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Patrick N. Troy

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ABSTRACT

Urban consolidation is a major issue on the agenda of Australian cities. The significance of this is explored in the three papers in this collection.

Richard Cardew reviews the papers by Troy and Bunker, introducing some additional considerations with particular reference to Sydney. He sees urban consolidation as an ongoing process which will continue with metropolitan growth and rising land values. However, he argues, the flats boom and the massive increase in household formation — shown in trends in headship ratios — which occurred in the 1960s and 1970s are unlikely to reoccur. The era of most rapid consolidation is past.

Pat Troy offers the most critical view of present urban consolidation policies. He questions many of the benefits claimed for consolidation, in particular the assumption that it will lower requirements for public sector investment in infrastructure through more efficient use of area services such as schools and hospitals, and network services such as water, sewerage, power, transportation and communication. He argues that these and other assumed benefits are based on demographic trends unlikely to be realised, and on infrastructure savings which are illusory. Troy is especially critical of the claim that higher urban densities will lower the cost of housing, pointing out that multi-unit housing tends to be at the higher end of the market. Troy concludes his paper with a programmatic call for an increase in the supply of dwellings and a set of recommendations for achieving this.

Ray Bunker’s paper reviews the history of urban consolidation as part of metropolitan planning over the last ten years. Like Troy, he questions many of the assumptions invested in urban consolidation policies, and argues that while a degree of consolidation is occurring, it is but one means invoked to serve a number of ends, and the pursuit of those ends themselves involves other instruments, some of which may be more effective. Further, consolidation needs to be gradual, locally differentiated and responsive, and these local dimensions need to be expressed more powerfully.
Following the success of its metropolitan planning conference in February 1988, which focussed on the metropolitan plans of Australia's major cities and instruments employed in metropolitan planning, the Urban Research Unit held a follow-up conference on February 7-8, 1989. The emphasis in the second was on the social costs and benefits of metropolitan planning. The two papers published here by Pat Troy and Ray Bunker are revised versions of their contributions to the conference. They are accompanied by a general comment by Richard Cardew, another participant. A full list of the conference papers can be found in the endpapers of this publication.

The liveliest debate of the two days concentrated on the relationship between urban consolidation and metropolitan planning, with several metropolitan planners providing timely reviews of the present context of urban consolidation in their cities. There was general agreement that not enough is known about the incidence of urban consolidation and there is a role for some sort of national review. In his paper, Ray Bunker of the School of the Built Environment, SAIT argued that urban consolidation is best expressed and implemented through careful local planning, making more effective use of urban space and informed by metropolitan guidelines and state government initiatives. Pat Troy of the Urban Research Unit criticised the presentation of urban consolidation in 'black and white' terms, calling for more realism in the debate and warning of inflated expectations that had been 'assiduously cultivated' for the consolidation option.

In a thematic paper on 'Economic Rationalism and Social Objectives', Peter Self of the Urban Research Unit concluded that there was no necessary conflict between metropolitan planning and the basic criteria of welfare economics. Everything depended on how far metropolitan planning can maximise total individual welfare through satisfying wants that the market cannot meet, and distributing welfare more equally. He urged Australian planners to break the bonds which had been forged by a 'potent brew' of special interests and narrow ideology which both restricted the role of planning and directed it into inequalitarian channels.

Andrew Parkin of the Discipline of Politics, Flinders University, examined the relationship between social justice strategies and metropolitan planning, taking account of the strategies evolved over the past two years by the Cain, Bannon and Hawke Labor Governments. He cautioned against a cynical interpretation of these strategies which were limited but could provide the
opportunity for a fruitful relationship with metropolitan planning. A successful partnership would need to emphasise a productive synthesis between 'planning' and 'management', recognise the inevitability of conflict of interests, and develop a social justice philosophy linking 'efficiency' and 'market exchange' to ultimate outcomes that were socially just. Deborah Foy (Social Justice Unit, SA Dept of Premier and Cabinet), and Sue Crafter (SA Urban Lands Trust) used a range of data drawn largely from fringe growth areas of Adelaide to explore to what extent the needs of women are incorporated into urban planning and what impact urban planning has had upon women, particularly the questions of mobility and accessibility. They concluded that many conventional mechanisms of planning imposed a particular burden on women and low-cost households, requiring planners, urban designers and engineers to adopt different values and approaches to urban development, particularly in new areas.

In her paper on 'Metro Planning and Environmental Planning and Assessment', Donna Craig of Macquarie University Law School, argued that important problems had emerged with approaches and methodologies applied in environmental impact assessment and these were becoming increasingly evident in the role of EIA in decision-making. The role of both EIA and social impact assessment in metro planning should be directed to improving basic awareness of environmental planning, providing better access to it and improving the quality of decision-making in a technical and participatory sense. In a review of the current state of planning education in Australia, Stephen Hamnett of the School of Built Environment, SAIT, concluded that the recent history of planning education comprised courses which had grown by accretion, with an almost inevitable sacrificing of depth for breadth. Graduates had acquired a 'fragmented educational experience' without the 'enduring educational skills' which would allow them to develop as 'professionals' or 'researchers' in later years.

Final papers considered aspects of transport. Peter Spearritt of the Urban Research Unit concluded that contemporary metro-plans were based on a 'depressing' belief that they had no alternative but 'to make way for the car.' If metro-plans were to strengthen public transport and create more efficient cities ways had to be found of restricting or redirecting car use. Will Sanders of the Urban Research Unit looked at airport planning, using the troubled Sydney airport as a case study. He found encouraging evidence of improved performance in the Sydney experience based on the poor record of airport policy and planning around the world over the past 40 years.

Clem Lloyd
Urban Research Unit
Urban consolidation is a major issue on the agenda of Australian cities. In NSW, urban consolidation strategies were initiated during the term of a reformist government by planners keen to improve housing choice and affordability and uncomfortable with suburbia (many of them lived in the inner and eastern suburbs). Since then, it has expanded its constituency, first to providers of infrastructure and latterly to developers and their supporters in conservative governments. The bi-partisan support for urban consolidation came as a surprise to aldermen of one conservative local government.

There is evidence of widening community support. On one level, gentrification of inner areas, initially terrace housing, has made denser and inner city living more respectable. The opposition to medium density housing tends to reside in the leafy affluent suburbs where anglo-celtic stock appeal to the protection of family lifestyles. But even in such suburbs, the voice of the elderly can be heard appealing for housing that is more suited to their needs.

For these reasons, urban consolidation will remain on the political agenda. And this is justified. At one level, urban consolidation is like parenthood, a good thing when zoning is often used as an exclusionary device. At another level, the issue is complex, and the objectives of urban consolidation policies can be criticised on several grounds as the succeeding papers by Ray Bunker and Pat Troy demonstrate. In this introduction I would like to reiterate and expand on some of these points as well as introduce some additional thoughts, most with particular reference to Sydney.

While in agreement with most of the assessments presented in the following papers, the tenor of this paper is more supportive of urban consolidation policies in principle. Unlike Troy, I could not conclude that such policies
"seriously put at risk the quality of our cities", on the grounds that planning policies tend to be only marginally effective, especially in comparison to fiscal measures. From a planning perspective, urban consolidation could best be seen as a policy to free up the housing market from the exclusionary excesses of land-use zoning. Like Bunker, I agree that consolidation needs to be gradual and the local dimensions need to be expressed more powerfully. State government initiatives can be useful catalysts to this process.

**Urban Consolidation is Inevitable**

Urban consolidation is not new. It is an ongoing process; the densification of urban areas, at least in terms of building bulk, will continue with metropolitan growth as land values rise (Kirwan, 1989). This is consistent with the fundamentals of land rent theory and historically and qualitatively is well described by Bunker in his paper.

But the era of most rapid consolidation is past, not to be repeated unless land becomes a constraint of unforeseen dimensions, or fundamental social and economic change is accompanied by dramatic changes in the birth rate or immigration.

The flats boom of the 1960s and early 1970s was the peak, a co-incidence of circumstances that is almost unrepeatable. And while inner and middle ring suburbs did not gain substantial increases in population and some continued to fall, urban consolidation at least offset processes of decline. The boom followed the lifting of rent control and the introduction of legislation that facilitated easier investment in or owner-occupance of home units and flats. Three factors acted in concert to swell the demand for multi-unit dwellings.

First, the affluence wrought by the long boom of the post-war years enabled more people to establish separate households, especially the young, and it also enabled young marrieds to rent a flat or unit rather than share a house with parents. Second, changes in social mores lead to the acceptance of mixed sex households among the young and more ready acceptance of the dissolution of marriage. Third, the post-war baby boomers reached the age
The massive increase in household formation for Sydney is clearly seen in the trends in headship ratios (the ratio of household heads to population in a given demographic category). And most of the increase in these ratios occurred in the multi-unit dwelling category (Figures 1 and 2, and Table 1). Since 1976 they began to level off, and although headship ratios cannot be calculated directly from 1986 census data (the notion of headship and its sexist connotations, made it difficult to frame the census schedule in the same way as previously), estimation procedures indicate that the trend flattened further between 1981 and 1986.

Consideration of the headship ratios by marital status category reveal little opportunity for further growth in many of these ratios. The married ratio is at a peak; some allowance has to be made for people in institutions (hospitals, nursing homes, gaol) or commercial premises such as hotels so that a value of 0.50 is not achievable. Other ever-married ratios of 0.65 or so are also very high. On the crude assumption that all other ever-married heads of households live only with people in the same category, then at least 30 per cent of such households would be single person households. That is because 65 per cent have been counted as household heads leaving only 35 per cent. Quite obviously the assumption is crude, but even when allowance is made for other possible arrangements, the general point remains — substantial further increases are unlikely. Looked at in another way, the rate for widows is not much different to divorced and permanently separated, and yet many widowed persons would be single person households. Since the level of single person households among divorced and permanently separated could be lower than for widowed persons, the headship ratios also could be expected to be lower. Yet they are only marginally so.

The never-married group is mostly composed of young persons. About two-thirds are under 25 years of age. And while the headship ratio appears low, it has risen appreciably. This group is most affected by income, and the rise in unemployment may have contributed to a levelling off in this ratio.
### Table 1: Headship Ratios by Dwelling Category, Sydney, 1954-81

<table>
<thead>
<tr>
<th>Category</th>
<th>Person Headship Ratio</th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All Dwellings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>never married</td>
<td>0.1011</td>
<td>0.1055</td>
<td>0.1184</td>
<td>0.1480</td>
<td>0.1894</td>
<td>0.1954</td>
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<tr>
<td>married</td>
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<td>0.4637</td>
<td>0.4715</td>
<td>0.4845</td>
<td>0.4823</td>
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<tr>
<td>perm. separated</td>
<td>0.4220</td>
<td>0.4437</td>
<td>0.5090</td>
<td>0.5740</td>
<td>0.6322</td>
<td>0.6416</td>
</tr>
<tr>
<td>divorced</td>
<td>0.4356</td>
<td>0.4560</td>
<td>0.5410</td>
<td>0.6022</td>
<td>0.6553</td>
<td>0.6726</td>
</tr>
<tr>
<td>widowed</td>
<td>0.5809</td>
<td>0.6000</td>
<td>0.6197</td>
<td>0.6525</td>
<td>0.6817</td>
<td>0.6818</td>
</tr>
<tr>
<td>Multi-unit Dwellings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>never married</td>
<td>0.0193</td>
<td>0.0274</td>
<td>0.0446</td>
<td>0.0687</td>
<td>0.1142</td>
<td>0.1218</td>
</tr>
<tr>
<td>married</td>
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<td>0.0505</td>
<td>0.0689</td>
<td>0.0814</td>
<td>0.0982</td>
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<tr>
<td>perm. separated</td>
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<td>0.1026</td>
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<tr>
<td>divorced</td>
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<td>0.1377</td>
<td>0.2014</td>
<td>0.2524</td>
<td>0.3233</td>
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<tr>
<td>widowed</td>
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<td>0.1073</td>
<td>0.1446</td>
<td>0.1793</td>
<td>0.2508</td>
<td>0.2563</td>
</tr>
</tbody>
</table>

*Source:* Australian Bureau of Statistics, various publications and data sources. Geographical area is that defined by the Australian Bureau of Statistics at each Census.

Much has been said of the changes in household structure including the decline in marriage rates and the apparent collapse of the nuclear family. The latter is more a reflection of the Australian Bureau of Statistics' redefinition of the nuclear family so that it excludes all family households in which at least one child is in the workforce. The decline in marriage rates should be understood in the context of Australia once having the highest rate of marriage for women ever recorded for a country (Burnley, forthcoming).
Figure 1: Person Headship Ratios for All Dwellings, Sydney, 1954-81

Figure 2: Person Headship Ratios for Multi-Unit Dwellings, Sydney, 1954-81
As for the future, the family is not dead. It may be blended, the parents may be in a de facto relationship, but the propensity for most to marry and have children is expected to remain. A significant factor to consider in the case of Sydney is its internationalisation. If it becomes the New York of the Pacific Rim, the proportion of non-family households may rise faster than in other parts of the country. Ethnic factors, too, could alter these assumptions in part, though Southern European and Asians have shown a propensity for the detached dwelling rivalling or exceeding Australian preferences.

Advances in real incomes can be expected to increase expenditure on housing, but not necessarily to increase headship ratios. It could be argued that the distribution of income in the 1960s and 1970s, and the level of subsidy to both owner occupation and renting (through negative gearing), enabled just about as many households to form as was desired. Improvements in financial support and resources facilitated marriage dissolution. And for some of the young who experimented, the parental home turned out to be preferable, at least periodically. Hence, the revolving door syndrome.

The future distribution of income could be more polarised, and the cost structure of housing development is unlikely to demonstrate the productivity gains of the 1960s and 1970s, except perhaps by some urban consolidation, so the demand for physical units of housing is likely to be lower than the demand for housing as measured by expenditure. This has interesting implications for urban consolidation. It means that building bulk might continue to increase but with lesser rates of increase in residential density as measured conventionally. The affluent will simply purchase more building space. There are already dramatic examples of this in various parts of Sydney. In one case, six houses were demolished to be replaced by one in the Municipality of Ku-ring-gai.

The implications of this line of argument is that the boom of the 1960s and 1970s, will not return. In those days, 45-55 per cent of new dwelling construction was multi-unit dwellings. In the future, the figure is more likely to about 35 per cent (Cardew, 1980).
Unfortunately, these trends have not been recognised by policy makers. Their habit has been to adopt a policy that seems to have merit. Their knowledge of history is often limited, and the resources devoted to research inadequate. It has lead them at times to quite unreasonable expectations, which are quite comprehensively explored in the following papers by Bunker and Troy. The NSW Department of Environment and Planning once set target levels of development (NSW DEP, 1986) that did more to discredit the department than encourage adoption of their program by local government.

The Supply of Land Question

It has been alleged that the lower level of multi-unit dwelling construction during the latter 1970s and 1980s was due to supply constraints, and an attempt was made to monitor this (NSW DEP, 1983). Stiffer planning controls made it more difficult to produce the wholesale decimation of areas that occurred in the 1960s and 1970s. And in general such changes in

These may have had some effect on supply, at least in the short term, but little more. As Pat Troy notes in his paper, there is little evidence to suggest that prices of multi-unit dwellings rose proportionately faster than prices for houses. Generally, the development industry does not undertake sufficient market research to know what the aggregate demand might be and consequently what effect a change in planning controls might yield in aggregate.

Developers have argued that few sites are feasible for redevelopment and, by implication, supply is constrained. One has to be cautious in taking such statements at face value — it depends on the relative prices for houses and multi-unit dwellings. If sites are not feasible, it probably means that demand is modest. Moreover, the lie to the statement is given in the tendency for feasibility to improve as dwelling prices, and hence acquisition costs, increase. In general, the proportion of multi-unit dwelling construction will fluctuate with the property cycle, being highest when the

Nevertheless, work done on feasibility in NSW shows that multi-unit development may not offer quite the savings in some circumstances that may be expected. At the urban fringe, requirements for landscaping,
paving, fencing and on-site car parking can erode the difference between a town house and a detached house. In established areas, rigid council codes may once have limited opportunities, but a State Environment Planning Policy now allows variations to controls. In a recent study of multi-unit dwelling prospects in an affluent north shore municipality, it was shown that multi-unit dwellings could be produced at quite modest cost (Pak-Poy Kneebone, 1988).

The current difficulty seems to relate to the acquisition of large sites for development by the large corporations. For such corporations small-scale development is not economic. They have become more prominent over time and have increased their market share, though collectively they probably do not construct the majority of multi-unit dwellings. For small-scale developers, satisfied with a couple of allotments on which they can

This change in the structure of the industry has not been confined to Sydney, or for that matter the capital cities. In Wollongong, the larger scale development away from the central area is a recent phenomenon. Despite widespread small-scale, mainly four-unit development in the northern suburbs, larger sites remained vacant or contained modest single dwellings until the late 1970s and 1980s (Cardew and Pratt, 1984).

**Recent Government Initiatives**

Two recent government initiatives are of interest. First, the dual occupancy legislation introduced in Melbourne, and revised in Sydney, has opened up dispersed opportunities. In Melbourne, nearly 10 per cent of multi-unit dwelling construction has occurred under this provision — a flash in the pan in the eyes of some, but I do not think so. It opens up many opportunities for the small developer, and there are still many of these. One medic in Penrith (Sydney) has already completed 15 such developments. Surprisingly, Council thought he had overstepped the intention of the legislation and decided to knock back his latest application!

Second, in April this year, the conservative government amended the NSW Environmental Planning and Assessment Act 1979, to enable developers to appeal against councils refusing to rezone land for multi-unit
development. While this is unlikely to open the floodgates, unless councils are incompetent, it will increase opportunities for larger scale development. This may lead to a shift in market share toward the larger developers, but probably not much increase in aggregate supply. The dual occupancy legislation provides a nice counterbalance to larger-scale development, and may be more effective in increasing housing choice where it may be most warranted — in dispersed locations for older households. It is a mechanism which can provide housing opportunities for the group most likely to benefit, the older middle-aged. They probably tend to stay where they are if alternatives do not exist. The latent demand might be higher than recognised if development is dispersed.

The second measure in NSW, allowing developers to appeal against refusal to rezone, can also be defended. It puts the onus on councils to face up to the inevitable pressures for redevelopment and to be honest with the advocates of exclusionary zoning. It might just make councils more pro-active and willing to seek to educate the community in the benefits of housing variety. Some people do not realise that a couple of townhouses next door may be preferable to a 500 square metre two-storey house that overshadows and overlooks them. The latter is subject to no planning controls.

While these initiatives will reduce supply constraints, it need not follow that multi-unit development will increase substantially. The incremental gain may be of the order of 10 per cent or less increase in multi-unit dwelling construction, rather than the 20-30 or more per cent that could be inferred from the rhetoric that exists. The fact that expectations have not been carefully quantified is a measure of how little research effort goes into the process of policy formulation in the planning area.

Finally, there is a point in Ray Bunker's paper on which a comment may be of interest. As Bunker notes, the Sydney Region Outline Plan (NSW SPA, 1968) has been criticised for its lack of attention to the existing urban area and the small gains in population that were proposed. As one of the authors of the figures and argument presented in that Plan, I can advise that the position taken was an informed one, and at variance to prevailing views. The flats boom was well underway and many were interpreting it as a fundamental change in lifestyle and residential preferences. But work
undertaken within the State Planning Authority on residential densities combined with the knowledge that flats had been built in large numbers in the 1920s and 1930s, led us to recognise that the changes were not quite so profound, and that only modest population gains could be expected. Indeed, considerable significance was attached to a section in the prelude to the Plan, *Sydney Region Growth and Change*, referring to a substantial increase in the dwelling stock of the City, Inner and Eastern suburbs which was accompanied by a massive loss in population (NSW SPA, 1967: 31).

**Conclusion**

In principle, urban consolidation is desirable. It is happening, it can make more efficient use of land and infrastructure, and it provides a greater variety of housing. Government should facilitate denser forms of residential development that meet appropriate performance standards. But government policy can be criticised where it is not well founded, and where it forcefully pursues a program without proper understanding of its implications. These points are taken up by Bunker and particularly Troy in the following papers.
References


In 1983 the Australian Institute of Urban Studies (AIUS) published a report by Ray Bunker entitled 'Urban Consolidation: The Experience of Sydney, Melbourne and Adelaide'. In his Foreword the Chairman of AIUS, R.J. Solomon, drew attention to the fact that "[a]lthough the process of urban consolidation has been variously and not very specifically defined, it has generally been regarded as desirable." The analysis which followed indicated that, in spite of the continuing support by State politicians and town planners generally, consolidation policies have not been conspicuously successful in raising urban densities.

But what is meant by 'consolidation'? It could simply mean ensuring that serviced but vacant land is brought into use; it could mean preventing wasteful leap frogging of development by ensuring compact expansion of the city. The definition could be extended to include bringing into productive use urban land which is derelict or has obsolete development on it. The meaning of the word seems to have changed from the usual dictionary definition of bringing together compactly in one mass or connected whole; to unite or combine to signify a process of increasing the residential density of our cities. Reid et al (1983) make this explicit when they say it means "increasing the density of dwellings or people, or both, in the existing urban areas". The investment of the word with a new meaning flows from the perceived unalloyed benefits from that increase in density.

Consolidation Benefits

To paraphrase Bunker the benefits attributed to consolidation are:
1. more compact urban form which would require lower levels of investment in infrastructure;

2. greater variety in choice of dwelling type;

3. reduction in average trip length which in turn would reduce consumption of liquid fuels; and

4. reduction in urban expansion which would reduce the taking of highly productive agricultural land (Bunker, 1983: 19, 20).

To these we might add:

5. reduction in environmental impact due to increased use of the hinterland to harvest and impound water for urban consumption.

Some of these benefits accrue in the public sector, while others largely occur in the private sector. The benefit claimed from the increase in dwelling choice, for example, falls mostly in the private sector, but would almost certainly be accompanied by greater segregation. (We should note in passing that increased dwelling choice could be available without consolidation as it is presently pursued). The consolidation policies proposed or in place might, in some metropolitan sense, lead to greater dwelling choice. Experience in those areas which have undergone consolidation in the past indicates, however, that they have reduced choice.

But the benefit most commonly referred to is the first and in this case it accrues in the public sector because, in Australia at least, most infrastructure investment is made by the public sector. Some analysts indicate that calculation of the 'benefits' to be gained from reduced public sector investment depends heavily on the rate of inflation and the interest rate for public loans. They also make it clear that the savings are not large and the costs of expansion are affordable (Urban Policy Associates, 1986a, 1986b)
What is this benefit? The benefit is an apparently self-evident consequence of anti-sprawl policies (Jay, 1978) and arises primarily from the allegedly more efficient use of two different kinds of existing infrastructure (Neilson, 1987). The first are area services such as schools, hospitals and community facilities; and the second are network services such as the hydraulic services, transport and communications and power. It also may arise from a reduction in demand for this infrastructure on the urban fringe.

How does this benefit arise? The benefit allegedly arises because the number of children in the central and inner city areas is maintained, because the number of patients in the hospitals is maintained or because the number of clients or users of community facilities is maintained. There is, in this calculus, an implicit model of a static population in terms of its demographic structure, social attitudes and behaviour which is contrary to all our experience and expectations. What we can be certain of is that household formation and family size are not the same now as they were 10, 20 or 30 years ago and that they will be different in 10, 20 or 30 years time.

Moreover, attitudes to, and the technology of, education, health and community facilities can be expected to develop as well. For the numbers of children and other facility-users to be maintained or returned to previously higher levels, there would have to be such a turnover in the resident population in these inner areas that other social objectives would be compromised. Demographic considerations suggest that consolidation policies are unlikely to have any significant or lasting effect on the population of inner city areas (Burnley, 1983). In any event, the kind of higher density housing envisaged in consolidation policies and proposals is unlikely to house people with the same demand for the existing area services so that the services would need to be redeveloped anyway. That is, the population in high density housing is unlikely to need as many school places or child care clinics and so forth, as either the existing population or that demanding accommodation on the fringe. The 'benefit' from more economical use of the area services seems, in principle, to be less than the proponents of consolidation claim for it.
What of the benefits from better use of the network services? The assumption is that there is a lot of spare capacity in these services. In the case of the hydraulic services, there is less capacity than appears at first sight simply because the services were provided to lower standards than those which now apply and in any case the pipes which provide these services are now old, corroded and expensive to disturb or replace. Connecting new developments, especially high rise developments, to these pipelines often requires expensive renewal and amplification thus reducing the economic benefit of this form of redevelopment. The main 'economic' benefit may be the illusory one of being able to count work in the inner suburbs as maintenance of the system whereas work in fringe areas is new capital work.

There may be some economies to be had in transport infrastructure, but again these may be less significant than proponents claim. Public transport services could carry more passengers, especially in the off-peak periods, but there are fewer savings with the road system than at first appear because the existing road system was not designed for high traffic volumes and has little spare capacity on main routes. Because the road system in inner areas was not designed for the motor vehicle, it tends to be less safe than more recent road layouts. Increased congestion and traffic accidents due to higher density development might negate many of the transport benefits. This latter point is particularly important for children forced to play on the streets because of the lack of recreation space. (The availability of secure ground level play space and proper provision of sports grounds were major attractions for suburban development in the first place.)

Economic Benefits

The kind of economic analysis which has been carried out (Neilson, 1987) to identify the potentially more efficient use of existing infrastructure ignores the fact that since their foundation Australian cities have more or less continually grown. As they have grown, a kind of consolidation has occurred quite naturally. Bunker shows (1983: 60) that on crude indicators like gross residential density Sydney already has the highest degree of consolidation. As it grows, this increase in density will continue.
The conclusions of this kind of economic analysis rest heavily on estimates of savings in private travel costs including value of time saved on the journey to work and for non-work journeys and on savings in capital investment in public education. Apart from the fact that they cannot be added together, they are highly contentious.

The savings on private travel costs depend on assumptions which need to be argued about the structure and distribution of employment. Moreover, the claimed reductions in travel times make no allowance for the increased congestion which the higher density development would generate, thus reducing the travel time savings.

The savings on investment in public education facilities are based on the assumption that families with school age children can be encouraged to live in the inner areas in sufficient numbers to use the surplus capacity in the existing schools.

Can we achieve any of these benefits in any other way? Many of the 'savings' in the area services in the inner city areas can only be realised by major changes in the attitudes and behaviour of both the users and providers of services. Even if these changes were desirable, they are beyond the remit and power of the Metropolitan Planning Authority.

The benefits claimed to be realisable in the network services could largely be obtained by changing social convention and fashion and the workings of the agencies themselves. Let us briefly examine the way we supply and consume water. We typically create a public authority to harvest and impound large volumes of water from the surrounding countryside, we transport it to the city and reticulate it to all dwellings. We demand a reliable supply of water at the highest standard and consistent pressure through all seasons and from one year to the next. We have typically used marginal costing for our pricing policy whether we employ relative property values or volume consumed as the basis for allocation of the costs of the service, which has led to reduced costs per litre of water consumed the greater the consumption. We do not encourage re-use of the water and the greater proportion is applied ineffectively to gardens of exotic plant
types in an attempt to maintain lawns, shrubs and flowers native to other, cooler, wetter, regions. The water which is delivered free of cost to our dwellings is drained away into waterways and ultimately into the harbour or sea where it frequently causes a pollution problem. The combination of fashion and techniques employed in gardens, attitudes to multiple use, pricing policy and failure properly to cost the environmental impact of increased or extensive harvesting of water all lead to increased consumption of water which in turn leads to increased demand for investment in storage facilities or reticulating capacity.

We could reduce the demand for water and therefore the demand for capital for storage and delivery or for operating costs without changing housing form. This could be achieved by popularising different approaches to gardening to use less water, by encouraging more on-site storage of water, by developing new ways of treating or coping with waste water so that it could be re-used safely, and possibly by introducing pricing policies which better reflected the real average costs of water consumed by each household. The restructuring of the pricing system for Sydney, while reducing opportunities for progressivity, will significantly reduce water consumption, especially in residential areas. These changes would also reduce the demand for investment in sewerage services including sewage treatment.

Many of the benefits in transport or fuel consumption could be achieved by getting more people to use public transport, by changing the pricing policy for liquid fuels and by encouraging the development of other centres on public transport nodes within the metropolitan area.

The major criticism of the calculation of the economic benefit of consolidation is that the costs of fringe development are over estimated, the costs of inner area redevelopment are under estimated and the benefits of higher density development are over estimated.
Benefits Occur Over Time

Another aspect of these 'benefits' of consolidation which is often glossed over is that they would occur over time. Although it is never spelled out, the public is left with the impression that consolidation will lead to significant and immediate economies which will be translated into reduced infrastructure and housing costs. Just how these effects will be revealed and passed on is never made clear. Any benefit which flowed from a more compact city would only be realised very slowly — probably to the benefit of the later rather than the present generation — and may not even be able to be separately identified. In principle, some of the benefits of higher residential density occur because it results in an immediate reduction in demand for infrastructure capital at the fringe and a continuing reduction in consumption of services such as water and sewerage (there may be some offsets in the amplification and renewal of water and sewerage infrastructure and of increased consumption of other services such as drainage which should be taken into account).

Another problem is that those who calculate the 'benefits' assume that the current levels of interest rates will be maintained. If they fell, the relative advantage of consolidation would be reduced.

Who Benefits?

A further complication is that the costs and benefits of consolidation may be enjoyed by different segments of the community. The proponents of consolidation assume that both the area and network service facilities already exist in the inner city areas and that they are appropriate for the new increment in population which might otherwise go to the fringe.

A central, if hidden, assumption of the higher density argument is that the provision of infrastructure in the inner areas is already adequate. The facts are rather less persuasive. In inner areas the area services were provided to lower than contemporary space standards, schools typically do not reach the space standards of outer areas, the provision of open space for passive and active recreation tends to be lower than the standard. Moreover, hospitals
and other community facilities are frequently badly run down and need replacement or are the wrong type of facility for the newer, younger population. Harrison showed (1970) that if contemporary space standards for schools, community facilities, recreation, etc. were to be met the savings from higher density development in terms of land savings would be quite small. Network services were similarly developed to lower than contemporary standards. All this is understandable in cities which have grown significantly over the past 40 years and especially in those where expectations about standards of services have also risen. The inescapable conclusion is that the proponents of higher density also seek a reduction in standards in the provision of a wide range of services but especially for recreation.

The benefit of a reduced demand for public capital for infrastructure would fall to the community as a whole and, to the extent that taxation is progressive, to the higher income earners. The costs however would be bourne by those forced to live at higher densities with lower standard services. Although some of these would be people attracted to gentrified inner areas the great majority would inevitably be the lower income earners who would be forced to endure smaller dwellings as well.

The proponents of consolidation policies argue that they are neutral as to city structure, but the illustrations they choose and the arguments and language they use to compute and express its benefits all indicate that what they propose would result in an increasingly centralised city. Such cities certainly benefit those with property or business interests at the centre.

**Housing Costs**

A major claim made by the protagonists of higher density is that it will lead to lower housing costs. We know that the unit cost of higher density housing is significantly more than that for conventional housing — the only way the dwellings can be cheaper is for them to be much smaller and/or for the building standards to be reduced. The only other possible way for them to be cheaper is for the land component of the dwelling to be cheaper than the cost of the land component of dwellings on the fringe. Usually this
means that a very substantial increase in dwelling numbers per site is necessary to achieve a favourable cost ratio. Typically, inner area sites for higher density housing involve the clearance of existing development — that is, they require capital to be written off (sometimes dwellings are demolished) — which leads to high site costs for the individual dwelling units. Whether these cost 'advantages' are passed on depends more on market conditions than the exhortations of politicians or industry spokesmen. The indications are that there are few situations where cost 'savings' have been translated into lower prices for housing (Cardew, 1982). The market for multi-unit dwellings has tended to be for the better quality, higher priced units which also tends to reduce the potency of the claims by proponents of consolidation (Pratt, 1986).

Political Process

The pressure for reduction in public sector investment has seemed the more irresistible recently in the face of repeated demands for reduction in government. Reductions in taxes, together with promises of further cuts, have exacerbated the problem. We can only speculate about the motivation of politicians but the pursuit of consolidation policies has been partly a desperate clutching at straws by them as they attempt to meet the demand for infrastructure with reduced resources. In some cases, it has also been an attempt to preserve their political base. As inner areas have lost population, electoral boundaries have been redrawn and the relative power of inner city branches of political parties, especially the Australian Labor Party, has waned. This change has become more important as the process of gentrification has altered the political geography of the inner city suburbs. Some politicians, however, pursue consolidation out of a conviction that the standard of housing is too high and ought be reduced.

In order to gain public support for consolidation, its proponents claim that the Australian preference for large, low density, usually single storey, bungalow housing is extremely expensive in terms of impact on the environment land used, infrastructure and energy costs. In claiming 'extreme expense' they wish to convey 'excessive' and, in doing so, do not want to allow that the benefits of living in that form of housing might be
greater than the costs. The political debate becomes polarised because the proponents of consolidation adopt the high moral ground, presenting themselves as being economic rationalists concerned about increasing choice of urban lifestyles and about fairness in development while reducing wasteful public investment. The opponents, especially those in local government, fear that market realities would result in poor quality housing with low levels of amenity similar to that which developed in many middle ring suburbs in Sydney, like Canterbury and Randwick in the late 1960s and early 1970s, and that the local authority would then have to solve the problems created.

The proponents present themselves as positive, flexible and committed to principles of equity and high quality development. The opponents are made to appear negative, conservative, selfish and irrational. The debate is conducted in terms frequently found in discussions of urban issues in which the beneficiaries of a change in policy benefit directly, are small in number, articulate and well-organised, and those who must bear the consequence are large in number, dispersed, but only bear the costs indirectly and not necessarily immediately.

One of the paradoxes of the drive for more efficient investment in infrastructure is that it might well be a contributory factor in the inflation of property prices. As service agencies attempt to cut back on 'premature' provision of their services they inevitably reduce the stock of serviced allotments. This in turn can, and usually does, lead to bidding up of the price of fringe land which in turn puts an upward pressure on the price of existing properties. This inflationary pressure may well vitiate any downward tendency due to increased supply resulting from consolidation. The balance between under and over supply of serviced land is notoriously difficult to judge but it is probably better to 'tolerate' or carry a slight over investment in serviced fringe land than to precipitate an inflationary spiral in the property market as a whole. The search for perfection or the highest level of efficiency in urban services may result in unintended social and economic costs. Whether inflation in property values as a consequence of greater 'efficiency' in investment in urban services is a 'cost' or a 'benefit',
it should affect the political calculus of consolidation as a high priority policy for the city.

Demand for Consolidation

Normally, we would expect the market place to provide the evidence for demand for some housing product. We have a situation where there is some demand for multi-unit housing but there is no evidence, either from market signals in the form of rapid increases in prices for multi-unit dwellings, or of popular calls for increases in their construction, that the demand is not being met. There is evidence that the demand for multi-unit dwellings is limited to particular groups and locations and that this demand is being met (Pratt, 1986). This raises the question: where is the demand coming from? We are forced back into explanations related to the inability of politicians to organise or raise the capital for expansion or ideologues who argue that housing standards are too high.

Metropolitan Planning

Metropolitan planning is properly concerned with the structure, function and operation of our cities. This means that it is appropriate for the planning authority to be concerned about the distribution of population and the investment in and efficient use of the urban services it requires. But there is an uneasy tension in these issues between the interests of the metropolitan area as a whole, those of the local community and the private interests of speculators and investors. This tension becomes more problematic when the 'benefits' of a policy are contested, small or intangible.

In Sydney, the experience of local councils, as a consequence of the last period of 'consolidation' in the 1960s and 70s, led them to demand higher standards. Bitter experience had taught them that consolidation was a dubious benefit, outweighed by the losses experienced in reduced amenity. They were, moreover, unconvinced about claims that consolidation would reduce housing costs. Councils were not much exercised by the appeals to greater equity in the city as a consequence of consolidation because they
could not see that the 'benefits' would be passed on to those incurring the
costs. They felt that the major beneficiaries were the developers who had
shown no special concern for equity hitherto and that the likely outcome of
the policy was a lowering of housing standards for the lower income
groups.

Metropolitan planning agencies have resorted to a range of simplistic, even
simple-minded, mechanisms none of which have been backed by rigorous
research. They have permitted 'granny' flats and dual occupancy
rationalising the former by appeals to idealised notions of the benefits of the
extended family. They knew full well that there was not a big enough
supply of 'grannies' to fill them so that it could be, or become, a device for
reducing the amenity of an area or changing its character without
necessarily achieving the saving in infrastructure it was allegedly designed
to produce. Attempts have been made to allow increased density on existing
subdivision patterns and residential zonings whether the Local Council
approved or not, and on the assumption that the patterns were appropriate.
In another fine disregard for local control, expression and initiative, Local
Councils have been 'advised' against imposing excessive standards for
housing development. Planning agencies have then introduced a spurious
argument about equity when there were other more obvious equitable
solutions.

Conclusion

Although every city has areas in which the housing is poor, one of the more
valuable aspects of Australian urban life is that there has been a remarkable
degree of equality of standards in the way in which people are housed. This
applies not only to the dwellings themselves but to the space around them
and to the recreation opportunities as well.

One of the unfortunate aspects of the debate about consolidation is that the
issues are presented in black and white terms. Consolidation proposals
appeal to politicians as sound 'common sense' but more often they are
nothing more than the thimble and pea trick. Sadly, most of the argument —
of which there has been much — has been long on rhetoric and short on
serious analysis. More sober reviews like that carried out by Urban Policy Associates (1986a & 1986b) would bring more realism into the debate and discount the inflated expectations which have been so assiduously cultivated.

As it is presently conceived, pursuit of the 'consolidation option' would seriously put at risk the quality of our cities, would be likely to increase the degree of discrimination and segregation in them, and be a major attack on the quality of housing for the lower income members of our society.

What can be done? There are no equitable, simple 'quick fixes'. The first thing which needs to be done is for governments to acknowledge that housing is a basic need and that people's access to adequate housing is directly and indirectly affected by a range of government actions (or inactions). The second is to take counter cyclical action to increase the supply of dwellings.

The State governments could do this by:

1. Bringing land into production on the fringe either directly through their own agencies and considerable planning and development powers, or indirectly by use of a system of penalty charges to discourage speculators from holding land off the market. In some locations and for some developments, it will be appropriate to introduce smaller lot sizes, narrower street reservations and zero lot lining to achieve the marginal savings in costs such measures may lead to and to provide greater variety of housing choices.

2. Identifying those areas and locations at or near public transport nodes where medium density housing would be appropriate and then, in collaboration with the local authority concerned, redesigning the subdivision and street layout to create suitable sites for multi-unit development which could be developed by a mix of public and private initiatives.

3. Allocating more resources to and expanding the public housing program.
4. Enabling local authorities to make the provision of housing a condition for development consent.

The Commonwealth could increase the supply by:

1. Increasing the public housing program.

2. Increasing the resources for investment in extending and modernising the infrastructure of the main cities.

The Commonwealth could reduce demand for speculative investment in housing by:

1. Reducing or removing the exemption of the 'family home' from capital gains taxes — this could be done by setting an appropriate annually adjustable level below which no capital gains tax would be due.

2. Removing negative gearing which would remove one of the inflationary pressures in the market for the higher priced properties — a section of the market which was overheated by the retreat from investment in shares following the collapse of the stock market in 1987.

3. Disallowing the payment of housing mortgages as part of salary packages which would remove a major inflationary pressure from the market for higher-priced housing.

4. Re-regulating the finance system to control the price and levels of funds going to the production and consumption of housing.
Postscript

The current attention housing is receiving arises because of the impact of housing on the CPI. The Treasurer has a valid technical point, but it is much less valid than he maintains.

The fact is that much of the recent inflation in housing prices is a direct consequence of the policies of the Federal and State governments. Deregulation of interest rates and the finance markets generally, the pressure on public capital and the consequent run-down in stocks of serviced land, the cut back in public sector housing, the reintroduction of negative gearing, the capital gains protection of the family home, allowing mortgage payments as a part of salary packages, the development of a housing investment hysteria all led or fuelled the inflation in housing prices, particularly in Sydney.

The housing 'crisis' could have been and, indeed, was predicted but the Federal government managed to cut itself from any possibility of a sensible flow of intelligence by breaking up the Department of Housing and dispersing responsibility for housing among a number of departments in none of which was it a major responsibility.

No single Minister has the responsibility for developing or maintaining a coherent picture of the housing situation either in regard to the demand and supply or production and consumption issues. As a consequence, the Ministry as a whole has been able to wander on with each Minister developing and giving voice to his or her own pet theories about housing and the way it relates to or is affected by economic policy, to the way housing is or can be provided, financed, 'recycled' or consumed and to the organisation and efficiency of the housing and construction industry. (This is not to say that the Department of Housing was particularly good — it wasn't — but it could have been developed into something good if it had been cleaned up and given competent leadership rather than throwing the baby out with the bathwater.)
It is fair to say that the administrative arrangements in housing have helped the government into this imbroglio and are simply another example of the irrationalities and inefficiencies flowing from the administrative rearrangements following the 1987 election.

The current 'crisis' also owes much to the prolonged pursuit of 'deregulation' which has led to the reduction in influence of housing and town planning bodies in decision making in the States (and, for that matter, in the ACT).

There is a certain irony in the situation. In the 1940's, even while engaged in a desperate, the Commonwealth government reviewed the social security system and, recognising the centrality of housing to security and well-being, carried out a major review of housing. The outcomes of that review created the conditions for the post-war improvement in housing and the increase in home ownership experienced until a few years ago.

Recently, while fighting a battle to restructure the economy, the Commonwealth undertook a major review and restructuring of the social security system. Although that review indicates again the importance of housing to the security and welfare of the population and identifies it as a contemporary social issue, the Commonwealth steadfastly refuses to publicly explore it.

The recent special Premiers' Conference is no adequate substitute. Nor will fire sales of Commonwealth land be anything other than a public relations exercise.

Pat Troy
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A DECADE OF URBAN CONSOLIDATION: The Getting of Wisdom — or for the Term of His Natural Life?

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It is almost ten years since urban consolidation became an issue in metropolitan planning again. In 1979 a seminar series (Archer, 1980; Reid, 1981) in Sydney included John Paterson's paper called 'Urban consolidation: lovelier the second time round?' (Paterson, 1980). The title recognised the ongoing nature of the issue and its reconstitution in terms of the new conditions of the late 1970's and 1980's in Australian capital cities. This paper reviews the history of urban consolidation as part of metropolitan planning over the last ten years. It ends by questioning many of the assumptions invested in urban consolidation policies, and argues that while a degree of consolidation is occurring, it is but one means invoked to serve a number of ends, and the pursuit of those ends themselves involves other instruments, some of which may be more effective. Further, consolidation needs to be gradual, locally differentiated and responsive, and these local dimensions need to be expressed more powerfully.

Urban Consolidation: An Ongoing Process

Urban consolidation is an accompaniment of metropolitan growth and change. The built form is gradually made more dense. In some parts, particularly inner areas, densing may mean a loss of dwellings as non-residential uses replace housing. Businesses need to grow as well as housing stock. Also, in inner areas, even when medium-density dwellings replace houses with gardens or yards, modern standards of car-parking, landscaping, open space and traffic circulation demand a more spacious layout than the closer built form which they frequently replace. In middle areas, the process of urban densing is rather different. There is some redevelopment, but there is much infill too.
In outer and fringe areas, the process is basically that of the gradual conversion from mixed urban and rural activity to a fully developed suburban character. It could take many years. In these outer areas the pattern of development and of lot division is an important and lasting influence that could well be considered more for its urban consolidation implications. We all have examples of this. In Parkside, just across the parklands from the City of Adelaide, a pair of semi-detached houses have recently been built on part of a church property. This represents the most intense arrangement of activities of a number which have developed on the site since it was first divided in the middle of the nineteenth century.

A different kind of example, also drawn from the inner suburbs is Hindmarsh. When the first Bannon Government came to power in late 1982, it decided to scrap the north-south corridor in Adelaide left as a reservation for later development with a transport facility. The Highways Department had continued to acquire properties over previous years in the corridor. A major interchange was located at Hindmarsh, two or three kilometres to the north-west of the city centre. In addition, that area had become characterised by intermixed industrial and residential land uses, abandoned pits and pug holes and some decay. The new state government abandoned the transport reservation, and a planning program was devised to clarify the nature and relationships of industry and housing, and to rebuild the substandard infrastructure. The Housing Trust was employed as a principal agent in providing new housing, and Hindmarsh is an example of comprehensive inner urban consolidation, with much built form being left as it is.

Another example of the same kind is Port Adelaide. In the middle suburb of Mitcham, Colonel Light Gardens was planned by Charles Reade for returned soldiers after World War 1. These lovely family homes are being bought by young well-off families. The changes here are occurring in population rather than built form: renovation and extension of houses are the processes involved. In outer areas, Golden Grove is a well-planned estate with lip-service to urban consolidation. While moves have been made to diversify the housing stock, and in particular to provide for the elderly, use of land is lavish. At Aberfoyle Park, on the fringe again, standard
spacious family homes have been placed on smaller lots than usual: there are some savings in land, but the result is an awkward mismatch of house and site.

Over the last ten years, then, there have been moves to accentuate and accelerate these processes of consolidation and to define what levels it might achieve or be limited to.

The Expanded Agenda for Urban Consolidation in the 1980s

Renewed interest in urban consolidation followed the committal of considerable public capital by the New South Wales government to the improvement of public transport; and the development of coal-mines, railways, ports, coal-loaders and other infrastructure to expand coal exports and attract industries such as aluminium smelting to sources of relatively cheap power. The investment demands of this so-called resources boom placed strains on the government's capacity to provide adequate urban infrastructure and services (Sandercock, 1984). Sydney's continued growth was beginning to run out of accessible land and funds. In the early 1980's, the state government launched a number of urban consolidation initiatives, and was the first government to take action in this regard.

The initial arguments for urban consolidation were that it would slow down fringe development, so making more efficient use of existing infrastructure and expelling fewer people to the wastelands of outer suburbia. It could also provide a wider choice in type of shelter by location, reduce housing costs, and make more effective use of under-utilised housing stock in established locations. The more compact urban form would lead to less travel, help the use of public transport, and reduce pollution. A reasonable response to all these contentions is either 'not necessarily so', or 'yes, but', or 'not unless'. Urban consolidation, then, is very much in the eye of the beholder, as we would expect from such a complex issue.

In 1981, Lionel Orchard and I carried out some research in Adelaide on urban consolidation (Bunker and Orchard, 1982). This had two important objectives. One was to use the excellent data on population trends, and land
used and available for residential purposes, to test how far urban consolidation in the established urban areas might absorb future population growth. We sought to do this in order to qualify and quantify any extreme policy measures such as drastically reducing the release and servicing of land for fringe growth. We were able to demonstrate that fringe growth and filling up the existing urban area were not alternatives, but each had a part to play in metropolitan growth.

The second objective was to inject social concerns into any residential development policies for the existing urban area. In Adelaide's circumstances, this was formulated as encouraging "the building of smaller and more densely arranged dwellings, a high proportion of them for public and private rental, in the inner and middle suburbs". These conclusions were, to some extent, of more general application as were two further findings. These were that although the terms of reference of the study requested a conclusion on the potential for more effective use of inner urban areas, we decided the scope for affecting the distribution of residential population in metropolitan Adelaide lay in urban consolidation initiatives in middle and outer suburbs rather than inner. Finally, while recommending a review of residential zoning and development codes in Adelaide, we argued that more effective short-term action to increase dwelling stock in the more accessible parts of Adelaide lay in using non-residential or under-utilised land, rather than extensive redevelopment of living areas.

In similar vein, but at a different scale, was a meticulous and detailed study of the need and scope for urban consolidation in the Illawarra (Cardew and Pratt, 1984). This not only looked at future housing demand, but also at local planning provisions and the likely supply of housing by developers. The study emphasised the housing objectives of consolidation, and the extent and nature of their practical achievement. It concluded the potential results of encouraging urban consolidation were marginal but worthwhile — "because panaceas in planning are rare".

Another dimension of some importance is whether or not the savings in land and land development in medium-density development are largely
outweighed by other increases in costs consequent upon this kind of housing (de Monchaux, 1980; Cardew, 1982). The evidence suggests that such savings in land costs are not an overriding, uniform, or universal contribution to home affordability, although they can sometimes be useful. It is also apparent from such analyses that influences such as interest rates and negative gearing provisions can be more influential.

One important input into the issue of urban consolidation is that of equity (Sandercock, 1982). The Adelaide analysis argued that urban consolidation could have some "questionable equity consequences if implemented as a major focus of metropolitan policy". These equity considerations focus on the impact of urban consolidation on established residential areas and on low-income populations there, but also on the possible lack of services and opportunities for people living on the fringe because of the redirection of resources associated with consolidation (Stretton, 1988).

As has been seen, perhaps the most important reason for the renewed interest in urban consolidation lay in the possible savings to state governments in the provision of urban infrastructure and the operation of services. Further work to identify and give dimension to these has taken place in recent years. A frequently quoted estimate in Adelaide of the difference in costs of trunk services between developing an allotment on recently released government land in a middle suburb as compared with a fringe location is $2,500 as against $12,500 (McPhail, 1988). A more comprehensive study in 1986 compared the costs of development in a middle suburb in Melbourne with those of an outer suburb. This investigation looked at the costs incurred by infrastructure users in these two different locations as well as the expenses of providing infrastructure and services. It concluded the net benefit in establishing a household in the middle suburb was about $29,000 or $3,000 a year (Travers Morgan, 1986). A further and even more comprehensive study compared inner with fringe residential locations and concluded the net benefit per household in favour of the former was some $41,000 although most of this reflected the advantages to individuals of reduced travel to work and increased accessibility to urban services (Neilson Associates, 1987).
This important point about access to employment and urban services is emphasised by some studies about the social impact of different forms of metropolitan development. A particular analysis of the social implications of fringe development as against urban consolidation in Adelaide came down heavily in favour of the latter because of better access to urban resources in inner and middle areas (Sarkissian Associates, 1987).

This leads to another claim made for urban consolidation. This lies in the belief that a more compact and dense urban form will lead to less need for travel and increased use of public transport: there have been recent arguments to restructure Australian cities in this way (Newman, 1988). It is also possible that the greenhouse effect (Pearman, 1988), may have the sort of impact on our cities that oil price rises did not. What if, in the future, Australia does become signatory to a strong Montreal-type protocol seeking to limit and reduce the use of hydrocarbons? While people in greenhouses shouldn't throw stones, it is important to distinguish between means to reduce car use and the issue of increasing residential density. While some marginal, if useful reductions in travel could follow increases in inner and middle suburban densities, very large increases in density would be needed to have any significant effect (Beed and Moriarty, 1988). There are other policy measures affecting the use of the car which could be more effective than gross changes to density levels and patterns. This is not to say that these other measures would not have some effect on densities but that would be a slow process.

Any discussion on urban consolidation must mention the fierce local reaction often aroused by medium-density residential development. Changing residential zoning and development control standards and requirements is often controversial, particularly after the substandard walk-up flat developments of the 1960's to which so many local residents objected. Much of the implementation of urban consolidation has been directed at revising residential development policies and this frequently leads to controversy and conflict between state government and local authorities. Initial state specifications about urban consolidation in New South Wales were sometimes unilateral, arbitrary and undifferentiated.
Urban consolidation possibilities vary widely by type, degree and timing and a sense of place needs to inform them.

In Adelaide there has been a lack of the studies carried out in many local government areas in Sydney and Melbourne about the potential for, and the impact of, increasing the density of the housing stock. In effect there has been little response by local communities and planners to the pressures placed upon them in Adelaide for urban consolidation. At one stage in 1987, the Minister for Environment and Planning offered to negotiate residential development policies with local councils appropriate to their circumstances. While more guidance is needed from metropolitan planners about what they see as appropriate for different parts of the metropolitan area, local councils are slow to articulate proposals with the necessary range of consideration regarding social, environmental, economic and built-form matters. The planning system in South Australia has found difficulty in articulating substantial local development policies which go beyond basic land-use arrangements.

There are, nevertheless, two interesting examples of studies for local councils which have sought to place policies concerning access to shelter and provision of community services within an urban consolidation rationale. A study for Salisbury Council, a large developing area to the north of Adelaide, in addressing the housing needs of people in the area, strongly advocated a mix of dwelling types to relate more suitably to the kinds of households in the region (Bell, 1986). This is interesting in that it sought to break away from the suburban monoculture of two- or three-bedroom detached family dwellings so characteristic of new suburban development over the years. The second study constituted a review of its residential zoning policies by the City of Marion, a largely built-up area in the south of Adelaide, with some older areas developed between the wars or immediately after 1945, and a younger portion still being developed. These investigations, to which the South Australian Council of Social Services was an important contributor, not only identified the need to diversify the range of dwellings in the region, but also pointed to the opportunity of providing a range of community and social services on a stable and continuing basis. This, it was suggested, could be pursued by ensuring a mixture of age
groups and household types and rezoning of residential areas on a density basis (Hunter, 1988). In addition, the importance of integrating these measures with the provision of shopping and open space was emphasised.

Nevertheless, there is continued opposition by local residents to medium-density development, at least in the inner suburbs of Adelaide. Recent research has shown these negative reactions are strong and held right across the socio-economic spectrum (Orr, 1988). They relate to the standard of development; the assumed socio-economic character of the residents; increased traffic and parking; overlooking, loss of privacy and sunlight; and increase in noise. Although less than ten per cent of those interviewed were affected in a major negative way, most respondents still considered medium-density development was not appropriate in their neighbourhood. In the outcome, traffic and parking problems tended to be overestimated, but concerns about privacy, overlooking and noise were frequently justified. In these established areas, then, residents seek to protect the public and private space they have, and the amenity of which it is part.

The Gathering Impetus for Consolidation

As has been seen, the strongest imperative for policies to strengthen urban consolidation lies in infrastructure savings. This has become even stronger with the contraction of funds for public works and urban infrastructure which has accompanied the Hawke Government's economic management policies. These policies have reduced the public sector borrowing requirement, cut taxes and deregulated the financial sector and capital markets (Stretton, 1987). Money has not only become scarcer for public infrastructure, it has become dearer.

1987 and 1988 saw the production of four metropolitan planning statements for Sydney, Melbourne, Adelaide and Perth (Victoria, 1987; WA SPA, 1987; SA Dept of Environment and Planning, 1987; NSW Dept of Environment and Planning, 1988). As Peter Self points out, they rely on a balance between continued fringe growth and a degree of containment to encourage further concentration of existing development (Self, 1988). The Perth strategy "proposes accommodating a greater proportion of future
growth by more consolidated developments within established urban areas". In Adelaide, the "principal strategy which has been adopted by the State Government to cater for metropolitan growth is urban consolidation" but "the growth strategy also provides for limited expansion in two areas on the metropolitan fringe". In Melbourne it is proposed to "achieve a greater proportion of future urban growth within established urban areas" together with managed development outside these areas. Sydney opts for a consolidated development option to house a population of 4.5 million, with arithmetic which increases the number of multi-unit dwellings to be provided in the existing built-up area from 100,000 to 150,000 compared with the dispersed alternative examined. In all cases, the savings in public infrastructure and services are emphasised. Urban consolidation has advanced from an issue to intent in the view of state governments in the last ten years.

Through a Glass......Darkly

It is apparent that what has also powerfully propelled urban consolidation in the last decade is the large number of assumptions aroused about its benefits. The expectations of what more intense and careful densing of the urban fabric can achieve are many, as can be seen from the material reviewed. But the many objectives invested in urban consolidation can in part be addressed also by other instruments, often more effectively. Conversely, urban consolidation in itself, will not guarantee the achievement of the numerous aspirations aroused by it. One is reminded of a similar magic phrase to that of urban consolidation in the 1830's — 'systematic colonization'. In this Wakefieldian formula, a wide variety of interests and motives could be enlisted. These included rampant capitalist speculation reaping the rewards of the public survey and founding of towns; wide-eyed idealism in building a new Albion abroad; and ambitions to develop a farming yeomanry on abundant land (Bunker, 1988a).

Infrastructure cost savings through urban consolidation need considerable qualification. These arise principally through asset replacement — the upgrading and replacement of worn-out or obsolete infrastructure in the older parts of the urban area. Programs of asset replacement will need to be
expanded in coming years. While that can sometimes be used as an instrument to support and aid urban consolidation, it can also be a constraint. In South Australia, the first detailed examination and consideration of the need to replace or reconstruct existing infrastructure has taken place, and there has also been a more general and conceptual national report (Australia - House of Representative, 1987). In South Australia, this issue is complicated by the different characteristics of the various systems of infrastructure examined (Bunker, 1988b). But even with a relatively fixed and constrained supply network such as water supply and sewerage, it is concluded that if further housing development takes place within already established areas largely by infill development, while this "may involve smaller lengths of mains or sewers being added, infill development (working within built up areas) is more costly than the type of 'greenfields' development at Golden Grove" (SA Parliamentary Public Accounts Committee, 1987). Obviously urban consolidation opportunities, insofar as they relate to spare capacity and infrastructure replacement, will have to be location-specific, and in terms of necessary renewal and upgrading to modern standards, time-specific as well.

In considering the social implications and associations of urban consolidation, it is notable that both considerable benefits and substantial dangers can be identified. A ringing endorsement of consolidation was recently made in a social and community impact evaluation of the mixture and balance of future development options for Adelaide (Sarkissian Associates and Bell, 1987). This study included a housing market analysis, and was concerned specifically to identify the most equitable urban structure in terms of the relative impact of the different development options on disadvantaged groups in Adelaide. Its support for urban consolidation rested on one premise and two assumptions. The premise was that outer urban growth was so harmful for the disadvantaged groups making up a large proportion of the populations located there, that it should be avoided at almost any cost. The assumptions were that the progressive gentrification of inner suburbs would not continue in the same way as it had up till then, and that public policy on urban consolidation would be so comprehensive and forceful that the social goals of urban consolidation would be realised.
The assumptions are doubtful, and the premise can be questioned in that strong urban consolidation would continue and accentuate the marked steepening of land and house price curves across the inner suburbs of Adelaide (Badcock, 1989). Disadvantaged and low-income groups could well be forced to the urban fringe, where, ironically, services and facilities could be poorer because of the extensive public and private investment in the older and established parts of Adelaide (Bunker and Orchard, 1982, Stretton, 1988). Obviously, much depends on the degree and type of consolidation. But a strong component of public housing needs to accompany the consolidation of inner and middle suburbs, and this has been the case in Adelaide. The South Australian Housing Trust has been active in this way over past years, but Commonwealth funding has decreased of late and the cost of the money it borrows has increased.

**Consolidation Continued**

Crucial questions about consolidation remain. What degree and kind of consolidation, which affects non-residential as well as residential development, is appropriate and where, how and when? How is this increase in densing accomplished so that it can include considerations of social justice; economic and financial effectiveness; access to shelter, jobs and services; local amenity and urban design? Four comments follow.

First, at the metropolitan scale, the crucial variable selected is the distribution and characteristics of the metropolitan population. The chosen planning instrument to influence this at the present is the distribution, type and density of the dwelling stock. It is difficult to imagine that a state government would regard urban consolidation as so important an objective in metropolitan development that it would coordinate and align policy influences of all kinds to achieve this. Further, the effect of such policies is uncertain. The appropriate planning approach is to construct different scenarios of growth with different degrees of consolidation, to monitor the characteristics of residential populations and dwelling stock as the city grows, and then adjust action in the light of this (Bunker, 1986). This approach is followed in Adelaide, where population forecasting, land monitoring, infrastructure provision and land release are linked together.
An exercise is under way to explore several different representations of consolidation to see what the effect on the future of Adelaide might be.

Second, the metropolitan planning approach described above concentrates on residential development and dwelling stock. This is only a partial, if central, dimension to urban densing. Business expansion could cause consolidation, yet take dwelling stock and contribute to a decline in residential population. Good local planning looks at the imperatives for accelerated consolidation and plans for it in a responsive and responsible way — and many local authorities are doing this. It is at this scale that most of the considerations and ambitions attending consolidation can be included and related. Metropolitan planning can indicate opportunities for, and the timing of dwelling stock changes: local planning can indicate the character, degree and pace of densing and insert wider perspectives and considerations into the process.

Third, many of the expectations invested in urban consolidation — affordable housing; more variety and choice in access to shelter; less travel, particularly by car; a more equitable city; fewer redundant facilities and human services; efficiency in the provision of physical infrastructure; less impact on the surrounding rural areas — should also be pursued in their own right using a variety of policy influences and instruments. Consolidation is in danger of becoming a panacea. In particular, the social associations and implications of consolidation are ambiguous and unless strong measures are built into the process to improve social conditions and pursue social justice, then consolidation could be harmful. In particular, redevelopment and rehabilitation is expensive, and replaces a built environment developed on cheaper, historical capital, much of it written off. It is difficult to see low-income and disadvantaged groups benefitting from a strong thrust for consolidation unless there are forceful measures by governments to determine otherwise. Finally, as has been seen, the major rationale and imperative for urban consolidation rests with the savings in infrastructure costs. Hence the increased interest by state governments in consolidation since the Hawke Government, as part of its national economic management, sought to reduce the public sector borrowing requirement, cut taxes and deregulate the financial sector and capital markets (Stretton,
1987). Stretton has calculated that since 1980 Commonwealth actions have helped to double the real cost of public works financed from loan funds over twenty years (Stretton, 1988). Accordingly, only half the work that could be financed formerly can be accomplished from a given loan, and state governments have become more restricted in the sums they can borrow. It was these conditions, and recent increases in interest rates that galvanized the South Australian government into a espousal of urban consolidation. In some ways, there is a redirection of costs from the public to the private purse.

The obvious comment on that is that there are a number of other ways of paying for necessary provision, maintenance and replacement of public works. These range from increased lot prices on fringe development, to foregoing tax cuts to increasing service charges, to dropping urban development standards — perhaps temporarily — to subsidised provision of capital again for urban infrastructure. Another possibility is the use of joint ventures such as that just announced for the expansion of Sydney to the north-west where major development companies will help provide infrastructure in conjunction with the state government and local governments. Urban consolidation action needs the requisite variety that such a complex issue deserves.

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45


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