

Building the Capacity to Govern the Australian Metropolis: Challenges and Opportunities (Keynote Address)

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Abstract: This paper traces key policy challenges facing Australia's metropolitan cities as a result of multiscaled shifts in their governance contexts. These shifts, related both to the neoliberal erosion of a national commitment to universal social provision and the adoption of a 'competitive city' governance paradigm at the urban scale, have produced a set of governance challenges, particularly concerning urban social inclusion and cohesion. Moreover, a range of institutional obstacles continues to hinder the generation of urban governance capacity to address these challenges. The paper works through the nature of these obstacles and takes a pragmatic approach to identifying opportunities to mobilise and reenergise the capacity to govern in Australia's big cities. In particular it points to the need for a national urban governance agenda, the need to move beyond the limits of the 'competitive city' governance paradigm to mobilise the resilient capacities of state intervention, and the need to harness private resources and capacities more effectively to public policy rather than market-driven aspirations.

Introduction

Australia's big cities have begun to exhibit development trends and social tendencies symptomatic of intensified social stratification and of straining social cohesion. In many senses, this represents a significant departure from their historical character as places, on the whole, of broad social inclusion across income groups underpinned by relatively equitable access to a matrix of social and economic opportunities and life chances. While obviously driven by broader, global currents of economic, demographic and social transformation, these tendencies are also shaped by national-determined shifts in fiscal, economic and welfare policies and by the dominant governance paradigm adopted at the urban scale. The changing governance context in Australia has witnessed the neoliberal erosion of a national commitment to universal social provision and the adoption of a 'competitive city' governance paradigm at the urban scale. Together these have contributed to a recasting of Australia's big cities as 'public cities', with growing implications for cities' status as inclusive, equitable, cohesive and productive places. The result is a range of urban policy challenges—particularly concerning the ability to maintain social inclusion and cohesion—at a point where a range of institutional obstacles continue to hinder the generation of urban governance capacity to address them.

The paper works through key aspects of urban socio-spatial transformation and their connection to key shifts in the national and urban-scaled governance context to identify these key challenges facing urban governance. It then identifies existing shortfalls in urban governance capacity to address these and suggests a series of pathways to mobilising and reenergising the capacity to govern. In particular it points to the need for a national urban policy agenda, the need to move beyond the limits of the 'competitive city' governance paradigm to mobilise the resilient capacities of state intervention, and the need to harness private resources and capacities more effectively to urban public policy aspirations.

The paper has three parts. The first part addresses the normative vision that has powerfully, if not exclusively, shaped governance practices, priorities and policy orientations in recent years—that of the competitive city. The second part turns to a set of challenges that currently confront metropolitan governance in the context of a competitive city governance paradigm and of the broader retreat from the macro-level interventions that sustained Australia's large cities as 'public cities'. Finally, the third part works through the problems

confronting metropolitan governance capacity in the attempt to address these challenges and suggests a series of pathways to mobilising and reenergising the capacity to govern towards fair, inclusive and productive cities.

Normative visions of governance: the competitive city paradigm

Normative visions of city governance produces an imaginary of the city which frames its positioning as an object to be governed, shapes its governance practices, delimits the field of policy possibility, conjures the ends to which the city is governed, and drives the way the city and its social and economic spaces are made and remade. Ultimately, it shapes the city's materiality (Massey 2005). In the last decade and a half, one particularly powerful normative vision has shaped urban governance internationally, with Australia as no exception is that of 'the competitive city'. Like any normative vision, the vision of the competitive city has a descriptive but also a performative purpose (see Sayer 2000) that builds a particular imaginary of the city and shapes the conditions of possibility of its governance.

The competitive city vision is framed by the particular strategic importance attributed to metropolitan regions in securing economic growth and accumulation in the context of neoliberal globalisation. In this vision, cities are lifted out of the national urban hierarchy and national territory previously imagined to embed them and emplaced in a global imaginary. First, large cities are situated as the lynchpins of global economic development, as the engines of global economic growth and consumption, because of their roles as (i) concentrated consumer markets (ii) deep and skilled labour markets; and (iii) concentrations of innovative clusters of production and service units able to adapt to rapidly changing global market conditions (Scott et al 2002). Second, in the contest to secure mobile flows of skilled labour and capital investment enabled by a deregulated global economy, cities are taken to be the nodes of inter-spatial competition (Peck, Brenner and Theodore 2005). Their dominance as centres of accumulation in a metrocentric global economy and as critical sites in global place competition has resulted in a growing policy concentration around cities as strategic sites through which global economic competitiveness might be engineered through governance means (Gordon and Buck 2005, M^cGuirk 2004).

This imaginary of the city as global competitor and lynchpin of economic growth channels urban governance and policy frameworks in particular ways. Canadian-based urban political geographer Roger Keil (2003) has outlined a 'competitive city governance paradigm' that derives from this imaginary such that:

(i) economic dimensions of governance are aimed at enhancing place competitiveness (particularly for accumulation based around the knowledge economy). Most recently, there has been a growing policy focus around nurturing various forms of urban creativity, instrumentalising creativity as the preferred pathway to securing a city's economic competitiveness (Peck 2005);

(ii) social dimensions of governance are aimed less at securing welfare outcomes than at securing a competitive 'quality of life'—an amalgam of amenity, culture and place characteristics to attract/retain knowledge workers (cast in some parallel accounts as 'creative workers' e.g. Florida 2002); and

(iii) environmental dimensions of governance are aimed at ecological modernisation—the governance of environmental resources to secure economic survival, particularly through their marketisation and privatisation (see Keil and Kipfer 2002, OECD 2001), something which can quite effectively subsume the counterweight of a 'sustainable city' normative vision.

This is a framework, then, that no longer views the city as a unified social and economic entity to be governed by comprehensive management plans. The notion of a coherent pathway to a city's social and economic development slips away. Rather, the city is taken as a dispersed and disaggregated, structurally and functionally complex realm, understood to be differentially connected to a globalised economic urban system. An uneven pattern of development and prosperity across the city is expected, being determined by, amongst other things, the depth of connection to globalised opportunities.

Of course, in any given national or urban context, the grasp of this paradigm on the configuration of governance structures and policy practices will be incomplete and inevitably it will operate in a more-than-neoliberal context that results from place-specific political legacies and contemporary compromises with other governance paradigms. Nonetheless, the impact of this neoliberal-flavoured competitive city vision can be traced in now dominant understandings of:

- (i) the appropriate institutional forms and relations for governance: seen in the favouring of public-private partnerships, Special Purpose Authorities granted exceptional powers, and markets over conventional bureaucracies and state instrumentalities;
- (ii) the appropriate roles and responsibilities aligned with states, markets, private sector actors and communities: seen in the favouring of entrepreneurial over welfarist state roles, the extension of markets across a range of social and environmental domains, and the creation of self-reliant, self-provisioning communities;
- (iii) the appropriate territorial (geographical) scales at which policy interventions of various kinds should operate, seen in the emergence of a host of new policy scales driving, for instance, community or neighbourhood-level interventions to manage social disadvantage (Adams and Hess 2001), or precinct-level interventions to govern urban regeneration.

My own work on transformations of inner Sydney's governance, especially its urban and economic development planning in the late 1990s and early 2000s, traced the influence of the 'competitive city' paradigm in terms of the above and identified:

- (i) the emergence of collaborative institutions at state and local government levels, in the form of policy advisory groups, taskforces and special purpose councils that incorporated elite business and development interests, giving them strategic access to state decision-making and shifting the political opportunity structure to enhance influence on strategic policy-making;
- (ii) the adoption of entrepreneurial roles in key state agencies. In particular it traced the emphasis in economic development planning agencies on enabling and facilitating international investment in Sydney;
- (iii) the installation of a partnership ethic promoting state/market collaborative partnerships across the state departments with urban policy roles. Sydney's shift towards using public private partnerships for the planning and procurement of strategic infrastructure thought to be critical to the city's competitiveness suggests the kinds of transformations involved in the roles and distribution of responsibilities across state, market and community;
- (iv) the emergence of new political communities mobilised to make political demands for a governance and policy setting for the Sydney metropolitan region that would nurture its status as the national economy's 'golden egg' and sole globally competitive city-region (Committee for Sydney 2001 and see M^cGuirk 2007).

While there are clearly other normative governance visions in contention, a persuasive case can be made that the competitive city vision has been a major part of interpretive contexts in which Australia's metropolitan cities are understood as objects to be governed (see Gleeson and Low 2000). I want to turn now to the challenges arising from this vision of the city and its governance and from the related recasting of what I refer to here as 'the public city' in Australia: by which I mean broadly socially and spatially inclusive and cohesive cities in which equitable access to opportunity is supported by public services and infrastructure. I want to explore some parameters of this recasting, point to how the competitive governance vision has itself contributed to it, and sketch key aspects of the governance challenges that result¹.

Recasting the public city: governance challenges

The notion of the 'public city' is potentially a fuzzy concept. By 'public city' I mean a city that aspires to: (i) collective social inclusion in the economic, social and civic opportunities of

¹ My take on these challenges is far from exhaustive or indeed systematic. It inevitably reflects my own preoccupations and, undoubtedly, the Sydney-centric perspective that arises from my research background.

urban life and public culture; (ii) provision of socially and spatially equitable access to fundamental public services that underpin the ability to participate in these opportunities; (iii) provision of public spaces both as material sites of encounter between the diverse publics that constitute the urban, and as symbolic expressions of an urban commons shared in by diverse social groups and indicative of connection, at some level, to a shared fate.

So in what sense can we recognise a recasting of the 'public city' in Australia and what challenges confront urban governance as a result? I want to deal with just two indicative dimensions: growing socio-spatial inequalities and the changing meanings and positioning of metropolitan public space².

Socio-spatial distributions and spatial inequalities

The political economy and socio-economic distributions of Australia's metropolitan areas increasingly reflect global trends wherein large cities develop as a 'highly fragmented chess-board of uneven development' (Scott et al. 2002: 20), something thought to be broadly characteristic of urban socio-spatial form in the after-Fordist period (Fagan and Dowling 2005, Bunker et al. 2002, O'Connor, Stimson and Baum 2001). The uneven impacts of restructuring, technological change and globalisation across urban localities is evidently producing complex expressions of social and economic diversity across the Australian metropolis with marked increases in spatial inequality (see Randolph 2004: 492). Undoubtedly, other papers across this conference will address this in more detail so, here, two brief examples will illustrate. First is the evidence of growing income disparity and related spatial segmentation. Nygaard, Wood and Stoakes' (2007) comparative assessment of taxable income across metropolitan urban postcodes indicates growing differentials between the top ranking and bottom ranking postcodes. Their analysis shows, for example, that between 1995-2003 the contrast in the ratio of taxable income between the top and bottom 10 postcodes increased in Sydney from 2.28 to 2.89, in Melbourne from 2.14 to 2.7 and in Adelaide from 1.78-1.83. Second, and more directly related to the remit of urban governance, is the growing evidence that income and wealth disparity is linked to uneven and fragmented spatial access to employment, health and education services, and housing opportunities (Stilwell and Jordan 2007). These trends mark a significant departure from the historical character of Australian cities as places, on the whole, of broad social inclusion across income groups underpinned by relatively equitable access to this matrix of opportunities and life chances: although it is important to acknowledge that that matrix involved its own set of exclusions, particularly gendered exclusions.

Scott Baum, Kevin O'Connor and Bob Stimson (2005) have recently typologised Australian metropolitan regions according to a nexus of income, employment, education, housing and ethnicity characteristics into seven variously advantaged and disadvantaged categories with distinctive socio-economic profiles. And while broad categorisation of this nature contains its own risks, this does give a sense of the intensification of socio-spatial fragmentation and of the increasingly pronounced spatial concentrations of affluence and disadvantage emerging across Australian cities wherein disparities in wealth and income stocks and flows are overlain by an increasingly uneven surface of access to employment and basic services as well as to a host of other resources—social, cultural and lifestyle—that determine well-being and prosperity (O'Neill 2007). Other research has pointed also to a decline in diversity within neighbourhoods as disadvantage appears to be concentrating in specific neighbourhoods, notably aging middle suburbs with declining social and physical infrastructure, public housing areas and some peripheral suburban areas distant from public transport networks and employment centres, community services and infrastructure (Randolph and Holloway 2004, Gleeson 2006, Wood, Randolph and Atkinson 2007).

² Notably I leave the challenge of land and resource management and ecological sustainability to other keynote speakers more qualified than I am to deal with these undeniably central challenges.

This phenomenon of spatially concentrated affluence and disadvantage points to the critical intersection between the spatially differentiated impacts of global economic restructuring on localities and the role of governance frameworks and public policy settings in mitigating or exacerbating these trends. It is not difficult to suggest a causative link between shifts in commonwealth and state macro-policy settings, and 'competitive city' policy settings at the urban scale, and the outcome of intensified urban socio-spatial segmentation. Commonwealth and state level shifts across fiscal, welfare and economic policies over the last two decades have witnessed state intervention and re-regulation targeted towards securing international competitiveness while simultaneously dismantling the critical state interventions that had previously secured the sectoral, social and spatial redistribution of wealth and opportunity across cities and regions (O'Neill and M^cGuirk 2005). Notably too, the impact of broadly neoliberal and deregulatory policy orientations have witnessed the shrinking ambition of historic interventions such as public housing investment and public debt financed investment in critical infrastructure and public utilities (especially public transport systems). Just as critical has been the neoliberal erosion of a commitment to universal public provision of welfare, health and education services and the notion that access to these fundamental services should be spatially equitable and available regardless of income level.

So while global economic development trends have produced very different opportunity structures across Australian cities based on the legacies of their sectoral composition, skills base and locational characteristics, the ability for various forms of public intervention to redress this through historic means of redistribution has been stripped away. In this uneven landscape, the responsibility for securing access to housing, employment, health and education services has been increasingly individualised. One key dimension of the recasting of the public city, then, has been the displacement of welfare commitments by market individualism. As the fundamental public services and social provision that underpin the ability to participate in economic, social and civic opportunities have degraded, the opportunity structure has fragmented and the fundamental socially inclusive orientation of the Australian metropolis appears to be declining. While the evidence is still partial and available differentially across Australia's big cities, the trend is becoming clear and undeniable. This poses the major challenge for urban governance of how to secure the basic infrastructure for inclusion in order to avoid entrenching emergent social divisions and redress emergent spatial exclusions.

At the urban scale, the competitive city governance model has tended to exacerbate these trends rather than address them. A common technique of competitive city governance regimes is the use of planning by exceptionalism: the deployment of special purpose authorities or site-specific planning policies to manage the redevelopment of specific precincts, particularly those judged important in securing key global consumption and market opportunities that would enhance a city's global competitiveness (see M^cGuirk, 2003), including mixed-use megaprojects aimed contribute to the city's competitive 'quality of life'. The normative underpinnings of such planning by exceptionalism have largely been driven by competitiveness rather than welfarist orientations in which the role of the state is markedly entrepreneurial. Australia's large cities are now replete with examples of these measures with Sydney, perhaps, leading the way: the most recent example being the formation of the Redfern-Waterloo Redevelopment Authority. Insofar as this exceptionalism proceeds project by project, it deflects attention from the inevitable spatial inequities in development outcomes and opportunity distributions of such an approach. It is a technique that picks winners and targets public resources at them. Winning precincts are those able to be refashioned in line with contemporary visions of global competitiveness, whether that be high-tech industry clusters (e.g. the state-funded Australian Technology Park, Eveleigh) or cultural precincts intended to attract and retain the apparently flighty 'creative class' and to secure competitiveness through nurturing creativity (e.g. Brisbane's South Bank, Melbourne's Federation Square). In contrast with the principles of universal service provision, it is an approach that diverts and concentrates public infrastructure and service investments in precincts identified as potential winners, in line with competitiveness, but lacking mechanisms which might address spatial and social redistributions.

Of course planning by exceptionalism points further to the recasting of the public city in that it shifts the parameters of democratic participation in planning decision-making. It habitually relies on the formation of special purpose authorities made up of unelected, cross-sectoral appointments often heavily weighted toward business, finance and development industry appointees. These bodies are regularly granted exceptional planning powers over and above the more prosaic operations of the local authority planning system. Of course there are persuasive arguments that can be made in favour of the strategic benefits of this approach, particularly in terms of the capacity of dedicated, empowered authorities to deliver complex projects and to realise development outcomes. Nonetheless, there is a history of these authorities, and the models of stakeholder engagement they work with, failing to achieve meaningful democratic engagement with the diverse communities affected by their developments (Ziller 2004, Searle and Bounds 1999). So while they may be accountable to a range of key performance indicators, they raise many questions about public accountability. While they may be consultative, too often they move in the shadows of the public realm.

The ways in which the competitive city governance paradigm and the broader reorientation of public policy settings have mediated global trends have repositioned Australia's big cities. Together, these represent a neoliberal erosion of the redistributive mechanisms that defined the public city and they enable development patterns that concentrate opportunity and public investment in spatially discrete urban precincts, the benefits of which are unlikely to permeate beyond the households, enterprises and localities on which they are centred. It has underpinned the emergence of a new and complex socio-economic texture in which access to housing, employment and public services has diversified, and in which public policy levers have been retooled. These were the levers which generated the relatively equitable distribution of support and opportunity across Australia's big cities and the prevention of entrenched social exclusion and spatial concentration of disadvantage. The challenge for urban governance is how to generate capacity to address the drivers of these outcomes rather than struggle to patch up their symptoms.

Recasting public space and the public realm: material and symbolic privatism

So Australia's large cities then contain greater socio-economic diversity and a more complex spatial structure than, potentially, at any point in their history (Randolph 2004, Baum et al 2005). The metropolitan focus of global migration ensures that this is overlain by a greater diversity in their ethnic composition, while unprecedented urban prosperity drives complex consumption patterns and lifestyle choices which map over existing social and spatial structure in ways we are just beginning to understand. As the public underpinnings of the city that bind citizens, at some level, to common trajectories of well-being and socio-economic opportunity has been unpicked, Australian cities have begun to exhibit development trends and social tendencies symptomatic of intensified social stratification and of straining social cohesion.

While the precise nature of causative links is unclear, it is not unreasonable to suggest that the redirection of public resources from universalised public health and education provision and towards subsidisation of private forms of provision has seen middle class secession from increasingly stretched public services with falling service levels. Brendan Gleeson has powerfully argued this case elsewhere (Gleeson 2006). For example the flight to private education, though recently stalling, has been at its most pronounced in the big cities where we are glimpsing a growing reliance on individual private purchase of urban services and cultural and lifestyle resources, less connected to a wider public provision of universally accessible services than determined by the ability and willingness to pay. Governance and legislative frameworks that enable these developments are themselves a product of a competitive city governance paradigm in which markets are developed to deliver privatised collective service provision.

This incipient withdrawal from the public realm on the basis of capacity to pay has its mirror in a wider social privatism that is marked spatially in a seemingly growing tendency in

Australian cities, particularly among the affluent, to withdraw from the public spaces of the city into residential spaces—private residential neighbourhoods—that offer higher standards of social provision, and are characterised by higher levels of social control and social homogeneity, than can be offered in ‘the public city’. The trend towards planned community title developments, where communal facilities are privately owned and regulated, is one market response to an apparently burgeoning demand among Australia’s urban middle classes. The motivations behind middle class disaffiliation from public neighbourhoods and withdrawal from urban public spaces are likely to be complex, related at least to (i) heightened expectations on the part of affluent consumers of the quality of the residential neighbourhood; (ii) developers’ use of the planned neighbourhoods to create a market niche and differentiate their product in a highly competitive market; and perhaps more ominously, (iii) the pursuit of greater social homogeneity in a reaction against intense urban diversity, perceived as urban disorder; and (iv) inflated fears around public safety (see M^cGuirk and Dowling 2007, Gwyther 2005, Atkinson and Blandy 2005). Nonetheless, when coupled with the privatisation of service provision and of leisure and lifestyle resources that are built into new planned estates, they represent a turn towards cities marked by privatism with, potentially, very real long term implications for urban public culture, the sense of collective belonging to an urban citizenry with somewhat shared fates, inhabiting shared spaces and drawing on a shared urban commons of public infrastructure and public space.

Fledgling as the prospect may be, the withdrawal of middle class residents from everyday public spaces into more protected collective domains and private neighbourhoods has the potential to become a significant dimension of a recasting of the public city, particularly in relation to the role of urban public space in nurturing social contact and encounter between diverse urban publics. Diverse and open urban public space has long been recognised as central to cities’ democratic public realm and public culture. Following Jane Jacobs’ exhortations in the 1960s, many urbanists have recently rediscovered the importance not just of formal civic spaces but of prosaic everyday urban public spaces—streetscapes, public parks and squares, community centres and clubs, playgrounds and sporting areas—as sites that make visible the social diversity of the city and facilitate everyday encounters across that diversity in ways that can generate cohesion and strength (Iveson 2007, Watson 2006, M^cGuirk et al 2007). There is a temptation here to idealise public space as a nirvana of social cohesion, devoid of the power plays present in all social relations. Nonetheless, even recognising this, these are critical collective spaces in which various urban publics—shaped by difference around social class, ethnicity, culture, lifestyle and value systems—encounter and engage with one another and undertake prosaic negotiations of difference (Amin 2006). Yet recasting the public city makes these spaces vulnerable in two ways.

First, their mixed use as open and diverse public spaces is constrained by incorporation into private neighbourhoods where restricted access filters their use and limits their diversity and where socio-legal covenants rather than everyday negotiation regulates their purpose. Second, and more generally, the openness and diversity of public spaces is being transformed by the neoliberal erosion of publicly owned and publicly maintained spaces and their transfer to development and management by private agencies and corporations as part of a competitive city paradigm³. This is not inherently problematic in and of itself, nonetheless the consequent commercialisation and homogenisation of public space produces a set of interconnected constraints on the openness of the public realm. A key problem has been the way that security is aligned with seeing public spaces as places of consumption, dominated by commercial imperatives and a consuming public, often to the exclusion of activities and groups that do not fit with existing pictures of ‘the competitive city’. Particular social groups and types of activities are identified as unproductive, anti-social or otherwise threatening to the (consuming) order of public spaces and managed through

³ In this section of the paper I am drawing on arguments developed collaboratively with co-authors Robyn Dowling, Chris Gibson, Kurt Iveson and Kathy Mee for a presentation on Urban Vitality and Culture and the Public Realm at the launch Urban 45 initiative, State Library of Victoria, August 16th 2007. Thanks are due to Rowland Atkinson for editorial input on this presentation.

excessive surveillance and regulation. So the recasting of the public city by both structural privatisation and social privatism bears the risk of confining the mixed use of public spaces as sites of social inclusion, limiting encounter across diversity, limiting opportunities in which differences are made visible and negotiated and, potentially, limiting the extent to which a sense of social cohesion and belonging are felt across urban public space.

A significant governance challenge then is to prevent erosion of the urban commons—represented here by visible, mixed-used public spaces to which diverse and different social groups can subscribe and on which claims for inclusion can be made—as a means of minimising the desire and legitimacy of disconnecting and disaffiliating from the urban public realm, in all its diversity. The challenge is to find the ways and means for renewed (policy and capital) investment in mixed-use public spaces—without excessive surveillance and regulation, gating or privatisation—as a way of reducing the legitimacy of social privatism and isolationism and, in the longer term, of redressing a sense of anxiety around diversity and difference as a fact of metropolitan existence (Amin 2006).

Institutional limits to urban governance: mobilising urban governance capacities

My point thus far has been that the recasting of the public city—a product of multiscale shifts in public policy settings and in urban governance orientations—is implicated in the emergence of a host of problematic urban outcomes around social cohesion, spatial and social inclusion. Addressing these governance challenges demands mobilising governance capacities in ways that reach beyond the limits and normative vision of the neoliberalist competitive city paradigm. However undeniable institutional limits confront this task and I want to work through three critical domains of action wherein these limits might be addressed:

- (i) developing a national urban policy agenda that confronts the aspatial habit that dominates national public policy;
- (ii) developing new institutional forms and scales to address problems of institutional fragmentation; and
- (iii) mobilising appropriate state interventions to frame the harnessing of private capacity to address urban problems and produce enhanced urban outcomes.

So the question is what is needed to mobilise and reenergise the capacity to respond to these critical challenges to urban governance? In what follows I work through some possibilities for progress based in the *realpolitik* of metropolitan governance in Australia and drawing on examples of existing initiatives with potential for broader mobilisation and adoption⁴.

Urban issues and the national policy agenda

Nationally-determined, macro-scale fiscal, economic and welfare policies shifts—perhaps above all abandonment of the principle of universality in social provision—can now be shown definitively to be shaping the complex expressions of social and economic diversity and concentrations of prosperity and hardship redefining the Australian metropolis, and challenging the distribution of the costs and benefits of prosperity both spatially and socially. Yet, despite the multiscale nature of the processes driving urban change (M^cGuirk 2003), there is a unique failure to acknowledge this at the commonwealth level. It is widely recognised that commonwealth policy interventions have lacked both a spatial consciousness and, more specifically, an urban orientation capable of appreciating both the inter- and the intra-urban impacts of realignments in broad policy settings. Moreover, the reterritorialisation⁵ of the Australian national economy is having socio-spatial and economic

⁴ Critical urbanists and urban policy practitioners have been well aware of these limits, as was the ALP's Australia's Future Cities discussion paper launched in 2005. Yet, in the absence of critical change in governance capacities around Australian cities, the nature of these limits bear repetition.

⁵ The spatial re-inscription of the connections, flows and distributions that derive from global integration of the national economy and the related disruption of older scalar hierarchies that connected cities to their immediate hinterlands.

outcomes that are played out within and across the big cities (O'Neill and M^cGuirk 2005). While reterritorialisation has been enabled through transformed national policy settings, its urban impacts are scarcely acknowledged. This lack of alertness to the urban governance demands that reterritorialisation generates is registered particularly in the absence of a national urban policy framework. Bluntly put, national public policy setting have had a tendency to be spatially blind despite their deeply spatialised impacts (Gleeson 1998, Fincher 2003, O'Neill and M^cGuirk 2002).

Urban issues and, relatedly, urban governance capacity clearly need to be lifted on to the national agenda⁶ (Gleeson 1998, Stilwell and Troy 2000, Lennon 2007). In the absence of a Commonwealth ministry to address the management of cities, and given the unlikely prospects of its formation, Michael Lennon (2007) has recently suggested the Council of Australian Governments (COAG) as an entry point for inserting urban governance and urban issues on to the national policy agenda, and as a cooperative setting in which to develop a key set of urban policy priorities and bring innovation to institutional arrangements to drive reform across policy jurisdictions around the priorities. Just as COAG used incentive funding to drive multiscalar micro-economic reform in the 1990s, Lennon points to the scope to use COAG to set urban policy priorities, for instance, to develop measures to address housing affordability; to address the provision of spatially equitable access to a set of fundamental infrastructure needs across urban communities (transport and IT, education, community and cultural services); or to drive towards environmental targets such as emissions reduction. But critically, there is scope too in COAG to create the capacity to achieve these ends by working across the jurisdictions of federal, state and local government in recognition of the fundamental need to address urban problems from a multiscalar perspective. COAG could indeed be a forum through which to implant urban issues on to a national agenda, promote greater spatial consciousness around the differential urban impacts of commonwealth policy settings, and critically address some of the difficulties of institutional fragmentation.

Addressing institutional fragmentation

Australia's institutional framework, the historical legacy of federalism, is misaligned, sometimes dramatically, with the governance and policy needs of Australia's big cities. For the purposes of urban policy making and implementation, institutional fragmentation produces policy mismatches, policy gaps, resource blocks, and capacity failures that critically limit the governance capacity to address the problematic urban socio-spatial outcomes outlined earlier, and in some cases escalates them. In brief, the dimensions of institutional fragmentation that are critically undermining urban governance capacity are: (i) Federalism ensures that key policy levers that critically determine urban social and economic development trajectories have never devolved and so continue to sit within their 'spatially blind' national framework; (ii) state governments, with the exception of Queensland's recently formed Office of Urban Management, have not developed dedicated metropolitan scaled institutions adequately resourced or geared up to address the complex multi-faceted dimensions of metropolitan management⁷, nor have critical inter-agency linkages (e.g. between planning and infrastructure) been adequately forged. Moreover, the diverse state government instrumentalities with a role to play in urban management are largely hemmed into reactive and regulatory modes (e.g. environmental and housing agencies) (Lennon 2007); (iii) local governments have chronically limited institutional capacity in the Australian context and these are further diminished by a crisis of financial sustainability in the sector (O'Neill 2007). Thus institutional fragmentation ensures that neither the multiscalar nor the multi-faceted nature of the forces shaping urban issues can be adequately grasped. Nor can appropriately-scaled policy interventions be easily identified and devised. Simply put, the governance framework is ineffective when it comes to urban policy and governance.

⁶ Indeed, perhaps the primary aim of SOAC is to work towards that end and its instigators should be acknowledged for that.

⁷ Though the recent committed return to metropolitan strategic planning across the metropolitan centre is a welcome advance in this regard.

Let me elaborate on the effect of this with the simple example of urban public space. Commonwealth policies stripping back basic universal services are oblivious to the drivers of disaffiliation from the public realm and public space, while broader commonwealth discourses heighten urban fear and thus the legitimacy of disaffiliation. State government policies and investment around public space concentrates on the development of formal civic public spaces in largescale public projects that are increasingly commercialised, surveilled and regulated, and harnessed to urban amenity competitiveness aims. Responsibility for nurturing the vital mixed-use everyday public spaces falls to critically under-funded local governments, struggling to produce and fund public space management strategies. They are also faced by the bind of being attracted to master-planned residential development that include collective spaces and amenities, funded by other-than-public monies, while struggling to ensure the accessibility to public spaces and public amenities across their jurisdictions.

Addressing fragmentation and creating enhanced institutional capacity to underpin more effective urban governance will need some significant reconceptualisation of the institutional forms, scales and instruments of governance. Australian state and federal politics have militated against the formation of metropolitan-scaled urban agencies or ministries with remits reaching across now fragmented realms of planning, infrastructure, housing, environment etc. Such urban super-agencies face resistance both from 'above' and 'below'. They have the capacity to develop as counterpoints to state government power and are thus politically unpopular at state level. At the other end of the spectrum, they fall foul of impassioned community resistance to anything suggesting local government amalgamation. So the realistic prospect of such metro-scaled institution formation remains dim.

Nonetheless, there is hope in the recent revival of metropolitan-scaled spatial planning⁸ particularly because of the opportunity it provides to mobilise new institutional forms and instruments to drive implementation but, crucially, within the context of a broader metropolitan strategy rather than via the project-by-project approach of the earlier generation of competition-oriented special purpose authority driven development. Growth Management Authorities such as Sydney's Growth Centres Commission (GCC) offer one example of an institutional form that can cut across and combine the critical intersecting urban policy domains. The GCC was formed simultaneously with the release of the 2005 Metropolitan Strategy and the development of a state infrastructure strategy which guarantees state funding to all planned major physical infrastructure. So its operation is integrated into a wider spatial strategy to manage Sydney's growth over the next 30 years. It is working with local governments to manage the integrated development of the two major land release areas on Sydney's northwest and southwest. It works across the often fragmented policy realms of land use planning, infrastructure provision, environmental management, economic and social development for new residential areas. Critically though, from the perspective of democratic governance, local governments remain the consent authorities on development approvals. While it remains to be seen how effectively this will unfold in practice, the idea of a growth management authority empowered to work across multi-faceted policy domains, while embedded in a broader spatial plan that is alert to distributional issues, has considerable potential as a means of addressing institutional fragmentation. Such a model requires sustained political will and democratic commitment to see through its potential. Of course, its capacity would be enhanced were it connected to nationally-defined urban policy priorities.

Revisoning state capacity and harnessing private capacity progressively

Perhaps the most challenging dimension of reenergising urban governance capacity involves the revisoning of the state's urban policy intentions and its intervention capacities in pursuit of policy outcomes. The development of urban governance capacity needs to be conceived of in forms capable of operating effectively in a post-welfare era wherein private capacity—most particularly the resources of the private sector—can be harnessed to address existing

⁸ Since 2002 all 5 major metropolitan cities in Australia have developed new metropolitan strategies that extend beyond the tradition focus on land use and infrastructure planning, to attend increasingly to planning for social and economic development and ecological sustainability.

urban problems and to enhance urban public policy outcomes. This is not to suggest resignation to the triumph of neoliberalism and the dominance of markets as the mechanism for the distribution of societal resources. The limits of market-based approaches are now well established and increasingly recognised across the sectors and across a good deal of the political spectrum. Rather it is to suggest that we are in the challenging era of after-neoliberalism in which new forms of political settlements are emerging between states, markets and communities. In terms of urban governance in Australia, it is a phase in which the dominance of the influence of the competitive city paradigm needs to be shaken off more definitively. It has hindered the policy imaginary and the understanding of how private sector capacity can be drawn upon in shaping progressive urban outcomes.

Critically, despite the incursion of neoliberal 'small state' thinking across a range of macro- and micro-policy domains (Gleeson and Low 2000, Bell 1997, Everingham 2003), interventionist public capacity in Australia, at both commonwealth and state level, remains strong (O'Neill and M^cGuirk 2005, O'Neill and Moore 2005). However, we need to reconceive of the role of the state and reimagine the forms of state interventions and mobilisations of private capacities that can be aligned with producing fair, inclusive, productive and sustainable urban outcomes⁹. From an urban perspective, new governance models need to be imagined and established to guide: (i) how to deploy the considerable public capacities that remains in the Australian state most effectively; and (ii) how to mobilise and harness the capacities and financial resources of the private sector in ways that address the needs of urban infrastructure, housing and social provision rather than simply cherry-pick profitable market opportunities for private investment on a commercial basis. These need to be imagined while simultaneously considering the structural problems of the institutional framework such that institutional reform and the production of fresh policy approaches may go hand in hand.

Where might we look for extant examples of using state capacity to engage private capacity in paradigm-shifting ways, combining public-led investment with new models for private sector involvement and driving towards enhanced urban outcomes? Two modest examples that stretch beyond the competitive city paradigm will suffice: the use of development levies by Sydney's Growth Centres Commission (GCC) and the use of partnerships with private sector construction firms by the NSW government's development arm, Landcom, to achieve enhanced community and environmental outcomes in urban residential development.

Currently, the GCC is empowered to levy a Special Infrastructure Contribution of \$485 000 per ha of developable residential land aimed to ensure that 75% of estimated attributable cost of infrastructure in the new release areas in its jurisdiction is funded by the private sector. While there is, no doubt, debate to be had about the impost these levies place on development costs and the extent to which these are passed on to home purchasers, the framework is one that definitively mobilises private resources and connects private investment to the broader governance task of improving the equity of spatial access to transport and community infrastructure. The question is whether the governance system is equipped to cope with the complex needs of the public private partnerships that will need to be devised to carry forward infrastructure provision, avoiding catastrophes such as Sydney's Cross City Tunnel (see Dodson and Low 2007). It is essential too to remain alert to how such institutions and mechanisms such as development levies restructure the policy community. So, careful attention will be needed to assessing development outcomes and democratic accountability. This is especially so in a context, as in NSW, where the trend for planning by exceptionalism has been reinforced by recent planning reforms enhancing the Minister's ability to remove key developments from the public realm. Nonetheless, the formation of the GCC simultaneously mobilises public intervention capacity and harnesses private investment and capacity resources to drive public policy outcomes with more vigour than has been evident in NSW metropolitan planning for some decades.

⁹ Numerous papers presented at the Urban45 initiative launch called for a reinvention of the role of the state in urban policy and governance.

The second example I want to touch on is Landcom. Landcom is a state-owned corporation of the NSW state government whose core business is developing masterplanned residential estates aimed at moderate income households. It is currently in the process of developing dozens of estates, of various scales across the Sydney greater metropolitan region. Landcom is a developer not a builder so to deliver its estates, it engages in partnerships with private builders or developer/builders who competitively tender for the contract to complete an estate or components of it, having to meet Landcom development criteria (see M^cGuirk and Dowling 2007 for a more detailed account). Through its developments Landcom aims to 'road-test' progressive environmental, urban design and social innovations which enhance urban outcomes at the neighbourhood level. It structures its relationships with private sector partners such that these innovations are literally built in to the estates it develops, and then uses its estates as exemplars to drive change in the wider development industry (Landcom 2005b, Landcom 2005a). Landcom presents another example of strong state capacity being used to harness private resources to the delivery of workable, serviced and more environmentally sustainable urban neighbourhoods for moderate incomes households. As a corporatised agency required to produce an investment return to the state government, Landcom does not currently have the capacity to use incentives to lever private investment in projects that do not deliver a market return, such as low income housing. Nonetheless, the framework of using state capacity and public-led investment to engage private sector resources and capacity towards desired urban outcomes has a powerful potential.

These two brief examples point to movements beyond the competitive-city paradigm in terms of governance practices, priorities and policy orientations. They suggest the potential to develop progressive governance frameworks with enhanced governance capacity. These are frameworks that recognise and act on the power of state intervention and of public-led investment to drive desired urban outcomes, yet which incorporate private resources and private capital to enhance the capacity to deliver these outcomes. A governance framework that combines directed state intervention and more effective models for mobilising private sector resources, incentivised as and where appropriate, could generate significant capacity to intervene more effectively in the critical urban issues of housing affordability, and infrastructure and service access and in the maintenance of a broader public realm and public culture.

Conclusion

In this paper I have outlined three pathways to mobilising and reenergising the urban governance capacities necessary to address the contemporary challenges of Australia's metropolitan cities: registering urban issues in the national policy agenda, addressing institutional fragmentation and, perhaps most challengingly, shifting the political imaginary of urban governance to work more effectively in these post-welfare, after-neoliberal times. My discussion points definitively towards the need to relocate our understanding of the city as an object to be governed beyond a competitive city vision and that of its related governance paradigm. This imaginary floats the urban free from its national setting and pitches it into a global competition for investment flows. Urban governance frameworks need to be based on understandings of the city as shaped by multiscale processes and policy realms, including the national scale. To miss this is to condemn urban governance both to destructive rounds of place competition and to reactive problem solving. Moreover, governance frameworks need to be built within a more expansive vision of the ends to which urban policy interventions can be applied than those allowed for in a competitiveness-oriented paradigm. There is scope to build a braver vision of intervention—drawing on resilient public capacity—both to address extant urban problems and to secure the basis for maintaining equitable urban access, opportunity, connection and cohesion. Finally urban governance frameworks need to be supported by creative thinking around the institutional mechanisms through which to achieve policy outcomes in a post-welfare era; most especially around harnessing private capacity and resources to expanded public policy ends.

In particular, I have posited these pathways as means of generating institutional capacity to reembrace the positive qualities of Australia's public cities, eroded in the last two decades

under a competitive city governance paradigm. I have made this argument from a perspective focussed largely on the politics of distribution and on challenges that demand a renewed *framework* that would build governance capacity. Building capacity, however, will also require a *process* of urban governance based in recognition of the diverse values and social difference of the contemporary metropolis. Another on-going urban governance challenge is to find ways of engaging diverse communities meaningfully in processes of governance that are open to the negotiation of inevitable differences of value, identity, priorities and need across communities and localities. Building capacity in this regard is just as critical as building broader institutional capacity is to the project of producing and sustaining fair, inclusive, cohesive and productive cities.

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