

Producing the capacity to govern in global Sydney: a multiscaled account

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Biographical statement

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Introduction

Urban regime theory (URT) has been dominant among a series of recent approaches to the study of urban politics which have dealt with the collective and cross-sectoral nature of urban governance tasks, forms and social practices (see Bassett, 1996). While critics of URT have been appreciative of its emphasis on local contingency and local politics in accounting for the social production of urban governance, they have also problematised its limited capacity to conceptualise the production of governance in the context of social processes and political-economic relations which operate at and through spatial scales beyond the urban. Lauria (1997b:7), for instance, has critiqued URT's treatment of scale as static and functionalist, arguing that it treats processes operating at scales beyond the urban as merely providing the context or stage on which urban governance is acted out and, thus, is unable to capture the complex dynamics of the scale relations through which urban governance is produced. URT's focus on a localist narrative has led some to dismiss its insights into geographically variable urban politics and social practices of urban governance as *ad hoc* empiricism, leading to rounds of untheorised description and an inability to shed light on how urban governance is situated within and constitutive of social processes and political economic relations played out and organised at wider scales (Feldman 1997; Jones 1998). According to these critiques then, URT is in need of a more nuanced approach to the tangled scalar geographies (Peck, 2001b) through which urban governance is produced.

This paper moves towards that approach by adopting URT's focus on urban politics, but it conducts its analyses through a multiscale lens. The analysis treats extra-local social processes and political-economic relations not merely as the context 'out there' to which urban politics, assumed to be conducted somehow 'in here', react and adapt (see Peck, 2001). Rather urban politics are viewed as both embedded in and constitutive of wider-scaled processes and relations, playing a particular (and changing) part in their scalar organisation. The paper offers, thus, a preliminary attempt at a multiscale analysis of urban politics which demonstrates how processes operating across multiple scales intersect in the production of governance locally. It analyses the social production of urban governance in the emergent global city of Sydney, Australia. Specifically, it attends to role of the city's changing scalar context—i.e. its changing position in the global space economy—and its scale politics—i.e. its strategic governance as a key terrain in the state project of national economic transformation (see MacLeod and Goodwin 1999a)—in the social production its governance. The paper analyses the form of Sydney's governance and the contents of its urban politics as a product of and a contributor to this evolving scalar context. It

suggests that regime analyses need not yield insights of limited and purely empirical interest. Rather, in adopting a scale-sensitive approach which highlights the dynamics of scale relations which embed urban politics, they can make important contributions to theoretical development concerning the multiscale complexities of governance.

Framing multiscaled analyses of urban governance

URT is concerned with 'the informal arrangements by which public bodies and private interests function together in order to be able to make and carry out governing decisions' (Stone, 1989:6): those interests which habitually 'function together' being characterised as governing regimes. Its central question is 'how, in a world of limited and dispersed authority, do actors work together across institutional lines to produce a capacity to govern and to bring about publicly significant results?' (Stone, 1989: 8-9) or how is the capacity to govern socially produced. Urban politics scholarship has yielded numerous URT-inspired case studies of individual and comparative city politics, tracing the emergence and transformation of regimes and regime politics over many decades (e.g. De Leon, 1992; DiGaetano and Klemanski, 1999; John and Cole, 1998; Jones and Bachelor, 1993). At the heart of these studies is a concern for the coordination of urban governance across a heterarchy of interpersonal, interorganisational and intersystemic relations (Jessop, 1998).

Urban geographers' have found common ground with regime theorists' analyses of urban politics (e.g Gibbs and Jonas, 2000). Their interests have dovetailed in a focus on the politics of contemporary transformations of urban governance. Urban geographers have been preoccupied with the changing modes of urban governance associated with the emergence of globalised post-fordist forms of economic and political organisation, and the complex restructuring of the national state in particular (see Hall and Hubbard, 1997). The multifaceted transformation from *government* to *governance*, whereby the dichotomy between the organising principle of market forces *or* formal hierarchy is supplanted (Jessop, 1997), has highlighted the importance of cross-sectoral partnerships, networks and regimes as key institutional mechanisms of governance. This has resulted in a profusion of attempts to explain and theorise transformation in the practices and the politics, the structures and, significantly, the scales through which governance is effected. Here, however, the limitations of URT's localist focus have been exposed by its application to the transition from urban government to governance whereby the balance of the state/market division of labour has been realigned, the architecture of state intervention reinvented, and organisation of the tasks of governance rescaled.

The fordist to after-fordist transition has involved reworkings of the spatial and scalar organisation of state and corporate functions (Cox, 1998). Observation of these developments has led to the recognition that scales do not have an ontologically pre-given, fixed and hierarchically nested existence but are socially produced and reproduced ‘as part of social and cultural, economic and political landscapes of capitalism’ (Smith 1993:101; and see Marston 2000). Any given scalar fix—the organisation and institutionalisation of social processes along functional and territorial lines (see Brenner, 1997)—is historically and geographically contingent. It represents the embodiment of scaled political-economic power relations. Once such a strategic scalar fix is constructed, it is implicated in its own institutionalisation, materialisation and continued reproduction (see Delaney and Leitner, 1997).

Nonetheless, the socially produced nature of scales means that scales are not fixed but are always subject to potential reworking, to the reconstitution of scalar relations and, relatedly, to a reterritorialisation of social processes and power relations. The scaling of the political economy and of the organisation of its governance is the subject of ‘a perpetual, transformative socio-spatial power struggle’ (Swyngedouw 1997:141). Scale, therefore, not only provides a setting for social and political contestation but, as Brenner (1998:447) suggests is one of its ‘principal stakes’, as dominant social and political forces struggle to secure a form and scalar organisation of governance which can serve their particular strategies. The social production of governance is, therefore, framed by dynamic relations between scales. Governance at any scale is constructed simultaneously and constitutively by actors, institutions and politico-economic forces operating simultaneously at a range of inter-meshing spatial scales (Cochrane, 1999, Jessop *et al.*, 1999). Thus, there is a politics to scale and a scale politics to the social production of urban governance.

However, geographers’ explorations of the social construction of scale and the importance of scale politics have resulted in widespread criticism of URT’s neglect of political and economic forces and social processes which operate in and through spatial scales beyond the urban (Cochrane, 1999; Jessop *et al.*, 1999; various contributions in Lauria, 1997; MacLeod and Goodwin, 1999a). Critics have targetted URT’s focus on the internal or local dynamics of the formation and maintenance of governing coalitions. The determinants of urban politics are predominantly understood in URT to be the local mediation of conflicting interests, the negotiated construction of coalition agendas, and the ongoing bargaining that characterises the interdependence of state and markets in a locality (Judge, 1995; Jessop *et al.*, 1999). Regime

analyses, then, have tended to forge few connections between local regimes and the wider structures and relations in which they are embedded. Following this, neither have they attended to the positioning of urban governance within a complex scale politics. Treatment of scales beyond the urban has tended to be reduced to sometimes vague statements about globalisation (MacLeod and Goodwin, 1999a) as simply the context within which urban governance institutional forms and policy agendas are generated. The complex relationship between economy, scale and governance is reduced to a one-way flow in which the 'external' context of globalisation, taken to operate in an abstract 'out there', impinges 'top down' to shape 'internal' urban politics and to mould local institutional forms (Ward 1996). There is little sense of how these are a product of their imbrication in social processes that are constituted at multiple scales. Conventional regime analysis cannot reveal, then, how urban politics, the membership of coalitions, their means and agendas are shaped by much more than the local political mediations that characterise the interdependence of state and markets. Such analyses do not consider how urban governance is moulded too by the constitutive part it plays in the scalar organisation of broader social processes and political economic relations. Conceiving of urban governance as both reflection and constituent of a wider system of political-economic interdependencies and of the complex scalar politics in which its social production is embedded demands a multiscale perspective. Such a perspective needs to be cognisant of the operation of social processes across scales and of the dynamic, co-constituting relations between scales. In other words, it requires a relational view of scale that understands the scalar organisation of governance as an outcome of scale politics.

One suggested means of extending URT to incorporate theorisation of the interdependencies of urban governance practices and policies with wider-scaled political and economic structures and relations has been to merge it with neo-marxist regulation theory (Lauria, 1997). Regulationist accounts of urban governance position local institutions (such as urban regimes) as sites through which the broader social-political-economic harmonisation or social regulation required for the reproduction of capitalist accumulation is pursued (Collinge, 1999; Jones, 1998; Painter and Goodwin, 1995). A regulation-regime theory merger would address a widespread uneasiness with URT's emphasis on agency-centred explanations and its failure to locate the socio-institutional forms of urban governance within the broader dynamic of political and economic structures (Hackworth, 2000; Jones, 1998; Lovering, 1999). Regulation theory would introduce to URT greater attention to the national state's role in shaping the urban fabric, the necessity of linking local governance forms and social practices particularly to national politico-economic

contexts; and a consideration of local regulatory bodies and institutions as sites for broader social regulation (Collinge, 1999; MacLeod and Goodwin, 1999a; Jones, 1998).

Attempts to operationalise regime-regulation analyses of urban governance are at an early stage of development (though see Gibbs and Jonas, 2000), though clearly there is potential in this approach to extend the focus of URT beyond the urban. However, such a merger would need to be wary of the ‘regulationist enigma’ (Jones, 1997)—the reductionist tendency in regulation theory to read off local transformations in governance as the structural by-product of broader transitions at the macroeconomic scale. This arises from a tendency to privilege global and national scale processes rather than to consider their constitution through complex scale relations and the mediation of scale politics. A multiscale perspective, however, would overcome this tendency. It could not privilege social processes and political-economic relations operating at national or global scales as the *a priori* structural determinants of local politics or of the form and institutions of urban governance. Neither could it grant these global/national processes and relations theoretical privilege in explaining wider systems of governance, relegating the play of local politics to mere empirical context-dependent detail. Rather this perspective would view social processes and political economic relations as intrinsically related across scales—global, national and local—and as constitutive of co-evolving layers of the territorial organisation of governance (Brenner, 1998). It would demonstrate the necessity for global, national and local governance contexts to be viewed in concert; for political-economic regulation to be considered alongside analyses of urban governance; and for theoretical argument to be pursued in tandem with empirical studies of urban politics.

In the discussion that follows, a case study of Sydney is developed in a preliminary attempt to pursue a multiscale perspective on the conduct of urban politics and the social production of urban governance. It aims to demonstrate how regime analysis can be enriched, and perhaps transformed, by attention to the multiscale production of urban governance.

Governing global Sydney

This analysis of Sydney draws on both regime and regulation approaches as methodologies (see Painter and Goodwin, 1995 and Painter, 1997) in that these approaches provide a paradigm or analytical framework¹ rather than a necessary ontological position for the research. The regime approach suggests attention to the contingent practice of urban politics by which the capacity to

governance is socially produced. The case study therefore investigates the components, practices and agendas of the coalitions² which form around the tasks of urban governance. The regulation approach provides a framework for connecting the place-specific social practices of urban governance to the regulation of the multiscaled political economy of which it is a part and through which it is constituted. The study investigates the multiscaled social production of governance capacity, focussing particularly on the governance of urban economic development and landuse planning as quintessential policy realms of urban governance. This is also a policy area around which distinctive interest coalitions can be anticipated to form (Newman and Thornley, 1997). There is scope here, then, to bring together the treatment of structure and strategy across interconnected spatial scales (Jessop *et al.*, 1999). Any such discussion of Sydney's government should begin with scalar context. This approach necessitates a multiscalar perspective and reveals not only the institutional framework shaping the city's governance but also its political-economic framing (see Ferman, 1996). Thus it can lift an account of Sydney's governance beyond the 'excessive local description' some critics fear of regime analyses (Jones; 1998:980).

The scalar context of governance

Sydney's governance, in process and practice, is a product of the complex and shifting scalar organisation of governance in Australia, and of a scale politics resulting from the city's changing position in the global space economy. The Australian political system is organised into three tiers of elected government, Federal, State and Local, which interact to condition governance at every scale. Each tier has direct and indirect, though sharply distinct, powers in relation to urban governance. Direct federal government involvement is minimal. In fact the Australian Constitution confers autonomy on state government in relation to all aspects of urban governance. Nonetheless, strong indirect relationships exist and there have been periods of active federal interest in urban affairs³. However, ongoing federal urban influence is predominantly made felt through the existing system of fiscal transfers from national to state government, aimed at horizontal fiscal equalisation. As federal government is responsible for raising 75% of total tax revenues, state governments are in a financially dependent position⁴. Nonetheless, state government dominates local government which has no formal independent existence or constitutional recognition and highly limited powers and responsibilities (Painter M., 1997). A major source of local government's political weakness is its fragmentation⁵. Among Australian capital cities, only Brisbane has a metropolitan local government authority. Functionally at least, therefore, it is state government which is paramount in regulating urban macro-management and

strategic economic and development planning. Federal fiscal conservatism since the mid 1980s, however, has provided the context for growing state entrepreneurialism organised at an urban scale and deployed as a mechanism to enhance state capacity to achieve political and regulatory objectives. The scalar organization of Sydney's governance environment, then, is complex and has been undergoing significant transformation.

Federal government macro- and micro-economic policies, which have responded to and contributed to the transforming location of the Australian economy within global circuits of capital, have fundamentally shaped the conditions of urban governance. Sydney's key role in mediating this transformation has produced a significant shift in scalar context, and the emergence of a scale politics that is shaping Sydney's governance. Since the rule of the Hawke/Keating Labor governments (1982–1996)⁶, economic liberalisation, micro-economic reform and public sector marketisation have dominated national policy agendas and provided an increasingly entrepreneurial context for state and local government. Reduced federal funding has encouraged inter-state rivalry to attract private capital investment through a variety of entrepreneurial means (Engels, 1999; Stillwell and Troy, 2000) and sharpened the need for public-private partnerships to secure such investment (see Deas and Ward, 2000). Keating's characterisation of the national economy as a 'banana republic' in 1991 was just one indication of how the national economy was represented as facing a crisis of competitiveness and thus as an object in need of renewed social and economic regulatory strategies. The policy agendas of economic reform have been cast in public discourse and thus naturalised as the inevitable product of economic restructuring generally, but of globalisation in particular (Painter M., 1997). The task of preparing the economy for competitive status in an inevitably globalising economy became a hegemonic project. Economic liberalisation was driven by tariff reduction and financial deregulation in a heretofore highly protected economy (Fagan and Webber, 1999). Smaller but more efficient government at every tier and a globally competitive micro-economic climate became central policy objectives as economic rationalism gained hegemony in federal circles (Pusey, 1991), with significant repercussions for the tasks and social practices of urban governance.

As part of this process of market liberalisation, a National Competition Policy (NCP) was initiated by federal government and instituted across state governments since 1995 with wide-ranging impacts on urban governance. Apart from promoting widespread deregulation, this policy has introduced contestable markets into the provision of public services by state and local

government and thus promoted their corporatisation and, to uneven degrees across the states, their privatisation. The project of deregulation itself had become the object of regulatory policy. In New South Wales (NSW) these policies were pursued with particular vigour under the Liberal Greiner/Fahey state government (1988–1995). When combined with the fiscal squeeze on state government budgets, NCP has had numerous implications for state and local governments' contributions to social and economic regulation. Competitiveness, efficiency, deregulation and entrepreneurial practice have been installed as institutional values and become an increasingly powerful presence in decision-making norms. The implications for urban service provision and resource allocation, the urban planning system and, notably, for the shape and formation of governing coalitions around these issues have been widespread (see Pierre, 1999). The national economy's increased global integration and the uneven 'neo-liberalisation' of state and local government has produced new challenges for Sydney's governance in particular in the form of new demands to ensure the supply of infrastructure, cultural and tourism facilities, the 'amenity, image and environment' expected of a global city (Hamnett, 2000), and the competitive planning and regulatory mechanisms to accommodate global city service industries and their development needs. As will be shown, new fledgling urban coalitions constitute one institutional form through which such challenges may be addressed.

Scale politics: shaping institutional forms and agendas

While direct links between the national state and the policy settings and mechanics of urban governance are few, shifts in scalar context have led to a new scale politics, transforming the terrain on which the trajectory of Sydney's governance is produced. Indeed state and local government agendas for Sydney have been fundamentally shaped by Australia's changing position in the global economy and Sydney's strategic role in securing that position.

State government deploys two key sets of regulatory powers that fundamentally influence Sydney's governance: strategic land use planning and economic development planning⁷ pursued respectively through the Department of Urban Affairs and Planning (DUAP) and the Department of State and Regional Development (DSRD). The broad neo-liberal deregulatory agenda enacted at federal and state levels since the late 1980s has witnessed state government planning systems evolving towards increasingly entrepreneurial roles and the use of facilitating legislation to create attractive investment and development environments (Gleeson and Low, 2000). In statutory planning this has involved a selective deregulation in the name of flexibility and re-regulation to enable the privatisation of other investment environments for local and international

elites (Allison and Keane, 1998). In a microscalar redistribution of responsibility, over this period state government has regularly acted to reign in local government's role in this policy realm, re-scaling the political handling of development deemed to be of state or national significance (Searle, 1999; Stein, 1999)⁸. The establishment of special purpose development corporations, the production of special state environmental planning policies to deal with specific development areas, and the use of ministerial 'call in' powers have become increasingly common features of Sydney's urban planning and development scene since this time. Searle and Bounds' (1999) analysis of the use of these powers since the reign of the NSW Wran/Unsworth Labor government (1976–1988) highlights their deployment to attract to Sydney the development of largescale 'global city' consumption and entertainment facilities, in a series of corporatist managerialist-style deals (see Stillwell and Troy, 2000) which would assist in establishing Sydney's role as a regional global city (see Table 1).

INSERT TABLE 1 ABOUT HERE

In regard to economic development planning, state government has extensive institutional arrangements to promote economic development. Both DSRD and the Premiers' Department work closely with DUAP in pursuit of facilitative arrangements to guide incoming capital investment through regulatory frameworks. Traditionally these Departments have been involved in facilitating investment and promoting economic development. The effects of economic restructuring on Sydney's manufacturing sector in the 1980s led to an emphasis on the facilitation of job creation. Since the mid 1990s, however, a much greater focus on enhancing Sydney's international competitiveness and 'global city' status has been evident (Connell, 2000). The importance of Sydney's success to the NSW state economy and indeed to the national economy has become an explicit feature of the prevailing neo-liberal policy discourses of this component of state government (M^cGuirk, forthcoming). Similar to London, Sydney has been 'actively constituted as a key terrain in the project of forging a successful state strategy' (MacLeod and Goodwin 1999a: 518). As a focus of government facilitation of development projects and accumulation strategies, it has been the target of state spatial selectivity—the tendency for state actions to privilege certain places through accumulation strategies and hegemonic projects (see Jones, 1997:849). In a display of strategic scale politics, this geographical privileging of Sydney can be demonstrated in a conjuncture across federal, state and local government strategies.

Federal government, in an unusually direct show of urban intervention, has recently moved to facilitate the location of financial service providers in Sydney as the linchpin of the national economy's integration into global financial markets. In 1999 it established a centre for global finance in Sydney, Axis Australia, the purpose of which is to establish Australia as 'the Wall street of the Asia Pacific' (Hockey, 1999). Regarding local government, although Sydney's local government is highly fragmented and the Sydney City Council (SCC) is just one of over 40 local government authorities (LGA) in the metropolitan region, with formal powers and responsibilities no different to those of any other LGA, spatial selectivity grants SCC a profile and effective power beyond what would normally be expected of an LGA. One reason for SCC's unusual, at least rhetorical, power vis á vis the state government is that Sydney's CBD, with which the SCC's jurisdiction closely corresponds, is the epicentre of the city's claim to global city status and the flagship of Australia's interface with the global economy. This is the public face of global Sydney and the predominant location of its signifiers—finance, producer services and commercial property in particular. SCC's strategically important position has been reinforced by the remarkable longevity and high profile leadership style of Frank Sartor, the city of Sydney's mayor of 12 years. Sartor—an Independent—could reasonably be characterised as a 'messiah mayor' (Judd, 2000) with a central role in shaping policy directions and development priorities⁹. In 2000, Sartor established the Global Sydney Committee within SCC which has an invited membership of leading state and local government bureaucrats and leaders of key CBD business sectors. The committee's brief indicates the high profile role of SCC. Its aim is 'to address issues relating to Sydney's standing and role in a global context' (City of Sydney, nd.), claiming for itself a core interest in contributing to the broader governance agenda. In shaping the dynamics of the city's governing coalitions, the SCC has a unique role produced by the CBD's structural location within Australia's globalising space economy and Sydney's resulting geographical privileging.

Finally, state government roles, activities and rhetoric, boosted by national state support and local state compliance, have focussed increasingly on: (i) promoting and exploiting Sydney's global profile. The most notable recent example concerns the post-Olympic Business Strategy launched by DSRD to capitalise on the unprecedented exposure and business linkage opportunities generated by Sydney's hosting of the 2000 Olympic Games; (ii) facilitating largescale developments and those associated with 'new economy' and 'global city' functions or which increase the city's integration into global accumulation circuits. For instance, the Premier's Department specialises in forging links across government departments and tiers to

steer major international investment proposals through the regulatory environment. The ITC and film industries are currently the target of major promotional initiatives within DSRD. These activities signify a strengthening institutional capacity to actively seek investment in Sydney; and (iii) forging effective partnerships with the private sector regarding both individual development projects and the formulation of economic development policy. Significantly though, developing in parallel to instrumental partnerships formed around specific redevelopments or investments is a host of partnership-style cross-sectoral engagements which activate a form of strategic selectivity on the part of state government to ensure access for elite business interests' input into policy matters and to secure support in the implementation of policy (see Table 2). Economic and urban development and policy directions offer regulatory support to broad accumulation strategies which mirror now long-established federal regulatory priorities of facilitating global integration and carving a competitive niche for Sydney and the Australian economy in global accumulation flows. Thus state government is practicing a form of strategic selectivity which both mirrors and reinforces the national state's adoption of the policies and politics of the entrepreneurial 'competition state' (Cerny, 1990). Sydney clearly has a core role to play in the pursuit of an emergent national accumulation strategy.

INSERT TABLE 2 ABOUT HERE

However to 'read off' Sydney's governance as a straightforward translation of the structural and institutional relations in which it is embedded would be to fall into a reductionist trap. To understand and account for the complex dynamics of urban governance locally requires attention, firstly, to the politics of the local coordination of governance capacities and, secondly, to how these politics interact with and constitute political-economic settings across a range of scales. It is here that a multiscale perspective on regime analysis is useful. In attempting such an analysis we can potentially enhance explanations of the role of urban governance in the multiscale production of governance capacities exercised at and through other scales. Thus, having established Sydney's scalar context and related scale politics, attention is now turned to the social production of the city's governance, to its governing coalitions and their agendas, and to their embeddedness in the scale politics that surround and structure political-economic relations.

Coordinating Sydney's governance: urban coalitions and the multiscale politics of development

URT's approach to the study of urban governance brings a focus on the membership, means and policy agendas of the coalitions through which governance capacity is produced. Having established the need to adopt a multiscale lens in their investigation, what then can be said about the nature of Sydney's governing coalitions, their agendas, and their relationship to the scale politics of the wider complex of social process and political-economic relations.

There is a group of private sector and non-government organisations with a permanent presence in Sydney's governance landscape (see Table 3). In the private sector, a series of general business associations and specific business practice groups represent the major fractions of capital which dominate 'global Sydney': financial and business services corporations, property development and investment interests, major manufacturing corporations, retail and tourism interests. Collectively, these groups capture the major business elites in each of these fractions and there is a strong degree of overlap between their core membership and that of government advisory committees, business roundtables and forums. These groups pursue the largely traditional broad business elite interests in the regulatory environment for conducting business in the city, summarised by one peak industry group representative as 'tax competitiveness, and the efficiency of business to act, productivity, the relationship between governance, legislation and its impact on the productivity of the business community'¹⁰. However the development and regulation of the inner metropolitan area, and the CBD in particular, is writ-large in their interests due to its symbolic importance as the signifier of Sydney's global status and as the location of their substantive markets, investments and business environments. There is also a small number of non-government organisations with a permanent presence who contribute to the formulation of a governance agenda. Clearly these groups represent interests beyond those of traditional business and development elites and which range beyond those of the inner metropolitan area. Though representatives of these groups sit on some government advisory committees, more usually they are informally consulted by government departments for comment on specific policy or development project proposals.

INSERT TABLE 3 ABOUT HERE

The majority of these groups are long-established and have been part of the institutional landscape of governance over many years. Although these actors aim to mould policy settings, legislative and regulatory issues through the well-rehearsed mechanisms of yielding urban political influence (see Banfield, 1982), it cannot be claimed that they constitute a regime in the sense that Stone envisaged: that is, a relatively stable alliance with some continuity in priorities

and approaches and some coherence in development strategies and initiatives. There has been a clear agenda amongst business elites defined in the broadest of terms—to promote the creation of pro-business regulatory environments and to nurture the development of ‘global city’ infrastructure and amenity. Nonetheless, as business and government interests both recognised, forging these general aspirations into the common agenda and approach characteristic of stabilised governing regimes has proved difficult (see Mitchell-Weaver *et al.* 2000) as the following quotations illustrate:

(One) of the problems is that...you get a multiplicity of [committees] and then they’ve all got particular interests and they don't necessarily all have to share the same views so you can get quite different stories depending as to whom you speak...most of these areas are fractious...and it’s rare to find one agency with one administration where everybody sort of sees eye to eye...so you end up with three or four different groups in (a single industry) and they’re all sort of pushing different barrows.

(Senior state government official)

Lobby groups are driven by self interest, the self interest of the group, so they all form coalitions and drop them just as conveniently... I can’t ever see sort of formal coalitions of these people. They will coalesce when it suits them and they will divide when it suits them.

(Former senior state government politician)

(W)e form strategic alliances with other industry groups on a fairly regular basis to pursue obviously common interest and the (peak business association) is one that we quite commonly will draw strategic alliances with, and sometimes with other (industry) based groups. But we’re in a unique market, it’s only core (industry) based issues... And as I said we form these strategic alliances but we’re not talking as a single voice on a lot of these issues in relation to governance.

(Senior representative, peak industry group)

Accounting for Sydney’s lack of stable governance regimes provides an opportunity to draw out the connections between the city’s multiscaled politico-economic context and governance politics, and to reflect on the scale complexities through which they are formed. It is here that the Sydney’s changing scale politics related to its changing location in the global space economy,

becomes an important element in understanding the form and politics of its governance coalitions.

Sydney's market environment

The politics of Sydney's governing coalitions might be understood by regarding the city's unique market position and the dynamism introduced into its constituent business élites by the city's rising status as a investment and business node in global circuits of capital. Sydney's dominance in the national economy is in no doubt. With 21 per cent of the national population, it is Australia's largest city and the capital city of NSW, the nation's largest state economy. The Sydney economy has benefited greatly, though in a geographically uneven pattern, from Australia's economic restructuring since the 1970s, from the impacts of the growing global integration of the Australian economy and the deregulation of its financial markets particularly (Fagan 2000). Since the early 1990s Sydney has risen to prominence in the Asia Pacific urban hierarchy and undergone an unprecedented economic boom driven largely by the CBD-based 'global economy' sectors of financial, investment and business services, communications and tourism (Daly and Pritchard 2000). So the city's ascendant market position has been consolidated by gains directly attributable to Sydney's successful linkage into global accumulation flows and to its growing strategic position in driving the national accumulation strategy (O'Neill, 2001). Financial, property and retail services now account for 80% of Sydney's economic output (DSRD n.d.(a)) and economic growth rate averages have exceeded 5% p.a. since 1994 (SCC, 2000). Important by-products of this boom have included a buoyant commercial property market, an explosion of residential property development in the city fuelled by an expanding class of élite service workers, and a burgeoning retail sector fed by residential expansion along with expanding numbers of international visitors. By and large, it has not had to compete nationally for investment and consumption expenditure because its competitive advantages have been increasingly manifest.

While Sydney's position is strong nationally, Australia's transitional status between 'old economy' and 'new economy' means that Sydney does need to actively enhance its international competitiveness (Gruen and Stevens, 2000). Place competition with other cities in the Asia Pacific is more intense than inter-state competition. Recognition of Sydney's symbolic and functional role as the nation's primary interface with the global economy has guaranteed its access to state financial and regulatory support, within the confines of fiscal austerity (DSRD, n.d.(b)). State government's nurturing of an entrepreneurial and facilitative environment over the

past 10–15 years has specifically nurtured development in ‘global economy’ growth sectors. While the city has not needed to attract growth indiscriminately, the quest for international competitiveness is growth-oriented and is addressed through the manipulations of its regulatory environment to attract investment in key ‘global city’ business activities and the transformational developments which have procured the various physical markers of global city status¹¹.

The city’s ‘glocal’ positioning has produced a re-scaling of the economic space in which the city competes. This re-scaling poses differential challenges to various fractions of capital. Competing interests across business élites and within particular fractions of capital habitually produce a complex series of often contested policy and regulatory aspirations (Raco, 1997). In this case, complexity is heightened by Sydney’s ascendant market position and more particularly by the economic dynamism and changing location within the scale politics of governance engendered by the city’s increasing global integration. This has introduced new intensities of competition for investment and expanded the scales at which competition occurs. Sydney has largely ceased to compete with Melbourne and focuses rather in pitching its wares against those of Hong Kong, Singapore and, to a lesser degree, Shanghai (DSRD, n.d.(b)). Indeed, the city’s emergence as a global city in the Asia Pacific region witnessed the emergence of new interests in the signature business activities of a global city CBD which continually reposition the political machinations of governance. The ‘business agenda’ is cross-cut by the often competing demands of mobile investment capital and those of more place-dependent fractions of capital¹².

So, while long-established networks that facilitate traditional modes of political influence are undeniably present, new multi-faceted political demands are emerging from the need for ‘global city’ regulatory environments, infrastructure and amenity, cultural and entertainment facilities¹³. These create challenges for the mobilisation of cross-sectoral governance capacities. New players are drawn into governance activities in response and the network of actors contributing to governance is, according to key governance actors, defined more by its dynamic and disparate nature than by its stability or coalescence into regimes:

(T)here are institutions that are critical, but the networks...sometimes transcend those institutions and they are dynamic and they depend on the issues....The Melbourne establishment is much more real. In Sydney (networks are) much more dynamic. They’re also more flexible, more dynamic and they’re not as closed...

(Secretary, non-government organisation).

In Melbourne, the network that we have to talk to is much smaller, a very stable group of power brokers...(W)hereas in Sydney it is shifting all the time, layers are shifting, the politics are shifting, people are much more mobile... different groups come to the fore as different people come to the fore. In Sydney there are more players. They are more disparate. They have not got one head... there are a lot of different groups, a lot of different people to connect into, and in government it is easy to divide and conquer.

(CEO, Peak business association)

Sydney's position at the top of Australia's urban hierarchy, and its diverse and expanding economy, means that growth has been largely self-sustaining. In addition, business groups have been able to benefit from Sydney's economic buoyancy as 'free-riders' (see Painter, 1997), without the need for selective incentives to forge active and on-going cross-sectoral coalitions with government. Thus, while cross-institutional contacts within the private sector are common, systematic collaborations have been sporadic and project-focussed. Sustained economic expansion burgeoned both by federal and state strategies to nurture global integration, has produced predominantly contingent, project-specific alliances concerned with key developments (see Table 1). These reflect the differential interests of capital in public policy and their variable willingness to act unilaterally or collectively (Harding *et al.*, 2000). By and large cooperation has been highly contingent and stable cooperative cross-sectoral regimes have not coalesced. Conflicting fractions of capital with often competing priorities have more commonly been engaged in transient bargaining coalitions with government in order to secure specific developments¹⁴. While the nature of alliances remains transient, they lack the potential of more stable regimes to practice pre-emptive power in setting policy agendas (DiGaetano, 1997). This has important implications for the nature of power relations and the mode of governance in Sydney. Beyond project-specific public-private partnerships, the formation of 'partnership-style' relations with government has largely been state-orchestrated. This draws attention back again to the positioning of urban governance within a complex and multiscale political economy.

State orchestration and emergent coalitions

These accounts suggest the existence of a fluid network of political influence that circulates around government organisations, driven by the distinctive agendas of differentiated fractions of capital rather than a collective agenda with shared priorities and a common approach. The use of deregulation, special purpose legislation, privatisation, and public-private partnerships in the

pursuit of specific policy objectives has produced transformations in how the capacity to govern is socially produced (see Gleeson and Low, 2000). Yet, crucially, the coordination of that capacity remains dominated by government organizations as they seek to lever institutional resources from the private sector. Senior government officials' understandings of their organisations' role in driving the production of governance suggest core roles of, firstly, building partnerships between government bureaucracies and the enabling capacities of the business and community sectors and, secondly, mediating between institutions and across sectors to overcome conflict and forge agendas to which competing interests can subscribe:

(It's all about driving those joint partnerships, the joint agendas, trying to find ways of minimising conflicts between agendas...Now the skill will be how can we then take it from *talking* about the problem to *solving* the problem jointly.

(Senior state government official)

You really want as many players as you can and as many people pushing. The sense, if there is a sense of coordination, is to try and find a common agreed set of values and direction...

(Senior state government official)

Government organisations are positioned at the fulcrum of governance with crucial roles in managing coalition politics so as to produce governance capacity aligned with Sydney's strategic location in the project of national economic transformation. One factor in this may be the relative absence of new institutional formations in Sydney's governance. Though there have been realignments within government organisations, with the exception of the formation of special purpose authorities (see Table 1) the basic institutional structure of governance has remained relatively unchanged, despite the onslaught of federal and state government neo-liberalisation. Likewise, within the private and community sectors the key lobby groups are well-established¹⁵. No new statutory bodies incorporating private sector interests and conferred with formal governing capabilities have been established and public-private partnerships have concerned infrastructure provision rather than governing or regulatory activity. It is the state government that has become active in coordinating partnerships, mediating cross-institutional contact and collaboration; identifying cross-sectoral agendas. This has particularly been the case in the realm of local economic development where, since the late 1990s in particular, a number of channels have been established to mobilise and harness private sector resources in realising governance capacity (see Table 2) to carve out a competitive niche for Sydney in global accumulation

circuits. Thus the agency of the state remains central to implanting a cross-sectoral network culture, triggering collective frameworks for action, and setting agenda priorities (see MacLeod and Jones, 1999). State government maintains a purposive leadership role in leading planning and investment, managing accumulation strategies, setting governing priorities and producing the capacity to act.

That this role has remained so central may help to explain the agenda that has characterised Sydney's economic and development policy agendas. Undoubtedly this agenda has been significantly influenced by Sydney's changing scalar context which has encouraged pro-growth, competitive and entrepreneurial policy settings. However, to cast state government urban and economic planning agendas and their delivery mechanisms, simplistically as by-products of a competition state paradigm is a misreading of a complex situation and one that offers little explanatory power. Not surprisingly, in practice, entrepreneurial and managerial government practices co-exist (see Imrie and Raco, 1999) as do pro-growth and growth management governing agendas. For instance, DUAP has been at the forefront in developing regulatory measures to promote urban sustainability and the preservation of urban amenity. The Department has frequently clashed with commercial property interests, most recently over its promotion of urban residential consolidation on land viewed by development interests as more suited to commercial or industrial development. DUAP is also currently promoting the practice of consensus politics through increasing stakeholder and community participation in strategic policy-making; a clear counter-balance to the strategic access of élite business interests to the key state bureaucracies. Such politically complex policy settings emerge from the state's responsibility to politically mediate the tension between the demands of accumulation and the legitimation demands that derive from the popular control of the state. These policy complexities are thus multiscalar in their nature and require attention to the interconnection of political currents demonstrated at national and regional scales, along with political culture practiced at the local scale.

Sydney's governance agenda and local political culture

It is certainly true that public sector operating environments have been oriented to a broadly neo-liberal free-market agenda that has emphasised efficiency, competitiveness and the attraction of investment for Sydney. However, this has not resulted in the control of Sydney's policy settings and governance agenda by business interest-dominated governing coalitions or, more generally, an exclusively pro-growth emphasis. This can be explained by the continued centrality of

government organisations' role, by the local political culture in which they operate, and by the strategic importance of Sydney's effective governance in securing broader political-economic objectives.

As has been shown, the pursuit of competitiveness has been central to the governance agenda targeted by state action, and this agenda has been constructed at multiple scales. Federally-driven financial austerity, initially at least, encouraged a shift towards partnership and facilitation in order to achieve governance objectives. However more blatantly pro-growth governance activity has predominantly been targeted at facilitating the development of 'global city' symbolic capital in the form of cultural, tourist and entertainment facilities (Searle and Bounds 1999) and at capturing 'new economy' activities (ICT and Financial Service industries). But, as Harding *et al* (2000) points out, business friendly regimes are not the same as business led regimes. These are transformative activities aimed at achieving global city status and international competitiveness rather than at, more simply, growth for growth's sake. Despite the quite visible recent history of explicitly growth-promoting major development projects—with 2000 Olympics being a quintessential example—an entrepreneurial imperative cannot be regarded as defining the governing agenda. It has not been a heavily financed objective, particularly since the mid 1990s (Searle and Bounds, 1999). These activities are not the limit of the governance agenda.

While capital mobility has ensured capital some bargaining powers over elected governments, the bargaining power of place-dependent capital in particular has been undermined by Sydney's self-sustaining, diverse and expanding economic position (see Kantor *et al.*, 1997). The relative strength of government and bureaucratic interests has enabled social benefits to be negotiated from expanding flows of capital and investment streams derived from the city's ascendant market position. Sydney's broader governance agenda has been consistently concerned with protecting environmental amenity, growth management (largely through urban consolidation measures), urban livability and sustainability, and attending to issues of social distribution (e.g. housing affordability) and socialisation of the costs and benefits of globalisation-induced prosperity. Significantly this has not been viewed, by the public or private sector, as inconsistent with the pursuit of competitive status (see Committee for Sydney, 1998). Competitiveness, rather than growth alone, is the key priority. As one senior government official put it:

If you look around the world at the various cities (a quality of life and a high standard of environment) is a very very strong emerging theme in cities that will prosper in the future. So you've actually got to try and persuade (business interests) that high quality

environment...is in their interests because it's in Sydney's interest because it's in the community's interest, because it will actually secure our future position as a global city.

(Senior state government official)

So, in so far as a singular governance agenda can be identified, Sydney's agenda has been growth oriented to the extent that the governance capacity to effect a physical and regulatory transformation towards competitive global city status could be achieved. Achieving this has been a key political project of state action at federal, state and local government levels. Nonetheless, socially progressive agendas and growth management policies with collective rather than selective benefits have maintained a strong presence in governing agendas, giving Sydney what Engels (1999) has categorised as a maintenance agenda¹⁶. This is testament to a relatively open and participatory political culture in which business bargaining powers compete with the demands of community-based non-government organisations. The interests of both, however, are channelled through state-orchestrated or state-centred processes of mediation.

As has been shown, the state agenda of promoting partnership and facilitation with respect of economic development and planning does create coalition-building linkages between government agencies and business interests, mobilised through a variety of business forums, advisory committees, roundtables *etc.*. While the 'natural constituency' for economic development departments has been the business community, linkage with the Labour Movement (through the NSW Labor Council) also has a long tradition which has been bolstered by the existence of a Labor state government since 1995. Also, since the late 1990s the emphasis within state government on broad business and community consultation, stakeholder participation and partnership has increased enormously in the light of growing demands for increased participatory democracy (Byrne and Davis, 1998). The adoption of a broad 'stakeholder' perspective within DUAP (see DUAP, 1999) exemplifies this. DUAP's role in regulating the 'on-the ground' development associated with Sydney's attraction of capital investment places it in the frontline of community concerns about development impacts. It has a clear community constituency in parallel to business and development interests and has been the most obvious community entry point into strategic negotiations about urban development. This has enabled the activities in the civic arena to counter the potential for the dominance of the business arena (see Ferman, 1996).

Nonetheless, relatively few community interest or non-government organisations have had consistently high profiles and levels of involvement in the strategic governance of economic development and planning at state government level. Civic engagement at a policy level does not have a strong tradition to date. However, other mechanisms of popular control have a democratising influence on the coalitions that have formed though these have tended to coalesce around particular developments and their local government regulation rather than around policy issues. Community and resident activism has become well developed in what has traditionally been an open and participatory political culture with considerable stocks of social capital and this has been an important influence on democratic participation in development matters (see Bockmeyer, 2000; Newman, 2000). Sydney's recent development history is replete with examples of high-profile, if sporadically effective, protest against contested development. The tradition of the Green Bans—coalitions between community groups and the construction unions promoting strike action to prevent development—has been effective in leveraging popular input into the regulation of large-scale development projects¹⁷. There is also a strong tradition of contesting development proposals at local government level. While local government is ultimately beholden to the state it does have a diffuse political influence on state government. Accommodating the politics of the civic arena is therefore an important dimension of securing the effective governance of Sydney's strategic development.

Sydney's political culture, therefore, is significantly shaped by popular control systems which do ensure, broadly speaking, that urban and economic development policies produce diffuse public benefits and not purely the distribution of selective rewards to key interest groups or development elites. In one sense, the use of special purpose authorities and special legislation to facilitate particular development objectives has limited the bargaining power of popular control. However, increased public disquiet over the mechanisms and outcomes of some state-facilitated major development (such as the development of Sydney's Fox Studios) and the privatisation of infrastructure has caused political difficulties and caused a political retreat from further planned privatisation schemes. The suggestion that the electorate is willing to discipline governments for their use of selective incentives and their requisite failure to pursue programmatic collective incentives (see Kantor and Savitch, 1993) has heightened the costs of securing public approval for such projects¹⁸. While it is true that most major development proposals 'called-in' by state government to date have proceeded, they are increasingly expected to incorporate some contribution to the public realm and to a broader social agenda (see O'Neill and M^cGuirk, forthcoming). A feature of Sydney's political culture is the growing expectation

that the development of space is not a privatised process but a public one in which civic scrutiny and popular control mechanisms have a legitimate role (see Strom, 1996). The politics of the electoral arena thus also play a prominent role in shaping coalition formation and agenda setting. Indeed the successful mediation of these interests is necessary to ensure both the continued political legitimacy of the state and the successful governance of Sydney's development as a key terrain in a national accumulation strategy.

Conclusion

The case study developed here demonstrates how our understanding of Sydney's changing governance—its coalition formation, membership and agendas—is enriched by attending to its scalar context and its location within a dynamic scalar politics. The analysis illustrates how Sydney's governance cannot be understood without a multiscaled perspective which attends to (i) the city's changing position in a globalised space economy, (ii) the (uneven) mediation of that economy by the interaction of regulatory strategies emerging from different tiers in the scalar organisation of government, and (iii) to the politics of how these regulatory strategies are played-out through the contingent local practice of urban governance. The research reveals the absence of a long-established stable regime in Sydney and the importance of state strategies in setting the conditions for coalition formation, in driving partnerships and in devising cross-sectoral governance agendas, despite the 'neo-liberalisation' of the regulatory systems which frame the governance of urban development. It demonstrates the way in which coalition politics and political culture shape the local practice of urban governance, *and* the way in which these politics interact with and constitute political-economic settings at a range of scales. Crucial to understanding these findings is an appreciation of the scale politics in which Sydney is embedded: its unique and strategic positioning in 'glocal' space as Australia's 'global city' and as a key strategic lever in the pursuit of a national project of achieving global economic competitiveness.

The approach developed here takes us productively beyond the insights and explanatory power of a conventional regime analysis. Engaging regime and regulation theory methodologically accommodates a focus on the intersection of the political economy with the politics of local coalition building and agenda formation: it enables attention to structure and strategy at interconnected scales. However, going beyond this to adopt a multiscalar perspective enables insights to be developed into the multiscalar constitution of governance and the operation of social processes and political economic relations across scales, firstly, by revealing the operation

of broadscaled political-economic relations in and through the practices of urban governance and, secondly, by suggesting how these same 'local' practices contribute to the political construction of economic relations at the national scale and beyond. Thus the approach enriches our understanding of urban governance and its contingent politics in any location, requiring them to be understood as both embedded in and constitutive of wider scaled social processes and political-economic relations. It reveals the social production of urban governance as a part of the changing scalar organization and scale politics of these processes and relations. Empirical case studies of urban governance conducted through such a multiscale perspective clearly, then, have more than a descriptive function, but instead can be both theoretically informed and theoretically informative.

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TABLE 1**NSW State Government intervention into major urban developments in Sydney**

1984	<ul style="list-style-type: none"> • Darling Harbour Authority (DHA): to manage large-scale redevelopment of former Darling Harbour Wharves (adjacent to the CBD) as a retail and entertainments precinct.
1989	<ul style="list-style-type: none"> • Eastern Creek Raceway: provision of loans and state land for the development of an international Grand Prix motorbike racing circuit. • Approval of third runway for Sydney Airport (Federal government).
1993	<ul style="list-style-type: none"> • Incentive program to attract Regional Head Quarters to Sydney • Sydney Organising Committee for the Olympic Games: to coordinate and manage the development of all sites for the hosting of the 2000 Olympics.
1994	<ul style="list-style-type: none"> • Sydney Casino: to manage the redevelopment of a former power station site at Ultimo-Pyrmont (adjoining the CBD) as an international Casino.
1995	<ul style="list-style-type: none"> • International Film and TV strategy for Sydney, including promotion of Fox Studios development on state land at the Sydney Showground site • City West Development Corporation (CWDC): to manage large-scale redevelopment of Ultimo-Pyrmont, and of the Australian Technology Park at former railyards at Eveleigh.
1996	<ul style="list-style-type: none"> • South Sydney Development Corporation (SSDC): to manage large-scale redevelopment of inner city industrial areas.
1998	<ul style="list-style-type: none"> • Sydney Harbour Foreshore Authority: to coordinate the planning and development of Sydney Harbour (amalgamating CWDC and DHA).

Source: Searle, 1999; Annual Reports of DSRD, Premier's Department and DUAP

TABLE 2**Cross-sectoral collaboration on economic development planning**

1986-7	<ul style="list-style-type: none"> • State Development Council: to develop policy and identify opportunities for state development (government and business membership).
1990-1	<ul style="list-style-type: none"> • Economic Development Committee of NSW Cabinet: advisory committee on state economic development comprised mainly of key senior business representatives
1991-2	<ul style="list-style-type: none"> • Sydney Financial Services Taskforce: to investigate policy settings to promote Sydney's role as a global financial market (government and business membership).
1992-3	<ul style="list-style-type: none"> • Office of Economic Development: to facilitate largescale, strategic economic development projects (Premier's Department)
1995-6	<ul style="list-style-type: none"> • Olympic Business Roundtable: to maximise business opportunities created by hosting the 2000 Olympics, including representatives from business and industry associations, the union movement, Sydney City Council (DSRD) • Partnership program with Industry Associations (DSRD)
1997	<ul style="list-style-type: none"> • Strategic Projects Division: to provide leadership, liaison and coordination across government agencies and spheres to ensure government's strategic economic and social objectives are met (Premier's Department). • Investment 2000: international marketing program designed to attract foreign investment including DRSD, Federal government and major Corporate representatives (DSRD). • Innovation Council: to advise government on the policies and programs needed to assist NSW business to be globally competitive and to capitalise on its intellectual property (DSRD).
1999	<ul style="list-style-type: none"> • Premiers' Business Forum: forum to highlight government and business cooperation and ensure state business programs are informed by business community views forum, including NSW Premier, senior state government ministers, and 130 senior business representatives (DSRD).

Source: Annual Reports of DSRD, Premier's Dept and DUAP

TABLE 3

Sydney's Coalition Actors

Government organisations	Private sector organisations	Non-government organisations
<ul style="list-style-type: none"> •Department of State and Regional Development •Department of Urban Affairs and Planning •Premier's Department •Sydney City Council 	<ul style="list-style-type: none"> •State Chamber of Commerce •Property Council of Australia •Retail Traders Association •Australian Business •Australian Industry Group •NSW Tourism Taskforce •Committee for Sydney •NSW Urban Taskforce 	<ul style="list-style-type: none"> •Labor Council of NSW •Total Environment Centre •National Trust •Heritage Council

NOTES

¹ Cooke and Morgan (1993: 562) use the term paradigm in the sense of an analytical framework as 'a set of principles, methods of understanding and practices which provide a coherent and useful way of engaging with the world'.

² I use the term coalition rather than regime. Stone's (1989) original formulation of the concept of regimes was based around groups of actors coalescing in a stable manner with a consistent agenda over relatively long time periods. As the analysis suggests, Sydney's governing coalitions have been relatively fluid in nature, hence the suitability of the term 'coalition' above 'regime'.

³ Over the past 50 years, however, this has only happened on two occasions when Labor governments have held power. Between 1972 and 1975 the Whitlam Labor government developed urban policies which were strongly focussed on social equity aims, with financial programs to match. Between 1990 and 1996, the Hawke and Keating Labor governments paid some lip service to the cities through the Better Cities Program. This program was based on a small number of funded urban renewal projects aimed at addressing urban efficiency, equity and sustainability. Its impetus emerged from a growing appreciation of the role of urban centres as engines of national economic growth and as catalysts for transformation to a globally competitive national economy (McGuirk, 1997). This initiative was dismantled in 1996 on Labor's loss of power and the election of a Liberal (conservative) national government.

⁴ State and local government respectively raise only about 20% and 4% of tax revenue. About 40% of their budgets originate from Commonwealth grants with more than half of this coming in the form of special purpose of 'tied' grants to fund public housing, infrastructure etc. (Stilwell and Troy, 2000).

⁵ This holds true despite local governments' subjection to the rigours of micro-economic reform imposed both through federal and state government initiatives, resulting in amalgamations and organisational reforms (Marshall and Sproats, 2000).

⁶ The Hawke/Keating Labor governments pursued a social contract with the labour movement as part of a strategy for achieving macro-economic success. However in other policy areas, and since re-election in 1987 in particular, they pursued a free market approach with considerable vigour e.g. the deregulation of finance, the corporatisation and partial privatisation of public-sector enterprises (Stilwell and Troy 2000)

⁷ Local government has important land use planning powers regarding development control and local environmental planning, though these are deployed within a framework of state policy and legislation.

⁸ The fortunes of Sydney's inner metropolitan local governments provide illustrative examples here. In 1987, state government sacked the city council due its perceived obstructive attitude towards development, particularly towards major tourism development proposals aimed at locating Sydney on global tourism

circuits. Soon afterwards Council boundaries were realigned to produce a Sydney City Council serving predominantly a business constituency. A new Central Sydney Planning Committee was established by statute to process major development applications for central Sydney. The CSPC has an appointed state and local government and business membership.

⁹ At the local government level, the 12 year reign of Sydney's mayor has seen SCC resist the formation of a business-dominated agenda even in Sydney's central area. Sartor's 'Living City' Labor-aligned coalition on Council has a long history of clashes with the Liberal-aligned business-oriented 'Civic Reform' coalition.

¹⁰ Quotations are drawn from a range of qualitative interviews with key figures in state and local government, private sector organisations and non-government organisations with an established role in the governance of economic development and landuse planning. These interviews were carried out with Prof Peter Murphy (Faculty of the Build Environment, University of NSW) They investigated perceptions and accounts of (i) the changing practices of governance, (ii) the form that interest coalitions around governance have taken, (iii) the means through which such coalitions are created and maintained, and (iv) the agendas pursued through such coalitions.

¹¹ For instance, since the late 1990s the NSW state government has offered tax concessions in order to attract the regional dead quarters of global corporations to Sydney. The policy has been highly successful and since its introduction Sydney has markedly increased its share of HQ locations over nearest rival Melbourne.

¹² One example of this competition can be found in the demands from rapidly expanding city-based ITC and financial service sector for prioritising investment in telecommunications infrastructure while, often smaller-scaled, outer-metropolitan manufacturing producers have demanded prioritising investment in improved road and rail transportation networks.

¹³ These can be witnessed for instance in the growing pressure for increased flexibility and simplification of the NSW planning system (see PCA and CCCLM, 2000 and City of Sydney, 1999), for an internationally competitive tax regime (see City of Sydney, 1999), and in the increased demand from government and private sector interests alike for urban design, urban public spaces and amenity of a quality seen to befit a 'global city' (see Committee for Sydney, 1998 and City of Sydney, 1999).

¹⁴ For instance, residential developers worked closely with state government to manage the explosion of high-rise residential developments in and around the CBD during the 1990s. However, as a result of conflicting needs and demands, commercial property developers and users are currently lobbying state government to limit further residential development in the CBD.

¹⁵ The major exception here is the formation in 1997 of the Committee for Sydney, a 40-member committee of primarily high profile members of the business community. The group formed with a broad agenda of encouraging economic and development planning strategies that would promote Sydney's position as a global city.

¹⁶ Engels' (1999) categorised the agenda of a Maintenance form of city boosterism to include: low fiscal stress, stable economic activity, strong market position, content to retain current high city ranking order, active cooperation in public-private sector coalition, anti-growth orientation due to political pressure to keep existing urban amenity, charm and quality of life, incentives to footloose capital unnecessary.

¹⁷ Most recently, Green Bans were placed on the construction of pollution stacks for the M5 motorway and on the proposal to demolish the building which houses the Museum of Contemporary Art at Circular Quay.

¹⁸ Undoubtedly, the continued prominence in the governance agenda of socially progressive objectives is connected to the continued need for political legitimacy and not only at the urban scale. There is some reticence both at federal and state government to be seen to be governing for Sydney at the expense of rural and regional Australia—'the regions' (Pritchard and McManus, 2000). The regions have, in general, failed to capture much of the economic prosperity generated in the cities, and most especially in Sydney, through globalisation. Rural and regional electorates have illustrated a willingness to take revenge on state governments thought to be ignoring regional remediation policies. Sydney in particular bears the weight of this problem, being viewed as absorbing excessive government funding and policy attention. The formation of the city's governing strategies is deeply entrenched in these scale politics.