

Sydney's urban consolidation experience: Power, politics and community

Glen Searle



Urban Research Program

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Introduction

Urban consolidation has been the main planning policy in Sydney since the 1980s, but like other planning policies its implementation has been a contested process. For most of this period the policy has been locally unpopular. This paper overviews Sydney's urban consolidation policy evolution, and explores the way in which planning power, political power and market power have been used to make urban consolidation happen in the face of community opposition.

In this, the Sydney experience illustrates several wider planning perspectives, including the contrasting frames of planning doctrine (Faludi and van der Valk 1994) (discussed later) on the one hand, and local anti-development activism on the other. The latter incorporates a complex set of underlying forces, including greater community concern about the environmental impacts of development, and the shift to a more a post-modern society in which the role of the state is less accepted (Filion 1996) and where there is greater consumption-based individualism (Donati 1997). This individualism includes the consumption of distinctive urban space as part of the 'struggle for status achievement and maintenance' (Donati 1997, p. 160) that generates anti-development pressures. Related to this individualism is the emergence of a neo-liberal state ideology that reflects both the questioning of the role of the state, and intensified globalisation that engenders heightened inter-regional competition. This neo-liberalism preferences policies such as urban consolidation that purport to reduce state spending in some shape or form. These themes are taken up in the narrative below.

The emergence of urban consolidation policy in Sydney

In the first half of the twentieth century, Sydney's urban development changed from the dense built form of the nineteenth century to low density suburban development, aided by increasing ownership of motor cars. By the time of Sydney's first strategic plan, the County of Cumberland Plan (1948), the infrastructure costs of urban sprawl were recognised by planners. The Cumberland Plan proposed that future development be more compact, though still low density. This policy was continued in the 1968 Sydney Region Outline Plan, which assumed that the population of the existing urban area would remain constant up to the year 2000. This would be supported by the then state policy of allowing three storey flats to be constructed in general residential zones.

It soon became evident that this assumption was mistaken. The population of inner areas declined significantly as average household size fell and as institutional and motorway projects caused the destruction of housing (Kendig 1979). The policy of allowing widespread flat construction was abandoned as inner city gentrification took hold, with its concerns about the ugliness of 'six pack' apartments in re-valued old residential precincts.

Almost immediately, however, new forces emerged for increasing the city's housing density. The first OPEC 'oil shock' of late 1973 caused a dramatic increase in oil prices, and raised concerns about the long term viability of low density suburbs in an era of much higher transport costs. This was compounded by a second OPEC-instigated oil price escalation at the end of the decade. The post-1975 'new federalism' slowed the growth of Commonwealth payments to NSW and other states, and then a major portion of NSW government capital funds were diverted to infrastructure intended to capture coal and aluminium investments in the wake of escalating oil prices in 1979. Planners in the Department of Environment and Planning reported on the problems this diversion of capital posed for funding Sydney's urban expansion.

In this climate, urban consolidation promised savings in infrastructure costs which would address the shortage of funds for urban development. Not only did higher density development promise

cheaper infrastructure because of shorter length of pipes, wires and roads, but in inner suburbs new development might have zero infrastructure costs because of spare capacity left by depopulation. Consolidation also promised to address other major planning goals. It seemed self-evident that urban consolidation's smaller land take-up, along with its lower infrastructure requirements, would reduce dwelling costs and make housing more affordable. The smaller dwelling sizes implicit in urban consolidation would also meet the needs of the increasing proportion of one and two person households which was causing much of the decline in inner city populations and consequently accelerating urban sprawl. In addition, public transport would benefit from increased consolidation. Consolidation in established areas would also improve access to jobs and services, offsetting the government's failure to ensure adequate provision of jobs and services in new suburbs. By 1982 the Department of Environment and Planning had started to establish the magnitude of infrastructure savings which could be provided by checking urban sprawl. It calculated that the capital costs of infrastructure needed for low density fringe urban development were \$A13,500 per new household for state government services and over \$5,000 for local government services (Wilmoth 1982, p.31, cited in Bunker 1983).

Consolidation begins

The first urban consolidation policies were introduced in 1980 and 1981, when the government promulgated regional environmental plans for dual occupancy. These required councils to consent to development proposals to erect two dwellings on a single block of land in most residential zones, under certain conditions. The lack of response to these policies caused the government to propose a state planning policy to permit medium density housing in all residential zones where these currently prohibited such housing. There was 'considerable outcry' over the proposed policy (Bunker 1983, p.25), with 13,000 submissions, at least 90 per cent of them critical of the policy (Department of Environment and Planning 1983). As a result, the Minister replaced the policy with council targets for medium density dwellings totalling 12,000 p.a. for Sydney. This compared with actual construction of 7,554 in 1981-82 (Bunker 1983, p.26).

There was little progress toward this target, and the government responded with stronger policies. In 1987 it attempted to make dual occupancy more attractive by allowing larger housing lots to be subdivided, thus creating a separate title for the second dwelling, and by removing the requirement for one of the dwellings to be occupied by the owner. The government also introduced a state planning policy requiring councils to set a minimum allotment size no larger than 450 square metres for new residential subdivisions, to encourage development of housing on smaller blocks. By the end of the 1980s, though, there was little evidence that urban consolidation policies were having a significant effect on Sydney's housing structure.

Suburban resistance

A major reason for the limited success of urban consolidation policies was resistance by older suburban communities, through their local councils. Local communities were concerned that consolidation would generate a variety of local spillovers, including loss of green environment, extra traffic, loss of privacy, and loss of streetscape quality. The latter concern arose to a large extent from the experiences of the 1960s, when rezonings to allow higher densities resulted in older houses being demolished for three storey flats. These had no landscaping, they overlooked neighbouring house yards and windows, and their plain block forms ignored prevailing local architectural forms.

Local council opposition to the policies took a variety of forms. Often it simply involved scrutinising development applications for non-detached housing more thoroughly and delaying their path to approval. In other cases, special development control provisions (not requiring government approval) were placed on medium density developments which increased their cost significantly.

A study for the Department of Planning detailed ways in which such development controls were reducing yields and increasing costs for medium density housing:

- Controls limiting floor space ratios to less than those allowed by a new 1989 blanket government medium density policy - Town Houses and Villa Houses;
- Requiring underground parking;
- Requiring lot sizes for development which exceeded those prevailing for single dwellings;
- Requiring excessive landscaped areas; and
- Requiring on-site communal open space and facilities (Lloyd 1994).

A number of local councils also refused to implement state policies directing them to encourage medium density development. The policy requiring councils to achieve smaller minimum lot sizes in rezonings was ineffective in most established low density residential areas because councils usually took no steps to change existing zoning requirements. Similarly there was strong resistance to rezoning low density residential areas to medium density as required by the Town Houses and Villa Houses policy.

New crises, new consolidation imperatives

At the end of the 1980s, several crises flared up which generated new imperatives for urban consolidation. Firstly, from the middle of 1987, Sydney was subject to a house price boom as immigration increased in response to strong economic activity and housing land supply failed to respond, compounded by relaxed lending by banks under a more deregulated financial sector. Average house prices doubled in two years and moved well beyond the reach of new house buyers on average incomes. Housing affordability became a major political issue. Urban consolidation offered the prospect of boosting affordability with its smaller lot sizes and cheaper infrastructure.

Environmental pressures

Other new consolidation imperatives came from environmental crises at the end of the decade. A scientific analysis of expanding into new urban sectors in western Sydney predicted that it was likely there would be a deterioration of up to 50 per cent in photochemical smog in parts of the Hawkesbury-Nepean basin by 2011 (Hyde and Johnson 1991). Then in 1990 the head of the Water Board stated that the existing methods of sewage treatment would not permit effluent from proposed urban development on multiple fronts in the Hawkesbury-Nepean basin to be treated to yield water quality levels set as goals in the regional plan. A Water Board report confirmed the prognosis: existing sewage treatment methods resulted in increased aquatic plant growth and algal blooms, reduced potable water, reduced oxygen in the water, and increased odour problems and toxicity for aquatic fauna. The air and water pollution crises forced the state government to defer the zoning and servicing of new areas within the upper Hawkesbury-Nepean catchment in order to protect its water quality. This heightened the need to increase densities in the existing urban area to accommodate relentless population growth in the Sydney region.

By the late 1980s pressures were quickly emerging on several fronts for intensified urban consolidation. The new Liberal-National state government in 1988 carried out an audit of state finances, which disclosed unexpectedly high levels of debt (Curran 1988). A reduction of public sector provision of infrastructure via urban consolidation fitted the new exigencies perfectly. This reinforced the push for more consolidation from Sydney's rocketing house prices and from the environmental crises.

Towards concentration

These pressures were reinforced by emerging planning arguments for more concentrated urban development. The 1988 metropolitan strategy argued for concentrated development, based on transport-land use modelling that demonstrated increased transport accessibility with such development (Department of Planning 1989). The research of Newman and Kenworthy (1989) significantly strengthened the case for urban consolidation. Their research showed a close link between urban residential density and the use of motor cars rather than public transit. Their analysis brought out the close relation between high residential density and higher public transport use. Around the same time, the Department of Planning's own consultant studies showed significant infrastructure savings would result if there was intensified development in existing residential areas instead of greenfields expansion (Table 1).

Table 1: Maximum and minimum public budget cost differences for infrastructure between consolidation and fringe development

Fringe density assumption	Cost per dwelling	
	Maximum 840sqm lot	Minimum 450sqm lot
Sewer	5546	2979
Water	2314	1241
Stormwater	4765	2553
Gas	665	665
Power	782	419
Telecom	n/a	n/a
Total	14075	7857

Source: Adrian and Hughes Trueman Ludlow/Dwyer Leslie Pty Ltd (1991)

The concern to reduce government spending was central to the neo-liberal ideology of the new government. This ideology produced various contradictions in state policies and actions. One of the most evident concerned urban consolidation on the one hand, and motorway construction on the other. Sydney's growing traffic congestion had been a significant political issue for some time. The Harbour Tunnel contract approved by the previous government showed that private sector finance could be found to pay for restricted access highway infrastructure. After 1988 the new government embarked on a program to use private sector funding as the main means of financing the proposed motorway system, as part of its aim of curbing public expenditure (Searle 1999a). The eventual result was the completion of a motorway network by the middle of the first decade of the new century, but at the expense of longer car trips and negative impacts on public transport and air pollution. These outcomes were in contradiction to central goals of urban consolidation concerned with making greater use of public transport and, inter alia, reducing air pollution, in addition to the goal of saving public infrastructure spending. This contradiction has become more sharp in the early twenty first century as motorway construction continues at the same time as consolidation policy has become more focused on centres and corridors with good public transport access (see below).

Consolidation intensifies

The various influences noted in the previous section resulted in policies by the new state government that it hoped would significantly increase Sydney's urban consolidation. In 1989 the government introduced a revised version of its aborted 1982 medium density policy. The new policy, Town Houses and Villa Houses, allowed such housing in all residential zones in the

greater Sydney area. Exceptions to this were allowed where there were infrastructure, heritage or environmental constraints or because councils already had adequate consolidation policies. This required rezoning by local councils. Local resistance meant that the government had to negotiate for, and accept, only small increases in such zoning in some significant cases such as the high amenity professional and managerial upper North Shore area. Kuring-gai Council, in the heart of this area, still had only five per cent of its residential area zoned for multi-unit housing by 1992 (Kirwan 1992).

A greater impact was made by measures to strengthen the dual occupancy policy, which allowed detached second dwellings on, and subdivision of, larger blocks. This brought problems due to lack of design controls. In many sub-divisions there was over-building (with developers further subdividing after the local council had approved initial sub-division applications in accordance with existing local controls), while in established suburbs there was destruction of trees and the emergence of unattractive streetscapes (Vipond 1995).

Pushing higher

There was much local opposition from existing residents and again, protests were strongest in the North Shore region. The stimulus to higher densities in greenfield locations from dual occupancy provisions was reinforced by a new Department of Planning policy, drawing on a similar draft policy in Melbourne, requiring new greenfield development to yield 15 dwellings per hectare, up from the 10 per hectare in the 1988 metropolitan strategy. This policy was later formalised in the new 1995 metropolitan strategy. Without local opposition, outer suburban densities rose inexorably, with the result that too much medium density development was located on the urban fringe away from good public transport and access to employment (Vipond 1995). Even so, the target of 15 dwellings per hectare was not achieved, and by 2006 greenfield release areas were still only yielding eight to ten dwellings per hectare (McMahon 2006).

The government concurrently decided to speed up consolidation by focusing on land where results would not be so dependent on the reactions of local residents, but still have good access to jobs and services. The closure of industrial activities in inner suburbs from the early 1970s or their movement to cheaper land and labour in outer suburbs had made obsolete a number of older industrial properties. The state government took advantage of these opportunities by promulgating a state planning policy which allowed the government to make regional plans requiring local government to rezone obsolete industrial areas for urban consolidation. The main target of this policy was the old harbourside suburb of Balmain, formerly industrial but now gentrified, where the local council had refused government and developer pressure to rezone five old industrial sites on the harbour. But Balmain's predominantly upper middle class residents were concerned about their property values, traffic impacts, and lack of open space (Bonyhady 1995). A series of government interventions was countered by court actions started by residents and the council, which delayed rezoning until the 1995 state elections (see Searle 2005, for a more extended account).

Inner urban redevelopment

A more centralised policy response to increase consolidation was implemented in Pyrmont-Ultimo, old harbourside industrial suburbs just west of the CBD. Old industrial activities such as sugar refining, power generation, wool storage and waterfront activity in general had been running down for some time. Moreover, the state government and its agencies owned significant areas of property there and in nearby suburbs, including most of the waterfront. The need to realise the potential redevelopment value of this land had been highlighted by the incoming state government's Commission of Audit in 1988 (Curran 1988).

Pyrmont-Ultimo contained one of the major concentrations of government-owned sites. The asset realisation potential of developing the government's land holdings, particularly for CBD-

related commercial development, and the potential for major urban consolidation, led the government to develop an urban strategy (1990). This was primarily aimed at providing for the expansion of offices from the CBD, which was experiencing a boom in office construction. This in turn was fuelled by Sydney's financial sector, which was growing rapidly as Sydney became the main Australian intermediary with the global financial sector following Australian financial deregulation in the 1980s. The CBD boom was also fuelled by a high level of office development financed by Japanese investors as a consequence of the Japanese 'bubble' economy of the 1980s. By the early 1990s, however, the boom had run its course, and an emerging demand for inner city apartment dwellings took its place. The latter reflected, in part, a desire by the new CBD workers to live close to work, especially given the congested road system in the period immediately prior to the construction of motorways in the 1990s (see Abelson (1993) for evidence on this point), but a desire that has also continued since then (e.g. see Raskall 2002). The regional plan (1992) for the 'City West' area (which also included areas with government land to the north and south of Pymont-Ultimo), and subsequent an urban development plan (1993) for Pymont-Ultimo retained provision for a major expansion of employment. The regional plan was intended to accommodate 15-17,000 people (more than three times the existing population) and up to 50,000 jobs (again a major increase on the existing level) by the end of the 20 to 30 year redevelopment period (Searle and Byrne 2002). The demise of the office boom and the rise of the inner city apartment market, however, meant that Pymont-Ultimo's redevelopment became focused on high rise apartment development.

To implement the redevelopment plans, a City West Development Corporation staffed by state government personnel was set up in 1992. Particular responsibilities included the administration of government sites and the provision of major infrastructure. The latter was significantly enhanced by funds from the Federal Government's Building Better Cities (BBC) program (announced in 1991).

In order to fast-track redevelopment, the regional plan contained several key measures (Searle and Byrne 2002). It rezoned the area for redevelopment, instead of the normal process in NSW of allowing the local council to prepare a local zoning plan. The regional plan also introduced detailed Urban Development Plans to control development; again these replaced standard local government controls available under the Environmental Planning and Assessment Act. Finally, the regional plan provided for 'Master Plans'. These applied to key sites around the waterfront, mostly government-owned, and provided details of the preferred type of development on those sites. The Master Plans could be provided by the owners or lessees of sites and gave the Minister for Planning, not the council, authority to approve developments in those areas. These provisions were intended to provide greater certainty to investors and speed development.

In the event, little encouragement was needed for investors. By the early 1990s, patterns of later marriage and smaller families, plus the influence of apartment sit-coms on TV such as *Seinfeld*, had helped to generate a demand for inner city apartment living by adults under 35 years of age (as confirmed by Vipond, Castle and Cardew, 1998), seeking a more 'urban' lifestyle and viewing the inner city 'as an exciting place in which to be and to live' (Salt 1997) (see also Badcock 1995). The price of older inner city housing had reached unaffordable levels for most young adults. A second source of new demand for inner city apartments was 'empty nest' households, free of mortgages and children, many of which shared the view of the inner city as an exciting place to live (Salt 1997). Land owners and apartment developers in Pymont nevertheless sought to maximise their profits by pressuring the Department of Planning to allow them to increase floor space limits and then squeezing their allowable floor space upwards to generate high-priced harbour views. This was especially evident on the major private waterfront Master Plan area on the old sugar refinery site (Searle and Byrne 2002). In the process the apartment footprints retreated from the street frontage leaving empty open spaces, in denial of the 'urban village' character originally intended by the planners.

A community divided

The local Pyrmont-Ultimo community became deeply divided about the plans, with those wanting to preserve the historic housing fabric of the peninsula racked by internal disputes, and being opposed by a minority pro-development group. After the split of the local community, the Development Corporation appeared to consult only the pro-development lobbies, which intensified local suspicions and anger (Hillier and Searle 1995). The failure of the local community to halt or significantly influence the scale of redevelopment stands in contrast to what happened in Balmain. The small size and split nature, plus the fewer resources, of the local community in Pyrmont-Ultimo, and the much greater potential gains for major land holders, notably the state government, have been major reasons for the different history.

By the time of the state election in 1995, the various urban consolidation policy initiatives had contributed to a significant increase in multi-unit dwelling construction. At the peak of the 1980s housing boom in 1988, multi-unit approvals were 34 per cent of Sydney's total dwelling approvals, and 35 per cent in 1989/90 (Searle 1991). By 1994/95 this proportion had increased to 60 per cent (Vipond 1995). Nevertheless, this increase came too late to negate a growing view that urban consolidation was not working (Public Accounts Committee 1993, pp. 23-24). This helped cause the Department of Planning to produce another metropolitan strategy in 1995 (Caulfield and Painter 1995, p. 239), just before the state election. The new strategy, endorsed by the incoming government, set a multi-unit target of 65 per cent of all dwellings and a minimum greenfield dwelling density of 15 lots per hectare (Department of Planning 1995).

After 1995 – Consolidation focuses on accessibility and design

In the March 1995 election the Labor Party was voted into state government. The new government accepted the recent regional strategy. But the thrust of urban consolidation policies moved away from direct confrontation with local government to greater local determination on the one hand (though with potential government sanctions still in the wings), and to more emphasis on the older industrial areas with weaker community presence - following much new construction in Pyrmont-Ultimo - on the other. This was facilitated by the structural change in market demand toward more higher density housing. The new Minister for Urban Affairs and Planning made it clear that existing policies had forced people into areas without decent infrastructure and employment access (SMH¹, 22 August 1995, p. 11), heralding a new emphasis on consolidation in existing urban areas with capacity for expansion and good accessibility.

Towards local strategies

The first policy change of the new government was the repeal of state planning policies which allowed, firstly, subdivision of dual occupancy development and, secondly, town house and villa house development in all residential zones. Then councils were asked to prepare (by September 1996) residential development strategies which would implement the government's urban consolidation objectives. Councils failing to produce endorsed strategies would be subject to a state planning policy enabling the Minister to rezone sites and areas for residential redevelopment. In Balmain, the government gave back to the council the responsibility for rezoning of the old industrial sites. Then the government directed its land development agency, Landcom, to sell most of its outer suburban land holdings - valued at \$A477 million - and instead buy and amalgamate land in inner city areas to make them attractive for private sector urban consolidation (SMH, 23 November 1995).

¹ SMH denotes *Sydney Morning Herald* throughout.

Green Square

The most important of Landcom's new inner city projects was at a major site in the largest of the old industrial zones, the Central Industrial Area to the north of the airport. This area was the largest of four old industrial precincts identified as major urban consolidation sites in the 1995 metropolitan strategy, the others being Pyrmont – already being redeveloped, Newington Olympic Village, and Rhodes Peninsula on Parramatta River. In the Central Industrial Area the target was 30,000 new residents. These would be located around the new Green Square rail station on the New Southern Railway being built between the airport and Central station. The opportunity for major rail-supported consolidation had been a significant factor in the government's decision to proceed with the rail line. The initial rail feasibility study indicated that the line would promote significant urban consolidation, forecasting that 13 000 to 14 000 new dwellings would be constructed on old industrial land around Green Square station (Airport Link Association 1994).

To facilitate the large scale Green Square development the government set up a State development corporation (the South Sydney Development Corporation), as in Pyrmont-Ultimo. In this case, however, the corporation's powers were constrained so that it operated as one element of a partnership with local and State government under a joint memorandum of understanding. The local council retained basic development control powers but referred all larger development applications to the corporation for review, which could in turn refer the application to the Minister for final determination. The council and the community both had representatives on the corporation. The greater local participation, compared with that in Pyrmont-Ultimo under the City West corporation, reflected the state government's desire for a smaller, more cost-effective agency and the local strength of the Labor Party, now the ruling state government party (Searle 2005, p. 315). Extensive high rise residential development ensued around Green Square, led by Landcom's development of the old naval stores/British Leyland site.

The government then removed planning obstacles to the residential redevelopment of Rhodes and other remaining significant old industrial sites along the harbour and Parramatta River with a new state environmental planning policy in 1998. The policy allowed land owners to prepare master plans to set development parameters for their sites. These master plans could be approved by the Minister if the local council failed to do so. However, development consent powers remained with local councils. At Rhodes this caused development to be held up because of the council's opposition to the proposed densities. As a result, the state government gazetted a regional environmental plan in late 1999 to give consent authority to the state Minister (SMH 20 November 1999). This allowed construction of 3,000 apartments up to 10 storeys high at Rhodes after 2000.

However the principal high rise development in the mid and late nineties was in Sydney CBD, another relatively uncontested space in terms opposition to new development. This apartment development had been promoted by the Living City policy of the community independent team ruling the City Council, which sought a 24 hour city that had a strong residential presence. The policy was incorporated in the council's new central Sydney local plan in 1996. This gave an incentive to new apartment development in the form of a 3:1 floor space ratio bonus above the basic commercial ratio. The number of apartment units approved in central Sydney increased to around 2,000 in each of the three years to June 1997 (Council of the City of Sydney 1997).

In other areas the new government's requirement for councils to prepare local strategies to increase the quantity of residential development, notably multi-unit dwellings (to achieve the strategy target of 65 per cent of total dwellings by 2021), were either resisted or accommodated against noisy local protests. By September 1997, thirteen councils – including some of the wealthiest – had failed to produce strategies (Australian Financial Review, 26 September 1997, p.

65). The strongest opposition was in northern Ku-ring-gai, where expensive detached houses predominated. A Ku-ring-gai council proposal that one suburb take 35 per cent (or a possible 800 apartments) of the council's medium density requirements under the state policy, and other suburbs lesser but still significant shares, was postponed when more than 400 residents attempted to cram into the council chambers to protest against the proposal (SMH, 31 October 1996, p. 7). By 2002 the council had still not produced a strategy. At that point the state government took planning control of six sites along the North Shore rail corridor in the council area, and rezoned them for medium density housing (Australian Financial Review, 14 May 2003).

Elsewhere the pressure on councils to allow major new apartment and flat construction resulted in development applications and approvals (or refusals taken to court by developers) that were strenuously objected to by residents, as the following examples indicate:

- Northern beaches: 'Public meetings of hundreds of residents are held every week over concerns ranging from spoilt ocean views to environmental worries and traffic snarls. The plethora of developments has been highlighted by a growing row at Collaroy over a six storey residential proposal overlooking Long Reef Golf Course.' (SMH, 25 January 1997, p. 10).
- 'Residents of Mosman, one of Sydney's most august harbourside suburbs, are rising against a tide of development which they argue is bringing unwelcome newcomers, noisy traffic and ugly apartment blocks to their tranquil peninsula' (SMH, 8 February 1997, p. 4).
- 'Resident groups across South Sydney have formed a coalition against the "feeding frenzy" of city fringe development and to force the council to listen to resident concerns' (SMH, 11 August 1997, p. 6).
- 'Irate residents on the ramparts as heritage suburb faces threat [from 11 development applications for projects from six to 16 storeys in Burwood]' (SMH, 10 February 1997).
- 'An overflowing gallery of Bellevue Hill residents cheered and applauded twice during Woollahra Council's Monday night meeting – once when a townhouse project ... was rejected, and again when motions were put that could cut back the amount of unit development permitted' (Wentworth Courier, 30 July 1997, p. 3).

In some cases, councils used powers under State Environmental Planning Policy Number 1 to allow residential developments that exceeded height and floor space ratios set in local plans (Searle 2003). In one such example in inner west Burwood, the council approved a 12 storey commercial/residential tower with 50 residential units in a four to five storey height limit area (SMH, 17 December 1996). There were also examples of corruption where councillors received bribes to approve residential developments that exceeded prevailing height limits (Searle, 2003). Conversely, there were also instances where residential redevelopment of large sites in sensitive precincts was accepted by residents because of extensive community consultation at the planning stage, as in the case of the old Royal Hospital for Women site in Paddington (The Australian, 9 December 1996).

Such examples were rare, however. Community anger at the extent of the new higher density developments spilled over at the local council elections of 1999. An anti-consolidation backlash across higher income suburbs in southern Sydney gave control of councils to candidates who had campaigned on a platform of 'grassroots representation, controlled development, and the preservation of neighbourhood amenity' (Morris 1999). The anti-development sentiment was repeated across other higher income suburbs such as Leichhardt, Burwood, Willoughby (inner north) and Ku-ring-gai. In the latter, a group of independents standing against the adoption of the government's medium density housing strategy, secured control of the council (Clennell 1999).

Elevating design

The government's main response to this opposition was a series of measures to improve residential flat design. The nub of the problem was expressed by the Minister for Urban Affairs and Planning, who stated: 'Sydneyiders would probably more easily accept higher density housing if it complemented the feel of existing local neighbourhoods rather than clashing (sic) with them' (Totaro 1997). In early 2000 the Premier, Mr Carr, took up the issue, apparently after constant sighting of poor examples on his daily trip from home to the city. He lambasted the development industry for its 'degrading' residential apartment developments – 'brick shoeboxes', and commissioned the government's Urban Design Advisory Committee to carry out a design review (Petty 2000). The committee's report made several recommendations which became the basis of the new State Environmental Planning Policy (SEPP) No. 65 – Design Quality of Residential Development. The new policy stipulated that certified architects must design all residential flat buildings of three or more storeys where they include four or more flats, and that developers must engage architects throughout the design process. The SEPP also allowed the Minister to appoint design review panels to give councils expert advice on residential flat applications. In addition, the SEPP set out ten design quality principles that must be addressed by local plans and controls affecting apartment buildings. To show the kind of development it hoped would follow, the government published a Residential Flat Design Pattern Book in 2001 giving ten examples of best practice in NSW, and presenting principles for sound design for three typical apartment types. Design review panels have since been appointed for most Sydney council areas.

The government also acted to prevent a potentially damaging electoral backlash in Balmain, where the council continued to refuse developer pressure to rezone the most contentious of the five industrial sites, the headland of Ballast Point, wanting it as mostly open space. A high Green vote in the 2001 federal elections gave the government concern that its Balmain parliamentary seat could be lost at the 2003 state elections. In 2002 the government announced that it would acquire the 2.6 ha site for a harbourside park. In the meantime the government had proposed that a slice of Callan Park, a verdant public space on an old mental hospital site on the western shore of the Balmain peninsula, should be used for urban consolidation to pay for relocation of the hospital. The local Labor member faced a hostile meeting of hundreds of locals to justify the proposal, which aroused deep anger throughout the area (O'Brien 2002). Another strong Green vote in the 2002 Victorian elections reminded the government of the threat to its local seat. Soon after it announced the Callan Park (Special Provisions) Act which would preserve the whole site in public ownership for recreation access (Searle 2005). The Callan Park furore also prompted the government to abandon plans to allow substantial residential development on parts of another verdant and historic, but now former, mental hospital on the harbour at Gladesville (Davies 2002).

Table 2: Sydney dwelling approvals by zone, 1993/94 and 2000/01

Zone	Per cent of total dwelling approvals	
	1993/94	2000/01
Inner	13	26
Middle	19	25
Established Outer	26	22
Outer	42	27

Source: Department of Infrastructure, Planning and Natural Resources (2004)

Despite such ad hoc retreats from its policy thrust, the state government was able to show that by 2001 its urban consolidation measures were bearing fruit. Approvals for non-detached

dwelling approvals were 55 per cent of all Sydney dwelling approvals between 1996 and 2001. The inner ring of local government areas which had lost almost 10,000 of population over the 1981-1986 period, gained 33,500 over the 1991-1996 period and a further 28,700 from 1996 to 2001 (Department of Infrastructure, Planning and Natural Resources 2004). Conversely, the share of new housing in greenfield areas fell substantially (Table 2).

Consolidation assessed

By 2001 the urban consolidation program had been operating at a significant level for a decade. This led to several academic assessments of the outcomes of the policy, particularly concerning the social impacts of urban consolidation (Bunker, Gleeson, Holloway and Randolph 2002; Bunker, Holloway and Randolph 2005; Randolph 2006). This research has identified a number of sub-markets for urban consolidation that have not been appreciated in policy application, such as where policy enlarges concentrations of existing sub-markets formed by households in difficult circumstances (Bunker, Holloway and Randolph 2005, p.24). It has also shown how social composition varies according to consolidation type, with low rise flats having the highest proportions of low income and lone person households, and which policy has seemingly not taken into account. Children are generally a low proportion of the population of flats, and this and high mobility rates among flat dwellers make planning goals of social sustainability and social cohesion more problematic in higher density developments (Randolph 2006).

This research has also highlighted the need for medium and high density development to be more sensitive to local circumstances (Searle 2004; Bunker, Holloway and Randolph 2005). Assumptions about spare infrastructure capacity need to be closely examined, as evidence indicates that road and rail infrastructure, for example, has no spare capacity to meet population increases in many areas (Searle 2004). Open space for higher density dwellers is not usually provided at adequate levels in older areas (Searle 2004). Urban consolidation may also conflict with local employment goals where industrial sites are rezoned to allow high density residential development (Searle 2004). In terms of implications for other cities pursuing consolidation options, this need for sensitivity to local constraints and local potentials is considered to be paramount.

City of consolidation?

In the first years of the new century, Sydney experienced another round of rapidly increasing house prices. Housing affordability became a significant political issue as average house price to average household income ratios reached record levels. The causes were complex, but it seemed that a very low level of greenfield land releases by the government as part of its urban consolidation strategy was one factor. Pressure to substantially increase greenfield releases was answered by the government in 2005 when it released Sydney's new metropolitan strategy (NSW Government 2005b). While the strategy continues the emphasis on urban consolidation, with up to 70 per cent, or 445,000, of all new dwellings by 2031 to be in non-greenfield locations, it also includes new urban sectors in the north-west and the south-west. These respond to Sydney's affordability crisis by planning new suburbs accommodating 160,000 new dwellings over the next 25 to 30 years (NSW Government 2005a). Greenfield expansion in the south-west had been largely stopped in 1989 because of potential air and water pollution problems. The new strategy does not indicate how the new expansion would address these issues. But the government seems to be relying on the continuation of downward trends in Sydney's air pollution in particular, despite evidence that motor transport-related pollutants such as ozone, benzene and particulates are still a serious problem in Sydney (for example, see Department of the Environment and Heritage 2004).

Under the strategy, urban consolidation is to be focused primarily in strategic centres where employment capacity is provided and along principal transport corridors, starting with Parramatta Road. Extensive redevelopment of older urban development will take place around rail stations

and bus stops in centres and along the corridors to accommodate new apartments. Along Parramatta Road up to 70,000 new apartments will be built. Development corporations with similar powers to the City West Corporation will coordinate and expedite development. The centres and transport corridors are a more difficult locale for intensified urban consolidation than increasingly sparse brownfield sites because of fragmented land ownership and potential opposition from existing residents. It thus remains to be seen whether the ambitious targets can be met.

One inner area has been specially targeted for intensive redevelopment under special powers. A Redfern-Waterloo Authority was established in 2005 under a special act of state parliament to renew the two inner southern suburbs, which have a concentration of social problems stemming from a large proportion of public housing tenants with low incomes, high unemployment. The Authority will generate new economic activity and new dwelling construction based on government ownership of a high proportion of land in the area, and on the Authority's powers under the Act. These powers include the development of a Redfern-Waterloo Plan by the RWA overriding existing local plans and development controls; the right of the Authority to override heritage conservation controls under the Heritage Act; and the right of the RWA to acquire land compulsorily. In addition, the RWA has designated principal state-owned sites as 'state significant', using new provisions enacted under the Environmental Planning and Assessment Act allowing development approval on such sites to short-circuit normal checks and balances under the EPA Act, and for the Minister to be the development consent authority. Urban consolidation will be focused on the NSW Department of Housing's 3,519 dwellings, containing 7,000 public tenants. These tenants would be allowed to stay, but Cabinet documents indicate that the government's 23 ha public housing land holdings would be offered for private development of 6,300 apartments with 12,500 private tenants and owners (Jopson and Ryle 2004). Thus a social engineering approach is to be used to help 'solve' the area's social problems, involving the dilution of public housing stock from 50 per cent of the suburbs' total dwellings to 17.5 per cent (Jopson and Ryle 2004b). Redfern-Waterloo's redevelopment will be a major part of the intensification of the CBD-airport corridor proposed in the new metropolitan strategy.

Redevelopment of Redfern-Waterloo is also seen as reinforcing Sydney's global economy. A government strategy paper saw CBD expansion into Redfern as being needed for Sydney to become 'a key world city serving the Asia Pacific region' (Jopson and Ryle 2004a). Another strategy paper pointed to the existing low number of jobs within 500 metres of Redfern station, representing an under-utilisation of government infrastructure. Taking up such opportunities could allow the area to link in to the 'knowledge economy', given its location within Sydney's 'global arc' extending from North Ryde to the airport. The paper claimed that 'social dislocation' (which, by implication, the proposed gentrified housing redevelopment would ameliorate) was preventing this (Jopson and Ryle 2004a).

This is the latest chapter in the most important planning policy in Sydney over the last quarter of a century. The significance of urban consolidation as a planning policy tool has gradually grown over that period despite contestation of its claims to be able to deliver promised planning goals such as affordability (Searle 1999). Its place in Sydney's planning seems secure for the present, as an integral component of the current prevailing discourse of sustainability. Nevertheless, urban consolidation's implementation at the high levels proposed in the new metropolitan strategy is likely to become increasingly difficult as the more attractive redevelopment sites are used up and local infrastructure constraints such as road congestion, lack of public transport investment, and lack of local open space start to become even more apparent.

Consolidation in retrospect

Urban consolidation policy in Sydney has survived as the cornerstone of Sydney's planning over several decades, albeit in continually modified versions. Its long term support by all the state's governments and their planners seemingly qualifies it as an example of planning doctrine. The notion of planning doctrine has been developed by Faludi to describe embedded modes of thought within planning (Faludi and van der Valk 1994; Faludi 1997). In particular, planning doctrine refers to a body of thought about a planning policy area that involves consensus and shared coordination between professionals and planning-minded administrators and politicians (Faludi, 1997 p. 83).

The story of urban consolidation policy in Sydney is illuminated in several ways by the notion of planning doctrine. Firstly, it shows that a doctrine can survive even if it is applied contrary to technical rationalist precepts. In the Sydney case, urban consolidation has failed to achieve a substantial part of its original agenda. Housing affordability was improved in early phases when three-storey apartments dominated the program. But subsequent emphases on town houses and then on high rise apartments in inner areas have usually resulted in prices higher than the average Sydney dwelling price, or else sacrificed good urban design for affordability. Outer area consolidation has sacrificed accessibility for price savings. Infrastructure savings in hydraulic services have been offset by greater pressure on limited road capacity from extra traffic. The advantages of the back yard have not been compensated by increased per capita provision of open space in consolidation areas. These outcomes have been exacerbated by inappropriate application of the doctrine. A scattergun approach focusing on attaining gross targets meant insufficient attention was given to local infrastructure capacities and amenity.

Yet the urban consolidation program has survived such contradictions. Planners have kept faith with the doctrine because of the seductive appeal of a single policy seemingly able to address the most significant traditional urban planning policies in one fell swoop. More crucially, the support of politicians and the government has been kept because of two reasons. First, urban consolidation has been able to be advanced as the solution to a succession of crises in Sydney's urban planning. Consolidation policy has allowed the government to be seen to address in turn a shortage of funds for urban infrastructure, decreased housing affordability, and rising concerns about air pollution, though other policies have also been used in each case. Second, the policy itself has been able to be continually modified to temper community opposition. Thus the focus has shifted from apartments located in all areas, to town houses located away from environmentally sensitive areas, to higher density blocks in less contested areas such as the CBD and major old industrial areas or fringe greenfield sites. Each of these reasons has given the policy legitimization in essential spheres - politicians and government in the first case, and the community in the second case. Since the advent of a state Labor government in 1996, the strongest and most articulate community opposition has come from higher income, staunchly non-Labor areas, particularly the North Shore, which the government has been able to ignore for re-election purposes.

Other reasons explaining the government's ability to impose a widely unpopular policy can also be advanced. Investment in flats by outer suburban lower income households in Sydney has been relatively high ('How the housing bust went west', SMH 4 October 2006). Thus state policies to promote construction of flats has been seen positively by such small, relatively numerous investors. In addition, local councils have had to bear much of the opprobrium of urban consolidation measures. Various state government consolidation policy measures have been in the form of SEPPs that require councils to pass local plans and controls to give force to these measures, or that give developers the right to legally challenge council controls (see Searle 2003).

The wider political context of the policy in Sydney has been crucial in the doctrinal survival of Sydney's urban consolidation policy. Australia's constitution means that urban planning powers are vested with state governments. Thus the ability of consolidation to seem to address crises in state government management of urban development is central to this doctrinal survival.

(SMH denotes Sydney Morning Herald)

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