

# THE ROLE AND POTENTIAL OF GOVERNMENT LAND AGENCIES IN FACILITATING AND DELIVERING URBAN RENEWAL

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## INTRODUCTION

In the last fifteen years, state and territory governments around Australia have shown a renewed interest in the potential for public land development agencies to support a range of policy imperatives. Three new land agencies have been established and several existing land agencies have had their roles and responsibilities expanded. An emerging role for many has involved a shift in focus away from the production of low-cost land at the urban periphery, towards the co-ordination and delivery of major urban renewal projects. The Victorian land agency this year had its roles and responsibilities re-directed towards the 'redevelopment of large-scale urban neighbourhoods' (Victorian Government, 2011: Part 2, 6), while the Urban Land Development Authority in Queensland was established in 2007 with an explicit renewal agenda. Other land agencies have been directed by government to use their land holdings to leverage private sector investment in identified renewal areas, or have otherwise engaged in major renewal projects, often in partnership with state housing authorities. However, while Australia's land agencies are increasingly engaged in urban renewal activities, there has so far been no theoretical justification for this shift in function, nor any attempt to consider how they might best contribute in this area.

In an effort to address this gap, the purpose of this paper is to return to the original rationale for a system of public land ownership and development in the 1970s, and to consider the relevance of that original rationale in the light of contemporary urban renewal objectives; what role could and should Australia's public land agencies have in facilitating and delivering urban renewal? The first part of the paper discusses the objectives and challenges of urban renewal in Australian cities, and reviews a growing body of literature that problematises the process. Reflecting on the arguments originally used to espouse the establishment of Land Commissions in the mid 1970s, the second part of the paper then explores the opportunities for the involvement of land agencies in renewal projects to address some of these identified challenges, drawing on examples of current practice. The paper concludes by arguing that the land agencies potentially represent an effective instrument for facilitating urban renewal and improving the outcomes of renewal projects, but that their contribution in this area is currently limited by their commercial focus and lack of financial autonomy.

The focus throughout the paper is on state-level land agencies with land holdings in Australia's major cities; the paper does not deal in detail with other similar government bodies that do not own land and/or operate within highly localised areas. The information and ideas presented have been developed from an international review of academic literature on public land agencies and urban renewal, a survey of land agency documents and websites, and semi-structured interviews with staff and board members of state land agencies operating in NSW, Queensland, South Australia, Western Australia and Victoria.

## URBAN RENEWAL IN AUSTRALIAN CITIES

In the last thirty years, metropolitan planning policy in Australian cities has increasingly stressed the need to contain urban expansion and concentrate new growth within existing urban boundaries at higher development densities (Gleeson and Low, 2000; Gray et al., 2010). Planning authorities responsible for the future development of our five largest cities have each recently published strategies that advocate more compact cities, based on the 'triple bottom line' sustainability principles of economic competitiveness, environmental sustainability and social justice (Victorian Government, 2008; Queensland Government, 2009; Government of South Australia, 2010; Government of Western Australia, 2010; NSW Government, 2010). Although originally viewed by governments in Australia primarily as a way of saving costs by making more efficient use of existing infrastructure (Forster, 2006), a broad literature has emerged in the last twenty years that makes a powerful case for a move towards the compact city on environmental and social grounds. More compact cities are said to benefit from reduced levels of automobile dependence and energy use (Newman and Kenworthy, 1999), to protect agricultural land (Breheny, 1996) and promote a safer and more equitable and vibrant city (See Jacobs, 1961; Talen, 1999; Burton, 2000; see also Jenks *et al.*, 1996; Williams *et al.*, 2000 for general discussion of the compact city debate).

The implementation of compact city strategies typically involves the containment of urban expansion and the 'intensification' of land use and activity in existing urban areas (Jenks, 2000), especially those areas with good access to services and public transport. In the major Australian cities, current targets are for between 50 and 70 percent of new dwellings to be delivered on land within the existing urban boundary (Productivity Commission, 2011). Buxton and Tieman (2005) identify three ways in which intensification can occur in Australian cities; through infill development, higher-density development at the urban fringe and the identification by government of suitable sites for regeneration or renewal. The focus of this paper is on the third of these.

Urban renewal can be understood and defined in various ways. Closely tied to related processes of regeneration (Porter and Shaw, 2009), renaissance (DETR, 1999; Lees, 2003) and revitalisation, it may refer to the renewal of communities, economies, the image of a place, and/or its physical infrastructure. In the UK and USA, urban renewal strategies have typically had a strong housing and/or community focus (See SEU, 2001; Popkin et al., 2004). However, in Australia the term is frequently used by governments in a more generic sense; describing a broad process of change through which higher-density and mixed-use development is introduced to an area that is perceived by governments to be 'failing' (Allen, 2008), disadvantaged or at least suffering from sustained disinvestment (Porter and Shaw, 2009). The focus of renewal activity in Australian cities has, to date, mostly been on large public housing estates and under-utilised industrial areas, with governments hoping that the renewal of such areas can help deliver upon a range of physical, economic and social objectives (Arthurson, 2002; 2008; Lilley, 2005; interview data).

## **THE CHALLENGES OF URBAN RENEWAL**

While the processes described above seem benevolent enough, there is a body of literature that problematises urban renewal strategies. Much of this is concerned with the links between renewal and gentrification, with the former often cast as a depoliticised euphemism for the latter (Smith, 2002; Cameron, 2003; Lees, 2003; Lees et al., 2008; Allen, 2008; Porter and Shaw, 2009). Research into the power relations behind renewal policies has frequently positioned renewal and regeneration practices as a form of public policy led gentrification (Shaw, 2005) that seeks to attract investment into areas that have been identified by governments as a 'problem' because they are suffering disinvestment and lack a middle-class presence (Porter and Shaw, 2009). In Australia, the renewal of public housing estates has typically involved an effort to increase the number of owner-occupiers in an area and de-concentrate public housing, thereby supposedly fostering a richer social mix (Arthurson, 2002; 2008). However, as Arthurson shows, this may result in an overall reduction in public housing properties, the fragmentation of existing social networks and the dislocation of some public housing residents. The renewal of industrial sites poses different problems; the loss of low-cost premises for small businesses and the related loss or relocation of low-skilled employment opportunities (Searle, 2007). Even where there is no direct displacement of residents through redevelopment (where no-one actually lives on the redevelopment site), there may be indirect effects whereby lower-income groups are increasingly unable to access property in the area due to gentrification, or where the community apparatus is appropriated by incoming groups (Davidson and Lees, 2005). What this critical literature on renewal processes essentially argues is that renewal and gentrification are often closely linked, and that they can have the same negative consequences for low-income groups—resident and business displacement, an increasingly unaffordable housing stock, homelessness, population loss and community conflict (Atkinson, 2004).

Some commentators have raised other concerns about the social and environmental consequences of urban intensification through renewal. Randolph (2006), discussing the implications of higher-density development in Sydney, notes the risk that an emphasis on small one and two bedroom apartments in renewal projects may create a new form of segregation based on lifestyle and age; young professional couples and empty-nesters will dominate in renewed centres, with families with children consigned to the suburbs. Bunker and Holloway (2006) argue that the introduction of more higher-density housing to disadvantaged areas can simply compound their existing problems, while Randolph (2006) and Searle (2011) highlight the critical importance of communal facilities and public open space in higher-density development. This latter point is tied to broader issues around infrastructure provision. While early compact city strategies in Australia were justified on the basis that higher-density living made better use of existing infrastructure, Troy (1996), Bunker et al. (2005) and Searle (2004; 2007) raise concerns about the capacity for our cities to accommodate increased density without substantial infrastructure improvements.

In practice, urban renewal has frequently proved difficult to achieve in Australian cities. In many cases, this is because land contamination or the fragmentation of land holdings makes it costly and time-consuming to bring land forward for development (Productivity Commission, 2011), or because of a lack of demand in renewal areas (NSW Government, 2010: 69). In this latter respect, it remains unclear whether recent high levels of demand for inner-city living in renewal areas can be sustained, particularly as many of the easiest

and most attractive sites have already been redeveloped (Bunker et al., 2005; Searle, 2007). Although most of the units delivered through urban intensification are medium-density houses, units and apartments, there are few signs that Australians are abandoning their long-term dream of a detached house in the suburbs (Wulff et al., 2004; Randolph, 2006). Urban renewal strategies can also be challenging to implement because of local opposition to change. Proposals for urban intensification have repeatedly been opposed in Australian cities by residents who argue that traffic will increase, that privacy, property values and amenity will be reduced, and that the existing 'character' and streetscape quality will be harmed (Dovey et al., 2009; Davison, 2011). At the same time, local councils and planning development controls frequently prohibit the types of higher-density and mixed-use development promoted through renewal strategies, or at least make them more difficult (Searle, 2007; Interview data).

## **PUBLIC LAND OWNERSHIP AND DEVELOPMENT IN AUSTRALIA**

In this second part of the paper, the opportunities for the above-identified challenges of urban renewal processes to be addressed through the activities of state land agencies are explored. The section begins by outlining the original rationale for public land ownership and development, before re-considering this original rationale in the context of current renewal objectives and challenges.

Almost forty years have passed since the Whitlam Federal Government introduced a program of large-scale public land ownership and development in Australia. Devised in an attempt to address an array of identified urban problems, the 'Land Commission Program' (LCP) of the mid 1970s offered the loan of Commonwealth funds to the states in order that they could each establish Land Commissions (DURD, 1974; Troy, 1978). These Land Commissions were envisaged as state-owned entities whose role it would be to acquire large areas of land with development potential and participate directly in the production of new urban property. They would use the Commonwealth loan funds for the purchase and development of land, competing with the private sector, selling land on the market at cost, and ultimately becoming financially self-sustaining (Neutze, 1978).

The LCP represented a significant departure from conventional land market regulation in Australia because it gave governments a 'positive' role in the planning process, in contrast with the 'negative' role they had traditionally played through statutory planning (Neutze, 1978; Gleeson & Coiacetto, 2007). In a range of policy documents and academic works in the 1970s, the supposed advantages of the large-scale ownership and development of land by government agencies were set out (See DURD, 1974; Roberts, 1978; Stretton, 1977; Troy, 1978; Neutze, 1978). Broadly speaking, four main rationales for such forms of government intervention are identified: that the public ownership and development of land allows governments to shape processes of change in a more co-ordinated manner; ensures that certain societal needs (affordable housing, open space, design quality etc.) are achieved; helps stabilise or decrease the overall cost of residential land; and allows governments to capture for community use any uplift in land value that accrues through the development process (Roberts, 1978). While each of these four rationales featured in the thinking around the LCP (DURD, 1974; Troy, 1978), Gleeson and Coiacetto (2007) usefully collapse the various objectives of the LCP into two main bases: *a more efficient and fairer land market*, and *higher quality development outcomes*.

**A more efficient and fairer land market:** It has long been argued that because land markets deliver economic surpluses that are unrelated to the productivity of land, they reinforce social and spatial inequalities (See George, 1938 [1879]; Sandercock, 1979; Day, 1995; Stilwell, 1999). A key objective of the LCP was to ensure a more equitable distribution of the uplift in land value that accrues through the process of urban growth (DURD, 1974; Troy, 1978; Day, 1995). The ownership of urban land by Land Commissions would ensure that governments accrued this uplift in value, rather than private sector developers. Not only would this mean that uplift would be retained by communities, it would also discourage property speculation. The large-scale ownership and development of urban land by Land Commissions was also seen to provide other advantages in terms of social equity. Because land agencies would be able to purchase undeveloped land at low cost (and with cheap finance) prior to it being zoned for development, and because they could sell it 'at cost' to end-purchasers, they could, in theory, produce lots at lower prices than the private sector, increasing competition and exerting an overall downward pressure on prices. Once they had built up significant land holdings, the land agencies would also be able to ensure that a steady supply of land was released to the market, preventing situations where prices became inflated during periods of high demand or shortage.

**Improved development quality:** Alongside arguments relating to the price of land and the fairness of land markets, the LCP was seen by the Whitlam Government to be a way of improving the quality of new development. At the time of its introduction, there were widespread concerns about the inadequacy of infrastructure provision in new suburbs and the lack of co-ordination between different service providers (DURD, 1975; Troy, 1978). Positive planning by Land Commissions was seen to offer a solution because it

allowed governments to bring tracts of land into production in accordance with their policy priorities, and to ensure that the various service authorities were involved from an early stage (Troy, 1978). The ownership of urban land by governments also provided greater control over its final use; rather than simply attempting to steer the market, they would now be able to determine what did and didn't happen to that land (DURD, 1974). Another crucial aim of the LCP was to allow for more open debate about planning decision-making and development processes (DURD, 1974; Troy, 1978). Because the process of positive planning and land release would take place over extended periods of time, it would be possible to consult with communities more extensively and more purposefully: in contrast with negative statutory development control that can only indicate what may be done on a site, a system of government ownership and development of land allows firm development strategies and proposals to be discussed with affected communities.

Land Commissions, or variants of them, were established in South Australia, New South Wales, Victoria and Western Australia in the mid 1970s. Each began life slightly differently than the others because of state legislative systems and party politics (Stretton, 1975; Troy, 1978). Although financial and ideological support for the LCP was diminished following the dismissal of the Whitlam Government in 1975, the share of the residential market held by Land Commissions rose significantly through the late 1970s and 1980s, accounting for up to 40 percent of total residential land supply in NSW in some years, and up to 18 and 20 percent respectively in SA and Victoria (Commonwealth of Australia, 1991). Despite frequent attacks from the private sector and industry bodies over the years (Troy, 1978; Commonwealth of Australia, 1991: 57; Industry Commission, 1993: 399), none of the original Land Commissions has ever been entirely dismantled. However, their roles and responsibilities have shifted and diverged, in line with political cycles (See Gleeson and Coiaccetto, 2007), and all have been repeatedly restructured and renamed. Significantly, all now operate as Corporations, Authorities or Agencies with a strong commercial focus and all but the Queensland land agency are required to deliver profits to treasuries; something that was not a feature of the original Land Commissions (Sandercock and Berry, 1983; Gleeson & Coiaccetto, 2007).

## **AUSTRALIA'S LAND AGENCIES AND URBAN RENEWAL**

In the last fifteen years, there has been a renewed interest in the role and potential of public land ownership and development in Australia. Several existing land agencies have had their priorities re-focussed and new land agencies have been established in the Northern Territory, ACT and Queensland. Dedicated land agencies thus operate today in all mainland Australian states and territories, albeit with wide-ranging roles, structures, philosophies and priorities (Davison et al., 2011; land agency websites). In recent years, the land agencies in Victoria, Queensland, NSW, WA and Victoria have increasingly engaged in urban renewal activity, all within their 'triple bottom line' sustainability principles.

In early 2011, Victoria's Coalition government introduced legislation announcing the establishment of an Urban Redevelopment Authority (URA), to replace VicUrban. The URA's mandate will be to deliver major urban renewal projects in strategic locations, although the details of its role remain unclear. Previously, as VicUrban, the Victorian land agency has been involved in a range of renewal projects, working on a commercial basis with a large planning and development team. In the past, it has had powers of compulsory acquisition, but this seems unlikely to form part of the newly-formed URA's powers (Victorian Government, 2011). The 200h Docklands redevelopment was overseen by VicUrban from 2003 and the co-ordination and delivery of major renewal projects in Dandenong and Maribyrnong are currently underway. Although VicUrban does not own all of the land declared in Dandenong, it has developed a masterplan and has actively acquired and assembled parcels of land either to make them more attractive for private sector development, or to otherwise help deliver the objectives of the plan. At Maribyrnong, it will acquire a 128h site from the Department of Defence (at a price determined by the Valuer General) once it has been remediated, and will then co-ordinate its redevelopment. VicUrban had a legislative mandate to deliver housing affordability but it did not have funding to deliver affordable housing itself. Although it traditionally focussed its efforts in this area on delivering low-cost residential lots at the urban periphery, it had increasingly used government funding and subsidies to deliver social housing, sometimes in partnership with housing associations and investors. This is because individual lots for purchase were not usually a feature of its renewal projects, with residential units more commonly delivered as built form product. Although VicUrban's major renewal projects have generally involved multi-stage consultation processes over several years, there was fierce community opposition to a recently-completed 198-home infill project that included social housing. Because 58 units were being delivered under the Nation-Building program, statutory planning powers lay with the State government and there was no requirement for formal public consultation; this angered many local residents.

The Urban Land Development Authority in Queensland was established in 2007 as part of the Queensland Housing Affordability Strategy. On sites declared by the state government, the ULDA prepares land for development and delivers infrastructure, plans and co-ordinates processes of change, and acts as a

statutory planning authority. Currently it operates across more than 18,000 hectares of greenfield and brownfield land in Brisbane and regional centres; mostly areas of high growth and/or housing stress, with good access to public transport, and where government owns significant portions of land. The ULDA is distinguished from the other land agencies by its statutory planning function and by its financial independence from government—the ULDA is able to reinvest its dividends as it chooses, which contrasts with the other land agencies who must deliver profits to treasuries. The ULDA does not own all of the land over which it has control, and it has no compulsory acquisition powers (although this may be reviewed, see ULDA, 2010). The ULDA has a mandate to deliver affordable housing outcomes on all of its sites, and it does so principally through inclusionary zoning; usually requiring of developers a minimum of 5% of dwellings to be affordable to rent or purchase by households on the median income, or expecting an equivalent monetary contribution. It also targets 10 percent of dwellings to be adaptable for use by people with disabilities, and has been awarded for its extensive community engagement on renewal sites (ULDA, 2010)

Landcom (NSW) and Landcorp (WA) have also increasingly become involved in renewal projects in recent years, particularly on large and/or complex sites. In the mid 1990s, Landcom was directed by government to dispose of peripheral land and to engage in the acquisition of inner-city land, with the purpose of making it attractive for private sector investment (Searle, 2007). Operating within the market and with clear commercial frameworks, the role of both Landcom and Landcorp in renewal projects has principally been one of assembling and preparing land for development, delivering essential infrastructure and undertaking site master-planning (Landcom, 2010; Landcorp, 2011). Once masterplanning and infrastructure installation is complete, land is released to the private sector for the delivery of built form product, within specified guidelines developed in collaboration with local authorities and following consultation with local communities. Both Landcom and Landcorp operate with targets for affordable housing provision, usually negotiated on a case-by-case basis at a level between 7.5 and 15 percent of total units to be affordable to households earning up to around \$80,000 per annum. Landcom has also partnered with Housing NSW to co-ordinate the comprehensive redevelopment of a 1000-dwelling public housing estate at Minto as a mixed-tenure project providing 350 public housing dwellings and 850 for private sale, and it has developed housing diversity guidelines that attempt to highlight ways in which private home builders can deliver a more affordable product (Landcom, 2011).

The South Australian land agency, LMC, is increasingly involved in the large-scale renewal of public housing. This typically involves the redevelopment of areas with high concentrations of public housing to provide a mix of public and private properties; public housing properties are either demolished or renovated, with the majority of those demolished being replaced by owner-occupied dwellings or lots for sale. Increasingly, the LMC sees its principle role to be one of facilitating urban renewal and improving development outcomes on inner-city sites, as opposed to producing residential lots at the urban periphery. At present, its only inner-city renewal project is at Bowden, where it recently acquired a 16h former-industrial site. LMC will act as both land developer and master-planner for the site, attaching design requirements and conditions to its development. A key condition of the project will be a requirement for a minimum of 15 percent of dwellings to be delivered at a price that is affordable to low and moderate income groups. This is required under the state government's inclusionary zoning policy that applies to all government-owned land. Of the 15 percent affordable housing mandated for the site, 5 percent must be housing for high-needs groups. No industrial uses will be retained at Bowden, but new commercial uses will be incorporated.

## **DISCUSSION: ADDRESSING THE CHALLENGES OF URBAN RENEWAL**

The first challenge of urban renewal identified above was the risk that renewal processes can stimulate or advance gentrification by increasing the value of land. Several factors have been argued to slow the pace and scale of gentrification, including a housing stock that consists of mostly small and simple dwellings, the protection of existing industrial uses, community embeddedness, and the retention or provision of social housing (Shaw, 2005). As owners of land, governments, through the activities of land agencies, can potentially place restrictions on the types of development that can occur on renewal sites; they can require that existing low-cost housing and industrial jobs are retained on a site, or that a proportion of the new dwellings built are affordable or social housing, for instance by limiting lot sizes or through inclusionary zoning (Gurran and Milligan, 2008). Alternatively, they could (either as statutory planning authority or in collaboration with local authorities) provide density bonuses that allow developers to tack-on affordable housing to their projects, enabling an increase in yield that would not otherwise be permitted. More radically, they could gift land to social housing providers or sell it to them at a level that reflects use-value (as is already done in the ACT, see Milligan et al., 2010), lease land to eligible households for the construction of homes on land that remains owned by the land agencies, or allow existing residents or businesses on renewal sites to remain in place while renewal takes place around them.

Although these strategies have all featured in the thinking around public land ownership and development in the past, few are currently utilised by land agencies in renewal projects; Landcom and Landcorp secure a component of affordable market housing in projects on their land primarily by encouraging developers to provide a number of lower-cost market properties, VicUrban work in partnership with not-for-profit providers to secure government funding for limited amounts of social housing, and the LMC and ULDA use inclusionary zoning. However, most of the targets they have for affordable housing are aspirational, and relate mainly to affordable market housing: in contrast with social housing that remains perpetually affordable, there is no guarantee that affordable housing delivered through the market will actually be purchased by low-moderate income earners, rather than by investors. Because of their commercial imperatives, the land agencies are also not able to gift sites to social housing providers or sell them at below market value (although the ULDA is considering this as a future strategy), nor can they allow existing residents and businesses to remain in place on a renewal site. Apart from South Australia where the state government operates a policy of requiring 15 percent of dwellings built on government land to be affordable (10 percent market affordable and 5 percent high-needs housing) and Queensland where the ULDA can use statutory planning powers to require of developers the provision of affordable housing, the land agencies lack the necessary powers to require affordable housing in their projects. Indeed their commercial frameworks and the requirements for them to deliver profits to treasuries would seem to cut across their social and environmental objectives in a major way, and even increase the likelihood that gentrification will take hold in a renewal area—how can optimum social and environmental outcomes be delivered when treasury requires them to act commercially and deliver profits from the disposal of land? In Queensland, there are some signs of change, with the ULDA able to use its annual dividends as it chooses. This allows them to reinvest the value uplift from a renewal site back into that site, to use it to bring forward for development another difficult or complicated site, to prioritise social or environmental over financial outcomes, and to cross-subsidise development where appropriate. The LCP in the 1970s viewed land agencies as instruments for delivering social equity and high-quality design, rather than profits. If governments are serious about using the land agencies to deliver upon their various social and environmental objectives, they will surely need to provide them with much greater control over their own finances.

Part of the original rationale for the Land Commissions was the potential for the large-scale ownership of land and long-term positive planning process to deliver improvements in the co-ordination of infrastructure provision across government agencies, and to ensure that new development contributed to broader policy objectives. These goals remain relevant and all of the land agencies are already involved in steering development outcomes through project co-ordination and master-planning. Longer-term positive planning processes for renewal sites can potentially prevent a situation where incremental infill development over time cumulatively overloads local infrastructure, and can make allowances for new or improved infrastructure, where necessary. It can also enable more effective and productive community consultation on renewal sites, particularly where the redevelopment of public housing is involved, or where neighbouring communities are likely to be affected. Rather than simply consulting community members on proposed policy directions and regulatory controls (i.e. what might happen in an area), governments, as landowners (either through land agencies or housing authorities), would be able to take a longer-term view and discuss and debate with communities both strategic visions for the area at an early stage, and a range of much firmer development alternatives later on. Not only is this likely to increase interest in the process and generate higher levels of community engagement; the long-term nature of land acquisition and development processes would mean that community input could usefully shape design and development processes in positive directions, allowing their concerns to be addressed and possibly fostering a sense of community ownership of renewal projects (Healey, 2010; Davison, 2011). While all of the land agencies espouse a commitment to genuine community consultation and undertake consultation processes that are more extensive than statutory practices, most of their present activities seem to focus on creating a sense of community in newly-developed neighbourhoods and seeking the views of prominent community members and groups, rather than reaching out to the various marginal or vulnerable groups who might potentially be displaced by processes of change.

While speculation on land in renewal areas is not as great an issue as speculation on greenfield land was in the 1970s, the fragmented ownership of land and site-related constraints in renewal areas pose different problems that can potentially be addressed through the activities of land agencies. The land agencies have all recently engaged in inner-city land assembly and VicUrban has also sought to de-risk renewal projects for private developers by bringing together partners and guaranteeing tenants for buildings on-site. This assembly and packaging of land is surely one area in which land agencies can contribute most to renewal objectives; by acquiring, parcelling up and releasing land for development (with conditions attached and possibly also tenants guaranteed), they can facilitate processes of urban renewal, ensure positive development outcomes, and bring to market difficult sites with fragmented ownership, or those that would not be delivered by market forces alone. They might also have an expanded role in co-ordinating the disposal and renewal of surplus government-owned sites in inner-city areas; something that the South Australian land

agency is increasingly undertaking (interview data). While there is clearly an opportunity for the land agencies to have a major impact in this area and widely facilitate processes of renewal, however, their activities have so far been limited and quite sporadic. What is needed is greater government support for expanded land acquisitions by land agencies in inner-city areas, particularly on difficult or complex sites: without either greater financial independence or a commitment by governments to financially support further inner-city land acquisitions, it is difficult to see how the efforts of land agencies can be anything more than piecemeal in scale.

It was claimed in the 1970s that the involvement of government land agencies in land markets could lower the price of urban land, and many of the original arguments used to support this claim would appear to hold true today. Because land agencies would be able to acquire land cheaply prior to it being zoned for development, because they can take a long-term strategic view, and because they can obtain cheap finance for development, they should, in theory, be able to produce developable land in renewal areas more cheaply than could private sector developers. If government requirements for them to deliver profits to Treasury were to be eased, they would also be able to deliver land at cost or to gift or lease sites for certain desirable uses, for instance to not-for-profit housing providers. While there are likely to be far fewer individual lots for sale in renewal projects than there would on a greenfield site, this lower price of developable land would perhaps make requirements for affordable housing provision, open space or community facilities more financially achievable for the private home builders developing the site. Through the large-scale ownership and development of land by the land agencies, governments would also be able to control the staging of development over time, exerting a steadying influence on prices and preventing shortages or over-supply and speculative activity by landowners.

## CONCLUSION

This paper has re-visited the original rationales for the establishment of Land Commissions in the 1970s, and has found that there is significant potential for today's land agencies to facilitate urban renewal and address many of the challenges that renewal strategies present for Australian cities. The land agencies already fulfil a useful role in bringing to market difficult or complex sites and securing high-quality development outcomes that have been influenced by input from community members. Yet the overwhelming sense from the evidence presented in this paper is that they could be doing more. In the first instance, they could involve themselves more widely in the packaging of land and the building of partnerships between private home builders and social housing providers; they could expand their efforts in enabling private home builders to deliver affordable housing product through design guidelines, subdivision layouts and building specifications; and they could work more closely with local planning authorities to make possible increased development densities or smaller dwelling sizes on their sites. They could also attempt, through their community consultation processes, to reach out not just to prominent community members and organisations, but to marginal groups who do not usually engage in the planning process but are likely to be affected by change. The renewal of public housing estates and the redevelopment of surplus government land offer further opportunities for them to expand their contribution within existing policy settings, in collaboration with other government agencies.

It would be possible for the land agencies to do a good deal more (as was envisaged in the LCP) with some significant changes to their roles and responsibilities. With greater financial independence and the easing of treasury profit-making requirements, they would be able to gift land to social housing providers, to lease it or sell it at use value, and to require the provision of affordable housing (or other desirable uses) by private developers acquiring their land. They could also reinvest the uplift in land value from renewal sites back into the communities from whence it came, or in further land acquisitions. State governments have in the land agencies an institutionalised and powerful instrument with the potential to facilitate and deliver extremely positive social and environmental outcomes from renewal projects. However, the efforts of these agencies in this area are currently stymied by a lack of financial autonomy and geographical reach, and by treasury profit-making requirements. A key task for governments must be to re-visit the role and responsibilities of the land agencies in the broadest possible sense, and to consider how their various social and environmental goals can be better reconciled with their commercial imperatives.

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