

8. The ‘Building Better Cities’ program 1991-96: a nation-building initiative of the Commonwealth Government

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Abstract

The Building Better Cities Program (BBC), initiated during the term of the Hawke Labor Government and administered by the then Department of Housing and Regional Development (DHRD), can be credited with leading the revival of Australian inner cities, the most significant change in urban Australia since the introduction of consumer credit post World War II.

The genesis of the Building Better Cities Program was a Special Premier's Conference held in July 1991 at which the Commonwealth, State and Territory Governments agreed to co-operate in a program focused on improving urban development processes and the quality of urban life. Its aims were to demonstrate better urban planning and service delivery as well as co-ordination within and between the various levels of government.

The Program was first funded in the 1991-92 Commonwealth Budget. The overall purpose of the Program was ‘to promote improvements in the efficiency, equity and sustainability of Australian cities and to increase their capacity to meet the following objectives: economic growth and micro-economic reform; improved social justice; institutional reform; ecologically sustainable development; and improved urban environments and more liveable cities’.

The Commonwealth Government agreed provide up to \$816.4 million over the period December 1991 to June 1996 in order to meet these objectives. The Program operated through formal agreements with individual State and Territory governments and targeted 26 distinct areas throughout Australia.

Initially as Chief Executive of the National Capital Planning Authority and then as Deputy Secretary of the Department of Housing and Regional Development (responsible to the Deputy Prime Minister and Minister for Housing and Regional Development — the Hon. Brian Howe) Lyndsay Neilson oversaw the creation, development and implementation of the program, and observed the aftermath following the 1996 Federal election.

The chapter reflects on the successes and shortcomings of the Building Better Cities program and addresses those aspects of the program that offer lessons for Commonwealth-State engagement in the contemporary environment.

I gratefully acknowledge the assistance of Pem Gerner, Geoff Campbell, Brian Howe and Bruce Wright in preparing this chapter. The views expressed are mine and I am also responsible for any historical inaccuracies or misstatement of facts.

Introduction

The 'Building Better Cities' program (BBC) was a major initiative of the Hawke Labor Government. It was initiated by the Honourable Brian Howe MP, first in his role as Minister for Health, Housing and Community Services then later as Deputy Prime Minister and Minister for Housing and Regional Development.

It was the first Commonwealth engagement in urban Australia since the Whitlam Government in the 1970s, with Minister for Urban and Regional Development, Tom Uren, led a major shake-up of thinking about managing Australia's cities and towns.

The shock of the 1970s initiatives and the acrimony they created with the States meant that the 1990s program needed to be built in a collaborative way, bringing State and Territory Governments into a new partnership with the Commonwealth, sharing responsibility and working together to achieve agreed outcomes.

This meant that BBC not only broke new ground with the style of intervention undertaken (focussed on capital works initiatives) but it also created new forms of intergovernmental agreements built around *outcomes* — an approach that was, at the time, at the leading edge of intergovernmental financial arrangements.

This chapter focuses on the development of the initiative, the building of collaboration with the States and Territories, and the impact of the program both over the period it was funded and, more importantly, in the years after. It was in the latter period that the urban initiatives began to have real impact on the pace, nature and character of development across Australian cities, most importantly in the inner cities and in strategic areas of urban renewal.

The issues at stake

During the 1980s, with the election of the Hawke Government there developed an atmosphere of exciting reform created by the decisions of Hawke and Treasurer Paul Keating to pursue the opening up of Australia to global economic competition.

Macroeconomic reform involved addressing efficiency within the economy as well as removing barriers to trade and international investment and currency exchange. The debates about efficiency turned, inevitably in an economy and society as urban as Australia's, to the place of cities in economic growth.

Traffic congestion, needed infrastructure investment, inner urban decline in population and employment, rising car dependency, restructuring of labour

markets leading to rising structural unemployment in the old industrial suburbs, concerns with consequent rising inequality across society, all became issues of debate.

The economics profession, unashamedly non-spatial in its outlook, remained recalcitrant in acknowledging any role for spatial policies — interventions directed at particular places rather than the economy as a whole — arguing that markets should sort out spatial issues through structural adjustment over time and that government intervention would only impede market progress.

The Commonwealth Treasury, having a sufficiently long memory to recall the bitter battles of the 1970s with Tom Uren's Department of Urban and Regional Development (DURD) over economic policies, remained totally opposed to any revival of interest at Commonwealth level in dealing with cities. Policies and programs with spatial effect were to be avoided because these matters were State responsibilities and the Commonwealth should stay out of them.

The counter view was that there were common trends across the nation that resulted from Commonwealth economic and social policies (such as the effect of structural unemployment, the lack of investment in infrastructure due to strictures on borrowing) and that the economy as a whole would substantially benefit from interventions that addressed impediments to change in urban Australia and so speed adjustment to new realities.

In other words, there were market failures in the urban system, often spatially based (such as lack of players and confidence in the inner city property market) that needed focused spatial policies to correct them.

Further, trends such as declining population and employment in inner cities threatened the increasing underutilisation of capital already invested in infrastructure and services — an inefficient outcome — and placed more pressure on the need for new investment in outer suburbs to accommodate new growth.

Urban consolidation was seen as an economically efficient way of catering for population growth, offsetting the car-based sprawl that characterised Australian urban expansion.

At the same time, urban expansion was seen as necessary to accommodate most growth, given the high propensity among Australians to seek to own their own home on a spacious suburban lot and issues of affordability for first home buyers in particular — the ability to buy a block of land and build later when savings allowed, was still a significant factor.

But outer urban development could be more efficient and more equitable if it was planned and delivered better — more focus on public transport infrastructure and networks, more attention to employment opportunities in outer suburbs, more timely provision of services for arriving residents — all matters addressed in the past and reflected in the work of Australia's government Development

Corporations in several States and in the work of some of the larger estate developers.

Organisations like the Albury-Wodonga Development Corporation, the Macarthur Development Board in Sydney, and the most significant, the National Capital Development Commission in Canberra had extensive experience in organising and managing 'whole community' developments on an integrated basis, on government owned land.

Private companies like Lend Lease and Delfin were experimenting with similar approaches on their own estates, with some success. But more needed to be done to demonstrate how to make suburban development better — more efficient, more equitable, more liveable.

A further imperative was the development of non-metropolitan Australia. Regional development (decentralisation) was a long-running mantra of all governments across Australia, and the pressures were being raised by structural adjustment in the economy that removed protection progressively from many region-based industries.

The resulting unemployment, coupled with the impacts of technological change, led to rural and small town population decline that was a major political issue for rural-based political parties, including the Labor Party, which was trying to shore up a rural and regional city base.

Brian Howe MP was the leader of the Left of the Labor Party in Canberra and a reformer by instinct. As Minister for Health, Housing and Community Services he was a senior player in the Hawke Government and a senior Cabinet Minister. Howe worked hard to get the Prime Minister and his Department interested in 'spatial disadvantage' arising from economic changes, and the social problems associated with existing settlement patterns emerging in Australian cities.

In response, to address the issue, the Department of the Prime Minister and Cabinet funded a series of economic and social studies on spatial disadvantage, and later a major piece of work by The Institute of Family Studies on living standards and communities.

The Australian Living Standards Study looked at living conditions and experiences in around a dozen differing communities around Australia, including several in remote areas.

This work was never released, but was followed by discussion within the Council of Australian Governments in 1990 on urban settlement patterns and the implications of the dispersed city model for broader economic and social policy. This latter work was coordinated by Meredith Edwards in the Department of the Prime Minister and Cabinet.

At the same time the Prime Minister was advancing his 'New Federalism' agenda, forming more cooperative relationships with the State and Territory governments to advance projects and initiatives he saw as being firmly in the national interest.

All these factors, and more, combined to create a moment that was 'ripe' for an initiative in urban and regional development.

The Commonwealth's interest stirred

Howe had an interest in urban issues from his past, and was undoubtedly being lobbied frequently by members of the left and people previously associated with the Whitlam Government (notably Pat Troy, former Deputy-Secretary of DURD, and possibly Tom Uren himself) who urged him to take up urban issues again within the Commonwealth.

Howe and his Chief of Staff, Tom Brennan, attended a conference organised by the Regional Science Association of Australia where, among other things there was considerable discussion of urban and regional development and its relationship to Australian economic reform — particularly discussion of what a cogent policy agenda for the Commonwealth might be.

I attended the same conference, then in my role as Chief Executive of the National Capital Planning Authority in Canberra, and had a number of informal conversations with Howe and Brennan touching on the need for urban initiatives, who was influential in the field of urban planning and development and related matters.

Some weeks after the event I received a call from Brennan inviting me to a meeting with Howe to discuss a possible Commonwealth urban initiative. Brennan relayed that Howe felt I 'might be interested in helping build an urban agenda' and asked that I give the matter some thought prior to meeting Howe.

In the spirit of 'New Federalism' it was clear that the Government wanted an alternative approach to the more centralist DURD model taken by the Whitlam Government.

Having been a party to the Whitlam-Uren urban and regional programs of the 1970s I had some experience to draw on in thinking about what might be a successful approach for the Commonwealth to take in the 1990s, especially in the face of continuing suspicion among the States about a Commonwealth 'takeover'.

When I met with Howe I set out to make a number of points.

Firstly, the 'DURD era' was still regarded with suspicion by the States and within the Commonwealth and anything that suggested a 'return of DURD' would be unacceptable. Howe was aware of this sentiment and agreed with it.

That meant a new approach that drew the States and Territories into collaboration with the Commonwealth was needed, rather than subjecting them to an initiative 'imposed from Canberra'.

Secondly, the possible scale of any Commonwealth urban initiative could not encompass all the potential urban and regional issues that, politically, the government might like to address. I used a simple calculus that divided \$1 billion among six States and two Territories (everyone had to benefit, irrespective of obvious difference in need) and pointed out that \$120 million per State didn't deliver a lot when dealing with urban development.

That meant that any Commonwealth initiative, to be effective, needed to be selective. Politically that would create problems because funds would not flow across all electorates but to only a selected few — a difficult call for any Minister whose job, in part, is to assist the back bench retain seats, as well as the Party to win new ones. Howe reserved his judgement on this, while fully understanding the issue.

My proposal was that there needed to be a program of investment that had a strong demonstration effect — rather like the Whitlam-era 'Green Street' program that demonstrated how good design could achieve very acceptable and environmentally friendly forms of higher density housing in existing suburbs. 'Green Street' was very influential in impacting expectations and practice in the market place in small scale urban renewal.

To address urban renewal alone though, was not sufficient — there needed to be 'demonstrations' of how to manage better the development of outer suburban estates and also investments that worked in 'the bush' — some initiatives for Australian regional cities that would change expectations and outcomes.

Howe also wanted a social agenda in the program, and we discussed a range of ideas, including my proposal that we look at the deinstitutionalisation programs of some States that were freeing up large properties formerly the home of mental health or intellectual disability institutions and of jails. (I had previously prepared, as a consultant to the Victorian Government, a review of the Victorian Corrections system that led to jail closures and also the 10-Year Plan for the Office of Intellectual Disability Services in Victoria that was, in part, targeted at closure of a number of major institutions).

Howe was interested but sceptical, wanting to understand examples of what might be worthwhile projects, so he asked that Brennan and I work together to contact people around the States, confidentially, and produce some examples of locations and projects that might be worthy of support and that might constitute elements of a program that met solid reform principles from a Commonwealth perspective.

Over the following week Brennan and I spoke with contacts in the States — his political, mine professional, for the most part — and sought their suggestions as to what the States might welcome by way of 'a Commonwealth urban initiative' and, if there were projects to be supported with capital, what kinds of projects might be 'investment-ready' and significant in influencing urban growth and change.

Varied suggestions came back: some for pieces of infrastructure, usually transport; others for particular redevelopments on underused land, others for regional infrastructure such as port improvements. One or two were for comprehensive urban projects (redevelopment of Melbourne's Flinders Street rail yards, for example); none were for outer urban locations (other than suggestions for new roads).

Nevertheless there were plenty of suggestions, more than enough for Brennan and I to go back to Howe and state a number of things.

Firstly, there was no shortage of projects in which the Commonwealth might invest and where investment would be welcomed — with the emphasis on capital investment.

Secondly, in order to create a significant urban demonstration effect talking up individual investments in items of infrastructure was not enough; we needed to be more specific about wanting to take an 'area-based' approach, where multiple outcomes could be gained from Commonwealth involvement — physical renewal, affordable housing, employment, public transport access, environmental initiatives, social gains and so on. We wanted comprehensive and linked effects wherever possible.

Third, there was a potentially very receptive atmosphere among the States and Territories if we were dealing with a capital program that could breathe new life into key aspects of urban and regional growth and change.

It was enough for Howe to feel he could have a discussion with his senior Cabinet colleagues, most importantly the Prime Minister and the Treasurer. He had undoubtedly also been canvassing his own contacts for their views and expectations.

Howe's overtures and explanations were well received and he was given authority to commence informal consultations with the State Premiers, on a confidential basis.

Consulting the States

I first learned of this when I received a telephone call from Mike Codd, Secretary of the Department of the Prime Minister and Cabinet, inviting me to meet with him. I went to the meeting with some trepidation, to discover that Howe had suggested to Hawke, and Hawke had agreed, that I be asked to call on each of

the State Premiers and open up informal discussions with them about their likely response to a Commonwealth urban initiative and their suggestions about what form it might take.

Codd would clear the proposal with the other two relevant Departmental Secretaries — Tony Blunn, Secretary of the Department of Territories (within which the National Capital Planning Authority was located) and Stuart Hamilton, Secretary of Howe's Department of Health, Housing and Community Development.

I accepted the proposal with enthusiasm, and proceeded to plan the process, which would be opened up by a letter from Prime Minister Hawke to each Premier requesting their assistance and cooperation. Howe and I agreed that I would be accompanied to these meetings with a member of his advisory staff, Onella Staggoll.

So, during the latter months of 1990 we set out to win the cooperation of State Premiers in preparing an urban and regional initiative for Australia in which they would participate as a partner with the Commonwealth.

We provided State Premiers with some outline indications of the types on investments that might attract Commonwealth attention and the broad purpose of the Commonwealth's interest, but otherwise not a great deal of detail was given for obvious political reasons — notably there was as yet no Commonwealth commitment to a program and the Government didn't want speculative leaks to the media about the potential initiatives.

Our reception was mixed.

Premier Greiner of New South Wales was perfectly happy to receive funds from the Commonwealth provided he got to spend them on his project priorities with no strings attached. He wasn't particularly interested in a partnership.

Premier Kirner of Victoria was similarly inclined in relation to receiving money, but with a potentially more sympathetic view of partnering with her Labor Party colleagues from Canberra. She had several 'pet projects' to advance, none of which met the general criteria we advanced (closing Swanston Street in Melbourne's CBD was a key priority for Premier Kirner).

Premier Lawrence of Western Australia did not meet us but sent her senior staff to do so. They expressed political suspicion about the Commonwealth's motives but saw a number of initiatives of value in Perth — especially redevelopment in and around Fremantle,

In Queensland we met with the effervescent Deputy-Premier Tom Burns on behalf of Premier Goss, and the powerful Mayor of Brisbane, Jim Soorley. Both had suggestions and ideas, a number of them (notably the redevelopment of

some of inner Brisbane's run-down neighbourhoods) very consistent with the objectives we were then forming and testing.

Premier Bannon in South Australia also had his office and government officials meet with us and expressed an interest in addressing the social problems of Elizabeth in Adelaide, a rapidly declining area of former car-industry-worker housing that had become a welfare-housing nightmare for his Government.

This initial round of meetings also enabled us to invite each of the States (and later the Territories) to submit a list of proposals to the Commonwealth, in writing, as a guide to what they might be interested in undertaking in a partnership, given the general criteria we spelled out — area-based, multiple outcomes, capital investment, demonstration effect, with inner urban, outer urban and regional projects all to be considered. A couple of weeks were provided for these initial responses.

The 'Yellow Book'

With some prompting, initial ideas for Commonwealth support flowed in from States and Territories — still on a highly confidential basis (confidentiality *was* respected — no material was leaked). With the help of NCPA staff and consultant David Hain, Tom Brennan and I categorised, assessed and assembled the proposals into the so-called 'Yellow Book' — an A4 landscape document on yellow paper for discussion with Brian Howe.

Over a series of meetings with Howe we rejected, sought more information and details about, or regarded as serious propositions about 50 proposals from State governments, most of them still single-purpose infrastructure investment proposals. We refined the contents of the Yellow Book to produce a list of possibilities across the country and in inner urban, outer urban and regional locations. Interestingly, we did not locate them within electorates.

When Howe was satisfied that there were enough proposals that could be potentially developed to fit our broad criteria (area-based, multiple outcomes for the area, with economic, social and environmental features and benefits, capital in nature, demonstrating new ways of approaching urban renewal or new development) he decided he would take the proposals to Cabinet to support the allocation of funds in the 1991-92 Budget.

He now involved the Secretary of his Department, Stuart Hamilton, in the discussions. Stuart, in a memorable exchange in a lift in Parliament House asked me how much money the initiative would need.

'About a billion dollars' was my reply, and I explained to him the same logic that I had presented to Brian Howe.

The funding decision

Howe held private discussions with the Prime Minister and the Treasurer and with other influential Cabinet Ministers (such as Hon. John Button MP) to gain support for his proposals.

Howe personally persuaded the Prime Minister that the Government needed to invest in the nation's development through capital programs, in the major cities for example, and that a program could be devised that addressed major issues emerging in Australian cities. This program should be an important aspect of Hawke's New Federalism agenda.

Because of the sensitivity of the proposals and the desire to move quickly, Tom Brennan and I prepared a Cabinet Submission, but one not intended for circulation among other agencies of government. Howe had the agreement of his colleagues that the submission would not be circulated prior to Cabinet, but, rather, tabled at the Cabinet meeting.

The submission was supported in Cabinet, with final financial allocations to be decided in the Budget 'round-up', but an 'in principle' allocation to the initiative of \$800 million in capital (which later became officially \$816.4 million when the Department of Finance properly constructed the \$800 million number).

The allocation of the funds as capital raised an interesting challenge. Practice was that capital was normally provided to States (where there was capital involved in Commonwealth-State funding) as general purpose funds, with no conditions attached. In order to be able to have States use the funds in ways that met the Commonwealth's objectives, we would need to utilise a different approach.

Tom Brennan took on this task with the Treasurer's Office and it was agreed that the Loan Council arrangements for General Purpose Capital Grants would provide a suitable vehicle, provided we could reach agreement with the States that, while the funds were untied capital, the States would use them for proposals agreed with the Commonwealth. This was to prove to be a major challenge, but one that was, in due course, fully met.

The final financial arrangements are explained in more detail in documentation cited from the Australian National Audit Office

The 1991-92 Commonwealth Budget Papers therefore showed an allocation of \$816.4 million to the Building Better Cities program, allocated across States and Territories in accordance with population — an outcome of Department of Finance instructions about how to allocate General Purpose Capital Grants.

State/Territory	BCP Allocation (\$ million)
New South Wales	278.1
Victoria	209.0
Queensland	139.4
Western Australia	78.3
South Australia	68.7
Tasmania	21.7
Northern Territory	7.5
Australian Capital Territory	13.7
Total	816.4

Source: Australian National Audit Office, Audit Report No. 9 1996-97

Getting the program started

It was decided that to initiate the program and drive collaboration with the States, leadership would rest with the Department of the Prime Minister and Cabinet (PM&C). The Secretary, Mike Codd, arranged a meeting between Stuart Hamilton and Tony Blunn, at my NCPA offices, to ensure they were clear about the role of PM&C but also to ensure they accepted that the National Capital Planning Authority (in Blunn's portfolio) would act as a consultant to PM&C, while reporting to Hamilton's Minister. There was a certain tension to these unusual arrangements.

Codd established a Better Cities Task Force, an interdepartmental group to get the program under way and, just as importantly, to provide informed advice to Cabinet on the proposals to be put forward by the States and Territories. I chaired the Task Force, and the major relevant Departments participated — PM&C, Treasury, Transport, being the most significant among them.

Funding was provided to NCPA to recruit a team to work on establishing program guidelines, assessment criteria for proposals, and procedures for decision-making by Cabinet, where all the allocations of funding were finally to be approved — a concession in the light of the scale of the program and its unusual passage through Cabinet in the first place.

This process was to be objective and rigorous.

The approach to funding meant that, in effect, the capital had been already allocated to the States and Territories. But funds were not to flow without several requirements first being met.

First, each State and Territory had to sign up to an 'umbrella' Intergovernmental Agreement that set out the objectives of the Program and the nature of the collaboration it required. The funding was not provided in a set ratio — dollar-for-dollar, for example — but instead would be paid into a pool of funds provided by the State, the Commonwealth, local government and the private

sector in some cases, to go towards implementation of an agreed development plan (an Area Strategy) for each area to be funded.

Each Area Strategy proposed by a State or Territory would need to demonstrate how outcomes would be achieved, consistent with the objectives of the program. Each strategy would have to estimate the cost of delivering those outcomes and the contribution sought from the Commonwealth to make the Strategy effective.

Once the Commonwealth and the State both signed up to an Area Strategy, funds could flow. The Commonwealth would monitor progress against Strategy milestones, and if progress was inadequate, the Commonwealth could turn off the funding tap until the State or Territory government made up for lost effort.

In this way it was intended that the States could not simply show an allocation of funds to a Strategy and then not actually spend their share, using only the monies provided by the Commonwealth.

The Task Force was assisted by NCPA staff and a team of consultants (initially David Hain and Dianne Berryman, later joined by Geoff Campbell, formerly Chief Planner of the National Capital Development Commission). It needed first to clarify and adopt program objectives and guidelines to be provided to States and Territories as a basis for preparing their formal bids for funding.

The overall purpose of the Program was described as being to promote improvements in the efficiency, equity and sustainability of Australian cities and to increase their capacity to meet a range of social, economic and environmental objectives.

The objectives were determined to be as follows:

- economic growth and micro-economic reform — including the location and level of development needed to encourage economic activity and promote increased productivity;
- social justice — including better access to employment, training, appropriate health care, family support and education;
- institutional reform — including rationalisation of, and improved access to, key community and health services and reduced dependence on expensive outmoded types of institutional services;
- improved urban environments and more liveable cities; and
- ecological sustainability — improved sustainability of cities through urban consolidation.

This ambitious span of objectives was made more complex in terms of project definition by a number of additional factors:

- each area strategy proposed had to try to satisfy elements of each objective; and

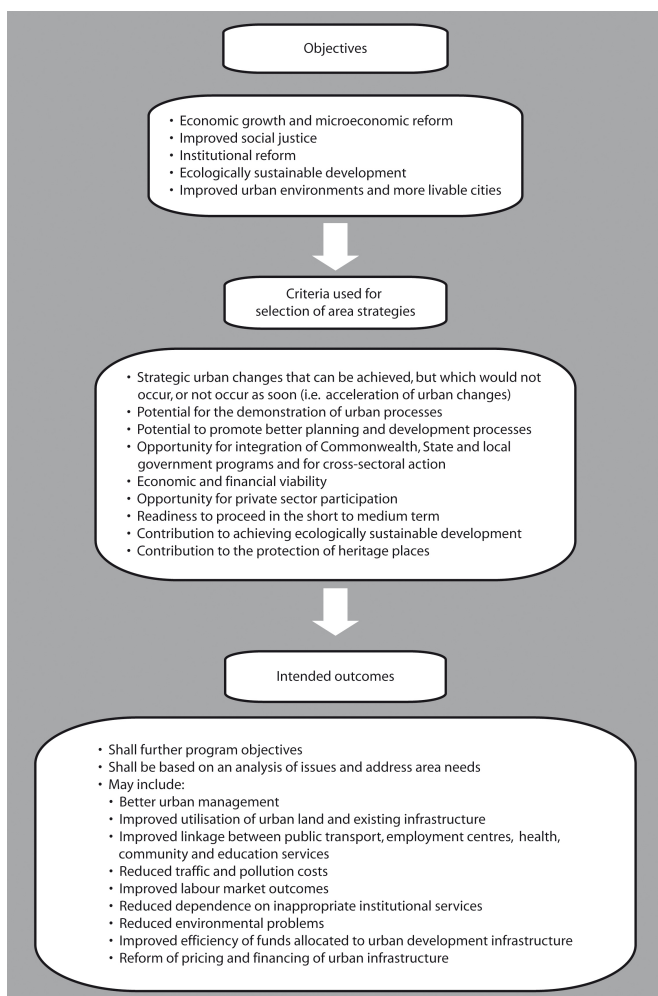
The 'Building Better Cities' program 1991-96: a nation-building initiative of the Commonwealth Government

- each state (but not the territories) had to provide proposed area strategies in inner urban, outer urban and regional settings.

The relationship between the objectives, project selection criteria and intended project outcomes was complex and set high performance standards, forcing examination of linkages between activities and investments in an area, and those investments and actual urban outcomes.

Figure 1, adapted from one used in a report by the Victorian Auditor-General, *Objectives, Selection Criteria and Intended Outcomes Established for Program*, illustrates the hierarchy:

Figure 1



Source: Adapted from Victorian Auditor-General's Office, 14 November 1996, accessed 3 April 2008 at <http://archive.audit.vic.gov.au/old/sr45/ags4502.htm>

The Guidelines and Criteria were all agreed by the Better Cities Task Force and endorsed by Cabinet, and the urgent process of seeking formal bids from the States and Territories commenced late in 1991 — with a view to having bids received and assessed before the end of that year. Geoff Campbell stressed the need to engage quickly with State and Territory governments and their agencies, following up our previous exploratory contacts. A round of visits started.

The urgency was simple — to gear up capital expenditure in the urban environment is normally an extensive and time-consuming process. If Better Cities funds were to be spent usefully and with good effect during the five years of the program, spending needed to start as soon as practical. That was why one key criterion for proposals to be accepted was that they were ‘investment-ready’.

States were now provided with draft material covering all aspects of the program — the umbrella Intergovernmental Agreement, the requirements for Area Strategies, the Selection Criteria — and were invited formally to submit proposals for funding agreement.

Seeking State and Territory bids

Given the prior consultation process, most States and Territory governments and their agencies were by now well prepared with proposals for Commonwealth consideration.

New South Wales remained reluctant to conform to the program’s requirements, seeking the straightforward allocation of the Commonwealth’s capital to State-determined priorities.

Victoria was struggling to agree proposals within the Victorian Government, as the selective nature of the program caused evident political difficulties in that State.

Queensland and Western Australia were the most advanced with preparation of proposals and both had worthwhile Area Strategies ready for consideration.

The NCPA’s team of staff and consultants began travelling to all States and Territories and working with teams of officials in each to try to ensure proposals came forward that would satisfy the program criteria when tested by the Better Cities Task Force and, eventually, by Cabinet.

At the same time the negotiation of the Intergovernmental agreement was under way to ensure that there was commitment by all parties to collaboration and to an outcomes-based approach to delivery.

Slow but steady progress was made through late 1991 and into early 1992, with State and Territory officials visiting Canberra, and vice-versa, to carry on negotiations. There was little political intervention, but Brian Howe, impatient to see agreements signed and spending started, urged his State counterparts to get on with the tasks needed.

There was tangible excitement as worthwhile proposals emerged: the revitalisation run-down suburbs of inner Brisbane; the redevelopment of contaminated and disused industrial land in East Perth; the redevelopment of the Launceston rail yards in Tasmania; the redevelopment of the Honeysuckle area of industrial Newcastle; the transformation of institutional land at Janefield in Melbourne into a new suburb; the major transformation of old industrial land at Ultimo-Pyrmont in Sydney; relocation of fuel storage tanks away from valuable seaside real estate in Darwin; and others.

The program had been understood and accepted and visionary new things were about to happen.

Two other aspects of the program that came to the fore at this time warrant mention. Firstly, one of the significant impediments of markets for urban renewal emerging in Australian cities was the lack of surplus capacity in old, inner city infrastructure systems — especially sewerage systems. Another was the predominance of often highly contaminated old industrial sites in the inner city areas, land that was too costly to rehabilitate and sat idle, occupied by redundant gasometers and fuel and metal-impregnated rail yards.

A key strength and selling point of BBC was that it would provide the funding to *remove these barriers to change* — something players in the market place could not afford individually to do. This turned out to be a major factor in the success of BBC in sparking urban renewal.

The second was that the Program sought specific management arrangements for each Area Strategy that would bring strength and commitment to delivery of the spending and the outcomes. Our view was that normal departmental working arrangements would fail because the needed integration of activity and cooperation would not occur. We were encouraging experimentation in urban governance as well.

This too turned out to be a key factor — those Area Strategies where the arrangements for management were the most focused and where management teams were 'on site' (East Perth, Inner Brisbane, Ultimo-Pyrmont, Honeysuckle in Newcastle) all turned out to be the most quickly and most efficiently delivered.

Selection of Area Strategies

Over a number of months the Better Cities Task Force met, and debated and argued the strengths and weaknesses of State and Territory bids, and sought improvements and refinements. Progressively these were made.

At the same time more of the Intergovernmental Agreements were signed and working arrangements set in place for the necessary ongoing intergovernmental collaboration in the delivery, monitoring and assessment of programs.

A particular feature of the Agreement was that States and Territories had to agree to report annually to their Parliaments on the progress made under the Building Better Cities program. The Commonwealth would also report as a matter of course under the Annual Reports from the relevant Departments.

Finally, a number of submissions to Cabinet led the Commonwealth to endorse 26 Area Strategies across the nation to be funded under the program. The Area Strategies were as follows:

State	Area Strategies
New South Wales	Ultimo/Pyrmont High density affordable housing, planned light rail, sewerage and water systems, and a new neighbourhood park.
	Transit West (West Sydney) Development of Parramatta and Blacktown as key regional centres; construction of Blacktown bus and rail interchange and the Merrylands-Harris Park 'Y' rail link.
	Honeysuckle and Environs (Newcastle) Rejuvenating inner Newcastle; improving employment opportunities, public transport and housing choices.
	Eveleigh Medium density housing and open spaces; development of an Advanced Technology Park to encourage employment in knowledge-based industries and scientific research.
Victoria	Plenty Road Transport improvements — tram line extension to Mill Park; improved public housing; development of former institutional land; R&D commercialisation facility at La Trobe University.
	Inner Melbourne and Rivers Higher density public and private housing; city circle tram service; flood mitigation works.
	South West Development of Bio-Technology precinct at Werribee including the Australian Food Research Institute; upgrade Geelong-Werribee-Melbourne rail line; redevelopment of the Norlane Public Housing Estate (Geelong).
	South East Rail infrastructure improvement, including redevelopment of Dandenong Railway Station; joint venture development of residential housing; promoting Dandenong as a regional employment and service centre.
Queensland	Brisbane-Gold Coast Corridor Extension of railway from Beenleigh to Robina; higher density housing, including public housing, with access to improved transport interchanges.
	Brisbane — Inner North Eastern Suburbs Conversion of former industrial sites for residential housing; higher density housing, including low cost housing and public housing; improvements to public transport; cycle path network and public footpaths.
	Inala — Ipswich Institutional reform, including closure of Wacol Rehabilitation Centre and the Challinor Centre for persons with intellectual disabilities and rehousing residents; infrastructure improvements including flood mitigation works; construction and upgrade of public housing.
	Mackay Urban Consolidation Project Provision of low cost housing and student accommodation; increased urban densities.
	South Townsville Inner City Village High density housing adjacent to Townsville CBD; better traffic management; improvements to community services.

The 'Building Better Cities' program 1991-96: a nation-building initiative of the Commonwealth Government

State	Area Strategies
Western Australia	East Perth Infrastructure upgrades including water, sewerage, drainage, power and road works; affordable housing and promotion of an urban village concept. Experiment with environmentally responsible buses for public transport.
	Stirling Infrastructure upgrades — sewerage system, road and rail links, Stirling bus-rail interchange.
	Bunbury New public housing, tourist and recreational facilities; environmental and infrastructure works, including removal of oil storage facilities, waste water treatment system, and waterfront public open space areas.
	Fremantle Infrastructure upgrades — sewerage, stormwater drainage and water recycling systems; higher density housing including affordable housing and housing for the elderly.
	Perth Urban Innovative housing close to employment and transport.
South Australia	Elizabeth — Munno Para Infrastructure improvements - stormwater drainage, water storage and landscaping; affordable housing initiatives, innovative housing loans.
	North West Sector Development of Northwest Crescent of Adelaide; road links and environmental improvements, Virginia pipeline to reuse treated sewage.
	Southern Areas Improved infrastructure — sewerage disposal, roads and cycle paths; employment opportunities at Noarlunga.
	Western Area Higher housing densities; improved community facilities; better traffic management, clean up of Patawalonga.
Tasmania	Launceston Inner City Increased housing densities; development of cultural, community and conservation sites, redevelopment of railyards and sheds.
	Hobart Western Shore Improved urban environment and land use including decontamination of sites; institutional reform and conservation of historical sites.
Northern Territory	Darwin New deep water port for Darwin at East Arm Peninsula; environmental improvements.
ACT	North Canberra Waste water recycling plant scheme; an energy efficient rating system for new residences; higher density housing and institutional reform.

Source: ANAO 1996

NSW and Victoria provided only limited regional initiatives (Geelong and Newcastle were the focus), unlike Queensland and Western Australia, where regional projects were very important. Otherwise the spread of Area Strategies was impressive, and the scope for innovation and demonstration very sound.

The above summaries give no illustration of the complexity of individual area strategies. Appendix 1, showing the expenditure for Victorian Area Strategies illustrates better the nature of their content. The Victorian strategies were rather weak in that their component parts were scattered and management arrangements were too informal for our liking, but they were accepted for funding.

The Victorian Area Strategies also illustrate the contributions made by the State as well as the Commonwealth — a little over 50 cents for each Commonwealth dollar. This level of State/local contribution varied widely across the Area Strategies.

Appendix 2 provides a descriptive summary of one Victorian Area Strategy — the Plenty Corridor. The actual Strategy documentation was, in each case, between 10 and 15 pages long.

Getting implementation going

Once the Area Strategies were signed off and Intergovernmental Agreements signed, longer-term arrangements needed to be set in place for management of the Program. The initial role of the NCPA in acting as the agent to get the initiative established was no longer appropriate and program administration needed to pass to the Department of Health, Housing and Community Services.

This was done, with the NCPA being retained as consultant to the Department for technical services, and indeed, the Authority did commission and produce a large number of BBC Technical Papers over the ensuing years, and these provide an ongoing and valuable reference source for urban initiatives today.

The Australian National Audit Office described the changing administrative arrangements for implementation thus:

BCP [Better Cities Program] was initially administered by the Department of Health, Housing and Community Services. With changes in Commonwealth administrative arrangements, it was managed by successor Departments in the Health Portfolio and transferred to the Department of Housing and Regional Development (DH&RD) in 1994. At the time of the audit, BCP was managed by DH&RD's Urban Programs Branch. The National Capital Planning Authority (NCPA) provided the managing Department with consulting services in connection with BCP. In March 1996 following the change of government, the program was transferred to the Department of Transport and Regional Development.

The Department notes that the original formulation of BCP was under the Department of the Prime Minister and Cabinet with the assistance of the National Capital Planning Authority. This included the Better Cities Task Force, an interdepartmental committee which endorsed the Area Strategies and advised the Government on the content of State/Territory agreements. Source ANAO 1996

Working with the States was a constant struggle to keep activities aligned with objectives, agreements and milestones, and did lead to both later modifications of agreements and area strategies to reflect the realities of implementation and also to the Commonwealth ceasing funding on at least two occasions until, States/Territories achieved pre-agreed milestones.

Geoff Campbell moved from the NCPA's team of consultants to the office of Deputy Prime Minister and Minister for Housing and Regional Development, Brian Howe, as a ministerial consultant with a special remit to oversee the implementation of the program.

Howe had his own challenges with the program as it started implementation. First, the selective nature of the initiative, with only 26 areas covered, disturbed

some among the back bench. They did not accept that a national initiative needed to be selective to have any effect, and argued for extension of the program on a more generous geographic (electoral?) basis. To their credit Howe and his fellow leaders resisted these calls, with their focus firmly on the national benefits of the program's demonstration potential.

The challenge with Better Cities strategies was, nonetheless, the time taken simply to organise to spend capital. In the inner areas of Australia's cities the major barriers to change were, as discussed, lack of capacity in key infrastructure services and contamination of large areas of former industrial land in good locations for urban development.

Overcoming these barriers meant a lot of preliminary work and spending needed to be done. Before new urban development and uses could rise on old railway yards or old industrial sites, land had to be cleaned up, sewers and pumping stations had to be built and acceptable economic development projects planned and designed.

A very large proportion of the Commonwealth's investment through BBC went 'underground' in this way, and Ministers became impatient to see the above-ground results.

When new developments did start to appear, (early examples being the redevelopment of Dandenong Railway Station in Melbourne and Blacktown Railway Station in Sydney as part of Area Strategies designed to revitalise areas in decline) there was much celebration, especially among those who benefited from these new facilities. When Paul Keating, by then Prime Minister, arrived by train to open the new Blacktown Station, he was greeted with rapturous and sustained applause.

At the other end of the scale simple steps also produced great results. Victorian Premier Jeff Kennett and Brian Howe agreed that as part of Melbourne's inner urban Area Strategy a small tramline extension along Spring Street would be made to enable a complete City Circle tram route to be set up, taking visitors and others on a loop around Melbourne's CBD tourist attractions. Howe provided the capital, Kennett the running costs, and a lasting and highly valued contribution to inner Melbourne's liveability and economic performance was delivered in short order.

Nothing was more dramatic and long-lasting in effects, both direct, and indirect through demonstration, than the revitalisation of the inner city areas of Sydney, Perth and Brisbane. The work of the Inner Brisbane Urban Renewal Authority, led by the late Trevor Reddacliffe, and the East Perth Redevelopment Authority, was transformative. Both Authorities pulled both government and private sector funding into complex and lasting renewal projects.

In contaminated, industrial East Perth the task was more complex. But before too long new inner-urban town houses in well designed environments were rising, selling and becoming occupied. The success over the subsequent years led to the Authority being mandated to continue its work in other areas of Perth.

In Sydney, the transformation of old industrial sites in Ultimo-Pyrmont and the introduction of the light rail link to central Sydney were catalytic events, along with the reuse of the Eveleigh rail yards.

Appendix C, prepared by Pem Gerner from his Doctoral Thesis on the Better Cities program, narrates and evaluates a selection of area strategies from today's perspective.

Creating momentum, giving the freedom to State and Territory agencies to experiment and innovate, while ensuring the fundamental parameters of the program were being addressed and milestones met, was a juggling act of significant complexity, well beyond the demands of usual government programs which handed out money for one-off projects with usually single-purpose objectives. BBC broke new ground even at this most basic of levels.

What was fundamental to success, however, was the fact that the private sector backed the program in all States. Better Cities both created and freed up investment opportunities, and developers, guided by the agencies managing the program and each Area Strategy, found these opportunities increasingly attractive.

As confidence built in the reality of government's commitment to these areas, with funding being spent on real infrastructure and other assets, private companies took the projects seriously.

Trevor Reddacliffe in Inner Brisbane, with his private development background, was especially adept in convincing private investors of the merits of investing in 'his' area, and they did. Millions of dollars poured into his projects, and inner Brisbane rapidly became a national exemplar in urban renewal.

But East Perth, Ultimo-Pyrmont and Eveleigh in Sydney and Lynch's Bridge and Kensington Banks in inner Melbourne also rapidly drew in private investment and the Area Strategies began to take real shape. Today, investment still is flowing, an important understanding in terms of how best to assess the overall impact of the Better Cities initiative.

The Phase 2 initiative

As the first five years of the Building Better Cities program came close to an end, the Government, led by Prime Minister Keating, had to debate and decide upon an extension of the Program. While Keating had little to do with Better Cities after its establishment (he was on the back bench for a significant period) when he became Prime Minister he began to take considerable interest — especially

after he attended the opening of Blacktown Railway Station and saw the enthusiasm of the impressive crowd.

The Minister for Finance, Kim Beazley, was firmly opposed to any extension of the program, arguing that it had achieved its objectives and was, in any event, too tightly focused.

Brian Howe argued strongly for a new round of the initiative, focused on new objectives but keeping the emphasis on integrated, multiple-outcome Area Strategies as the means of delivering Commonwealth funds.

The new emphasis was to be on the nation's economic 'gateways' — the major linkages between our physical economy and the rest of the world, where opportunities for port and airport expansion combined with urban renewal initiatives were both very evident and very necessary. The privatisation of airports had left large areas of land available for new economic initiatives and the Government wanted to take full advantage of this, as well as create better access to and from airports and seaports as an efficiency measure.

Urban renewal and urban growth management remained key components.

Phase 2 of Better Cities was put forward also as part of Keating's 'One Nation' initiative, and he supported it in this context.

In the event, Howe won the debate, but only with the personal support and intervention of Keating, who directed that a further \$200 million of Commonwealth funds be included in the 1995 Budget.

The *Sydney Morning Herald* around that time reflected the uncertainty of the likely outcome with a headline that read 'Keating to scrap the Better Cities Program'.

The Australian National Audit Office records the subsequent history:

A second phase of the program (BCP Mk.II) was announced in the 1995 Budget with estimated Commonwealth funding of \$200 million over four years. This was to deal with national economic gateways such as air and sea ports, urban growth management and urban renewal. The Commonwealth entered into BCP Mk.II agreements with four States (New South Wales, Queensland, South Australia and Tasmania) before the March 1996 election.

Following the election, the Government announced that the program would not be continued. The 1996 Budget provided funding to meet existing contractual commitments. Appropriations and expenditure for BCP Mk.II are set out in Table 4.

**Table 4: Building Better Cities Mark II
Commonwealth Appropriations and Expenditures**

Financial Year	Appropriation (\$m)	Expenditure (\$m)	Appropriation spent
1995-96	20.0	20.0	100%
1996-97	2.6	--	--

Source ANAO 1996

The Howard Government wanted nothing to do with urban Australia, and signalled its intentions in its first Budget by scrapping the BBC program, apart from final funding commitments under BBC Phase 1. It had also abolished the Department of Housing and Regional Development in which it was located, transferring the residual program management to the Department of Transport and Regional Development under National Party Minister, The Hon. John Anderson MP.

Continuing activity and impacts

Of course the nature of the program was such that the activity it generated continued on. The States now had no supporting Commonwealth funds, but also, largely, the area strategies no longer *needed* Commonwealth funds — private investment was now sufficient, along with some State contributions, to maintain development momentum.

By 1996 in most BBC areas, the market had well and truly picked up on the development opportunities BBC had created and facilitated, and with active agencies such as the Inner Brisbane Urban Renewal Authority, the East Perth Redevelopment Authority, Honeysuckle Creek Board, and elsewhere committed State agencies, investment continued to flow.

Appendix 3 provides examples of the later stages of development as the areas matured.

Post 1996 there emerged even stronger private sector support for the Better Cities initiative as more developers took advantage of the policy certainty, development opportunities and supportive environment of the Better Cities Area Strategies. Various evaluations of the initiative from an economic perspective (see Appendix 4) point to significant multiplier benefits (ranging from 1:5 to as high as 1:12 for each government dollar invested in BBC) along with employment and population growth outcomes that continue to rise, most evidently in the inner urban Area Strategies where the urban renewal processes sparked new market demands for inner urban lifestyles.

In fact the turn-around in inner urban populations in Australia that commenced after 1991 was sparked by the new opportunities created as BBC removed obvious impediments to markets investing in these locations, and gave new confidence

to both producers and consumers of urban property alike. This was the most obvious large-scale effect of the program across the nation as a whole.

A corollary effect, less welcome, was the accompanying increase in property values and 'gentrification' process in the inner city, that BBC sought to counter with affordable housing initiatives (with some success in Brisbane, Sydney and Melbourne, and less in Perth).

But the initiatives in regional locations in all States also had marked impacts in terms of the confidence with which cities like Geelong, Newcastle, Townsville, Launceston, and Bunbury set about further renewing old port and railway lands and inner urban property that was decaying and run-down, setting examples and lessons from which others have since learned.

There is less evidence that the outer urban projects had significant demonstration effects, although individual projects that revolved around infrastructure upgrades progressively have led urban development in potentially new directions — the Gold Coast railway; the Patawalonga rehabilitation in Adelaide along with the Virginia pipeline for recycling treated sewage; the transport interchanges at Stirling in Perth, Dandenong in Melbourne and Blacktown in Sydney; the flood mitigation along the Maribyrnong in Melbourne; the alternative fuel bus system in Perth. These were all valuable experiments in addressing urban issues that did not immediately result in the achievement of associated urban development changes but led in new directions because of their innovation and scale.

A careful examination of the elements of each Area Strategy on which funds were spent, and an assessment today such as that undertaken in 2006 by Pem Gerner for his PhD Thesis, would show two things, in my view:

- firstly, that many of the elements of the Area Strategies as well as the Strategies themselves, were highly innovative and led to new levels of expectation and confidence about how urban infrastructure investments could be managed and delivered in ways that satisfy multiple objectives (efficiency, sustainability, design quality) without sacrificing any of the functionality of the system being provided; and
- secondly, that these innovations have formed the basis for work elsewhere and improved the overall quality and capacity of both government and the private sector in managing urban growth and changes and the elements within it.

In 1996 the Australian National Audit Office prepared its report on BBC, and concluded that it was difficult to evaluate the effectiveness of the initiative because baseline measurements had not been taken against the objectives to be achieved. There were baseline measures, but only where statistics were available that matched the geographic coverage of each of the Area Strategies — often

difficult because some were spread over a wide area, with complementary investments but no common statistical 'area'.

A longer passage of time is needed to evaluate BBC fully, and it would be of value to have further work undertaken to examine and assess effects more than a decade after funding for the initiative ceased. Certainly many in the private sector and State and local governments have urged the Commonwealth, at various times, to commence a similar initiative.

One important set of findings from the ANAO report was to do with the innovations of BBC in terms of public administration.

The ANAO concluded that:

The BCP was an important addition to Commonwealth-State financial assistance models. While it was a general purpose capital assistance program, BCP payments to States and Territories were predicated on the achievement and reporting of outcomes and progress in implementation. Adopting a similar outcomes oriented approach is under consideration for other Commonwealth-State programs as a means of reducing duplication of administration with improved accountability. ANAO 1996

While commenting on the lack of adequate measures to fully assess performance against outcomes, the ANAO was very supportive of the outcomes-based approach to programs in the intergovernmental context.

In conducting a performance audit of BCP, the ANAO had the opportunity to consider the practical features of managing a program in which outputs and outcomes were important and delivery was by another level of government than that providing the funds. Some of these features are sufficiently important to merit consideration in the design of future Commonwealth programs. ANAO 1996

Further, the ANAO acknowledged that it might take some years beyond the funding period of the program to observe outcomes as real results.

Conclusions

BBC was a major Australia-wide urban initiative, and it had significant impacts in each State and at least one Territory — the Northern Territory. While not widely known among the general population, in the urban development industry and in government it became well known, was widely respected and is still a point of reference in the industry today.

It contributed to the transformation of inner urban Australia, to the development of new approaches to the future of regional cities, and to innovations in infrastructure and the management of resources such as urban water.

Because BBC did result in significant innovations, both in terms of approaches to urban design and the built environment, and because it produced outcomes in each State and Territory, it qualifies as a nation-building initiative, in my view. Yet it was a selective program geographically, intended to demonstrate new approaches, which it did. If it had not been selective it would not have been effective. This remains a dilemma for national programs.

BBC also demonstrated a new, collaborative approach between the Commonwealth and the States and Territories, where cooperation was essential to achieving shared objectives, and where the States and Territories delivered the program on behalf of the Commonwealth, while also contributing their own funds.

The outcomes basis of the program was unique at the time and the Agreements that enabled the program were new in approach and format.

The use of Area Strategies was particularly effective in most cases but especially so where managing organisations with real powers were established for an Area Strategy.

Because it was ahead of its time on issues like sustainability and the decentralisation of services, BBC also facilitated significant innovation in the development of both physical and social infrastructure.

Experiments with water reclamation and reuse in a number of areas broke new ground, public transport initiatives spurred renewed interest in the place and role of public transport, and the experience gained in cleaning up contaminated sites was invaluable for the future.

In terms of intergovernmental relations a many lessons were also evident.

The umbrella Intergovernmental Agreements served well as a means of having all governments agree to shared and common goals and objectives while allowing for variations in emphasis to reflect experience and conditions in each State or Territory.

Having an Area Strategy agreement below the 'umbrella' setting out what as to be achieved in each area receiving funding, and determining the various funding contributions (again with flexibility to reflect case-by-case variations) maximised the opportunity to 'design' program inputs and outcomes enabling experimentation and demonstration in each area — potentially driving a lot of learning. (Indeed, bringing together managers from each area for frequent sharing of information and experiences was a feature of the program).

And having dedicated management teams capable of working across government departments in each State to bring together and integrate the contributions of different agencies (and professions) was important. As stated earlier, this worked best when the managers also had some statutory powers or equivalent standing and authority (as in Inner Brisbane).

Ultimately the major investment in the areas where Commonwealth funding was provided came from the private sector, and the capacity to support and facilitate market activities, create confidence in new market directions and lead the market into new development products, were all fundamental to the success of BBC. Where this was best managed, the end results were the most impressive.

Finally, as a collaborative initiative, BBC showed how clear government policies, backed by committed investment in removing barriers to and creating opportunities for market activity, while mobilising the capacity of governments to deal with complex challenges, can lead to major changes in outcomes for society, in real development on the ground, and in social and economic opportunity.

Appendix 1

Funding Allocation, Victorian Area Strategies

Area strategy	Project title	Australian Government funding	State Government funding	Total funding
Inner Melbourne and rivers	North Melbourne public housing redevelopment	17.3		
	Lynch's Bridge housing development:flood mitigation and site works	8.2		
	Lynch's Bridge stage 2 land release	2.5		
	City Circle Tram Loop	6.4		
	South Melbourne release of surplus land for housing development	0.5		
Total area strategy funding		34.9	47.0	81.9
Plenty Road	Redevelopment and devolution of institutional services	52.0		
	Housing development (public and private)at East Preston	16.7		
	Light rail extension - Bundoora	12.6		
	Institutional land release for medium density housing	12.0		
	La Trobe Technology Precinct	4.0		
Total area strategy funding		97.3	52.3	149.6
South-East	Public transport improvements: Cranbourne line	27.1		
	Public transport improvements: Dandenong-Pakenham line	7.7		
	Land release and development at Lyndhurst	-		
Total area strategy funding		34.8	34.0	68.8

Australia Under Construction

Area strategy	Project title	Australian Government funding	State Government funding	Total funding
South-West	Australian Food Industry Science Centre	18.0		
	Public transport improvements(heavy rail)	11.0		
	Housing development (public and private)at Norlane, Geelong	5.3		
	Geelong woolstores redevelopment: education facilities	4.5		
	Geelong transport interchange	2.0		
	Infrastructure works at Werribee Bio-Technology Precinct	1.2		
Total area strategy funding		42.0	6.4	48.4
Total Program funding		209.0	139.7	348.7

Appendix 2: A Better Cities Area Strategy

Area Strategy — Plenty Road — Victoria

The strategy

1. The target area was in the suburbs of Melbourne. Its predominant feature was under-utilised State and Commonwealth land. It included large residential medical institutions and large public housing estates characterised by obsolete and inappropriate housing. The uses to which this government land was put were considered inappropriate and lacking integration with surrounding areas. Employment opportunities in some parts of the area were limited and there was a need to improve public transport.

The budget

2. The total budget for the Area Strategy was \$149.7 million over the five-year implementation period to 1995-96, made up by:

- Commonwealth (BCP) contribution \$97.4 million
- State contribution \$52.3 million

This estimate did not include any value attributable to Commonwealth or State land and facilities made available to the strategy, nor the cost to the State of capital expenditure on other facilities in the area.

Objectives

3. The objectives of the Area Strategy were:

- to achieve reforms in institutional services for people with psychiatric and other disabilities;
- to promote labour mobility and services accessibility by improvements in public transport;
- to improve the utilisation of available social infrastructure in the corridor;
- to promote urban consolidation with mixed use development and higher density housing in under-utilised land in established areas and thereby to reduce the demand at the urban fringe; and
- to encourage development of employment opportunities close to residential areas.

4. The Area Strategy was implemented through a number of developmental projects and activities.

Redevelopment and devolution of institutional services

5. The task called for the amalgamation and consolidation of the services provided at a number of the residential institutions in the area. It included the development of methods of delivering alternative services in the community, at other locations throughout Melbourne.

Institutional land release for medium density housing

6. Land freed by institutional redevelopment and adjacent Commonwealth land no longer required was incorporated into a master plan for the area. Land is to be released for private sale and public housing construction.

Housing development

7. The strategy included redeveloping public housing units in the area and making land available for the development of private housing.

Light rail extension

8. Tram services were extended into the area ahead of residential development. This was aimed at providing better access and establishing a public transport habit among current residents. The service is also intended to support the increased area population that will follow housing development.

Technical precinct

9. The strategy also provided for the building of a technical business facility located within La Trobe University to encourage more employment in the area.

Area coordination

10. The area was the responsibility of four Local Government authorities. The strategy called for significant coordination between Commonwealth and State agencies and local government to introduce new planning approaches and methods in developing the area.

Source: ANAO 1996

Appendix 3: An example of a Better Cities Area Strategy from each State.

Prepared by Pem Gerner

NEW SOUTH WALES

Ultimo Pyrmont. (pp 107–117)

This still rolls on and so continues to mature as continuing works in progress. It has some excellent built and circulation outcomes, but some of the built elements are less than satisfactory, particularly the apartment blocks at the water's edge. Very USA in design and out of scale. But for its few faults, it is a huge leap forward from what it was. It also tackled the issue of affordable housing and a massive site clean-up.

Ultimo-Pyrmont's rebirth under BCP cannot not be underestimated as its 300 ha site constituted Sydney's most significant urban renewal project. It is projected that over a 20 to 30 year period it will receive somewhere in the range of 15,000–17,000 residents and that a possible work force of between 40,000–50,000 will eventually be accommodated there.

Historically, Ultimo-Pyrmont's wheat handling, wool storage and sugar processing industries were embedded in Sydney's history, but the area was too close to the heart of Sydney's CBD, and the land far too valuable, for these industries to perpetuate. They have, in any case, chartered new ways of doing business.

- The area was identified in the 1988 Central Sydney Planning Strategy as suitable for mixed residential and commercial uses. The study by DEM and COX Richardson, required an examination of Sydney's regional context to establish the potential for Pyrmont's future and its role beside Sydney's CBD. The study produced a framework to allow the above mix to proceed. The recommendations were of assistance to the Property Services Group and the Department of Planning in the formulation of the gazetted *Regional Environmental Plan No. 26* for the areas rejuvenation, but it was the Federal BCP funding that brought this project alive and provided the impetus for its realisation.
- It is a massive rebirth of a worn-out part of the City of Sydney and on the whole a great credit to all those involved.

VICTORIA

Inner Melbourne and Rivers — Lynch's Bridge and Kensington Banks (pp 154–160)

This is essentially a massive medium-density housing redevelopment and handled very well. It contains provision for public housing and elderly people and so met the requirements of the BCP criteria in this regard.

The development is essentially complete and its landscaping is brilliant, integrating as it does with the heritage base of the much earlier use of the site as stockyards. Pedestrian and vehicular traffic separation is superb.

It is claimed to be the largest housing project of its kind in Australia with some 360 residential units at Lynch's bridge with a further 1200 units at Kensington Banks.

QUEENSLAND

Inner North Eastern Suburbs (pp 176–182)

This Area Strategy was centred on the advancement of inner city living by revitalising the Brisbane suburbs of Fortitude Valley, Teneriffe, New Farm, Newstead and Bowen Hills. All the suburbs are adjacent, bounded by the Brisbane River and Breakfast Creek and close to the CBD. Included in the strategy were improvements in the choice of housing, together with some affordable housing and upgraded traffic management.

The Area Strategy contained a number of components including low cost medium-density housing on the Church Street site; consolidating the Bowen Hills residential area; redevelopment of Newstead as an urban village; the construction of a limited number of public housing units; Fortitude Valley advanced as a mixed-use centre; Teneriffe became an urban centre with residential, retail and institutional facilities; New Farm was consolidated through public consultation and a pedestrian/cycleway between Newstead Park and the city Botanic Gardens.

This Area Strategy was important as the catalyst for the successful resuscitation of this inner city area, and although the individual intrusions were inherently infill, and isolated from each other, they were of sufficient number and design quality to bring a large measure of revitalised coherence to this area.

WESTERN AUSTRALIA

East Perth (pp 203–212)

The East Perth Area Strategy is an area of 120 ha, approximately two kilometres from the Perth CBD, and centred on the Claisebrook Inlet where its waters merge with those of the Swan River. The site was one of the BCP's waterfront rebirth

Area Strategies, and by any standard it would take its place with any similar project in the world, as an example of best design practice.

Historically, the site was heavily industrialised, containing a gas works, sewage pumping station and electrical pumping station amongst its cluster of polluting industrial activities. These activities meant that much of the land was in government ownership and was also under-utilised. The site required a complete reappraisal in terms of its remediation and establishment of new infrastructure. The core of the strategy was to create an innovative urban village containing a diversity of activities including residential, commercial and recreational.

By any measure whether it be: site decontamination, landscape design, heritage and adaptive re-use, new built form, circulation, public art or any other criteria this project was an absolute winner, and its lessons successfully integrated into the neighbouring Area Strategy of Subiaco (Perth Urban)

SOUTH AUSTRALIA

ELIZABETH — Munno Para — Rosewood Village (pp 239–243)

Twenty-five kilometres to the north of Adelaide lies the City of Elizabeth originally conceived during the Playford Government era of the 1950s as a satellite city. Given the passage of time, the extensive single storey public housing (SA Trust homes) were aged, appearing decidedly jaded, and demanding serious maintenance.

Rather than demolish the housing stock whose redeeming feature was its solid construction — if little else — the houses were given, what is in contemporary TV language termed as a 'make-over' with new carports, internal plumbing and fencing, as well as the street planting being greatly strengthened.

The outcome of these operations was a transformation, but the most important objective of this Area Strategy was to accomplish a reduction in rental housing and an increase in home ownership achieved through the refurbishment of the public housing stock and its sale to tenants in the open market.

The instrument to achieve this was the concept of the 'HomeStart' and was accessible to those on incomes as low as \$300 per week. A deposit of \$1,000 under the bonus HomeStart provided a subsidised loan to \$15,000 inflation adjusted, to be repaid when the house was sold or earlier if possible. The loan was later modified to become the Rosewood 'Advantage Loan'.

The social and economic advantages of this Area Strategy are clearly demonstrable. The one-time tenants could now enjoy both the greatly enhanced physical environment in their home and surrounding public domain and also the dignity of achieving home ownership.

TASMANIA

Launceston Inner City (pp 271–277)

The objectives of this Area Strategy included those of consolidated the CBD's role; the maintaining of industrial activity to designated areas and diminishing effects of industrial pollution along the Tamar River. Urban consolidation opportunities existed on the site of the Inveresk railway workshops, adjacent to the CBD and although contaminated from previous industrial usage contained a large number of buildings, some 70 in total, being almost a surfeit of buildings, available for adaptive re-use.

It is the ingenuity of finding community uses for this staggering stock of buildings that makes this project, within the Launceston Inner City Area Strategy, one of merit.

Appendix 4: Reviews of the Better Cities Program (list provided by Pem Gerner)

1. National Capital Authority — December 1997. *A Report on the Commonwealth Better Cities Program 1991-1997*. Volume 1, pp 162.
2. National Capital Authority — December 1997. *A Report on the Commonwealth Better Cities Program 1991-1997*. Volume 2, pp 222.
3. Australian National Audit Office. 1996. *Building Better Cities: Department of Transport and Regional Development*. Audit Report No 9, 1996-97.
4. National Institute of Economic and Industry Research (NIEIR) Better Cities Economic Evaluation prepared for National Capital Planning Authority — NIEIR Clifton Hill, Vic.
5. Gerner, Robert. 2002. 'Urban Design and the Better Cities Program — The Influence of Urban Design on the Outcomes of the Program'. PhD Thesis.