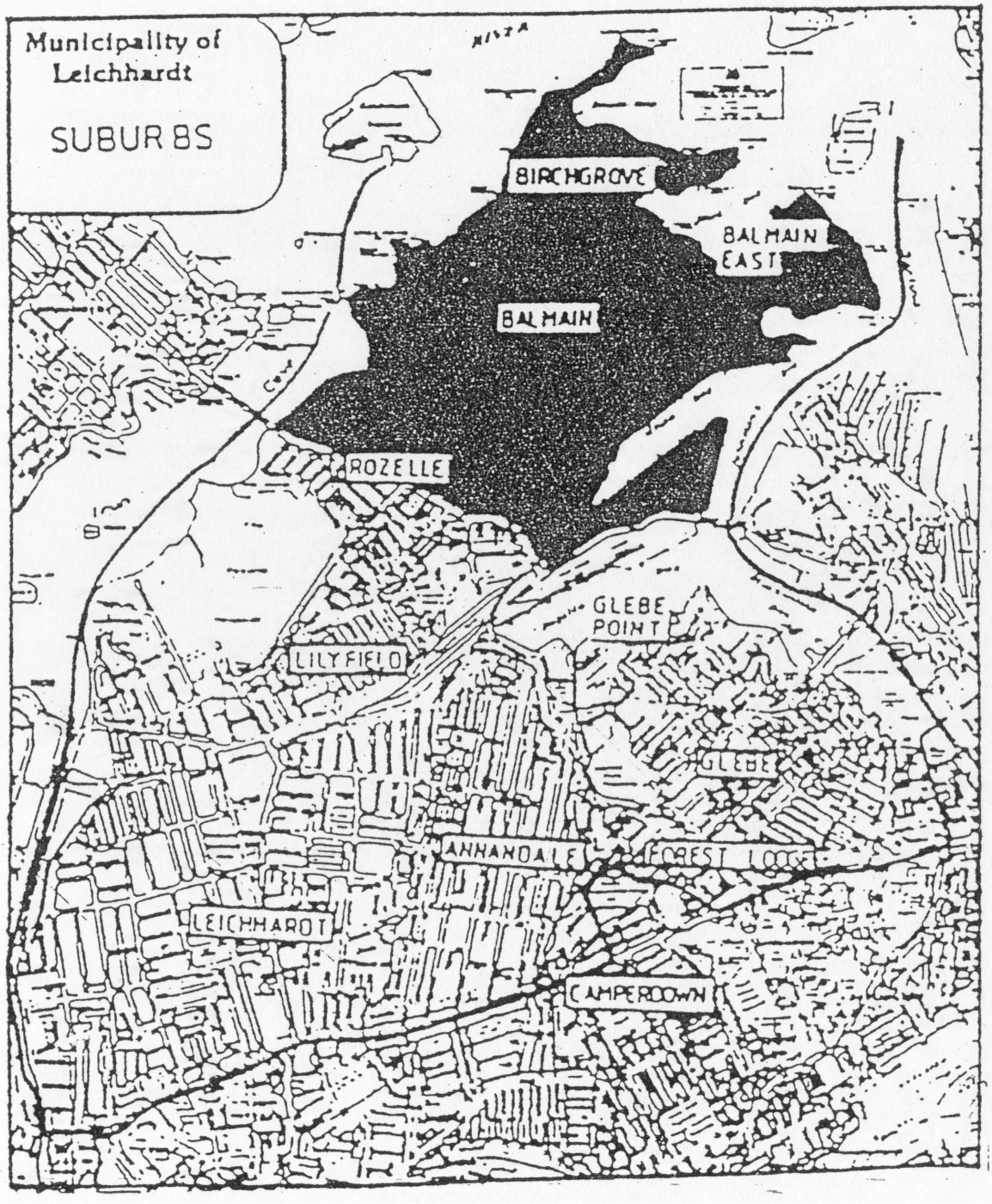


***Table*** 1 : Number of Persons, Leichhardt Municipality Statistical Division at Census of 30 June

| | 1976 | 1981 | 1986 | 1991 | 1996 |
|---|---|---|---|---|---|
| Leichhardt Municipality | 62,540 | 57,332 | 56,303 | 58,484 | 58,304 |

Source: *ABS Sydney Statistical Division* on the basis of boundaries as at 30 June.

The population reached its peak before the Second World War, and has been declining until recently. The character of the population is changing. At the beginning of the 1950s, the municipality was known as a working class suburb.[3] Many larger houses had been converted to boarding houses and housed large numbers of people. European migration in the 1950s and 1960s changed the municipality, which attracted a large Italian community. The municipality now has a sister city in Italy. However, in the last decade, Australia's first Italian community has been slowly making way for newer immigrants from, for example, Vietnam and former Yugoslavia.[4]

[3]Steve Harris, "Residents in Policy Planning - a Sydney Case Study", *Polis*, Vol. 7, PT. 2, 1980, pp. 29-34.
[4]*The SMH*, Saturday, June 29, 1996 p. 4s.

***Table*** 2: Number of Person by Birthplace (Countries) and By Sex, Census 1996

| Countries | Male | Female | Persons |
|---|---|---|---|
| Australia | 17,749 | 20,146 | 37,895 |
| Canada | 116 | 117 | 233 |
| Chile | 45 | 52 | 97 |
| China (excluding Taiwan) | 159 | 206 | 365 |
| Croatia | 60 | 62 | 122 |
| Egypt | 77 | 66 | 143 |
| Fiji | 86 | 113 | 199 |
| Germany, Federal Republic of | 165 | 186 | 351 |
| Greece | 284 | 300 | 584 |
| Hong Kong | 81 | 111 | 192 |
| Hungary | 70 | 49 | 119 |
| India | 90 | 77 | 167 |
| Indonesia | 86 | 110 | 196 |
| Ireland | 201 | 179 | 380 |
| Italy | 796 | 736 | 1,532 |
| Lebanon | 100 | 77 | 177 |
| Macedonia, FYR of (a) | 29 | 26 | 55 |
| Malaysia | 99 | 114 | 213 |
| Malta | 112 | 132 | 244 |
| Netherlands | 102 | 84 | 186 |
| New Zealand | 932 | 948 | 1,880 |
| Philippines | 108 | 210 | 318 |
| Poland | 63 | 78 | 141 |
| Serbia and Montenegro (FYRs of (a) | 13 | 14 | 27 |
| Singapore | 38 | 59 | 97 |
| South Africa | 103 | 123 | 226 |
| Sri Lanka | 42 | 39 | 81 |
| United Kingdom (b) | 2,305 | 2,043 | 4,348 |
| USA | 203 | 226 | 429 |
| Viet Nam | 181 | 214 | 395 |
| Born elsewhere overseas | 1,512 | 1,547 | 3,059 |
| Not stated | 1,379 | 1,489 | 2,868 |
| Overseas visitor | 464 | 521 | 985 |
| | | | |
| *Total* | *27,850* | *30,454* | *58,304* |
| | | | |

*Source: ABS Census 1996.*

(a) FYR = Former Yugoslav Republic

(b) Comprises England, Scotland, Wales, Northern Ireland, Channel Isl. And UK and Ireland.

The characteristics of the population changed during and after the 1960s in other respects, when professionals, academics and students moved into the suburb. The attractions of the municipality were its proximity to the city, historic

townscape, harbour views, and universities (the University of Sydney, Sydney College of Arts and University of Technology Sydney). An influx at the beginning of the 1970s continued this change in population characteristics and, as table 3 shows, the process is continues. Moreover, the new residents grew to appreciate the values of the existing physical fabric of the Municipality, an appreciation that has been fuelled by local societies across a number of inner Sydney suburbs, not only in Balmain but also Paddington, Glebe, Annandale and so on.[5] As a result there have been well-organised and articulated protests against many of the threats to the municipality on a very wide range issues, such as the need for better facilities and more open space and, most recently, the issue of aircraft noise. The issue of rezoning the five sites in Balmain was one such issue, and was further fuelled by the intervention of the Minister for Planning, as this was seen as a threat to these local groups' control over their own neighbourhoods and the historical and other values they had come to embody.

***Table*** 3: Numbers of Person by Occupation in LGA Leichhardt, Census 1986 and 1991

| | Census 1986 | Census 1991 |
|---|---|---|
| ***Managers and administrator*** | ***1766*** | ***3155*** |
| ***Professionals*** | ***7754*** | ***8905*** |
| ***Associate Professionals*** | ***1819*** | ***2240*** |
| Trades-persons and Related Workers | 3005 | 2593 |
| Advanced Clerical and Service Workers | 2039 | 1987 |
| Intermediate Clerical, sales and Service Workers | 3281 | 3702 |
| Intermediate Production and Transport Workers | 2234 | 1504 |
| Elementary Clerical, Sales and Service Workers | 2935 | 2684 |
| Labourers Clerical, Sales and Service Workers | 2448 | 1773 |
| Inadequately described | 453 | 285 |
| Not stated | 281 | 1254 |
| *Total* | *28,015* | *30,082* |

Source: *ABS Data Census 1986* and Census 1991 CD Rom (the 1996 Census Data Occupation is not available yet).

[5]This sense of appreciation toward a value of the character of the area is evidenced by the capacity of the resident groups to mobilise support for public space, financial resources and so on.

*Balmain*

When Thomas Mort built a dry dock on the foreshores of Sydney harbour, at the head of Waterview Bay, the suburb of Balmain entered the industrial revolution of the 1860s.[6] Balmain first developed in the nineteenth century as an industrial suburb, with workers living close to wharves and factories and the owners of industry living in sand-stone mansions. All sections of industry lived in close proximity. Around the industries, tradesmen's terraces and small labourers' cottages sprang up.[7] Along the foreshore and close to the boatyards, proprietors built sandstone mansions. The unique Balmain village within the city of Sydney was born. In 1910, Balmain was proclaimed in the souvenir booklet celebrating the fiftieth Anniversary of the Municipality of Balmain,[8] as "...the chief industrial centre of the metropolis." The unofficial population had reached its zenith at 34,000 residents.[9] Over the next fifty-five years it lost one third of its residents until it reached 24,000 in 1966. During the next twenty years it plummeted another third to bottom out at 14,000 in 1986.

***Table 4***: Population Trend Balmain Peninsula Census 1911-1996

| | 1911 | 1921 | 1933 | 1947 | 1966 | 1986 | 1991 | 1996* |
|---|---|---|---|---|---|---|---|---|
| Balmain | 32,038 | 32,104 | 28,272 | 28,398 | 24,000 | 14,000 | 17,000 | 18,261 |

Source: *Australian Bureau of Statistics Censuses* (ABS).

* Balmain and part of Rozelle (the Balmain Peninsula contains the census district of Balmain and part of Rozelle).

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[6]Nick Masterman, *Urban Neighbourhood,* unpublished report, 3 June 1991.

[7]*Ibid.*

[8]Booklet of the 50th Anniversary of the Municipality of Balmain. p. 79. See also Lesley Lynch, "T.S.Mort, His Dock and Balmain Labour", in Max Kelly (ed.), *Nineteenth-Century Sydney*, Sydney: Sydney University Press, 1975, pp. 81-94.

[9]Census figures for the Hamlet of Balmain are: 1951 (1,397); 1856 (2,224). For the Municipality of Balmain: 1861 (3,482); 1871 (6,272); 1881 (15,063); 1891 (23,475); 1901 (34,000).

Balmain was established as a place where people both worked and lived. They developed a very strong sense of community, reinforced by family and cultural ties focused on the locality.[10] Until the early 1950s, land use change in the inner suburbs was slow and discrete, occurring by degree, and typified by the change of use from one type of industry to another or the change of use from one type of shop or office to another. Often houses were demolished to make way for factory extensions but rarely were factories demolished to make way for housing. The 1960s saw the advent of the walk-up flat building which led to demolition of more houses and, occasionally, factories, but essentially the mix of residential and industrial uses continued.[11]

Like many inner city areas, Balmain has experienced gentrification over the past thirty years as harbourside industries have been restructured or relocated to cheaper land on the urban fringe and young professionals and service personnel have replaced the original blue collar population. The largely terrace housing has been renovated and restored, with its historical values being highly prized by middle-class professionals. Waterfront views and accessibility to the city have added to the suburb's attractions for the well-off. The suburb is only five minutes from the city by ferry.

The suburb was built in the nineteenth century before the advent of motorcars in Australia. Small streets and pedestrian walkways dominated the area. The population generally had a very strong sense of community, reinforced by family networks and a strong sense of place with its own local culture.

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[10]Balmain is one of few iconic suburb in Australia. See Tim Bonyhady, "The battle For Balmain", in Patrick Troy, *Australian Cities: Issues, strategies and Policies for Urban Australia in the 1990s*, Melbourne: Cambridge University Press, 1995, p. 114.

[11]Leichhardt Municipal council, *Report on The Proposed Rezoning of The Five Sites,* Town Planning Department, August 1990, pp. 5-10.

However, times changed, and the community became more fragmented in the early twentieth century because industries disappeared or declined as restructuring took place within the Australian economy. The first of the industries, coal mining, was one of the first to decline and was being phased out by 1928.[12]

Thus the character and composition of the population and the built environment have undergone sweeping changes in Balmain over a long period of time. First, came industrial decline, with consequent depopulation. In the period after World War Two, Balmain was among those areas of Sydney likely to be classified as "slums". Traditional residents were often happy to sell up and move out, and this trend increased as the "baby-boom" generation began to look on Balmain as a desirable place to live from the 1960s and 1970s. Balmain became a trendy suburb. Among the first who came to the area were academics and artists, many of whom were entranced by the quaint little houses, the cosmopolitan atmosphere, the water views and the proximity to the city. In 1970s, much of the terrace housing underwent restoration and renovation. By the 1980s, Balmain's sandstone mansions were attracting attention from the rich as an alternative to other, more traditional affluent suburbs such as Mosman on the North Shore. Nick Masterman, a Leichhardt Municipal councillor in the early nineties, has stated that there were three steps to changing trends in the Balmain area. Nick was born and grew up in Balmain on Long Nose Point and through his local involvement has been an attentive observer of the Balmain community. He felt that Balmain has now become an "affluent" residential area.[13] So while the population declined, its standard of living and the character of its life-style changed markedly. The number of cars in Balmain in 1971 stood at 7,850 - just

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[12]*Ibid.*

[13]Interview with Nick Masterman.

0.66 vehicles per household - but by 1986 this had increased to 12,500, or 1.04 per household.[14] Not unsurprisingly, traffic congestion is a growing problem that affects the amenity and life-style values imported by the new middle-class residents.

The effects of land use and population change are evidenced by a change in the character of local business centres towards more specialised retail and commercial services, reflecting greater community affluence, as well as significant increases in rents and residential property values. For example, Nick Masterman stated that he bought his house in the waterfront area of Numa Street on Long Nose Point in 1975 at a cost of $75,000. This house has recently been valued at $1 million.[15] Another example is the Howard Smith Site in Birchgrove Road which sold for $4.75 million in June 1987 to Robert Hampshire, then re-sold to Louisa Bay for about $22.5 million in 1989.[16] At a political level, there has been increased concern by local residents regarding over-development issues, with increased residential participation in local government affairs.

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[14]Commissioners of Inquiry for Environment and Planning 1991, P. 65.
[15]Interviewed with Nick Masterman (one of alderman of Leichhardt Municipality) in November 1994. He died January 1995.
[16]*The SMH*, 29 December 1992.

*Table* 5: Balmain Peninsula Residents' Occupation in 1991

| | 1991 (%) Balmain | 1991 (%) Rozelle |
|---|---|---|
| Managers & administrators | 17.2 | 13.2 |
| Professionals | 31.7 | 26.5 |
| Para-Professionals | 6.4 | 8.1 |
| Trades person | 6.1 | 8.3 |
| Clerks | 12.9 | 15.0 |
| Sales & Personal services | 12.8 | 12.5 |
| Plant and Machine operators | 2.2 | 3.0 |
| Labourers and related workers | 5.9 | 7.8 |
| Inadequate described | 0.9 | 0.7 |
| Total (including not stated) | 3.8 | 4.9 |

***Sources***: *ABS 1991 Census of Population*,
Small Area Data based on Post Code. Data Census 1996 for small area by occupation is not available yet.

The closure over time of most large-scale industries due to technological change, relocation of wharves and the availability of cheaper, more accessible industrial land on the urban fringe, encouraged the gentrification process from the 1960s on. The suburb, despite lingering signs of its industrial past, became largely residential. The five sites in Balmain which covered 23 hectares (7 per cent of the peninsula) made Balmain a centre of Australian manufacturing in the past.[17] The Caltex plant at Ballast point was the company's largest oil and grease plant in Australia.[18] At this moment, this site is the only one which still operates. The Unilever site, which was used for the largest soap factory in the southern hemisphere was closed in 1988. Ampol made its former headquarters on White

[17]Tim Bonyhady, "The Battle for Balmain", in Patrick N. Troy (ed.), *Australian Cities: Issues, Strategies and Policies for Urban Australia in the 1990s*, Melbourbe: Cambridge University Press, 1995, p. 112. See also Leichhardt Municipal Council, *Report of Rezoning five sites in Balmain,* 1991.
[18]Leichhardt Municipal Council, Report of Rezoning of Five Sites in Balmain., 1991.

Bay just a distribution point for its refinery in Queensland before finally closing it down in 1993. The Chemplex's plant at Iron Cove, owned by Kerry Packer when the conflict to be discussed occurred, was the site of an important first industrial chemical factory in Australia. This factory stopped production in 1989. Next to the Chemplex site was the Balmain power station which stopped producing electricity in 1972 and was decommissioned in 1976.[19] Former industrial land lay vacant, ripe for redevelopment and eligible for medium-density residential usage under recent state government urban consolidation policies.

Thus the Balmain peninsula, with its unique locational, topographical, historical and aesthetic qualities, and its supply of developable foreshore and industrial land, became a major focus for residential and associated development. Conflicts were generated, however, between those wishing to develop these industrial and waterfront sites for high-density housing and those residents who wanted to develop the sites less intensively with a mix of green space and low-density housing.

*Politics in Balmain*

Balmain is a Sydney suburb with a carefully preserved memory of its past working-class and radical political tradition.[20] The suburb was an industrial area and in conjunction with this, had a strong working-class community. The working-class in Australia has been distinct and well organised since the 1850s. Their attitudes and politics were visible, so that by the 1880s there were organised attempts to take exclusive control of local politics away from the

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[19]*Ibid.*

[20]Lesley Lynch, "T.S. Mort, His Dock and Balmain Labour", in Max Kelly (ed.), *Nineteenth-Century Sydney*, Sydney: Sydney University Press, 1975, p. 81.

"bosses".[21] But as an industrial area, Balmain was not a suburb which could be called a "working-class ghetto". Balmain was a suburb which had representatives from all classes. Though predominantly working-class, it had a significant number of "gentlemen", industrialists, merchants, professionals, and sea captains, and solid representation from the middle class in the form of retailers, publicans, estate agents, small-time contractors, teachers and the like.[22]

The electorate of Balmain,[23] now abolished from the state electoral map as a result of a 1991 electoral redistribution, has always been part of the Australian Labor Party's heartland. It is where the first Labour Electorate League was established.[24] Balmain was where the ALP leader and prime minister Billy Hughes once ran his umbrella shop.[25] Herbert Vere Evatt Labor once represented the electorate, and Tom Uren, the former Minister for Urban and Regional Development in the Whitlam Government and Minister for Territories and Local Government during the Hawke Government, lives in Balmain. Neville Wran, NSW Labor Leader from 1973 to 1986 and NSW Premier from 14 May 1974 to 4 July 1986, was popularly known as a "Balmain Boy".[26] Labor also long dominated local politics. Balmain was for a long time a strong Labor ward in what had traditionally been the predominantly Labor Municipality of Leichhardt.

However, at the state election of 1988, the Labor Party suffered a stunning setback in the state seat of Balmain when popular, charismatic local notable, Olympic swimming star Dawn Fraser, won the seat as an independent candidate.

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[21] *Ibid.*
[22] *Ibid.*
[23] The Balmain electorate and the McKell electorate were redistributed into the Port Jackson electorate. See Government Statistics, State Electorate Office, 1991.
[24] Lynch, *loc.cit.*
[25] *The SMH*, Spectrum, February 1991.
[26] His speech at the Sydney Town Hall, September 1995, to an ALP Congress carried the title "Balmain Boys Never Cry".

Labor's traditional dominance of the locality's politics had received a setback. Indeed, the Labor Party's domination of local council politics had effectively ended during the 1960s as a result of the growing strength of middle-class residents' groups such as the Balmain Association and the Glebe Society.[27] The 1971 elections saw the Labor Party lose control of the council for the first time. The Party had already lost control of Balmain ward to two former left-wing party members, Nick Origlass and Issy Wynner,[28] who had been expelled from the party in 1967 for breaking rank with the council caucus over a development issue in the Balmain ward. Origlass and Wyner maintained their local following, cultivating local residents' votes by siding with them on amenity and anti-development issues. As a result, they were both still ward representatives on the Leichhardt council at the end of the 1980s. A series of scandals and petty corruption allegations had tainted the Party in the eyes of many local residents, and this image still haunted the local Party in the 1980s.

The Labor Party remained an influential force in the municipality, despite losing its automatic majority as new social groups and political forces challenged it. Labor aldermen were predominantly from the party's right wing, and for the most part retained their solidarity as a bloc, while opposition groups were divided, comprising a mixture of environmentalists and resident action

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[27]Andrew Jakubowicz, "A New Politics of Suburbia", *Current Affairs Bulletin*, 1972, 48: 338-351. See Martin Painter, "Local Decision Making in Sydney," *Ph.D Thesis*, Canberra: ANU, 1973. Also see J. Power, "The New Politics in the Old Suburbs", *Quadrant*, 1969, 13: 60-65.

[28]Nick Origlass and Issy Wyner were from an older generation who made an enormous contribution to civic life in the Balmain community. Origlass and Wyner both had a short stint in the Communist Party during Depression, but very soon became aware of the evils of Stalinism. Later they joined the ALP in Balmain. They remained for many years members of the Party until expelled for daring to side with "the people" against a caucus which insisted on allowing a dangerous chemical tank farm to be established in a close-knit community. After expulsion from the ALP, they formed their own party, the Balmain-Leichhardt Labor Party under the slogan "people come first". In coalition with the Campaign for Better Council group on Leichhardt council, Nick was mayor for two of the three years of the coalition's existence. Nick Origlass was a industrial fighter in countless battles for local democracy until the year before he died in 1996.

representatives ("inner city trendies") and more conservative "traditional" independents from the business community who came together to fight the developers. The Labor Party became a "dirty word" in Balmain. One of the reasons for this, mentioned many times by residents, was because of alleged corruption in the Labor Party and because a right-wing group dominated the Labor councillors on Leichhardt council.[29]

The council that was elected in 1988 was divided equally between two blocs, one of them led by Labor leader Bill Brady. In 1989/90, Issy Wyner was Mayor, but in the 1990/91 mayoral election, Bill Brady won the position. The mayor of Leichhardt Council is elected by the twelve Councillors every year, and in the event of a tied vote, the candidates' names are placed in a hat, and a draw is made. Bill Brady's name was drawn out of the hat.

The Labor group was less hostile to redevelopment on the five sites than were some other members of council, though they were keen not to appear to be bowing to outside pressure. The disputes over the five sites were intense, and created new divisions within the council as the confrontation with the state government grew.[30] Left-leaning caucus members, such as Alderman Kate Butler, broke rank. Some independents on occasion drew back from the brink and sided with the mayor's group in search of a compromise. Defections from both sides and the rapidly changing circumstances of the issues created an environment of unpredictability, with frequent reversals of previous decisions and a continual sense that issues were never settled. This lack of stability encouraged the state government to intervene, both because a firm decision on developments was never forthcoming and because such intervention, including veiled threats of

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[29]Discussion with Curtis Levy, a Balmain resident.

[30]During the period of this study, the state government was led by Liberal Premier Nick Grainer from 1988 to 1991, and then by John Fahey from 1991 to 1995.

wholesale dismissal of the council, put intense pressure on individual aldermen to back down from opposition to proposals. However, for the most part during 1990 and 1991, the "anti-development" forces were in the ascendancy, backed by strong grass-root support proven by including large public meetings.

The rezoning of the five sites in Balmain became the central issue of local council elections in September 1991. The most prominent and best organised independent candidates were strongly anti-development and anti-Labor. Several, such as Helen Styles, Nick Masterman, Keith Hatching and Sue Stock, were active in residents' groups which were fighting, as they saw it, for the Balmain cause.[31] Electors across the municipality were mobilised to defend the local area and "local democracy" against state intervention and big business. Only four Labor candidates were successful, along with one Liberal. Most of the rest were identified strongly with the anti-development movement. Indeed, such was the groundswell of local opinion that all those on the 1991 council, including the Labor representatives, represented themselves as being on the side of the residents in the conflict, and as hostile both to those who wanted to build high-density housing and to the state government. The Mayor, Bill Brady, lost his seat on council in the September 1991 election primarily because of his support for the developers and for welcoming the Minister's appointment of a Planning Administrator. After the election, the remaining Labor aldermen, although still meeting as a group, attempted to shed the image of the old-style Labor caucus and represented themselves as "citizens' representatives" rather than as "party hacks". Larry Hand, an independent[32] from the Annandale/Glebe ward, was

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[31]Helen Styles and Nick Masterman lived in waterfront homes just around the corner from Long Nose Point in Balmain.

[32]Larry Hand calls his party "Community Independents", and describes his politics as "Left". Interview with Larry Hand, November 1991.

elected mayor and retained that position until 1995. He took up the fight against the proposed developments.

In the complex and heated climate of Leichhardt's local politics, "left" and "right" had confused and mixed meanings. Labor's local machine, of which Bill Brady was the inheritor, was clearly identified as "Labor right", yet council's caucus contained some Labor left members.[33] Local amenity and environmental issues divided both left and right factions in the Party. Balmain's trendies were not, as a group, part of the Labor tradition but several, as individuals, appeared with the ranks of the left, espousing radical environmental and democratic ideals. Origlass and Wyner, old Labor left stalwarts, had sought to incorporate residents' interests and "urban environmentalism" in their ideological camp. Yet Balmain's residents and anti-development supporters were solid property-owning, respectable, professional, middle class citizens.

One thing united most local factions and interests: hostility to the state government's urban consolidation policies and its intention to impose them on Balmain by overriding the local council's powers. In 1988-1995 this government was Liberal and pro-business. Its privatisation and "small government" policies encouraged local activists and political leaders to identify themselves with "the left" against "the right," but these terms clearly had little bearing on the cross-

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[33] "Left" and "right" in the Labor Party have complex connotations. The right used to refer to the "Officers' Group" or "Centre Unity", as its faction was variously known. The "left" faction of the ALP in NSW for example was known as the "Steering Committee" prior to 10 November 1989 and the NSW "Socialist Left" after that date. Formed in the mid-1950s the Steering Committee was essentially an umbrella group for a range of people who opposed right-wing control of the ALP. This meant that in ideological terms, members of the Left were spread across a broader spectrum than members of the Right. But by the time of the 1971 Conference, three groupings had formed within the Left: those who favoured compromising with the Right (and who were later to become supporters of Jack Heffernan); supporters of Arthur Gietzelt who were more hardline and lest inclined to compromise with the Right, and the Socialist Left, which was primarily made up of student radicals, ex-students and Trotskyists. After the demise of the Democratic Labor Party in 1974, the Steering Committee lost its original raison d'etre (to oppose the Industrial Groups), and became more of a left-wing organisation.

cutting issues and the substance of the debates over development and amenities, although mayor Larry Hand was prone to identify his group as the "left-wing group".[34] In his opinion, the most important agenda relating to the Balmain was to preserve Balmain from over-development by outside big business interests. The developers got support from the NSW state government under the guise of the state policy of urban consolidation. The residents' groups, after the 1991 local government election, got the full support of the council to oppose these business corporations and the state government policy of urban consolidation.

The most frequently mobilised and most effective ideological theme in the local conflict was the defence of "local democracy" against both "big government" and "big business". This was espoused along with the issue of citizen participation, a theme somewhat distant from the traditional left-right divide. In one respect, this was also combined with an anti- "big party" position. Labor's machine, and the Labor Party itself, was also in some respects an "outside force" to the extent that it imported non-local considerations and concerns, and prevented local representatives from acting directly for their electors as residents. The post-1991 council was aggressively "local" in all respects, and this included the Labor members who, as has already been pointed out, did not conform with traditional caucusing practices. One independent alderman, Nick Masterman, stressed the importance of this localist perspective in contrast to party government: "Aldermen who are elected by the people must enjoy a degree of freedom to support the people's view rather the party's view".[35]

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[34]In an interview with the author Larry Hand, Mayor of Leichhardt 1991-1995, argued that the left wing ideology of most aldermen on Leichhardt Council after the election of 1991 had driven the local council to oppose the National/Liberal Coalition government and its Minister of Planning, Mr.Webster. Larry Hand also typified the independent aldermen as "left wingers". (Interview in December 1991).

[35]Interviewed with Nick Masterman, November 1993.

*Rezoning in Balmain*

Rezoning proposals come in many shapes and sizes. The amount of land involved, the current zoning policies and the nature of the requested new zoning are factors that may affect a governing body's response to proposals.[36] Public officials may hesitate to rezone tracts of substantial size. Larger areas may also be more likely to generate citizen protest.

In the case of rezoning in the Balmain peninsula, rezoning proposals for the five derelict industrial and waterfront sites were submitted between April and November 1989. The owner of the Ampol site lodged a development application in April 1989. In June 1989 so did the owner of the Balmain power station, as did in July 1989 the owner of the Unilever site followed in August 1989 by the owner of the Monsanto site. The owner of the Caltex site lodged its application in November 1989. The owners applied to rezone the land for residential and light industrial purposes. The consequences of each of the applications for its immediate area would have had significant planning implications individually. However, collectively the applications would have had considerable significance on the peninsula for such infrastructure services as roads, parking and recreation. Thus, the council was suddenly confronted with development proposals for about 2,300 extra people and about 1,500 extra cars.[37]

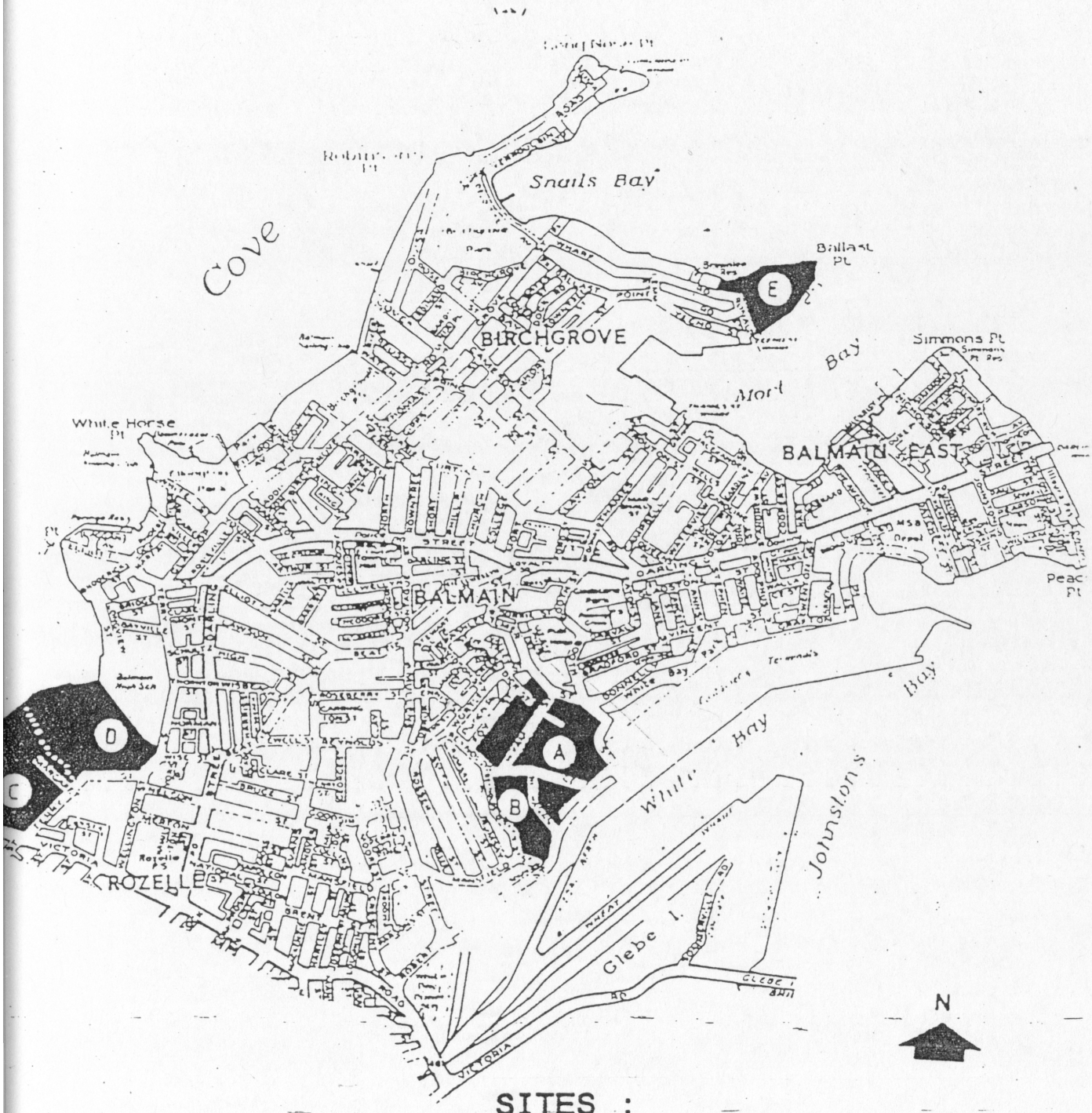
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[36]Richard F. Babcock, *The Zoning Game: Municipal Practices and Policies,* Madisons: University of Wisconsin Press, 1966, pp. 30-40; 140-144.

[37]Interviewed with Aldermen Helen Style and Ald. Nick Masterman. Both of them concerned about traffic congestion.

The rezoning proposals were as follows:

Locality Map of Balmain Suburb:



*Unilever site* (owned by Leda Holding Co.), area 6.34 ha: proposed rezoning from "4(a) waterfront, industrial" to residential and special industrial to accommodate 89 Torrens title residential lots, a medium density development comprising 50 units, and approximately 33,000m$^2$ of hi-tech industrial, commercial and warehouse floor space, including the conversion to this use of a number of historically significant buildings.

*Ampol site* (owned by Leda Holding Co.), an area of 2.08 ha: proposed rezoning from "4(a) waterfront, industrial" to "residential" and "special industrial" to accommodate 10 torrens title residential lots and approximately 18,000m$^2$ of industrial, commercial, and warehouse floor space.

*Balmain power station-site* (owned by the Ellectricity Commission), an area of 5.9 ha: proposed rezoning from "5 (a) special uses 'A' generating works" to "residential", including medium density residential, also allowing certain non residential uses - a hotel, commercial offices, dry berth marina, open space and a landing base for Cockatoo Island. On 5 June 1990, this was amended to include "residential", "commercial", 5000m$^2$ of retail, marina, and shore base. The site proposed 500 residential units; a 200 berth marina; free standing commercial office development and small scale retail (5000m$^2$), 600 space car park as a shore base for possible redevelopment of Cockatoo Island; and open space of 17,000m$^2$.

*Monsanto site* (owned by Kerry Packer), an area of 5.7 ha: proposed rezoning from "4 (a) waterfront industrial" to "residential" to accommodate residential development at 2 (b3) density and open space. The site will contain 346 large dwellings divided into 283 x 3-bedrooms, and 62 x 2-bedrooms. The development will be in 10 buildings to include two rows of five buildings along the waterfront section of the site with have seven levels on one step and three levels on the other, and a parking lot at the rear. The other buildings were three 7 storey flat buildings in the middle of the site including rooftop tennis courts and parking within the building; and two 3 storey terraced blocks fronting Terry Street, incorporating parking; another rooftop tennis court was to be located in the south-east corner adjoining the High School.

*Caltex site* (owned by Caltex), an area of 2.6 ha: proposed rezoning from "4 (c) waterfront, industrial" to "residential", to accommodate residential development, in excess of 2 (b2) density, and foreshore. The proposal for the Caltex site included 163 large units in 18 blocks comprising a mix of 2,3 and 4 bedroom flats. The density equated to 208 person per hectare. It also included 83 berth marina. Open space would be around 4,380 m$^2$ of the land.

The social and physical character of Balmain (and indeed Sydney) derived from strong street patterns, and the placement of houses and entries to houses from streets. Commonly houses have street addresses, letter boxes, and equal access to garbage pick-up, deliveries, taxi pick-up etc. These proposals break significantly with urban and suburban precedents in the creation of an enclave which in these cases has the potential for conflict between enclave residents and non residents. The reluctance to provide an unambiguous access through the sites to the waterfront area, suited for cycling, and the departure from design principles that have characterised the freedom of movement of people (on foot, bicycle or the vehicle) were among the residents' concern about the redevelopment.

In September 1989, Leichhardt Council resolved to prepare draft Local Environment Plans for the Ampol/Unilever, Balmain power station and Monsanto sites according to s.54 (4), for forwarding to, and approval by, the Department of Planning.[38] Then, in November 1989, the Department of Planning notified the council that an environmental study was not required in respect of the Balmain power station and Monsanto sites. At the same time, the council was notified that the Department of Planning had agreed that an environmental study under s.57 was not required in respect of the Ampol/Unilever site.[39]

The conflict over the five sites was intense. In the early 1980s, Sandercock stated that governments could not radically increase the densities of Australia's cities without significant opposition from existing residents.[40] In Balmain, local residents wanted to protect their amenities and property values by arguing in

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[38]S.54 (4) of EPA Act. 1979 states " A council or councils, as the case may be, shall inform the Secretary of the decision to prepare a draft local environmental plan and of the land to which it is intended to apply".

[39]EPA Act.1979, s.57 (1-5).

[40]Leonie Sandercock and Michael Berry, *Urban Political Economy the Australian Case*, Sydney: Allen and Unwin, 1983, p. 6.

favour of keeping the densities of the redevelopments as low as possible and forcing the developers to provide as much public open space as possible. On the other hand, the owners of the land wanted to redevelop their land as intensively as possible for maximum commercial advantage. Meanwhile, local and state governments were at loggerheads over the issue. As already pointed out, initially the local council was internally divided between a self-styled "left" group, which opposed high density development, and the "right", which was pro-development, with power see-sawing between the groups. But after the 1991 council elections, the local residents had the support of the Leichhardt Council in trying to preserve Balmain from over-development.

Mr. Webster - the NSW Minister for Planning - had seemingly been on the side of the developers in the conflicts, arguing that the redevelopment of the five sites as proposed by the developers was consistent with its policy of urban consolidation. State ministers and cabinet had been quick to take special measures to try and have the developments proceed, such as removing the planning powers of the Leichhardt Council in particular, and the powers of local governments in general under their planning laws, despite local objections and the resistance of the council. The consequence was a long, drawn-out conflict among interest groups and between the two levels of council and state government, extending over five years from 1989 to 1995.

*Rezoning: The Developers, the Leichhardt Council, Residents' Groups and the State Government*

Planning legislation in New South Wales is based on the presumption that the basic planning instrument is a local council's comprehensive plan for its area. This is drawn up after examining the inter-relationships between different forms of land use, and is adopted following public exhibition, the hearing of objections

and inspection by the state level planning authority to ensure conformity with state and regional planning policies.[41] The drawing up of a local environmental plan is a long and complex process. Particularly in the case of major redevelopment proposals, where rezoning is required, other procedures may be necessary. Councils may initiate their own variations to local plans, which follow the same procedure. Each of the developers in this case sought a specific rezoning decision covering just their own site, that is, a revision of an existing local planning scheme, without a new one being drawn up. This type of rezoning has been common in most municipalities and is envisaged in the legislation, but is often resisted, as in this case, on the grounds that it is piecemeal and might result in adverse cumulative effects that a more comprehensive process would foresee and seek to avoid.

The Minister and his planning officials pushed the council to process the applications and set the process of rezoning in motion. Leichhardt Council exhibited the plans for each of the five sites in November/December 1989 ie. the formal exhibition of a Draft under s.66 of EPA Act. 1979), shortly after the receipt of the last of the rezoning application, and the plans remained on informal exhibition until May 1990. However, the exhibition did not reflect the council's views of the rezoning, as would be the case in a normal public exhibition for a local environment plan or variation. The exhibition of the rezoning and development proposals for the five sites in Balmain merely expressed the developer's vision. However, the exhibition for public comment offered the same chance for participation by residents as did any exhibition of a plan or variation.

The rezoning submissions generated a large number of objections, particularly in respect to the Caltex, Ampol and Unilever proposals. Residents

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[41]EPA Act 1979.

and others raised a number of pertinent issues including traffic, density, built form and the provision of open space. One hundred and seventy nine individual submissions were sent to the council from residents regarding the proposed rezoning of the five sites.[42] One petition signed by nine residents from Margaret Street, Rozelle, was also given in response to the exhibition. Issues raised in the residents' submissions related both to site specific matters such as traffic, development intensity and social or economic impacts which had to be viewed in the broader context, and to general planning issues. A number of residents also suggested that council should take a more strategic approach on the rezoning sites. Among organised groups making submissions were the Snail Bay Residents' Group; the Unilever/Ampol Residents' Group; the Balmain Association; the Mort Bay Action Group; the Balmain United Residents' Strategic Task Force (BURST); the Sydney Harbour Foreshore Committee; and the Combined Pensioners' Association of New South Wales.

In a letter of 2 May 1990, a number of groups, under the banner of "Combined Residents' Groups" advised the Mayor of Leichhardt Council, Ald. I. Wyner of their meeting in May 1990, when they resolved to seek a moratorium on the rezoning of the five sites.[43] The groups were the Balmain Association, the Howard Smith Residents' Group, the Snail Bay Residents' Group, and the Unilever/Ampol Residents' Action Group. Furthermore, they requested that the council undertake no rezoning of any sites during the period of the moratorium. They declared that in view of the extent of the proposed developments, a new overall plan for the peninsula was now imperative, stressing that this new plan would determine the rezoning of land for the entire peninsula, including the five

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[42]Report for Leichhardt council, *Rezoning of Five Sites in Balmain*, December 1990.
[43]A report by Alderman Nick Origlass on the Fate of Balmain Peninsula, May 22, 1993.

sites.[44] They emphasised that the development of the Local Environmental Plan (LEP) for Balmain peninsula should take into account the combined impact of current and potential development sites and traffic densities and flow; parking; the availability of useable, public, open space (which they argued must be substantially increased); the preservation of foreshore areas with public access; chemical detoxification of the sites; height restrictions; and construction restrictions and embargos, including control of trucks and demolition methods, noise levels and working hours.[45]

In response to this submission, the following motion was moved by Aldermen Origlass and Leone at the council meeting of 15 May 1990:

> "council is aware of the quickly developing crisis overtaking the residents of the Balmain peninsula, the elements of which are: Sydney's inadequate transport, the greatest maximisation of land use in Balmain's history, the general desire to maintain the nature of the peninsula, the incompatibility with this putting further pressure on the peninsula's street system, the present unsatisfactory access to and egress from the peninsula, to be made intolerable by the quantum of large new developments now envisaged; council's reaction to the Snails Bay Residents' Group were positive to serve the general interests. Council endorses their proposal now backed by the Balmain Association, Howard Smith Residents Group and Unilever/Ampol Resident Action Group for a moratorium on rezoning of all the development sites on the peninsula in advance of establishment of a Local Environmental Plan (LEP). This resolution to be now conveyed to the Planning Authority to organise financing of same as indicated by the Snail Bay Committee."[46]

This resolution was carried by a show of hands: eight votes for and three against.[47] Thus, on the meeting of 15 May 1990, the council, under Mayor Issy Wyner, resolved to impose a moratorium on four of the five sites for an indefinite

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[44]*Ibid.*
[45]Interview with two residents in Balmain, Mr. Val Hamy of the Balmain Association Inc., and Christine Olsen of Birchgrove Rd.
[46]Origlass, *Newsletter*, 1990, p. 4.
[47]Leichhardt council Minutes, May 1990. See also Origlas Newsletter.

period.[48] There was a heated debate between anti-development independents and the endorsed Labor Party candidates.[49] A week later, at the council meeting of 22 May 1990 a rescission motion signed by Aldermen Spedding, Smith, Heffernan, Butler, Brady and Thomson appeared on the business paper: "That the motion carried 15 May 1990 supporting the moratorium on the Balmain peninsula for large developments and or rezoning be and is hereby rescinded".[50] In the event, the Brady group on the council did not proceed with their rescission motion, but the council did decide to exclude the Monsanto site from the moratorium. On 12 June 1990 the matter was again debated between the two groups, and the council again resolved to impose a moratorium on rezoning applications for the Balmain peninsula, so that a proper traffic study and assessment of the contamination of the sites could be undertaken.[51]

The developers approached the Minister for Planning, David Hay, to seek his support and intervention, arguing that there had been inordinate delay since the development applications were first submitted. David Hay met with representatives from Caltex, Unilever and Monsanto.[52] It was a sore point with the local residents that the Minister was prepared to meet with and listen sympathetically to the developers but not with them. It must also be recognised that the state government was owner of one of the sites - the former Balmain power station. This makes it unsurprising that the Government shared an interest with the developers and worked closely with them.

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[48]Leichhardt Town Planning Report, 1991 (no date).
[49]*The Sydney Morning Herald*, "Government Orders Rezoning for Housing", 19 May, 1990, p. 3.
[50]*Business Review*, 22 May 1990.
[51]As mentioned by Ross Blunden (Professor of Transport Engineering) in *the Eastern Herald* on 1 November 1990, the data from a traffic study "make it clear that the proposed scale of Balmain redevelopment will compromise heavily trafficked Victoria Road and have a deleterious effect on the environmental amenity of the local area of Balmain". He suggested that "band-aid" solutions to the transport problems were not the appropriate solution.
[52]Interview with John Boyd, legal representative of Unilever and Monsanto sites, (10 December 1993).

The Minister intervened to seek to overcome the council's moratorium. On 15 June 1990 the Minister for Planning, Mr. David Hay, issued a direction under section 55 of the Environmental Planning And Assessment Act 1979 that council fulfil its obligations under section 68 of the Act within 5 weeks. Section 55 states:

> 55. (1) The Minister may direct a council, or 2 more councils jointly, to perform any function conferred or imposed on it or them under section 54 or any other provision of this division within such time or period as is specified in the direction.
>
> (4) Following the direction to prepare a draft local governmental plan, the council or councils shall, subject to and in accordance with this Division prepare the plan.[53]

The Minister's direction was in the following terms:

> I, the Minister for Local Government and Minister for Planning, in pursuance of section 55 (1) of the EPA Act 1979, direct the Leichhardt council to perform all its function under section 68 of the Act in respect of the draft local environmental plans referred to in the schedule, and to submit the said plan to the Secretary of the Department of Planning in accordance with that section, within five weeks of the date of this section.
>
> Dated at Sydney this 15th of June 1990.
> David Hay
> Minister for Local Government and Minister for Planning.[54]

The effect of this was to require council to draft its own local environmental plans for the Ampol/Unilever, Balmain power station, Monsanto and Caltex sites and to submit them to the Department of Planning in accordance with section 68 within five weeks, ie. by 21 July 1990. Because of the impossibility of completing a quality report on the rezoning proposals within the

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[53] EPA Act. 1979, s. 55.
[54] Court Appeal, 21 February 1991.

five week period, the Minister informally extended the period for the preparation of a report and a planner was seconded to the council from the Department of Planning to assist in the report preparation. The five Local Environmental Plans (LEPs), totalling almost 200 pages, were completed in August 1990 and submitted to the council for approval. The August 1990 council Planners' Report states:

> ... the proposed LEPs aim to simplify the density control by way of FSR (Floor Space Ratio) and to achieve a level of development which is commensurate, in terms of density, scale and bulk, with the existing pattern of development on the Balmain peninsula. In all instances the densities recommended for the sites are likely to generate on-site populations which are in excess of the prevailing local population densities. The proposed standards are, therefore, in keeping with the State Government's Urban Consolidation Policy. [55]

The council met on 23 August 1990 in the Balmain Town Hall, in the presence of 500 Balmain residents, to consider the report from its planners.[56] The residents groups called on the council to hold a public hearing before proceeding any further. Following consideration of the report council adopted a lengthy resolution which involved among other things, exhibition of the draft LEPs under section 66 (3) of the Act and the conduct of a public hearing under the provisions of section 68 of the EPA Act, which related to consideration of submissions. In other words, not only was there still no decision on the rezoning, the council was refusing to submit to the Minister the plans that had been prepared under his instruction. The council's resolution was communicated to the rezoning applicants and the Department of Planning on 24 August 1990.

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[55]Leichhardt Municipal, *Report for Rezoning Five Sites in Balmain*, December 1990.
[56]*The Glebe*, August 1990.

*The Planning Administrator*

In response, however, the Minister for Local Government and Planning, Mr. David Hay, appointed a Planning Administrator under section 118 of the EPA Act:

> As a consequence of the failure of the council of the Municipality of Leichhardt to comply with, carry into effect and enforce the provisions of the EPA Act, I, David Hay, the Minister for Planning, consider it proper, with the concurrence of the Minister for Local Government, by this order made in pursuance of the section 118 of the EPA Act, to appoint Sean Lawrence O'Toole, an officer of the Department of Planning, to administer all the functions conferred or imposed on the council of the Municipality of Leichhardt by or under the EPA Act for that part of the municipality which is bounded by on the south, by Victoria Road and lies between Iron Cove Bridge in the west and Glebe Island Bridge in the east.
>
> Dated at Sydney this day 30 of August 1990
> David Hay
> Minister for Planning[57]

Although the order for appointment contained no specific references to instances where council had failed to "comply with, carry into effect or enforce the provisions of the Act", it is presumed that the appointment was made as a consequence of council's failure to comply with the Declaration under section 55 of the Act, issued by the Minister on 15 June 1990 - that is, its failure to submit the local environment plan on the five sites.[58]

On 14 September 1990, the Municipal Town Planner reported to the Planning Administrator recommending a course of action for the consideration of

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[57] Judgement, Land and Environment Court,

[58] Government Gazette of the State of New South Wales, 1990, 30 August, 108, p 7841. See also *Glebe,* 5 September 1990, pp. 1 and 2; *SMH*, 1 September 1990, p. 9.

the proposed rezoning. The Planning Administrator resolved in the following terms:

1. That the resolution of the council of 23 August 1990 in relation to the rezoning of the Ampol, Unilever, Balmain power station, Monsanto and Caltex sites Balmain be rescinded.

2. That draft LEPs 76, 77, 78, and 81 relating to the subject sites be exhibited for a period of four weeks in accordance with section 66 (1) the EPA Act.

3. That the matter of the form of further public involvement be considered and determined following the exhibition of the draft plans.

4. That stages 1 and 2 of the traffic study be exhibited with the draft plan.

Consultation with the Balmain community took the form of public meetings where issues such as open space (17 October 1990), density/urban design (19 October 1990), traffic (24 October 1990), environment (contamination, 26 October 1990)[59] were discussed in small group workshops. The issue workshops were attended by the Planning Administrator, the Municipal Town Planner, members of the Town Planning Department, representatives from resident action groups, and representatives from the Department of Planning. Some meetings were also attended by representatives of the Institute of Architects, the Institute of Landscape Architecture, the Hunters Hill and Concord councils, the State Pollution Control Commission and the Roads and Traffic Authority. Beside that, a series of informal meetings were also held between the Planning Administrator, members of Town Planning Department and applicants for the sites. Those meetings addressed matters of land use, site density, traffic generation and provision of open space.

The residents' and groups' proceedings addressed the issues of traffic, open space, contamination, density and loss of employment opportunities. The

[59]Leichhardt Municipal Council, *Leichhardt Town Planning Report*, July 1991.

proceedings also cited opposition to the removal of council's planning powers and the appoinment of a Planning Administrator. Recommendations as follows:

1. That a planning inquiry should be instigated and a moratorium on development imposed until an inquiry is completed.
2. That some of the workshop sessions were conducted during working hours and prevented wider resident attendance.
3. That there is limited experience within the Town Planning Department regarding larger rezoning proposals.
4. That the appointment of a Planning Administrator provides a link between local and state levels of government and should produce some better solution of the rezoning five sites.

The issues raised for discussion at the target group meetings tended to focus on the issue areas relevant to the groups. The community interest groups showed a high level of concern for quality of life. Recommendations about issues affecting residents and the general community included[60] :

a. *Public views*, given the particular nature of the site public views across the river should be substantially retained for the amenity of the future generation, and that these views be nominated as belonging to the precinct, and the environmental heritage of Sydney.

b. *Transport and traffic*, the increase in traffic generated by the proposed development needed comprehensive traffic management action.

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[60]These are the author is notes from attending many community public meetings in Balmain Town Hall, Leichhardt Town Hall, Birchgrove Public School and a community organised campaign cruise around Balmain waters in August 1992. The size of meetings varied from just small group meetings with aldermen though most of them were attend by more than a hundred people.

c. *Public open space*, as the highest density suburb, Balmain residents are aware about open space. That public open space is inadequate in its distribution, amount, form and accessibility.

d. *Green design*, that a more environmentally conscious design approach be encouraged in this development of the five sites (involving solar power, natural ventilation, water re-cycling and run off retention, and reduced car journeys).

e. *Marina, concern* that it will become a marina with outside users with resulting parking, noise and servicing. Further, the facility would impinge on the amenity of public open space at the foreshore, with the danger of pollution of Parramatta River.

In general, the thrust of many submissions was that the development and rezoning in the peninsula should pay more attention to the form of development, especially its environmental impact.

*The Administrator Determines*

In December 1990, the council's planning department submitted a report to the Administrator incorporating the four amended draft LEPs. Little was changed from the first report of August except for some slight increases in floor space ratios for two of the sites. Among the proposals were a number of common elements for the five sites[61]:

- Land to be dedicated to council for open space purposes shall also be included in the calculation of floor space area.
- The open space dedication shall be free of cost to council and council may require additional dedication if the open space requirement from the development proposal is greater than the area shown on the zoning map.

[61]Leichhardt Council, *Report for Rezoning of Five Sites in Balmain*, August 1990.

- Without the consent from the State Pollution Control Commission and the Department of Health, and until the condition of the sites has been remediated to their satisfaction, no construction works shall be permitted on site.
- At least 40% of the net residential site area shall be landscaped on the Caltex, Monsanto and Unilever/Ampol sites, and 35% of the Balmain power station site.
- Clear and unambiguous public access shall be available through the land to the foreshore open space in the Caltex, Monsanto and Balmain power station sites and between White Bay park and Punch Park in the Leda (Unilever/Ampol) site.

The planning administrator determined the zoning shortly after receiving this second report, without a public hearing as had been called for by the council and the residents groups in August. His determination increased the densities for all the sites compared with draft LEP and also the residents groups proposals; and relaxed provisions relating to open space and site contamination.[62] In his proposals he gave Ampol (Table 7) and the Balmain Power Station site exactly what the developers had proposed ( table 8), Kerry Packer's Monsanto site (see table 9).

This is evidence in the following extract from LEP:[63]

DLEP No. 76 - Ampol/Unilever site:

- The plan permits high technology industrial, residential, open space and a limited range of retail activities within the rezoning site area.
- For residential purposes, the floor space ratio shall not exceed 0.8:1 with a maximum of 1:1 for special industry use. The residential Floor Space Ratio (FSR) was increased from 0.7 in the August 1990 Report to 0.8 because of the reduction in amount of land proposed for hi-tech industry on the Leda site and the reduction in the amount of land likely to be subdivided as single lots for development.
- A conservation map was included as part of the LEP.
- Council could grant consent to the use of the heritage buildings for any purpose if it is satisfied that the proposed use would not adversely effect the buildings nor the amenity of the area.[64]

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[62]*Glebe*,12 December 1990, p. 1, 32. See tables 8, 9, 10 and 11.
[63]Leichhardt Council, *Report for Rezoning of Five Site in Balmain*, August 1990, pp. 25-26.

*Table* 6: Leda's Unilever Site - Site Area 4.3 ha (43,000m2)

| | Residents' proposal | Council's Proposal | Decision of Administrator | Developer's proposal |
|---|---|---|---|---|
| A. Gross Floor Space Ratio (on whole site) | 0.5 : 1 | 0.8 : 1 | 0.9 : 1 | 1.0 : 1 |
| B. Floor Space Area 43,000 $m^2$x A | 21,500 $m^2$ | 34,400 $m^2$ | 38,700 $m^2$ | 43,000 $m^2$ |
| C. Number of Unit Yield at 150m2 per unit D : 150m2 | 143 | 229 | 258 | 286 |
| D. Estimated Population at 2.83 Occupancy Rate E x 2.83 | *404* | *648* | *730* | *809* |
| E. Gross Population Density (person per hectare) F-6.1 ha | 93 | 150 | 169 | 188 |
| F. Section 94 Public open Space Contribution at 21 $m^2$per person F x 21 $m^2$ | 8,484 $m^2$ | 13,608 $m^2$ | 15,330 $m^2$ | 16,989 $m^2$ |
| G. Site Area After deduction of Public Open Space 43,000 $m^2$ – H | 34,516 | 29,392 $m^2$ | 27,670 $m^2$ | 26,011 $m^2$ |
| H. Assuming 35 % site area after deduction of public open space would be built on, the building footprint would be I x 35 % | 12,080 $m^2$ | 10,287 $m^2$ | 9,684 $m^2$ | 9,103 $m^2$ |
| I. Number of Stories B : I | 1.77 | 3.34 | 3.99 | 4.72 |

Source: *Report to the Municipality of Leichhardt council*, a Public Hearing into Submissions made in respect of Draft Local Environmental Plans Nos 76, 77, 78 and 81 Balmain peninsula, 1991.

[64] *Ibid*, p. 25.

***Table*** 7: Ampol Site – Site Area 0.72 ha (7,200m2)

| | Residents' proposal | Council's Proposal | Decision of Administrator | Developer's proposal |
|---|---|---|---|---|
| A. Gross Floor Space Ratio (on whole site) | 0.5 : 1 | 0.8 : 1 | 0.9 : 1 | 0.9 : 1 |
| B. Floor Space Area 7,000 $m^2$x A | 3,600 $m^2$ | 5,760$m^2$ | 6,480$m^2$ | 6,480$m^2$ |
| C. Number of Unit Yield at 150m2 per unit D : 150$m^2$ | 24 | 38 | 43 | 43 |
| D. Estimated Population at 2.83 Occupancy Rate E x 2.83 | *67* | *107* | *121* | *121* |
| E. Gross Population Density (person per hectare) F-0.72 ha | 93 | 148 | 168 | 168 |
| F. Assuming 35 % site area after deduction of public open space would be built on, the building footprint would be I x 35 % | 2,520$m^2$ | 2,520$m^2$ | 2,520$m^2$ | 2,520$m^2$ |
| G. Number of Stories B : I | 1.42 | 2.28 | 2.57 | 2.57 |

Source: *Report to the Municipality of Leichhardt council*, a Public Hearing into Submissions made in respect of Draft Local Environmental Plans Nos 76, 77, 78 and 81 Balmain peninsula, 1991.

DLEP No. 77 - Balmain Power Station

- The land is rezoned for residential 2 (b4) and open space 6 on the zoning map.
- Site area has been increased to include most of the road reservation area along Victoria Road.
- The open space shall be along the foreshore with a width varying between 8 m to 70 m.
- Floor space ratio shall not exceed 0.9:1. The reason for the increase from 0.8 (as the DLEP recommended in the August 1990 report) to 0.9 was because the existing site topography presented an opportunity for high density development.
- Council may also grant consent to public car parking; a maximum of 3,000 sq.m gross floor area for shops, refreshment rooms and commercial premises; and a land and marina based service facility for Cockatoo Island on the land zones 2(b4).[65]

[65] *Ibid.*

***Table*** 8: Balmain Power Station Site – Site Area 6.1 ha (61,000m$^2$)

| | Residents' proposal | Council's Proposal | Decision of Administrator | Developer's proposal |
|---|---|---|---|---|
| A. Gross Floor Space Ratio (on whole site) | 0.65 : 1 | 0.9 : 1 | 1.0 : 1 | 1.0 : 1 |
| B. Floor Space Area 61,000m$^2$ x A | 39,650m$^2$ | 54,900m$^2$ | 61,000m$^2$ | 61,000m$^2$ |
| C. Commercial Floor Space Area | NA | 5,000m$^2$ | 5,000m$^2$ | 5,000m$^2$ |
| D. Residential Floor Space Area B-C | 39,650m$^2$ | 49,000m$^2$ | 56,000m$^2$ | 56,000m$^2$ |
| E. Number of Unit Yield at 150m2 per unit D : 150m$^2$ | 264 | 332 | 373 | 373 |
| F. Estimated Population at 2.83 Occupancy Rate E x 2.83 | *747* | *939* | *1,055* | *1,055* |
| G. Gross Population Density (person per hectare) F-6.1 ha | 122 | 153 | 172 | 172 |
| H. Section 94 Public open Space Contribution at 21m$^2$ per person F x 21m2 | 15,687 m$^2$ | 19,719 m$^2$ | 22,155 m$^2$ | 22,155 m$^2$ |
| I. Site Area After deduction of Public Open Space 61,000 m$^2$- H | 45,313 m$^2$ | 41,281 m$^2$ | 38,845 m$^2$ | 38,845 m$^2$ |
| J. Assuming 35 % site area after deduction of public open space would be built on, the building footprint would be I x 35 % | 15,859 m$^2$ | 14,448 m$^2$ | 13,595 m$^2$ | 13,595 m$^2$ |
| K. Number of Stories B : I | 2.5 | 3.79 | 4.48 | 4.48 |

Source: *Report to the Municipality of Leichhardt council*, a Public Hearing into Submissions made in respect of Draft Local Environmental Plans Nos 76, 77, 78 and 81 Balmain peninsula, 1991.

DLEP No. 78 - Monsanto:

- The area is zoned residential 2 (b4) and open space 6 on the zoning map.
- Council may grant consent to the development of land based facilities ancillary to a marina; and not more than 2,000 sq. m gross floor for shops and refreshment rooms within 2 (b4) zone.
- A foreshore open space of 60m wide is shown on the zoning map.
- Floor space ratio shall not exceed 0.8:1.[66]

[66]*Ibid*, pp. 25-26.

***Table*** 9: Monsanto Site – Site Area 5.7ha (57,000 $m^2$)

| | Residents' proposal | Council's Proposal | Decision of Administrator | Developer's proposal |
|---|---|---|---|---|
| A. Gross Floor Space Ratio (on whole site) | 0.65 : 1 | 0.8 : 1 | 1.0 : 1 | 1.0 : 1 |
| B. Floor Space Area 57,000 $m^2$ x A | 37,050 $m^2$ | 45,600 $m^2$ | 57,000 $m^2$ | 57,000 $m^2$ |
| C. Commercial Floor Space Area | NA | 2,000 $m^2$ | 2,000 $m^2$ | 2,000 $m^2$ |
| D. Residential Floor Space Area B-C | 37,050 $m^2$ | 43,600 $m^2$ | 55,000 $m^2$ | 55,000 $m^2$ |
| E. Number of Unit Yield at 150m2 per unit D : 150m2 | 247 | 290 | 366 | 366 |
| F. Estimated Population at 2.83 Occupancy Rate E x 2.83 | *699* | *820* | *1,035* | *1,035* |
| G. Gross Population Density (person per hectare) F-5.7 ha | 122 | 143 | 181 | 181 |
| H. Section 94 Public open Space Contribution at 21 $m^2$per person F x 21 $m^2$ | 14,679 $m^2$ | 17,220 $m^2$ | 21,735 $m^2$ | 21,735 $m^2$ |
| I. Site Area After deduction of Public Open Space 57,000 $m^2$ – H | 42,321 $m^2$ | 39,780 $m^2$ | 35,265 $m^2$ | 35,265 $m^2$ |
| J. Assuming 35 % site area after deduction of public open space would be built on, the building footprint would be I x 35 % | 14,812 $m^2$ | 13,923 $m^2$ | 12,342 $m^2$ | 12,342 $m^2$ |
| K. Number of Stories B : I | 2.5 | 3.27 | 4.61 | 4.61 |

Source: *Report to the Municipality of Leichhardt council*, a Public Hearing into Submissions made in respect of Draft Local Environmental Plans Nos 76, 77, 78 and 81 Balmain peninsula, 1991.

DLEP No. 81 - Caltex:

- The site is zoned residential 2 (b4) and open space 6(a) on the zoning map.
- Floor space ratio shall not exceed 0.7:1.
- The foreshore open space depicted in the zoning map is basically around southern shoreline to Ballast point with width between 6m to 65m.[67]

It is interesting to compare the decision to rezone these areas with the proposals put forwards by the parties involved in the dispute as shown in the tables 8, 9, 10, 11 and 12.

[67] *Ibid*, p. 26.

***Table*** 10: Caltex site (Site Area 2.6 ha (26,000m$^2$)

| | Residents' proposal | Council's Proposal | Decision of Administrator | Developer's proposal |
|---|---|---|---|---|
| A. Gross Floor Space Ratio (on whole site) | 0.5 : 1 | 0.7 : 1 | 0.9:1 | 1.1 : 1 |
| B. Floor Space Area 26,000 m$^2$x A | 13,000 m$^2$ | 18,200 m$^2$ | 23,400 m$^2$ | 28,600 m$^2$ |
| C. Number of Unit Yield at 150m2 per unit D : 150m$^2$ | 86 | 121 | 156 | 190 |
| D. Estimated Population at 2.83 Occupancy Rate E x 2.83 | *243* | *342* | *441* | *537* |
| E. Gross Population Density (person per hectare) F-6.1 ha | 93 | 131 | 169 | 206 |
| F. Section 94 Public open Space Contribution at 21 m$^2$per person F x 21 m$^2$ | 5,103 m$^2$ | 7,182 m$^2$ | 9,261 m$^2$ | 11,277 m$^2$ |
| G. Site Area After deduction of Public Open Space 26,000 m$^2$ – H | 20,897 m$^2$ | 18,818 m$^2$ | 16,739 m$^2$ | 14,723 m$^2$ |
| H. Assuming 35 % site area after deduction of public open space would be built on, the building footprint would be I x 35 % | 7,313 m$^2$ | 6,586 m$^2$ | 5,858 m$^2$ | 5,153 m$^2$ |
| I. Number of Stories B : I | 1.77 | 2.76 | 3.99 | 5,55 |

Source: *Report to the Municipality of Leichhardt council*, a Public Hearing into Submissions made in respect of Draft Local Environmental Plans Nos 76, 77, 78 and 81 Balmain peninsula, 1991.

With the exception of the "number of stories", the administrator had opted for a mid-way point between the council's proposal and the developer's proposal. In the case of the number of stories, the administrator favoured the developers. The Brady council had been willing to adopt its planners' proposals for a mixture of two storey to four-storey buildings on the sites, but the planning administrator wanted up to six-storey buildings.

*The Issue Goes to Court*

The residents were extremely unhappy at the appointment by the Minister of a planning administrator and decided to do something about their concern. Through their background of professional expertise the resident activists

acquainted themselves with the nature of bureaucratic organisation and the intricacies of legal proceedings. They were smart, well financed, and knew how the system worked.[68] As Jamrozik has pointed out: "With regard to participation of residents in group activity... people who become active in community groups on their own initiative are usually people endowed with economic, social, and educational resources."[69] Members of the Balmain Association included doctors, lawyers, accountants, and academics.

Their next move was to go to court. For that purpose, they established the Balmain Association Inc. and established a trust fund to cover its legal costs, which eventually amounted to $72,000.[70] The fund was launched with a $100 per head dinner at Sydney Wentworth Hotel, followed several months later by a similar function in February 1992 (hosted by Sandra Nori MP) at Parliament House.[71] The council, meanwhile, refused to be part of any legal action, despite being urged by the President of the Local Government Association[72], promising

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[68]The author was impressed by the Balmain community meetings for there were many professional residents there - architects, geologists, lawyers, academics, journalists and media personalities. At the Land and Environment Court, it was most interesting when the residents' groups had to give evidence. They had their own model for redevelopment. It should also be noted that formal permit decisions are often debated in the specialised language of zoning regulations, and according to some references, this language is often much easier for developers than for ad hoc residents' groups. In the case of the rezoning of the five sites in Balmain, this was not a problem. The residents' groups were quite familiar with the language of the zoning regulations. (See the public hearing report for Leichhardt Council, July 1991). Furthermore, the residents group which set up the Balmain Development Trust advertised for a design to de-congest Balmain offering a prize of $10,000. The brief for the town plan competition was to find an "imaginative, integrated" design for the peninsula. Trust executive officer Helen Styles said the Balmain Association Inc.'s successful court action meant the plans could be used in the rezoning process. (Interview with Helen Styles).

[69]Adam Jamrozik, *Class, Inequality and the State*, Sydney: Macmillan, 1991, p. 219.

[70]"The Balmain Battle", *The Sydney Morning Herald*, Spectrum, 23 February 1991.

[71]The author attended. Another a huge fundraising event was held on November 1994 to help fund Leichhardt council's appeal against the Land and Environment Court's ruling on the five Balmain sites at a cost of $40 per head. The author also attended this event.

[72]As stated by Peter Wood, President of Local Government Association, when the Balmain residents groups won the Court Appeal of February 1991, "if the Minister considers an appeal against a unanimous decision of three judges and the Court of Appeal of the Supreme Court of this state then I believe that every local government authority in this state must gather together and say enough is enough and ensure that the will of the citizens of this state is met. We can't

support for the costs from contributions from other councils. Mayor Brady was more relieved than angry at the appointment of the planning administrator who relieved him of responsibility for what had become a politically damaging issue for him and his supporters.[73]

The Balmain Development Trust through the auspices of the Balmain Association Inc. took the Minister to the Land and Environment Court in January 1991, claiming that he had surpassed his powers under the Environmental Planning and Assessment Act., and that his action had prevented the council from conducting a public hearing. [74] The case was lost, but was subsequently won in the Court of Appeal in February 1991, when the Minister's appointment of the planning administrator was declared invalid.[75]

The judgment ruled that the notice given by the minister dated 15 June 1990 was void, that the appointment of the administrator was void, that the council had not failed to perform any function conferred or imposed on it under section 55 or any provision of the Act and that council had not failed to comply with, carry into effect or enforce the provisions of the EPA Act as alleged by the minister in his notice of appointment referred to above.[76] It was the Balmain Association Inc.'s contention that the minister's appointment of the planning administrator was invalid because it was founded upon an invalid direction given by the minister to the council pursuant to s.55 which fixes an insufficient time of

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have representatives of the people in association with the developers calling the tune". The Local Government Association had supported the Leichhardt council and the Balmain residents on that matter ever since the battle began. From transcription of Andrew Ollie interview, ABC Radio - 20/2/91.

[73]See *Glebe*, 15 September 1990, p. 28; *Glebe* 12 September 1990, p. 4.

[74]Interview with Helen Style, February 1992.

[75] Court of Appeal Record Sheet, *Balmain Association vs. Planning Administrator*, Justices: Kirby P. Priestley JA, Handley JA, 19 February 1991.

[76]Judgment, the Balmain Association Inc. vs The Planning administrator for Leichhardt Municipal council, Minister for Planning, Leichhardt Municipal council, Chemplex (Australia) PTY Limited, Land and Environment Court of New South Wales, 24 January 1991.

five weeks for the council to perform certain functions under s.68.[77] Alternatively, the association contended that the minister was obliged by the rules of procedural fairness to give the council an opportunity to be heard before reaching a decision.[78]

Even though the minister had responded to the council's request to extend the five week period for Leichhardt Council to rezone the area, with an allowance of a further five weeks, this was held to be irrelevant to the invalidity of the original direction. The council had every legal right to hold a public hearing before submitting the plan. As a consequence, the minister's appointment of the Planning Administrator on August 30, 1990 was also held to be invalid, since he had based his decision on the failure of the council to comply with the direction. The court also held that as a matter of fairness the council should have been given an opportunity by the minister to be heard before he made an appointment. It held that despite the fact that the Environmental Planning and Assessment Act removed the need for formal notification before appointing the administrator, there was still a presumption that the decision would be made in accordance with the common law requirement of procedural fairness.

Redevelopment proposals for the five key industrial sites had been going on for more than 18 months before residents took the Minister to the court. It was this "delay" that the Minister had sought to overcome in June 1990. The Minister appointed the administrator to overcome the "delays" of council, but in the event, as a result of this intervention, he achieved the opposite result. In February 1991, the council's powers over its planning administration were restored, and things

[77]Court of Appeal, February 1991.
[78]*Ibid*, p. 2.

were back to where they were just before the Minister appointed his administrator in August 1990. The public hearing would go ahead.

The result of the Court of Appeal invited much comment and local reaction about and inside the Leichhardt Council. The former Mayor Issy Wyner tried to call for the resignation of Planning Minister David Hay and Leichhardt Mayor, Labor Party's Bill Brady.[79] Issy Wyner said that Hay and Brady were betrayers of the people and of the simple principle of democracy and, in the case of the mayor, a betrayer of a council elected by the people.[80] President of the Local Government Association, Aldermen Peter Wood, also entered the debate. He claimed that the Premier of NSW Nick Greiner had a hidden agenda: "what the Premier is about is to try and smash the authority of local government in order to look after the developers".[81] He believed that the residents, in winning their appeal against the ruling, had established an important principle because the case had shown that local councils could not be ignored or overridden by state governments and developers acting together.[82] David Hay's successor as Minister for Planning, Mr. Webster, made it clear, however, that any development sites of regional significance might be taken out of the hands of councils if state planning policies were at stake and local councils were being unduly obstructive.[83] David Hay described Leichhardt council as "an intransigent, prevaricating council with a proven inability to make decisions".[84]

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[79]*The Glebe*, 20 February 1991, p. 8.
[80]*Ibid.*
[81]*The SMH*, 21 February 1991, p. 4.
[82]Radio ABC Interview with Peter Wood, February 1991.
[83]*The Glebe*, October 30, 1991, p. 9.
[84]*The SMH*, June 29, 1996.

*The Commission of Inquiry*

On March 1991 Leichhardt Council resolved to request the Commissioners of Inquiry appointed under s. 18 of the EPA Act to conduct a public hearing under s. 68 of the EPA Act. Again, Brady was seeking a way of escaping his political dilemma. Two Commissioners of Inquiry - Commissioners William Simpson and Marke Carlton - set out to conduct the hearing and write a report for the council.

Plans for high-density residential development on the five sites looked set to go ahead following the release of a Commissioners of Inquiry report in July 1991.[85] This report supported, with some amendments, the December 1990 proposals to the administrator from the Leichhardt Council's Planning Department on the density of housing development to be allowed on the five sites in Balmain. Furthermore, the report states that future development on the five sites can be satisfactorily phased in with the proposed road, traffic and public transport improvement for the area, and suggests more open space be created along the foreshores of the peninsula.[86] The proposals of the council planners took the middle ground between what the owners of the sites wanted to build and what the residents said was acceptable for the valuable waterfront sites. But the planner's proposals on housing densities were significantly below those recommended by the State Government-appointed administrator (Sean O'Toole) in August 1990.

Among other things the residents sought to refuse development approval for the five sites subject to the following:[87]

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[85]Report Rezoning Five sites in Balmain, Commission of Inquiry, 1991.
[86]*Ibid.*
[87]Commissioners of Inquiry for Environment and Planning Report to the Council of the Municipality of Leichhardt in respect of DLPs 76-78 & 81 in Balmain, July 1991, p. 23.

1. A full planning study of the peninsula being undertaken.
2. The permitted densities for the sites being reduced.
3. The whole of one site being acquired as parkland.
4. Section 94 contributions being provided for community purposes in addition to open space.
5. The resolution of inadequate infrastructure, particularly traffic management prior to development.
6. Increased public involvement through the development of precinct committees such committees being responsible for the policing of redevelopment.

*State and Local Elections*

Between Minister Hay's setback in the Court of Appeal and the upcoming September 1991 council elections, there occurred a state election in March 1991. The issue of the future development of Balmain was by now more than a local one. The coalition government was narrowly returned to office as a minority government in the Lower House. David Hay, member for Manly, lost his seat to an Independent, Peter McDonald, who 'played up' Hay's support for urban consolidation, and his actions in overriding local opinion and council prerogatives, most notably and controversially in Balmain. In the parliamentary contest in Balmain, Independent Dawn Fraser lost her seat to Labor candidate Sandra Nori. An electoral redistribution abolished the seat of Balmain in 1991, creating a new seat of Port Jackson, which included much of the old seat of McKell as well as Balmain. Labor member for McKell, Sandra Nori, had opposed the Balmain developments from the outset, and objected strongly to the Minister's intervention in 1990: "the residents and the councils must be allowed to have their say; we can't have Hay stepping in to support his developer mates every time he doesn't like a local decision".[88] Dawn Fraser had been more

[88]Interview with Sandra Nori, MPs for Port Jackson, NSW, 4 February 1994.

equivocal. As an Independent, she supported the Government on some issues and opposed them on others. She had welcomed the appointment of a town planning administrator to Leichhardt Council as a way of sorting out the issue of the five Balmain sites, while Nori never left off opposing the move.[89]

Sandra Nori had campaigned hard on what she saw as a major local issue. She believed that Balmain was the thin end of the wedge for the takeover by the state government of control of all inner city redevelopment, on the model of its City West strategy as discussed later in Chapter Four.[90] She had put the Balmain case in parliamentary debates on a number of occasions in order to try to maximise the embarrassment being caused to the Government by the dispute. In February 1991, she produced an internal memorandum from the Caltex Company, which had resulted in a meeting with Mr. David Hay as the Minister for Planning on June 4, 1990. A Caltex official reported Mr. Hay had told them to "make very clear to the residents" that the company was prepared to continue its local operations and to expand them as the alternative to being allowed to proceed with the residential development. Nori also revealed in Parliament a second memo, again written by Caltex, which claimed that Director of Planning Gabrielle Kibble did not want to hold a public inquiry because it could have an adverse outcome.[91]

The battle continued when the new Minister for Planning in the coalition government, Robert Webster, from the National Party, took David Hay's place after the elections in March 1991. The new Minister maintained the

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[89]Interview with Sandra Nori, 4 February 1994. See also, *The SMH*, Spectrum 23 February 1991. Balmain Activist and Aldermen of Leichhardt council, Helen Styles, said that both MPs were respected by residents. Ms Styles said Ms Nori had supported residents from the start and Ms Fraser, after a "somewhat naive" start, was now a strong resident supporter. *The Glebe*, 27 February 1991, p. 7

[90]*The Glebe*, *Ibid,* p. 7.

[91]NSW Parliamentary Debates, *Hansard,* February 1991.

Government's existing position on the rezoning of the five sites in Balmain. Pre-empting the release of the Commissioners' Report, on 1 July 1991 he issued a new directive to the council under s.55, calling on it to determine the rezoning. The Commissioners' report was considered by the council in August and the council's planners were asked for new recommendations. The Minister's deadline was 9 September, five days before the poll that was due to elect of a new council, and Brady tried to meet it. By now, it was clear there might be a change in the complexion of the council, given the strength of local public opinion and the depth of the protest. The anti-development candidates were well organised and strongly supported by a range of local groups. The anti-development group on the council had no wish to see the issue resolved by the existing council, despite the Minister's pressure. These five aldermen walked out of the crucial council meeting, leaving Brady and his supporters unable to adopt the Commissioners' recommendations for rezoning the five sites because of the lack of a quorum.

At the September 1991 election, with the redevelopment of Balmain was the most important single issue in all wards, and the anti-development forces won a victory. The result of the election returned 10 out 12 candidates supporting the moratorium on the redevelopment of the five sites in Balmain. A group called the Community Independents led by Larry Hand (who became mayor) won three seats, and the Labor Party won four (led now by Kate Butler, who had on an important occasion broken ranks with the Brady Labor group in 1990). One Liberal candidate won a seat (Bob Haffernan), the remainder being anti-

development independents: Helen Style, Kate Hacking, Nick Origlass and Nick Masterman.[92]

*Hand and Webster*

The new council resolved not to accept the recommendations from the commissioners, as the plans were considered by aldermen to be still incompatible with the existing character of the area. They set in train a new process of public consultation. The mayor, Larry Hand, called for "co-operation", not "intervention", by the state government to settle the dispute over development of the Balmain peninsula. The mayor wrote to the Minister for Planning, Mr. Webster, on October 1, 1991, to inform him that he would outline a strategy for the rezoning of five sites on the peninsula to a meeting of the Leichhardt Council on October 15, 1991. The strategy was that the sites be rezoned for lower-density development than that sought by developers and the state government.[93] The mayor, Larry Hand believed that the new council had been recently elected with the proposed rezoning in Balmain very much to the fore in the minds of electors and candidates alike.[94] He promised that council's decision on the sites would take into account the interests of Balmain peninsula and the applicants. The issues he highlighted for council to consider most closely were site contamination, job creation, traffic planning, and local amenities.[95]

At its October 15 meeting Leichhardt Council voted not to rezone the five industrial sites in Balmain until February 1992. The further five month delay in the rezoning was certain to cause the Minister to intervene in the case. The

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[92]Leichhardt Council Aldermen: Larry Hand, Kate Butler, Sue Stock, Cath Hacking, Bob Haffernan, Evan Jones, Neil Macindoe, Nick Masterman, Nick Origlass, Harry Sideway, Trevor Snape and Helen Styles.
[93]*The Eastern Heradls*, 10 October 1991, p. 7.
[94]*Ibid.*
[95]*Ibid.*

council, through the mayoral minute which was approved by the council, outlined a timetable involving extensive consultation with town planners, residents, and developers before rezoning was completed.[96] Under the mayor's scheme, "site based working parties" of residents would be formed after the meeting with the council's planners. The Leichhardt Council also conducted a workshop on November 30, 1991.

The sweeping victory by the anti-development candidates in the council election did not discourage the Minister for Planning from pursuing efforts to see development proceed. Urban consolidation policy was still the Minister for Planning's top priority. Webster showed himself to be even more determined than Hay had been to assert the state government's planning policies. In answer to a journalist's question on his collision course with local authorities over the policy of forcible rezoning of sites, he asserted there was no room for compromise with regard to state policy.[97] In November 1991 the Minister brought out State Environmental Planning Policy no. 32. The essence of SEPP 32, was that the Minister could "call in" sites larger than one hectare which he considers suitable for urban consolidation. That is, he could make the Minister for Planning the consent authority to rezone the sites rather than the local council. The Minister, with SEPP 32, created a region which stretched from Maitland to Kiama[98] and specified conditions under which the Minister might take over consent powers for any rezoning application in that region for the sake of its urban consolidation objectives. SEPP 32, while of broader significance and coverage, was designed specifically to resolve the dispute in Balmain.

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[96]*The Eastern Herald*, October 17, 1991, p. 2.
[97]Interview with Webster, *The Eastern Herald*, November 7, 1991, p. 4.
[98]See NSW Minister for Planning, SEPP 32.

While the Minister for Planning argued that the inclusion for rezoning of the five sites in Balmain was part of the Urban Consolidation Policy, this did not convince the residents' groups because the municipality has the highest ranking of residential land zoned for multi-unit housing as can be seen in this table below:[99]

***Table*** 11: Proportion of Multi Unit Housing in Established Area Sydney
% Residential Land Zoned For Multi-Unit Housing, in Rank Order

| Location of ares | council areas | area zoned residential (ha) (esti-mate) | Population 1988 ERP | Population density p/ha res. land | area zoned to allow much estimate # | % res. land zoned to allow much # | as much as % of total dwellings |
|---|---|---|---|---|---|---|---|
| I | Leichhardt | 796 | 59 750 | 75.1 | 796 | 100% | 60.0 |
| O | Holroyd | 1625 | 82 250 | 50.6 | 1625 | 100% | 12.0 |
| M | Bankstown | 3165 | 159 050 | 50.3 | 3165 | 100% | 9.0 |
| O | Campbelltown | 4000 | 135 400 | 33.9 | 4000 | 100% | 20.0 |
| O | Hawkesbury | 900 | 48 700 | 54.1 | 900 | 100% | 6.0 |
| M | Manly | 929 | 37 350 | 40.2 | 929 | 100% | 56.0 |
| O | Hornsby | 5000 | 126 950 | 25.4 | 5000 | 100% | na |
| M | Ryde | 1845 | 94 550 | 51.2 | 1845 | 100% | 34.0 |
| M | Blacktown | 8233 | 206 950 | 25.1 | 8233 | 100% | 6.0 |

Notes: I (inner areas); M (middle areas); O (outer areas)
na (information not available)
# allows for partial inclusion of SEPP 28 provision
Source: *Department of Planning, New South Wales.*

The argument of most residents of Balmain was that just because 30,000 people once lived in Balmain, and the number is now 14,000, does not mean that the area can again accommodate 30,000 or even 20,000 people. The 30,000

[99]The guidelines set out in the Department of Planning Study Brief in 1991 shows that Sydney's population will increase by up to 368,000 people by the year 2006. To meet this figure, Leichhardt council needed only to increase its population by 927. The population of Leichhardt in 1986 was 53,453 and in Balmain in 1986 it was 14,671 or 27 % of the municipality. Therefore, to meet the urban consolidation guidelines, Balmain-Rozelle only had to increase its population by less than 250 people (27% of 927). However, the rezoning of the five sites in Balmain and redevelopment in the area would bring another 7000 people to the area.

population occurred with high levels of dwelling occupancy, much local employment, good public transport, low car ownership, a good local hospital and some crowding in the schools. Today's standards means a huge increase in car numbers as well as greater pressure on older and often worn-out social and physical infrastructure. Moreover, they complained that existing transport access to the Peninsula is poor, and that there are decreasing local employment opportunities and the closing of the hospital.[100]

There was strong feeling within local government that this SEPP was a tool for the Minister for Planning to take effective control of local development away from councils. It was claimed that the Minister, by making himself the consent authority, was in conflict with section 5B of the EPA Act. This section refers to the sharing of responsibility for environmental planning between the different levels of government in the State. Sandra Nori claimed that the Minister was working under pressure from the developers and that SEPP 32 was a convenient mechanism by which government could override planning policies for political purposes.[101] She referred to the government's interests as owner of one of the Balmain sites - the Balmain power station. At the same time the Minister always referred to the policy of urban consolidation as the rationale for the Government's efforts to rezone the redundant industrial areas.[102]

Webster refused all invitations to meet with the council and decided to speed up the rezoning process. In December 1991, he released a Regional

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[100]As argued at many public community meetings in Balmain Town Hall and Birchgrove Public School. Moreover, The Leichhardt Council area was "urban consolidated" years ago and Council's present town plan meets the NSW Department of Planning's housing objectives for urban consolidation. It is in fact one of the most densely populated areas in Sydney. The Sydney average of people per hectare is 49, for the Leichhardt Municipality it is 110. From Leichhardt Municipal Council, see *The Leichhardt Leader*, News and Information, March 1992.

[101]NSW Parliamentary Debates, *Hansard*, 6th May 1992, p. 3662.

[102]*The Glebe*, interview with Robert Webster, Minister for Planning. 1992.

Environmental Plan under SEPP 32 to rezone the Balmain peninsula. The Plan that was placed on public exhibition and adopted unchanged the recommendations on housing density and open space made by the Commission of Inquiry which had held the public hearing into the rezoning. Mr. Webster gazetted the Draft Regional Environmental Plan (the REP) in February 1992, paving the way for achieving his urban consolidation goals in Balmain. This would effectively take planning powers on the five sites away from Leichhardt once again. Under the REP, developers would be able to build medium-density housing on the Ampol, Caltex, Unilever and Monsanto sites with floor space ratios at 80 per cent (what planners call a 0.8: ratio). A 0.9:1 ratio was to be permitted on the Balmain power station site. Up to 40 per cent of each site would be zoned for open space.[103]

The REP exhibition on December 1991 brought an angry reaction from the council. Ald. Larry Hand, the mayor, attacked Mr. Webster for placing the REP on exhibition just before the start of the Christmas holiday period, alleging it was a "deliberate strategy to minimise public comment and objection".[104] Leichhardt Council refused to exhibit the REP at its offices, a move which contradicted the newspaper advertisements by the state government a week before, stating that the plan would be on display at the council. Furthermore, the council adopted a mayoral minute rejecting the REP and calling on the state government to accept the council's draft plans.[105]

The council held a special meeting in early February 1992 to push ahead with its own rezoning of the contentious industrial sites in Balmain. The council

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[103]*REP*, no. 28, 1992. Open space according to the REP, was for the Ampol/Unilever sites about 7 %; Balmain Power Station and Monsanto 20 per cent each and Caltex 33 per cent.
[104]*The Eastern Herald*, 19 December 1991, p. 19.
[105]Leichhardt Council, *Mayoral Minute*, Tuesday, 17 December 1991.

aldermen voted to rezone the Unilever, Ampol, Balmain power station and Monsanto sites, but deferred a decision on the Caltex site until it heard back from the federal and state governments about possible funding to make the site parkland, as part of the Sydney Harbour National Park. The zoning of the sites under the council's plan would change from industrial to mainly residential and open space, with some commercial development at the power station and Monsanto, and a hi-tech component on the Unilever-Ampol site.[106] The council's policy of lower densities and greatly increased open space put it into conflict with its own town planners, who continued to argue for higher density development.[107]

As Larry Hand argued, the overall open space in the Minister's REP was only 19 per cent, some 13 per cent less than the 32 per cent council wanted.[108] The battle between the Mayor and the Minister for Planning continued. Webster released a statement on February 1992 stating that " While generally supportive of the policy of urban consolidation, some local councils are reluctant to rezone sites eminently suitable for medium density housing...In cases where the issue is of regional significance - such as the Balmain sites - I am prepared to step in."[109] The mayor of Leichhardt Council soon issued a counter statement, saying: " The REP that this Macquarie St. cabal of North Shore Suburbanites and Country Cockies [a reference to Mr. Webster being member of the National Party] has enacted today is a recipe for disaster."[110]

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[106]Leichhardt council Report, August 1992.
[107]Allan Cooker, Leichhardt Town Planner from a very early stage, had a different view from the council. He stated that redevelopment in Balmain is an important issue. One can argue that the town planner doesn't have a direct impact on voters. This means that he is free from residents' influence and view. Aldermen, on the other hand, base their actions on voters' interests or though coalition with the capital interests of business and developers.
[108]*The Glebe*, 26.2.1992, pp. 1-2.
[109]*Ibid.*
[110]*Ibid.*

Local factors seem to have affected the decisions about the different sites, while local groups and individuals have been by no means unanimous. There was more pressure on the Caltex site from the residents' groups, and also from the aldermen who actually lived near the sites (Helen Styles and Nick Masterman on Long Nose Point, and Keith Huctking from Ballast Point). There were changing and conflicting views within the anti-development majority on the council, with some having spoken publicly about the disadvantage of making the Caltex site a park. Nick Masterman stated that it would be unfair, and would be too expensive to clean the land on the site.[111] However, it seems that there was a strong push by residents in the area, and the constant pressure applied by the Balmain Development Trust, of which Helen Styles was the head, forced the change. Alderman Nick Origlass put an amendment which proposed the establishment of a trust fund, while the residents' groups proposed that federal government assistance be sought to help the local council buy the site. Larry Hand criticised the residents' group for being "inconsistent". He agreed that the site should be a park but argued that council should not have to provide the money to acquire the land.[112] Leichhardt council lodged a challenge to Mr. Webster's actions in the Land and Environment Court supported by many other councils fearing the same treatment.

*Back to Court*

The council was still committed with various residents to a position of conflict with its own planners and the State Minister for Planning. There were now two Balmain plans and sets of zoning proposals, one the council's and the

[111]Interview with Nick Masterman, November 1993.
[112]*The Glebe*, February12, 1992, p. 3.

other the minister's. The council resolved to fight the matter through the courts, challenging the legitimacy of the Minister's REP. To pursue the struggle it attracted funds from other councils which saw Leichhardt's loss as a precedent for withdrawal of their discretionary planning powers. In this case, the Local Government Association, under Aldermen Peter Wood from Concord Council, supported the Leichhardt Council, and contributions flowed in from other councils to a fighting fund.[113] These was a different attitude by the former Leichhardt Council mayor, Bill Brady, who declined the Local Government Association's offer of legal advice and financial assistance, even though the residents urged him to accept it.[114] The new mayor of Leichhardt Council, Larry Hand, took an opposite position. He welcome the financial support from the LGA. Thus, the Minister for Planning not only faced the Leichhardt Council on the matter, but also faced the NSW Local Government Association.

This was a minority government in the Legislative Assembly, dependent on the support of independents like Peter McDonald (a fierce opponent of urban consolidation policy). Not surprisingly, the Assembly considered and passed a "matter of public importance" motion on 6th May 1992, that the Minister should agree to meet with Leichhardt Municipal Council to negotiate a resolution of the differences between the two parties concerning the future of the Balmain peninsula.[115] However, the Minister refused to meet with the Leichhardt Council due to the pending court case - the matter was now once again before the Land and Environment Court.

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[113]Larry Hand said that the Local Government Association had contributed about $50,000 to the legal challenge and $20,000 was collected through fund raising activities. The cost of council's legal challenge was $140,000, of which council will pay $26,000. The NSW Court of Appeal ordered the state government to pay one third of council's costs. See *Glebe*, 27 January 1993, p. 4

[114]See Kath Hacking's letter to the *Glebe*, 13 March 1991, p. 4.

[115]NSW Parliamentary Debates, *Hansard*, 30th June 1992, p. 4699.

Leichhardt Municipal Council challenged the validity of two environmental planning instruments, namely, State Environmental Planning Policy No. 32 Urban Consolidation (Redevelopment of Urban Land, SEPP 32) and Greater Metropolitan Regional Environmental Plan No. 1 Redevelopment of Urban Land (GMREP 1). The state policies derived from a "roundtable" conference on urban consolidation on 2 October 1991. The conference was attended by the Premier of NSW, the Minister for Planning, the Minister for Housing and departmental heads.[116] Then, on 15 October 1991, pursuant to an order under s 46 of the EPA Act, the Minister declared land within specific local government areas ranging from Port Stephen in the north to Kiama in the South, to be a region for the purpose of the Act, to be called the Greater Metropolitan Region. As has been discussed in the previous section of this chapter, this included Balmain. A minute from the Director of Planning to the Minister of 15 October justified inclusion of the five sites in the GMREP 1:

> The ... sites in Balmain which have been the subject of prolonged local government consideration and a public hearing conducted by the Commissioners of Inquiry are considered to be prime examples of sites suitable for inclusion in the REP. The proposed rezonings, which would result a substantial contribution towards urban consolidation principles were recommended as an appropriate course of action in the Commissioners' report.[117]

The Council challenged both SEPP 32 and GMREP 1 on the basis that the Minister was using those instruments for a purpose which was not authorised by the Act. The Land and Environment Court in 18 September 1992 ruled against the council in a judgement by Judge Pearlman.[118] While the council believed that

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[116]NSW Land Environment Court, *Leichhardt council vs. Minister for Planning*, 18 September 1992.
[117]NSW Land Environment Court, *op.cit.*, 18 September 1992.
[118]*Ibid.*

the Minister's purpose to gain planning control of the Balmain sites was improper, the judgement ruled that the Minister could, under provisions of the Act, determine the planning regime for any land, empowering the Minister to become the direct consent authority. In the conclusion, the judgement states:

> The Minister's purpose in making SEPP 32 and GMREP 1, whether it was to gain planning control of the Balmain sites or other sites, or whether it was to implement a policy of urban consolidation, was, in my judgment, authorised by the Act and the challenge of the Council on the ground must fail.[119]

Mr. Webster said that the decision in the Land and Environment Court meant Leichhardt Council would no longer be able to "hold up" the development of the sites. For that reason, the Minister for Planning put the rezoning in Balmain under the Regional Environmental Plan (REP).

However, the Leichhardt Council brought the case to the Court of Appeal again. In December 1992, council won a Supreme Court appeal that ruled Mr. Webster had failed to properly consult with council over the proposed use of the five sites. Procedural issues again were a problem for the government. The Minister was found to have erred in the initial stages of preparing his Regional Environmental Plan for the peninsula, by not allowing enough time for consultation with the local council before finalising and releasing it. The Court relied on provisions in the EPA Act that safeguarded the rights of individuals and groups - in this case, the local council - to be involved in the decision making process on planning and zoning matters.

The Planning Minister Robert Webster did not appeal the court decision over the Balmain peninsula. Instead, the Department prepared a new REP. The

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[119] *Ibid.*

Minister for Planning requested the Director of Planning to establish a Redevelopment of Urban Land Advisory Committee under s. 22 of the Act as a means of consulting with the council on the drafting of a REP to cover the Balmain sites. Redevelopment proposals for the Balmain Peninsula were considered in detail by the Committee and its working parties.[120] On 19 April 1993, the first meeting was attended by the mayor of Leichhardt Council, councillor Larry Hand, and also by officers of the Department of Planning, a Leichhardt Council officer and representatives of the Water Board, Environment Protection Authority and the Housing Industry Association. Several more meetings were held in the period up to September 1993.[121]

The differences between the Department of Planning and the council were that the Department wanted the sites for medium to high density housing while council wanted less housing and more open space. Members of council also want one of the sites, the former Caltex refinery, to be used for park land. However, the most important point of dispute remained the question of who was the legitimate consent authority. According to the Council's view there was no justification for the Minister to be the consent authority, and the proper planning instrument for the rezoning process was a local plan (LEP), not a regional one.

On 21 December 1993 the Minister announced the completion of the regional plan (GMREP 1) pursuant to the s. 51 of the EPA Act. The council believed that GMREP 1 was invalid because the Director of Planning failed to consult properly with the applicants, and the plan was not in accordance with draft exhibited.[122] The council appealed to the Land and Environment Court. The

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[120]*Ibid.*
[121]*Ibid.*
[122]The Land and Environment Court of NSW, *Judgement,* 9 August 1994.

judgment of 9 of August 1994 was in favour of the Minister for Planning.[123] But the council was not ready to give up yet, and appealed this decision as well. The NSW Court of Appeal on 17 May 1995 declared that the GMREP No. 1 was invalidly made on 21 December 1993.[124] Again - without going into more of the legal technicalities - the matter was one of procedure under the Act. The way remained open, however, for the process to be done correctly and for the Minister to proclaim a valid regional plan.

However, the state election of March 1995 had seen the defeat of the coalition government and the election of Labor. When in opposition, Labor had criticised the coalitions' planning minsters in their battle to impose a planning scheme on the council. Despite the fact that Bob Carr, as Minister for Planning in an earlier government, had been an advocate of urban consolidation policy, the new government repudiated many aspect of existing urban consolidation policies, seeking to make peace with local government in the process. The new Minister for Planning and Urban Affairs, Mr. Knowles, was more than happy to announce that he would not proceed with a regional plan, but would allow the council to prepare a local plan for the rezoning of the Balmain sites.

*Conclusion*

Although the rezoning of the five sites was, on the surface, a purely local matter, the state government brought to bear all its powers to elevate the issue to one of "regional" or even "state" concern. Prompted by the particular demands of individual developers, and under the justification of its metropolitan-wide urban consolidation policy, successive ministers of planning sought to impose their

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[123]*Ibid.*
[124]NSW Court of Appeal, 17 May 1995.

planning powers over those of the council. This assertion of power created resistance from the Leichhardt Council and also mobilised local government as a whole in support. of that resistance. Independently, and working through many arenas over the years with great skill and resource, the affluent residents of Balmain rallied to defend their neighbourhood. Confrontation was fierce and continuous, and was fought out in local and state political arenas and, most tellingly, in the courts.

In this case, the state government chose a confrontational approach to planning rather than a co-operative one. To suddenly elevate the matter of five local sites in Balmain to be a matter of regional significance produced legal vulnerability. The legal battle was concentrated on the issue of who had the power and right to rezone the sites, although the judgements themselves were made mostly on procedural grounds, and concerned the minister's manner of exercising his planning powers. But if this legal conflict over planning powers and procedures was crucial in shaping the outcome, the substantive issues at stake were about local amenity, transportation, population density and good design in the face of economic pressures for redevelopment.

This chapter has shown that the Balmain residents' groups, with the eventual support of their local council, provide an important example of local resistance to urban redevelopment projects. The next chapter, which presents a case study of the City West project in nearby Ultimo-Pyrmont, presents a very different story. The contrasts, and what is to be learnt from them, will be discussed in Chapter Six.

Chapter Five

# Planning and Power in the City of Sydney:
## A Case Study of the City West Urban Redevelopment in Pyrmont-Ultimo

*Introduction*

This chapter examines the redevelopment of the "City West" area in inner city Sydney. "City West" is a term used to describe an area of land to the west and south of the Central Business District of Sydney. It includes Pyrmont and Ultimo; Glebe Island and areas around Blackwattle Bay, Rozelle Bay, White Bay and Johnston's Bay; Central Railway Station; and the Eveleigh railway goodsyard and workshops. The land in question is scattered through several adjoining suburbs, but combines a number of adjacent or linked areas subject to major redevelopment planning due to economic and urban restructuring. A state agency - the City West Development Corporation- has been established to oversee a series of redevelopment projects. Much of the land subject to this redevelopment is state government owned and has become derelict because of the relocation of dockland and railway facilities. For example, the Ultimo-Pyrmont redevelopment precinct comprises 300 hectares including waterfront areas, while the whole of the Eveleigh area is former railway land.[1] At the same time, large amounts of private capital will be involved in the redevelopment process.

This minor case study has been chosen in order to provide a foil for the major case study of Balmain. It highlights the potential for an overriding position of power of the state government in urban development policy, a potential that was not realised in the case of Balmain. In so doing, it provides insight into the construction of the

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[1]NSW Department of Planning, *City West Development: Introduction to The Plan and Its Provisions*, no date.

"urban regime". Pyrmont-Ultimo is a particularly strategic area close to the city and is of economic importance because of its links with Sydney's CBD. It is of sociological interest because the voices of resident protest are more divided and not as powerful as in Balmain.

City West is one of the most important projects of the NSW state government in recent years. It combines a number of urban policy dimensions and aspirations. It overlaps in some respects with urban consolidation policy and provides a "showcase" for new models of higher density inner-city living. It intersects with major state economic development goals focussed on developing Sydney as an international city through its tourism and entertainment facilities and its financial and other commercial sectors. It embodies the hope for new technologically-based industrial and commercial development and evokes powerful sentiments and value conflicts over urban conservation and "heritage".[2]

The project is clearly more than a local issue. Not only is the state government directly involved, it is also in receipt of Building Better Cities (BBC) funding from the Commonwealth Government. Each of the three tiers of government has an intense interest in the future of the project. The debate on how and where to best accommodate Sydney's growth is attracting renewed attention from all three levels of government, as well as from wide sections of the community. The federal government developed a Building Better Cities program, while the NSW state government developed an urban consolidation policy. The project is viewed by both commonwealth and state governments as important in providing a model for denser inner-city residential developments in all Australian cities.[3] By tying it so the Better

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[2]*Ibid.* See also NSW Department of Planning, *Eveleigh Precinct*, Sydney: NSW Department of Planning, 1991.

[3]NSW Department of Planning, *City West: Regional Environmental Study,* Sydney: Department of Planning, 1991, p. 8. See also *City West leaflet*, no date.

Cities Program, the state has focussed attention on the social and housing dimensions of its planning. Local government, meanwhile, has often been cast in the role of defending existing community residents' interests. As in Balmain, there have been local community and resident protests, although on a smaller scale.

This chapter explores the way federal and state governments directly influence locational benefits through the control, funding and planning of large-scale inner-city redevelopment. Given the potential impact on the state and the national economy of such redevelopment, this chapter will give particular attention to how governments have promoted and controlled the project. It also examines power relations between the three levels of government over the control and regulation of land use. In this context, it provides a very different type of setting from Balmain to investigate the relative potential and actual power of different groups, and the interests affected by urban redevelopment.

*Ultimo-Pyrmont*

One important part of the City West project is the redevelopment of parts of Ultimo-Pyrmont, including an area of disused docklands. Redevelopment of former docklands is a trend in redevelopment in many large cities, such as London, Rotterdam, Dunkirk, and San Fransisco.[4] This particular docklands redevelopment, like the others, is seen by many of the participants as a major experiment in urban planning in Sydney because of its size and location as a waterfront area of Sydney Harbour. The area has a unique landscape, with the interweaving of deep bays and peninsulas creating the extensive foreshore of Pyrmont, Glebe Island, Rozelle Bay

[4]Manuel Castells, *City, Class and Power*, London: The MacMillan Press, 1978.

and White bay. Its future development will be a major part of Sydney's "imaging" as an international city.[5]

In the last few decades, the area of Pyrmont-Ultimo has undergone dramatic physical and social change. In recent years the area has felt the impact of major, large-scale urban redevelopment and infrastructure projects, and more are under way and in the offing. An elevated freeway system taking traffic from central Sydney and the northern suburbs to the west has cut through and divided the area; a major new Glebe Island bridge on the western fringes of the area was opened on 3 December 1995; the Darling Harbour tourism and entertainment complex, developed in the late 1980s on land between the Ultimo-Pyrmont peninsula and the city centre, is still expanding, with the opening of the temporary Sydney Casino in 1995 and the construction of a new hotel and permanent casino complex. The proposed City West docklands commercial and residential redevelopment is the continuation of a process of physical, social and economic restructuring.

The first stages in this process involved industrial decline or de-industrialisation, a process that had begun several decades before.[6] In fact, the area was at its peak in the late 1800s, with a population of 30,000.[7] The peninsula developed then as a mixed industrial and residential area. Pyrmont-Ultimo evolved at that time as a working class suburb, with people living close to their places of employment in the docks and factories of the area. The area was dominated by industries such as the Iron Company, the Australian Steam Navigation Company, Colonial Sugar Refining Company, Flour Mills, Dairy Farmers, a Hydraulic Pumping Station, an Incinerator, Paddy's Market, the Sydney Fish Market, Pyrmont Power Station, and the Woolstores. Extensive railway marshalling yards covered a large area

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[5]NSW Department of Planning, *City West... op.cit,* p. 9.
[6]Department of Planning New South Wales, *Ultimo-Pyrmont, Precinct Planning Studies*, 1991.
[7]Australian Bureau of Statistics.

of land. In the past thirty years, these industries have nearly all shut down, with firms relocating to outer areas of Sydney. The docks and warehouses became derelict as industry moved away. Port activity ceased with the advent of containerisation, and moved to Botany Harbour. With the decline of industry, came also a decline in population (Table 1), with housing being demolished or redeveloped.[8] However, in the last few years, the area has become attractive to new sorts of residents, for example singles and young couples with city office jobs, because of the closeness to CBD. As at the 1991 census, the population of Ultimo-Pyrmont was 3200.

***Table*** 1 : Population, Pyrmont, 1961-1991

| | |
|---|---|
| 1961 | 4007 |
| 1971 | 2598 |
| 1981 | 1590 |
| 1986 | 2805 |
| 1991 | 3200 |
| 1996 | 3653 |

*Source: Censuses, ABS.*

Up until the early 1970s the peninsula had been a solidly working-class area. The 1976 census shown that there were 703 occupied dwellings in the peninsula with 40 per cent of the population being in Pyrmont. Sixty per cent of the population (1977 persons) were tenants of whom 93 per cent a rent paid of less than $45 per week.[9] Pyrmont and Ultimo were for poor people. As a result of the inner city development boom of the 1980s, the area has begun to change. As also happened in Balmain, the

[8]Michael R. Matthews, *Pyrmont & Ultimo: A History,* Australia: Southwood Press, 1982, pp. 53-78.
[9]*Ibid,* p. 100. See Census 1976, Postcode area 2007 (Ultimo) and 2009 (Pyrmont).

value of the land increased. For example in 1976 "Best and Less" stores bought 14 terraces in Wattle Street for $100,000, and in 1981 the block sold for $800,000.[10]

Table 2 summarises data on housing affordability collected in 1988 and 1989.[11] The findings of the study were summarised as follows:

a. The income characteristics were not dissimilar to Sydney Statistical Division, but with a slightly higher percentage of very low income households and a slightly lower percentage of very high groups.
b. The household composition included a much higher proportion of sole person households (38%) compared with Sydney Statistical Division (21%), and much smaller percentage of households with children (11% compared with 28% respectively).

***Table*** 2: Avarage Rents in City West Suburbs ($ Per Week) 1988/9

| Suburb | Bed Sit | 1-Bed | 2-Bed | 3-Bed | 4-Bed |
|---|---|---|---|---|---|
| Pyrmont | 70 | 174 | 230 | 258 | 270 |
| Ultimo | - | 192 | 210 | 300 | - |
| Chippendale | 95 | 172 | 200 | 237 | 310 |
| Redfern | 86 | 136 | 240 | 290 | 324 |
| Ave. $pw | 84 | 168 | 220 | 271 | 301 |
| Ave. $ pa | 4,368 | 8,736 | 11,440 | 14,092 | 15,652 |
| **Average rents expressed as a percentage of income for very low, low and moderate income groups** | | | | | |
| Very low | 56% | 76% | 86% | 105% | 94% |
| Low | 30% | 52% | 57% | 61% | 59% |
| Moderate | 19% | 34% | 37% | 39% | 39% |

Source: City West Affordable Housing Study, Report to NSW Department of Housing.

[10]*Ibid.*

[11]Berkhout Planning & Development, Glazebrook & Associates, Hill PDA, Laurie Chiarella, *City West: Affordable Housing Study, Evaluation of Options for the Promotion of Affordable Housing*, Report to NSW Department of Housing, October 1991, p. 2.3. The definition of the category of income groups are "very low income" groups below the 25th income percentile, "low income" groups between the 25th and 40th percentile and "moderate income" groups between 40th and 60th income percentile.

c. 51% of households were renting privately, with a further 8% renting publicly. Only 19% were purchasing and 11% were outright owners.

d. Just under half of those renting paid under $100 per week, while only 2% paid over $200 per week.

e. 44% of the population of 2,800 had lived at the same address for less than a year.[12]

Change is continuing, and is rapid. Table 3 shows the occupational profile of residents of Ultimo and Pyrmont at the 1991 census. A more recent study of Pyrmont-Ultimo, the "Post Occupancy Survey of New Residents to Ultimo/Pyrmont" (1996) shows that the majority of residents in the mid 1990s were young, single, and had a university degree. A quarter of households earned more than $78,000 (23.6 per cent compared with 10.5 per cent in 1991). The majority of the population, most of whom

***Table*** 3: Pyrmont and Ultimo Occupation Profile, 1991

| | Pyrmont (%) | Ultimo (%) |
|---|---|---|
| Managers & administrators | 10.7 | 9.8 |
| Professionals | 18.8 | 21.6 |
| Para-professionals | 7.8 | 8.2 |
| Trades-persons | 7.4 | 12.2 |
| Clerks | 17.8 | 14.2 |
| Sales & personal service workers | 15.8 | 15.9 |
| Plant & machine operators | 4.9 | 3.5 |
| Labourers & related workers | 10.7 | 8.9 |
| Inadequately describe | 1.3 | 0.3 |
| Not stated | 4.9 | 5.3 |
| | | |
| Total | 100 | 100 |

*Sources: ABS, 1991 Census*

[12]*Ibid,* p. 3.4.

***Table*** 4: Number of Person by Birthplace (Countries), Census 1996, Pyrmont, Ultimo and Sydney City Council

| *Countries* | *Pyrmont* | *Ultimo* | *LGA Sydney** |
|---|---|---|---|
| Australia | ***1,729*** | ***1,166*** | ***7244*** |
| Canada | 15 | 9 | 43 |
| Chile | 17 | 3 | 35 |
| China (excluding Taiwan) | ***129*** | ***390*** | ***916*** |
| Croatia | 3 | 3 | 17 |
| Egypt | 8 | | 22 |
| Fiji | 8 | 3 | 34 |
| Germany, Federal Republic of | 12 | 7 | 78 |
| Greece | 10 | 6 | 41 |
| Hong Kong | ***98*** | ***152*** | ***514*** |
| Hungary | 3 | 3 | 34 |
| India | 12 | 11 | 56 |
| *Indonesia* | ***128*** | ***89*** | ***686*** |
| Ireland | 21 | 12 | 91 |
| Italy | 19 | 13 | 56 |
| Lebanon | 13 | 3 | 33 |
| Macedonia, FYR of (a) | | | 3 |
| Malaysia | 57 | 143 | 275 |
| Malta | | 3 | 15 |
| Netherlands | 14 | 9 | 53 |
| New Zealand | 124 | 51 | 462 |
| Philippines | 34 | 11 | 89 |
| Poland | 14 | 8 | 40 |
| Serbia and Montenegro (FYRs of (a) | | | |
| Singapore | 34 | 33 | 115 |
| South Africa | 17 | 8 | 71 |
| Sri Lanka | 11 | | 27 |
| United Kingdom (b) | 223 | 89 | 892 |
| USA | 31 | 15 | 141 |
| Viet Nam | 29 | 43 | 158 |
| Born elsewhere overseas | 371 | 346 | 1915 |
| Not stated | 373 | 190 | 3154 |
| Overseas visitor | 96 | 199 | 7574 |
| | | | |
| *Total* | *3,653* | *3,018* | *24,884* |
| | | | |

*Source: ABS Census 1996.*

*LGA Sydney : include CBD and South Sydney.

(a) FYR = Former Yugoslav Republic

(b) Comprises England, Scotland, Wales, Northern Ireland, Channel Island And UK and Ireland.

were recent arrivals to the suburb, came from English-speaking backgrounds (64.2 per cent), with the largest ethnic groups coming from Indonesia (8.1 per cent), China (3.8 per cent) and Hong Kong (5.3 per cent).[13] Data from the 1996 Census show that the highest proportion of ethnic background non English speaking peoples in the Local Government of Sydney are from China, Indonesia and Hong Kong (see table 4).

The 1996 Pyrmont-Ultimo study projected a population close to 20,000 by the year 2000. In sum, there has been a dramatic transformation in progress.[14] Pyrmont in 1996 was five years into a building program that is forecast to attract investment of more than $2 billion (including the $700 million Sydney Harbour Casino, for which 3,000 staff have already been recruited.[15] What was formerly a fiercely working class area has gone through a process of depopulation, followed by wholesale reconstruction and rapid repopulation with an entirely new socio-economic group - affluent, cosmopolitan and engaged in new occupations and lifestyles. But the study notes the potential for transitional and longer term problems including the lack of community spirit, no local shops or supermarkets, few parks and street trees, the lack of local doctors and dentists as well as no sporting and gymnasium facilities. This lack of local services has been raised by the residents of Pyrmont and Ultimo in many community meetings.

With restructuring and redevelopment of this scale at the local level, tensions and dilemmas have emerged over urban planning. The processes of decline, relocation and redevelopment have raised fundamental issues of the relationship

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[13]*Post Occupancy Survey of new Residents to Ultimo/Pyrmont*, NSW Department of Urban Affairs, 1996.
[14]*Ibid.*
[15]A casino spokesman stated that 3,000 casino staff had already been recruited, the SMH, 22 August 1995.

between existing communities and new development; between local, state and federal governments, each with an interest in the processes taking place; and between public and private sectors of the economy. Ultimo-Pyrmont falls within the boundaries of the City of Sydney Council. The inner city and CBD of Sydney have long been a battleground over planning controls and policy between different levels of government and different planning agencies. Strategic planning by the Sydney City Council for the whole area dates from the 1970s. However, throughout the recent history of city redevelopment, the state government has continuously been involved, not only through oversight of the city council planning processes but also through intervening with special legislation. In the 1970s the state government indicated its strong interest in the inner city precincts and its distrust of the city council when it established the Rocks Redevelopment Authority to control planning and redevelopment of another area adjacent to the CBD. The mix of council planning and state agency intervention was continued with the creation of the Darling Harbour Authority in the 1980s. In the Darling Harbour case, the state government produced a special Darling Harbour Act, with the effect of supplanting all normal planning and development procedures.[16] The localities surrounding the city have also attracted close attention in metropolitan and regional planning schemes and strategies because of their significance and scale, as is evident in the study, *Sydney into its Third Century* in 1988.[17] A direct stimulus for state intervention and interest is the fact that much of the land around the city, particularly foreshore land, is state owned. With this land derelict, the state has acquired a direct commercial interest as well as a broader economic and urban policy role in the redevelopment process.

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[16]Department of Planning New South Wales, The Darling Harbour Act.
[17]NSW state government, Sydney into its Third Century, 1988.

*Sydney City Council and the State Government of NSW*

There has been a battle between two levels of government to shape the Sydney City ever since Sydney acquired municipal government.[18] The arenas of battle have been over who controls the planning of the city and over the provision of its public services. There have been several disputes over what constitutes the city boundaries, as state governments of Labor and Liberal persuasion redraw them so as either to include or exclude residential Labor voters in the surrounding inner city suburbs. But regardless of the outcome of such disputes, the city council has repeatedly had to defend its powers and prerogatives against state government encroachments: major city business interests have customarily "gone to the top" with their grievances and generally found a willing listener. The economic and physical health and character of the central city has always been viewed as a matter of more than local interest by state governments.

In the final chapter of her book on the history of Pyrmont-Ultimo, Shirley Fitzgerald concluded by stating that:

> The Pyrmont Peninsula stands as an unusually stark example of how an industrial society works at the raw edge, and to whose benefit. It works to the detriment of 'community'. Against the onslaught of powerful industries, of constant erosion of amenities, constant discounting of human values, the fabric of community has been torn to shreds again and again. Community can survive adversity, even be strengthened by it, but perhaps 100 years and more of constantly losing the battle is too much for any community to take. The fighting has been too savage, the people too wounded.[19]

Pyrmont-Ultimo has been a battleground of development and industrialisation since the arrival of European people in Australia. The land has been subject to a

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[18]Mary Moyer, "The More Things Change", *Inner Voice-Summer*, 1994/1995, pp. 27-28.
[19]Shirley Fitzgerald and Hilary Golder, *Pyrmont-Ultimo Under Siege*, Sydney: Hale and Iremonger, 1994, p. 128.

battle for political control between levels of government. As a colony, the Governors held all legal power and their power to grant land and assign convicts regulated the mode and tempo of the colony's development. The history of the free granting of Crown Land stopped in the 1830s during Governor Bourke's tenure.[20]

The history of Sydney City Council began in 1842, fifty-four years after the arrival of the first fleet and the settlement of Australia by Europeans. Originally, the City of Sydney had twenty-four councillors, elected by male towns-people to build streets and footpaths, construct sewerage and water supply systems, provide lighting and public health.[21] In 1919 the Local Government Act was proclaimed specifying the powers and duties of all municipal corporations, including Sydney.[22] The boundaries of the Sydney Council confined it at that time to Pyrmont and Ultimo in the west, Paddington in the east and as far south as Cleveland Street. The 1919 Local Government Act gave councils very limited planning or regulatory powers. Section 309 of the Act gave the power to specify "proclaimed residential areas" within which industry was prohibited. Outside these areas there were few controls other than some building and health regulations. From 1920 to 1950 the City Council designated a number of residential areas. The first was Centennial Park, then parts of Elizabeth Bay, followed by Potts Point, Darlinghurst, Surry Hills and Camperdown. No part of Pyrmont and Ultimo was designated as a residential area.[23]

The post-war Labor government of NSW, first elected in May 1941 under W.J. McKell, embarked on a major program of urban, housing, regional and social development, including such things as slum clearance and the introduction of urban

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[20]Mathews, *op.cit.*, p. 101.
[21]Sydney City Council, *Annual Report,* 1994, p. 8.
[22]Matthews, *op.cit.*
[23]*Ibid.*

planning.[24] One of McKell's proposals was for the reform of local government and the introduction of metropolitan government and planning. He tried to reduce drastically the number of municipalities in Sydney, but following fierce opposition in the Upper House, a more modest restructuring resulted. The 1948 Local Government Areas Act reduced the number of Councils in Sydney from sixty-six to thirty-nine.[25] McKell as Premier was also an advocate of metropolitan government for Sydney. Particularly after returning from a trip overseas in 1945, he stated:

> I was particularly impressed by the fact that the major portions of such cities as Los Angeles, San Fransisco and New York, as well as several cities in England, are administered as single units and that in consequence they have achievement to an extent far beyond anything we may hope to achieve in Sydney with its present multiplicity of controlling authorities. Furthermore, I found evidence that the people of those cities had a real appreciation that they were citizens of an important city and took great pride in its achievements.[26]

The idea of the establishment of metropolitan Sydney was to unite smaller authorities to create a single body which could command the resources, staff and civic pride needed to carry out big tasks with efficiency.[27] McKell's plan came to nought. In Australia, the only city to have adopted such a model of metropolitan government is Brisbane.

But one outcome of McKell's plans for restructuring metropolitan and local government was the creation of an enlarged city council. McKell appointed a Royal Commission of Local Government Boundaries in 1945.[28] The result of the Commission report was to combine the city with the surrounding councils including Woolloomooloo, Darlinghurst, Surry Hills, Chippendale, King Cross, and East

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[24]Jim Hagan and Ken Turner, *A History of the Labor Party in New South Wales 1891-1991*, Melbourne: Longman Cheshire Pty. Limited, p. 174.
[25]Moyer, *loc.cit,* pp. 27-28.
[26]As quoted in J.D.B. Miller, "Greater Sydney", *Public Administration*, (Sydney) Vol.XIII, No. 2 (New Series) June 1954, p. 194.
[27]*Ibid,* p. 195.
[28]*Ibid.*

Sydney. The extension of the boundaries continued, with the absorption of the municipalities of Alexandria, Darlington, Erskineville, Glebe, Newtown, Paddington, Redfern, and Waterloo in 1948.[29] The result of the enlargement of the boundaries of the city in 1948 was to take in an additional ring of working-class suburbs. As a consequence, Labor secured political control of the council from then until it was sacked by the Askin Government in 1968.[30]

In 1945 the first planning instrument for the entire County of Cumberland was initiated by the state government.[31] Under the County of Cumberland Scheme, from 1951-1971, the peninsula (Pyrmont and Ultimo) was zoned as a "County Centre". This zoning was the least restrictive, permitting a variety of commercial, residential and industrial uses. The statutory planning scheme and metropolitan land use zoning ordinance was adopted by the NSW parliament in 1951 as has been explained earlier in Chapter Three.

Labor won control of the city council in the 1949 election, with Ernie O'Dea being elected as Lord Mayor, and Jack Byrne and Cyril Carroll being the council members for Pyrmont and Ultimo.[32] One of their first acts was to recommend an appropriate zoning for the peninsula. The Council offered to rezone the area as residential area. The NSW Minister for Local Government would have none of this. Then, under the powerful persuasion of the Pyrmont-Ultimo Council Member, Jack Burney, every existing house was recommended by the Council for residential zoning. Council plans with no legal force designated the peninsula for residential purposes. Labor councils were ideologically committed to maintaining and increasing inner-city residential housing, but the population figures declined.[33] A draft City of

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[29]*Ibid.*
[30]Fitzgerald and Golder, *op.cit.*
[31]Cumberland County Planning Scheme, 1945.
[32]Mathews, *op.cit.*, p. 102.
[33]*Ibid.*

Sydney Planning Scheme was adopted by the council in 1958. Under this scheme, two thirds of the peninsula was zoned residential and one third industrial. However, the original blanket zoning of the Cumberland Plan continued to be in force while the City Scheme was going through the long process of being exhibited, approved and proclaimed. The NSW state labor government through its Minister did not exhibit the Plan for public comment and objections until January 1965.

The process was still in train, and the scheme had not been gazetted, when the Liberal/Country Party led by Premier Robert Askin came to power in 1967. One of its first acts in government was to dismiss the City Council and redraw the municipal boundaries, excluding from it many of the surrounding working class residential suburbs. For example, Glebe and Annandale were transferred to Leichhardt and a new South Sydney Council was formed. Pyrmont and Ultimo, however, remained within the city. In 1969, at the first city council elections under the new boundaries, the Civic Reform group came to power. The Civic Reform Association of Sydney Limited was a company of businessmen which was formed in 1921 with the express purpose of combating the Labor Party in City Council elections.[34] It has an executive, a Board of Directors and a permanent secretariat. Its politics for the most part are politics of the Liberal Party, and most of the aldermen are members of the Liberal Party. The association selects and endorses candidates for council elections and marshals finance and other support for them.

One of the Civic Reform aldermen who was elected in 1969 was Andrew Briger. He was instrumental in establishing a City Planning Department, which employed the services of George Clark, an internationally renowned planning consultant, to prepare a new draft plan, released in 1971 as the City of Sydney

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[34]Mathew, *op.cit.*

Strategic Plan.[35] The fact that the plan was prepared by a Civic Reform Council did not prevent a clash over some of its provisions, particularly for control of office buildings in the CBD, with the Askin Government. As with most such battles, the state won.

Neville Wran became Premier of NSW in May 1976, once again bringing in a Labor Government. The City Council remained under the control of the Civic Reform majority for a time. Local development issues and the fate of the strategic plan aroused continuing controversy. For example, just prior to the council election in 1980, an important local issue concerned the development of a major new high rise apartment in Pyrmont. The Civic Reform governing party wanted the new Meriton apartment block in Harris, Jones and Macarthur Streets to occupy less of the site and, in compensation, rise to a height of eight floors. The issue brought residents out in opposition, with many public meetings and deputations to council. Resident activists expressed a strong "anti-high-rise" sentiment. This particular development controversy reflected a broader issue of concern to these activists, a concern that had been expressed in relation to the local Action Plan prepared under the City Strategic Plan.[36] The Ultimo and Haymarket Plan was actively under consideration between 1975 and 1982, with a major point of contention being whether to have high rise or low-squat residential blocks in the peninsula.[37]

But local planning and matters under the control of the City Council could not influence many development issues impacting on the community. For example in 1981 the north-west freeway was completed.[38] The peninsula since then has become choked with traffic funnelled onto residential streets from the freeway exits. The

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[35]*Ibid.*
[36]*Ibid*, p. 104.
[37]*Ibid.*
[38]*Ibid.*

looming Bicentennial Year of 1988 created an opportunity for the state government to allow maximum development in the city, including the massive redevelopment of Darling Harbour. The situation is also similar in recent years because of the Sydney Olympic Games 2000.

In 1982 the City of Sydney was reunited with South Sydney, with the result that neither Labor nor Civic Reform, nor any other bloc could win a guaranteed, continuing majority. Moreover, there was a growing number of Independents with grass roots support on the Council in this period. The mayor, directly elected, was Labor for most of the period. This instability made the Council less able to resist external state government pressures in support of redevelopment. The council was again sacked by the Labor Premier of NSW, Barrie Unsworth in March 1987. Unsworth and his colleagues thought the city needed a different form of government, and that this measure was necessary to eliminate discord in the Council and delay in the development of the city. A City Commission was then installed for two years. Then, the Labor Party lost the next election in 1988 and Nick Greiner became the new premier of NSW.

The Sydney City Council, despite its pre-eminent status among local government bodies is, if anything, less capable of exercising local autonomy than other municipalities with respect to its planning powers. Under the City of Sydney Act 1988, the Central Sydney Planning Committee (CSPC) was established, and at the same time the council was reconstituted. This committee comprises three councillors from Sydney City Council, one councillor from South Sydney Council and five state government appointees. The responsibilities of this committee include the development of long term planning policies, and it determines all government and private development applications valued at over $50 million. This committee is

chaired by the Lord Mayor of Sydney City Council and meets twice monthly in Council Chambers.[39]

In May 1993, the Minister for Planning, Robert Webster, announced a Commission of Inquiry into the role, structure and resources of the Central Sydney Planning Committee as part of a broader inquiry into the administration of strategic planning and development consent arrangements within the Greater Central Sydney Planning area.[40] The commission recommended that the CSPC be replaced by a wider body called Sydney Regional Planning Authority (SRPA).[41] The recommendation of the Commission sparked direct opposition from the councils across the inner city. The SRPA would have covered eight of the councils in the inner suburbs of Sydney: Sydney, South Sydney, Waverley, Randwick, Botany, Rockdale, Marrickville and Leichhardt. The SRPA as a state statutory body would have centralised power in the hands of state government. The Minister for Planning appears to have been attracted to the Commissioner's proposal. There has been unprecedented development activity in the Central Sydney Region given economic recovery in recent years and the Sydney 2000 Olympic on the horizon.

This proposal for a new Regional Planning Authority is the latest in a series of measures by which the state government has sought to assert its power and authority over matters of inner city redevelopment. Whether by intervention in local council affairs, by creation of over-arching planning bodies, by imposing its own planning schemes and ordinances over the top of those adopted by local councils, or by special legislation and ad hoc statutory bodies, such as the Darling Harbour Authority, the state government time and again has sought to assert its dominance. In this context, the City West Development Authority, and the control exercised by the state

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[39]*Ibid*, p. 12.
[40]*Ibid.*
[41]Symson Commission Report, January 1994.

government over detailed local planning in Ultimo-Pyrmont, is part of a pattern and a norm of city planning and politics.

*City West: Urban Redevelopment Corporation in Inner Sydney*

In early 1989, a cabinet subcommittee was set up to oversee the City West project, consisting of the Ministers for Planning and Energy, Transport, Housing, State Development and Local Government.[42] A steering committee was set up under the chairmanship of the Department of State Development. The City West Urban Strategy, an outline plan for redevelopment of the peninsula, was exhibited to the public between December 1991 to the end of February 1992.[43] In the Plan, the precinct is divided into four zones - residential, residential-business, public recreation and waterways.

The City West Strategy is the first stage of a planning instrument which was produced by the Department of Planning (now renamed the Department of Urban Affairs and Planning under the Carr Labour Government). The next stage was for the Minister for Planning to produce a key statutory planning instrument, Regional Environmental Plan (REP) no. 26. REP 26 includes the *master plan* covering the state government's own land in Pyrmont and Ultimo. In this case, the development of Sydney Casino is a part of the master plan for Pyrmont Bay. The development of the Casino was a decision taken entirely by the state government, with little opportunity for residents to have an influence.[44]

The casino development is a key part of the overall strategy to redevelop Pyrmont. The state government's view seems to be that complete regeneration is

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[42]Department of Planning NSW, *City West*, no date.
[43]*Ibid.*
[44]Most of the residents groups which I have interviewed pointed out that they didn't have much say in the development of the casino. This view is also shared by Michele Dunn from the City West Development Corporation.

required, and that a massive project such as the casino is an ideal way of kick-starting the redevelopment program. Michele Dunn - a public relations officer from the City West Development Corporation - uses the term *critical mass* in discussing the future development of Pyrmont-Ultimo.[45] They maintain they need business investment to attract people to the area, to get the area working and to get services back.[46] In this case, the government decided that the development of a casino would solve the problem and could directly attract people to come to the area.

In order to bring people to live in Pyrmont-Ultimo, the state government, with the assistance of federal funding from the Building Better Cities (BBC) Program, will develop 600 units over 20 years to accommodate 16,000 people.[47] Ultimo-Pyrmont has an allocation of $117 million from the Commonwealth under a five year BBC Agreement, with the State matching it with a projected $124 million.[48] Total funds for the City West project, including a light rail link through the area, will amount to $278m. Minister for Planning, Robert Webster, has claimed that the plan as a whole would ultimately provide 80,000 permanent jobs. An estimated 54,000 of these jobs will be in Ultimo-Pyrmont. The Minister has explained that the planning of the precinct reflects the integration of the government's job creation objectives with its urban consolidation policy by the use of mixed residential and commercial zones, and it is expected that a great many of the new residents will work within walking distance of their new homes.[49]

The government's strategy for implementation is to rezone surplus government land under the REP, to dispose of it for development purposes, and to provide

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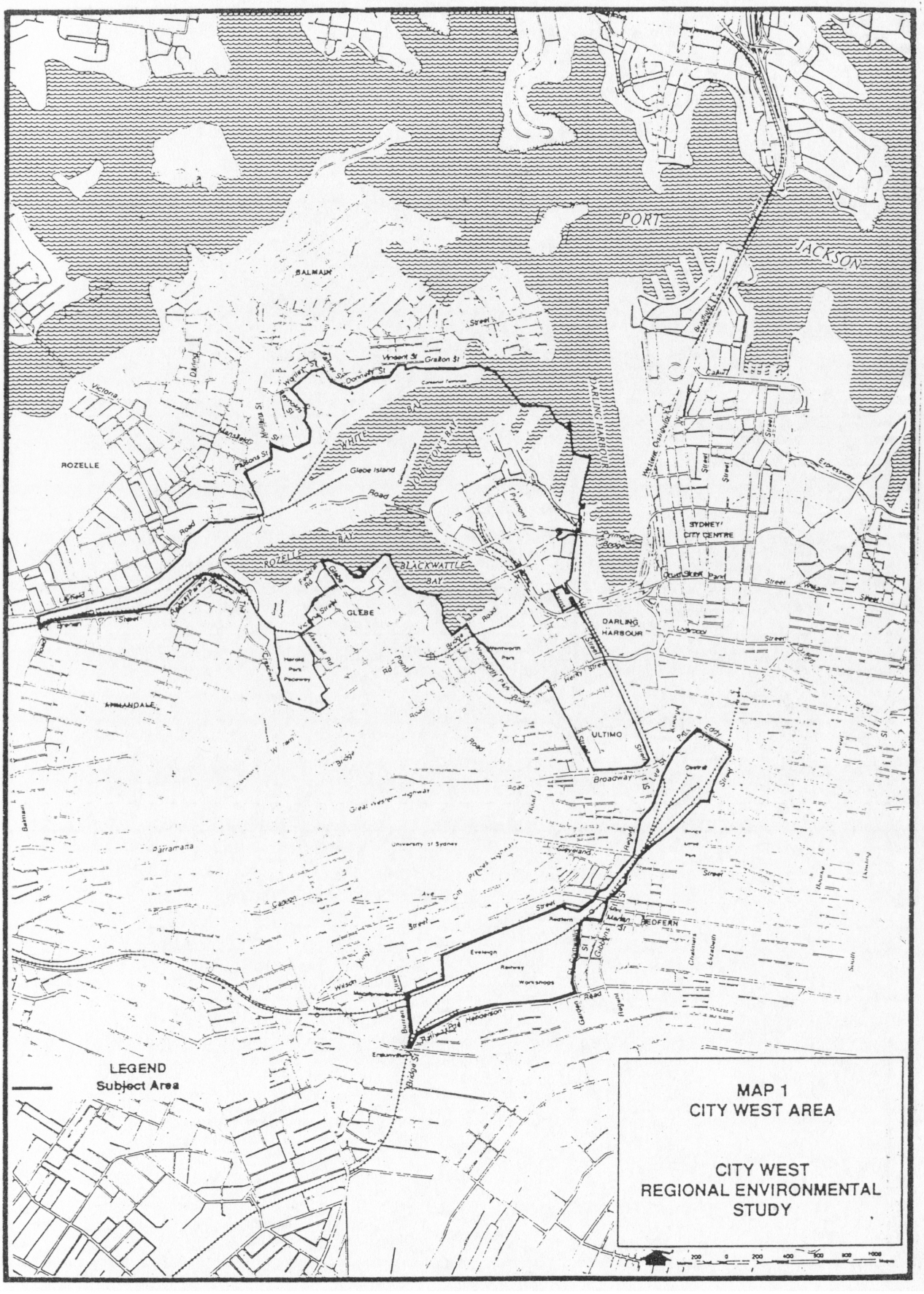
[45]*Ibid.*
[46]*Ibid.*
[47]Interview with Helen O'Loghllen, and see also *City West Development*, Department of Planning NSW, no date.
[48]DoP, NSW.
[49]See Robert Webster paper for BOMA Forum 18 February 1992.

infrastructure to encourage the private sector to develop residential and commercial developments. The state government's Property Services Group has prepared a development and assets management strategy and a business plan to clarify the details of the development and disposal phase of implementation.[50] To implement the strategy, the state government established the City West Development Corporation (CWDC) in October 1992 under the Growth Centres Act.[51]

CWDC's most important tasks include the management of infrastructure provision, the coordination of the sale of surplus government land and the stimulation of private sector development. Thus, the CWDC manages the government-owned land. The remit of the CWDC was to implement the state government REP no. 26. As the Chairperson of the CWDC board put it, the state government decides the policy framework for planning, and CWDC decides the practice.[52]

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[50]*Ibid.*
[51]*Ibid.*
[52]Interview with Reg Elliot, the Chairman of the Board of CWDC, 27 October 1995.


PORT
JACKSON
BALMAIN
ROZELLE
Victoria Road
Glebe Island
WHITE BAY
DARLING HARBOUR
SYDNEY CITY CENTRE
ROZELLE BAY
BLACKWATTLE BAY
GLEBE
DARLING HARBOUR
ULTIMO
Broadway
Parramatta Road
Great Western Highway
University of Sydney
REDFERN
LEGEND
Subject Area
MAP 1
CITY WEST AREA
CITY WEST
REGIONAL ENVIRONMENTAL
STUDY

The City West REP no 26 is an unusual planning instrument. Its first aim is "to establish planning principles and development controls of regional significance for development in each precinct..."[53] The Ultimo-Pyrmont precinct is to be redeveloped under the REP in order "to provide for significant increase in residential population".[54] Clause 11 requires that before granting development consent, the decision makers must take account of the aim of the Plan that development should be consistent with the planning principles for City West. Thus, the REP no 26 is the most important planning instrument in the future development/redevelopment in the area.

The Planning Principles for Ultimo-Pyrmont precinct are contained in clause 15, they include:

1. To provide for a significant increase in residential population.
2. To provide affordable housing.[55]
3. Uses at ground level fronting the public domain to be complementary.
4. Building heights to reflect and emphasise topography, with heights increasing as distance increases from the nearest waterfront.
5. Building heights to allow for a 'reasonable sharing of distant views from buildings'
6. Heights and scale to form a transition between the city high rise and low rise in the adjoining suburbs.
7. Heights and form of buildings to take account of visual impact solar access, wind impact and privacy so as to contribute to a high quality of environmental amenity in the public domain and residential areas.
8. Building fronting the public domain should have appropriate height, bulk, finish and street alignment to enhance the quality of the street-scape.
9. Higher buildings may be accommodated if they do not compromise the environmental amenity and general scale of development in the locality. [56]

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[53]REP, no.26, cl. 4.
[54]*Ibid,* cl. 15.
[55]The definition mentioned in the REP No.26 of "affordable housing" is housing provided for low to moderate income households. *REP No.26-City West*, p. 22.
[56]REP, no. 26. Department of Planning, NSW.

The height of buildings is the predominant feature of the development standards or controls for residential development in City West. Clause 23 in the REP states that the height must not exceed 288 metres.[57] Furthermore, clause 24 requires that the decision maker must be satisfied that the height will be consistent with the urban design planning principles in clause 15. Moreover, under clause 27 no floor space limits apply to residential development. There are some other provisions - for example under clause 29, development in the vicinity of a heritage item "...must be compatible with the conservation of the heritage significance of the item".

The Department of Planning, which had prepared REP 26, was also given the responsibility of preparing a detailed Urban Development Plan for the area, under clause 36 of the REP 26. Under clause 35 of REP 26, the Urban Development Plan makes more detailed provisions relating to development within a precinct than are contained within the REP. However, the urban development plan must be consistent with the REP. The Urban Development Plan sets out all principles which are considered important for the design of development, and controls through which the principles may be satisfied.[58] This detailed local plan was prepared in consultation with an interdepartmental task force. The task force was chaired by the Department of State Development and included representatives of the Department of Planning, Department of Transport and Property Services Group.[59] The Maritime Services Board, State Rail Authority and Department of Housing were to be consulted where necessary.[60] A consultative and advisory Planning Committee with local government,

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[57]Map 3 means the map marked "Sydney Regional Environmental Plan No.26 - City West. Map 3", consisting of the Sheets marked as follows:
sheet 1 - Ultimo-Pyrmont Precinct - Permissible Building Heights.
sheet 2 - Eveleigh Precinct - Permissible Building heights.
REP Plan No.26- City West, p. 23.
[58]*Urban Development Plan: For Ultimo-Pyrmont Precinct,* prepared in accordance with Sydney Regional Environment Plan no. 26 - *City West*, no date.
[59]Department of Planning of NSW State Government, *City West,* no date.
[60]*Ibid.*

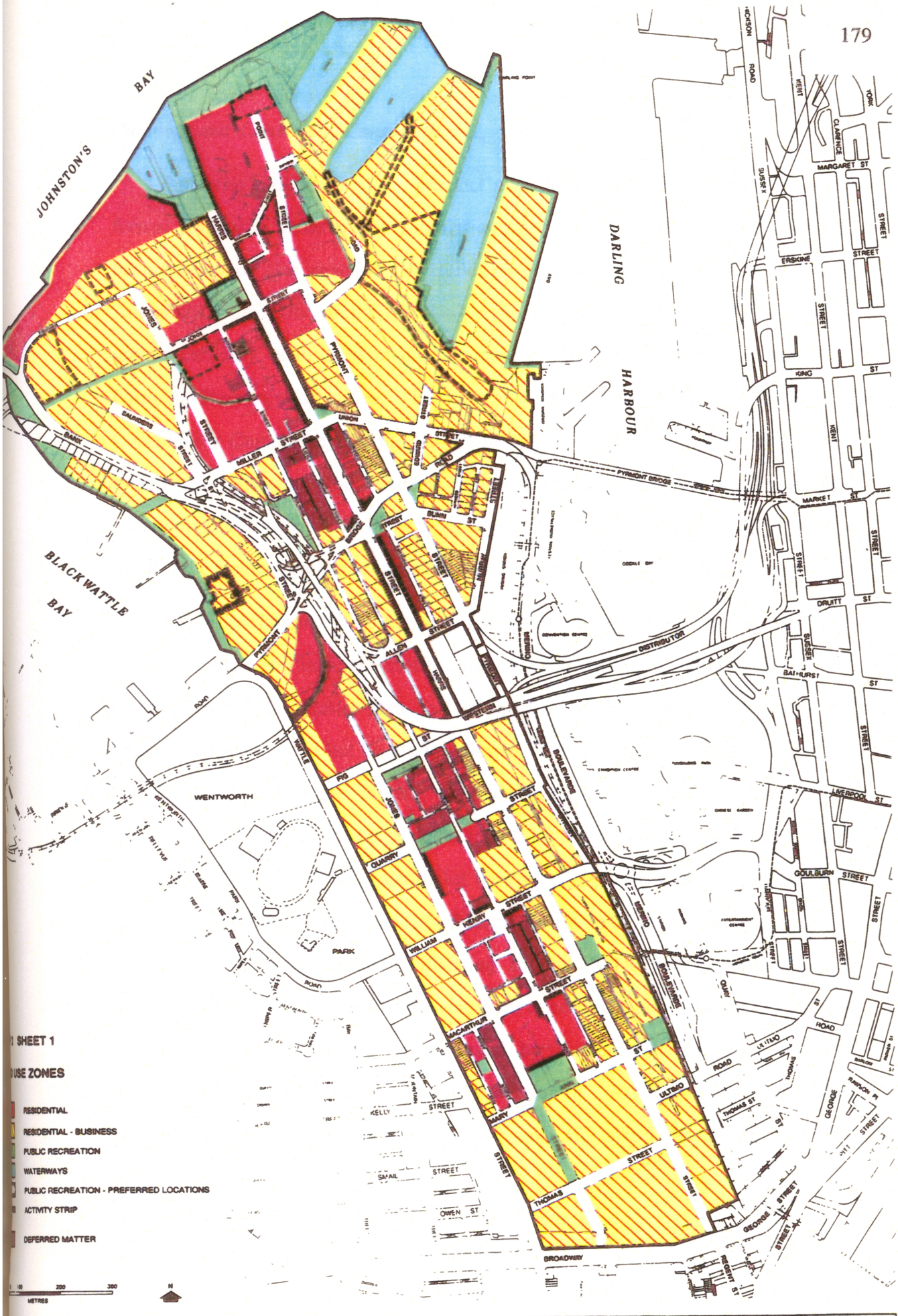
professional, community and business representatives was also set up to provide advice.

The ultimate consent authority - that is the final authority to determine development applications - under REP 26 is the Minister for Planning. Richard Smyth has claimed that the City West Plan is the first of the "anything the minister likes" style of plan.[61] In formal, legal terms, the distribution of authority is more complex. In fact, there are four consent authorities in the City West Development. First, the state government is the sole consent authority for redevelopment on government-owned land. Second, the Sydney City Council is the consent authority for other land which does not belong to the state government, for developments with a value of less than $50 million. Third, the Central Sydney Planning Committee is the consent authority for developments on private land in the area which have a value of more than $50 million. Finally, the Darling Harbour Authority has consent authority for land which is included under their jurisdiction under the Darling Harbour Act. However, even though in the REP it states that the consent authority for the redevelopment of the Ultimo-Pyrmont and Eveleigh Precincts lies in the hands of local government (the City of Sydney for Ultimo-Pyrmont and the City of South Sydney for the Eveleigh Precinct, which also comes under the oversight of the CWDC),[62] the state government is still the most powerful body in the redevelopment project. The initiative at every step of the project lies with the state government or its instrumentalities, and the funding of the project is under the state government's control, under a scheme agreed on jointly with the federal government.

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[61] *The Sydney Morning Herald,* February 17, 1994.

[62] Department of Planning NSW state government, *Sydney Regional Environmental Plan No.26 - City West,* New South Wales, part 3, division 2, p. 6.




**DEPARTMENT OF PLANNING**

ENVIRONMENTAL PLANNING & ASSESSMENT ACT, 1979

# SYDNEY REGIONAL ENVIRONMENTAL PLAN No. 26

## CITY WEST. ULTIMO - PYRMONT PRECINCT

| | | | |
|---|---|---|---|
| L.G.A. | CITY OF SYDNEY | LOCALITY | ULTIMO - PYRMONT |
| PARISH OF | ST ANDREWS | COUNTY OF | CUMBERLAND |
| DRAWN BY | RON BROWN | NOTATIONS | |
| CHECKED BY | MANAGER CARTOGRAPHIC | | |
| | PLANNING OFFICER Ralph Brading | GOVT GAZ OF | |
| DEPT. FILE No. | | CATALOGUE No. | |

*Planning and Community Consultation*

Following exhibition of the precinct plan in 1992, there were more than 100 formal responses. After public submissions from the residents' groups and from business groups (for example the Building Owners and Manager Association of Australia Limited), the draft REP was gazetted on 16 October 1992.[63] The resident groups currently established in the community were not at that time active - the Pyrmont Precinct Committee, The Pyrmont 2000 Association, the Community Consultative Committee, and the Ultimo Consultative Committee had not yet been established. Therefore, the resident groups submissions were uncoordinated and poorly organised when the REP was gazetted. It was only during and after 1993 that most of the resident groups organised themself to articulate their interests.

The redevelopment of Ultimo-Pyrmont is occurring with the involvement of a plethora of state and local government planning and decision making bodies. As we have just noted, the master plan and the local urban development plans were not prepared by the council but by the Department. The council, however, will have the task to maintain services for the area when construction and development are finished. Links between the council, the authorities and the community involved have been established. The result is a complex network of separate bodies and consultative and coordinating machinery. The City Council has set up co-ordination meetings with the CWDC and the Department of Planning, and the CWDC will consult and inform the Council on major projects. However, there is no direct link between CWDC and the Council, such as might be instituted by a representative on a board of management. The goal of co-ordination, according to CWDC staff, is to ensure that planning controls and public works do not adversely affect the quality of life of

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[63] *Ibid.*

residents and workers.[64] Council representations to the Minister of Planning resulted in the establishment of an Urban Design Advisory Committee with Commonwealth, State and Council input, allowing Council to comment on all planning controls, master plans, development applications, traffic management plans and public domain works. To facilitate community input to the deliberations, Council has established Precinct Committees in both Ultimo and Pyrmont.

CWDC places great emphasis on good relations with the community, which it sees as one of its most significant stockholders. Its Manager of Communication, Michele Dunn, occupies a senior position in the organisation, and she claims they have taken a positive and active approach to community involvement from the very start of the project.[65] However, the master plan of the area had already been gazetted when the CWDC was established, making it hard to depict their community relations role as anything other than an issues management role - it was too late for it to engage the community in genuine participation in the framing of policy. The CWDC faced a community in which resident groups were fearful and suspicious of the massive redevelopment which was occurring in the area. Not surprisingly, perhaps, cynicism towards the CWDC was a common response when community engagement was sought.[66] The CWDC jargon is to change this "conflict" mentality into a "cooperative process" in the redevelopment of Pyrmont and Ultimo. Therefore, they have sought to work with the community to achieve their goal, and the consultation process became an important strategic activity for the organisation.[67] Resources that have been

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[64]Interview with Philippa, CWDC community liaison, November 1995. There was an interesting impression that Philippa as a representative of CWDC has a credibility among residents in Ultimo Precinct Committee and Pyrmont Precinct Committee. In interview with Philippa, she mentioned that she worked hard to have such respect from the residents groups. She always informs to the residents what is going on in the redevelopment. Then, she became a mediator between CWDC and the residents groups.

[65]Interview with Michele Dunn, Manager of Communication, CWDC, 27 October 1995.

[66]Interview with Michele Dunn and Reg Elliot, 27 October 1995.

[67]*Ibid.*

devoted to this project include a community education process in terms of planning policy, heritage and so on. The CWDC seeks to represent itself within the official planning and decision making process as a body that is in touch with the community, that is, it sees its ties with local groups as a potential resource. By having a clear strategy of community consultation, the body has won credibility and support within sections of the community.[68]

The community groups according to the CWDC definition include:

1. Local residents.
2. Local property owners.
3. Local business and workers.
4. Local service providers.
5. Future population (residents, business, service providers), whose interests are represented by 'proxy' through the Corporation and other agencies. [69]

The CWDC has defined the issues which may require consultation as follows:

1. Policies/guidelines/principles (eg. Urban Design Guidelines).
2. Strategies.
3. Masterplan.
4. Development Applications.
5. Issues.
6. Specific projects - application of policies/guidelines.
7. Implementation activities (eg. construction impact).
8. Survey/questionaries. [70]

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[68]In every Precinct Community Meeting, CWDC always seeks to attend to inform itself on local sentiments, as well as communicate what they are doing. The author went to some meetings with Philippa - community liaison from CWDC, November 1995.

[69]CWDC, *Community Consultation Policy For City West development Program, Stage 1*, November 1995.

[70]*Ibid.*

The Sydney City Council has prepared detailed plans for infrastructure provision and management, and cost recoupment processes.[71] Council, in its own planning and in its discussions and consultations with the state government bodies involved, is actively promoting the concept of an "urban village" for this historic area, although the development control authority rests with the state government.[72] Questions have arisen about the idea of the urban village, especially among existing resident groups because of the scale of other types of development in or adjacent to the precinct. These developments include the Sydney Casino and related activities such as the development of hotel towers, parks, a heliport and a cruiser liner terminal.[73] They ask: "what kind of residential 'village' is it that will face 2500 casino car movements an hour each day between 10 p.m. and 2 am?" In this way, they point out the contradictions inherent in the council's attempt to plan for the future for the area as a residential setting, an "urban village", and the current and immediate pressures for large-scale commercial and high density residential redevelopment, to which the state government is more receptive.

The council, however, has had an impact in its limited role as consent authority. Its ability to put a brake on some of the proposed large-scale urban redevelopment has been tested. The Land and Environment Court in a judgement upheld the council's decision to refuse the development of a 10-level apartment building in Pyrmont, despite the fact that it complied with the existing height limits for the precinct.[74] As architect and councillor Elizabeth Farrelly has put it, the issue is whether developers and their architects are permitted to develop to the maximum intensity permitted, that

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[71]*Ibid.*

[72]The urban village concept was developed by the council, and debated with the institute of architect, planners and CWDC. The consensus was to build the area with the present density, and hight should be lowered toward a small degree. Interview with Michele Dunn (from the CWDC) and Julie Nimmo (from the BBC program Sydney City Council, 14 November 1995).

[73]Documentary Film on Ultimo-Pyrmont, *Concrete City*.

[74]The Land and Environment Court of NSW, Peter Mulroney & Company versus Sydney City Council, Judgment, 22 April 1994.

is, whether the height and density limits are seen as absolute rights, creating as she puts it "a forest of towers," or whether the council is allowed to exercise some discretion and judgement in the public interest; the Court in this case decided that they could.[75]

The Council set up community precinct committees in order to obtain input from ratepayers and electors in response to the development. Being effectively excluded from many of the major decisions concerning redevelopment, the Council can side with residents in an oppositional role, when it sees fit. Thus, the precinct committees are possibly the most open and genuine forms of local resident involvement. Through the precinct committee, the resident groups are asked to advise the Council on a range of matters. Some are matters of City Council business, but not all are within its power to determine:

1. All development applications, changes to traffic, landscaping or other urban design features which may significantly alter the character of the area and are considered may have other significant impact on the precinct.
2. The need for capital expenditure improvement in the precinct.
3. The need for attention to maintenance items in the precinct.
4. All major new policies or changes to existing policies which directly affect the community.
5. All local rezoning proposals.
6. All local services provided by the Council. [76]

As well as Precinct Committees for one of which includes Ultimo and Pyrmont, and another group has been set up by police and includes neighbouring residents, the Pyrmont-Ultimo-Chippendale-Broadway Community Consultative Committee. The Sydney City Council guidelines for Precinct Committees are as follows:

1. Objectives of Consultative Precinct Committees: [77]

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[75]*The Weekend Australian,* May 21-22 1994, p. 8.
[76]Guidelines for precincts Committee, no date.

a) To provide official dissemination of information to the local community.
b) To provide a structured means of receiving feedback from residents on critical issues.
c) To Provide a vehicle for community consultation.
d).To promote community cohesion and involvement in Council decision making, and community development generally.

2. Functions of Precinct Committees

The following operating guidelines are recommended for the City of Sydney as follows:

Meetings : Monthly. The meetings are organised by each local Precinct Committee. No resident, property or business owner is to be excluded from any Precinct meeting.

Quorum : A Quorum shall constitute a minimum of 6 residents and or business or property owners, residing/operating within Precinct boundaries.

Executive : Chairperson (no more than 2 years). Secretary, Treasurer. All must live or own property or business in the area and should not be from the same family group.

Election of Office Bearers : At the annual general meeting, the following officers will be elected by majority; Chairperson, Secretary and Treasure. If a tied vote result then a process of exhaustive ballot will be used.

Membership : Each Precinct Committee must have registered at least 12 members representing 12 different family groups of property, business owners and/or residents from the precinct.

Voting : Any resident or business owner within the precinct are entitled to vote. The minutes of the meeting should state composition of voters by category.

Annual General Meeting: The first meeting of Precinct Committees shall be deemed the Annual General meeting. Henceforth an AGM shall be held within twelve months, once every calender year. All residences, places of business in the Precinct must be notified about this meeting, including details such as the date, time and location of the meeting.

Decision/Recommendations : Any decision made by Community Precinct Committees and referred to Council must have date of meeting and be fully minuted. Decisions on matters sent to Precinct

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[77]Guidelines For Precinct Committees, no date.

Committees by Council must be responded to within the time specified so as not to delay normal Council business processes.

Aldermen : May attend meetings if invited by the chairman or secretary or by resolution of meeting. A standing invitation is acceptable. Aldermen who live, own property or have a business in the precinct area may attend meetings in their own right. If one alderman is invited then all aldermen must be invited. Information may be issued by the Chairperson, Secretary or by resolution at a prior meeting.

Attendance : A register of attendees must be kept for each meeting. Every person present must have their name and address recorded.

Declaration of Interest : All people directly concerned with an item (eg. owners, develops, architects) should declare an interest and should not vote or participate in discussion on that item. This will require self policing and it will be required that the person leave the committee whilst the matter is being discussed.

Council Staff : Attendance at meetings by Council staff will only be at the request of the Precinct Committee and only on business referred by Council.

Funding : A maximum of $300 per annum be provided for each Precinct for Printing and distribution of notices. reviewed annually.

Other Council Resources : Each Precinct Committee to receive two full sets of Council Business Papers: Confidential item excluded. Available from Precinct Committee Coordinator, Town Hall House.

The resident groups, in practice, have considerable difficulty in influencing Council policy, much less state government policy, or that of the various authorities involved in the redevelopment of City West. This, at least, is the view of the committees themselves. When Lord Mayor Frank Sartor attended a Pyrmont Precinct Committee meeting on 21 November 1995, he was told that they had been fighting for a long time, but that no one cared and listened to their demands or needs. Ultimo Consultative Committee members agree, arguing that they feel that they have difficulty because they can't speak the language of the planners, or they don't know

enough about proposed projects or policies in advance.[78] They do not have much time in many instances to organise their support or to give an adequate response to the Council. They feel that they suffer badly from the lack of a local resident as a representative, that is as a councillor on the Sydney City Council.

There are diverse views among the residents and other groups who have an interest in the area. For example, BOMA (a group representing property interests generally in planning and development matters, not just in this locality) strongly believes that the Minister for Planning is the appropriate person to have the consent authority and strongly rejects the notion of the City Council administering the plan.[79] The group believes that planning and development should not be left to what they call the "vagaries" of Town Hall politics.[80] The group suggests that the Department of Planning should establish a team within the department which is dedicated to negotiating directly with developers in order to deal with applications.[81] This view is also shared by the Pyrmont 2000 Association, an organisation of local business people and property owners, which argues that because it was the state government's initiative to redevelop the area, the state government should have the consent authority.[82] On the other hand, the resident groups of Ultimo-Pyrmont, such as the Pyrmont Committee precinct and the Ultimo Precinct Committee, still believe that the power to govern should lie with the City Council. They have opposed the loss of development control of the City Council to the Minister.[83]

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[78]Pyrmont Public Community Meeting, the author attended and discussed their concerns with many of the residents after the meeting.
[79]BOMA NSW Division, *City West Urban Strategy Speakers Paper,* Four o'clock forum, Tuesday 18 February 1992, Paper by Julie Bindon Scot Carver), p. 8.
[80]*Ibid.*
[81]*Ibid.*
[82]Interview with Vicky Sanderson, The Pyrmont 2000 Association, 24 November 1995.
[83]Documentary Film, *op.cit.*

A major issue which has been raised by all the local groups - the Pyrmont Precinct Committee, the Ultimo Precinct Committee and the Pyrmont 2000 Association - is about the development of affordable housing. The Pyrmont 2000 Association is a group which has a direct interest in the development of housing, capitalising on the demand for people to go back to live in the inner city.[84] As a 1995 Herald survey found, there is a major shift in how Sydney evaluates its quality of life. The traditional suburban house with a backyard is losing out to a desire for medium-density homes close to the city.[85] This is an interesting shift because in a 1969 survey, inner-western and inner-city suburbs were at the bottom of the list but their place has now been taken by suburbs in western Sydney. Balmain moved from list number 214 in 1980 to 115 in 1995. Pyrmont rocketed from 469 (1980) to 191 (1995), and Ultimo moved up from 470 (1980) to 304 (1995). The same has also happened with such inner suburbs as Glebe, Birchgrove, North Sydney, Chippendale, Crows Nest, and Surry Hills which have rocketed up the list. [86]

Another group that has been involved in City West is the Uniting Church's Board of Social Responsibility (BSR). This group has a long involvement with the Pyrmont and Ultimo community through the Harris Centre which it has operated since 1977.[87] The BSR concentrates on the need to ensure there is adequate provision for the housing needs of low to moderate households living in the redevelopment area and inner Sydney.[88] The BSR has addressed the issue of the appropriate organisation to manage the housing stock, and has examined potential funding sources for the construction and purchase of affordable housing. Specifically, a BSR submission made the following points:

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[84]Pyrmont-Ultimo is one of the new choices for suburbs according to research in late 1995, *the Sydney Morning Herald.*
[85]*The SHM,* "The best part of the town moves closer to the City", December 8, 1995, pp. 1 and 6-7.
[86]*Ibid,* p. 6.
[87]*Inner Voice*, winter 1993, pp. 13-14.
[88]*Ibid.*

1. Affordable housing means long-term rental housing managed by the Department of Housing (DoH) or a non-profit Housing Management Organisation (HMO).
2. The NSW Government's announcement of 700 affordable units is an inadequate response to the housing need in inner Sydney. This requires at least 2 000 dwelling units to deal with the 7 500 people on the public housing waiting list, and the 20 000 people renting privately, who are eligible for public housing in inner Sydney.
3. The NSW Government should make full use of existing planning powers - bonuses, development concessions and transferable development rights - and make the necessary changes to the EPA Act to introduce zoning and development linkage fees to raise funds for affordable housing in City West.
4. A non profit HMO should be established to ensure the delivery of affordable housing.
5. A combination of Commonwealth and State funds should be made available for the construction and purchase of the 2 000 affordable housing units in City West. This includes Commonwealth/State Housing agreement capital and recurrent funds, BBC Programme, proceeds from the sale of Commonwealth land holding's in Pyrmont and Ultimo, and Rental Bond Board funds. [89]

*Conclusion*

It is clear in the case of Pyrmont-Ultimo study that the state government, represented by the Minister for Planning and his Department, is the major political force in undertaking sweeping urban transformation. Moreover, intense outside commercial interest in the area have meant that unlike in Balmain, the project has taken little account of local interests in scale or scope. Therefore, history is repeating itself in Pyrmont and Ultimo, areas where outside forces and sweeping urban transformations have swept through the districts in the past.

Despite their efforts at trying to exert control, action has come from too many directions, too sporadically and too forcefully for the residents to be able to assume power over their environment. The power of local government in this situation is

[89]John Nicolades, BSR response, see also *Inner Voice,* Winter 1993, p. 4.

marginalised. Even more so are the local residents and the groups that represent them. Pyrmont-Ultimo is again under siege by a bewildering array of authorities, statutory corporations and outside corporations and interest groups, all coordinated under the power of the state government.

Chapter Six

# Residents, Development and the Planning Process

More than 40 years ago, two social scientists, William Form and Norton E. Long, argued that urban researchers should focus more directly on the various actors whose intentions, strategies, and interactions affect community development.[1] As a counterweight to approaches tending towards economic determinism, there is a need to understand the strategies and interactions of land developers, neighbourhood associations and the other political players in land-use development. This chapter aims to place the respective roles of the residents in urban development in a context of the politics of the planning process. It looks in particular at the role of resident groups, and the scope for participation in the planning process. The two cases - Balmain and City West - illustrate important aspects of the ways in which local residents and other neighbourhood interests are affected by and can - or cannot - influence redevelopment decisions through the development control and planning process. Both show local neighbourhood groups caught up, in and subject to, wider metropolitan political and economic processes.

The Balmain and Pyrmont case studies are valuable for illustrating different aspects of the nature of power and participation. In Balmain, local council planning processes were in train, and local groups were vocal about the issues. Local council politics provided the setting and backdrop for their exercise of influence. The intervention of the minister and the subsequent twists and turns of attempts to frame a local plan in line with state policy, also involved some exercises in consultation - ie "participation". Meanwhile the local groups continued to exercise power through their

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[1]William Form, "The Place of Social Structure in the Determination of Land Use", *Social Forces*, 1954, 32 (May): pp. 317-323. Norton E. Long, "The Local Community as an Ecology of Games", *American Journal of Sociology*, 1958, 64 (November), pp. 251-261.

active involvement in local politics and, particularly, through their use of the courts, the assertion of their rights in the planning process. In Pyrmont, by contrast, the local council was far less important and the planning process was dominated by state government departments and by a strongly project-oriented state government agency, with a remit to redevelop the neighbourhood. Residents and other neighbourhood interests were less vocal, but nevertheless the planning agencies and the City Council engaged in consultation and set up participatory mechanisms as part of the planning process. In these differing contexts, the producer interests of property investors and developers also faced very different opportunities and constraints.

*Residents Groups in Balmain and Pyrmont-Ultimo*

During this study, it became clear that there were significant differences between the two communities. In close to six years of observation, including one year of living in Balmain, the writer attended many Balmain community public meetings - in Balmain Town Hall, Birchgrove Public School, Leichhardt Town Hall and Balmain Park, as well as attending a "campaign cruise" in August 1992. The meetings were always packed with hundreds of people. In every community public meeting the Balmain resident groups could mobilise numbers of up to 500 people. However, very few people were mobilised in Pyrmont-Ultimo. At the Pyrmont Precinct meetings at Pyrmont Community Centre, and at the Ultimo Precinct Community meetings, usually less than 20 people turned up. The biggest group to be mobilised was the Pyrmont-Ultimo-Chippendale-Broadway Community Consultative Committee. This is understandable because that group is a combination of community and other suburban groups. The character of debate in the meetings was itself distinctive. For example, the meetings in Balmain Town Hall were more lively debates where well

known people, such as Tom Uren, the former federal minister of DURD, many lawyers, media personalities, architects and academics, were involved.

Most of the organisations explicitly refer to themselves as resident groups. In Balmain, the resident group is formally incorporated as the Balmain Association Inc. The Balmain Association was very active and successful in raising funds, particularly when the Balmain resident groups had to pay for their court battle. In addition, the Local Government Association of NSW, with Peter Wood as president, has financially supported the Balmain residents and the Leichhardt Council. By contrast, the resident groups in Pyrmont-Ultimo have had a different experience. There was no battle to raise funds for their campaign against massive redevelopment. The Pyrmont 2000 Association is exceptional in terms of their capacity to raise funds, at least for their own daily secretary activities, and at every meeting the members pay some contributions.

Clearly, the nature of neighbourhood association in the two case studies was very different. The Balmain resident groups were more "grassroots" type associations. They represent the collective interests of the residents in a bounded community area and there has been a long tradition of community organisation and action. A Balmain Association has been in existence since the 1960s and has enjoyed a long history of successful campaigning. The residents of Pyrmont-Ultimo have also had a long history of fighting, ever since the process of industrialisation in the area began. However, they have been weak in the face massive industrialisation in the area. As Fitzgerald states, for one hundred years and more they have been constantly losing the battle:

> In place of unity, disparate groups of residents have often pulled in different directions. Old timers look askance at newcomers, there are insiders and outsiders. Pyrmont and Ultimo have too often glared at each other and organised

> politics has been narrow in its perspective, exclusionary in its membership. Often concern for the big issues has remained unsteered, while fights for minimal amenities have been fought with great energy. 'They are fighters in Pyrmont and Ultimo', people say, but too often the fight has been defined by immediate interests, and there has been no vision for a different kind of place.[2]

Even the extent to which residents were organised was the product in some measure of the actions of public authorities. The Pyrmont Precinct Community and the Ultimo Precinct Community were set up by Sydney City Council to facilitate community input into council decision making.[3] The Ultimo Consultative Committee group had different interests, especially because the most massive development will occur in Pyrmont rather than in Ultimo. The new development, in terms of public services, will be concentrated more in Pyrmont than in Ultimo. These different interests have brought about conflict between the groups. Thus, there is no clear common strategy among local groups who have an interest in Pyrmont-Ultimo.

Perhaps the most effective local interest group in Pyrmont was dominated by property owners with interests in redevelopment. The Pyrmont 2000 Association was established as a result of dissatisfaction among some property owners that the precinct committee was too anti-development and was not representing their interests. The Association is generally supportive of development, but from a local perspective, and was most concerned with how to improve the land values of their members. Association members supported the Casino development, for example, because it would bring people to Pyrmont and bring business life into the Pyrmont peninsula.[4] The secretary of the group stated in 1995 that membership of the group was around 60 people.

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[2]Sherly Fitzgerald and Hilary Golder, *Pyrmont-Ultimo Under Siege*, Sydney: Hale and Iremonger, 1994, p. 128.

[3]Sydney City Council, *Annual Report*, 1993-1994, p. 22.

[4]Interview with Vicky and Bob Sanderson, December 1995.

Observation of proceedings of the precinct committees makes it clear that participants felt alienated and excluded. The tone of discussion was of frustration and powerlessness in the face of the process of privatisation in the Pyrmont peninsula through the sale of public land to private developers, and over the development projects that were being proposed. For example, the Pyrmont Precinct Committee meetings of 14 and 21 November 1995 were attended by the Lord Mayor of Sydney.[5] Those present spoke out that no one cared about them. They raised issues of the dirt and noise caused by the redevelopment. They feared the growing traffic congestion. They protested at the state of public services such as the poor bus service with only one bus route serving the Pyrmont peninsula. Someone pointed out that the government provided a bus service for the Casino but not for the people who live in Pyrmont.[6] The poor condition of the public services was recognised by Michele Dunn, the community manager of the CWDC, and she sought to convince those present that one of the purposes of the CWDC was to improve public services in the area.[7] The Committee opposed the development of a Casino in the middle of the residential area. They believed that the development proposed for Pyrmont was not going to be for the benefit of Pyrmont people. A symptom of the frustration of some residents, and their powerlessness in the face of big private interests, was the publicity stunt to secede from the Commonwealth Government of Australia by setting up a Republic of Pyrmont. [8]

Neighbourhood associations in Balmain (The Balmain Development Trust, the Balmain Association, and the Ballast Point Residents' Group) had greater cohesion than the Pyrmont-Ultimo resident groups. The population of Balmain is five times

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[5]Sydney City Council, *op.cit.*

[6]Community Public Meeting at the Pyrmont Community Centre, 14 November 1995, when the meeting was attended by RTA officials.

[7]Interview with Michele Dunn (CWDC), November 1995.

[8]The Documentary Film, "City of Stone", focuses on Pyrmont.

that of Pyrmont.[9] In local council politics, Balmain is a significant force whereas Ultimo and Pyrmont are insignificant because they are marginal to the City of Sydney. The people of Balmain have access to power because they have six councillors represented on Leichhardt Council, while Pyrmont-Ultimo do not have any local representatives on the Sydney City Council. Moreover, it is revealing to note particularly high level of community identity enjoyed by Balmain, and the means to enhance and perpetuate that identity through public policy. Most resident groups in Balmain proudly view Balmain as an historical community and as an historically working class and Labor area. The continuing close contact of people to government through the six councillors on Leichhardt Council who live in Balmain, makes the public's response to political decisions predictable and forces local government to adhere to public opinion. Therefore, there were high levels of public cooperation with Leichhardt Council in contrast to the case of Pyrmont-Ultimo. In Ultimo, residents complained that they could not respond to government policy because they did not have any representatives in the government or close contact to government.

In the Balmain case study, citizen opposition exerted a strong influence and dominated the governing body's decision-making in Balmain. Citizen opposition to any changes to existing restrictive zoning regulations forced applicants to redesign their plans. The Balmain resident groups conducted a competition to redesign the area which a prize of ten thousand dollars.[10] Furthermore, activist residents in Balmain have sophisticated expertise in articulating their visions for redevelopment. At most of the public community meetings, there were debates over competing ideas between

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[9]Balmain Population is 14,000 while Pyrmont-Ultimo is around 3,200. Source: ABS, 1991.
[10]Interview with Helen Styles, 1992.

architects, geologists and lawyers. This was also evident in public hearings and in the Land and Environment Court when the resident groups were giving evidence.[11]

To sum up, the social, demographic and cultural reason explain the difference between the two case studies, at least from the community perspectives. The two case studies provide an interesting contrast. Both Balmain and Pyrmont-Ultimo have experienced varying degrees of "gentrification", but with very different political outcomes. Perhaps one factor is a generational difference. The Balmain leaders are older 1960s activists and professionals, many of them Whitlam supporters. The Pyrmont "middle class" are younger, CBD yuppies.

*The Politics of Redevelopment in Sydney*

Because of recent economic recovery and the approach of the Olympics in the year 2000, there will be unprecedented development activity in the inner-city Sydney Region. First, there is on-going development in the CBD. Second, there is to be possible high rise residential development around the Showground, Port Botany and Botany; as well as airport-related activities in Marrickville. Additionally there are extensive Government interests in the City West area, where the Minister is already the consent authority. Such housing redevelopment is following demands in the housing market, and depends largely on private capital. Thus the construction of residential housing in inner Sydney does not give low and moderate-income housing a priority. However, the state government is playing a central role in facilitating and guiding this redevelopment. New transport links (for instance, to the airport) are

[11]It is interesting to note that the activists from the resident groups in Balmain are mostly professional being lawyers (eg. Helen Styles), architects (eg. Anna Rubbo), and Film Makers (Christine Olsen, Curtis Levy), and included a former Minister of DURD (Tom Uren). School teachers from the Birchgrove Public School have also been involved in the public community meeting and have voiced their opinion on the impact of the redevelopment on children's safety because traffic congestion.

opening up new private development opportunities. Urban consolidation policy and its various instruments have encouraged and facilitated state government involvement in the process. Sometimes government activity involves only site plan approval of wholly private efforts, but large scale projects usually require greater public intervention. The state government tends to see almost any new private urban investment as good because it enhances the tax base while promoting overall economic growth. Community groups on the other hand are equally likely to regard it is as bad because it is disruptive of existing community amenities and values - for example by adding to congestion. Even projects built on vacant land can therefore elicit virulent resistance.

The major projects in Balmain and Pyrmont-Ultimo that are the subject of the case studies demonstrate the current dominance of economic development objectives in urban planning and policy. The state government is also concerned to make both areas subject to its urban consolidation policy. Although neither project will directly displace residents, both have mobilised opposition from adjacent residential neighbourhoods, for different reasons. The local political structures and the extent of community resources and effective mobilisation clearly differ, as do the manner in which public power in the planning process is organised and deployed. In the Pyrmont-Ultimo project, the City West Development Corporation and most of the other principal agencies are independent of the community and relatively isolated from local input. The neighbourhood associations believed that the state agency used consultations to sell their plans rather than to elicit other viewpoints. However, the case in Balmain was very different, with the representatives of local associations able to channel neighbourhood interests and influence through political channels.

Both projects arose in the context of general land use strategies: in Balmain and Pyrmont they were part of the NSW state government urban consolidation policy and reflected a concern with achieving waterfront redevelopment. However, these were differences in ownership of the land, with four of the five site of Balmain being private and with most of the Pyrmont land belonging to the state government. In consequence, the Pyrmont-Ultimo project has a more comprehensive plan (City West Project Plan no. 26). The target in City West set by the state government was to achieve considerable commercial development in the inner city over the next twenty years, this will be accelerated due to Olympic games. Therefore, the public planning agency is to some extent emulating the "boom and bust" behaviour of the private sector through expanding commercial space on all fronts.

The case is different in the rezoning of the five sites in Balmain. The state government tried to incorporate the project into its urban consolidation policy, that is to exercise full planning control under a State Environmental Plan, with the state government as the consent authority. But the court-ordered denial of this form of state government intervention allowed local plans to survive, and local interests to win the day.

Opposition and protest were not simply the product of "resistance to change." The experience of local governments in Sydney in earlier periods of higher density development resulted in extensive areas of low amenity and poor quality housing and the under provision of community facilities.[12] Such experience resulted in local governments opposing any requests for higher density development unless the development proposals were of a high standard and included appropriate facilities.[13]

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[12]Patrick N. Troy, *op.cit.*, p. 156.
[13]*Ibid*, p. 157.

Local councils thus had experience of the need to guide redevelopment in ways that were not socially harmful. Their resistance is a defence of local jurisdiction and community control as well as a defence of existing amenity and those whose interests are damaged from declining amenity standards in particular neighbourhoods. There is a struggle between political interests for control of the urban regime, for such control is an essential asset for the powerful economic interests to dominate the region. This struggle has frequently been expressed in the efforts by local government to retain the control of local planning and development in the face of a state government's strategy to permit and encourage development on the broader metropolitan scale.

However, neither is this to be seen only as reflecting direct opposition between the state and the "locals", but also as a confrontation of social interests. Residents and local authorities who oppose the urban policy of consolidation have been described as "NIMBY's" (Not In My Backyard). Even if they have supported the general thrust of policy prescription, they are seen as too selfish to share the burden of its implementation, or to accept its implicit constraints. The resident groups in Balmain, for example, try to suggest alternatives for the redevelopment of the fives sites, giving some consideration to such matters on the high density of the areas, transport needs, and environmental problems. The councils have tried to preserve their social role as the guardian of local society. At different times they have made alliances with both forces in the locality: sometimes drawing closer to large economic interests, at other times supporting the resident groups. The state government and new interest groups such as large industrial interests, organise their strategies in the region to appropriate control over redevelopment. The diversity of these interests is expressed in terms of priorities for urban development.

*Community Mobilisation and Participation in the Rezoning Process*

Effective community mobilisation carries the potential for a redistribution of power through participation in decision making. That potential is only realised where the capacities of a local community are such as to provide the conditions to sustain effective participation. What factors underlie the existence and effective use of these capacities? In the following discussion, these factors are grouped under two general categories: "social structure" and the "political institutions" that provide channels of access to decision making arenas. The discussion contrasts Balmain and Pyrmont with regard to these two types of factors.

1. Social Structure

There are many problematic areas in any analysis of social structure. In the analysis of the social structure of western societies, there has been an identified trend in analysis through a synthesis of Marxist and Weberian theories of class structure, together with a the new analysis of the middle class.[14] In Australian writings on social structure in the 1980s, class analysis received some reappraisal.[15] Of particular relevance to this study, there are some identifiable elements to social, cultural and community participation. It is the middle class who possesses the cultural capital which enables them to avail themselves of the possibilities of political participation. In a study of community group formation, their mode of operation and the achievement of their goals, Young and Jamrozik report:

> "With regard to participation of residents in group activity ... people who become active in community groups on their own initiative are usually people endowed with economic, social and educational resources.[16]

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[14]Adam Jamrozik, *Class, Inequality and the State*, Melbourne: MacMillan Press, 1991, p. 108.
[15]*Ibid.*
[16]*Ibid*, p. 219.

The process of gentrification is of interest because it is points to the redevelopment of the cultural fabric of inner cities areas. This is a common phenomenon throughout the western world. The location studied in this thesis illustrates this process of gentrification. Balmain began "gentrifying" into the new middle class in the early 1960s.[17] The regeneration of Balmain into a gentrified new-middle-class neighbourhood with incomers attracted by young-professional inhabitants producing a distinctive cultural life style was based on the fact that city governments had begun to realise the potential for redevelopment and a reversal of the negative side of deindustrialisation. Balmain is a "trendy" place and has a new image. The area was increasingly perceived as an attractive persona - an interesting place to be and live.

The most important and interesting aspect of this study was about what factors empowered/enabled different groups in the community to use the opportunities and structures in influence planning outcomes.

A typical political consequence of the process of gentrification, or middle classing, of Balmain was a demand that substantial parts of the five Balmain sites be rezoned as open space. The residents sought to consolidate their socio-economic advantage by exercising their power to restrict the entry of new residents and to reduce density levels in their area. The Balmain residents were well aware of how rezoning of the vacant sites in the area would affect their amenity. The residents opposed the proposed redevelopments by making use of a diverse range of channels of access. They were aware of their voting power, as proved in the September 1991 local government election, and they employed a variety of other tactics and channels of influence as discussed below. This illustrates how upper-strata economic residents

[17]See Tim Bonyhady, "The Battle For Balmain", in Patrick Troy, *Australian Cities: Issues, strategies and Policies For Urban Australia in the 1990s*, Melbourne: Cambridge University Press, 1995, p. 112.

were able to articulate their interests, to use their resources and exercise their power. Jakubowicz has argued that the new-middle class had "the most striking effect on the face of urban politics in Australian cities."[18] They formed residents action groups, and they used political power effectively in redefining the areas in which they lived. The effectiveness of their actions was due primarily to their "knowledge of the system".

A comparison of the social structure in the two case study localities shows that the Balmain residents have a greater capacity to articulate their interests. Their socio economic background provides them with the necessary resources for penetrating the otherwise mystifying processes of government. They characteristically work in corporations, the public service, the media, universities or in the professions. A further factor, also in some senses a political resource, was their sense of community identity as a local middle class group of residents. Participation research and analysis suggest that increases in participation and influence are primarily associated with socioeconomic status. A reinforcing factor could in some cases be a sense of community identity, the articulation of which is also facilitated by being middle class. A combination of status, power and community create in a suburb such as Balmain a potentially powerful political force for defending the interests of residents as expressed in the locality's distinctive life style and identity.

In contrast, the Pyrmont-Ultimo community is an example of a situation where gentrification of an inner city area has produced disorganised community groups. The community is divided between the existing residents, the "new" inhabitants and the property owners, with local owners also in alliance with some outside economic interests. The process of gentrification in the areas since the 70s resulted in the people

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[18]Andrew Jakubowicz, " The City Game: Urban Ideology and Social Conflict, or who gets the goodies and who pays the cost?", in D.E. Edgar (ed.), *Social Change in Australia: Readings in Sociology,* Melbourne: Longman Cheshire, 1974, p. 341.

who lived there for generations being "pushed out" to the outer suburbs. Furthermore, the area has been divided and fragmented physically as a result of the redevelopment: the expressways ways; the tourist centre of Darling Harbour; and later the casino. Moreover, the redevelopment of apartments replace old homes whether under the government's housing program or through private construction. The area has become increasingly socially exclusive because of its convenience of access to the city and because of such business and cultural activities as Darling Harbour, China Town, Sydney Entertainment Center, Pay-TV Foxtel, TV Channel 9, the ABC Radio, the Sydney Casino and later on the TV Channel 10 joint in the area in 1997. The area has been occupied by new inhabitants who have little sense of locality and little in common with existing residents. As Vicky Sanderson has stated, the "new" inhabitants "don't have a sense of community solidarity," being younger and, in many cases, transient.[19]

Urban change and redevelopment displaces and destroys communities. Pyrmont-Ultimo is an example of a model of decline-in-community, which postulates that decline can occur as a community grows in size or, more importantly in this case, as it loses its characteristics of boundedness and identity.[20] As outside forces and new members penetrate the boundaries of an existing community, its sense of identity and its forms of social organisation go into decline. As a consequence, the members of the community lose their ability to identify their interests with it. In other words, these situations produce weakened neighbourhood identification. Any resident group seeking to mobilise on the basis of community identity becomes marginalised. In Ultimo and Pyrmont, it is significant that the development of the resident groups was instigated by the council rather than them being products of grass roots formation.

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[19]Interview with Vicky Sanderson, Pyrmont 2000 Association, resident of Pyrmont.

[20]John D. Hutcheson and James E. Prather, "Community Mobilisation And Participation In the Zoning Process", *Urban Affairs Quarterly*, Vol. 23, No. 3, March 1988, p. 349.

In sum, the contrast between Balmain and Ultimo-Pyrmont demonstrate a reinforcing set of social factors that help explain the varying levels of political mobilisation and, ultimately, local resident or community power. Class, status and community worked together in empowering the residents of Balmain, but in disempowering the residents of Ultimo-Pyrmont.

## 2. Political Institutions and Channels of Access

Two sets of institutional arrangements provided potential channels of access for residents and neighbourhood groups: first, local government and its representative functions, and second, the planning system and the rights it conferred on citizens and residents to be consulted and involved in decision making. In the case of local government, even though its status and power are limited under the provisions of the Local Government Act, its role can extend beyond the constraints these legal requirements seemingly impose. As elected councils, they have a special relationship with, and accountability to, a local populace. Thus, the existence of local government provides an opportunity for citizen participation, especially in local affairs. Although the state government has substantial legislative power over local government, this does not mean that the state government can easily exercise this power, given the prevailing Realpolitik and community perceptions. Therefore, the relationship between the state government and local government is more complex than the letter of the Act might suggest.[21]

This study of the rezoning of the five Balmain sites and the City West redevelopment illustrates the uncertainties when the state government seeks to exercise its power over local government. The rezoning of the Balmain sites is under

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[21] Janice Caulfield and Martin painter, "Urban Policy and Management in Sydney", in Martin Laffin and Martin painter (eds.), *Reform and Reversal*, Melbourne: MacMillan, 1995, p. 249.

the Leichhardt Municipal Council and the City West project is under the Sydney City Council. The Sydney City Council was in a weaker position to influence local developments. The CBD and surrounding areas is the locus of many big business interests, and the stakes are high. Thus the state government seeks to exercise more power in planning and land-use regulation. The Sydney City Council is more limited in it powers over local planning decisions than are most other councils. In City West, there were many more consent authorities involved than there were in Balmain, not only the Sydney City Council, but also the Sydney Central Planning Committee, the Darling Harbour Authority and the Minister. Planning of development in the area was largely centralised in the hands of state government and its agencies.

The political significance of the Ultimo-Pyrmont residents as stakeholders in the activities of the Sydney City Council was very low. The neighbourhood is small and on the fringes of the city, and its interests were far removed from those that dominated most of the council's business. There is no local ward system. There is an "at large" electoral system for the city aldermen (now councillors), meaning that no representative necessarily feels directly accountable to any particular neighbourhood. In contrast, Leichhardt Council supported the resident groups, because the councillors who opposed the resident groups' views lost their seats in the 1991 local government election as a result of local community mobilisation.

The Balmain case demonstrates local government's potential to exercise power over the right to rezone an area. Leichhardt Council did not compete with any planning authority as was the case in the City West project. The Council has a certain degree of autonomy under the provisions relating to local environment plans (LEP) to rezone their area. In this case, there was competing jurisdictions between the regional plan (REP) and LEP. REP is a vehicle for state government to overrule the right of

local government in planning, but its application in overriding local planning powers in Leichhardt created loopholes and uncertainties in jurisdiction. The Balmain residents group effectively used these loopholes and uncertainties to pursue their case.

The potential for local political forces to win the day in such circumstances has been realised in the case of Balmain, where the Labor state government, elected in 1995, chose to withdraw from the confrontation that had been instigated by its predecessor. The Balmain residents won back the right of council to rezone their territory. Even though the battle had been won through the court process, the new Labor government was happy to hand over to Leichhardt Council the consent authority over rezoning of the five Balmain sites. However, in the case of the City West project there occurred no comparable change after the change of government. The Minister of Urban Affairs continued his direct control over redevelopment in the area, and state and commonwealth governments continued to cooperate in funding and providing infrastructure.

The second set of institutional arrangements considered here as possible facilitators (or obstacles) for mobilisation is the planning system. An obvious contrast between the two cases of Pyrmont and Balmain was the difference in the institutional arrangements for planning and development approvals. There were important differences in terms of land-ownership between the two case studies. In Balmain the private developers proposed the projects, while in Pyrmont-Ultimo the state government was the prime land-owner. There was also difference in the stimulus for development consent. In the Balmain case it was still in the DA (Development Application) process, while in Pyrmont-Ultimo, the residents had no choice because the state government had plan control over the area. This difference affected the power momentum behind the development. The Sydney City Council does not have

the same autonomy over planning regulation as does the Leichhardt Council, since SCC powers are very much dependent on state government oversight.

These specific circumstances produced different outcomes in the process of participation and mobilisation. Leichhardt Council is an extreme example of resistance against state government powers to overrule local rights. Under the new state Urban Consolidation policy of November 1991, the Minister intervened and declared the relevant four Balmain sites to be of regional significance and appropriate for urban consolidation rezoning. This could have been the end of one of the most costly and unproductive struggles over urban consolidation that had ever occurred. However, the situation produced another around in the struggle between the council, the Minister, developers and residents. Leichhardt Council and resident groups struggled together over the powers of state government. This struggle had significance for regional planning, as it became a contest of principle over the pursuit of urban consolidation and the distribution of power in the metropolitan area. The situation was also important regionally as a test case for the redevelopment of the adjacent City West project. The stakes were high, and the state government was prepared to commit significant political resources. Yet the planning system, with its complex array of statutory rights and procedures, channelled and constrained its authority, and left scope for others to influence the outcomes.

These procedures of planning process are a common source of criticism for causing "delay" and "obstructing development." At the same time, they offer a defence for local communities. Public participation in the planning process occurs at two stages: when zoning plans are made and exhibited for public comment; and when a specific project is proposed. In practice, the two stages are sometimes entangled, for example when a proposal needs a change in zoning as well as development consent.

Therefore, public participation is often identified as the major reason for the slow nature of the approval system.[22] There is a common expectation by neighbourhoods that they have a legitimate interest in influencing the planning of what is built in their neighbourhood. However, public participation in fact, often occurs when an actual project is proposed, or even when it is commenced. The Brisbane experience shows that a major problem lies with the level of consciousness of community participants about the structure of formalised consultation arrangements.[23] There is a lack of clear guidelines concerning the legitimate boundaries of resident involvement in public consultation and also with regard to the kind of resident concerns that can legitimately be raised in the context of a planning decision.

The Balmain case was a battle over the rights of the local residents to participate effectively in a planning process, to the point of exercising real and direct influence over the final decision to permit redevelopment. The Balmain residents have come to expect that they have a right to achieve more than just their desire to protect the amenity of their own property and neighbourhood. They articulate a feeling that they can have a say over what kind of development can happen in their area. Such belief has found support within the local council. As events unfolded, the planning system, in particular the avenues of appeal afforded by the Land and Environment Court, enabled this ambition to be substantially realised. Leichhardt Council exhibited the proposed rezoning of the five sites under its LEP, and they received objections about the proposal from the local residents. Then, the Minister for Planning intervened in the process. The issue went to the Land and Environment Court which resulted in the Minister for Planning taking over the case by subjecting the locality to

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[22]John Roseth, "Urban Consolidation - How Decision Are Made", *Urban Future Special Issue*, July 1991, No. 1. p. 3.

[23]Janice Caulfield and Davis, "Residents and Environment Politics in Brisbane", in Caulfield and Wanna, *Power and Politics in the City*, *op.cit.*, p. 238.

his REP. The planning process changed into a power battle between the local government, who supported resident group actions, and the state government over six years. It was the Court's interpretations of the legal requirements of "due process" in the planning system, particularly in regard to the minister's powers of intervention during the course of preparing and approval local and regional plans, that was the final determinant of the outcome. The Court of Appeal finally gave victory to Leichhardt Council, and the Labor Government handed over to it the authority to rezone the area.

In contrast, the City West project demonstrates a different form of participation in the planning process. The project portrayed itself as a major experiment in urban planning because of its location. However, its extraordinary physical location and its particular political and economic dimensions make it in some respects atypical of other large-scale urban redevelopment. The planning and development process can be seen as being very explicitly "market-led", despite the fact that there was a very significant role for the state government and its instrumentalities in the land market, in planning policy and in the investment process. Sales of government land subsidised the project and commonwealth funds provided essential infrastructure. In other words, the project used public money to encourage and subsidise private investment in the project. From the beginning, the state government had sole authority to rezone the area by producing a master plan and setting up City West Development Corporation (CWDC). In these circumstances, public consultation was conducted mostly under the control of CWDC and the state Department of Urban Affairs. Planning, project approval, and the process of public consultation were not tied to the complexities of the development application approval process, where the division of powers between state and local government were a further source of complexity, but were timetabled and controlled by the process of

project planning itself under the auspices of the Development Corporation. The Corporation and the Department played a significant role in the public consultation process, while the city council was also a willing partner in guiding phases of that process. Rather than confrontation, there has been cooptation.

*Conclusion*

From the Balmain and Pyrmont-Ultimo case studies in redevelopment, and looking at the broader context of urban redevelopment in Sydney, it can be seen that underlying this process is the fundamental issue of the relationship between public and private. Implicit in urban regeneration policies are questions about growth - physical, economic and social. What kinds of growth or development are desirable? A Department of Planning official from the NSW state government, Sean O'Toole, was repeated as refering to the experience of redevelopment in the Docklands area of London which in the past decade has seen growth, as measured by financial indicators, but that area had also seen a rapid increase in inequality in earnings as well as in access to resources.[24] Dramatic inequalities raise questions of social justice. Does redevelopment inevitably mean displacing lower income populations? Should economic diversity and social mixed be basic planning aims, particularly in cases of such a large scale redevelopment as the City West project? There are recent signs that the agenda is changing as the government feels it necessary to make more positive statements about affordable housing through BBC, education and training and even strategic planning.

[24]Interview in 1994 with the Director of the Minister of Housing, Planning and Urban Affairs, Gabrielle Kibble, stated that the London Dockland redevelopment project was a model which the NSW state government would follow.

The case studies show that articulate resident groups have more power than lower class resident groups. Thus, social class is still a determinant variable in urban conflicts. Furthermore, there are two polarised models of development typified by the labels "free market" and "state bureaucratic." Can models of democratic decision making achieve a balance? The increasing scale and speed of economic and physical change in urban development as discussed in Chapter Five, interlink local, national and international interests to events in Balmain especially as well as inner City West.

Despite constraints and adverse conditions, grassroots mobilisation at the neighbourhood level has become an instrumental political force. The emergent style of neighbourhood politics in the city has included the rise of the neighbourhood association as an interest group and the proliferation of community organisations as mechanisms to connect individuals to the apparatus of local government. Such urban middle class neighbourhoods as that in Balmain have become common instruments to express demand for improved quality of life in urban areas. They have resisted traffic congestion and high density population, and have demanded open space and better environment. An "anti-growth" oriented quality of life movement has emerged as an effective political force as demonstrated by the Balmain resident associations. Even in Ultimo-Pyrmont, there has been defection by a growing segment of the local population from the pro-development policies of the Pyrmont 2000 Association who have promoted and support development because of their belief that development will create jobs and multiply their investment in land.

One of the contradictions in many struggles toward participatory democracy stems from the nature of the organisations themselves. There is a fundamental difference between Balmain resident groups which could be called "grassroots" organisations of community residents, and the Pyrmont-Ultimo precinct committee

organised by the Sydney City Council. One could argue that the Balmain resident groups act in the best interests of the community, while in Pyrmont-Ultimo the demand for change has come from outside. In the institutional arena, citizen participants are doing battle with agents of economic capital and with government officials who are sympathetic to the interests of the redevelopment. Balmain resident groups argue that the council should have power over development because the body is an elected body.

Therefore, the Balmain case study suggests that it was the middle class, highly educated, professional groups who were able to mobilise their skills to change planning outcomes in their own back yard. It is so much the case that middle-class residents have their interests protected by the local regime as they, sometimes, have the capacity to use the local regime to protect their own interests. The NIMBY factor is an important part of an understanding of the political dynamics. Fundamentally, many of the successful Balmain activists are not "anti-growth" - provided it happens in Botany or Penrith and not in Balmain. They want "development" as long as that means Balmain becoming more like Hunters Hill. The gentry of Balmain would like to create "the ideal vision". Thus, it is not conflict between development and non-development, rather conflict between alternative and rival visions of development.

Chapter Seven

# CONCLUSION

This thesis presented two case studies of inner city development in Sydney, and placed them in the context of contemporary urban political theory. As a result of this analysis, one is led to ask whether it is possible to further refine or develop such theory in the light of the case studies. This conclusion closes the discussion with further thoughts on the research and in applying the urban regime theory in the Australian context. The case studies suggest that local conflict and community power is a more important ingredient in urban politics than some theorists acknowledge. They suggest the need to put a "local" focus back into the theory of urban politics.

## *The Sydney Urban Regime*

One difficulty in applying the urban regime theory approach is the means by which this framework, developed from American research, can be translated into the very different context of Australian urban political structures. Much discussion of "big city politics" in America is more appropriate, and indeed useful, to the analysis of Australian state rather than local government. Jeff Kennett's government in Victoria is a leader in developing an urban-based growth coalition, in cultivating provincial, national and international capital interests, and in competing with other urban regimes such as Sydney and Brisbane for capital. This kind of analysis provides some insight into urban politics, where a state government is clearly the dominant player, as in the City West project. However, the Balmain case study, which describes a situation where development was contested and local political forces offered successful resistance, poses different problems for analysis.

A significant aspect of the Sydney urban redevelopment is the fact that politicians and officials make the decisions and must heed political as well as economic imperatives. Moreover, the political imperatives of urban regimes, of coalition building and of conflict management may be more immediate than the economic imperative of enhancing a city's economic position. The long range economic consequences of development policies are sometimes uncertain but the impact of redevelopment on existing groups is more immediately visible. Thus, there is a degree of uncertainty about the long range economic advantages for all parties of a redevelopment project. These case studies suggest that conflict is a more important ingredient in urban politics and that many projects substantively concerned with development are characterised by conflict instead of consensus. The inner core of power, namely the state government, will necessarily aim to manage this conflict rather than to achieve consensus around one single long-term economic goal.

The City West project case study illustrates aspects of Peterson's arguments about city politics being driven by competition between cities for economic growth within a wider socioeconomic and political context, and about the limits this imposes on the kinds of projects and policies adopted by city governments.[1] The project demonstrated that the state government was driven by the economic imperative of encouraging growth and that it exercised its powers to this end through the redevelopment of infrastructure, its direct control over the legislative process and the planning system and its power to sell state owned land for redevelopment purposes. The role of the state in this context is also consistent with Molotch's theory of the "growth machine", where the state plays a strong role in encouraging private interests

[1]Paul Peterson, *City Limits*, Chicago: University of Chicago Press, 1981.

in economic redevelopment.[2] However, Peterson's analysis on *City Limits* fails to capture the whole internal dynamic of the case of the City West project.

In matters which relate directly to state economic policy, local government has little power or influence because the core function of councils in Australia is to provide services to the community. Most economic policies are left in the hands of the state government. The City West development is an example of the way the state government takes the major initiative in economic development, including specific large scale projects. Further, the state government was later joined by local government, in the shape of the Sydney City Council, as part of the state machine to boost growth in the area. Local government in this instance acted as a subordinate arm of the state machine. The state government relied primarily on other institutions to implement its policy (in City West through the City West Development Corporation), while departments such as the Urban Affairs Department gave it effective planning power. Given this combination of political and other circumstances, local government did not have the power to exercise a significant role in urban government in this particular case. In the case of the City of Sydney, this lack of power extends beyond this one locality. Developments over $50 million in the Sydney CBD are decided by the Sydney Central Planning Committee which is an institution answerable to the state government, though two city councillors are sit on the Committee.

The careful assembly of public development interest, through special institutional arrangements of the joint authority of all arms of the state, combined with its private counterpart, faced with a largely docile local population, can be labelled an "urban regime" in this case. Under arrangements such as these, a local authority becomes an important arm of the state government. However, in the broader context

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[2]Harvey Molotch, "The City as a Growth Machine: Toward a Political Economy of Place," *American Journal of Sociology*, 1976, Vol. 82, No. 2, pp. 309-332.

of Sydney urban politics, there has been frequent resistance from local governments in the face of state government power. This was particularly evident during most of the period covered by the Balmain case study when the Liberal/National Party coalition was in government. There was some opposition amongst local government bodies, many of which were controlled by Labor and/or Independents such as Leichhardt Council. The Coalition Government under Premier Greiner aimed to shift the emphasis of urban policy from regulative local and regional management to facilitation by market forces and in the process it used whatever instruments were available to it to override local government planning powers. For example, the state government endeavoured through its urban consolidation policy to narrow the scope of local government responsibilities. This policy used a legislative framework under which it could impose state planning policies which threatened to render local government powerless.

A central question raised in Chapter two relates to the utility of Stone's conception of urban governance, especially in the attention he gives to what the actions and character of the governing coalitions. Stone's theory of urban regimes and their place in redevelopment derives from American city politics, where the private sector clearly "leads the market" in urban redevelopment and where government plays a less prominent role in public provision than it does in Australia. The British experience of urban development is one where the public sector seems more able to dominate urban regimes than in the US. In Sydney, the City West project is a particular case of joint public and private sector participation in a major redevelopment project, with the private sector making crucial contributions within the overall planning framework. The redevelopment of the five Balmain sites, on the other hand, was "led" by the private sector due to the fact that most of the land was

privately owned and the crucial element of joint production and coordinated political action was absent.

The City West project, in sum, demonstrates the significance of a private-public partnership in urban regime formation. The owner of most of the City West project land was the state government, and the state government initiated much of the redevelopment. Through a public corporation (CWDC), the government provided a master plan and sold the land to the private sector. Moreover, the public sector provided such legislation and programmes as the City West Regional Environmental Plan (REP) and the Better Building Cities programme to attract private sector participation in the project. A particularly important feature of this project was the manner in which all arms of the state, including the Commonwealth Government, were coordinated effectively to provide resources for redevelopment.

Accordingly the City West redevelopment demonstrates the utility of "urban regime" analysis in explaining urban politics in Sydney where the state, the main player in urban politics, developed strategies for urban redevelopment. This case reflects an urban growth governing coalition, a consensus forged by the coalition of Sydney City Council, local and national business, state government (the main player), the Commonwealth and the community. The political orientation of the urban regime was pro-growth, and federal, state and local governments facilitated development and provided public subsidies for the necessary infrastructure. Business interests groups were also important actors as "governing coalition" partners.

Yet if Stone's urban regime theory is useful in analysing the case study of City West, it is somewhat problematical in explaining the Balmain situation. Because of the fragmentation of Sydney's institutional structure, the urban regime has constraints

and generates resistance. The capacity of the state government to assemble an effective governing coalition is constrained by this fragmentation of public power. The rezoning of the five Balmain sites demonstrated a slow-down of the development process by the Council. Neighbourhood communities exercised significant powers, rejecting and opposing the redevelopment of the five former industrial sites and seeking action in the courts against state government intervention in what they regarded as a matter for local decision making. Thus, the Balmain case suggests that the urban regime has less capacity in maintaining an effective governing coalition to achieve urban redevelopment outcomes than might be suggested in the case of City West.

Governing arrangements in the case of Balmain were fraught with tension and conflict. The result of this conflict was an obstacle to the urban regime's capacity to implement redevelopment in the area. There was a power contest between two arms of the state's formal authority: local council and state government. Perhaps the conception of a "progressive slow growth regime or anti-regime" referred to in DeLeon's analysis (see chapter 2) is more appropriate than an "urban regime" in this case.[3] The urban regime concept is nevertheless useful in examining the specific arrangements of political power in a city and the capacity of a regime to maintain governance across its whole domain.

The situation in Balmain might have developed differently. Initially, the leadership of Leichhardt Council under Bill Brady was willing to be part of the pro-growth coalition, albeit by seeking concessions and adaptations of project proposals in order to manage local opposition. This dissent, however, was not effectively managed by the Council, and Mayor Brady and his team lost their seats in the subsequent

[3]Richard DeLeon, "Urban Anti Regime: Progressive Politics in San Francisco," *Urban Affairs Quarterly*, 1992, Vol. 27, No. 4, pp. 555-579.

election. The new power holders on the Council and the residents groups of Balmain were from then on united in a strategy to challenge the state government as sponsor and supporter of the redevelopment projects. Using the jurisdiction of the Land and Environment Court, they succeeded in maintaining a local council's statutory right to determine local zoning matters. Thus, the absence of a strong consensus within the public institutions responsible for determining the plans for redevelopment in the Balmain case, coupled with the capacity of the community groups in Balmain and the fragmentation of the urban institutional structure, have all limited the capacity of the urban regime in the Balmain case. This fragmentation crucially included the power of the Land and Environment Court and the Supreme Court to countermand the state government's exercise of the powers it claimed under planning legislation.

City West and Balmain can be seen to offer the two "extreme" in the pattern of urban redevelopment. In City West, the state government enjoyed an unusual combination of powers and resources to enable it to manage the development, while in Balmain the local residents enjoyed an unusual level of power and resources and won what might be considered a somewhat unlikely success. Leichhardt Council under Mayor Brady tried to secure an effective governing coalition by allowing the state government to intervene in local planning matters and through seeking a compromise. However, the assembly of public and private partners was harder to construct in this case. The passing of the office of mayor to an anti-development councillor, Larry Hand, was an important element in triggering a transformation of the urban regime. The state government had to face a local amalgamation of groups and interests, backed by the local council, and these forces mounted a vigorous resistance to the interests of capital as represented by the redevelopment of the five sites.

The character of the Sydney urban regime can be understood through the dynamics of the formation of a governing coalition on a project-by project basis. Rather than being a pure "pro-growth" regime, the result is a continually contested growth management regime. Growth and redevelopment dominate the agenda, as shown by the examples of the redevelopment of Balmain, of Pyrmont-Ultimo, as well as many other major projects scattered through Sydney. Government and business continually cooperate, but the city's political structure is fragmented such that government cannot always speak with one voice. Even though the state government holds the central power in urban politics, it is constrained in exercising its power since, for example, community interests can use local electoral politics or the jurisdiction of the Land and Environment Court to challenge outcomes negotiated within the governing coalition. The most powerful element in the formation of an urban regime as Stone suggests, is the partnership between public and private bodies, between political and business leaders. In this partnership business leaders have normally tended to dominate in urban alliances in the United States. This is not exactly true of governing coalitions in Australia. The public realm still enjoys a certain degree of sovereignty, allowing for access by dissenting voices and the emergence of localised anti-growth regimes to affect the fate of particular projects.

*Contemporary Australian Urban Politics*

Throughout the 1980s and 1990s, Australian cities witnessed an expansion in urban economic development, characterised by federal and state governments developing wide-ranging strategies aimed primarily at attracting private capital from national and international sources. It is evident that there has been competition between the state and/or cities to attract this capital. At the same time, in the local context, this thesis develops the argument that local groups can operate within a context in which autonomous political actions and contests over the form and content

of spatial development may emerge. Such contests revolve around wide-ranging political agendas. They include struggles over the definition of redevelopment and urban development; tension between economic growth by the propagation of redistributive strategies and the protection of the environment; struggles over the enhancement of local ecology, the well-being of existing residents as against the interests of new residents; and equity issues.

There is a long history of citizens struggling to assert control over public policies that affect their everyday lives. Conflict over development policy and the role of citizen participation in its creation and implementation stand at the heart of urban politics. There are conflicting values in redevelopment policy. It is a policy arena in which economic imperatives collide with spatial social characteristics in a conflict between capital and community. On the one hand, there are vital economic concerns such as property values, an efficient housing market, employment opportunities, tax bases, and imperatives to foster the best use of land. On the other hand, urban development affects neighbourhoods as social entities where residents have common interests and are affected by similar events, where individuals interact and social ties are formed, and where children are brought up to become members of their society. The social concerns of neighbourhoods involve community stability, social networks, schools and the quality of the physical and social environments in which residents lead their daily lives. These factors are evident in the two case studies. However, the Balmain community was stronger in terms of its social cohesion than Pyrmont-Ultimo which was a fractured community combining elements of a former working class community in decline and a newer yuppie community primarily oriented to the CBD and overseas.

The case of City West project represents a model of urban development in Australia familiar in the 1990s where the growth coalition was orchestrated between the state government, the local government, development corporations, consultation processes with the residents groups. However, in the case of redevelopment in Balmain, such a conception was unseccesful due to a failure to recognise the relative power and autonomy of local government institutions and the ability of such institutions to contest the objectives of policy processes through public consultations and other processes adjudicated by the Land and Environment Court. Therefore, in this case there was no single dominant group.

While local government officials enjoy some degree of formal autonomy in the Australian urban context, law-making is in the hands of state parliament and hence, normally, the government of the day. The planning process as conducted within the framework of planning law is easily coopted by the state government. Regional Planning Policy, as an instrument of NSW state government policy, is much more powerful in that it can overrule Local Planning Policy which is an instrument of local government. However, the exercise of state government power must remain within legal boundaries. The application and adjudication of planning law, demanding due process under the scrutiny of the courts, is a relatively autonomous realm of decision making, external to the more informal arrangements of an urban regime. In this context, the planning process gives some scope for interest groups, especially resident groups, to express their concerns. The democratic forms of local council politics are also an important avenue for this participation. Participatory forms of planning offer another avenue for accommodation. When the process of consultation fails, then the Land and Environment Court is the arena in which the concerned parties negotiate. In this case, the urban regime in Australia is characterised by conflict, challenge and continued negotiation. Thus while the locus of power in urban

redevelopment in Australia is primarily in the hands of the state government in alliance with development interests, that power can be contested.

*Conclusion*

When Frank Sartor, the mayor of Sydney City Council, received an Olympic Flag from the mayor of Atlanta in 1996, there was an impression given that both mayors had equal powers in governing their respective cities. It is interesting to note that Stone's "urban regime" analysis derived from a study of Atlanta. However, the impression of equal urban powers by the two mayors is inaccurate. It is true that Frank Sartor is the mayor of Sydney but he represents only a small part of the Sydney urban area, that is, the CBD. It is a powerful area in economic terms but its residents groups have been marginalised and it does not represent in any way the complete picture of Sydney's urban government. It is true that Frank Sartor holds many important relevant positions, such as vice-president of the Sydney Organising Committee of the Olympics Games (SOGOC), a Director of the City West Development Authority, and a member of the Sydney Cove Authority. Thus, while he seems to be the leader of Sydney's government, the governance of Sydney is larger than just the powers he personally holds.

Using the concept of governance through informal arrangements, Sydney's governance is clearly fragmented into many public bodies and private interests that function together in carrying out governing decisions. While arrangements give them the formal capacity to act, this study shows that their capacity remains limited and can vary on a project-by-project basis. Some projects are successful, others face delays. The case studies show that where there are marginalised resident groups, the governing coalition was successful while, where there are affluent residents groups, the capacity of the governing coalition remained limited.

Several questions arise from this study. Will the direction of urban redevelopment in Australian cities follow the British experience where a central government has dominated the agenda? Or will Australian cities follow the US experience where business holds the whip hand in urban politics? From this study it can be argued that Sydney people will resist both scenarios. In any case, broader-based long term criteria for planning and redevelopment need to be developed to involve community interests if there are to be strategies which will attain sustainable success that will not damage the beauty of the city of Sydney. This requires a process which includes all citizens in the democratic process. This is also important for business since uncertainty damages the future profitability of investment in the Sydney.

*Last Notes: The Discourse of Urban Politics in Political Science*

The concept of an "urban regime" is just one of many approaches in political science where urban politics is studied. There are always gaps in trying to either conceptualise fieldwork into theory or vice versa. However, it is important to examine whether theory derived from a different political structure is useful in other systems.

Warren Magnusson notes in his book *The Search for Political Space* [4] that urban politics is an area neglected by most political theorists and political scientists. However, urban politics has been an important field in the past. The history of urban political theory can be traced back to Greece where Aristotle engaged in a discourse on the *polis.* These discourses became the foundation of western political ideology in relation to the state. In "Eastern" history, the city-state has also been at the heart of political discourse. Thus, the Islamic sociologist Ibn Khaldun (1332-1406) in his book

[4]Warren Magnusson, *The Search for Political Space*, Toronto: University of Toronto Press, 1996.

*Muqaddimah*[5] examined the city of Medina in the seventh century. As we move into the twenty first century, an era of high technology, postindustrialisation and globalisation, urban politics remains an important field of analysis just as it has been historically. An understanding of urban development is not just the prerogative of town planners, architects and business investors. Input from political science remains crucial.

[5]Ibn Khaldun, *Muqaddimah: An Introduction to History*, translated from the Arabic by Franz Rosenthal; abridged and edited by A. J. Dawood, London: Routledge and Kegan Paul: Secker and Warburg, 1978.

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