

# **Revisiting the Situatedness of Institutional Urban Management: The Politics of Urban Policy in Australian Federal Governance**

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## INTRODUCTION

There has been fervent discussion regarding the broader issue of Federal involvement in urban management. Arguments for (see for example Badcock 1984; Orchard 1987, 1992; Stretton 1989; Stilwell 1993) and against (see for example Parkin 1982; Jones 1979; Painter 1979) institutional intervention are well documented. The 'urban' as a category and practice in Federal public policy has featured twice only. The Department of Urban and Regional Development (DURD) was created during the 1970s under the Whitlam Labor Government. The defeat of the Labor Government in 1975 signalled its demise. It wasn't until the 1990s that another Federally run urban program would emerge in public policy. On this occasion a set of 'demonstration' programs Better Cities was established during the Hawke/Keating Labor Governments. The defeat of the Labor Government by the incoming Liberal-Coalition Government saw the dismantling of Better Cities in 1996.

The capacity of DURD and Better Cities to implement their programs rested largely with gaining the support of significant Federal departments. Convincing these departments of the need for and value of Commonwealth involvement in institutional urban management created a dynamic and contested environment. Vignettes offered in this paper regarding the strategies the architects of DURD and Better Cities devised to counter political intransigence within and between government reveal the depth of

commitment of these two urban projects to transforming both the culture and practice of institutional urban management. The first part of the paper examines the relations within government through tensions between the two urban projects and departments like Treasury and in later years Finance.<sup>1</sup> The political nature of urban policy was not confined solely to the Federal realm. The success of both relied on creating workable and productive relationships between governance. The second part of the paper examines the 'politics' that were played out as the States responded to the introduction of Federally run urban programs.

The following discussion is based on interview material with a select group of people who had significant roles in the establishment of DURD and Better Cities - Tom Uren, minister responsible for DURD and Patrick Troy, deputy Secretary of DURD, Brian Howe, Deputy Prime Minister and minister responsible for the Commonwealth Department of Housing and Regional Development (DHRD) and Lindsay Nielson, deputy Secretary in DHRD. The basis of the interviews was to gain their insights. More so I was keen to speak to those who have continued to have an interest in urban matters. I understood these interviews would offer perceptions that had been filtered and modified by reflection over time. Equally, I realised that these narratives embodied the interviewees' subjectivities as well as a need to uphold the

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<sup>1</sup> Part 1 contains modified selected extracts from the forthcoming article titled 'Politics of Recollection: examining the rise and fall of DURD and Better Cities through narrative' to be published in the journal *Urban Policy and Research* in late 2004.

virtues of their individual contribution to urban praxis. Knowing this I valued their contribution.

### **RELATIONS WITHIN GOVERNMENT: THE EXPERIENCE OF DURD**

DURD formed part of the incoming Labor government's expansion and reform of the public sector. Apparent electoral support for a department that would focus on urban issues gave its architects the confidence to pursue the implementation of an extensive range of urban related programs as well as the right to transform the culture of institutional urban management. DURD staff set out to establish a holistic approach to urban governance across Australia requiring all levels of government to embrace and commit to its project. On the surface it was like other bureaucratic 'non-political' departments. In reality, the newly created Department was highly political as it endeavoured to position itself as a new 'significant' government department.

DURD was a melting pot of staff from a range of intellectual, professional and community backgrounds. The staff were forthright in their bid to have the roles and responsibilities for managing the urban environ, at all levels of governance, re-negotiated and re-positioned. There was a sense within DURD that many of the relationships between departments were outmoded and antiquated. Having a significant proportion of staff recruited from 'outside' the system was important. As Troy recounted, 'they set the

analytical pace for change. They were dynamic, credulous and difficult, and totally committed to changing the bureaucracy.'

The ambition of staff to challenge existing institutional practices from within the institution was evident at the outset. Troy recalled the extent to which DURD staff sought to make a difference:

'...we inherited a structure which was highly hierarchic, highly centralised...we were trying to find devices to decentralise the administration, not only decentralise it but open it up...it was a critical part of our argument...we were out to try to change the administrative culture in the nation... The whole time, we were certainly out to try and improve the equitable outcome of the ways that it operated but as part of achieving that it was our desire to change in a cultural sense the decision-making and it was also about changing what you would aspire to, what you would value, so it's about changing cultural aspirations, not just the culture of the decision.'

### **Disrupting existing practices**

Disrupting what it believed to be hierarchical and inefficient relationships between Federal departments was an important undertaking of the DURD project. The practices of Treasury, for example, contributed to this fragmentation and incoherence. DURD staff believed that Treasury's grip on the public policy agenda was achieved through that department's use of particular strategies to control the formation and application of knowledge and power within governance. Excluding departments from having access to economic information was an example of how Treasury maintained its position of power. If DURD staff were to successfully transform the culture within governance they needed to counter the might of Treasury. The

organisational structure of DURD therefore needed a comparable intellectual infrastructure – the ‘right’ people-in-place. As Troy argued, since the departments of Prime Minister and Cabinet, the Public Service Board and Treasury controlled “everything”, his Department needed to match their ‘language’ if it was to influence public policy discourse. Having its own economic capacity was considered essential because that would demonstrate that it operated with economic acumen.

This was necessary because of Treasury’s practice of either restricting information flow or of being selective about what information was passed on and to whom. Troy pointed out that ‘knowledge is power, and if Treasury could exclude people from having information then they would be the predominant power in these interactions.’ Traditionally, in interdepartmental meetings departments were frustrated because they were not well informed on broad economic matters. The economic analysis conducted by DURD staff ensured Uren was able to engage in social and economic matters relating to the city as well as contribute to policy issues that fell outside his immediate portfolio. Having an alternative economic source was therefore an important strategy in DURD’s bid to disrupt the dominance of Treasury. It had also a broader, enabling role through providing other departments with information, which allowed them to participate in a more informed manner in interdepartmental meetings.

As Troy explained:

‘if you make that information available, readily available, then there ...there will be other researchers in government agencies who will take it up and use it to make better decisions for themselves...The only kind of economic intelligence that people were getting was occasional statements from Treasury...some of our staff were devoted to giving an alternative economic briefing so seven ministers asked Tom if they could be briefed and we provided them with economic analysis as a way of keeping the dialogue open because there was a dominant view coming out of Treasury which we thought was wrong.’

Endeavouring to ‘open up’ interdepartmental meetings inadvertently created a problem for the department. DURD sought to develop and have adopted a systematic approach to managing the built environment within governance. Traditional and fragmented institutional practices had contributed to the unequal spatial distribution of resources and infrastructure throughout the built environment. Improving the quality of suburban lived experience could only be achieved if a planned and co-ordinated approach to institutional urban management within governance was achieved. DURD’s *modus operandi* was however met with resentment and suspicion. For example, its desire to establish internal consistency within the bureaucracy was interpreted as interference. The tension between imposing an alternative system of institutional urban management and how these actions were interpreted by other departments would go unresolved plaguing the Department’s effort to establish a coordinated approach to urban management within governance.

### **Political power within**

To engage in and influence public policy directions the Department endeavoured to be recognised as a 'significant' department within government. This ambition produced tensions with other Federal departments as well as revealed contradictions in the Department's *modus operandi*. On the one hand DURD staff were critical of the power and influence of the Departments of Prime Minister and Cabinet, the Public Service Board and Treasury. On the other hand the Department aspired to a similar status and standing within government. The desire of staff to have DURD occupying a broad co-ordinating role within the political sphere was interpreted by some departments as simply a grab for power. The ambition of DURD staff to have the department sit alongside Prime Minister and Cabinet, Treasury and the Public Service Board was however thwarted.

One of the reasons that DURD failed in its bid was that it didn't consult with the Public Service Board in the initial planning of DURD. During his interview, Troy conceded that not involving the Public Service Board was politically naïve. However, even if DURD staff had consulted more widely it was unlikely that these three Departments would have agreed to have another department join their ranks within government. According to Troy there existed a fixed hierarchical ordering of power:

'so technically you had to get (the personnel structure) through the Public Service Board. But he (Whitlam) would always tick tack with the Departments of Prime Minister and Cabinet and Treasury...Traditionally the trio that had run the country had

been the Head of Treasury, the Head of PMC and the Head of the Public Service Board...they dominated every government since 1945. They had become comfortable in their exercise of their power and weren't going to let us in.'

Reluctantly, DURD accepted an organisational structure that differed from its original proposal. Tensions between Treasury and DURD, however, escalated. Reluctance by Treasury staff to work in DURD enabled the new department to recruit economists from outside the bureaucracy thus enabling it to proceed with its agenda without the interference of Treasury.

Troy recounted:

'the Secretary to Treasury was approached. This would also have the added effect of splitting Treasury off. Treasury knew that and that's why they made sure that he didn't take the job. The second part of the strategy then fell into place because it meant that they had the chance to influence it (DURD), they had refused it, and they could never come back and say that you'd ignored them, you actually called their bluff. So then you did the next best thing and went out of the bureaucracy...[and] recruited...very smart, hard-driving young group of economists who didn't come out of the Treasury mould.'

For a time, DURD appeared to unsettle Treasury. According to Troy this, however, 'produced strong antipathy from Treasury. Having another economic and information powerhouse base within Government was threatening to Treasury', producing sites of contestation and resistance between these two departments. For example, during the lead-up to the 1974-1975 Budget, Michael Keating, an economist employed by DURD, fuelled tensions between the two when he embarrassed Treasury by highlighting that its financial estimates for the government were wrong. Notwithstanding,

DURD failed to significantly disrupt the intransigence of Treasury's economic power, nor was it able to gain the legitimacy it desired within government.

### **THE EXPERIENCE OF BETTER CITIES WITHIN GOVERNMENT**

The experience of Better Cities was arguably more perilous within government because of DURD. Persuading Federal government departments of the value of institutional urban management was difficult. Some departments questioned the need to reintroduce a Federally run urban program. There was discord within the Federal bureaucracy after funding for Better Cities was committed without wider consultation. Opinion was strong that the practice of urban management had no place in Federal politics especially in light of the experience of DURD. The architects of Better Cities would endeavour to negotiate a place for their urban project within a politico-economic climate of managerialism and market-based approaches to managing public infrastructure. Introducing a second Federal urban program required both careful negotiation and justification of its merits. For this reason Better Cities never aspired to recreate an urban project incorporating the breadth of responsibility and agenda of its predecessor.

### **Negotiating Better Cities within the political realm**

The division of power between the Commonwealth and the States had frequently come up as an issue in Federal/State relations. Discussions

between the Commonwealth and the States and Territories concerning the merits of the Better Cities program took place during the 1990 Premiers Conference. A working party was established to examine the issues and problems relating to Australia's urban settlement patterns and infrastructure, to consider strategies to address these problems as well as to determine the nature of involvement of each tier of government in these strategies. These discussions were occurring around the time when the Commonwealth was contemplating significant reforms between governance in the area of funding.

Howe recalled the period leading up to Better Cities:

'the recession didn't play a big part in it even though I used it in argument. It wasn't seen as a fiscal stimulus. It wasn't even seen in the same way as One Nation. Better Cities was argued more in terms of Federal/State relations. Remember that this was a time in which there was some significant reform contemplated in terms of relations to the States... This was a kind of positive in terms of the States, the States could have access to this capital money - very positive.'

Establishing a framework for Better Cities involved a number of departments.

A task force chaired by the Department of the Prime Minister and Cabinet was established by March 1991. The Task Force had broad membership from as range of government departments and was given responsibility to coordinate Commonwealth involvement in an urban program. Howe's Department of Health, Housing and Community Services was given administrative and organisational responsibility for the new program. The National Capital Planning Authority (NCPA) provided the technical support including assessing, monitoring and evaluating potential urban proposals.

Neilson, Chief Executive of the NCPA during this period, was involved in the conceptual and operational planning of Better Cities:

'...an arrangement was made at Hawke's request for me to talk to the Department of Prime Minister and Cabinet to set up a working group reporting to the Task Force. The interdepartmental committee, which I chaired considered propositions and took them up with the Task Force. And the first thing we had to do was work up the basic definition of what this program might look like and the sort of criteria that would be formally applied to the program...'

'While that was being done I was sent off to talk again to State Premiers. I had a series of conversations with them to talk to them about how they would react to a proposition of the Commonwealth opening up a program of this kind...So we got a sense from those discussions that they were saying, 'well what do you really want?' And we were saying 'we don't know yet because we have to get Cabinet endorsement for criteria but generally you're looking at this kind of thing'

'...and so part of the process of going back to Cabinet (which we did, in all, five times before the 1991/92 budget) was to get agreement on the criteria but also to show Cabinet the examples of the kinds of things that the States were talking about...'

It was believed that the extent to which Neilson consulted within and between government would result in broad-based support for Better Cities.

However, there was concern regarding the potential cost of the program.

During this early period Treasury and the Department of Finance were advising the Federal government to exercise caution in undertaking a

financial commitment to Better Cities. Neilson recounted:

'there was some opposition on the traditional Department of Finance argument about justification for the program, how is this program justified? There was annoyance that the government, without due consultation [within the bureaucracy] had committed a large amount of money.'

Emphasising its pragmatic nature assisted the case for an urban program. Justification for Commonwealth involvement in institutional urban management was strengthened further by its relative compatibility with the government's broader economic agenda. Better Cities complemented the government's commitment to pursuing economic efficiencies and micro-economic reform. An important element of the program was that it emphasised public-private sector relationships in urban development. In other words, the urban program sought to demonstrate the benefits of sharing the financial costs of urban infrastructure between the Commonwealth and the private sector.

### **Yielding to the dominance within**

Convincing Treasury of the merits of Better Cities was a frustrating exercise relying on careful management. The architects of Better Cities sought, therefore, to justify its programs within an economic rubric. One strategy used to gain Treasury support involved the hosting of a world conference. The 1994 *Cities and the New Global Economy* conference provided an opportunity to convince the bureaucracy of the merits of institutional urban management. Jointly organised by the OECD and the Commonwealth, the conference was conceived strategically as a way of promoting the economic-use value of cities in a rapidly changing global economy. An important aspect of the conference was the active involvement of the OECD. According to Neilson, Treasury respected the views of this international organisation:

'...whenever Treasury wanted to push economic policy in a particular direction they'd make sure that the OECD reviews of Australia said what the Treasury wanted to say. So I said 'lets use the same tactic'. If we're going to create in the longer term a sense of importance of urban policy in Australia, lets look to the OECD and get the OECD involved and interested...'

### **Understanding the complex layers**

Despite the magnitude and breadth of representation of the conference delegates there was no shift in thinking regarding the merits of institutional urban management as proposed by Better Cities. Despite calls for greater institutional involvement in urban matters by conference delegates, the more powerful departments were seemingly not convinced. Part of the problem of not getting wide ranging support for an urban program within governance seemingly lay with past practices. Bureaucrats were not prepared to accept, even on the basis of sound economic argument, that involvement in institutional urban management made sense. A separate bureaucracy for the newly created program was not suggested because it may have been perceived as an attempt to resurrect another DURD. Promoting Better Cities as a demonstration program with a five-year 'shelf life' was important in making palatable Federal involvement in urban management.

While the architects of Better Cities consulted widely both within and between governance the expediency and haste with which it was established reflected a view that the government, in general, was not convinced that it had a role to play in urban management. Howe acknowledged that any form

of commitment, financial or ideological, to urban management was absolutely peripheral in government thinking and practice – ‘you had to seize the moment.’ In fact, in the haste to take advantage of a funding source for the program Howe conceded that his department ‘got Better Cities up probably before we should have.’ One of the problems stemming from this haste was that Better Cities lacked enough staff competent in urban matters. According to Neilson, this compromised the general standing of the urban project within and between government.

#### **RELATIONS BETWEEN GOVERNANCE: THE EXPERIENCE OF DURD**

Uren reflected that dealing with state bureaucracies relied on, to some degree, the ‘carrot and stick’ approach. Uren pointed out that because DURD ‘was trying to take a much more holistic policy position on cities it meant that as a department, it needed to have some say and a coordinating role’ with Commonwealth and State departments. According to Uren the State’s strength lay in the practical application of DURD program’s because ‘they are at the coal face’. Another significant aim of DURD, therefore, was to facilitate a change in relations between government.

Traditional Federal/State relations had produced divisive and self-interested responses to urban management practices thereby contributing to the many problems encountered in Australian cities. As Troy argued:

‘...part of the problem that we kept on pointing out was that, the way the Commonwealth funded some of the States’

activities encouraged that dis-segregation and autonomy so we had a situation where in every State the housing authority was funded directly by the Commonwealth so it was independent of state administration, the roads authorities were all funded directly by the Commonwealth and therefore almost completely dependent upon Commonwealth monies and therefore independent of State considerations...so we had a situation where we had highly hierarchic administrations at State level which had been inherited from colonial days. But within the hierarchy we had elements which were pretty well independent of the State apparatus...so you've got really bizarre situations where you've got, well a road system which was way ahead of the quality of public transport because roads were funded, public transport was not. You ended up with roads being provided in areas where you didn't have water supply and sewerage which was bizarre.'

Another related and important aspect of the urban project was how regions within the States and Territories were actually defined. Established State-defined regions had existed prior to the advent of DURD, however, the Department believed that these needed amendment. Redefining regional boundaries was considered important on two counts - to complement the proposed restructuring of practices and relationships between governance as well as for the efficient functioning of DURD's specific programs and budgetary outlays. Troy recounted that research was conducted to re-think, re-map and recommend changes to how physical space was institutionally demarcated:

'so we set out to try and lead to the articulation of a regional development allocation of resources. But that required a specification of what constituted a region. And we had a really practical reason for doing it as well. Because there was a very large number at the federal level, there already was a very large number of different bases of regional definitions and so we said, this is crazy, telecommunications had one regional base, transport had this, schools had another. So we

said let's try and find common regional boundaries. We did. We did research and said these boundaries have to be boundaries which are acceptable to the populations of these states. Another agenda for developing common regions is that we wanted to use it as a basis for reforming local government.'

DURD sought to promote an understanding of place that had its own history, struggle and meaning and which state boundaries did not necessarily recognise. Traditionally designated institutional boundaries that defined these regions tended to mask these nuances. Troy pointed out that this extended to an understanding that the suburban form was innately heterogeneous within and between each city:

'...in a very important sense the States themselves are made up of federations of regions and to take that whole thing another step, cities are actually made up of federations of different regions within them. Now the bigger the city the more apparent, so Sydney and Melbourne obviously display that more dramatically than Adelaide.'

DURD, however, was unable to convince the States and Territories of the merits of re-defining regions. The States blocked any substantial changes to regional boundaries declaring that they were better placed to analyse '*their own regional situation*' (Department of Urban and Regional Development 1973: 19, my emphasis). The Department, therefore, continued reluctantly to use pre-existing boundaries in its policy and programming.

### **Dualities in bureaucratic practice**

The strength of the commitment by DURD would produce a passionate and contested working environment in other settings. One such site involved the Area Improvement Program (AIP), established to provide a role for

communities in constructing their local environment. Conceived largely in response to localised and specific problems experienced in Sydney and Melbourne's suburban outer the funding allocated by the AIP was used to acquire land for community purposes, build community centres and implement a range of environmental initiatives. According to Troy, the Commonwealth was not always best placed nor should it expect to command the authoritative voice in all matters specific to the local. Rather, there was a place for the Federal government to facilitate, provide information and financial support both to local governments and organisations with the aim of assisting 'community' ideas become reality. While there was seeming support and commitment to community participation DURD staff managing the AIP had particular views as to how the Program should run and for what purposes the money should be allocated.

An example of promoting local imagination through the AIP was the project in the Duck Creek area of Sydney's Auburn Council. Submissions to improve the Duck Creek area revealed tensions between the 'lived' local knowledge of the community and the Department. The controversy centred on the merit of building a hill. Some within DURD believed that this was a waste of funding. The Duck Creek area was flat, treeless and lifeless and the Auburn City Council, with the support of many of the local community, argued that constructing a hill would contribute to the rejuvenation of the area.

Troy recounted:

‘It went in a direction that none of us predicted, absolutely none of us predicted...it was something the locals wanted, I remember having rows with Treasury to defend those people making the investment, I remember having arguments with DURD, within DURD itself, saying look I know you know better than they do, but we are going to go where they want to go.’

While there was ostensibly a commitment by DURD to encourage community participation and involvement in redefining the suburban form, this example reveals an underlying problem. In its steadfastness to improve the quality of suburban living the actions of the Department would at times be interpreted as a desire to impose its particular reality on to the metropolis. As Neilson pointed out:

‘to a large degree it was run with a sense of wanting to do something new but it did it in such a way that at times established interests in local government and some community groups were offended by the forceful and at times oppressive style of those running the program which in a sense undermined its strengths and achievements.’

### **Sewerage Program**

The manner in which some States were able to manipulate the programs, and for what purposes, revealed another dilemma for DURD staff. While there was reluctance to engage with the Commonwealth regarding urban management issues, the States were cautious participants in DURD’s program funding. However, the individual self-interests of the States would produce different approaches to, and levels of, involvement in each program (see Lloyd and Troy 1981). Similarly, there were examples of particular States being able to extend the scope of programs to fund urban infrastructure that

was not specifically outlined in program aims. The Sewerage Program was one such example.

The problem of unsewered dwellings was particularly acute for parts of Sydney's suburban outer and regional centres. It was estimated that, as of June 1973, 36 per cent of suburban dwellings were unsewered in that State, prompting the State government to respond enthusiastically to this funding source (DURD 1974, 20). Over a two-year period, a significant part of the Sewerage Program budget went to the NSW State government.<sup>2</sup> The experience of Adelaide was quite different. It already had an extensive and well-developed sewerage system when compared to the other mainland States. Its water quality was, however, poor. The South Australian government argued successfully that water/sewerage should fall under the same umbrella and so approached the program managers with a proposal to fund water quality improvement. On the basis of equity, Adelaide was granted funding from this program for the purpose of improving water quality.<sup>3</sup>

The effect of this decision, perhaps not surprisingly, generated a problem for DURD. The intention of this program was to deal with sewerage backlog and, extending the scope of the program to include water treatment, threatened to

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<sup>2</sup> The NSW government received 40 per cent of the Department's \$28 million 1973-1974 budget and 35 per cent of its \$120 million 1974-1975 budget (Neutze 1978, 82).

<sup>3</sup> Approximately \$4.4 million in 1974-1975 and a further \$9.8 million in 1975-1976 financial year was made available by DURD to the South Australian government (Neutze 1978, 82).

undermine the integrity of the program. Since the South Australian government argued successfully for the right to use this funding for purposes other than its original intention, other States could potentially have followed a similar strategy. In effect, DURD communicated to the States that they could influence the terms of reference of at least one of its programs risking the integrity of other DURD programs. It is difficult not to view the 'flexibility' of this program within the context of Federal/State relations between the Commonwealth and the South Australian Government. Whitlam and Dunstan enjoyed a productive working relationship which no doubt assisted the State government in pressing for special consideration and dispensation during this period.

### **New Cities Program**

The working relationship between Whitlam and Dunstan could have been interpreted as compromising another DURD program. There was a sense within DURD that many people living in the outer suburbs were disadvantaged, that they lacked services and opportunities. Inequalities between wealthy areas and poorer areas were assumed to be stark. The belief in the need for greater public intervention grew out of an era where blocks of land could be developed for residential purposes without basic services like sealed roads, footpaths or sewerage. As Neilson recounted, 'images of children coming home from schools through mud because there were no roads or footpaths are indelible memories.' There was a desire

within DURD to lessen the burden on working families in the suburbs by providing needed social infrastructure. Sufficient employment opportunities for men and women in close proximity to where they lived were regarded as lacking. DURD believed that the government needed to intervene in and encourage both the private and public sectors to locate their activities closer to where people actually lived. This was particularly important as intense spatial competition around production, trade, investment and finance were reshaping Australian cities. Many of these problems were exacerbated in the larger cities of Sydney and Melbourne. The Metropolitan Growth Centres Program responded to this picture of suburban Australia.

The South Australian government successfully argued a case for Monarto to be included in the Program. This would be viewed as another example of DURD lacking discernment and impartiality in funding decisions. The South Australian Labor government feared that Adelaide would experience a population expansion proportionally similar to its eastern state counterparts. The possibility of such 'uncontrolled' growth was the driving force in requesting Monarto, an area to the south-east of Adelaide, be included in the program. DURD was, however, unconvinced that metropolitan Adelaide would experience growth pressures sufficient to warrant the creation of another metropolis. Equally, it believed that South Australia did not have an economic base strong enough to justify the level of urban infrastructure investment that would be needed to make this location viable. Troy recounts:

‘The program could only succeed if there was bipartisan support for it over a longish period and part of its weakness was the fact that Dunstan had committed himself to Monarto...it didn’t work...Monarto didn’t do the program as a whole any good’.

Compromises made to other states would further undermine the New Cities Program. As Troy pointed out:

A compromise to buy the NSW government support over Albury/Wodonga a concession was made to NSW to develop a new town at Bathurst/Orange and I was saying we could use Bathurst or we could use Orange but we couldn’t use the two because they were separated by too greater distance...it was always going to be a disaster...the program should have been more balanced in the sense that we could have, should have chosen areas and enforced it. The argument always was, you just don’t go out, pick out odd sites you try to pick the areas where you want to focus development in order to improve the quality of what was going on’.

## **RELATIONS BETWEEN GOVERNMENT: THE EXPERIENCE OF BETTER CITIES**

Within a climate of reduced spending, the States and Territories viewed the introduction of Better Cities as one means to secure funding for infrastructure projects that they themselves believed could not be undertaken without this support (see Troy 1996). According to Neilson the response of the States varied:

‘the inter-departmental committee, which I chaired, considered propositions and took them up with the Task Force. While that was being done I had a series of conversations with the State Premiers to talk to them about how they would react to the proposition of the Commonwealth opening up a program of this kind. South Australia was reasonably good, New South Wales was very suspicious.’

By the July 1991 Special Premier's Conference an agreement had been reached between the Commonwealth and the States and Territories to jointly coordinate an urban program. Neilson recalled:

'It went through the final budget Cabinet process for 1991/92. We now had to formally go to the States. We had to prepare formal guidelines and get all that done. We were trying to do that before the end of December 1991 which was pretty fast and we had to sign up formal agreements. We had I think three or four [States] by the end of 1991. We ran them through the Task Force, we went to Cabinet for final endorsement.'

The way in which projects considered suitable for the program were finally agreed upon varied. Better Cities sought to avoid undertaking individual development projects such as building a road or a jetty and concentrate on projects that had an integrated strategic framework containing economic, social and environmental elements. It was more enthusiastic about projects that sought to redevelop the suburban city in particular ways. Projects promoting urban consolidation, cost efficiencies in urban infrastructure and more efficient transport system strategies were emphasised. As Neilson conceded, inconsistencies within the project surfaced:

'we compromised on some of the thinking [and things] we wanted to do in order to accommodate the States. Nonetheless the process still had to have projects going up which the inter-departmental group agreed satisfied the criteria that the government wanted, and which Cabinet had to eventually agree to.'

### **Primacy of the inner-city**

The experience of the New South Wales government, through its negotiations with the Better Cities program, illustrated the manner in which institutions

make decisions to suit their particular aspirations. Neilson recalled that the State government preferred total autonomy in the selection of area strategies with an emphasis on inner urban renewal projects – ‘Greiner was difficult arguing that ‘I’m not being dictated to by the Commonwealth’ and kept throwing up just individual development projects of one kind or another and we were saying “no”’. Following protracted meetings a bilateral agreement was signed eventually in September 1992 between the two spheres of governance. The Ultimo/Pymont precinct would form one of the inner urban programs. Neilson recounted:

‘Ultimo/Pymont initially started off with Greiner just wanting to deal with the city. We said ‘lets try and make it something bigger and deal with the whole of the area plus the Eveleigh railway yards and we managed to bundle these together. We wanted to pick up all that area around Darling Harbour and try and make it a really comprehensive renewal area but power plays within the New South Wales bureaucracy and the government’s own reluctance to take a comprehensive view meant that we had problems with that. As to whether it would have worked without Better Cities I guess the answer is really ‘no’ because there’s a lot of co-ordinating work that had to be done between the City Council and the State government and State government agencies. That would have never been done. But again it wasn’t quite the comprehensive approach we wanted.’

Producing a cosmopolitan, dynamic global city was a priority for the New South Wales government. The state government was interested in developing what it considered to be important urban sites. Metropolitan plans, explaining how Sydney’s suburban outer should be managed and developed further, were at best rhetorical aspirations. The Greiner Government was not interested in pursuing urban projects on the suburban periphery. Convincing

the State government of the merits of investment in a 'suburban' strategy would take much longer. Neilson recounted:

'we couldn't get anything substantially agreed in Sydney's outer so we looked to Newcastle and the Honeysuckle project. In outer West Sydney we did look at renewal of some public housing areas but you could not get the Department of Planning and other agencies to really get their act together, partly because of their relationships with local government, they didn't want to be seen to interfere too much, partly because departments tended to respect their own patches and didn't like the idea of cross-sectoral linkages, and partly because the [State] government didn't want to do it.'

### **Appeasing the south**

While the New South Wales government was reluctant to get too closely involved with the Better Cities program the same can not be said for the South Australian government. Bilateral agreements were reached for a number of projects in metropolitan Adelaide, including the northern and western area strategies (see Oakley 2001). In February 1993, however, an agreement between governance was reached to proceed with an area strategy to the south of the city. A number of small projects were combined to make the southern area project. However, it did not have anything like the strength and rationale of the northern area strategy. As Neilson noted the southern project exemplified the type of compromises Better Cities reluctantly made to the States:

'it was in the final stages of negotiating these things...there was a bit of politics coming in about doing something for the south. We didn't believe the Noarlunga project was really a good Better Cities project. It was too focused on the town centre. It really didn't deal with an urban development strategy as such.'

This example illustrates how at times Better Cities, like DURD, was required to accommodate State government whims in order to get its overall program off the ground. The effectiveness of the southern area strategy is debatable especially in light of its worthiness in the first place. Arguably, it did no more than placate the southern electorates that believed that the northern part of the city was receiving a disproportionate share of interest and funding from the Commonwealth. The architects of Better Cities never believed that it was a worthwhile strategy, substantiated by its relative failure to make a difference in terms of curbing suburban sprawl, generating a stronger local employment base or reducing private car dependence (see Oakley 2001).

## **CONCLUSION**

DURD endeavoured to challenge normative understandings of how the built environment could and should be managed within and between governance. It was passionate, and at times arrogant, in its quest to institutionally embed the urban as a social category in public policy. DURD was committed to challenging the urban void in political thinking. It was forthright, therefore, in its desire to have the roles and responsibility for urban management, at all levels of government re-negotiated and re-positioned. These strategies for change were met with resentment and resistance because DURD was perceived to be threatening the autonomy and sovereignty of government departments, at both Federal and State levels. The form and content of many of its programs, such as the Sewerage Program, revealed that there was room for flexible and negotiable arrangements between itself and the States.

DURD, at times, would be positioned unflatteringly as dictatorial, weak and inconsistent. Conflict within the department itself would surface as evidenced by the Duck Creek experience. These characterisations were viewed as unacceptable flaws in many ways validating a questioning of Federal involvement in institutional urban management generally. Similarly, conflicts contradictions and inconsistencies emerging out of DURD's practices were unfavourably viewed and characterised as somewhat distinct traits in government.

The experience of Better Cities revealed a different story. Learning the lessons from the ill-fated experiences of DURD it endeavoured to renegotiate urban management within and between governance in a subtle and conciliatory manner. The timing of Better Cities was opportunistic because it coincided with discussions around Federal/State reforms. It had an economic dimension that was used as a lever in Federal/State discussions when canvassing the possibility of another urban project. Better Cities would be a new source of Commonwealth funding made available to the States and Territories during a period of expanding privatisation of public sector activities and diminishing public sector expenditure. It facilitated a re-thinking of Federal involvement in institutional urban management that looked to encourage public-private partnership arrangements in suburban development. Better Cities was promoting a politico-cultural shift that emphasised institutional urban management-as-commodity form. As a

potential enterprise it had the capacity to emerge as an industry-in-itself generating levels of private sector funding, in the medium to long-term, that Better Cities believed would be necessary to redress urban deficiencies in Australian cities in the future.

Despite developing a model of urban practice that interfered little in the day to day running of political governance, Better Cities would have to respond to continual dissension from Commonwealth departments as to the worthiness of such a project. Opposition to another Federal urban project emanated out of recollections of the DURD experience. Better Cities sought to avoid replicating past practices by complementing strategic redevelopment priorities of the Commonwealth and working within key objectives and planned outcomes. Yet like DURD, it was compelled at times to make compromises in its dealings with the States such as the agreement to commit funding to Adelaide's southern area strategy. Decisions like this encouraged a perception that it failed to measure up to its own commitment that it would not make the kinds of mistakes that DURD had made when lobbying initially for Cabinet support. What is apparent from these vignettes is the shaky ground Federal urban policy and practice has been required to negotiate.

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