Planning Sydney in the 1980s

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Chapter 'The 1980s: new directions for planning', in John Toon and Jonathan Falk (eds) *Sydney: Planning or Politics: Town Planning for Sydney Region since 1945*, Planning Research Centre, University of Sydney, 2004: 111-134.

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The setting

This paper reflects on the planning of the Sydney region during the 1980s from the standpoint of a participant for much of that decade, now unencumbered by any detailed knowledge of Sydney's current practice of metropolitan development.

We tend to look back on Sydney's development and planning during that decade as a case study of the 1980s boom – a picture of financial deregulation and capital inflow, go-go property development, bottom-of-the-harbour companies, offices on the skyline, multi-unit housing and urban consolidation and a frenetic pace of money-making. This picture is usually framed by faraway suburban development, widening gaps in incomes and welfare, and a growing east-west social divide. The Hunter and Illawarra were seen as other regions then.

In fact the decade opened with a good deal of hope in planning. Much had been learnt about the links between the economy and urban development through the roller-coaster economics and politics of the 1970s. The post-oil-shock resources boom had been central to state investment in the late 1970s but the gloss was coming off this economic strategy even as expectations of its social infrastructure dividend stayed high in the resource-rich regions around Sydney[1]. The fear of inflation was strong after the extraordinary levels of the late 1970s, and there were major political stakes in controlling land and housing prices in what was notoriously the most expensive state capital city.

The new Environmental Planning and Assessment Act (1979) and the new Department of Planning and Environment (1980) promised a modern style of planning and recognition of broader social and

environmental considerations than before. Customary local government development contributions

or exactions were made legitimate whether for major regional resource projects or urban property

developments. Local government powers were widened in the legislation and different types of

local plans (e.g. subject plan, program plan, action plan) were permitted and encouraged[2].

Community consultation was formally empowered and some third party rights over development

decisions permitted. Environmental issues were growing in political importance and Sydney's

pollution was a widespread cause for concern. Until then any resolution of environmental problems

seemed more like the unintended effect of sporadic corporate, government and court decisions

than the outcome of thoughtful policy direction. The new legislation raised hopes that planning and

development decisions could be enveloped in a rational and inclusive policy framework.

Interest in a metropolitan plan to succeed the Sydney Region Outline Plan (SROP) was growing, if

not in the forefront of voters' attention. SROP had greatly over-predicted Sydney's growth and

brought about unrealistic requirements on urban infrastructure which were particularly at odds with

the public finance cutbacks of the early 1980s and the capacity of the state to pay for them. There

was no clear framework for reliably programming land releases for suburban development despite

the long-term designation of areas for urban development in SROP.

The reaction of NSW to Commonwealth financial incentives and new policy instruments coming

from national urban policy during the 1970s – and not only through the Labor government early in

that decade – had been on the whole negative, given that land use and development control

powers clearly remained state matters and that is what most planners, politicians and local

councillors then saw as constituting urban planning. However new means of urban management

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[1] See Christopher Jay: 'As the resource boom ebbs Wran tightens NSW's belt', *Australian Financial Review,* 11 June 1982: 12-13 and Glen H Searle: *The political economy of Sydney's planning since 1975*, Paper presented to Annual Conference of the Institute of Australian Geographers, Melbourne, 1993.

[2] NSW Department of Environment and Planning: *The NSW Environmental Planning and Assessment Act: A Guide for Local Government*, Department of Environment and Planning, Sydney, 1987: 4.

came into Sydney's metropolitan planning through the transmission of some practice (and more

than a few people from Canberra) into the state – ideas such as land commissions, urban and

regional budgets, metropolitan management and the location of government employment as a

driver of regional economic development. The public sector was implicitly accepted as a potentially

coherent force to manage metropolitan development. The private sector was seen as mainly

outside the metropolitan policy-making process, to be consulted but not at the inner table. During

the decade, begun by the Wran government and carried right through to the Greiner government,

the role of the public sector in NSW progressively privatised and corporatised agencies responsible

for urban infrastructure. As the Greiner government's Curran review on the State's finances put it:

> In the past, during periods of high economic growth and prosperity, Government
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> financing of loss making public Authorities was generally accepted and did not
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> appear to come under close scrutiny. It is evident from the reviews conducted
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> by the Commission's consultants of a number of Statutory Authorities that there
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> are massive operating inefficiencies.
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> The key means of enhancing efficiency of Government operations is to adopt a
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> more commercial, market-based approach. The Commission favours an
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> immediate move to the corporatisation of Government business undertakings in
>
> order to improve returns from these operations and prepare the way for later
>
> possible privatisation of some operations[3].

With the primacy of private initiative and the dependence of the state on privately financed

infrastructure and the corporatisation of government agencies these tables have now turned and it

is doubtful that the management of metropolitan form could now be attained through the

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[3] NSW Commission of Audit: *Focus on Reform: Report on the State's Finances: Executive Summary*, NSW Government Printer, Sydney, 1988.

coordination of public sector agencies alone, even if that were desirable. At the beginning of the 1980s the language of public-private partnership was unfamiliar.

A vision of territorial justice was still the light on the hill for many working on metropolitan planning, especially the improvement of life in western Sydney which was seen as the locale for people who were disadvantaged and neglected. Planners' aims were more to do with equitable service provision than local economic development, more to do with the distribution of employment than job creation. Two broad styles of planning were mixed together. The experience of long-time state planning practitioners pointed to the instruments of land acquisition, coordination with local government, area assistance, knowledge of the land and better local environmental plans. The overhauling of state finances, particularly through the Wilensky review begun in 1977[4], pointed to a more managerial approach through influencing overall economic policy settings, state capital spending, regional economic development, program budgeting and interdepartmental coordination[5]. The working out of metropolitan planning in Sydney was the mixing of these two broad styles of planning in a volatile political and economic environment.

Experience

Metropolitan Planning

The constituency for metropolitan planning came through the government's recognition of the need for a new management framework for urban expansion set out in a review by Patrick Troy, working from current and planned land release areas through sub-metropolitan medium term options to their

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[4] e.g. see Christopher Jay: 'NSW finances to receive major overhaul' *Australian Financial Review,* 13 July 1982: 3; and P Wilenski: 'New South Wales' in Australian National Commission for UNESCO, *Urban Management Processes,'* Australian Government Publishing Service, Canberra, 1978.

[5] See Max Neutze: 'Planning as urban management: a critical assessment' and John Mant: 'The instruments of planning: urban management' in S R Schreiner and C J Lloyd (eds) *Metropolitan Planning in Australia: Urban Management, Canberra*: Urban Research Unit, ANU, Aug 1988.

full metropolitan scope[6]. There was a sense of urgency over spiraling land prices and delays and confusion over implementation arrangements for the Sydney Region Outline Plan. An urban policy review led by John Paterson and encompassing the whole Newcastle-Sydney-Wollongong urban region was also influential[7]. Work on metropolitan strategy was supported by a cabinet committee of active ministers and by state agencies needing answers to metropolitan priority and location questions. Later, the work was supported by local governments wanting an overview and by industry associations wanting more certainty in development markets. But the origins of metropolitan strategy lay more in the committee rooms of government and the Labor government's agenda for reform.

The metropolitan strategy that ensued after many drafts did not take the form of a regional environmental plan (REP) under the EP&A Act, being intended more as a management guideline than a statutory policy[8]. Its projections, for example, were tied to regional population thresholds rather than particular years. Population forecasts had been the bane of SROP's implementation as growth inevitably defied the planners' and demographers' timelines. The aim was neither to promote the growth of Sydney, nor to discourage it, but to manage better the waves of growth and change, particularly the indirect effects of varying overseas migration. There was thus a premium on the predictability of population and employment growth and good demographic forecasts were published at regular intervals. When it came to small-area forecasts, such as at the local government area level, it was essential to feed in current and proposed distribution policies but not to believe in their immutability. Of course, for land release and infrastructure phasing, careful timelines were essential. It was decided to pitch the metropolitan strategy at the 4.5m regional population threshold, on the grounds that the 4m mark was already well within medium-term urban

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[6] Patrick Troy: *Report to the Development Coordinating Committee of Cabinet*, 1980, unpublished mss.
[7] John Paterson: *Urban Policy Review, Newcastle-Sydney-Wollongong Urban Region, Content and Work Plan*, DEP, 1982, unpublished ms.

infrastructure commitments and that the 5m mark was too far away[9]. The keynote was to create a robust framework for urban management into an unknowable future rather than impose an exciting if contestable vision onto the region. The strategy was intended for periodic update and review and even before the decade was out the first update was published.[10]

Making useful forecasts of employment was more difficult if less technical than population forecasts, particularly at small area levels where judgments about the mix of policy aims and local market trends required implicit disclosure of the degree of confidence in one's own planning prescriptions. At the metropolitan scale, shifts in the industrial and occupational structure of employment were more stable trends tended to be projected to the year 2011, by when for example the services sector share of total industry employment was projected to rise from 76 percent in 1981 to 89 percent.

Less visible as direct outcomes of this work were a number of important decisions from agencies only too pleased to accept authorised forecasts of population and employment distributions and medium-term land development schedules. The decision to locate Sydney's second airport at Badgery's Creek (if not, unfortunately, to implement it); the dramatic rescheduling of Sydney's freeway system[11] and consequential release of unnecessary road reservations; the alignment of the proposed very fast train and the rescheduling of water and sewerage major works all came out of the working groups on metropolitan strategy. The State Transport Study Group played a vital role in creating a shared information and policy base for transport and land use decisions[12], something that Victoria, by comparison, virtually lost through outsourcing its transport modelling

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[8] NSW Department of Planning: *Sydney into its Third Century: Metropolitan Strategy for the Sydney Region*, Department of Planning, Sydney, 1988.

[9] See David Wilmoth: 'Metropolitan planning for Sydney' in Stephen Hamnett and Raymond Bunker (eds): *Urban Australia: Planning Issues and Policies*, Mansell, Melbourne: 158-188.

[10] Department of Planning: *Sydney Into Its Third Century: Metropolitan Strategy for the Sydney Region 1989 Update*, Department of Planning, Sydney, 1989.

[11] For a good analysis of Sydney's transport infrastructure issues of this period see Glen Searle: 'New roads, new rail lines, new profits: privatisation and Sydney's recent transport development', *Urban Policy and Research*, 17,2, 1999: 111-121.

capacity. Improvement to public transport in Sydney was less a priority for metropolitan planning in part because it tended to be seen as an operational issue – e.g. the regulation of expansion of suburban bus lines – other than the advocacy of key rail links such as the Parramatta 'Y' link and the better use of the East Hills line. Some of the other major new investments in transport infrastructure Sydney now enjoys were then not on the agenda, other than the second Sydney Harbour crossing and the Eastern Distributor.

During this time the provision of state-controlled services became the focus of political conflict and the metropolitan strategy provided an arena for playing out policy responses. Two sets of issues dominated. The first was to do with the pricing, supply and management of water services: water supply, sewerage, drainage, environmental protection and related open spaces. As the straitening intergovernmental financial climate conflicted with the generous land release provisions and high service standards of the past, the pressure on capital works and pricing policies was particularly sharp. User-pays mechanisms were strengthened to rationalise service use and raise revenue, and private providers such as major development companies were able to move their prospective release sites up the land development queue if they could financially supplement the services planning work of the over-stretched utilities.

The second, related set of issues played out more at the local level and in the NSW Land and Environment Court. The well-intended inclusion of s94 in the EP&A Act, designed to legitimate and limit the widespread practice of local authority exaction of contributions for local services, opened up hundreds of disputes and threatened a number of major industrial development decisions and many land development processes. Debates overseas were loudly brought to bear[13]. A host of task forces, guidelines, economic studies, local service plans and court cases continued through

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[12] e.g. NSW State Transport Study Group: *Sydney Urban Expansion Studies: Long Term Issues Study* 1985.
[13] e.g. William Schmidt, 'American private developers baulk at paying for community services' *Financial Review,* 11 November 1985.

the 1980s towards more and more complexity. The growing practice of requiring in-kind or financial

contributions was a response to the absence, through public sector financial constraints in general

and local government constraints in particular, of adequate local services to accompany urban

expansion. Though DEP provided guidelines[14], backed up by ministerial limits particularly in

matters that would come to the Minister, well-reasoned local service plans and rulings by the courts

as to what constituted a reasonable nexus between a development and justifiable consequential

service needs continued to generate conflict and confusion, and the placing of limits did not endear

the Minister for Planning and Environment (now the Premier) to local government[15]. To the extent

that the Urban Development Committee was the arena for negotiating State government guidelines,

and the Housing Committee of Cabinet was the focus of NSW Land Commission attempts to gain

political support to limit them, section 94 policy and metropolitan planning were interlocked. The

only contribution the metropolitan strategy itself made to resolving such conflicts was to provide

more explicit development policy for the region on which servicing plans and development

contributions could be based.

A clearer success of metropolitan strategy – in that development as planned was realised – came

through the metropolitan centres policy, with the official designation of business centres in Sydney

giving confidence to private development and setting priorities for accelerated and even sometimes

coordinated infrastructure at selected centres[16]. The plan designated Parramatta as a regional

centre – to counter-balance CBD/North Sydney – and nineteen sub-regional centres. The

government had shown its resolve from 1982 by implementing the relocation, by 1990, of 7000

State government jobs to western Sydney (4500 to Parramatta and 500-1000 to each of Liverpool,

Campbelltown, Blacktown, Penrith and Mt Druitt), including headquarters of the Department of

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[14] e.g. NSW DEP Draft Circular, *Guidelines on Section 94 Contributions Relating to Residential Zones in New South Wales*, DEP, Sydney, 1984.

[15] Michael Grealy: 'Mr Carr's levy plan may cost the councils', *Sydney Morning Herald*, 1 April 1986: 17.

Youth and Community Services and the State Revenue Office to Parramatta, and the Housing

Department to Liverpool[17]. The relocations were justified at the time by the prospect of $89m rental

savings on CBD leases and later again after the Greiner government came to power in 1988 on

further savings from a program of relocations out of the CBD but not to the west. While the choice

of so many centres in the metropolitan strategy, with Fairfield added in 1989[18], has been criticised

as politically motivated, particularly the choice of centres for state government office relocation, at

least the centres chosen were consistent with employment growth forecasts in the metropolitan

strategy and vice-versa.

The growth of suburban offices was promoted by the deregulation of the financial system and

particularly the relaxation of Foreign Investment Review Board (FIRB) constraints on investment in

real estate developments[19]. Parramatta and Chatswood, in particular, underwent spectacular

booms, and other centres, given the nod by state policy, attracted tertiary employment through

office developments around railway stations. Further out, centres like Campbelltown and its

Macarthur Development Corporation, originally supported through State and Commonwealth

growth centre programs and their successors, continued to fall short of the social and employment

goals of the 1980s particularly with respect to balance between subregional population growth and

employment in the context of high subregional unemployment. Dispersed industrial zones, no

longer likely to accommodate factories, were opened up to a miscellaneous category of

development, including high-tech startups and discount retail, which no longer fitted the land use

categories envisaged by SROP. Where metropolitan planning was able to steer private

[16] For more details see David Wilmoth: *District centres policy and practice in Sydney*, paper presented to 21st Congress of the Royal Australian Planning Institute, Melbourne, 29 Aug 1988.

[17] See Glen Searle 'Ideology and New South Wales State Government Head Office Relocation', *Regional Policy and Practice*, 6, 1, 1997: 13-19.

[18] NSW Department of Planning: *Sydney Into Its Third Century: Metropolitan Strategy for the Sydney Region: 1989 Update*, Department of Planning, Sydney, 1989.

[19] See Colin Adrian (ed.): *Urban Impacts of Foreign and Local Investment in Australia*. Australian Institute of Urban Studies, Canberra, 1984.

development near where it might have gone anyway (e.g. to metropolitan sub-centres), it tended to

meet its aims, but where major changes in policy or spatial structure were needed, and a

redirection of major patterns of metropolitan growth attempted, it did not succeed. This is not a

criticism for trying – regional balance between jobs and work lies at the heart of what make cities

liveable. Employment location cannot be planned with the certainty of land releases, and if

anything, the physical development planning visions of Sydney in SROP and the County of

Cumberland Plan had better staying power, if less relevance to the central issues of government,

than the more sophisticated managerial style of metropolitan strategy of the 1980s.

An effort to address employment generation and economic development, including in the built up

areas, marked this generation of metropolitan planning over the previous one. The urban

economics of the Hunter-Sydney-Illawarra regional complex were little understood despite their

obvious movement to an integrated labour market and their inclusion in transport-land use

modeling. It is good to see later versions of Sydney's metropolitan strategy recognising more these

interrelationships among these regions.

Within particular regions in Sydney[20], there was innovative work on employment planning and

economic development, some of it initiated by local councils or trade unions[21]. Local authorities

hired economic development planners in the hope of attracting investment and generating local

employment. Alongside this new type of planning was a change in the style of regional mobilisation

within Sydney, particularly in Sydney's west. There, a rise in regional consciousness, promoted by

earlier Commonwealth assistance to regional organisations of councils (in this case WSROC, the

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[20] There is mixed usage on the term 'region' for Sydney and in this paper context determines whether 'region' or 'subregion' is used. From the Commonwealth's original regionalisation policy, by which groupings of local governments were considered regions for Grants Commission purposes, regional organisations of councils (ROCs) were formed and some have persisted. For example the western part of Sydney has long been seen as a region in its own right. However in the metropolitan strategy Sydney is treated as one region, thus such areas tend to be named 'subregional'.

[21] For example see AMFSU: *Jobs and Manufacturing Prospects for Western Sydney,* AMFSU, Sydney, 1984; Josef Horinek: *Youth and Employment Prospects in Western Sydney*, Western Sydney Region Organisation of Councils,

Western Sydney Regional Organisation of Councils) and furthered by the location of several pivotal electorates and some key hospital and university decisions, built up a surge in regional entrepreneurship that has not turned back. Whether or not this is 'dressing up the suburbs', the repositioning of western Sydney's image has had a major effect on patterns of investment.[22]

Urban Development Program

The Urban Development Program, a major effort to rationalise suburban land releases, created the main arena for policy debate in government for the direction of Sydney's development, for both Labor (Wran, Unsworth) and Coalition (Greiner) governments. The program translated metropolitan strategy and various forecasts into demand for housing, land and services, identified future urban land releases and planned the provision of infrastructure and services as well as the necessary detailed local urban planning to improve living standards in new urban areas[23]. Originating in expansion problems and development constraints more intense than other metropolitan regions in Australia, it remains one of Sydney's contributions to urban management practice.

The program was a particularly important policy arena during the Labor years. Doing battle were the left of the Labor party, led early in the decade by Laurie Ferguson, pressing for massive land releases, priorities favouring the NSW Land Commission, and freed-up development rights for multi-unit housing, all in the promotion of affordable housing for working class households in new urban areas and indirectly for other sectors of the housing market. In the other corner were the centre and the right of the Labor Party, usually supported by planning ministers including Bob Carr

Blacktown, 1984 and Graham Larcombe and Edward Blakely: *Prospects for Employment Generation in the Illawarra,* DEP, Sydney, 1983.

[22] Kathleen Mee: 'Dressing up the suburbs: representations of western Sydney' in Katherine Gibson and Sophie Watson (eds): *Metropolis Now: Planning and the Urban in Contemporary Australia*, Pluto Press Australia, Leichhardt, 1994: 60-77.

[23] For more details see David Wilmoth: 'Managing urban expansion: Sydney's urban development programme', *Urban Policy and Research,* 5, 4, Dec 1987: 156-166.

and Terry Sheahan, vigorously defending what they saw as the environmental values of the region and the integrity of the planning legislation including the role of local government. Urban development policy and particularly urban consolidation policy see-sawed between these polar party positions, and the fulcrum was the exercise of the powers of the EP&A Act, particularly by Directors Richard Smyth and Gabrielle Kibble of the Department of Environment and Planning in protecting or advancing the interests of the portfolio among other, more powerful agencies of government.

Like the metropolitan planning work, and indeed often involving the same people, the technical work on the Urban Development Program (UDP) was innovative and not in dispute as a methodology. Being driven by government-wide issues its makeup was sometimes out of the control of the planning ministers and this did not fit comfortably with many planners' views of the orderly implementation of the planning legislation though it did determine the priority of producing some consequential state environmental planning policies (SEPPs), several regional environmental plans (REPs) for major parts of Sydney and many associated local environmental plans (LEPs) for affected local areas.

Rationalisation of the public works necessary to manage Sydney's growth and their financing took the UDP into the favour of Treasury and Premier's Departments, but any ideas of creating DURD-like[24] urban and regional budgets with regional public investment transparency were vigorously rebuffed on political grounds because the subregional distribution of urban infrastructure expenditure looked dramatically uneven (and indeed in any reasonable capital program it should look uneven). In any case, Commonwealth-sanctioned limits on borrowing for capital programs also cut deeply into the prospects of financing urban infrastructure[25]. The Urban Development

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[24] The Department of Urban and Regional Development, responsible for national urban policy and programs, was established in 1972.

[25] See RM Kirwan: 'Finance for urban public infrastructure', *Urban Studies* 26, 1989: 285-300, cited in Searle 1993 *op cit*.

Financial Program, which indicated an investment requirement for infrastructure of $759m between

1984 and 1989, stayed confidential to government and its unmet estimates of regional capital

requirements stayed pinned to the wall inside the Public Works Unit. Efforts to extend the

methodology to measure local government financial implications of urban expansion raised the

sophistication of planning in some localities and produced some pointed pressure for fiscal relief,

but made state government even less willing to address, in a transparent and comprehensive

manner, the public costs of urban expansion.[26]

The UDP did create an arena for interagency coordination of human services at the sub-regional

level, at least in their planning for suburban land releases, and out of this work came a significant

number of policy initiatives and engagement with the non-governmental sector and local

government. The work tied in with other programs, particularly the Western Sydney Area

Assistance Scheme (WSAAS)[27]. It helped the case for area-specific social policy that the delivery

of NSW area assistance schemes was relatively efficient and effective[28]. The focus on local

governments' financial capacity to cope with rapid urban expansion, given restrictions on borrowing

and s94 contributions, also tied into local social planning issues[29]. In hindsight the triggering of

work on such issues as health services in western Sydney, standards of open space provision,

youth and community development created opportunities for planning for the wide cultural diversity

of Australian suburbs, work that has since blossomed but on issues that have not gone away[30].

While in land marketing there was a tendency to see the provision of lots of residential land in

monocultural terms, human service providers spoke otherwise. Issues of women's participation in

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[26] See e.g. Martin Payne: *The Impact of the Urban Development Program on Local Government Finance*, Report of a Joint Working Party of State and Local Government Officers, Department of Environment and Planning, Sydney, 1985.

[27] Gabrielle Kibble: *Planning for Equity in the City,* Paper presented at ANZAAS Congress, May 1988.

[28] e.g. see Peat Marwick Hungerfords: *Department of Environment and Planning Evaluation of Area Assistance Schemes* Sydney, 1987.

[29] Martin Payne, *op cit.*

urban development and new estates, planning for multiculturalism and planning for diverse

households in new suburbs were strongly on the agenda of the Human Services Subcommittee of

the Urban Development Committee and the Rental Housing Task Force and many of the other

groups that clustered around the UDP, but the numbers game for land and housing production and

its associated physical infrastructure still dominated human services planning. The wider social

development purposes for developer contributions opened up by s94 of the Act were whittled down

through disputes, limiting guidelines and legal precedent, but in practice some deeper

understandings of the social processes of urban development were gained and assistance provided

for good local initiatives with services and facilities denied at earlier stages of Sydney's

development.

The corporatisation and privatisation of infrastructure and services have made the task of

coordination of land conversion, environmental protection and social planning more difficult in most

metropolitan regions of the world. But in the 1980s strong – even aggressive – technically

resourced infrastructure coordination was seen as essential to Sydney's well being. At one stage

the World Bank sought to create an urban infrastructure appraisal manual for global application out

of the experience of Sydney's Urban Development Program but the staff release necessary was not

supported by the government as prospective international replication was then not seen as a

priority. How much more international Sydney's planning has become since.

Housing Policy and Urban Consolidation

The growth constraints on Sydney caused a particularly strong debate on how to increase housing

density in the built-up areas. Again, the lines of policy debate were strongly divided, not on whether

[30] See for example Sophie Watson and Alec McGillivray: 'Stirring up the city: housing and planning in a multicultural

to do it, but how and how strongly. The Labor left and the Coalition 'dries', depending on who was

in government (not to mention the consistent influence of the land development and housing

industry) sought by radical means to open up the traditionally low densities of Australian housing to

multi-unit housing development to be more like comparable cities overseas. The Labor right, the

pragmatic part of the Coalition and the planning ministers tended to oppose wholesale measures to

open up suburbs to higher densities and favoured trying by moderate means to persuade local

government rather than overriding them.

The moderates set the early policies, with measures such as 1980 and 1981 REPs permitting wider

dual occupancy housing[31]. However the pace of multi-unit housing development was too slow, and

the Housing Committee of Cabinet required the Minister for Planning to issue a draft SEPP to

permit medium density housing in any zone that currently prohibited it. A leaked version of the

enabling state cabinet decision made its appearance in every local council's letterbox[32]. An

immediate revolt in the suburbs and a major statewide campaign eventually caused the draft policy

to be withdrawn and replaced by a moderate approach setting local development targets with

geographic and design sensitivity[33]. More and more councils sought exemptions from dual

occupancy provisions and the NSW Land and Environment Court supported some councils

appealing against inappropriate higher densities.[34] Plausible but superficial international

comparative research linking high urban density with energy saving and efficient use of existing

urban infrastructure was soon shown up as poorly based. Denser new development mostly meant

denser outer suburbs and not urban infill. The vision of more efficient use of the urban capital stock

and savings to the public works program had a continuing appeal in the economic agencies of

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society' in Katherine Gibson and Sophie Watson (eds.): *Metropolis Now: Planning and the Urban in Contemporary Australia*, Pluto Press, Leichhardt, 1994: 203-216.

[31] Ray Bunker: *Urban Consolidation: the Experience of Sydney, Melbourne and Adelaide*, Australian Institute of Urban Studies publication 111, Canberra, 1983.

[32] Joseph Glascott: 'State plan for town houses, villas', *Sydney Morning Herald*, 25 Oct 1982: 1.

[33] David Hickie: 'Goodbye to the quarter-acre dream', *The National Times,* 16-22 Jan 1983: 21-22.

government. However, political in-fighting gave urban consolidation a bad name, even among its

former supporters, as a half-thought-through means of saving urban infrastructure[35]. Its rationale

shifted from savings in infrastructure costs to housing variety, better urban design, and mixing of

lifestyles, with the issuance of a design manual for medium-density housing.   The state adoption of

local government targets for multi-unit housing brought about a concerted effort to find infill

development sites in built up areas, but even by the end of the 1980s urban consolidation policy

had not had a significant effect on Sydney's housing structure.

Did housing density policy matter? Not as much as the local area housing target-setters of the mid-

1980s might have hoped. To twist an old saying, the planning dogs bark in the night, but the

development caravan moves on. Market-led urban consolidation has now become more the reality

in Sydney, driven by significant changes to housing preferences and household structure, but the

location and form of housing density appears to have little to do with the plans and policies of the

1980s[36].

Housing policy was nevertheless a vital part of Sydney's metropolitan planning during the 1980s.

Securing affordable land and an adequate housing supply at reasonable prices was the dominant

theme. Many key housing issues were addressed at the margins of the metropolitan strategy

produced rather than within it, particularly the complex patterns of housing change within the built

up areas, the location and types of public housing and the workings of the private rental market.

Experiments with financing solutions to encourage transition from rental to home ownership through

the development of rental purchase schemes and diversification of the role of the Land Commission

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[34] Patrick Troy: *The Perils of Urban Consolidation*, The Federation Press, Sydney, 1996: 160.

[35] See especially Patrick N Troy, op cit.

[36] See Glen Searle: *Fiscal and Environmental Crisis versus Ideology and Local Amenity: Urban Consolidation Policy in Sydney*, Paper presented to Annual Conference of the Association of Collegiate Schools of Planning, Detroit, October 1995.

into redevelopment were examples. In short, the 1980s were a period of experimentation in metropolitan housing policy with mixed results.

Environmental Issues and Sydney's Redevelopment

One of the sharpest dilemmas in Sydney's metropolitan planning during the 1980s has not gone away: most people want to live in the east, but near-coastal land is undevelopable, and the areas judged capable of urban development lie mainly to the north-west and the south-west. Even in these areas, the air pollution and water catchment patterns put the environmental well being of Sydney at risk. Sydney's fragile environment, basin-shaped topography and constricting surrounds (steep land, military reserves, national parks, coal subsidence, rich agricultural lands, etc) created a need, more than in any other Australian capital city and perhaps most cities internationally, for a system to control the conversion of land from rural to urban uses. The water quality risk to the Georges and Hawkesbury-Nepean Rivers that drain the region, and the pollution risks through air retained by inversion in the Sydney air basin both create a continuing challenge to westward-based expansion.

Despite these risks, improvements to Sydney's air quality and good water management (witness the Penrith Lakes) have kept at bay the worst outcomes feared during the 1980s. While user pays principles have been pressed on utilities through tighter state borrowing limits, the public has also come to accept that environmental quality comes at a price and have been willing to pay for it through additional levies and charges.

All the same, late in the decade urban infrastructure was still seen as Sydney's Achilles' heel. On his last day of work at the Department of Planning in Sydney, before moving to work in Melbourne, the author was visited by a group purporting to represent the Melbourne Olympic Games bid committee and asked to brief them on what was wrong with Sydney's transport and urban

infrastructure so that the bid from his home to be, Melbourne, might be better positioned. The request was declined. Sydney made it through to win the Olympics, though not in that round, and in urban development it has also made it through prognostications of disaster to win an international reputation for the abundant urban lifestyle of the 'new new' world[37].

Such a reputation is seldom seen based on planning. Because Sydney earns so much of its identity from the jumble of inner city streets and chaos of harbourside development, the popular view is that Sydney is badly planned. This is the legacy that those who work to tame the beast of metropolitan development have to bear: 'planning Sydney' is for too many a contradiction in terms. But for all its problems – and failing to better balance jobs and housing, social segregation and the vulnerability of water supply quality have to be among them – Sydney's urban development has on the whole been a case study of pragmatic and reasonably effective metropolitan planning and development.

Some of Sydney's environmental gains can be attributed to the EP&A Act and the use of it to integrate environmental planning with statutory land use planning. Though the pattern of LEPs and REPs remains a patchwork, its flexible framework has enabled the system to evolve rather than require rebuilding as other states have required of their planning systems. The Act has tied well with the protection of key sites for environmental, heritage or strategic purposes. The Sydney Region Development Fund has enabled key acquisitions of open space that will serve Sydney well - e.g. Sydney Park, Bicentennial Park, Sydney Harbour foreshores, botanic gardens in Western Sydney. This is not to say that in the development of Sydney the two sets of considerations – environment and planning – have always worked well together. The management of the state's heritage interests and environmental responsibilities were not always integrated with local planning in the manner foreseen by the creators of the EP&A Act, and the role of the Land and Environment

[37] 'Australia: the New New World' special issue, *Granta*, 70, Summer, 2000.

Court in ensuring a consistently high standard of planning documents made all the more difficult for that[38]. The coverage of statutory plans enabled by the EP&A Act has also been patchy; there have been large excisions in its application (as with Darling Harbour, the Fairmont resort, GMH/ Wills Tobacco[39]); frequent instances of overriding ministerial powers (as with dismissal of the City of Sydney and the Central Sydney Planning Committee taking over key local authority powers), and even within the Act's purview a number of planning disasters (East Circular Quay would have to qualify).

Though the separate administration of key sites in Sydney was confusing to the public and difficult for local and regional coordination, the 1980s efforts at comprehensive planning and redevelopment of significant sites, particularly Darling Harbour and Homebush Bay[40], built up expertise and confidence for later major projects such as the Ultimo Pyrmont redevelopment[41] and the Australian Technology Park at Eveleigh[42]. In 1988 the Central Sydney Strategy brought together some hitherto less connected developments in inner Sydney and in 1989 the metropolitan strategy update addressed a number of major proposed developments including the Very Fast Train, the Multifunction Polis and the redevelopment of the RAS Showground. Intergovernmental relations over metropolitan planning and development generally improved during the decade, with more sophisticated local governments exercising wider powers and with considerably improved relations with the Commonwealth. The planning of a number of major projects positioned Sydney well for support from the Better Cities Program that began in 1991[43] and the demand for major

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[38] See e.g. B J Preston, 'Adequacy of Environmental Impact Statements in New South Wales' *Environmental and Planning Law Journal*, September 1986: 194-207.

[39] I am indebted to Glen Searle for reminding me of these.

[40] Department of Environment and Planning: *Draft Sydney Regional Environmental Plan, Homebush Bay*, DEP, Sydney 1986.

[41] Alan Davidson: 'What happened in Ultimo Pyrmont', *UTS Papers in Planning*, 9, December 1996: 43-50.

[42] Tom Forgan: 'What happened at Eveleigh', *UTS Papers in Planning,* 9, December 1996: 51-58.

[43] Brian Howe: 'The role of the national government in building better cities, 1991-1996,' *UTS Papers in Planning*, 9, December 1996: 13-22.

infrastructure development created by Sydney's selection for the Olympic Games was generally met.

Urban planning takes a long view and so has its representative organisation in the state government. Through the 1980s the Department of Planning and Environment (DEP) went along with new tools of urban management and even developed some of its own. But with their own powerful legislative role the department and its various ministers (Eric Bedford, Terry Sheahan, Bob Carr) relied on the power of legislation more than urban management. Metropolitan planning has since gained a closer alignment with the regional planning activities of the department and the local planning activities of local government, but has perhaps lost some of its grander whole-of-government aims.

Reflections

Sydney's development in 1980 started with new planning legislation and a new administering department. The institutional framework for planning reflected the tasks of the day and in turn was influenced by them. The state management of regional and local urban planning (including the production of REPs and the supervision of LEPs), for the 1980s at least, split Sydney down the middle, into a Planning Division (South) and a Planning Division (North). Though the butt of jokes from time to time (who planned for the second Sydney Harbour crossing and who looked after Sydney Harbour?), this split required the responsibility for metropolitan strategy to be in a third, less-regulatory division of the department, enabling a wider range of ideas and policy instruments for metropolitan growth and change to be considered. The strong linkages built between the Central Policy Division of the Department of Environment and Planning (later Department of Planning), and some other government departments, often stronger than those with the

departmental Planning Divisions North and South, were the cause of some tension within the department.

The attempt to implement a metropolitan strategy through urban management and public sector coordination, without fully engaging the statutory instruments of the EP&A Act, was driven in the early 1980s by the goal of social equity, particularly the pursuit of territorial justice, a decade-distant echo of Gough Whitlam and Tom Uren's position that it matters as much where people live as what they earn. In the 1980s the going got tough for this approach to planning on two fronts. First, the social-spatial segregation of Sydney was more deep-rooted than imagined – in the market economy no amount of service redistribution would be enough to seriously re-draw the social atlas, no coordinated works program could provide all the infrastructure and human services socially warranted in distant suburbs, no employment distribution policy could get near to righting the balance between jobs and the workforce. The development market was shifting the spatial structure of Sydney to accommodate the advanced services sector needed for a globalising economy, away from the post-war pattern of development based on manufacturing and tertiary services[44]. The democratic socialist urban policy project of the 1970s ran up hard against the power of the property and finance markets in the 1980s.

Second, the recession of the early 1980s, popular fears of inflation and the domination of public finance by economic rationalism combined to make the policy climate much less receptive to social objectives, in both Labor and Coalition state governments. Commonwealth-State financial relations were particularly turbulent. The urban policy people of DEP sought to get into the driver's seat of the state's economic management – state finance policy, capital works programming, budgetary priorities, major projects – but when they got there, they found that economic efficiency and the

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[44] See Ron Horvath and David Tait: 'Socio-spatial inequality in Sydney' in J Brian McLaughlin and Margo Huxley (eds): *Urban Planning in Australia: Critical Readings*, Longman Cheshire, Melbourne, 1986: 191-207.

battles between portfolios left little room for whole-of-government views of territorial justice[45]. No

practical state government – and the NSW state governments of the 1980s were nothing if not

practical – was willing to publish a regional disaggregation of the capital works plan, let alone plan

to finance the full costs of urban development, however professionally they might be estimated.

There were some amusing attempts: Premier Wran, briefed on the metropolitan strategy work[46],

attempted to win extra Commonwealth financial support for Sydney's bearing the costs of high

international migration, only to be countered by Queensland Premier Bjelke-Petersen arguing that

Sydney people were leaving to live in Queensland so if anything New South Wales should pay

Queensland to look after them.

Such means of urban management, including the current rolled-forward metropolitan strategy for

Sydney, have survived because they promote efficiency in infrastructure provision, or at least the

avoidance of serious mismatches between major services and spikes in infrastructure funding. A

systematic approach to infrastructure investment is now a routine part of government[47]. Perhaps

the idealism of the 1980s has waned. Non-regulatory means of urban management are powerful if

yoked to a cause, less effective as a formal and routine procedure whose original purpose is half-

forgotten. Whether this is now the case for Sydney lies beyond the scope of this paper.

Despite the relative lack of attention given by the state to the local details of release area planning

in the 1980s, such as the production of enabling LEPs, and to other areas of implementation in the

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[45] Though there was continuity of urban management practice from Labor to Coalition governments, the diminution of social justice as a driving value for reform represented by the Wilenski approach is seen by some as marking an important transition, from social democratic managerialism to 'full-blown neoliberalism' (M Considine and M Painter (eds): *Managerialism: the Great Debate*, Melbourne University Press, Melbourne, 1997 and Brendan Gleeson and Nicholas Low: '"Unfinished business": neoliberal planning reform in Australia', *Urban Policy and Research*, 18, 1: 7-28)

[46] It is interesting to compare the cautious approach to population growth taken by NSW Premier Carr now compared to his more expansionary approach as Minister for Planning and Environment in the 1980s. This may reflects the lowered sights for metropolitan planning: then, with good planning, Sydney was seen by the state government as able to cope with strong growth; now, sadder but wiser, this confidence in metropolitan growth management may not there, despite the state's Olympian confidence in its ability to manage major projects. See David Wilmoth: 'The urban impact of population growth' in Lincoln H. Day and D.T. Rowland (eds.): *How Many More Australians? The Resource and Environmental Conflicts*, Longman Cheshire, Melbourne, 1988: 109-120.

hands of local government, the metropolitan strategy process and Urban Development Program

produced good results overall in the local government areas involved, often because of the

mobilisation of local resources to cope with the massive local changes that the land releases

brought, including developer contributions through s94 of the EP&A Act.

Though the metropolitan strategy had to be broad in its spatial brushstrokes, it is perhaps

regrettable that the new means of urban management championed by the metropolitan strategy,

including through its interagency team, were not embodied in the EP&A Act more strongly. Use of

the Act in Sydney's development was dominated by mainly traditional land use and development

controls. It provided a possible framework for formalising inventive planning policies but this

possibility was little taken up. Agencies other than DEP involved in metropolitan management

looked with suspicion at such means, as the Act was controlled by one minister among several

involved in setting government-wide metropolitan policy, and its auspices were often used to

defend particular DEP positions rather than encompass government-wide views. A perverse

exception to this rule was the unsought cabinet mandate requiring the Minister for Planning and

Environment to use the Act to permit multi-unit dwellings on virtually every residential lot in the

state.

The persistence of the planning system, protected by this legislation and embodied in it, has

allowed the enduring values of urban planners to continue, particularly the protection of sites of

environmental importance. There remains a paradox: the new metropolitan planners, with a wide

view of political economy and strong social values, devised tools of urban management which may

have become routine means of administrative efficiency, while the more conventional urban

planners, carrying the land use planning baton from the State Planning Authority and imbued with

less radical social-economic views but no less strong values to protect the environment, have seen

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[47] John Paterson: 'Choice and necessity in metropolitan planning', *Urban Policy and Research*, 18, 3, September 2000:

more of their vision realised. Hugh Stretton's praise of the unsung heroes of state planning agencies in 1970 still had validity for the 1980s[48]. Whether traditional defenders of the public estate, or committed reformers, those who enjoy living and working in Sydney, including those who cannot imagine that Sydney ever was planned, have much to be thankful for.

Looking back at Sydney's planning from the other side of the millennial divide makes it easy to see those things that could have been taken more into account – the information technology revolution, the private sector as driver and not just the object of policy, public-private partnerships, planning for 'difference'[49], regional income growth and positioning Sydney for wealth generation in a globalising economy. How the planning measures for Sydney's 1980s would have coped with these issues belongs to another story.

377-386.

[48] Hugh Stretton: *Ideas for Australian Cities,* Orphan Press, Adelaide, 1970.

[49] Leonie Sandercock: *Towards Cosmopolis: Planning for Multicultural Cities*, Wiley, Chichester, 1998. See also Peter Murphy and Sophie Watson: *Surface City: Sydney at the Millenium*, Pluto Press, Sydney, 1997.