

Whose Image?

ADIEU 
ST. KILDA
I LOVE YOU

DANGER
NO ENTRY
AUTHORISED
PERSONNEL ONLY

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Whose Image?

Global restructuring and community politics in the inner-city

Thesis submitted in total fulfilment of the requirements for the degree of
Master of Social Science by Research

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For Royce
and my mum and dad

my love to Maggie Fooke, Mark Smoljo and Cameron Paine

and to Karen Barnett, Jeff Lyons, John Broderick and Jack Downey,
my great respect. I wish I had understood then what I do a little better now.

In order to change the world ... we have to understand it. But that process cannot be understood one-sidedly. Who, Marx asks, is to educate the educators? Revolutionary understandings of the world cannot be had out of passive contemplation but arise through active struggle. Only through changing the world can we change ourselves. Our task, therefore, is not to understand the world but to change it. But that slogan cannot be read too one-sidedly either. Active reflection on our understandings, critique of bourgeois ideology ... and the evaluation of our own historical experience of struggle are as important activities as active engagement on the barricades (David Harvey, 1985:x)

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A snapshot... St Kilda 1999

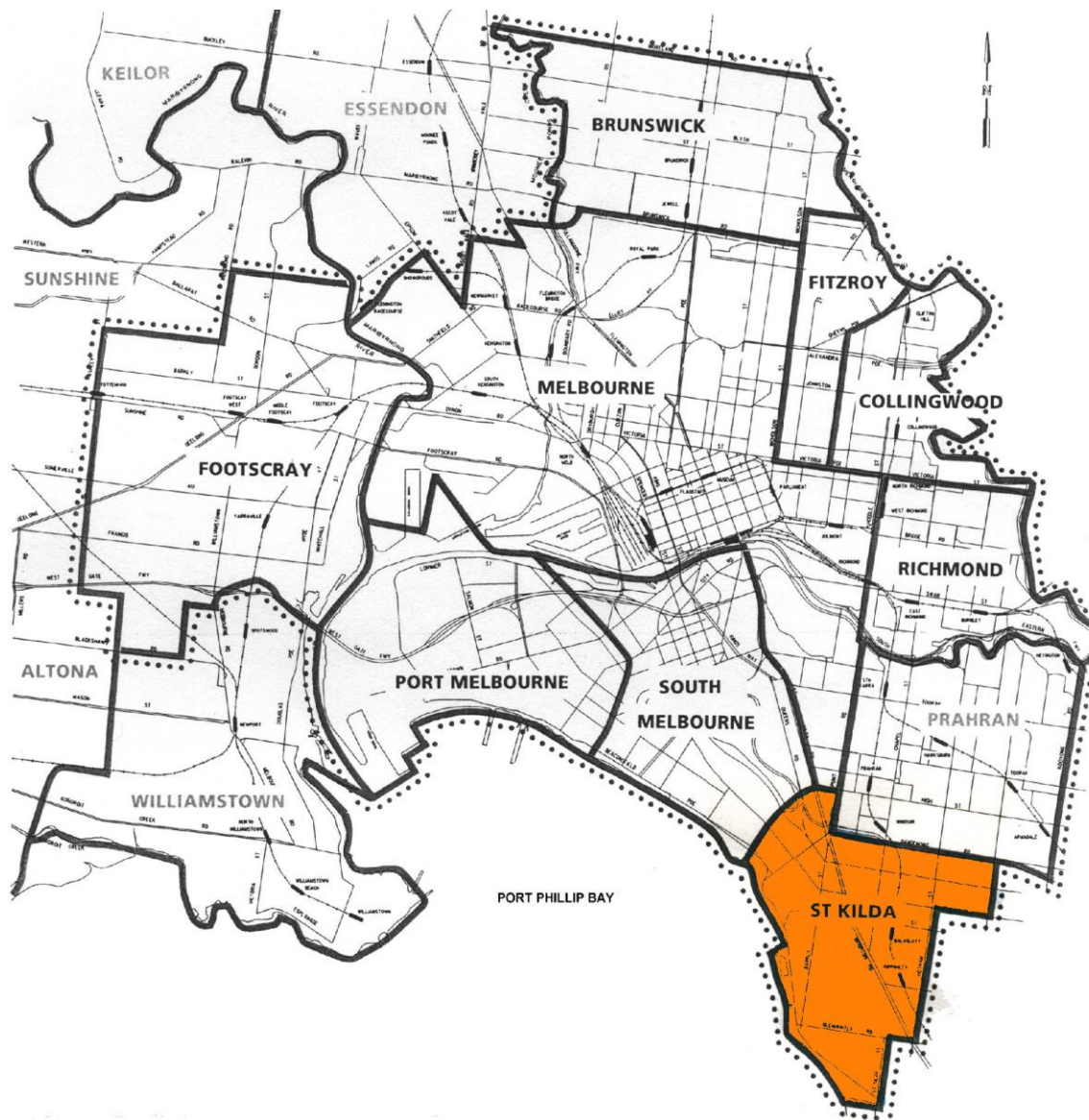
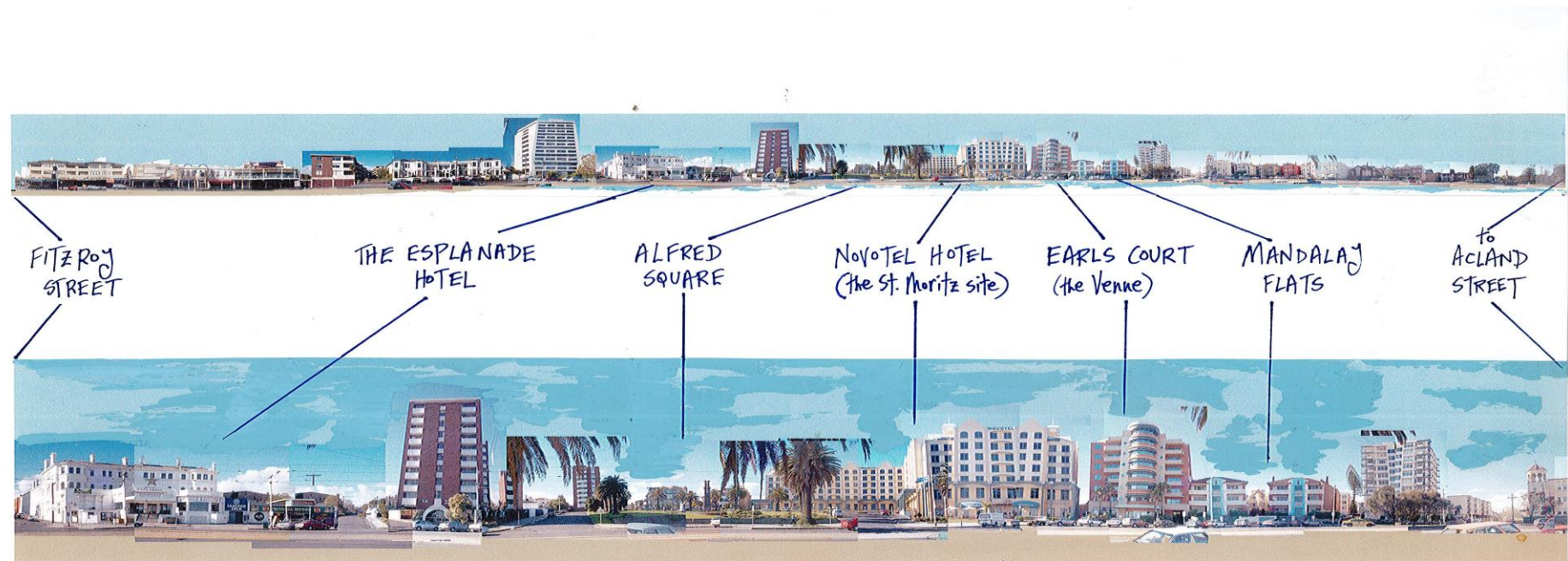


Figure 1 Melbourne's inner urban region

St Kilda faces west over Port Phillip Bay, about four kilometres south-east of the centre of Melbourne, Australia. Palm trees sweep along The Esplanade in a kilometre-long arc from Acland Street to Fitzroy Street. The footpath along the top overlooks a stretch of grass and steps sloping gently down to four lanes of traffic tearing around the bend. Beyond the 'Lower Esplanade' is soft green parkland leading to a long sandy beach. The beachfront restaurants have balconies and outdoor tables where their patrons sip imported beers and mineral water and watch rollerbladers glide past. If there's a video clip for a rock star being shot on the pier, no-one appears to notice.



THE ESPLANADE, ST. KILDA, 1999
(images courtesy of the City of Port Phillip)

Figure 2 The Esplanade, St Kilda: Fitzroy Street to Acland Street, 1999

The most prominent building on The Esplanade is the Novotel Hotel. It is a 1980s concrete slab outfit painted blue and sand, its roof-line motifs mimicking the surrounding older architecture. In the forecourt people with nice tans sit at open-air tables in sight of their BMW convertibles and high-polished pastel-coloured Harley Davidsons, doing business on their mobile phones. Built on the site of the St Moritz ice-skating rink, the first incarnation of Novotel paid homage to its predecessor by displaying photographs of the famous old building in its heyday.



Figure 3 Novotel Hotel, 1999

A hundred metres along from Novotel is the Esplanade Hotel, its white paint peeling in the salty air, the 1970s add-on bottleshop partly obscuring the nineteenth century architecture. The Esplanade Hotel has been on The Esplanade a lot longer than Novotel, and so have its patrons. The chairs inside the bay windows are held together with gaffer tape. Their occupants look like they are too: urban cowboy veering towards grunge, RM Williams boots sticking to the beer-soaked carpet, old denim or black leather jackets in preference to the Italian slip-ons and Hugo Boss suits of the Novotel patrons. The Esplanade patrons probably walked or took public transport there rather than drove, but any Harley parked outside is more likely to be flat black, and mean. They are artists, mechanics, rock musicians, students, people on the dole, and they are drinking local beer because they like it better than the imported types and it's cheaper. The Esplanade Hotel still acts as a local community meeting place, and old blokes and young single mums sit at the bar discussing the status of the most recent plans for the pub's conversion to a designer high-rise.



Figure 4 The Esplanade Hotel, 1999

Immediately next to Novotel is an incongruity. Built to the same height, at seven storeys, with nautically-themed port holes fronting community meeting rooms on each floor, is the Earls Court elderly peoples' public housing development. It takes its name from the dance hall that occupied the site for sixty years until its demolition in 1990. There are 54 units in Earls Court, housing elderly people who have lived in St Kilda most of their lives. Selection for nearly half the units is based on how long the applicant has lived in the locality. The first unit was allocated to a lady who had lived in St Kilda for 75 years; the building was full by the time people who had lived in the area 40 years were being considered. As with all public housing tenants in Victoria in 1999, the residents pay rent based on 20 to 25 percent of their usually statutory income.



Figure 5 Earls Court, 1999

Next to Earls Court is Mandalay, a three-storey art-moderne block of walk-up flats recently renovated and painted in yellows and blues and sold in individual units. A high fence and full security system replace the half-metre-high bluestone wall that once provided passers-by with a spot to rest in their passage along The Esplanade, when the flats were cheap. They are fully occupied, but all but one of the balconies are strangely empty, not only of people but of personal effects, other than the occasional piece of post-industrial sculpture perfectly positioned in a freshly painted corner.



Figure 6 Mandalay, 1999

Experience position and lifestyle, located within this landmark development

THE LOCATION

Mandalay is located on The Esplanade around from the Novotel Motel, opposite the famous St Kilda Baths, which is a fantastically vibrant position enjoying all the benefits of being opposite the beach. Within an easy stroll of Mandalay are the following:

- World class restaurants such as The Stokehouse and Jean Jacques.
- St Kilda beach and pier
- Luna Park
- Fitzroy and Acland Streets

POSITION, POSITION, POSITION

The Golden Rule of Real Estate is to buy in a prime location, and Mandalay represents this opportunity. The area of St Kilda is a market leader as one of Melbourne's best "**CAPITAL APPRECIATING**" suburbs and will stand you in good stead for future capital gains.

Figure 7 Marketing brochure for Grosvenor Perry Real Estate, 1996 (emphases in original)

The streets behind the Upper Esplanade are full of renovated, strata-subdivided blocks of flats, and restored old mansions undergoing a steady process of conversion back to single-family dwellings from their interim use as rooming houses. The population of predominantly single

men who live in the remaining rooming houses, and the low-income tenants of the flats further back across the highway and well away from the beach that so far have escaped renovation, live in an increasing state of uncertainty about their housing security.

These days, the foreshore is an uneasy mixture of architectural styles and social groups. Public housing tenants put up with company executives parking their four-wheel-drives on the footpath out the front. The executives at Novotel view the Esplanade Hotel as a disgrace and an eyesore. The new occupants of the renovated flats in Mandalay resent the fact that their public tenant neighbours pay one-seventh of the rent that they do, and patrons from the Esplanade Hotel walk past at closing time and piss on their fence.

2. Gentrification as a form of economic and social restructuring

Gentrification: a coherent concept

Gentrification is a late 20th Century characteristic of inner-cities in advanced capitalist societies throughout the world. It was first identified in the United Kingdom in the 1960s when British sociologist Ruth Glass noted an influx of 'gentry' into inner-city London neighbourhoods – new residents without upper-class incomes, necessarily, but more affluent and more educated than their working-class neighbours (van Weesep, 1994). The up-grading in social status was accompanied by an up-grading of the local building stock. Gentrification came to be understood as the process of physical and cultural reshaping from low-status inner-city area to place for upper-middle-class consumption (Smith, 1996). A similar phenomenon was observed in the 1970s and 1980s in the United States, Europe and Australia (London and Palen, 1984; Logan, 1985).

The early definitions of gentrification were quite specific, as the following from Neil Smith (1982) indicates:

By gentrification I mean the process by which working-class residential neighbourhoods are rehabilitated by middle-class homebuyers, landlords and professional developers. I make the theoretical distinction between gentrification and redevelopment. Redevelopment involves not rehabilitation of old structures but the construction of new buildings on previously developed land (Smith, 1982:139).

A necessary component of gentrification is the displacement of former residents, identified even in the earliest studies (van Weesep, 1994). The process is generally considered to have culminated when the original population is entirely removed: "once the process of gentrification starts in a district, it goes on rapidly until all or most of the original working-class occupiers are displaced, and the character of the district is changed" (Glass, 1964, quoted in van Weesep, 1994:79). Beyond this the effects are varied. A clear critique appeared relatively early on, namely:

A number of other terms are often used to refer to the process of gentrification, and all of them express a particular attitude towards the process. 'Revitalization' and 'renaissance' suggest that the neighbourhoods involved were somehow de-vitalized or culturally moribund. While this is sometimes the case, it is often true that very vital working-class communities are de-vitalized through gentrification. Open doors, street games and stoop-sitting are replaced with iron bars, guard dogs, high wooden fences and a scorn for the streets (Smith, 1982:139-40).

More commonly the process was presented as a 'rediscovery' of the run-down urban core. Gentrification was an attempt to "recapture the value of place" (Zukin, 1991:192), in which appreciation of the aesthetics and social history of old buildings represented "a cultural

sensibility and refinement that transcended the postwar suburban ethos of conformity and kitsch" (*ibid.*). The displacement of former residents was not always immediately obvious. In New York, the collective move of gentrifiers into the inner-city represented an interest in social and cultural diversity and "made a statement about liberal tolerance that seemed to contradict the 'white flight' and disinvestment from the inner-city" of the postwar decades (Zukin, 1991:192). In Canada, gentrification is considered by some analysts, most notably David Ley (1996) and Jon Caulfield (1994), the result of a 'critical social movement' that, in order to escape the hegemony of the suburban lifestyle and all its trappings of "possessive individualism" (Harvey, 1985, quoted in Caulfield, 1994), chose to move to the inner-city in search of demographic diversity and an alternative life of 'radical intellectual subculture'.

Sharon Zukin, in an on-going analysis of the New York loft market (1982; 1989; 1991), observes that the gentrifiers' demand to "preserve old buildings – with regard to cultural rather than economic value – helped constitute a market for the special characteristics of place" (1991:192). Once the market was established, the nature of the process began to change. The cultural diversity in the inner-city was subsumed by a style of elite consumption that, of itself, necessitated the displacement of the 'traditional' residents that made the place attractive to 'early' gentrifiers (Smith, 1996; Zukin, 1995). It remains one of the great social ironies that 'early' gentrifiers by their very presence not only help destroy the features that lured them to the inner-city, but predicate their own displacement in turn (Zukin, 1989; Ley, 1996).

The essential feature of advanced gentrification is conspicuous cultural consumption. Up-market shops, art galleries, bars and restaurants are background to a landscape of people sipping Chardonnay in full view of the passing fashion parade, admiring and comparing each other for the relative effortlessness of their style. Genuine lack of effort in dress, in the form of poor and homeless people with neither the resources nor the inclination for high-chic, is increasingly inconspicuous. Public space becomes semi-public as the footpath is cordoned off for outdoor tables that gentrifiers pay to occupy. The people drinking out of sherry bottles rather than long-stemmed glasses are moved on.

Recent studies have deployed a stage, or phase, model to account for the progression in gentrification (Caulfield, 1994). This typically starts with a "well-educated but economically struggling avant-garde of artists, graduate students and assorted bohemian and counter-cultural types" (Rose, 1996:132), who rent and share the dilapidated inner-city area with the longer-term, working-class residents. This stage shows little or no displacement (van Weesep, 1994). These 'marginal' gentrifiers are followed by 'early' gentrifiers: economically-marginal or 'cultural' professionals who work in public or arts sectors and hold liberal values of tolerance and egalitarianism, who may rent or purchase (Rose, 1996; Ley, 1996). Next, the neighbourhood is 'discovered' by people with more money who buy the inexpensive houses or flats to renovate and occupy, and by developers and property investors who buy to rehabilitate and sell. In the final stage developer-renovated dwellings are returned to the

market at greatly increased prices to the most-affluent buyers as gentrification takes hold, in the process displacing both the old-established and new-wave occupants. Social diversity thus diminishes, and the search for ungentrified localities moves on. The end state is supposedly “the creation of a new set of socially homogenous middle-to-upper-middle-class neighbourhoods with an associated economic and cultural transformation of neighbourhood commercial zones” (Rose, 1996:132).

The variation in effects is matched by variation in the forms of gentrification, and identities of the gentrifiers. As real estate developers “awakened to the opportunity of offering a product based on place” (Zukin, 1991:193), gentrification expanded to include a complex range of building forms. Investment sub-markets now “routinely conflated” in analyses of gentrification (Badcock, 1993:192) include rehabilitated residential buildings, converted industrial lofts and warehouses (Zukin, 1989), pockets of in-fill housing and newly constructed townhouses and condominiums (Rose, 1996; Warde, 1991). The rehabilitation of commercial and retail areas is receiving more attention in the gentrification literature (Rose, 1996). It is also argued that high-rise luxury apartment redevelopments – especially where they retain the original low-rise facades – and ‘greyfield’ site developments on former railway, industrial and dock lands (Beauregard, 1990; Rose, 1996), have similar effects to residential rehabilitation in terms of patterns of cultural consumption and nudge for further expansion of the concept (Zukin, 1991:193).

Gentrifiers range across economically marginal, educated left-wing bohemians (Rose, 1984), modest middle-class households (Jager, 1986; Warde, 1991), a post-industrial, professional new middle-class (Ley, 1994), yuppies (Smith, 1996), large-scale corporate investors and developers (Warde, 1991), estate agents, banks and governments (Smith, 1982; 1996).

In 1984, Damaris Rose argued that the term “combined the unrelated” into a chaotic conception (following Sayer, 1982), such that efforts to analyse ‘gentrification’ were necessarily so broad-brush that they overlooked the significance of the variations involved (Rose, 1984; Beauregard, 1986; Warde, 1991). It was contended, for example, that there is a world of difference between the activities of individual households that buy an old house in an improving neighbourhood and set about restoring it, and large-scale property developers who buy a large tract of land to build condominiums (Warde, 1991). One of most influential contemporary writers on gentrification, Neil Smith, maintains however that in as far as gentrifiers are united in their relation to the means of production, the obvious class character of the process renders the variations in form and identity insignificant (1987; 1996). Only the economically marginal gentrifiers do not easily fit this typification, and Smith argues that they are indeed marginal to a process “already defined by its more central characteristics – the change of inner-city neighbourhoods from lower to higher income residents” (1987:160). To the suggestion that the role the ‘marginal gentrifiers’ play in gentrification is neither insignificant nor benign (Zukin, 1982; Rose, 1984), Smith replies:

Marginal gentrifiers are important particularly in the early stages of the process and may well be distinguished by cultural attributes and alternative life-styles, ... but to the extent that the process continues and property values rise, their ability to remain in the gentrifying neighbourhood is dependent more on their economic than their artistic portfolio... (Smith, 1987:160).

That is, if they do become significant in the gentrification process, they are no longer 'marginal' in any sense. There is continuing debate about whether differences in the social processes that generate the built environment require closer scrutiny, and the answer of course is dependent on the scale of the analysis (Warde, 1991; Beauregard, 1990).

But the identification of stages in the gentrification process is an important observation. It reintroduces coherence into a subject that would be chaotic. The number of 'unrelated' activities is dramatically reduced by acknowledging the progression through this variety of effects, building forms and identities. Not all gentrifying places go through all stages, nor, where they do, do they always follow the same order (Caulfield, 1994). Neither do they proceed at the same pace, despite Glass' original prescription. But these variations are manageable. There is general agreement in the literature that the earliest stages of gentrification are associated with small-scale residential renovations (Smith, 1987), carried out by the labour of first home-buyers or renters in a "particular locally-consensual aesthetic style" (Warde, 1991:224; Jager, 1986), who were initially attracted by the tolerance and social diversity of the area (Rose, 1984). Advanced gentrification exhibits a similar uniformity:

... gentrification has already remade SoHo and the Upper West Side and even affected such unlikely neighbourhoods as Harlem and Hell's Kitchen. From Amsterdam to Sydney, whole swaths of inner-city working-class neighbourhoods have been transformed into middle-class and upper-middle-class havens devoted to boutique retailing, elite consumption, and upscale housing (Smith, 1992:64).

These days, the construction of designer apartment blocks by corporate developers for elite consumption are as characteristic of gentrified landscapes as the streetscapes of lovingly restored Victorian terraces in the 1970s (Jager, 1986). As gentrification progresses and exhibits new forms and patterns, it seems unnecessary to confine the concept to residential rehabilitation. Smith, indeed, has recently broadened his interest in gentrification as a narrow housing market process to an all-encompassing middle-class restructuring of the central city (1996:39). Rosalyn Deutsche has redrawn gentrification as the "residential component of urban redevelopment" (Deutsche, 1996:xiv). This allows that luxury high-rise residential redevelopments – especially with their recycled Baltic pine floors and blue-tinged copper brackets – create landscapes of upper-middle-class consumption in the same way as their rehabilitated neighbours. The commercial and residential redevelopments that "exploit the taste for old buildings and downtown diversity that gentrifiers 'pioneered'" (Zukin, 1991:193) have become so successful that the distinction between the rehabilitated and the redeveloped landscape is now almost irrelevant.

David Ley argues for a broad definition of gentrification that includes "renovation and redevelopment on both residential and non-residential sites" (1996:34). This is the definition I

have adopted in this work. There are obvious physical differences between the trajectories of urban change considered in the case study of this thesis – i.e. the potential redevelopment of an inner-urban foreshore with high-rise hotels and luxury apartment towers, and the eventual rehabilitation of existing residential and commercial buildings. The point is that not only are their social effects the same, but they can be theorised as variants of the same causal processes.

Why is it important that they are considered together? Because wholesale neighbourhood rehabilitation and redevelopment, as major forms of contemporary urban restructuring, wreak the same violence upon those displaced, whether for a sensitive restoration job or a designer high-rise. A recent critique says of large-scale urban redevelopments that their architects' claims to meet public needs "can only be sustained by denials of the low-income housing and employment needs that go unmet because of the subordination of the city to the logic of exchange value" (Crilley, 1993:131). Deutsche says of the massive redevelopment schemes found in many major cities today:

Instead of celebrating redevelopment as a 'revitalising' and 'beautifying' process, I view it as the historical form of late-capitalist urbanism, facilitating new international relations of domination and oppression and transforming cities for private profit and state control. The mechanism of redevelopment, I argue, destroys the very conditions of survival – housing and services – for residents no longer required for the city's economy. The emergence of a large population of homeless residents is redevelopment's most visible symptom (Deutsche, 1996:xiv).

Similar sentiments are expressed in Smith's (1992) account of the process of rehabilitation:

On the evening of August 6, 1988, a riot erupted along the edges of Tompkins Square Park, a small green in New York City's Lower East Side. It raged through the night, with the police on one side and a diverse mix of anti-gentrification protesters, punks, housing activists, park inhabitants, artists, Saturday-night revellers, and Lower East Side residents on the other. The battle followed the city's attempt to enforce a 1.00 am curfew in the park, on the pretext of 'cleaning out' the growing numbers of homeless people living or sleeping there, kids playing boom-boxes in the early hours, buyers and sellers of drugs using it for business. But many local residents and park users saw the action differently. The city was seeking to tame and domesticate the park to facilitate the already rampant gentrification of the Lower East Side. GENTRIFICATION = CLASS WAR! read the leaflets and banners at the Saturday night demonstration aimed at keeping the park open. 'Die, yuppie scum!' went the chant. 'Yuppies and real-estate magnates have declared war on the people of Tompkins Square Park', announced one speaker. 'Whose fucking park? It's our fucking park', became the recurrent slogan (Smith, 1992:61).

The homogenising influence of gentrification on local culture and subcultures is a further cause for concern. Tompkins Square Park before it was gentrified sustained a mix of park users – Ukrainian men playing chess, drug dealers, yuppies, punks, students, Puerto Rican women, hard drug users in "crack alley", Jamaican Rastafarians, political activists and homeless people:

...variously scruffy and relaxing, free-flowing and energetic, but rarely if ever threatening unless the police are on manoeuvres, Tompkins Square exemplifies the kind of neighbourhood park that Jane Jacobs adopted as a cause celebre in her famous anti-modernist tract, *The Death and Life of Great American Cities* (Smith, 1992:67).

Jacobs (1961) celebrated untamed, ‘unplanned’ spaces as the stuff of humanity: ‘organic’ settings for the theatre of life. She saw in their systematic de- and reconstruction by governments and large-scale developers an enforced sterility. In the face of relentless ‘domestication’ an obvious question arises: in whose interests is this actively wrought, state-sanctioned cultural change occurring? And if the answer to this is superficially obvious, it gives rise to another, much more complex question. If one is to oppose gentrification, “against whom is community activism oriented, and whom is it meant to mobilise?” (Smith and Williams, 1986:8). Smith and Williams argue that “action geared toward profound social change can only succeed if it is premised on an accurate understanding of that society and the social forces capable of creating change” (*ibid.*). This gives the following debate a clear prescriptive relevance. To militate against the forces that cast low-income people from their homes and reshape local cultures into homogenous images of self-satisfied elite consumerism, one needs to know what those forces are. What causes gentrification?

Global patterns: if you’ve seen one gentrified landscape you’ve seen them all...

Gentrification is repeated in the cities of advanced market economies throughout the world, from Scotland to Amsterdam to Sydney (Smith, 1996; van Weesep, 1994; Engels, 1994). It has been extensively documented in Paris, London and New York (Carpenter and Lees, 1995), Philadelphia (Beauregard, 1990), Toronto, Vancouver, Montreal (Ley, 1996; Caulfield, 1994; Mills, 1988; Rose, 1984; 1996), Adelaide and Melbourne (Badcock, 1989; 1993; Logan, 1985; Jager, 1986).

In their comparison of gentrification in sections of Paris, London and New York, Juliet Carpenter and Loretta Lees (1995) conclude that “despite different local contexts, the symbols of affluent consumption from all three neighbourhoods appear to adhere to a global code, with only minor contextual differences” (p.300). Smith notes that:

gritty industrial metropolises such as Baltimore and Pittsburgh have completely transformed their images; even Glasgow, known for its shipbuilding, its steel and textile industries, its militant working-class, and more recently for its chronic deindustrialisation, celebrated 1990 as European Capital of Culture... (Smith, 1992:64).

Explanations for gentrification range as wide as theories of society itself. They extend from social ecology through political-economic and post-modern cultural analyses to neo-classical cultural choice theory. We can do away with the extremes of the debate fairly quickly. Ecological urban ideologies present the spatial organisation of cities as the natural product of biological, social or technological evolutions (Deutsche, 1996). They hold that cities have natural stages of decline and improvement in their organic ‘life-cycles’, and essentially legitimise existing or imminent urban conditions as inevitable. These arguments are most commonly employed these days by advocates of the investment decisions that capitalise on and contribute to these changes, with support from ‘neutral’ government policy statements and the mass media (Rose, 1984). But urban change rarely occurs in the precise patterns

predicted by positivist theories (Cloke et al, 1991). Such analyses are not only insubstantial but insidious: they neutralise the political character of the city (Deutsche, 1996), and actively mitigate against collective challenges to urban conditions.

Cultural choice theory – essentially a product of neo-classical urban economic theory – has trouble with the international consistency of gentrification. The main problem for its proponents is that cultural choice requires that individual preferences must “change in unison not only nationally but internationally – a bleak view of human nature and cultural individuality” (Smith, 1996:55). Jon Caulfield asks why, if the choice of free-thinking individuals is not an explanation, the inner areas of cities “now seem to satisfy middle-class aspirations for which they were perceived as largely ill-suited only a generation ago” (1994:132). He suggests that the 1990s inner-city holds an “existential appeal” that represents city dwellers’ “feelings about the culture of everyday life” and that the key question is how to account for the new ‘canons of good taste’ (Caulfield, 1994:132-4).

But in acknowledging that the ‘amenity packages’ of the 1990s – “stylish restaurants, art galleries, fashionable architecture”, are no less rooted in a culture of consumption than those of the 1950s – “landscapes of housepride, late-model cars, convenient appliances and massive retail malls” (1994:132), Caulfield cannot avoid the compelling suggestion that underlying structural conditions logically produce similar responses wherever they apply. Indeed, there is a strong argument that the phenomenon of suburbanisation in capitalist economies in the 1950s was a result of global social and economic restructuring in the precisely the same way as gentrification is today. That is, for people to exercise their choice to live in brand new houses in the suburbs, or cheap high-density housing in the inner-city, these options had to be available.

Carpenter and Lees (1995) identify two theoretical strands that best account for the broad similarities amongst gentrifying cities. The first is a neo-Marxist analysis of urban economic restructuring, which explains the production of gentrifiable neighbourhoods. The second is a theory of ‘post-industrial’ urban social restructuring, which explains the availability of potential gentrifiers. These two strands are probably the strongest in a dichotomy that contains most explanations for gentrification. ‘Production side’ explanations are based in political economy and emphasise the supply of the gentrified environment. ‘Consumption side’ explanations are based in post-modern cultural approaches that emphasise the demand for gentrified housing, albeit under a set of globally-occurring conditions (Smith and Williams, 1986; Warde, 1991; Lees, 1994). Both are firmly rooted in global processes.

The production of the gentrified environment: investment, disinvestment and reinvestment in urban core

Political-economic theory attributes an active role to capital and the state in creating the necessary preconditions for large-scale reinvestment in the inner-city. Smith (1996) has developed the most comprehensive neo-Marxist theory of gentrification. It is based on the

fundamental notion of uneven development in capitalist societies and the concept of the 'rent gap' as a major prerequisite for gentrification.

Smith's thesis builds on David Harvey's analysis of the central Marxist concept of crises of capital, where the necessity to accumulate leads to falling rates of profit and an overproduction of commodities, creating a barrier to further investment and forcing capital to invest elsewhere. Harvey, an important contemporary neo-Marxist urban theorist, devised the model of 'circuits of capital' in the late 1970s to explain the activities of capital markets following the global deflation of 1972 – the beginning of the major economic slump which ended the long post-War boom of the 1950s and 1960s (Harvey, 1985). In an effort to clearly link urban restructuring to wider processes of economic restructuring, Harvey theorised the urban built environment as a destination for capital investment, the profitability of which is linked to the state of the wider economy (Hall, 1998:24).

Harvey's model is based on the premise that overaccumulation periodically occurs in the 'primary circuit' of the production process, necessitating alternative forms of investment in order to avoid immediate economic collapse. Viable alternatives include a switch into another sector – the secondary circuit of the built environment, or the tertiary and quaternary circuits of hi-tech industry and tourism and their associated service sectors – or into another region. A sectoral switch opens up a new market; a spatial (geographic) switch seeks cheaper location and labour costs, better access to plant and equipment and additional markets for surplus stock (Harvey, 1985).

Because of the long turnover period, investment in the built environment is itself particularly prone to overaccumulation and disinvestment (devalorisation), as capital returns are received slowly in a piecemeal fashion. Depreciation provides a rational incentive to landowners to reduce expenditure on the existing investment in the form of repairs, and to find other, more profitable areas to invest in (revalorisation). If this occurs, further depreciation ensues, and the building enters into a devalorisation cycle of undermaintenance followed by active disinvestment (Smith, 1979).

Smith argues that this devalorisation cycle "prepares" a neighbourhood for gentrification "by a basic economic process that is rational by the standards of the capitalist free market" (Smith and LeFaivre, 1984:50). It is here that the 'rent gap' appears, defined as "a gap between the ground rent actually capitalised with a given land use at a specific location and the ground rent that could potentially be appropriated under a higher and better land use at that location" (*ibid*:50). When the rent gap becomes wide enough "to enable a developer to purchase the old structure, rehabilitate it, make mortgage and interest payments, and still make a satisfactory return on the sale or rental of the renovated building, then a neighbourhood is ripe for gentrification" (*ibid*).

The logic behind uneven development is that "the development of one area creates barriers to further development, thus leading to underdevelopment, and that the underdevelopment of

that area creates opportunities for a new phase of development” (Smith, 1982:151). Smith argues that it is this logic that caused capital to abandon the inner-city in the 1950s for the suburbs, where rates of profit were higher, only to return again, in a ‘locational seesaw’, when the inner-city was sufficiently run down to offer even better returns. Government intervention via ‘stimulatory’ planning policies, in a role of essential support to capital, is an important component of both suburbanisation and gentrification. He stresses that the process of investment and disinvestment is a knowing activity on the part of the ‘producers of gentrification’ – the builders, developers, landlords, mortgage lenders, real estate agents and governments – who act in effect as the collective initiative behind gentrification (Smith, 1996).

One of the inadequacies of the theory, which Smith (1987) acknowledges, is the absence of the human face – the people who respond to the real estate hype, take advantage of the turnaround in lending policies and buy the newly gentrified or gentrifiable properties. We still need an explanation for emergence of the gentrifier as consumer.

The production of the gentrifiers: culture, consumption and the new middle-class

A post-modern cultural approach to the existence of potential gentrifiers emphasises culture and consumption and an acceptance of the notion of ‘post-industrialism’ (Lees, 1994). Post-industrial theory is based on the changing structures of production leading to economic and social restructuring, with its roots firmly in Harvey’s (1985) model of circuits of capital. It is implicitly dependent on the assumption that overaccumulation occurred on an international scale in industry and manufacturing in the late 1960s and early 1970s, precipitating a crisis of another kind in the older manufacturing cities when they lost much of their industry to different regions and investment to the built environment. De-industrialisation left the inner areas of these cities, which traditionally housed blue-collar workers in close proximity to their workplaces, with non-functioning factories and warehouses and an ‘underclass’ of unemployed people who were unable to follow their jobs to the outer suburbs or offshore (London and Palen, 1984).

As Soja (1983) has pointed out, in keeping with Harvey’s model, manufacturing was selectively replaced by other types of industry, especially information and service industries based in or around the offices of corporate command centres. This pattern of de-industrialisation and selective re-industrialisation (as opposed to ‘post’-industrialisation) has occurred in large cities throughout the advanced capitalist world. David Ley (1980; 1994; 1996) is perhaps the strongest proponent of the post-industrial theory of gentrification, arguing that the process has precipitated a new rationale for government allocation of urban land to different uses (Ley, 1980).

Post-industrialism clearly does take international structural forces into account, but the central tenet of its application to gentrification is that the current inner-city transition is the product of

cultural choice, under given conditions. The quadrupling of oil prices in the early 1970s (Knox, 1993), the maturation of the baby-boom generation, restructured labour markets and the availability of low-cost, run-down, inner-city housing and its proximity to city offices and places for consumption of coffee, clothes and entertainment, all combined to create demand for 'recycled' inner-city neighbourhoods (Ley, 1994). This demand was expressed by a 'new middle-class', typified by "relatively affluent, young, child-free couples" (London and Palen, 1984:15) in professional, managerial and advanced service occupations; a direct function of the increase in these professions in post-industrial cities (Ley, 1994). The influx of service industry and white-collar workers and residents into the inner-city has meant that cultural taste, interest in heritage and a 'certain aesthetic' have come to dominate urban and metropolitan planning policies and land use regulations in the formerly industrial city.

Of particular interest to Ley is a subgroup in Canada he identifies as the "cultural new class", drawn specifically from "tertiary-educated professionals in the arts, media, teaching and academic positions as well as public sector managers in regulatory and welfare activities" (1994:56). It has links with "avant-garde arts circles and leftist political organisations", is the most urbanised of the "new class fractions", and the most predisposed toward a home in the central city (Ley, 1994:57):

In its collective identity, geography matters, for central city living is far more than a convenience for the journey to work; it is constitutive of an urbane life-style (Ley, 1994:69).

Ley contends that gentrification is initiated by the arrival of artists, writers and other "cultural professionals", and that their presence accounted for an important left-liberal reform movement in local Canadian politics (1994; Ley and Mills, 1993). Their 'critical social practice' was oriented to maintaining social diversity and enhancing local quality of life (Caulfield, 1994; Ley, 1996), and eventually made the inner-city "more attractive to other middle-class residents who may not have shared the progressive values of the cultural new class who had preceded them" (Ley, 1996:258). In this analysis, the reform movement is directly responsible for advancing gentrification, and for its own eventual displacement.

While Ley argues that this constitutes a sufficient explanation for gentrification, post-modern cultural and neo-Marxist political-economic theories are not mutually exclusive. Both make use of the stage-model of gentrification. The essential difference in this respect is that the neo-Marxist approach pays little attention to the marginal gentrifier stage, and certainly does not accord it the causal power that the post-modern cultural approach does. Consistent with the view that marginal gentrifiers are marginal to the process, they are grouped with the original occupants in a single stage prior to capitalisation on the rent gap. The two approaches converge at the stage of revalorisation, whether by more affluent home-buyers or developers and investors.

Neo-Marxist, post-modern cultural and stage theories of gentrification give important insights into the necessity of the production of the gentrifiable environment and the gentrifier, and the links between the two. If gentrifiers as consumers are not to be "the mere bearers of a process

determined independently of them” (Rose, 1984:56), their own political, economic and housing interests must be taken into account. Problems of apparent “cultural unidimensionality in the middle-class” (Smith, 1996:55) are resolved in part by explanation of the production and supply of the gentrifiable environment. Associated activities such as advertising clearly have a further role to play.

Neither explanation, however, adequately accounts for local variations. Differences in forms, effects and identities are well explained by the stage-model. But variations in pace and extent remain relatively unexamined, with the notable exceptions of Beauregard (1990), Abu-Lughod (1994) and Rose (1996). Not all gentrifying places gentrify to completion. The transformation to “socially homogenous middle-to-upper-middle-class neighbourhood” is not always achieved (Rose, 1996:132). Rose suggests that both structural forces and local specificities affect the unfolding of gentrification in particular places. In 1996 she revised her recommendation for the disaggregation of gentrification:

I am inclined to believe ... Sayer’s [1992] observation that ‘it is not always possible or desirable to reduce the object so that it is less chaotic, because it may nevertheless be of interest as a whole, perhaps because, chaotic or not, it is to such objects that people respond’ ... I would suggest, then, that future research on gentrification be grounded in the historical specificities of particular cities and particular neighbourhoods but never lose sight of how locally experienced change relates to broader processes of economic and social restructuring (Rose, 1996:161).

Carpenter and Lees (1995) also distinguish between global, structural “prerequisites for the gentrification process” and more locally contextual processes that account for variations (1995:286). Rose and Carpenter and Lees are converging on a critical urban theory that says space is political, “inseparable from the conflictual and uneven social relations that structure specific societies at specific historical moments” (Deutsche, 1996:xiv). Critical urban theory holds that urban change is never “pre-given, or guaranteed, but instead is actively shaped by competing social forces” (Goodwin, 1993:149). It argues that patterns of capital investment influence the built, social and political-economic character of localities in fundamental ways, but not without contest and constraint.

A most persuasive explanation of gentrification is that it is the result of the movement of capital in and out of urban environments, which in turn creates the social and economic conditions for the rise of the new middle-class and its members’ exercise of choice. The increasing internationalisation and mobility of capital (Harvey, 1987) is likely also to increase the frequency of cycles of investment, disinvestment and re-investment, with all of the windfalls and destruction that such suddenness leaves in its wake. The role of the state in gentrification seems relatively confined to support for capital, with its primary function to ‘free-up’ the ‘market’ by reducing obstacles and creating incentives for investment. So the task for local communities confronted by gentrification therefore, is to target international capital and overthrow the state?

These are the causes of gentrification, but this is not the end of the story. Just as the state is often theorised as the subject of contest, critical urban theory suggests that ‘capital’ is itself a

social relation (Goodwin, 1993). ‘Capital’ is represented by individuals and groupings whose decision-making processes are stymied and compromised and negotiated in constant interaction with complex arrangements of other individuals and communities, from competitive fractions and corporate raiders to governments, unions, potential consumers and members of urban social movements. They all have local manifestations. There are other features in the local environment – geographic and historical particularities of place – that affect market operations in myriad ways. These features add up to a set of locally-specific conditions that, while they do not change the world, make nothing inevitable.

The place of local specificity...

Robert Beauregard (1986; 1990) observes that not all inner-city neighbourhoods gentrify, and of those that do, not all become fully gentrified. He wrote in 1990 that a theory of neighbourhood change which accounts for the diversity of processes had yet to be elaborated (p.855). It remains so. Beauregard argues that “any worthwhile theory of neighbourhood dynamics will have to incorporate ... structural forces while remaining sensitive to the contingent factors that make the transformation of neighbourhoods such a diverse set of processes” (1990:873). Within this framework, he proposes a number of factors that may account for local variations in particular circumstances. In the telling of four “richly detailed stories” he illustrates the roles of structural and contingent factors in the process of gentrification, with the intent to “confront seriously its differences” (1990:873). His case studies highlight a number of theoretical themes, with three holding particular interest for this research: local housing stock characteristics, the significance of neighbourhood identity and community resistance, and variations in the roles played by governments.

Janet Abu-Lughod (1994), in a monumental edited collection of stories about the Lower East Side of Manhattan, attributes the area’s persistently “multicultural proletarian” character to a number of highly specific attributes relating to its location in New York City. The collection attempts to consider these attributes “by situating the Lower East Side within ... larger contexts” (p.335-6). It argues that theoretical discussions of urban political economy “have tended to become highly abstract, giving the false impression that macro-causes exercise mechanical and inexorable force upon local outcomes. Our contention is that these *influence but do not entirely determine* what happens in specific locales” (Abu-Lughod, 1994:336, emphasis in original). The local specificities with greatest relevance to this research include housing stock characteristics and “the long and complex economic and demographic history” of the area (*ibid.*).

Rose (1996) also argues that the dominant theories of gentrification do not account for the variations she observes in Montreal. While the growth of the advanced tertiary sector “has greatly helped to maintain the tax base of central area municipalities in the face of the de-industrialisation of traditional inner-city manufacturing” (1996:131), Rose argues that in Montreal “there was insufficient economic ‘muscle’ behind this facet of inner city

‘professionalisation’ – that is, there were not enough wealthy potential gentrifiers and the city’s economy was too weak – to unleash a dynamic of wholesale transformation” (Rose, 1996:161). In addition, the diverse ‘residential morphology’ and the existing strength of other social groups in inner Montreal is such that:

contrary to the predictions of ‘rent gap’ and ‘stage’ theories of gentrification, it is not inevitable, even in advanced tertiary cities, that all neighbourhoods where a ‘beachhead’ of ‘first wave gentrifiers’ is established will ultimately be caught up in an irreversible dynamic largely driven by major real estate interests and leading to their transformation into homogenous Yuppie preserves (Rose, 1996:153).

Rose’s central thesis is that the nature and extent of labour market restructuring in Montreal is the primary factor behind its incomplete gentrification. Important secondary themes are, again, the particular character of the local housing stock, the nature of local government intervention, and the direct effect of social diversity as “an issue to be reckoned with rather than dismissed in gentrification theory” (1996:161).

In the remainder of this chapter I look, first, at how the effects of local housing stock characteristics on gentrification have been theorised in various case studies. Included in this is a brief consideration of role of governments in their facilitation of housing stock improvement. Second, I examine the literature for details about local culture and subcultures, and for evidence of community politics specifically in opposing gentrification. Third, I look at the actions of local government that have modified or limited the extent of gentrification, and at the role of local community politics in these decisions. Finally, I look at the impact of local image on the unfolding of global restructuring. A careful assessment of the literature suggests that particular combinations of these factors can and do modify the process of gentrification.

Local housing characteristics

Beauregard (1990) identifies four inner-city neighbourhoods in Philadelphia at various stages of gentrification. Society Hill is fully gentrified, Spring Garden partially gentrified, Northern Liberties slowly gentrifying and Fishtown not at all. The type and quality of housing stock is important. Buildings in Society Hill are typically large colonial and Georgian houses and historically significant eighteenth century row houses (the American equivalent of British and Australian terrace houses). They are brick and spacious and well-suited to rehabilitation, and were occupied until the 1960s mainly by low-income white households. Society Hill’s gentrification was initiated by the City government. Substantial disinvestment prior to the 1950s had resulted in many dilapidated buildings, and large areas were designated urban renewal areas by the City and demolished. Private construction was encouraged on these sites, taking the form of low-rise townhouses and high-rise luxury apartment towers. By 1970, housing built in the previous ten years constituted 53 percent of the total stock. The local Redevelopment Authority acquired many of the existing old houses for resale on the basis that the new owners rehabilitate them to conform with guidelines for historic preservation, and by 1980 the area was regarded as fully gentrified (Beauregard, 1990; Smith, 1979).

Approximately 40 percent of Spring Garden's housing units were demolished, many by the City, in the 1960s and 1970s. Certain areas were designated for renewal, and the City itself built a college in one of these areas which helped stabilise the surrounding commercial precinct. The remaining houses were mainly brick rows that were readily convertible to large, luxury condominium units "equipped with all the accoutrements (jacuzzi, patio deck etc.)" (Beauregard, 1990:865). Federal historic tax credits were used heavily by a small number of large-scale developers who rehabilitated 74 percent of the certified historic housing units into luxury apartments. Gentrification in the late 1970s and 1980s was rapid, and displacement of the mostly Hispanic local community was widespread. Levels of new construction remained low, however. In 1990 the neighbourhood still contained empty lots and abandoned buildings, and many poor, Hispanic residents continued to live on its fringes. Spring Garden was highly polarised, and its gentrification incomplete.

The third neighbourhood, Northern Liberties, is a more heavily-industrial area with mainly working-class, Victorian row houses. These too were spacious, with many three-storey rows, but they were of poorer quality, lacking the decorative elements of housing in Spring Garden and Society Hill. The area was one of the more racially diverse in the city, with blacks, Hispanics and whites intermingled throughout the neighbourhood. Early disinvestment, abandonment and demolition were widespread, but government intervention was barely perceptible, and the area's gradual gentrification was driven mainly by unassisted individual households. Small factories and large row houses were purchased cheaply by artists seeking to combine studio with living space, followed eventually by the beginnings of speculative activity in the late 1970s. New construction has appeared only relatively recently, since the late 1980s, after more than two decades of slow but continuous gentrification.

Fishtown, furthest from the central city and with a solid working-class white, ethnic Catholic community, has a greater number of small houses, no slum clearance and virtually no new construction. It has experienced the least amount of disinvestment, with little change in the housing stock over the years and very slow turnover. Government intervention in the housing market is non-existent. The few houses for sale at any one time are rarely publicly advertised, and if they are, they are found in the local neighbourhood paper rather than the city-wide papers, handled by local rather than major city-wide estate agents. Beauregard points out that a key factor in gentrification is the neighbourhood's "penetration by citywide media, real estate agencies and real estate developers" (1990:869). Fishtown has so far held off gentrification, although it is feared by locals, and potential gentrifiers still receive a "cold reception" (*ibid.*).

Interestingly, there is a clear, inverse relation between gentrification and the rate of owner-occupation at the commencement of the process. It is widely accepted that as gentrification proceeds home-ownership increases, but less noted is the observation that the higher the owner-occupation levels to start with, the lower the likelihood of gentrification gaining a strong hold. Fishtown has by far the highest and most stable rate of home-ownership of the

four neighbourhoods, at 63 percent in 1960 and 65 percent in 1980. Society Hill had 22 percent owner-occupation in 1960, which by 1980 had increased to 40 percent. Northern Liberties has seen a slow but steady increase over the two decades from 33 to 40 percent. Spring Garden is the exception, with the lowest home-ownership rate of all; the Hispanic renters, however, were highly organised, and perhaps account not only for the markedly incomplete nature of the neighbourhood's rehabilitation, but also for the prolonged absence of new construction activity.

The basic housing stock of the Lower East Side is tenements (blocks of flats built closely side-by-side) "thrown up to accommodate the streams of poor immigrant workers" last century (Abu-Lughod, 1994:6). As "overcrowded warrens with no light and little air ... they leave an intractable residue that greatly complicates the task of rehabilitation" (*ibid.*). Their proposed clearance was intercepted by the Great Depression, and in the late 1930s the City concentrated on construction of new public housing projects that served to further discourage potential gentrifiers several decades later.

Montreal's most gentrifiable housing consists of large and imposing greystone triplexes (three-storey houses) built in the late-nineteenth and early twentieth centuries for the middle-classes (Rose, 1996). Working-class areas were razed in urban renewal programs in the 1970s and replaced with new condominiums and townhouses. In the 1980s, deteriorated inner-city housing was targeted for 'civic beautification' by the City government, which offered renovation subsidies to non-profit groups and private developers for rehabilitation. For reasons linked to "the particular history of city-building in Montreal's older neighbourhoods" (Rose, 1996:147), the triplexes are interspersed with smaller and lower-quality units and newer in-fill apartments which sell or rent at lower prices, providing an important source of relatively low-cost private housing. Pockets of in-fill public housing and housing co-operatives funded under federal and provincial programs help sustain the presence of low-income households.

According to Rose, a sizeable minority of the city's 'economically marginal professionals' live in 'undivided co-ownership' tenure, where each resident owns a share of the building but does not have legal title to her unit. These units are much cheaper than condominiums and usually subject to lower property taxes. Joint public-private development ventures, property tax subsidies for people purchasing homes and conversion assistance programs to non-profit housing groups assist low to middle-income singles and couples to live in the inner-city. Renters, still the vast majority among professionals living in gentrifying inner-city districts, have access to good-sized and much cheaper apartments than in other Canadian cities, and sharing brings the rents down to "very reasonable levels" (Rose, 1996:150). While she says little about the populations of the working-class sections of the city before they were demolished, Rose shows that the diversity in residential form has reduced, although certainly not eliminated, displacement.

In a comparison of gentrification in Montreal, Vancouver and Toronto, Ley states directly that contingencies of housing sub-markets such as age and construction materials may attract “divergent housing classes harbouring different political sympathies” (Ley, 1994:68-9). He proposes that localities with housing forms that lend themselves least to cost-effective renovation, such as wood rather than brick or stone, attract “risk oblivious” early gentrifiers who are more likely to welcome social mix and social stability for low-income earners. Ley draws on the stage model to speculate, with support from local ethnographic studies, that later arrivals are more likely to oppose new social housing units and be attracted to newly-built condominiums – being “risk averse [and therefore] preferring the new face of the neighbourhood over the old” (Ley, 1994:69). In short, the lower the level of new construction in localities with housing stock that does not renovate well, the greater the likelihood of tolerance of social diversity. It is probable that, given these conditions, old housing is unlikely to survive the redevelopers very long (although it did on the Lower East Side). This analysis makes an important point about the suitability of different housing types to rehabilitation, and about the impact that avoidance of slum clearance programs has on subsequent gentrification.

Carpenter and Lees (1995) compare the processes of gentrification in the suburbs of Park Slope, New York; Barnsbury, London and the Marais, Paris. All three had eminently gentrifiable building stock and are now substantially gentrified. Post-war rent controls in each city produced different results, leading to widespread abandonment of buildings by their owners in Park Slope to avoid paying property taxes, occasional ‘winkling’ (where tenants were bribed or harassed into leaving so the landlords could relet at higher rents) in Barnsbury, and a “high incidence of sitting tenants” in relative security in the Marais (1995:294).

The turning point from disinvestment to reinvestment in New York is attributed by Carpenter and Lees to middle-class demand (the supply of gentrifiable stock in Park Slope established), and in Barnsbury and the Marais to the actions of governments. The increasing availability of building society funds in London in the late 1950s coupled with the 1957 Rent Act, which decontrolled rents, enabled landlords to empty their properties and sell the buildings with significant capital gains. Barnsbury’s high percentage of private rental accommodation made the area particularly susceptible to tenurial transformation, and owner-occupation increased between 1961 and 1991 by 21.9 percent (*ibid.*). In France the 1977 Housing Act encouraged owner-occupancy through low-interest loans; nine years later the change in government from Socialist to Gaullist brought an end to the remaining rent controls. The Marais, once the most densely populated ‘slum’ in Paris, gentrified dramatically in the 1980s, during which time the percentage of owner-occupied properties overtook the Parisian average. In all three cases, the process of gentrification once it had begun was assisted by local government, via significant tax incentives in New York, and grants and conservation area designations in Barnsbury and the Marais.

In his study of Glebe, an inner locality of Sydney, Benno Engels (1999) notes that a large number of local small-scale individual landlords (one or two investment properties) and the

traditionally high home-ownership levels in Australia can hinder gentrification. In particular, Engels argues that “the continued persistence of private renting and working-class owner-occupancy sectors in Glebe acted as a brake on the supply of gentrifiable housing re-entering the market for middle-class purchase and occupation” (1999:1479). Whilst both he and Logan (1985) argue that the important role of middle-class renters in Australia means that the change in housing tenure normally associated with gentrification does not always eventuate, Engels shows that expansion in middle-class renting in Glebe was, for a time, achieved “at the expense of middle-class owner-occupiers” (1999:1492). The identities of the private renters, and the extent of ‘voluntary replacement’, where working-class owners take advantage of the gentrifying market and sell up, will influence, and be influenced by, the relative ‘embeddedness’ of the local culture.

Local housing characteristics have an important impact on gentrification. High quality construction, large dwelling spaces and state support for housing stock improvement or historic preservation contribute greatly to an area’s gentrification potential. The role of the state, while sometimes involved in affordable housing provision, seems largely confined to supporting private capital re-investment. Through a variety of means – tax incentives, preservation grants, removing tenant protection and introducing new zoning – the state encourages the market to recapitalise on the inner-city.

Small units and/or cheaply constructed housing appear less encouraging to potential gentrifiers. If this kind of housing dominates an area, and manages to survive slum clearance programs – an outcome apparently determined partly by chance – the area’s ‘gentrifiability’ seems limited. Existence of public housing – a crucial but often secondary function of the state – and high levels of private ownership, both play a vital role. They do this not only by limiting the number of units on the market, but by allowing the development of embedded local communities. These communities have an additional role to play.

Local culture and community politics

According to Beauregard, there was little community resistance to gentrification, despite massive displacement, amongst the low-income white residents of Society Hill. It was the first neighbourhood in Philadelphia to undergo gentrification, before the process had even been identified as such, which perhaps explains the lack of organised reaction from those about to be displaced. In the racially diverse neighbourhood of Northern Liberties, Beauregard says simply that resistance by long-term residents “did not happen” (1990:871). Of the four areas of the study, Society Hill is the most gentrified and Northern Liberties was, in 1990, next in line, despite its slow pace, with the median value of the neighbourhood’s owner-occupied units overtaking those of Spring Garden and Fishtown between 1970 and 1980.

It was a different story in Spring Garden and Fishtown. Spring Garden’s Hispanic community centred around the local Catholic Church, providing a base for a strong neighbourhood organisation, the Spring Garden United Neighbours, which actively opposed gentrification.

The group resisted displacement by attempting to establish Hispanic renter households as home-owners. It picketed the openings of converted blocks, obtained City assistance to purchase and adapt an old school for low and moderate-rent apartments and supported plans to convert a local building into a shelter for the homeless. The low levels of new construction in Spring Garden are not explained by Beauregard, but it seems likely that local resistance acted as a disincentive to wavering developers. The level of home-ownership in Spring Garden was so far below the other three neighbourhoods, however, at 12 percent in 1980, and the financial inability of most members of the Hispanic community to become home-owners so entrenched, that their resistance was eventually undermined. They were pushed to the fringes of the city, but in 1990 remained an important part of the neighbourhood's culture and imagery.

Fishtown is noted for the solidarity amongst its residents. Fears of property tax rises as a result of gentrification prompted Fishtown neighbourhood associations and elderly people's organisations to join the City-wide coalition "Save Our Neighbourhoods" – formed in the mid-1980s to gain property tax relief for long-term home-owners in gentrifying neighbourhoods. Beauregard's analysis is, however, that this action was barely necessary. The "insularity" of the neighbourhood – 'newcomers' are regarded as such for the first 10 to 15 years (Beauregard, 1990:869-70) – the slow turnover in properties and the apparently deliberate policy of transacting sales through local agents have all combined to create an image which, Beauregard suggests, limits the area's gentrification potential.

Community politics on the Lower East Side were fierce – a complicated combination of housing project tenants, squatters, low-income Latino communities and counter-cultural and middle-class private renters. The neighbourhood partly succeeded in repelling the "attack" of gentrification by its ability to mobilise in its own defence. But its success was "not only because of its own efforts but because the strength of its opponents was eventually weakened by larger economic forces" (Abu-Lughod, 1994:340); that is, by the recession of the early 1990s. A 'cross-subsidy plan' was finally agreed upon that provided a limited number of affordable housing units through the rehabilitation of city-owned tenements. According to Abu-Lughod, "the East Village thus 'succeeded', by this combination of positive effort and negative climate, in protecting itself from total transformation... [but] the story is not an unadulterated triumph" (*ibid.*).

In the late 1990s, Montreal's inner-city population continues to be diverse. The wealthier urban professionals have tended to congregate in the existing elite and middle-class parts of the inner-city, which never devalorised in the first place. (This is not inconsistent with the rent gap theory – many middle-class areas never begin the downward spiral, since the owners have invested money in the necessary structural repairs. These areas need not be gentrified; "they were 'gentrified' from the start and stayed that way" (Smith and LeFaivre, 1984:50)). The populations of the three inner Montreal neighbourhoods that underwent most gentrification in the 1980s (which Rose measures by evidence of renovation and increase in educational and

occupational status) are made up of increasing numbers of 'economically marginal professionals', many of whom live in different kinds of households in terms of family structure, gender, sexual orientation and ethnic identification. According to Rose, these 'early gentrifiers' move to the inner-city because of the "difficulties, not only of affording housing, but also of carrying on their particular living arrangements in conventional suburbs" (1984:63).

Rose (1996) proposes that the strength of existing social groups may be a critical factor in the endurance of social diversity in some inner-city neighbourhoods. Working-class European immigrants and other well-established cultural groups not only remain in Montreal's inner-city, but make common practice of renting out units at below market rents to other members of their community (1996:156). Low-income and low-skilled households are represented in approximately similar proportions to the entire Montreal metropolitan area. In the two districts that gentrified most, 48 and 49 percent of the professional 'principal household maintainers' in 1991 were women. In 1996, economically marginal professionals continued to constitute a significant proportion of the populations of neighbourhoods that had gentrified most through renovation:

the co-residence of urban professionals of varying levels of income and job security, of traditional residents, and of other groups has proven to date to be an enduring phenomenon in the three Montreal neighbourhoods that underwent the most 'professionalisation' in the 1980s (Rose, 1996:157).

Similar accounts of social diversity come from Caulfield (1994), Ley (1994; 1996) and Ley and Mills (1993). With little reference to the previous inhabitants other than to imply some on-going harmonious mix, Caulfield argues that early gentrification in Toronto was itself the result of a left-populist movement which drew support from a range of socio-economic strata. The early gentrifiers were characterised by a concern with the "practices of property capital and of growth-booster civic officials that were systematically destroying the social and physical fabric of inner-city neighbourhoods, especially low and moderate-income neighbourhoods" (Caulfield, 1994:222). Caulfield says that decisions to locate in the inner-city were implicitly political, centred on a range of social, economic and environmental dilemmas confronting the city:

in other words, they generally understood that settling in an older inner-city neighbourhood was not just a personal housing choice but was linked to a wider socio-political context; in this respect, [the] respondents clearly sensed the *social* nature of their residential activities – their 'collective' and 'conscious' character, terms central to Castells' model of urban movements (Caulfield, 1994:223).

This 'social nature' inspired early gentrifiers to unite to protect the local building stock from high-rise and condominium redevelopment. The most forceful argument in defence of their community was "that the local state should not be sanctioning the wrecking of a substantial number of affordable units at a time when Toronto's housing costs were quickly moving beyond the means of most moderate-income households" (1994:37-8). As does Ley (1994), Caulfield notes the irony that the "working-class/middle-class/bohemian hodgepodge" that

made up some Toronto districts in early stages of gentrification is well on the way to becoming the victim of its own success (1994:37).

Sharon Zukin, in her analysis of the rehabilitation of New York's loft market (1982; 1989), was perhaps the first urban theorist to remark on the "unanticipated consequences of urban social movements, especially the incorporation of their goals as 'alternative' means of revalorisation" (1982:264). New York City's 'Lower Manhattan Plan' in the 1960s proposed substantial demolition of 'obsolete' loft buildings in the de-industrialising districts of Greenwich Village and SoHo, and redevelopment entailing high rent river-front housing, huge office tower complexes and federally-funded low-to-middle-income housing projects. An alliance amongst artists, who were beginning to use the old manufacturing lofts as studios, and liberal middle-class reformers who wished to maintain their local social and physical amenity, succeeded in averting redevelopment only to watch property values skyrocket as historic preservation and the arts become explicit revalorisation strategies (Zukin, 1982). The vast majority of artists who did not purchase their lofts were evicted (Zukin, 1989).

Zukin argues – taking a somewhat different line from Jane Jacobs (1961) whose intellectual defence of the middle-class response is a damning critique of bureaucratic city planning – that the redevelopment plans put the liberal middle-class home-owners in a quandary. The demolition and public housing schemes would produce a drastic downward turn in the market value of their homes; on the other hand, "speculative, privately-financed urban redevelopment implied an equally drastic rise" (Zukin, 1982:261), which would destroy the social diversity they so cherished. The solution, according to Zukin, was to keep the forms of lofts they way they were, stabilising uses and, they hoped, market values. Artists and middle-class reformers – early gentrifiers all, although they were not called this then – agreed on their goals: "cheap space for artists and preservation of forms" (1989:263). Their initial success was due to a convergence of factors, including an overbuilding and glut of office space in midtown Manhattan and a subsequent crisis in the real estate and construction industries in the late 1960s and early 1970s which forced a building stoppage. The community politics also found some support from the City administration under a new Democrat mayor.

Zukin notes with some surprise the apparent inability of the liberal middle-class constituency to foresee the "ironic development" of revalorisation by preservation rather than new construction (1982:262-3). But even had they foreseen, their alternatives were limited. In the end the outcome was assisted by events over which they had no control whatsoever.

Paradoxically, for the groups which are supposed to be both the subject and object of urban revitalisation – artists and the new middle-class – the preservation of their neighbourhoods, as they like them, depends on a certain amount of expansion by antithetical movements in the urban core. The struggle over limiting this development can be displaced, but it cannot be resolved, by market competition (Zukin, 1982:266).

The only other strategy was ruled out, presumably because of the market response noted earlier (Carpenter and Lees, 1995). "The city administration consistently opposed the sole

form of state intervention which would have blocked this market: rent controls on residential lofts” (Zukin, 1982:264).

Relatively high levels of owner-occupation, or security in housing tenure through public or community housing or rent control (although the latter may contribute to disinvestment), are necessary ingredients for the limitation of gentrification. They limit its extent, not only through the obvious effect of immediate control over accumulation, but through contributions made by the consequently ‘embedded’ local communities (Beauregard, 1990:856). The embeddedness of the local communities in the cases considered here shaped the resolve of residents – many of whom were low-income – to increase the housing security of those without access to home-ownership, or keep property rates low, or simply resist the invasion of higher socio-economic groups. Ian Winter (1994) argues similarly, in an Australian context, that home-ownership is “a site of potentially oppositional strategies, strategies that may result in social change” (1994:226). He shows that home-owners, rather than necessarily “shoring-up capitalist relations through an extension of private property relations and a ‘chain of debt’” (*ibid.*), can by virtue of their grounded housing tenure be instrumental in the construction of a ‘radical’ social group consciousness which challenges the dominance of existing social relations (Winter, 1994:226-8).

The appearance of economically marginal, ‘early’ gentrifiers may be the thin edge of the wedge, but as they rarely if ever displace existing residents (van Weesep, 1994), their presence may limit further gentrification if they can purchase cheaply or rent with some security. The nature of such ‘radical’ communities may be highly inclusive – as is presumably the case in the Canadian cities given their analysts’ emphases on social diversity; or exclusive – compare the relative cultural and racial homogeneity and hostility towards ‘others’ in Fishtown. Irrespective, they are able, under certain conditions, to shape local circumstances to resist the inequitable distributive effects of inner-urban social restructuring. Important amongst the strategies employed is their relative influence on local government.

Against whom did they organise? Both local capital and the state. Local capital, by agitating against, or freezing out, private developers. The deterrent effect of an oppositional local community and a resistant local image should not be underestimated. And the state, although not always against. The central state is often the target of opposition, especially where it is responsible both for consumption functions (planning and housing) and production functions (assisting capital accumulation) (Hayward, 1993; Saunders, 1984). But more vital among the strategies of local communities is their influence on, and ability to work with, local government.

Community politics and local government

Ley (1996) indicates that Toronto is rather more gentrified than Vancouver, both in area and extent. He suggests also that gentrification in Vancouver played a weaker role in “reshaping class politics” from traditional class-based divisions to the left-reform politics of the new

middle-class gentrifiers (1994:68). While Ley confines his analysis to where gentrification has occurred, rather than where it has not, there is a strong implication that the traditional left policies in local government in Vancouver limited the area's gentrification. In the early 1980s a socialist party with a strong anti-poverty agenda gained control of Vancouver City Council (Ley and Mills, 1993), providing some \$4 million dollars a year to non-profit housing groups (Ley, 1996). Ley notes, with little elaboration, that Vancouver's gentrification in the 1980s was "considerably more modest" than in the 1970s (1996:99). Ian Alexander (1998) observes that resistance from tenants to redevelopment in Vancouver in the late 1980s led to the formation of a powerful residents group, the Downtown Eastside Residents Association, which agitated for low-income housing protection and has since become a leading social housing developer in its own right (Alexander, 1998:114).

Ley and Mills suggest that the social protests throughout Canada in the late 1960s, oriented mainly at freeways and urban redevelopment megaprojects, transcended immediate land use conflicts with "a new politics of inclusion" (1993:272), leading in the 1980s to the formation of new civic political parties in all cities. These were a stage beyond the 'marginal' gentrifiers, perhaps, who supported replacing high-rise public housing estates with housing cooperatives – "socially mixed with an income range" (1993:274). By 1988 over 52,000 co-operative housing units were built throughout Canada, mainly in the metropolitan areas (*ibid.*), providing the security of tenure necessary for maintenance of social diversity. These policy initiatives have been steadily weakened as gentrification deepens and local reform movements become more conservative. The current context of reform in Canada and elsewhere raises important questions about the ability of leftist local governments to withstand market operations in the long term. Nonetheless, a shared "post-modernism of resistance" (Ley and Mills, 1993:274) amongst traditional residents and early gentrifiers in the 1980s did result in significant modifications to the gentrification process.

Rose does not elaborate on precise levels of home-ownership or public housing in Montreal, but it is evident that many inner-city residents have secure housing tenure. The diverse local culture of inner Montreal is a legacy of some powerful social movements in the 1970s and early 1980s – again, probably members of Ley's 'cultural new class' – which compelled the City of Montreal to become actively involved in a range of affordable housing programs from direct provision to various forms of subsidy and support for non-profit housing co-ops (Rose, 1996; Helman, 1987). On this point, it is interesting to note the role that rent control in Paris played in the timing of gentrification. The large proportion of rent-controlled housing that survived into the 1980s "was a crucial factor in postponing gentrification in the Marais" (Carpenter and Lees, 1995:294) to twenty years later than in London and ten years later than in New York. It is likely that a similar brake is operating in Montreal.

Blair Badcock (1989; 1993) demonstrates that Australian local governments in concert with State Governments are potent agents in shaping gentrification. He shows that three major potential trajectories of urban change arose in the City of Adelaide after emergence of a "well-

formed rent gap” in the late 1960s (Badcock, 1989:132), and argues that gentrification, in the narrower sense of residential rehabilitation, was the third best investment response after high-rise office and high-rise residential construction. Noting that “the rent gap theory does not prescribe the form that reinvestment must take” (1989:132), Badcock argues that government intervention played a crucial role in Adelaide’s eventual rehabilitation. First, he shows that changes in local government policy in the 1960s and 1970s were largely responsible for abandonment of the first two redevelopment options, partly in response to the community opposition they generated. Second, the South Australian Housing Trust in the late 1970s, under the social democratic Dunstan Labor State Government, acted to offset the loss of low rent accommodation by substantially increasing low-rise public housing in the inner-city. The program purchased, restored and built in-fill housing in areas previously avoided by private developers, thus achieving dual objectives:

...by providing a lead in the rehabilitation and redevelopment submarkets with some very innovative projects, the Dunstan Government was able to advance its social policy objectives ... and ‘prime’ the inner city property market at the same time (Badcock, 1989:137).

By holding before it “the promise of stimulatory funding” (Badcock, 1989:142), the State administration was able to secure local government support for the inner-city housing program. The public housing agency “played a vital role as a catalyst in the early years of revitalisation, and ... has indirectly induced further gentrification in neighbourhoods that otherwise would have remained investment ‘backwaters’” (1989:137). It was an interesting strategy. Whilst increased public and private investment ensured the improvement of the local building stock, the high concentration of public housing ensured that the gentrification of the area was permanently restricted (at least for as long as it remains public housing).

Hugh Stretton (1989) emphasises the role of community politics in this outcome, arguing, not unlike Ley and Caulfield, that Adelaide’s early gentrifiers achieved the joyful combination of improved housing quality and assured social equity (1989:LI). Central city residents elect a majority of the City Council and command its residential policies. Stretton argues that the city residents in the 1980s, by opposing high-rise towers and concentrating on neighbourhood amenity, reversed the city’s population decline “partly by the charm which turns dusty old streets into attractive places to live ... and partly by [their] second notable achievement, the introduction of public housing into the central city” (1989:LI). Before 1973 there was no public housing in the city. In 1989 the public share of the city’s housing had passed 10 percent to equal the proportion of public housing in the metropolis as a whole (*ibid.*). Resident opposition to high-rise development – public or private – combined with the powerful State Housing Trust, produced public investment in the form of in-fill developments, rehabilitations and spot purchases that attracted people “with modest demands for space and few cars: children, students, nurses, and hard-up tenants of public housing” (Stretton, 1989:LII).

The progressive interventions of Australian local governments without State support will almost always be qualified: as Martin Mowbray (1996) reminds us, the powers of local

government in Australia are derived from the State constitutions; they “were conceived of as, and have mostly been, the administrative servants of state governments” (Mowbray, 1996:28). Local councils most often do not attempt progressive political strategies: their primary source of revenue is from property rates, and they have historically been elected from “white male landowners, to ensure that their funds were spent in a way that would protect or enhance land values and foster trade and other commercial development” (*ibid*:29). Until relatively recently, the stereotypical local council was dominated by small businessmen – “a vipers’ nest of parochialism, shady deals and self-interested grandstanding” (Rayner, 1997:161). Where councils do attempt to achieve objectives that are inconsistent with those of the State Government of the day, State legislation allows them to be overridden or, in extreme cases, sacked.

Nevertheless, and despite their conservative history, local governments are “our most accessible democratic institutions” (Rayner, 1997:160). Because they are small, and democratically accountable in very direct and local ways, they have the potential “to be highly effective in shaping the local built environment and associated matters to do with the quality of life in their communities” (McLoughlin, 1992:121). Moira Rayner stresses their genuinely participatory potential: “people can participate in local government, not only by voting councils in and out of office, but also by influencing their decisions between elections” (1997:161), and McLoughlin points out that residents can of course offer themselves as candidates for election (1992:122). The high number of ‘independent’ local councillors suggests that there are fewer obstacles to running for council election without support from the major political parties than there are in State and Federal elections.

As Australian Federal and State Governments place more and more emphasis on a discourse of ‘globalisation’ and ‘economic necessity’, they become further removed from local communities and their locally-elected councils. But this strategy in itself generates resistance. Manuel Castells (1997) argues that the focus of the nation-state on the global arena eventually undermines its local sovereignty, bringing citizens closer to decentralised levels of government and increasing their “aloofness” toward the state (p.243). He argues that the transformation of nation-states into global “strategic actors” gives them considerable global influence (although little power), and that this creates enormous internal stress.

On the one hand, to foster productivity and competitiveness of their economies they must ally themselves closely with global economic interests, and abide by the global rules favourable to capital flows, while their societies are being asked to wait patiently for the trickled down benefits of corporate ingenuity. Also, to be good citizens of a multi-lateral world order, nation-states have to co-operate with each other ... regardless of the actual feelings of their usually parochial citizens (Castells, 1997:307-8).

The result is a disenfranchised, under-represented national constituency. In this context local communities are turning more and more to local government to resist the socially regressive effects of the market economy, and to community politics as their primary means to political representation and a measure of self-determination.

Local image

The continuing efforts of “the urban bourgeoisie to serve its own self-interests” (Philo and Kearns, 1993:29), in the process obliterating “both deliberately and on occasion more accidentally the lives of the city’s ‘other peoples’” (*ibid.*), are rarely met without resistance. Control over local imagery is a crucial contest, in which the urban elite’s “competitive selling of their places both to outsiders (to attract capital) and to insiders (to legitimate redevelopment)” meets the “different and arguably more vital attachments that these ‘other peoples’ have and feel for their city places – which ... serve as a powerful reservoir for opposition to any insensitive commodification of places” (*ibid.*). Philo and Kearns pay particular attention to these ‘other peoples’, arguing for a “radical version of post-modernism”,

...in not regarding the voices of these ‘other peoples’ simply as variants on or as only properly articulated through the voice of the working class, and in recognising that the involvements of these ‘other peoples’ with matters of culture, history and indeed locality are not so much ephemera as important strands in the development of an oppositional politics which proceeds from a multiplicity of ‘centres’ to challenge the hegemony of the bourgeois treatment of places (and, most notably, its selling of them) (Philo and Kearns, 1993:24-5).

Beauregard (1990) proposes that the dynamics of gentrification and resistance varied considerably in the four neighbourhoods he studied:

At play were not only various investors, market conditions, and opposition groups, but also changing perceptions of the development potential of these neighbourhoods. Behaviour and perception, moreover, were significantly shaped by particular social and physical conditions that had been historically established (Beauregard, 1990:870).

Local images of Spring Garden and Fishtown appear to have had considerable influence on the incomplete gentrification of the former and complete absence in the latter. The undeveloped empty lots and persistence of poor, Hispanic residents on the fringes of Spring Garden not only provide evidence of the limited extent of the area’s gentrification in 1990, but by their very existence probably acted as a disincentive to its advancement. In the case of Fishtown, “strong neighbourhood identification and a certain insularity ... creates obstacles to gentrification, lowers its potential and slows its pace” (Beauregard, 1990:869). Beauregard attributes the slow pace of gentrification in Northern Liberties in part to its location in the north of the city: “a place identification which generally means black, poor, and dangerous” (1990:867). Abandoned buildings generated “an aura which weakened any positive image of the neighbourhood” (*ibid.*).

Indicative of the slow pace of gentrification in Northern Liberties was the media perception of the neighbourhood ... First, throughout the early 1980s Northern Liberties was touted in various newspapers and magazines as an ‘up and coming’ neighbourhood. Yet it never quite emerged from that category to become ‘a place to be’. One newspaper article ... labelled it ‘not yet the latest Society Hill’, and in *The Philadelphia Magazine* in December 1985: ‘Still many gorgeous old houses to be had cheap, mainly because this neighbourhood also failed to catch on. Too far from the Centre City, too fierce’ (Beauregard, 1990:868).

Abu-Lughod, similarly, suggests that the “solid phalanx of public housing projects” on the Lower East Side “pre-empt[s] the most attractive location within it, namely, the waterfront with

its spectacular view of river, bridges and city lights. The projects also exercise a strong inhibition on 'desire' by ensuring the permanent presence in the neighbourhood of social groups that repel and to some extent frighten higher-income consumers" (1994:339-40). While discussion of the influence of local image might suggest too great an emphasis on gentrification as a demand-led market phenomenon, it is important to remember that the supply of the gentrifiable environment is still dependent on potential purchasers. In an interesting assessment of the likelihood of gentrification in Harlem, New York, Smith and Schaffer (1986) make the following observation:

If the gentrification of Central Harlem is dependent on a substantial white influx, white perceptions of the area are critical. To the vast majority of middle-class whites, Central Harlem is perceived as a dangerous place. However accurate this image, Harlem is also perceived as a black-defined area, and by this fact alone is therefore threatening. Thus it is impossible to disentangle white middle-class fears from racist perceptions about the area. The reality of Central Harlem is quite different from the ideological image, and yet the image is a trenchant one and will remain so for years to come. It is probably the most immediate barrier to white immigration (Smith and Schaffer, 1986:71).

Local imagery shifts, of course, and is manipulable. The role of culture, as a source of images and memories, has become a vital element of cities and a powerful means for their control. Zukin (1995) argues that, while on some levels this has always been the case, the disappearance of manufacturing industries and the periodic crises in government and finance in contemporary advanced capitalist societies has meant that the 'culture industry' has become central to many cities' economic strategies:

culture is more and more the business of cities – the basis of their tourist attractions and their unique, competitive edge. The growth of cultural consumption (of art, food, fashion, music, tourism) and the industries that cater to it fuels the city's symbolic economy, its visible ability to produce both symbols and space (Zukin, 1995:1-2).

Struggles over public representations of local culture have become more explicit and intense. Leaders in business and real estate in New York are increasingly involved in 'culture' because they believe that investing in the arts leads to more growth in other areas of the urban economy. They think, says Zukin, that "a tourist economy develops the subjective image of place that 'sells' a city to other corporate executives" (1995:14). If economic development depends on the "sale and consumption of pleasure" (*ibid.*), then public image is essential. In a scathing critique of the public imagery of the gentrification of the Lower East Side, Smith (1992; 1996) argues that an alliance between the real estate and culture industries converts urban destruction into 'ultra chic':

Building by building, block by block, the area was increasingly transformed from a dilapidated nineteenth-century tenement neighbourhood into the new city where glamour and chic are spiced with just a hint of danger. The rawness of the neighbourhood is part of the appeal. 'As for ambience,' [enthuse] the critics, 'the East Village has it: a unique blend of poverty, punk rock, drugs and arson, Hell's Angels, winos, prostitutes and dilapidated housing that adds up to an adventurous avant-garde setting of considerable cachet' (Smith, 1992:75).

The violence of squalor, poverty and eviction are discreetly screened, of course, as gentrification takes hold. In 1992 there were only a few reminders of the stark reality left, and their days were numbered:

Enthusiastically endorsed as the new artistic Bohemia, effusively compared with the Left Bank in Paris or London's Soho, the Lower East Side came to epitomise New York's fashion edge. Art galleries, stylish clubs, dance studios, and gritty hole-in-the-wall bars were the shock troops of economic reinvestment. And restaurants. A *Wall Street Journal* reporter describes dining possibilities in Indian Country: 'For dining, a new restaurant on Avenue C called 'Bernard' offers organic French cuisine. Frosted-glass windows protect diners from the sight of the burned-out tenements across the street as they nibble their \$18 loins of veal'. The poor, the abandoned and homeless of the neighbourhood were already invisible, of course, even without the frosted window; only the building shells from which they had been evicted threaten to intrude (Smith, 1992:75-6).

Zukin, while coming from a perspective on urban restructuring that emphasises its economic base, argues that the 'cultural capital' of artists, in studios, lofts and galleries, is the critical factor that "puts a neighbourhood on the road to gentrification" (1995:23). The economically marginal artists soon disappear, but those who manage to become less marginal are co-opted into property redevelopment projects "as beneficiaries, both developers of an aesthetic mode of producing space (in public art, for example) and investors in a symbolic economy" (*ibid.*). In his discussion of Rosalyn Deutsche and Cara Ryan's 1984 essay *The Fine Art of Gentrification*, Smith (1992) notes that the complicity of the art world with gentrification is not accidental.

[Deutsche and Ryan] argue that however counter-cultural the pose, the abstention from political self-reflection and from criticism of the larger social forces reshaping the neighbourhood prevented many Lower East Side artists from seriously challenging the money and mores of the art establishment, and with it the dominant culture. The unprecedented commodification of art in the 1980s engendered an equally ubiquitous aestheticisation of culture and politics: graffiti came off trains and into the galleries, while the most outrageous punk and new-wave styles moved rapidly from the streets to full-page fashion ads in the *New York Times*. The press began sporting stories about the opulence of the new art scene: Don't let the poverty of the neighbourhood fool you, was the message; this generation of young artists gets by with American Express Goldcards (Smith, 1992:77).

Ley (1996) suggests that we are witnessing the "uncoupling of a critical politics from its cultural base", where the "aesthetic disposition of the counter-culture contained the seeds of its own undoing, as a virulent aestheticism broke loose from a guiding ethic in reform politics" (p.365). Ley wants to see this as the social response of early gentrifiers as they move into secure career niches and are enveloped in the commodified world, children of middle-class parents as they usually are, and carrying "unexamined class interests" (*ibid.*). He resists the perspective put by Zukin and Smith as an "ungenerous assessment", but acknowledges their argument:

[the alternative] would see the innovation of the counter-culture as the necessary research and development that permitted the successful commodification of the aesthetic by the entrepreneurs who followed them. As the art of living replaces a critical aesthetics, so the soft city of festival, community, and spontaneity becomes reincorporated within the calculus of the market and the state (Ley, 1996:366).

In a similar vein to Caulfield's question of how to account for the new 'canons of good taste' (1994), Ley wonders how the counter-cultural ideology has been subverted, "not yet fully or finally, but nonetheless substantially in the pleasures of the convivial city" (Ley, 1996:372).

If we accept that people's 'existential' choices are eternally influenced by the context in which they are made but are nevertheless capable of influencing that context, we can argue without slipping into a wholly humanistic position that people can actively resist the dominant order. The production of image and selling of place is never smooth sailing. According to Philo and Kearns (1993),

...there are various tactics that the place marketers adopt when trying to anticipate and to negotiate any conflicts that might arise over their policies: indeed, they may mobilise a 'New Right' discourse that depicts as reactionary and unhelpful any oppositional positions..., or they may adopt a deliberate coding of 'friendly', consensual and locally-rooted cultural and historical references into the built environment so as to secure acceptance of present transformations. ... But such tactics do not always work as well as their authors would like, with the result that conflicts *do* frequently arise because the manipulation of culture and history by the place marketers runs against the understandings of local culture and history built into the daily encounters with city spaces of the city's 'other peoples' (as well as sometimes impacting upon these peoples in very direct and material ways, perhaps causing them to be evicted or to be neighbours of alien developments...) (Philo and Kearns, 1993:25).

Zukin (1995), whilst in no doubt about the weight of cultural capital, concurs:

...Public culture [is] socially constructed on the micro-level. It is produced by the many social encounters that make up daily life in the streets, shops and parks – the spaces in which we experience public life in cities. The right to be in these spaces, to use them in certain ways, to invest them with a sense of ourselves and our communities – to claim them as ours and to be claimed in turn by them – make up a constantly changing public culture. People with political and economic power have the greatest opportunity to shape public culture by controlling the building of the city's public spaces in stone and concrete. Yet public space is inherently democratic. The question of who can occupy the public space, and so define the image of the city, is open-ended (Zukin, 1995:11).

So we move to the case study – the complex locale of St Kilda, Australia – where 'virulent aestheticism' collides with low-cost, alternative local subculture, and the global imperative for revalorisation confronts a fiercely protected local use-value. The tensions between 'traditional' residents and the many stages of consumers and producers of gentrification have produced an on-going contest about whose space it is and whose image will dominate. Crucial to St Kilda's imagery are the local housing characteristics, subcultures and community politics that emerged over the course of the city's history, and their effects on the local governance that so far has been able to ensure the place's continuing humanity.

3. From the global to St Kilda

Only by engaging ... with the changing fabric of the city, and by acknowledging change as both loss and enrichment, can we adequately approach the experience of living in urban space (Elizabeth Wilson, 1997).

We move now from the global to the particular, to each identified local specificity in turn. First among these is the historical development of St Kilda's housing and culture. The impact of global restructuring on the locality's evolution is evident, but particular housing characteristics also emerge that will later come to play an important role both in constraining recapitalisation and enabling marginal and early gentrifiers to remain in St Kilda. The combination of housing and culture leads to embedded communities and subcultures, and to local tensions over image and space.

A local history of housing and culture



Figure 1 The Esplanade, St Kilda, circa 1900
Image courtesy of the Port Phillip City Collection

St Kilda's history is common to many inner-city areas, shaped by global washes of capital flows in and out of urban environments over many years. The story is universal, but the vagaries of currents make each locality its own. They were capricious in St Kilda, as a recent authorised history attests when it compares the municipality's evolution with the Big Dipper ride at Luna Park (Longmire, 1989).

Luna Park was built in 1912 at the end of The Esplanade. The great face and gaping mouth of its entrance is an image that has long been used to symbolise St Kilda's "popularity as the premier Fun Park of the Metropolis" (St Kilda Shore Publicity Committee, 1931:2). Sometimes it is used to represent a darker, more sinister aspect. Both images are true. An area well-accustomed to transition, St Kilda is full of contradictions.



Figure 2 Luna Park

Image from the collection of the State Library of Victoria

The first transition: from wetlands to white man. St Kilda the Colonised, 1840 – 1900

Most of the foreshore where St Kilda is now was wetlands. In one spot was a green knoll: a place that looked out over the bay and marked the intersection of two aboriginal tribal areas, the Wurundjeri and the Boonerwung (City of Port Phillip, 1999f; Kerkin, 1998). The place had a name: Euro-Yroke, but the name “was cast off as were its originators” in the early 1800s (Longmire, 1989:viii). The knoll was appropriated by European settlers in the 1840s as the place for a seaside resort, and in 1857 the Borough of St Kilda was created (Cooper, 1931). They called it the Lido of the South (St Kilda Shore Publicity Committee, 1931). The discovery of gold in Victoria in the 1850s caused land prices around Melbourne to increase “in spectacular fashion” (Longmire, 1989:viii), and a large share of the profits came into St Kilda as merchants and lawyers “scrambled for the best blocks” on the hill (*ibid.*). The sight from the foreshore of Port Phillip Bay crowded with ships inspired further investment, and grand mansions and villas were constructed in a flurry of conspicuous consumption. Public expenditure was also high, financing major reclamation works, a fine pier, the second railway to be built in the Colony and a chandelier in the station (Longmire, 1989:viii). St Kilda was a busy seafront and tourist resort from the moment of its occupation.

In January 1861 the *Argus* newspaper reported:

A subscription, we understand, is about to be raised to pay for a band to play at The Esplanade several evenings a week during summer... A good band would be sure to attract numerous visitors both from the neighbourhood, and probably even from town, as Melbourne residents, now that return tickets are available by the trains on the railways up to midnight, might be glad to escape, for a couple of hours, from the heat, and turmoil of the city, to get the benefit of the

sea breeze, on the shores of the Bay, and be enabled at the same time to enjoy the strains of a good band (The Argus, January 1861, quoted in Hubbard, 1989:16).

Hotels and other ‘social amenities’ were constructed to entertain visitors and the resident “judges, magnates and legislators” (Longmire, 1989:xi), but according to Longmire, St Kilda was never the exclusive preserve of the wealthy. This became more the case in the 1880s when cable cars from the city created easy access for the “lowly classes and larrikins from the north of the Yarra” (Longmire, 1989:xi). The Esplanade Hotel, which had opened in 1878, was designed to comfortably accommodate both residents and passing trade (Paine and Shaw, 1998).



Figure 3 The Esplanade Hotel, circa 1900

Image courtesy of the Port Phillip City Collection

In a classic interpretation of the invasion-succession tradition of social ecology, Longmire observes that almost straight away the more wealthy St Kilda residents began to make an exodus for South Yarra and Toorak and the newer suburbs of the 1880s (*ibid.*).

The second transition: from enclave to carnival. St Kilda the Beautiful, 1900 – 1945

In the early 1900s St Kilda’s reputation as a pleasure resort grew, with fun parks and dance halls springing up along the foreshore. Luna Park was the “newest, greatest and best amusement park in the world” when it opened (Longmire, 1989:xi). The Wattle Path Palais de Danse, built in 1923, was a great, cavernous space. It was a dance hall and, for a while, a film production studio before its conversion to a “starry palace of ice”, the St Moritz ice-skating rink, in 1939 (*ibid.*:58). Next door to it was the Mayfair Theatre dancing saloon. It was

remodelled in 1932 to become Earls Court – a mock-Tudor Castle with three floors forming internal balconies around a vast interior (Longmire, 1989:7).



Figure 4 The St Moritz ice skating rink, circa 1940

Image courtesy of the Port Phillip City Collection

Despite the level of commercial building activity, residential construction was low in the early 1900s throughout the entire city (Longmire, 1989). By the onset of the First World War inner-Melbourne's residential property market was substantially depressed. But the war's end brought on a new wave of construction with a new, higher-density style of building. St Kilda's municipal building by-laws applied only to the construction of houses, an anomaly that meant that blocks of flats could be built on sites where single houses would have been refused because the sites were too small (*ibid*:64). In the interests of increasing rate revenue St Kilda Council encouraged the development of flats, and three and four-storey blocks of walk-ups (the maximum height for buildings without elevators) proliferated throughout the municipality.

In the 1920s and 1930s more flats and fewer houses were built in St Kilda than in any other municipality in Victoria (Longmire, 1989). In 1933, one-third of all the flats built in Melbourne were in St Kilda (Storey, 1989). The following year, 115 blocks of flats and 11 houses were constructed in St Kilda, compared with 19 blocks of flats and 431 houses in Camberwell, then an outer eastern suburb of Melbourne (Storey, 1989 and Longmire, 1989:60). Low construction costs made flats very profitable for investors, although it was

noted at the time that the costs were kept down without sacrificing “appearance, comfort or good construction” (Longmire, 1989:61). Guest houses and flats were built in medieval and Tudor styles, in the Hollywood-inspired Spanish Mission form, and later in ‘Moderne’ and Deco (Storey, 1989).

Many of these flats are now classified by the National Trust of Australia (Victoria), which says the locality contains the earliest and the most interesting examples of “this style of living” in Melbourne (Storey, 1989:18). Home to “bachelors” and women of “independent means” (Storey 1989; Longmire, 1989), individual blocks of flats were “avant-garde and pointedly idiosyncratic”, the “particular nature of the seaside/amusement area reflected in the exuberance of their design” (Storey, 1989:19). The new flats featured “extravagant domestic exotica”, “startlingly overscaled” art-nouveau elements, rustic exteriors hiding “surprisingly delicate interiors” and “almost frantic stream-lined stark white surfaces alternating with window voids and competing horizontals and verticals” (*ibid.*).

The enthusiasm for their design was not unanimous at the time. While the socialites whom Storey suggests would have been described as ‘fast’ by the *Women’s Weekly* (1989:19) regarded the new flats as smart and progressive, others were unhappy about the changing face of St Kilda (Longmire, 1989:61-2). There was concern about moral decay. “The wrong class of people” was being attracted to St Kilda in the 1920s:

the existence of vandalism, sly-grog dealing, drug peddling and prostitution there confirmed the prejudice of some who had thought the social death-knell for St Kilda had sounded in the late 1880s when cable-cars made the city accessible to all... (Longmire, 1989:17).

An early form of resident protest action in St Kilda materialised in the early 1930s as the Elwood Progress Association, whose members believed that the new flats were destroying the municipality’s “charm, prestige and quality” (Longmire, 1989:64). The problem as the Progress Association saw it was not only that the flats were “crowded together on ridiculously small blocks” and spoilt the appearance of the whole street, but that they and their occupants were “socially inferior” and “destructive of the best citizenship”. And the Association cited the fact of laundry hanging out the windows, “including girls’ lingerie”, to prove it (*ibid.*:64-65).

But the city boosters couldn’t get enough. The municipal Council was composed of local businessmen who saw great benefit in all this economic activity (Longmire, 1989). In 1931 the St Kilda Shore Publicity Committee proclaimed St Kilda’s renewed status as the “Natural Playground of Melbourne” (St Kilda Shore Publicity Committee, 1931:1).

Since the days when the schooner yacht, ‘Lady of St Kilda’, lay off shore, since the first Crown Lands Sales were held of virgin land whereon it was purposed to place a village, ‘The Village of St Kilda’ has grown into a city beautiful; a metropolitan watering place that has become the holiday resort of thousands of people. Beautiful Aphrodite, born of sea foam, springing ashore from the jealous and restraining waves, in her radiant loveliness, might find daughters of her own on the sands of St Kilda on any summer’s day of sunshine. St Kilda, favoured by Nature, has been more favoured by man, and it is because of the works of the Council of the City (and the St Kilda Shore Committee) [sic] that St Kilda has become the brightest jewel by the sea in

Melbourne's crown of beautiful suburban cities (John Butler Cooper, Historian of St Kilda, quoted in St Kilda Shore Publicity Committee, 1931:1).



Figure 5 'St Kilda the Beautiful', 1931
 Image courtesy of the Port Phillip City Collection

Seaside resorts were indeed enjoying a new heyday in the 1920s, according to architectural historian Tim Hubbard (1989). Major renovations were made to the Esplanade Hotel, expanding the grand entrance foyer and extending the residential wing at the rear. In the early

1930s the Baymor Court flats (known then as the Cairo flats) were built behind the hotel. They stand still in 1999 as a fine example of Spanish Mission architecture. It was supposed at the time that the interest in the Spanish Mission style arose from the likeness of the Australian and Mediterranean climates, but Hubbard suggests otherwise:

Really, it was the power of Hollywood which popularised the style. Hollywood westerns were rife with hot, dry, dusty settings using the whitewashed and ochre, terracotta-roofed mission buildings left by the Spaniards in California and Mexico. More importantly the style was adopted for the studio buildings, the mansions of the stars and the bungalows of the hopefuls, and Australia was keen to look elsewhere other than Britain for political, cultural and artistic inspiration (Hubbard, 1989:28).

American influence on Australian culture in the 1920s and 1930s was certainly big, especially in music. New jazz was booming. The jazz dance scene was at its height in Melbourne in the mid-twenties, and found its pinnacle in St Kilda with the Esplanade Hotel, Earls Court and the Palais de Danse being three of the most popular venues in town (Bisset, 1979).

The ‘Art Moderne’ Mandalay flats were built in 1935 in the front grounds of a Gothic style mansion from the 1870s. The old mansion had been converted to a holiday guest house in 1918 to cater for visitors from the country, and was renamed Mandalay to “conjure up exotic and glamorous images of the far east” (Goad, 1987:2). The new flats had a split design allowing access to the guest house behind, displaying mirror-image “sunburst motifs in golden stained glass on each landing level, culminating in a sunburst of brick parapets” (Goad, 1987:1). These were also rented out as holiday apartments: the advertising brochures boasted all modern comforts, including kitchen cupboards with built-in ironing boards. The mansion later burned down, leaving an empty space that in turn became back yard to the flats.

By the mid-1930s news of events in Europe was crossing the seas, and the glamour was starting to fade. In 1937 the Elwood Progress Association had its way, and stricter regulations were drawn up for the dimensions of buildings. No construction in the future was to have an area of less than six hundred square feet and an allotment less than five thousand square feet. In the case of flats, only fifty percent of the allotment could be built on (Longmire, 1989:66). But no-one was building anyway.

Those flats that had already been built proved to be of vital importance during the Great Depression and the years leading up to the Second World War. Early refugees from Europe were attracted to St Kilda’s high density and low-cost housing, and found accommodation there in a time of increasingly acute housing shortage (*ibid.*). At the onset of World War II, building activity throughout Australia was restricted by the Commonwealth Government in order to encourage people to invest in war loans. Soon afterwards, a Victorian Building Regulations Commission was formed to create State-wide uniform building specifications. These restrictions on new construction made the existing housing in St Kilda all the more important. Rent controls maintained the stock of low-cost accommodation, although crowding and poverty brought on serious problems in health and living standards (Longmire, 1989). The Housing Commission, which had been formed in 1938 to clear slums and build new housing,

was reluctant to demolish St Kilda's relatively high quality, high density flats that were already providing urgently required shelter (*ibid.*). Other inner-city areas with poorer quality housing were not similarly spared. It is for this reason that St Kilda retains many examples of nineteenth and early twentieth century architecture rarely found in other parts of Melbourne.

*The third transition: from fairground to haven.
St Kilda the Bohemia, 1945 – 1970*

The housing crisis worsened after the War. Returned soldiers and post-war refugees crammed further into, by then, thoroughly inadequate housing in St Kilda and other parts of the inner-city. Several branches of the Communist Party opened in St Kilda and contested the local elections.

BIG HOUSES in Dickens St...

BIG HOUSES in Acland St...

BIG HOUSES in St Kilda Road...

While most of St Kilda's residents are crowded in flats, cottages, apartments and cubicles, others monopolise mansions... (cited in Longmire, 1989:132).

The problem of over-crowding was alleviated finally by the rapid expansion of suburban development in the 1950s, assisted by loans to returned soldiers and government purchases of land on the outskirts of Melbourne. In a pattern thoroughly consistent with Harvey's (1985) typification of uneven urban development, property and investment finance was directed towards the suburbs, and development in St Kilda in the 1940s and 1950s was largely confined to the subdivision of its old mansions and the conversion of guest houses to boarding houses and rental flats.

The newspapers started to call St Kilda tawdry and old (Longmire, 1989). The municipality didn't offer the shining brick veneer homes and 'mod cons' of the new suburbs, or the 'Australian Dream' of home-ownership and the quarter-acre block. All St Kilda's hotels and dance halls and fun parks had suffered during the Depression and the War, and now they scraped by under minimal maintenance. But the cheap rents created an important source of housing for immigrants and refugees and a growing itinerant population.

As government incentives and financial institutions encouraged suburban development (Longmire, 1989; Logan, 1985), Melbourne's inner areas became increasingly neglected. The growing state of dilapidation of its buildings increased the risks for inner-city investment, and so began a vicious circle of decline. It was the pattern highlighted by Smith (1979), repeated in inner-cities through the world. While the trend caused concern to governments and inner-city property owners, it suited many of its tenants well. With rents remaining low, St Kilda housed an eclectic population during the 1950s and 1960s. The area's vague reputation for seediness and sleaze gained status, with a highly visible night-time population of sex workers and drug dealers and bodgies and widgies. It also contained a vibrant Eastern European community, the cafes were open late, and the Esplanade Hotel and Earls Court and the Palais de Danse were still playing jazz. St Kilda became a centre for beatniks and bebop and

marihuana, building upon its already bohemian reputation to consolidate an identity that was working its way into Australian folklore.

After a decade of soaring outer-metropolitan growth and inner-city neglect, St Kilda was rezoned to again allow higher density development (Longmire, 1989). Minimum site areas for flats and the open spaces around them were reduced in 1959, and in the 1960s a second wave of flat developments took off. The Council returned to enforcing the lowest standards possible in flats construction (*ibid.*), and this time many fine old nineteenth century buildings were demolished to make way for higher density box-style blocks of flats. They were constructed cheaply, small flats crowded onto small blocks, and brought large profits to their developers. But they continued St Kilda's pattern of providing low-cost accommodation (*ibid.*).

The number of flats in the municipality nearly doubled in the decade to follow. In 1961 nearly half St Kilda's dwelling stock was made up of flats: 8,600 of them, which was almost twice the number in the next most densely developed municipality in the State (Logan, 1985). By 1971 this had increased to 16,500: three quarters of St Kilda's total dwellings and over one-third of all the flats in Melbourne's inner urban region. Eighty-two percent were in the private rental market (Logan, 1985).

In 1967 the St Kilda Progress Association formed to "awaken community awareness of the need for urban planning" (Longmire, 1989:234). Issues facing the Association ranged from the construction of more flats to freeways. In an unusual alliance with the municipal Council and both the local State member of Parliament and the Opposition candidate, the Association successfully campaigned against two freeways aimed right through the centre of St Kilda. The Flat Action Group formed somewhat belatedly, in 1974, to oppose the "disfiguring development" of blocks of flats (*ibid.*:245). In a traditional form of "collective social action" (Smith, 1979), calls from the St Kilda Progress Association and the Flat Action Group for improvements to the area's residential amenity (and land values) were supported by estate agents and the local media (Longmire, 1989). They were answered with the approval of a local Residential Development Code in 1974, which introduced much more strict controls for the construction of blocks of flats.

The Council response came too late for many. St Kilda's role as a critical source of low-income housing was consolidated, and the middle-class residents and young families who could afford it continued the exodus to the suburbs. By the 1970s St Kilda's population was dominated by transient, low-income young adults and elderly people (City of St Kilda, 1990a). Along with its considerable stock of affordable housing, St Kilda continued to offer the bayside views, clubs, cafes and fun parks that had made the municipality attractive since its inception.

The embedding of local culture: 1970 – 1985

In the 1970s Earls Court became a rock and roll venue, and the Esplanade Hotel played blues and country to drifters. The locality's main reputation around the rest of Melbourne was for its cheap flats and readily available drugs. Dealers and sex-workers operated openly on the streets. The Ritz Hotel in St Kilda's most infamous street, Fitzroy Street, ran the first *Les Girls* transvestite stage show in Melbourne. The Prince of Wales Hotel further down the street started up a regular Sunday night drag show, frequented by some of Australia's most flamboyant gay men and lesbians.

St Kilda had become a place for people who somehow lived differently. The first St Kilda festival was held in 1980 to celebrate its local artists, writers, musicians and entertainers, and the history of the city "with a myriad of faces" (Longmire, 1989:278).



Figure 6 St Kilda Carnival (1920s) lives again
Image courtesy of the Port Phillip City Collection

Mirka Mora, resident artist, wrote: "near the sea you expect paradise but in St Kilda you face the dilemma of living close to disaster and that is good for an artist" (quoted in Longmire, 1989:279). Albert Tucker saw St Kilda as "a dynamic place where good and evil worked alongside one another and conflict was ever present" (*ibid.*). "Exotic and eccentric elements" (*ibid.*) were as much part of the local culture as the sex workers and the transients and the embattled middle class. But the long term tension between St Kilda's lower-status subcultures and its more 'respectable' residents was growing.

The locality's social status was deemed to be responsible for keeping the rents down, and the 'undesirable' elements were raised by property owners as a public disgrace. The metropolitan media ran headlines such as "streets of hell" and "devil's playground" and sent camera crews to Fitzroy Street to capture people buying drugs on film. Respectable people made a point of avoiding the place (Longmire, 1989:268). In 1979 the Mayor of St Kilda, Cr Zouch, famously declared his resolve to rid the streets of the "prostitutes, pimps and poofters" (Longmire, 1989:271). A 'Clean Up St Kilda' campaign was undertaken with support from the local

media and the remaining middle-class home-owners. (The prostitutes responded with a street poster, snorting: CLEAN UP ST KILDA? WHO'D BE LEFT! (*ibid*:265)).

A conscious, resistant community politics emerged to counter the efforts of the predominantly male conservative City Council. Some of the 'undesirable' elements – the lower-income tenants and unemployed population – organised themselves into the St Kilda Resident Action Group, or SKRAG, rightly perceiving that they too were targeted by the Clean Up campaign. 'Operation Zeta', a police blitz launched just before the Victorian State elections in 1979 and the largest police operation ever seen in St Kilda, produced serious claims about civil rights infringements (Longmire, 1989:269). SKRAG's defence, that not only did its members have a right to be there, but, indeed, that the "prostitutes, homosexuals, unemployed people and people from lower-income groups were part of the city's cultural tradition" (*ibid*:271), was met with outrage.

At a public meeting held later that year Mayor Zouch denounced SKRAG as being made up of "the Gay Teachers and Students Union, the Women's Abortion Action Campaign, Women Against Rape, Monash Feminist Lawyers, the Communist Party of Australia and Hetaira" (formerly the Prostitutes Action Group) (*ibid.*). That much was true (although it included others as well). The question in dispute was whether SKRAG was a "loud mouthed ratbag group that St Kilda would do well without" (*ibid.*).

The Clean Up was not successful. In the early 1980s Earls Court and the Seaview Ballroom in Fitzroy Street were the venues for some serious punk rock and New Wave. Fitzroy Street was wild. The Birthday Party, The Triffids, La Femme, The Models, Midnight Oil, Hunters and Collectors, The Dead Kennedys, Public Image Ltd., Iggy Pop, The Gun Club, Psychedelic Furs, Screamin' Jay Hawkins and many other performers belted out tortured lyrics as drugs and blood and beer and pizza spilled onto the footpaths. St Kilda's air of danger and its estrangement from more 'civilised' parts of Melbourne continued to keep the rents down, and during the day, anarchist counter-culture blended into bohemia. The street-life was diverse, the coffee was good, and the largely European immigrant population gave the place an air of cosmopolitanism and 'culture'. At the 1981 Census, 40.8 percent of the population was born overseas. Flats made up 69 percent of St Kilda's housing stock, in comparison with 17 percent across the entire Melbourne metropolitan region (1986 Census data, City of St Kilda, 1990a). Around 56 percent of the St Kilda population rented their dwellings, compared with 19 percent throughout metropolitan Melbourne (*ibid.*). St Kilda rents were consistently lower than the rest of Melbourne.

The nineteenth and early twentieth century buildings that survived the 1960s flats boom tended to be very spacious, and what the 1960s flats lacked in space they made up for in light, as they were usually built with big windows. Many rooms had sea views and almost all were available at cheap rents. The trend of a predominantly young population of artists, musicians and other free spirits living alongside long-term elderly residents continued. In 1981, forty percent of the population was aged between 20 and 39, and twenty percent was over 60,

compared with thirty-two percent and thirteen percent respectively across the rest of metropolitan Melbourne (City of St Kilda, 1991a).

The Esplanade Hotel started to develop a reputation around the rest of Melbourne for playing high quality country music. A wide range of renowned local acts played there regularly, and interstate and international acts often performed at the Esplanade when they came to town. People travelled to St Kilda from all over Melbourne to hear a Sunday afternoon gig, and the hotel was often packed to the rafters.

By the mid-1980s one-third of the entire State-wide membership of the Victorian Community Arts Network lived in St Kilda (CAN, 1986), along with almost half the Fringe Arts Network (Fringe, 1986). In 1987 *The St Kilda Book* was published, the culmination of a *Writer in the Community* project supported by the City of St Kilda and the Victorian Ministry for the Arts. Its foreword reads:

Every city in the world has at least one place whose name conjures up something special, different, exciting. In Melbourne, St Kilda is that place. For almost a century St Kilda has been something more than just another inner suburb: for all generations its name evokes a kaleidoscope of sights, scents, sounds, memories and myths - the sea, Luna Park, St Moritz, the Palais, delicatessens, cake shops, coffee lounges, restaurants, bohemian life, artistic life, raffish life, a cosmopolitan population (Bev Roberts, 1987:i).

Why do I like St Kilda? Because it is a microcosm of life – tears, melancholy, sunshine, laughter, avarice, struggle, temptation, seduction, sadness, repulsion, redemption, neon, garbage, graffiti, austerity and beauty all live there (Peter Bakowski, 1987:iii).

Renters rule: the 1970s

By the early 1970s St Kilda's residential character was made up of extremes: great mansions, tiny two-room bedsits, rambling warrens of rooming houses, stylish holiday flats. Housing stock has an important impact on a locality's predisposition to gentrification. Mansions probably exhibit a smaller gap between actual and potential rent than less prestigious buildings – even as rooming houses, their returns are high and their recapitalisation potential is limited. Small flats may reveal the largest rent gap, but their size limits their attractiveness as gentrifiable dwellings to both consumers and producers. In many cities the older, smaller residences would have been demolished, but in St Kilda they were not.

The place had become the most densely populated municipality in Australia. Levels of public and community housing were low – a legacy of the Housing Commission's avoidance of St Kilda's housing stock during the slum clearance programs of the 1940s and 1950s. Only 1.4 percent of St Kilda's housing stock was public and community housing, compared with 10.4 percent in the inner Melbourne metropolitan region (City of St Kilda, 1990a). But the municipality was one of the largest sources of private rental housing in the nation. The high level of rental accommodation had been assisted prior to 1967 by legal obstacles to individual ownership of unit titles. State legislation enacted in the early 1960s had permitted division of blocks of flats into separate units and the transfer of the titles to a common company, but

continued to make access to home-ownership difficult by not allowing the issue of unit titles to individuals for mortgage loan security (City of St Kilda, 1984).

This changed in 1967 with the proclamation of the Victorian Strata Titles Act. The Act introduced the issue of individual strata-titles, subject to compliance with State-wide Uniform Building Regulations. The conversion of blocks of rental flats to own-your-own (OYO) units – called ‘flat break-up’ in London (Hamnett and Randolph, 1986) – became known in Victoria as strata-titling, or subdivision. Subdivisions almost always involve the eviction of sitting tenants. On completion of the works, the flats are individually sold and either inhabited by their new purchasers or returned to the rental market as investment flats. According to the parliamentary debates of the day, the legislation would increase home-ownership options and, consistent with the emerging State interest in metropolitan containment (Logan, 1985), encourage more intensive development of inner-city housing sites, increase dwelling construction rates and reduce the pressures for urban sprawl (*ibid.*).

As soon as home-ownership in strata-titled blocks became accessible, new flats construction

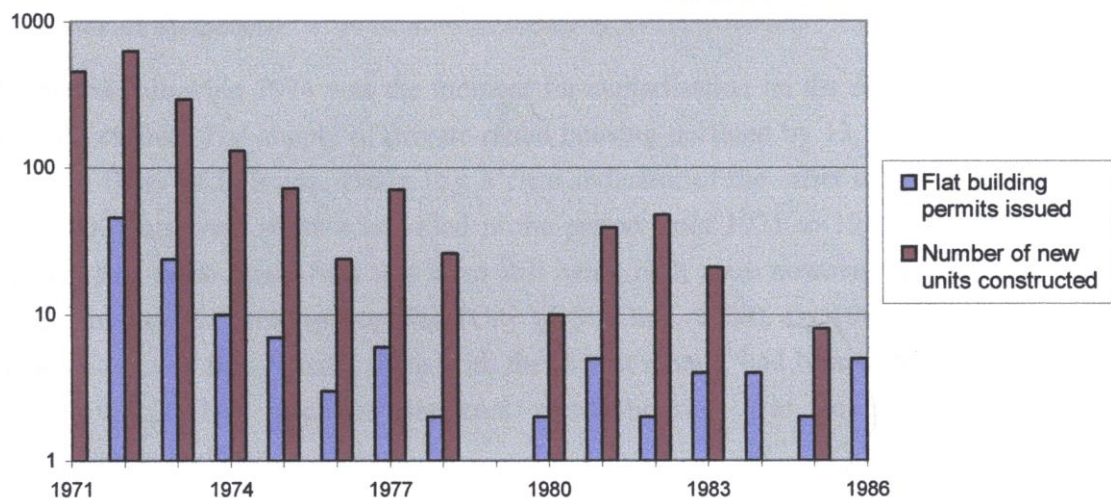


Figure 7).

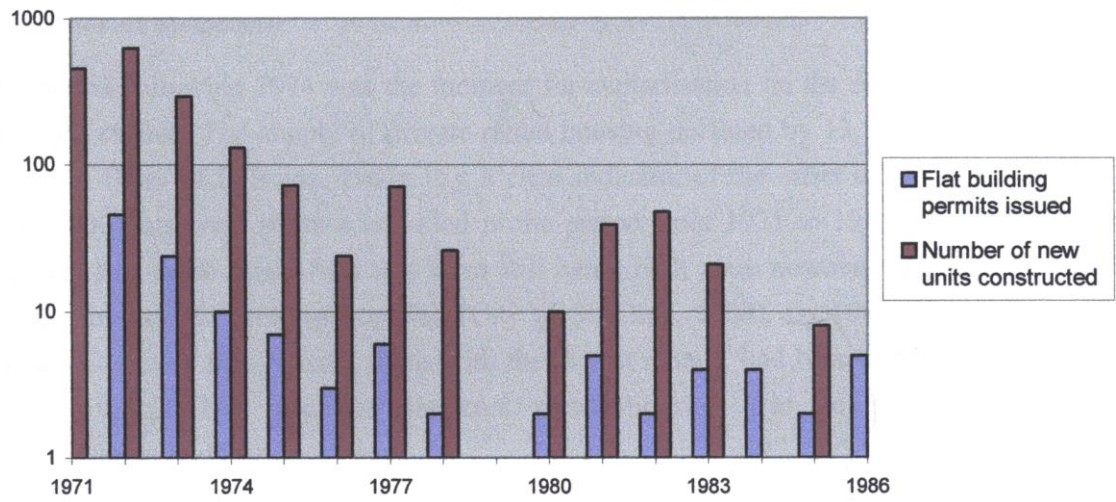


Figure 7 Flat and town house building permits issued in St Kilda, 1971 – 1986

Source: City of St Kilda (1988d) and City of Port Phillip Planning Registers, 1998.

After 1976, the few new flat building permits that were issued were mainly for high-rise luxury apartment complexes (City of St Kilda, 1984a:27). All of these were strata-titled, and two-thirds were owner-occupied (*ibid.*:29).

The combined effect of the State Strata Titles legislation and the local St Kilda Residential Development Code – simultaneously easing access to individual flat titles and reducing profits on new construction – stimulated the market to invest in the more capital-intensive conversion of existing rental housing to strata-titled units. Instead of the anticipated inflow of construction capital, investment in strata-titling began to dominate St Kilda's housing market (City of St Kilda, 1984a:28). Applications to strata existing buildings, especially those at the cheaper end of the rental scale, leapt in the early 1970s (*ibid.*). Figure 8 shows the increase in approvals after the introduction of the code, and the rate of applications and approvals from then on.

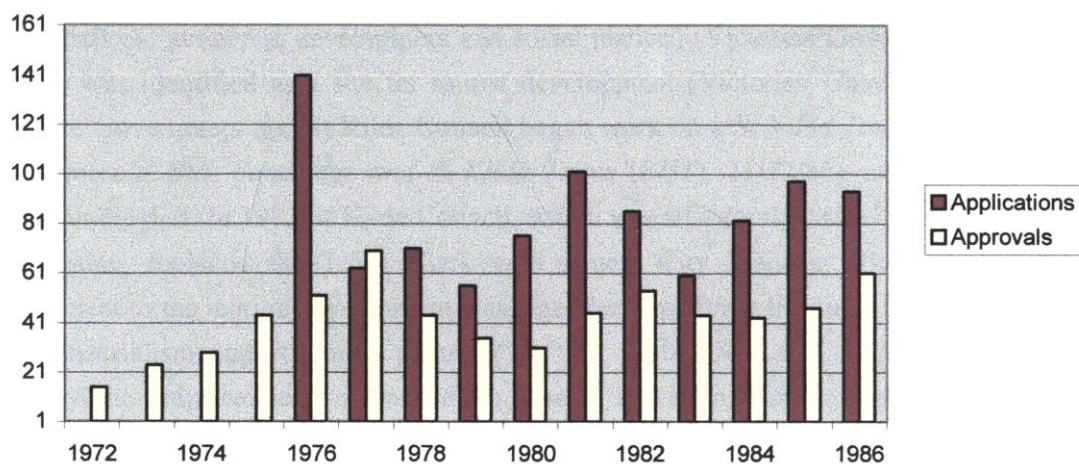


Figure 8 Strata Subdivision applications and approvals in St Kilda, 1972 – 1986

Source: Cities of St Kilda and Port Phillip Town Planning Department Strata Subdivision Registers, 1998. 1971 figures are not available.

The period following 1974 was the moment for capitalisation on the rent gap, which almost certainly existed. The supply of private rental housing declined by 13 percent between 1971 and 1981 (City of St Kilda, 1984a:15): a clear indicator of the onset of gentrification. More than 5,000 flats were strata-subdivided in the period from 1971 to 1986. It quickly became apparent that those rental flats that were still being built were nowhere near replacing those being converted to owner-occupation (City of St Kilda, 1988). By 1984, 37.2 percent of St Kilda's blocks of flats, mostly those with the lowest rentals, had been subdivided (City of St Kilda, 1984a). The stock of low-cost rental housing was being steadily depleted. Revalorisation had begun.

But a curious thing was going on. Subdivisions rarely went beyond minimum compliance with standard building requirements. External renovations were quick and cosmetic, changing the colour of the block from brick to the latest pastel, sticking up a brass plated street number and a canopy over the entrance (City of St Kilda, 1984a). Recapitalisation did not appear to be

anywhere near as great as it could have been. Certainly a higher and better use would have been high-rise residential. Unlike the situation around the same time in Adelaide (Badcock, 1989), where the City Council actively prevented high-rise construction, St Kilda Council was acting only to ensure higher quality constructions than those left by the get-in-get-out-quick developers of the 1960s. But, apart from a few examples, neither high-rise redevelopment nor high quality rehabilitation eventuated. The 1974 Residential Development Code and higher costs of construction appeared to make luxury development a high risk investment strategy, prompting the development industry to find an alternative route to the end found by its predecessors. A likely explanation for this is that St Kilda's image was affecting demand, especially at the luxury end of the housing market. As low-cost rental housing became lost to the municipality, the stock of relatively low-cost dwellings for purchase increased.

A cultural new class: the 1980s

In 1982 the first Labor State Government since 1955 was elected in Victoria, with the two major goals of "economic development and social justice" (Victorian Government, 1987a:6). St Kilda was identified as a site for tourist development (Victorian Government, 1984:52). The State Government and St Kilda Council began work on a *St Kilda Tourism Development Plan* (Emerald Hill, Sandridge and St Kilda Times (EHT), 11/12/86), starting with a new marina on the pier. In 1983 St Kilda Council, which was still dominated by conservative local businessmen, replaced the Town Clerk with a new City Manager, Brian Jones. Jones' commitment to the marina development was legendary, typifying the "new breed of municipal entrepreneurialism and corporate planning" of the 1980s (*The Age*, 13/8/87). He strongly supported the 'improvement' of St Kilda in general, and soon after his appointment enthused in *The Age* newspaper about the municipality's development potential:

St Kilda reminds me of the way Double Bay looked ten years ago, and now it's one of the most expensive residential areas in Sydney! (*The Age*, 31/7/84).

The Council's economic development objectives were articulated in a draft Corporate Plan (City of St Kilda, 1984c). This was the most explicit statement so far of municipal support for city 'upgrading', high-rise development and, once again, getting rid of the 'undesirables' (*ibid.*). Once again the undesirables organised. The St Kilda Resident Action Push (SKRAP) – a group of self-described larrikins in the tradition of C.J. Dennis (Mark Smoljo, member of SKRAP, personal communication, 1999) – mounted a campaign to re-orient the Council's perceived business focus. SKRAP's members were "punks with drug problems, rock 'n roll outlaws, working class locals; unemployed, angry, non-participatory anarchists" (Smoljo, personal communication, 1999). The group contested the August 1984 Council elections with a candidate whose election material pictured her flanked by members of the hardcore punk band, Depression, with tattoos and high-rise mohawks. In November 1984 SKRAP staged a 'refugee march' down the middle of the Fitzroy Street during the traders' street festival – a long line of punks with suitcases slowly filing out of St Kilda. Not everyone wanted to see

them go. The Corporate Plan was retitled ‘Community Plan’, and approved with the offending references to ‘undesirables’ removed (City of St Kilda, 1984d).

The Council’s policy decisions reflected the dichotomy in the State Government objectives. A small contingent of liberal resident representatives, including St Kilda’s first women Councillors, was growing. With support from the local State Labor member (who was later to assume the Ministerial portfolios of local government, planning and housing at different times), St Kilda Council was persuaded to employ a housing research officer on a shared funding basis with the Victorian Ministry of Housing (City of St Kilda, 1991). Jack Downey, a local resident, was appointed to the position in the same year that Jones became City Manager. Downey immediately began to explore policy initiatives that might limit the loss of low-income rental housing through strata subdivision (City of St Kilda, 1984a).

Downey’s research found that municipalities with large tenant populations across inner Melbourne were becoming aware of their role as passive participants in the eviction and displacement of vulnerable renter households (City of St Kilda, 1984a). Applications to subdivide blocks of flats under the Strata Titles Act did not require planning permits, but councils were able to require that subdivisions comply with local building policies (*ibid.*). Local control was also possible through a clause in the Act which allowed a council to refuse to seal building plans “if, in its opinion ... it is not in the public interest that the plan should be sealed” (Clause 6(6)(1), 1967 Strata Titles Act). Some councils were starting to use clause 6(6)(1) as an all-purpose clause to control subdivisions. By applying minimum building standards in the ‘public interest’ it was believed by those interested in the preservation of low-cost rental housing that the increased costs of subdivision might deter some investors, and stem the rate of evictions (*ibid.*). Soon after Downey’s appointment, St Kilda City Council approved a policy that allowed it to apply stringent local building criteria to subdivision plans. The policy had broad political acceptability: where subdivisions were not thus averted, the application of minimum standards resulted in substantial improvements to poorer quality buildings, and the Council rates on the upgraded properties increased accordingly (City of St Kilda, 1983).

At the same time, conservation issues were accorded greater status. The first heritage study of St Kilda was undertaken in 1982, followed by a second in 1985. These studies nominated significant buildings and streetscapes for protection under the planning scheme. They designated certain areas as urban conservation zones, including most of the St Kilda foreshore (City of St Kilda, 1987a). Urban conservation zones made external alterations and demolitions subject to a planning permit, and allowed the Council to require that new designs be compatible with existing styles. Further substantial reclamation works were undertaken on the foreshore, extending the parks and beach.

In October 1984 Downey completed a study on the impacts of subdivisions and found that the rate was not slowing. The study showed that the 1983 policy was encouraging a trend of “meeting the high housing expectations of upper-income housing consumers, whether buyers

or renters” (City of St Kilda, 1984a:42). According to the study, improvements in housing quality after subdivision were beginning to produce rental increases that ranged from 8 to 54 percent. The report made four major recommendations relating to monitoring and controlling the loss of rental housing, maintaining rental levels within affordable limits for the municipality’s “traditional lower-income residents” and minimising the social and physical impacts on renter households affected by strata conversions (*ibid.*).

The Strata Subdivision Study and an associated report on the loss of local rooming houses (City of St Kilda, 1984b) formed the basis of St Kilda City Council’s first housing policy, adopted in April 1985. The policy sought to limit low-to-middle-income private rental housing loss by subdivision, and advocated Council purchase and management of rooming houses and joint public housing purchases with the State Ministry of Housing (City of St Kilda, 1985). Its first principle stated that Council would recognise the traditional rental housing role of the area and endeavour to facilitate the upgrading and conservation of rental housing accommodation and minimise the social impact of new development on low-to-medium income households (City of St Kilda, 1985). But political commitment to the policy’s implementation was tenuous. Jack Downey resigned from his position as housing officer and stood for election to the Council in August 1985. He became the first St Kilda City Councillor to be elected on the explicit platform of controlling development (Lyons, 1998).

Downey’s concern about the displacement of St Kilda’s low-income residents was more anecdotal than supported by the data of the time. As is often the case, informed local knowledge anticipated trends that had not yet shown up in demographic analyses. If renovation or rehabilitation of old buildings were the sole indicator of gentrification, then St Kilda would indeed have been considered substantially gentrified by the early 1980s. Rehabilitation took two forms of particular significance: strata subdivision of flats and old Victorian mansions, and restoration back to single dwellings of the mansions that had been converted to rooming houses. In 1954 St Kilda had 636 rooming houses, accommodating 9500 people on low incomes (City of Port Phillip, 1997). Many of these were lost to demolition in the 1960s, and to rehabilitation in the 1970s. By the early 1980s, only 150 or so remained (

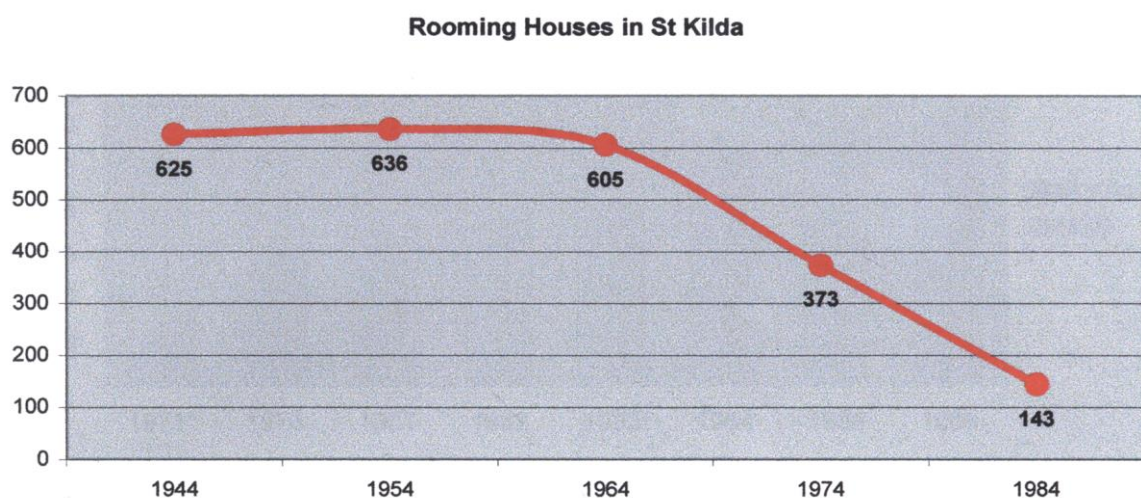


Figure 9).

Figure 9 The decline of St Kilda Rooming Houses, 1944 - 1984

Source: *Social and Economic impacts of residential planning, City of St Kilda, 1988*

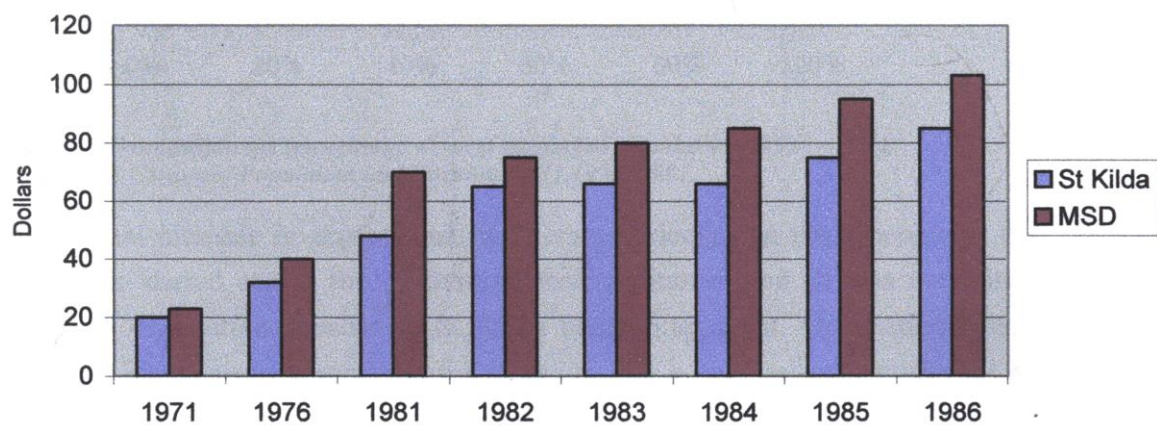
The renovations and rehabilitations were most certainly causing widespread evictions, but the rental housing that remained in the locality was still relatively cheap and plentiful. Rental vacancy rates at the municipality level were not recorded in the 1980s (nor are they still), but real estate agents have good memories. Brett Gamon has operated in St Kilda for over 30 years, and says vacancy rates in St Kilda were “in the double figures” well into the 1980s (personal communication, 1999). Rent increases in St Kilda generally remained in line with CPI adjustments (City of St Kilda, 1984a:33). Time series data over the last twenty-five years are problematic because of the changes in national and global economic context, but a useful comparison can be made between median rents in St Kilda relative to the Melbourne metropolitan area (or Melbourne Statistical Division (MSD)) (

Figure 10).

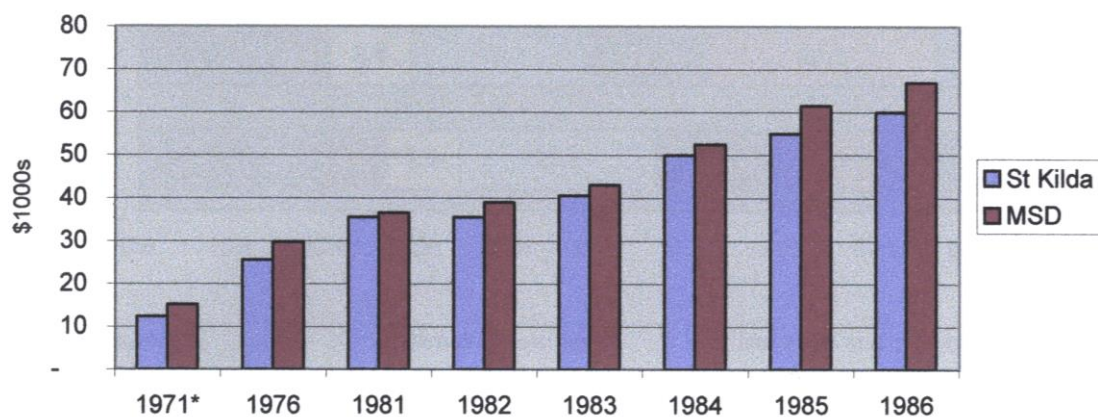
Figure 10 Median weekly rentals of advertised properties (all dwellings), 1971 – 1986

Source: Burke, T. 1985, *Melbourne Housing Indicators*, Estate Agents Board, Melbourne; Office of Housing Annual Rental Reports 1985-94, Victorian Government.

Rents throughout Melbourne (and elsewhere) increased substantially in the 1970s and 1980s,



but the median rents in St Kilda remained consistently lower than those of the metropolitan



region. Purchase prices for flats, similarly, remained below the MSD median.

Figure 11 Median sale prices on flats, St Kilda and MSD, 1971 – 1986

Source: Land Victoria, Valuation and Survey Services Division, 1998.

*1971 figures are means; the collection of medians began in 1974

The upgrading in social status inherent in the concept of gentrification had not materialised in 1981. Australian Bureau of Statistics (ABS) Censuses show that there was little change in the status of St Kilda residents in the 1970s and early 1980s. Occupational changes in St Kilda closely reflected occupation distribution in the MSD, as Figure 12 shows.

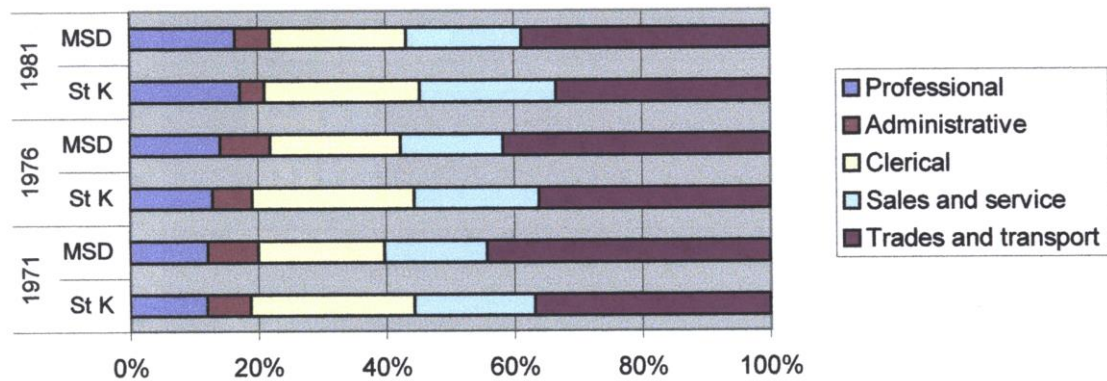


Figure 12 Occupation (as percentage of total employed population), 1971 – 1981

Source: ABS Census of Population and Housing, 1971, 1976, 1981.

The gradual increase in professional workers and decline in tradespeople in the 1970s and 1980s was shared across the Melbourne metropolitan region. It was not until 1986 that a change in occupation specific to St Kilda became apparent. Occupation category changes between Census years complicate the situation, but a comparison between St Kilda and the MSD in 1986 gives the first real indication of the onset of gentrification (Figure 13).

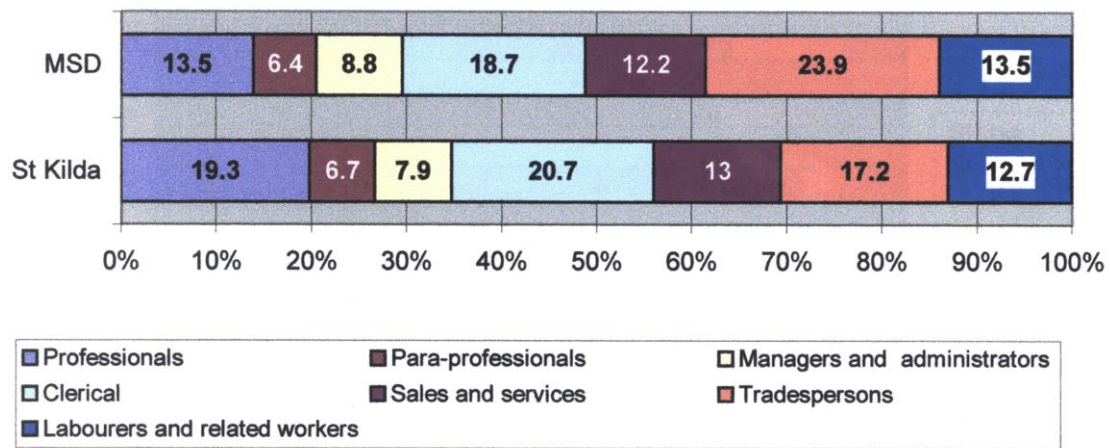


Figure 13 Occupation (as percentage of total employed population), 1986

Source: ABS Census of Population and Housing, 1986

Qualification levels give further insight into the cultural change that was occurring. Residents with tertiary qualifications were increasing, and people with no qualifications were becoming fewer. But the shifts are small and barely affect the overall proportions (Figure 14).

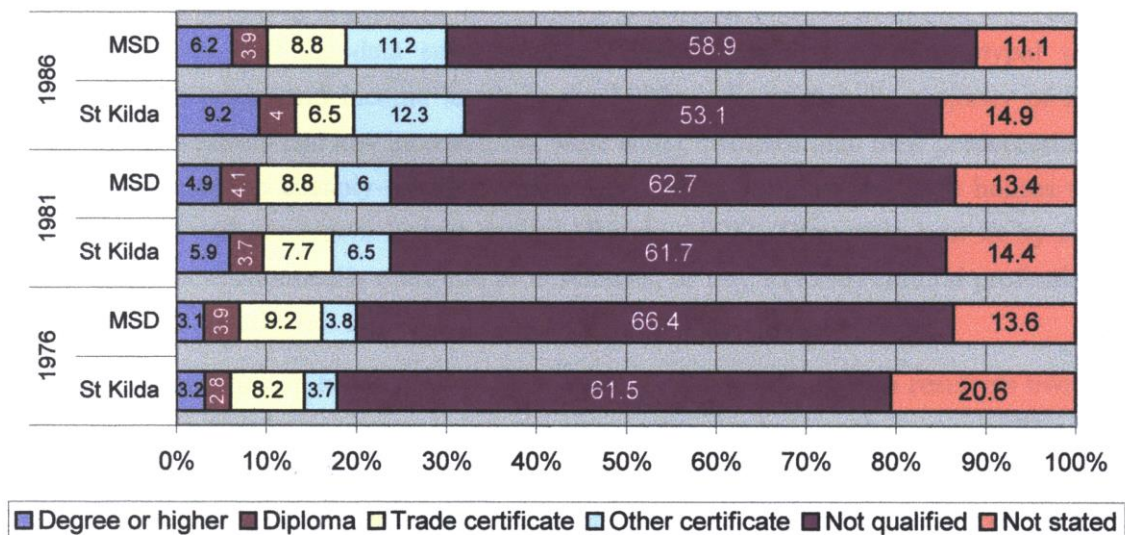


Figure 14 Qualifications (as percentage of total employed population), 1976 – 1986

Source: ABS Census data 1976; City of St Kilda 1991 Profile of Population and Demographic features

Income levels show least evidence of gentrification. Relative to the rest of Melbourne, St Kilda retained a high proportion of individuals in the lower personal income brackets and low proportion in the upper brackets (Figure 15). Again, income categories changed substantially over this period, but for the purpose of this comparison emphasis should be placed more on the relation between St Kilda and the MSD in each Census year.

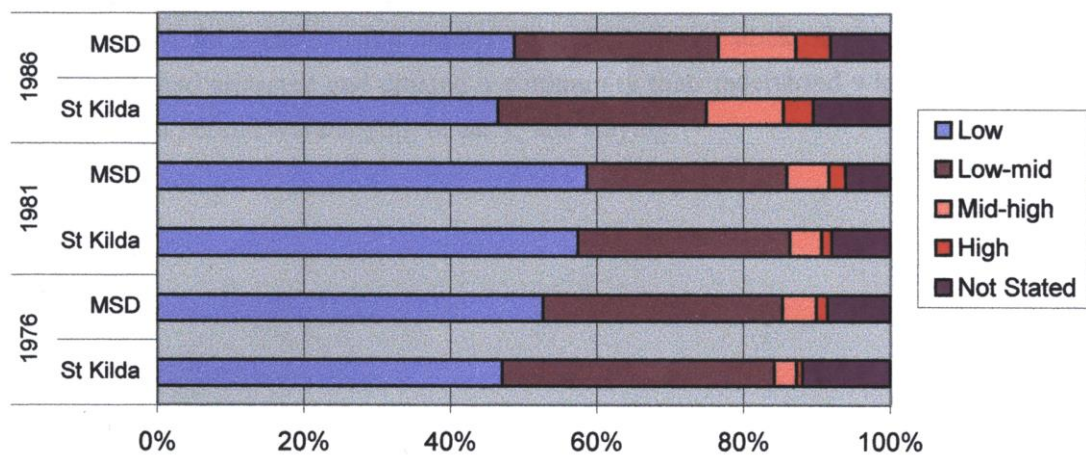


Figure 15 Annual personal income as percentage of the population, 1976 – 1986
(income data not collected in the 1971 Census)

Source: ABS Census of Population and Housing, 1976, 1981, 1986

The physical changes in the area suggest that economic and occupational status are not adequate indicators of what was going on. The number of people who owned or were purchasing their dwelling in St Kilda increased by 13 percent between 1981 and 1986 (City of St Kilda, 1990a). But the data suggest that the in-movers were not archetypal yuppie gentrifiers. Flat prices and income levels in the 1980s indicate that the majority of home-owners and purchasers had low incomes, but were better qualified than their predecessors and able to gain access to cheaply-rehabilitated flats, or to relatively inexpensive houses which they renovated with their own ‘sweat equity’ (Warde, 1991). They were best fit by Rose’s (1996) notion of economically marginal professionals, or Ley’s (1996) cultural professionals, whose work perhaps did not fit neatly in the ABS occupation categories.

Even with the increase in home-ownership, only 33.7 percent of St Kilda residents owned or were purchasing their homes – way below the metropolitan and national average of 73 percent (City of St Kilda, 1990a). Most St Kilda residents, 56.1 percent, rented in the private sector. (Public tenants made up 1.4 percent of the population; the remainder, 8.8 percent, lived in ‘other’ circumstances – the highest proportion in this category in the MSD and inner-metropolitan region). The municipality still contained the highest proportion of low-income households in Melbourne, at 44 percent compared to an MSD average of 30 percent. Nearly 13 percent of St Kilda’s population was unemployed, twice that of the Melbourne metropolitan average (City of St Kilda, 1990a). Over 27 percent was in receipt of a social security pension or benefit (*ibid.*). The remaining rooming houses in the municipality (in 1986 around 43 percent of the inner urban region’s entire stock) housed about 2,000 people on very low incomes (City of St Kilda, 1988).

But gentrification was beginning in earnest, although Rose (1996) calls the early stages ‘professionalisation’ precisely because the income differentials associated with advanced gentrification are not fully expressed. St Kilda continued to provide a home to people who had limited choices, but was gradually becoming *the* place of choice for others. The particularities

of the local housing market, through its large stock of cheap housing for rent and purchase, had attracted and created a community that understood what the place had to offer. Those who could were buying in early, and staying.

4. Local culture and community politics: the 1980s

If places are indeed a fundamental aspect of [human] existence in the world, if they are sources of security and identity for individuals and groups of people, then it is important that the means of experiencing, creating and maintaining significant places are not lost (Edwin Relph, 1976).

By the 1980s, St Kilda's various communities and subcultures were deeply embedded. Cheap housing was so plentiful, and had been that way for so long, that the local subcultures seemed part of the physical fabric. Gentrification, while still a concern for housing workers, appeared to be inherently restricted by the sheer number of small flats. The municipality had few of the terraces of workers' cottages that characterised the more industrial inner parts of Melbourne that were by now gentrifying rapidly (Logan, 1985; Jager, 1986). The identity of local counter-culture was strong, and St Kilda's place in Australian urban subculture seemed assured.

The meeting of subcultures



Figure 1 Mandalay, 1986

I moved into Mandalay, on the Upper Esplanade in St Kilda, in June 1986. I was an upper middle-class girl gone wild. I had recently returned from a year of working illegally in New York and had found that restoration of some order in my life required total abandonment of current company. I walked, and found myself on the steps of one of the many run-down old

buildings in St Kilda advertising a flat to let. I moved into the ground floor flat and sat on the floor alone on my first night there wondering how on earth I was going to make it. The flat was cold and a wind straight off the Antarctic came screaming in through a gap under the door you could have slid a telephone book through. But the next morning I walked out onto the steps to see the great expanse of sky and sea almost at my feet, and breathed in as deeply as I could.

The twin blocks of Mandalay each had three flats in the rear and six in the front with balconies overlooking the sea. They had had little maintenance since the sixties. Some of the stained glass panels in the windows and doors were broken or missing. The paint on the outside was peeling and most of the balconies were enclosed in a variety of ways to try to keep out the icy winter winds. Odd sized windows divided the once symmetrical Deco facades into a mess of styles and shapes. A path led up from the low bluestone fence past two small lawns to the worn terrazzo steps of each block. From those steps, on a clear day, you could see right across to the other side of the Bay.

There were 18 flats in the two blocks, and gradually I got to know my neighbours. There was Karen, actor, musician and latex puppet-maker; Maggie, landscape architect turned film maker, and Russell, a middle-aged documentary-maker in love with Cuba. Robin tended the vegetable patch, drove trams and struggled with his drug habit. Gino, the eternal student, made a living as sometime public servant and builder's labourer. Rodney and Steve were established musicians who could almost live off their recordings and royalties. Glen, Tim and Greg relied to a greater extent on pub gigs and various kinds of casual work. Peter produced sculptures in wrought-iron; Marcelle studied film; Peter the Polish oil painter drank vodka and tried occasionally to climb through my bathroom window. Karen, a writer, lived with her lover, Dale, a painter with his own set of demons. Liz worked as a barmaid at the Prince of Wales around the corner. Ilana, a freelance photographer, lived with Rodger, a press photographer who balanced paid employment with a detailed documentation of life in St Kilda and occasional schizophrenia. There was Susie, a Masters student in psychology; Vere, ex-junkie ever on and off his methadone program; Mim, mostly full time mother and Leatherman, who made leather belts and sold them across the road on Sundays at the Esplanade market. There were others like Patrick and Paul, who had various sources of part-time employment interspersed with periods on the dole, as most of us at the time did. Out the back on the top floor was an elderly woman, Mrs Lubin, who had been there since the 1950s and still lived in the one-bedroom flat she had once shared with her two children and husband. Apart from Mrs Lubin, who was a protected tenant, we all paid rents of about \$90 a week.

I got work as a publicist with a theatre company around the corner, and my life started to even out. The population in Mandalay shifted and flowed, but most of us stayed, and many of us became friends. When someone moved out their flat often passed to friends of other people in the block, and so a little community gradually evolved. One person sitting on the front steps watching the sky and the sea would be joined by another, then someone else would come

home and they would stop too, and on summer evenings we often sat there watching the sunset and drinking late into the night. People walking past would come up and join us on the steps, or stretch out on the grass or sit on the low wall, whether they knew us or not, and we'd just sit and talk and watch the lights come on in the ships out on the water.

I found a home in those old flats. An acceptance and trust developed amongst us as neighbours – many of us had keys to each others' doors, fed each others' cats while we were away, looked in if someone wasn't well, borrowed money from each other, took our clothes to the laundromat and shopped together. There were love affairs and arguments and parties, and there was always someone awake to sit up and talk with after the Esplanade Hotel had closed.



Figure 2 The Venue, 1986

Next door to Mandalay was the old Earls Court, by then a rock and roll venue called The Venue. International acts and local bands played there, and one night Gino showed me how to bypass the door charge and the bouncers by scaling the roof of Mandalay, jumping the one-metre gap across to the roof of The Venue and climbing through an open window. From there we could drop onto one of the balconies overlooking the stage, in a huge hall with carvings and chandeliers set still high above us in the ceiling. Next door to The Venue was the site of the old St Moritz ice skating rink. St Moritz had burnt down in 1982 and the empty site was used as a car park until the concrete slabs that made up the Novotel Hotel appeared on the horizon. But that was later. Down the road, the Esplanade Hotel sat resplendent in its crumbling Italianate glory, host to some of the best alternative music in Melbourne.

I found a strange relationship between the residents of St Kilda and their physical environment. There seemed to be a sense of history and an interest in built and social forms that I had not encountered before. The sense of community extended well beyond Mandalay; there were blocks of flats all around St Kilda where friends became neighbours and neighbours became friends, where the buildings themselves seemed to take on particular characters. Whether these communities slowly evolved or were actively constructed – as some were, because the high density living and low rents allowed a degree of flexibility in housing location – there was an air of living closely with others and in safety.

There was a sense of the political, of people making decisions to live alternative lifestyles. None of the people I knew had much money. Sometimes this was by choice: the cheap rents allowed them to pursue interests and lines of work that often didn't pay well. Much of the locally-produced music, theatre, comedy and poetry was explicitly political. I met people who worked in low-income housing services, community legal centres, tenancy advice and advocacy. I saw highly qualified individuals remain in relatively low paid community sector jobs because of their commitment to the work. The housing arrangements that were deliberately set up to sustain these choices always fascinated me. Until then, I had assumed that most people fell into this kind of lifestyle by circumstance, as I had. Not that the relative poverty was always a product of choice, of course. But even where it was the result of most bitter experience, or had just always been there, St Kilda seemed a better place to be poor than any other place I knew of. Whenever I commented on this, others seemed to agree. Never before had I been aware of such a collective self-awareness.

The meeting place and lounge for many of these flats was the Esplanade Hotel, where girls could walk in alone and not be harassed, meet their neighbours and friends and drink and talk and play pool. I liked the old blokes in the public bar, and came to understand the regulars, some of whom clearly had intellectual or psychiatric disabilities. The downstairs bar was called the 'Star Wars' bar because of its constant array of weird characters. It started to matter to me that they were able to sit around for hours with people who laughed at their jokes, knowing that they were accepted and that they wouldn't get thrown out for behaving strangely, or for sitting there too long without buying a drink (or too many). Most of the bar staff lived in the area, and they seemed to care about the locals. They looked after them.

In the 1980s approximately fifty ethnic populations lived in St Kilda, with a strong representation of Russian, Eastern European and Maori people (City of St Kilda, 1993a). Later, the local Council's 1993 community plan, *The Essential St Kilda*, which contained translations into Polish, Russian, Italian, Chinese, Greek, Turkish and Arabic, attempted to articulate the essence of the "St Kilda community":

St Kilda is different...

St Kilda is both formal, informal, old, young, rich, poor, part urban cowboy and part dropout, part trader and part artist. This diversity is the drawcard which attracts many people to live in our community (City of St Kilda, 1993a:npn).

St Kilda's streets could invoke images of Jane Jacobs' (1961) 'ballet of the city sidewalk' – the "intricate ballet in which the individual dancers and ensembles all have distinctive parts which miraculously reinforce each other and compose an orderly whole" (p.60), and indeed, Greenwich Village in New York, where Jacobs lived, and St Kilda do have many similarities, both then and today. But I am mindful of Deyan Sudjic's (1993) scoff at Jacobs' "lapse into purple", where he says of her golden era/area, Hudson Street:

it is hardly the urban Eden that Jacobs suggested. It offers low rent diversity, but there are costs. ... Hudson Street was clearly never the soft focus idyll that Jacobs portrayed. The city is a tougher, darker reality than she ever allowed. In the apartment buildings of Hudson Street, frail and incontinent widows die alone on urine-soaked beds, left forgotten for weeks before the super calls the police to tidy them away (Sudjic, 1993:24).

Indeed, St Kilda's street-life was sometimes evidence in itself of the brutality of only too many personal hells, thrown into stark focus by the extreme poverty of many of its residents. Much of what happens in St Kilda happens on the street, or not far off it, including a disproportionately high number of shootings of citizens by police (Jude McCullough, Federation of Community Legal Centres, personal communication, 1997). The municipality has a high proportion of inner-Melbourne's mental health services, developed in response to the need generated by St Kilda's status as a common destination for people released from psychiatric institutions. In 1986/7, St Kilda was one of the metropolitan area's highest sources of admissions to Royal Park Psychiatric Hospital (second only to the central City of Melbourne, which also has the State's highest homeless population) (City of St Kilda, 1988f). This status developed partly because of the cheap housing stock, and partly because of the local diversity and tolerance that supported those services, and individuals, becoming established there.

We often marvelled at the people who lived in St Kilda and wondered aloud at why they were so different from other people we knew. She said all society's outcasts came to St Kilda because there was no norm to differ from. I thought it more likely that cheap rent attracted those who could not work (Overington, 1988).

In 1990 a journalist who at one time worked at the George Hotel in Fitzroy Street wrote of her recollections:

It was four years ago, on my first shift as barmaid in the hotel's saloon bar, known aptly as the Snake Pit, that I came to understand the term "fear and loathing". Mad Gary, a cross between the village idiot and the village psychopath, threw a wooden bench across the length of the bar. I almost screamed when he started punching the peanut machine like it had spat on his mother...

One night a Council worker called Black Johnny and [another regular] Crazy Dave decided to become blood brothers. But after slashing their arms with broken beer glasses they had to be rushed to hospital and stitched up. They were people out of control. Drugged prostitutes staggered around in twos and threes between jobs. Maoris sang with the juke box. Others just stood like stone statues for the whole night...

The television stations had to be changed with a pool cue. The pool table had a tilt like a skateboard ramp. The men used the women's toilets because the men's was too putrid, even for these men... Drunks frequently abused [a neighbour] and showered her with vomit and urine as

she passed the hotel... It was more than culture shock. It was a nightmare. But I kept going back (Merz, 1990).

It is all true: St Kilda was a location at times of great evil. Is the celebration of St Kilda's 'difference' so naive that it denies this reality, or does it simply accept that evil knows no bounds and is just not seen in the 'safe' suburbs where those who profit financially from it are protected behind high walls? Does celebration romanticise the manifestations of poverty and homelessness and mental illness, or merely take relief in the fact that this place provides some refuge and company for their victims.

The community housing workers I knew of course advocated for an end to poverty, but in the meantime they tried to ensure that everyone in St Kilda had somewhere safe to sleep and eat and meet their friends.

Everyone complained about the beer, but on pension day it was like New Years Eve. I soon realised that the regulars were part of a devoted and demented family. They had their own cricket team... on birthdays a collection went round to buy some special item... (Merz, 1990).

And they fell in love with the place – all of it. These were no children. This was the St Kilda I found in 1986. As I came to know more people there, I came to realise that the place occupied a similar space in their psyches as it was beginning to in mine. It was as though there were some collective consciousness of being in this place together, simultaneously defining and being defined by it. It was a place of extremes – sometimes dark and violent, sometimes, when the sky was blue and the sea flat as a mirror, a joy. Above all, it was laid-back: cranky and eccentric but mixed with this laconic, easy tolerance. I was a troubled and difficult character. I guess I fitted in.

But if long term residents assured me that the St Kilda they loved had been this way for many years, they also declared it was coming to an end. In 1988 Jack Downey, by then a City Councillor of three long years, wrote to tell me how he, "ten years ago, frequented the pub when it *really was* a community meeting place" (Jack Downey, personal communication, 1988, Jack's emphasis). Jack was moving on, as someone "who can no longer draw circles around very small areas in a very small suburb and believe that saving these spots is somehow saving anything" (*ibid.*).

But his presence reverberates. Many people picked up where Jack left off, and still more come on. St Kilda continues to exhibit what I regard as the centre of its imagery: its culture of questioning and challenging and contesting space and values.

The following story is my attempt to make sense of the following decade. My pleasure in this odd, alternative space and my growing commitment to social equity and diversity led me to become deeply involved in the community politics that fought the homogenisation of place and culture. Whilst it is not possible to completely determine the influence of self on interpretations of events, it is incumbent on the researcher to reflect upon the role of the researcher in the research. I believe it is impossible for any researcher in the social sciences to be a neutral collector of 'facts'; world view and individual experience will always affect

decisions about which facts to collect and how to analyse them. It is important for social researchers to acknowledge their subjectivity and identify their sympathies, in order that their readers may understand how and why they reach the conclusions they do. I believe there is no 'truth' in the analysis of politics and humanity, only ways of understanding. It is important that my particular way of understanding is clear to you, my reader, and I hope that you may be persuaded by it.

There is a body of work that argues further, that reflexivity on the part of the researcher can actually improve upon the findings. Reflexivity, as "self-critical sympathetic introspection and the self-conscious analytical scrutiny of the self as researcher" (England, 1994:82),

induces self-discovery and can lead to insights and new hypotheses about the research questions. A more reflexive and flexible approach to fieldwork allows the researcher to be more open to any challenges to their theoretical position that fieldwork almost inevitably raises... [and] the reflexive "I" of the researcher dismisses the observational distance of neopositivism and subverts the idea of the observer as an impersonal machine (Hondagneu-Sotelo, 1988; Okely, 1992; Opie, 1992) (England, 1994:82).

Put simply, whilst I deeply desire to believe that local communities can affect their local environments, I have no desire to delude myself. I am not naive. My comprehension of global capitalism and its impact on all places leaves wide-open the possibility that local particularities are meaningless in the broader scheme of things. My underlying objective in engaging in this analysis is to answer a most personally troubling question: can the efforts of people not members of the enormous corporations that focus primarily on consolidating wealth make any substantive difference to the conditions under which they live their lives? My answer has a clear prescriptive impact. I must remain open to the possibility that they cannot, in which case I and maybe all local activists should cut our losses now.

Of course, the answer is not so categorical. Certainly, my conclusions are not those I expected when I started to write. My theoretical framework is tested and explored. One of the things that I think emerges in this thesis is the qualification of my early optimism and a growing recognition of the constraints that operate on local communities. And from the looming darkness, an unavoidable acknowledgment that small acts in very small areas can have big impacts, and enormous implications.

The wheel turns full circle? or is St Kilda on another tangent again...

In December 1986 the *St Kilda Tourism Development Plan* was launched as a joint project of the State Government and St Kilda Council (*EHT*, 11/12/86). The Plan identified five precincts in St Kilda where tourism-related activities were to be located (City of St Kilda, 1987), including new residential and tourist accommodation and cafes and restaurants on The Esplanade (*ibid.*).

As with strata subdivision applications, the proposed redevelopment projects favoured sites of existing low-income housing, primarily because they were cheaper and, because they were not already subdivided, could more easily be purchased by prospective developers. Sites of low-

cost recreational facilities were also targeted. Buildings on the potential redevelopment sites were invariably of older stock, which lent weight to the applications for their demolition. In early 1987 Mandalay was sold for one million dollars to a company that formed especially for the venture. Mandalay Gardens Pty Ltd immediately applied to demolish the flats and construct a thirteen storey apartment block with 44 luxury apartments, a restaurant, tennis court and car parking (St Kilda Tenants Union (StKTU), 1987).

The Esplanade Hotel was sold in the same year for \$5.6 million (Bruce Weibye, Esplanade Hotel manager 1987-97, personal communication, 1997). Its new owner, a company called Evindon Pty Ltd, was fronted by Mike Brady, a singer/songwriter whose main claim to fame until then was a song about Australian Rules Football called *Up There Cazaly*. Behind Brady and his partner, Alain Gerrand, were a number of powerful investors, including Bruce Mathieson and members of the Zagame and Grollo families, with extensive interests in hotels and property redevelopments. Evindon put a proposal to the St Kilda City Council to demolish the hotel and build a high-rise residential hotel shaped a bit like a huge ice-cream cake.



Figure 3 Mandalay redevelopment proposal, 1987

After preliminary discussions, a second application was submitted to retain the facade of the Esplanade, put in shops and restaurants at ground level, and construct an 18-storey luxury hotel behind.

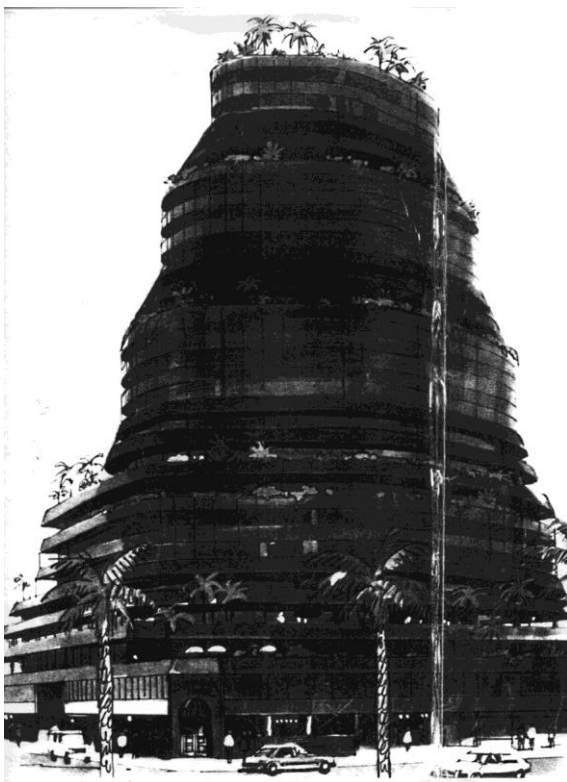


Figure 4 Esplanade Hotel proposal #1, 1987

Leiber's Court, a 1920s converted mansion behind the St Moritz ice-skating rink, had been demolished in 1979. The ice-skating rink had "mysteriously" burned down soon afterwards (*The Age*, 1/10/86), and in 1984 the St Kilda Council purchased the entire site. In 1986 the Council entered into a joint arrangement with a private company, the Greetings group, to build a luxury hotel (*ibid.*). The Council also owned The Venue, which it put up for sale the following year.

Almost a whole city block in Fitzroy Street, containing three low-cost private hotels and two public hotels – the George and the

Seaview Ballroom – was gradually purchased by a single investor throughout the 1980s. Two of the private hotels and both the George and the Ballroom were closed soon after their sale, and several fires ensured they were no longer habitable. The investor, Henry Greenfield, was reputedly attempting to consolidate the entire city block for office development.

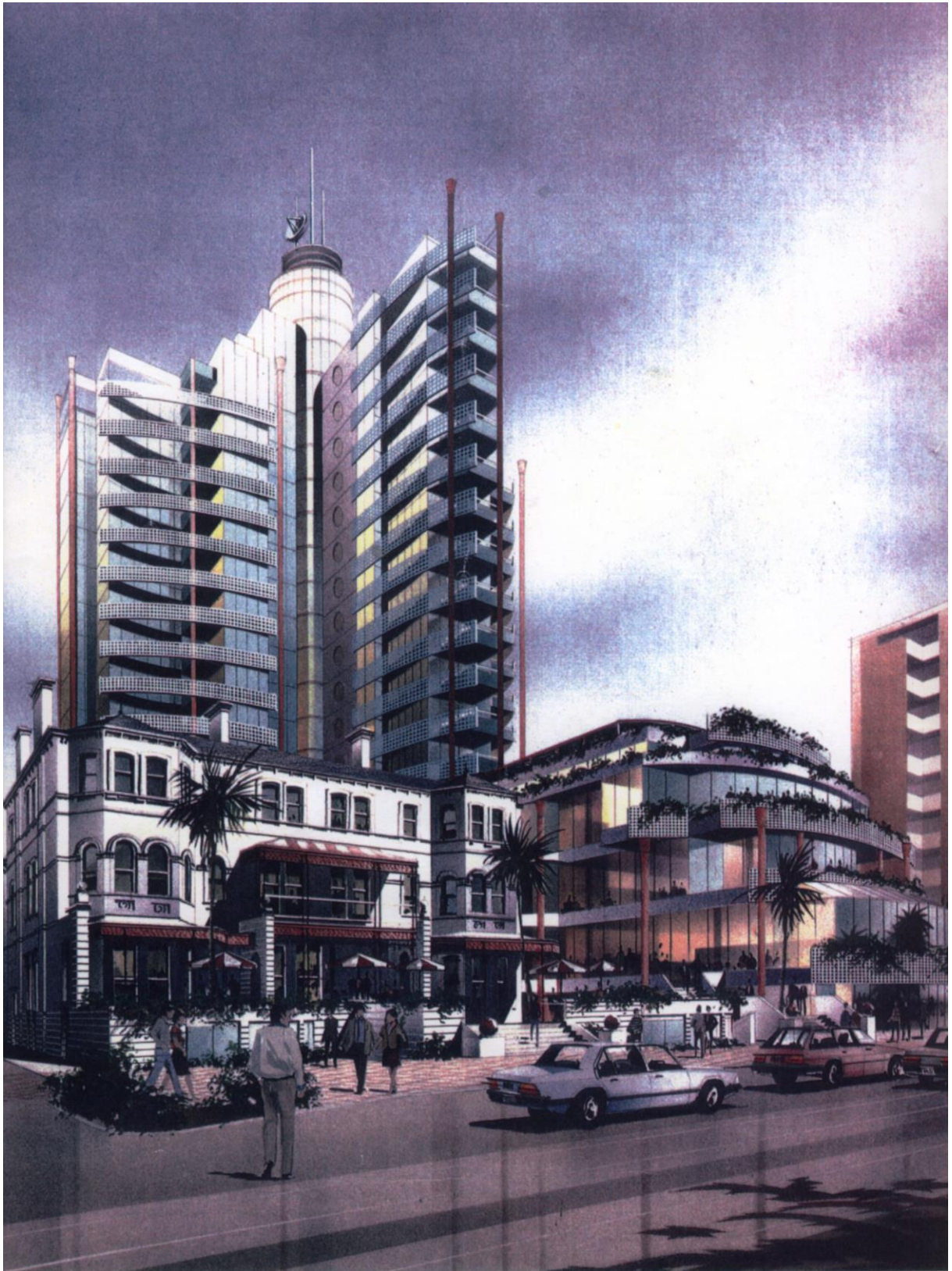


Figure 5 Esplanade Hotel proposal #2, 1987

An old mansion on Beaconsfield Parade, shared by sometimes ten or fifteen students and young people on the dole, was sold in 1986 to Claremont Pty Ltd, a company associated with Alan Bond (StKTU, 1987), a well-known corporate high-flyer in the 1980s who ended up in jail for fraud. The residents were evicted straight after the sale. A ten storey motel proposal from the developer had already been approved by the Council, but was being contested at the Planning Appeals Board by neighbours (*ibid.*). The mansion sat empty or squatted-in for two years before it was pushed off its stumps by bulldozers, set on fire and eventually demolished (Cameron Paine, member of SKRAG, personal communication, 1997).

The failure of property capital to capitalise fully on the rent gap in the 1970s meant that the opportunity still remained. Architect Rod Thorley, one of the would-be developers of Mandalay, later wrote:

St Kilda was once a thriving, highly fashionable seaside suburb and ... the proposed Mandalay development and others on the Upper Esplanade show that the wheel has turned full circle (*The Age*, 3/5/89).

This time, it seemed, the development industry was going to let neither local regulations nor local image stop it.

Community politics in action

The demolition notice went up the day after I moved in. This was the third time it had happened. Across the suburb I was attracted to houses that cried out for the wreckers, the greedy land speculators, the buy them up knock 'em down quick boys (Helen Grutzner, 1987).

Some locals organise

The application to demolish the Mandalay flats was lodged with the St Kilda City Council in May 1987. A notice of the planning permit application was placed in the ground in front of the flats. Next to it, someone had stuck a notice reading:

IMPORTANT: READ THIS AND ACT QUICKLY

Objections must be lodged by the 7th of July 1987.

People did stop to read it. The application to demolish Baymor Court and parts of the Esplanade Hotel was lodged in June. The St Kilda branch of the Tenants Union of Victoria circulated a flier declaring:

WEST WARD'S HIGHRISE NIGHTMARE! GOLD COAST MOVES SOUTH

Recent proposals put forward to St Kilda Council by developers could dramatically change west ward, and have far reaching effects on all St Kilda residents. Council has also involved itself in a number of huge development proposals with private developers and the State Government (StKTU, circa June 1987, nd).

Down at the Esplanade Hotel, people were talking about the men in suits wandering around their blocks of flats with mobile phones and tape-measures, and about the wave of inspections being arranged by the local real estate agents. One evening in June 1987 about 35 people gathered in the Galleon, a local cafe, and began to figure out what to do. A worker from the St Kilda branch of the Tenants Union talked about tenants' rights and passed around leaflets

warning against illegal eviction procedures and unjustified rent increases (StKTU, 1987). It was agreed that something needed to be done, that we shouldn't just sit around and wait to be thrown out.

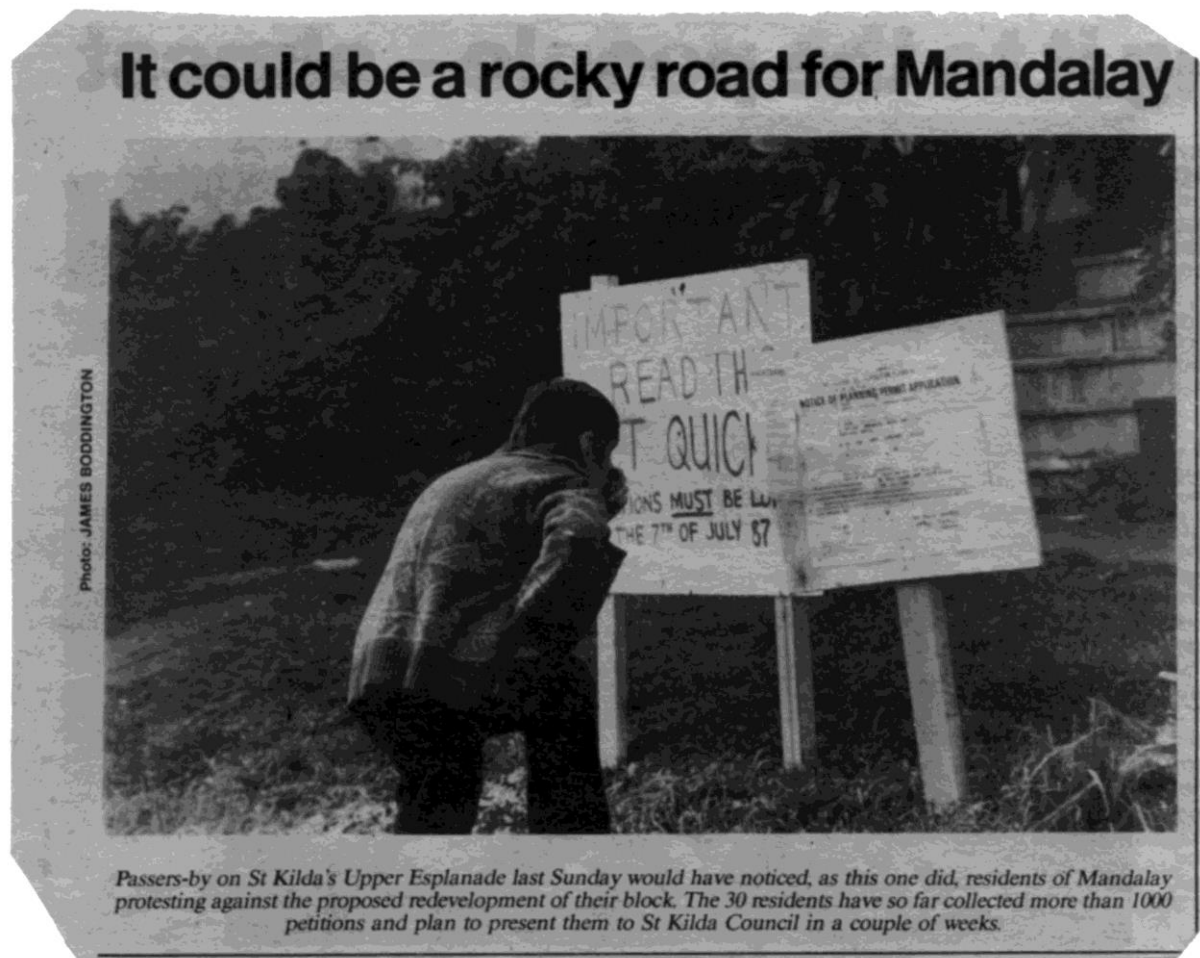


Figure 6 It could be a rocky road for Mandalay

Emerald Hill, Sandridge and St Kilda Times, 9/7/87.

The group decided to form a committee to organise a campaign that would give an alternative perspective on this return of St Kilda to its 'glory days'. There were experienced union and Tenants Union organisers amongst us who argued that a good community campaign needed to involve as many people as possible in the process of its establishment. I had gone along that night simply because I loved the home I had found and didn't want to lose it. This community development business was new to me, but I had been working as a publicist with theatre and arts organisations for a year by then, and had learned something about publicity campaigns. I volunteered to write the media releases, and watched the organising process with interest.

The St Kilda Tenants Union

The Tenants Union of Victoria (TUV) had been established in 1977 "by a group of concerned tenants" with the assistance of a charitable institution, the Brotherhood of St Laurence (Tenants Advice Service, 1980). With funding from Federal, State and local governments and a number of charitable trusts, the TUV provided tenancy advice to "low-income and socially vulnerable" tenants, undertook community education and advocated on behalf of tenants to

government and non-government agencies in the areas of “tenancy, housing and planning” (*ibid*:1). In 1979 a St Kilda branch office opened in the St Kilda Community Centre. Unlike the other TUV offices, the emphasis in the St Kilda branch was on the local municipality, which had the highest proportion of tenanted homes in Victoria (*ibid*:15). This prompted the local workers to get involved in local issues and campaigns (TUV, 1986):

There has been a good deal of work spent on supporting the election of some council candidates who are opposed to property development which drives tenants out of the area. This work has involved mobilising local tenants to enrol and vote in the election. Currently there is a campaign to oppose the \$30 million marina development proposed for St Kilda by the St Kilda Council and the State Government. Though this development will, and already has, forced many tenants out of cheap flats and boarding houses, the Council showed little concern over these regressive effects until it was established that a penguin colony was also threatened. And penguins don’t even vote! (TUV, 1986:6).

Located in the Community Centre with the St Kilda Tenants Union were two other groups: the St Kilda Community Group and the St Kilda Legal Service. The Community Group was established in 1971 with local and State Government funding. It ran a range of programs including financial counselling, a youth outreach service, housing advisory service, citizen information, a neighbourhood development program and rooming house support and advocacy. The Legal Service was funded through the Legal Aid Commission to provide free legal advice and community education. It was especially active in the areas of law reform and domestic violence.

The St Kilda Tenants Union, Community Group and Legal Service workers were an important part of the many communities that made up St Kilda in the 1980s. There were strong connections between most of the local service providers in the municipality. These included church groups and philanthropic organisations such as the Salvation Army Crisis Centre, the Baptist Church and Sacred Heart Mission, which provided free meals for low-income and homeless people, the Prostitutes Collective of Victoria, which continues to support and advocate on behalf of the local street-workers, and the various mental health services that assist people who are in and out of psychiatric institutions, and try to compensate for the more negative effects of de-institutionalisation. All these groups worked closely with local housing organisations such as the St Kilda Housing Association, which was set up in 1986 to manage a small stock of community housing, and the St Kilda Rooming House Issues Group, which manages a number of State-owned rooming houses in the locality. Some of these groups no longer exist, or are no longer located in St Kilda, and most of those that received government support in the 1980s have suffered funding cuts and substantially reduced their services. But all of them shared and continue to share, where they still exist, a belief that secure, affordable housing is necessary for their work to be effective. An intricate network of groups and organisations and individuals understood very well what was happening to St Kilda in the 1980s, and applied a clear political analysis to the rapidly emerging reality.

Many of these groups were linked by a local network of “non-party political residents” (Costello, 1998:208) who formed a neighbourhood electoral group to contest the local elections. Jack Downey’s election to St Kilda City Council in 1985 had been based on the campaign slogan ‘Turn the Tide’. In 1986 a second left Councillor, John Broderick, who worked with the St Kilda Rooming House Issues Group, joined him under the same slogan. ‘Turn the Tide’ became the name for “the interest and activities of a group of St Kilda residents in local political affairs” (Lyons, 1998, npn), who “wanted to care for and support fellow members of the community less well off than themselves” (*ibid.*). According to Tim Costello, the Reverend of the local Baptist Church in the 1980s, their intent was:

to wrest control of Council from the developers, estate agents and fellow travellers who had dominated it for decades. Atrocious planning decisions were embracing the developers’ dream and the residents’ nightmare. This developer dominated (sic). Council had welcomed the prospect of a huge marina in St Kilda harbour that would have berthed fabulous boats, the playthings of the rich and famous, but limited the use of the beach for swimming, strolling and sand-castles. Developers had also applied to build high towers of offices and flats along the foreshore that threatened to make St Kilda the southern cousin of Queensland’s Gold Coast. This group of local independents decided to say no (Costello, 1998:208-9).

Turn the Tide

Turn the Tide had no formal membership, but a mailing list of a couple of hundred local residents (Lyons, 1998) who were the model of Ley’s (1996) ‘cultural new class’:

professionals in the arts and applied arts, the media, teaching, and social services such as social work, and in other public- and non-profit-sector positions ... [sharing] a vocation to enhance the quality of life in pursuits that are not simply economic (Ley, 1996:15).

The majority of residents active in Turn the Tide were not ‘traditional’ residents of St Kilda; most had moved into the municipality in the 1970s and 1980s and owned their homes, usually modest houses and flats. They were predominantly well-educated and middle-class, with a strong empathy for the working-class and socially disadvantaged residents they chose as neighbours. According to a study of Turn the Tide, they were “citizens with altruistic ideologies” (Marsh, 1998:6). They had “lost faith in the established [political] parties’ abilities to bring about reform or to represent the more underprivileged residents in the city. The Turn the Tide networks promoted the concept of ‘community’, civic rights and the common good of St Kilda’s residents rather than individualism” (*ibid.*). They shared a desire for social diversity and a concern about the steady reduction in affordable housing in St Kilda. It was also they who were renovating the houses and buying up the cheaply strata-titled flats as they came onto the market.

...their imagineering of an alternative urbanism to suburbanisation has helped shape new inner-city environments, where they are to some degree both producer and consumer (Ley, 1996:15).

If it was clear that, by their very presence, Turn the Tide supporters were displacing other residents, they would have been the first to recognise this. As one of the founders of Turn the Tide noted later:

The sorts of skills brought to council and used to benefit the [St Kilda Housing] Association were those associated by and large with tertiary education. Without drawing too long a bow –

the people who were crucial to the development of the Association could be seen as part of the so-called 'gentrifying' forces on St Kilda which have been held responsible for the housing difficulties of those the Association was set up to assist (Barnett, 1995).

A particular self-consciousness accompanied their role as small-scale producers of gentrification. Their single identifiable policy position was a sustained commitment to the development of a local public and community housing program (Lyons, 1998). From 1986, Turn the Tide functioned specifically to support "like-minded" candidates in the local council elections (Lyons, 1998). They had no party machine, no formal policies and no requirement that elected councillors agree on all issues. They formed merely on a common opposition to the "tide of development proposals, supported by a largely business-oriented council, which washed along the St Kilda foreshore in those salad days of the white shoe brigade" (*ibid.*). But as Turn the Tide evolved so did these shared values, which came to include conservation and heritage, support for community services and the arts, and environmental and ecological sustainability (Dr John Spierings, Mayor of St Kilda 1993, personal communication, 1999).

Renters and home-owners unite

By mid-1987, renters all over St Kilda were feeling the heat, and the campaign quickly picked up speed. Members of the Tenants Union, Turn the Tide and other groups around St Kilda worked together. As the redevelopment applications were being made to the local Council, Jack Downey and John Broderick were invited to a meeting at the Esplanade Hotel in early July. They were two of a Council of twelve, with occasional support from perhaps three or four other Councillors. Jack explained that the development proposals would be decided by the Council, and stressed the importance of the forthcoming local elections. Turn the Tide was fielding candidates and so was the Tenants Union. The Esplanade Hotel meeting resolved to devote its energies to campaigning in the Council election.

The Council elections were to be held in August 1987. Four wards of three councillors each made up the entire Council; ordinarily the elections were staggered so that one councillor from each ward was elected every year. Due to a one-off administrative requirement relating to boundary realignments, all twelve positions were up for election that year in a full spill of council positions. It was fortuitous timing. Posters and fliers appeared in shops and bars and letterboxes. They flapped through the streets, detailing the development proposals and urging people to vote:

WHAT YOU CAN DO...

Your vote will be vital. A Council that supports residents can go a long way in preventing developments that locals don't want. At present that balance in Council is staunchly pro-business - and the coming Council election gives you a chance to put councillors in who care more for people than property development (StKTU, circa July 1987).

My neighbours discussed further courses of action on the front steps of Mandalay. I had access to banners from a recent festival I had worked on, and we decided to hang them from the balconies. What to write became a topic of much debate: DEVELOPERS GO HOME was easy. Rodney suggested HANDS OFF OUR HOVELS, which we thought was funny. PEOPLE'S PARADISE NOT SURFERS PARADISE ran on a long banner along the top of

the flats. On the 8th of July an article appeared in *The Age* newspaper, a major Melbourne daily, with a photograph of a group of us standing in front of the banners.



Figure 7 Mandalay residents in *The Age*, 8/7/87

Photograph by Rodger Cummins.

A public meeting was planned for the weekend of 26 July, two weeks before the election. Potential speakers were nominated: the meeting needed to hear the Council's current position, understand its capacity, get an assessment of residents' legal rights, consider the architectural arguments for and against the proposed developments, and gain some context from the experiences of previous local campaigns. Hundreds of fliers went out in the next week as members of Turn the Tide, the Tenants Union and others who had attended the Galleon meeting walked the streets, knocking on doors and talking about the issues with anyone who cared.

Do you know what is happening to St Kilda?

PUBLIC MEETING

to discuss planning controls for the future development of St Kilda

Sunday 26, 3.00 pm at the Gershwin Room, Esplanade Hotel St Kilda

Speakers will include concerned residents, local architects, lawyers, town planners, St Kilda councillors and candidates.

At 3.00 pm on Sunday, 26 July 1987, local artists were filmed finishing the mural they had been painting for a week on the side wall of The Venue, overlooking the empty St Moritz site. They were followed by television cameras around to the Esplanade Hotel, where about 300 residents had crammed into the Gershwin room to hear Gino, my neighbour from Mandalay, detail the impact of the development proposals on low-income housing. An elderly, long-term resident spoke about her anxiety at the current pace of change. An architect who lived across

the road from the Esplanade Hotel, Dimity Reed, made a speech about the dreadful design of the hotel proposal and the effect it would have on her and her neighbours' properties. A local lawyer, Dick Gross, talked about the limitations on public participation in the State planning system. Peter Holland, the convenor of a group that had already campaigned against the marina proposal, spoke about precedents in residents' battles with the Council.

Jack Downey and John Broderick were there from the Council. Their message was unambiguous. No height controls existed along the St Kilda foreshore. The urban conservation zoning did not prohibit demolition; permission to demolish had to be granted, but the Council needed good reason to refuse. The development proposals were in accordance with the *St Kilda Tourism Development Plan*. The Council had no statutory basis to refuse the applications, and in any event, the majority on Council supported the plan. To control development and limit the loss of low-income housing, clear planning controls needed to be established and the Council needed the powers to implement and enforce them. Such controls in St Kilda would require both Council and State Government commitment in the face of "huge investment pressures" to develop St Kilda. It was going to be difficult. But the first task, they said, was to change the composition of the Council (Save St Kilda (SSK), 1987b).

Most of the speakers at the meeting owned their homes (participant observation). Middle-class property interests in general were well represented, mainly because their proponents had, until then, most experience in local planning issues, and perhaps, the most incentive to become involved. But the audience was mainly tenants (SSK, 1987c): renters either of the many old blocks of flats around St Kilda that had not yet been strata subdivided and were candidates for demolition, and of the houses or flats that were already individually owned and subject to random rent increases. Younger and even more economically marginal than the Turn the Tide constituency, the renters were most consistent with Rose's assessment of the 'first wave in-movers' of gentrification, even though some, like me, were recent arrivals: "young white-collar workers, unemployed but educated young people, economically marginal self-employed people, middle-class single parents, and so on" (Rose, 1984:57).

There were two main strands of opposition to the development proposals, and no simple correlation with the home-owner/ tenant divide. St Kilda was broadly valued for its diversity (SSK 1989a; Lyons, 1998; City of St Kilda, 1987a). The demolition of low-income housing and replacement with luxury development would reduce the social diversity; this was a major concern (SSK, 1987b). The locality's architectural diversity, with its mix of buildings from every period over the past hundred years, was similarly treasured. The few high-rise developments that already existed along the foreshore, and on either side of the Esplanade Hotel, whilst representative of 1960s and early 1970s architecture, were thought to be follies: too big, too many problems, mistakes not to be repeated (City of St Kilda, 1987a). The proposals in the 1980s threatened further, similar destruction. The predominant architectural form in St Kilda was small lot size and low-rise: one and two-storey houses and three-storey blocks of flats. None of the proposals along the foreshore maintained that scale. Most were

classics of the time: large footprint, high-rise high-reflective glass office block styles, and the cheaper, more common concrete tilt-slab construction. The parallels with the Gold Coast were raised not only because the proposals for the St Kilda foreshore were going to be expensive, but because they were going to be tacky (Fooke, 1994).

The people who attended the Esplanade Hotel meeting ranged from hard-line low-income housing advocates – workers from the St Kilda Tenants Union and some of the founding members of Turn the Tide, to those primarily interested in conservation controls and protection of amenity – in particular, the Victoria and Pollington Streets Community Group (VPSCG). VPSCG was a group of residents from the streets immediately surrounding the Esplanade Hotel, led by Dimity Reed. It formed specifically to oppose the Esplanade Hotel redevelopment, and was composed entirely of home-owners whose main interests related to issues of design (VPSCG, 1989). The VPSCG maintained a “co-operative liaison” with other residents groups (VPSCG, 1989:3). But neither strand of interest was articulated in isolation from the other (SSK, 1987b; participant observation): the concerns for social and architectural character were sustained simultaneously and without conflict. Tenants defended amenity issues; home-owners defended renters. The following flier, put out by the Baymor Court tenants, had been in circulation for some weeks:

HELP SAVE THE ST KILDA FORESHORE!

We believe that the [proposed] developments will have disastrous effects upon both the environment and the existing community of St Kilda. The presence of more high-rise buildings on the foreshore will create wind tunnels, cast shadows, obscure bay views and place an unbearable strain on local traffic flow. In addition to these environmental factors, the developments will destroy the St Kilda community. By forcing long-term residents out of St Kilda in a bid for the tourist dollar, the area will become characterless and sterile, being unattractive even to the tourists for whom it was sacrificed (Baymor residents, circa July 1987, nd).

A local playwright and home-owner, Bill Garner, spoke at the meeting of his opposition (later published) thus:

Cheap rent is the basis of all art. ...Cheap rent means cheap space. And space is the essential requirement of artists. ... Artists are mad, and they do not disguise the fact. This adds “character” to a suburb. As soon as a suburb acquires character it becomes a magnet for those who are themselves devoid of character. What they lack in character, however, they make up for in money. ...Property values double, then triple. And so do the rents. The artists, who brought character to the suburb, are now seen to be occupying valuable real estate. And, like the other poor people, they themselves come to be seen as blots on the increasingly up-market landscape. They have done their job and now it is time for them to move on. Or be moved on (Garner, 1987:7).

If there was any potential cleavage in the not-quite-united residents’ front, it was less along the seam of renters wanting low-income housing versus home-owners interested in architectural preservation, and more along the seam of how to understand what was going on. Zukin (1982) notes that, to social ecologists, the regeneration of inner-city districts “within an art-and-service-sector matrix merely illustrates their world view of invasion and succession”. For artists, their “accession to large spaces at cheap rents in the heart of the city confirms the significance of culture in a materialistic world” (Zukin, 1982:258). In either case, she argues,

“the eventual displacement of artist loft-dwellers by higher price non-productive use is understood as the perennial victimisation of art by society, rather than the conjunctural valorisation of both forms and space by the implantation of arts facilities” (*ibid.*).

The people in St Kilda and elsewhere who fully accepted the social ecology account of ‘progress’ with all its connotations of inevitability were, reasonably enough, not at the Esplanade Hotel meeting. Nevertheless, as Garner himself demonstrated, there were people at the meeting who did subscribe to the ‘victimisation of art’ view. But by their very presence they were still hopeful of their ability to effect change, even if they did not think of it perhaps in terms of subverting a capitalist revalorisation strategy. The arts facilities in St Kilda were not yet implanted – they were, so far, spontaneous and driven by local artists. And Garner was not playing victim. His prescription for action won loud applause:

But ... the stock of suitable suburbs has run out. Every likely place is being renovated, redeveloped and recycled. There is no more cheap rent. ...What to do? The artists have no choice. They have to stay where they are. It is imperative. ... The problem now becomes: how to keep the rents cheap, for without cheap rent there will be no new art. The simple answer lies in staying put and staying angry (Garner, 1987:7).

Even so, his analysis did not sit easily with the conscious political-economic critique of some of the Turn the Tide and Tenants Union organisers. Their analysis explicitly identified the development culture as motivated by “speculation and profit” (SSK, 1987b), and their sights were set on its relation with the state:

The current council’s zealously in promoting St Kilda as a playground for the wealthy complements the State Government’s economic strategy that promotes tourism. ... But at what cost? St Kilda’s historically diversified community will be destroyed (Smith, *The Age*, 16/7/87).

In any event, the potential fracture did not extend to the question of appropriate response. There were jobs to be done. The Tenants Union continued to provide tenancy advice and advocate for affordable private rental housing (TUV, 1991). Turn the Tide continued to organise as an electoral group to contest the local elections (Costello, 1998). The Victoria and Pollington Streets Community Group and other residents groups lobbied for protection of residential amenity and property values (VPSCG, 1989). And a public campaign was needed about the proposed redevelopment of the St Kilda foreshore.

Save St Kilda

The people at the Esplanade Hotel meeting voted to run a campaign called ‘Save St Kilda’. The constituency of Save St Kilda was the meeting’s audience; the resulting mailing lists confirmed the high proportion of tenants (SSK, 1987c). An organising committee was made up of all those at the meeting who wished to take an active role in the campaign. Meetings would be at the pub; anyone could attend (SSK, 1987b). No formal decision-making processes were devised, beyond a loose assumption of consensus (participant observation; later confirmed: SSK, 1989b). The committee was large and constantly changing shape, but its centre essentially consisted of tenants from Baymor Court, Mandalay and a number of other

flats, shop-tops and houses around St Kilda. All were on low-to moderate-incomes and most, if they had formal employment at all, worked casually or part-time in the arts, community or service sectors (SSK, 1987c; participant observation).

The Save St Kilda campaign attempted to capture the relationship between low-income housing and architectural preservation. Maggie and Mark best represented this encapsulation, in view and identity. Mark is half Yugoslav-half German. At the time he rented in a flat in Mitford Street and worked at the St Kilda Community Centre. He comes from a working-class Catholic family, is easy-going and non-judgemental, and lives (still) for music and love and drinking and politics. He has a passionate commitment to equity and low-income housing, but he loved the old St Kilda blocks of flats for the character they conveyed. Maggie is gay, middle-class, trained as a landscape architect and lives according to her principles. Most of her work at the time involved collaborative projects with community groups and making low-budget films. She is inspiring and infuriatingly righteous. Maggie loved the St Kilda buildings for the life they encouraged within, maintaining that this was a direct product of their design. It was Maggie who introduced to us the significance of the four-storey limit, arguing that walk-ups produce a dynamic amongst residents that is quite different to blocks of flats with elevators. It was in Maggie's kitchen as she made a pot of tea that I first heard the term 'sense of place'. While Mark's interpretation emphasised the role of low-income housing and Maggie's the role of good design, both rejected a simple division between social and architectural character and maintained that the two elements were inextricably linked.

Save St Kilda tried to articulate the importance of local culture. The campaign promoted the idea that it was the particular mix of social and architectural character, home-owners and renters, rich and low-income, that formed the essence of St Kilda. Mark and Maggie's ways of seeing the debate formed the basis for the Save St Kilda perspective. I added a certain stubbornness, and a simple political analysis. What started out as a solely personal desire to keep my home became bigger than that. I didn't like the way the developers assumed they could just come in and sweep away others before them, as though their access to more money gave them some God-given right. They were sweeping aside a subculture that was intensely



Figure 8 A call to arms (cartoon by Fred Negro)

decided to try to Save St Kilda.

valued by its participants, with the suggestion that the people who lived there were so much less powerful that they didn't even rate a 'please'. Maybe it was just the way they did it.

Anyway, it was this mix of emphases on built and social character, and on culture, history and the politics of power, that formed the philosophical basis of a group of mainly tenants and some radical home-owners who

'The first task'

Save St Kilda resolved to ask the Council to introduce a four-storey height limit on The Esplanade; to allow community and resident participation in decision-making over proposed developments on the foreshore; to ensure the inclusion of low-income rental housing in any new development approved by the Council; and to publicise the Council's response (SSK, 1987b). Over the next week, local, state and national media carried the story.



Figure 9 'St Kilda residents fear they are an endangered species', *The Age*, 27/7/87

(Brian Jones, the City Manager, called the police and announced his intention to seek damages from the people who painted the mural. "It was a totally unlawful act", he said. "The council spends about a quarter of a million dollars a year removing stuff like this from buildings around the city" (*EHT*, 30/7/87)).

Photograph by Cathryn Tremaine.

ST KILDA DIVIDED AS YUPPIES AND DEVELOPERS MOVE IN

With the highest proportion of rental housing in Melbourne, St Kilda is divided over the proposals. For some, an upturn in property values will be a welcome means of forcing out the criminal element. For others, it will be an end to what has made it attractive - a cheap cosmopolitan place close to the city (*Times on Sunday*, 2/8/87).

The proponents of the developments were not without voice. Rod Thorley, architect for Mandalay Gardens Pty Ltd, wrote in an open letter to *The Age*:

It seems incredible that a proposal to redevelop an ugly, sub-standard and unsafe block of flats on St Kilda's premier boulevard should meet resistance. Surely ratepayers who have contributed to the millions spent on the foreshore development want suitable buildings, which would house people more safely and comfortably.

Of course we understand that the present tenants, who are enjoying the best views in Melbourne for 80 dollars a week, want to stay. However, the reality is that a lot of money was paid for the site with a single purpose in mind, to pull down the old flats and build new apartments acceptable to the local community and council.

The previous owner of the flats sold out the tenants when he sold the site; except for one person (who'll be re-housed) the residents are on monthly tenancies, and will eventually have to move out. Their unrealistic, and from our point of view selfish campaign to stay on and stop redevelopment, may well hasten their departure (Thorley, *The Age*, 14/7/87).

The Save St Kilda campaign intensified as the election approached. People at the meeting went out door-knocking and letter-boxing. Posters were wrapped around lamp posts, how-to-vote cards handed out, and on election day, supporters of Turn the Tide, the St Kilda Tenants Union and Save St Kilda were at the polling booths. The development of the St Kilda foreshore was shaping up as the major issue of the election. The counter-campaign was vicious. Rod Thorley's voice was echoed by a number of former and incumbent pro-business Councillors who issued unsubstantiated allegations and threats towards the left-wing candidates (John Spierings, personal communication, 1999). It seemed that they, too, sensed the turning of the tide.

The rise of progressive local government

On the evening of 7 August 1987, three pro-development Councillors lost their seats. Turn the Tide retained Jack Downey and John Broderick and picked up a third seat. Three more candidates were elected on Turn the Tide and Tenants Union preferences; 'independents' who supported 'sympathetic development'. Unendorsed ALP candidates, Melanie Eagle and Brian Slattery, both of whom had strong links with Turn the Tide, gained two seats. Only four business-oriented councillors remained. It was a rout. The resulting "loose coalition" held the promise of the first progressive left council in St Kilda's history (Norling, 1987).

Voting in all elections is compulsory in Australia, but local government elections typically have a low voter turnout (Kiss, 1999a). In 1983 in St Kilda, 39 percent of the electoral roll voted; 55 percent had to provide explanations as to why they did not (City of Port Phillip, 1999a). From 1983, however, interest in the local Council elections began to increase (

Figure 10).

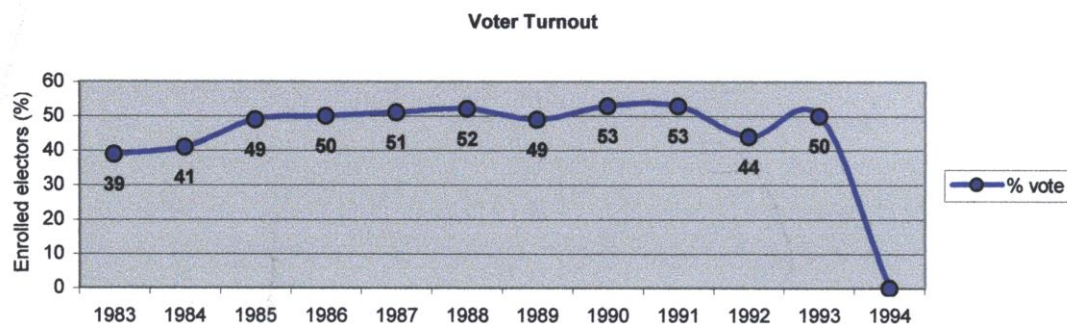


Figure 10 Percentage of electoral roll that voted in St Kilda Council elections, 1983-94

Source: *Statistics for the North, South, Central and West Ward elections, 1983-1994, City of Port Phillip, 1999*

Concerted business and development industry campaigns emerged in the 1988 elections to wrest back control, on platforms such as the following:

I believe it is time that West Ward was properly represented by a person who is NOT a Public Servant...

I would like to work for:

- a cohesive and progressive Council which implements planned development to meet the need of ALL residents...
- accommodation for the less privileged on non-prime real estate sites...
- a police station in Fitzroy Street (at present cars are sent from Prahran to apprehend suspects)... (Bryant, 1988).

A St Kilda Ratepayers Association formed. It ran a candidate in each of the four wards on an anti-public expenditure platform:

If you want a rates freeze for 12 months

better control over Council assets

better support for Law and Order

more efficient management of our rates by Council

THEN YOU HAD BETTER JOIN THE RATEPAYERS ASSOCIATION!

(St Kilda Ratepayers Association election material, 1988, capitals in original)

They were repeatedly trounced. Three sitting councillors were returned and Turn the Tide gained another seat. The Ratepayers Association did not bother to run candidates in 1989, and the numbers on Council were maintained. From 1987 until Victorian council amalgamations in 1994, Turn the Tide candidates in West Ward, which included the St Kilda foreshore, romped to victory on primary votes alone. The first task was done.

5. Local governance and the politics of place: 1986 – 1994

The reasonable man (sic) adapts himself to the world: the unreasonable one persists in trying to adapt the world to himself. Therefore all progress depends on the unreasonable man (George Bernard Shaw, 1903).

A combination of local housing characteristics, embedded subcultures and community politics had created a system of local governance that held a promise of self-determination. While there was by no means local unanimity, the alternative values represented in St Kilda were, in the 1980s, dominant and fiercely protected. But if the internal struggle had been won, there was a much bigger defence to be waged against external pressures for redevelopment and gentrification.

This chapter discusses the strategies and tactics of Save St Kilda, Turn the Tide and the City of St Kilda to protect low-income housing and prevent demolition of rental properties. The opportunities and constraints on community participation are demonstrated via an interminable journey through planning appeal, court action and legislative quagmire. Tensions are revealed and idealism tested. It concludes with a discussion of 'right' and 'wrong' targets.

Global restructuring and the Australian state

The Australian Labor Party (ALP) had won office in the State of Victoria in 1982 for the first time in 27 years. A year later the Labor Party was elected to Federal Government. Berry and Huxley (1992) point out that the roles of governments in Australia "have always changed with the particular structural forces determining the manner in which the Australian economy has been integrated with the capitalist world economy" (p.50), and it is clear that both the Federal and Victorian State Governments were affected by global economic changes in the 1970s and 1980s. Although the ALP was originally the party of the Australian working-class and the traditional proponent of protectionist policies, the Federal Labor Government under Bob Hawke immediately set about reducing tariffs and deregulating the monetary system, allowing an influx of international capital into the national economy (Carew, 1991). Abolition of controls over exchange rates and the issue of a number of new bank licences gave Australian companies access to new sources of finance overseas as well as to a greater range of local funds (*ibid.*).

Similar events throughout the industrialised world, combined with a rapidly diminishing manufacturing base in the larger cities, had contributed to an international property boom in the mid-1980s. As predicted by Harvey, much of the available investment finance was funnelled into the redevelopment of major cities (Berry and Huxley, 1992). In Australia, the

main effect of the boom was seen in the construction of inner-city offices and hotels and coastal tourist developments. The Hawke Government represented a “triumph of economic rationalism in Australian public policy – i.e. the prevailing commitment of governments, conservative or Labor, to a market-led economic recovery” after the economic crises of the 1970s (Berry and Huxley, 1992:48).

In Victoria, the position of the government under John Cain Jr was in some ways more complex. For reasons to do in part with the history of the Labor Party and the strong influence in Victoria of the trade union movement and the Socialist Left (McMullin, 1991; Cain, 1998), and perhaps because State Governments are closer to their constituencies than Federal and in some ways held more accountable, the Victorian Government in the 1980s attempted to negotiate a course that satisfied both international imperatives and the expectations of its local electorate. It developed two key policy platforms: first and foremost, an Economic Strategy (Victorian Government, 1984) and subsequently, a Social Justice Strategy (Victorian Government, 1987). The two policy directions are not necessarily incompatible, but by the late 1980s they had produced quite contradictory expectations amongst different sections of the population, and were becoming increasingly problematic (Hayward, 1993).

The Economic Strategy emphasised Melbourne’s role as “a national and international centre of commerce” (Victorian Government, 1984:3), and outlined policy objectives including “improving the business environment generally through such measures as reducing business and workers compensation costs, streamlining regulations and supporting the growth of capital markets” (*ibid*:7). The Cain Government became involved in very direct ways in the development of various ‘major projects’ and tourism areas, using mechanisms such as Crown Land sales, special Acts of Parliament and ‘fast-tracking’ its own planning processes (Berry and Huxley, 1992). Cain’s ‘cranes on the skylines’ (Berry, 1988), as a symbol of local prosperity, became a metaphor for economic growth at any cost.

Despite its support for private business interests, the Cain Government was a “mildly Keynesian, explicitly interventionist” government which became the only effective opposition to the rightward stance increasingly adopted by the Hawke Federal Labor Government (Hayward, 1993:167). Local pressure against some of Cain’s ministers’ perceived alliances with big business produced government responses that were perceived in turn, by sections of the development industry in particular, as being in contradiction with its Economic Strategy (*The Age*, 20/11/87).

The Social Justice Strategy, the result of a pledge before Cain’s re-election in 1985, stated that “there was [sic] a widening gap between those able to take advantage of new opportunities and those who found those opportunities still out of their reach. If the strategic approach had worked in generating jobs and reviving the economy then surely it would work to improve our chances of overcoming this ‘opportunity gap’” (Victorian Government, 1987: foreword). The strategy emphasised the principles of “equity, access, participation and rights” (Victorian Government, 1987:13), and listed as one of its four major objectives: “expanding

opportunities for genuine participation by all Victorians in decisions which affect their lives” (*ibid.*). It was from the same political faction of government that one of the surviving legacies of the Cain Government sprang: the Victorian Planning and Environment Act, 1987.

In 1986 the Victorian Town and Country Planning Act and all State legislation relating to planning and subdivision was reviewed. The application of modern standards to older buildings prior to their subdivision approval, as several local councils including the City of St Kilda had been doing, was proving legally ambiguous. Building owners and developers had long been requesting the abolition of mechanisms they argued were producing uncertainty and delay – in particular the all-purpose ‘public interest’ clause in the Strata Titles Act (City of St Kilda, 1984). The State Government found itself under pressure to on the one hand consolidate and simplify the subdivision legislation, and on the other, make legislative provision for consideration of the social implications of residential subdivisions and other planning matters. St Kilda Council made a submission to the review in 1987, arguing for local government planning control over subdivisions, for recognition of social and economic effects as legitimate planning considerations, and for statutory incorporation of the 1985 Council Housing Policy into the planning scheme to enable it to control the loss of rental housing (City of St Kilda, 1991).

The Victorian Planning and Environment Act, 1987 and Subdivision Act, 1988, amongst other new pieces of legislation, were the outcomes of the review. The Planning and Environment Act simultaneously centralised the Victorian planning framework under a single State Ministry, and concentrated local planning approvals at the local government level (Costello and Bisset, 1991:24). A “single simple process for subdivision approvals” was introduced (Victorian Government, 1989a:foreword), under which all subdivision applications were required to obtain a planning permit. The State-wide building regulations for strata subdivisions were relaxed, and the clause relating to discretionary control of subdivisions in the ‘public interest’ removed.

Part of the motivation behind the new planning system was to “expedite approval of development projects” (Costello and Bisset, 1991:24). Amendments to local planning schemes required ministerial approval, and the Minister for Planning had far-reaching powers to override local decisions and by-pass existing legislation and processes. It also formalised public access to planning decision-making at the local and State Government levels by “making the law more accessible and planning procedures more open” (*ibid.*), and made specific allowance for socio-economic issues to be taken into account. For the first time, local governments were able to consider the social and economic impacts of planning applications when making their determinations. With the removal of the unreliable mechanism for subdivision control via prohibitive building regulations, protection of low-income housing was entirely dependent on Section 60(b)(i) of the Planning and Environment Act, 1987 which stated that a Responsible Authority, “if the circumstances appear to so require, may consider any significant social and economic effects of the use or development for which the

application is made” (Victorian Government, 1988). The Act was proclaimed in February 1988.

Local government: now for the hard part

The newly-elected St Kilda Council in August 1987 arrived to an uncomfortable set of constraints. The 1986 *St Kilda Tourism Development Plan* remained a joint project of the Council and State Government with continuing State support. The ten-storey Claremont motel proposal on Beaconsfield Parade had been approved by the previous Council and was the subject of a resident appeal. At its first meeting, the new Council rescinded the approval by asking the State Minister for Planning and Environment, Jim Kennan, to call in the application for a Ministerial determination (City of St Kilda, 1987b). The Council voted to ask the Minister to immediately introduce interim height controls on the St Kilda foreshore. Council planning staff were directed to commence a study to develop planning controls for the entire area, which as soon as possible would become a formal amendment to the planning scheme (City of St Kilda, 1987a). The Council overturned the action of its City Manager to take police action against the painters of the mural on The Venue wall (City of St Kilda, 1987b). But the previous Council had committed the City of St Kilda to some crucial, legally binding contracts. One of these was the St Moritz site.

The old ice-skating rink had burnt down in 1982 after the demolition of the old mansion behind it, which had been converted to low-cost flats. The Council had bought the site in 1984, ostensibly to protect it from “Gold Coast-style developers” (*The Age*, 1/10/86); at least one proposal had been made for a 22-storey hotel. The Council later entered into an arrangement with another company, the Greetings group, to build a \$20 million residential and hotel development. In this arrangement, the Council would sell the site to the Greetings group over three years, “ploughing the profit back into low-rental housing elsewhere in St Kilda”. “This will certainly uplift the area”, the pro-business Mayor, Keith McGregor, was quoted as saying of the development (*ibid.*).

Jack Downey had helped negotiate development on the site down to eight storeys, and in 1986 the contracts were signed. The Council’s request to the Minister for Planning in August 1987 for height controls on the foreshore consisted largely of areas to be designated three and four storeys, but included an eight-storey section along the Upper Esplanade (City of St Kilda, 1987b). At the first Council-convened public meeting after its election, in September 1987, about 150 residents asked the Council to investigate the cost and legal implications of opting out of the St Moritz project (*EHT*, 3/9/87). One of the founders of Save St Kilda, Peter Holland, reiterated the Save St Kilda position that the Council set a height limit of four storeys on The Esplanade. The meeting supported him “almost unanimously” (*ibid.*). Jack Downey argued that this was impossible: the Council would risk litigation if it withdrew from the contract (participant observation). In the same month, the Council resolved to explore options

for “disposal” of The Venue (City of St Kilda, 1987c). Within weeks of the election, rifts amongst the resident groups were beginning to show.

In October 1987 the *St Kilda Foreshore and Environs Height Control Study* was released (City of St Kilda, 1987a). It identified a number of “community goals”, including:

- retention of existing housing, particularly for low and middle income earners
- retention of the diversity of architectural styles, particularly those expressed in the older buildings along the foreshore, and
- protection of the ambience for which St Kilda is noted. This recognises that there is a relationship between the scale and the character of the area which reflects its ambience and life-style (*ibid*:6).

The study went on to make a recommendation on design grounds for eight storeys (24 metres) on the stretch of The Esplanade containing the St Moritz site, The Venue and Mandalay (City of St Kilda, 1987a). Three and four storeys (9 to 12 metres) were recommended for the rest of the foreshore, with a limit on the Esplanade Hotel of its current height – 16 metres, or about five modern storeys. The Minister for Planning prepared a temporary amendment to the planning scheme in accordance with the study’s recommendations, but extended the eight-storey section to take in the Esplanade Hotel and Baymor Court (Amendment 511 to the St Kilda Planning Scheme, 18/11/87). None of the buildings on The Esplanade that were subject to redevelopment proposals, nor their occupants, were protected. The object of instituting planning controls to protect architectural character and social diversity on the St Kilda foreshore had been entirely defeated. The Save St Kilda campaign organisers, and a number of Turn the Tide participants, were devastated.

A public meeting held by the Council in November 1987 to discuss height controls disintegrated as the finer points of the Council’s position were discussed. The argument that all future development along The Esplanade should be tied to the height of the St Moritz proposal was central to the discussion (participant observation).

The meeting asked why the Council couldn’t at least confine the 24 metre limit to the St Moritz site. Jack Downey responded that, because the Council had direct interest in the project, it would be unfair and politically dangerous for the Council to set a lower height limit for subsequent developers (participant observation). The Mayor, Elaine Miller, argued that the height control was “political reality”. Downey and the other Turn the Tide Councillors argued that an eight-storey control along the Upper Esplanade could subsidise replacement of the low-income housing lost; it just wouldn’t be in the same place or form. Save St Kilda members responded that this was an unsatisfactory reflection of the State’s poorly reconciled objectives of economic development and social justice, implemented by people under heavy pressure to compromise (SSK, 1987e).

The amendment still had the effect of eliminating the standing proposals for Mandalay and the Esplanade Hotel. The Council was directed by the Minister for Planning to refuse the 13-storey Mandalay application on the grounds that the “scale and design of the development

would be detrimental to the architectural character of the area” (Minister for Planning, 5/11/87). The Minister added in his direction to the Council that:

a modified version of the current proposal would be acceptable if the proposal was reduced in scale to comply with the proposed height limit of twenty-four metres and provided that greater effort was made to ensure that the design and appearance of the proposal complemented the area’s architectural character (Minister for Planning, 5/11/87).

But the development industry was furious. The newspapers carried the reactions:

Developers have warned that tourist development of St Kilda’s foreshore areas might not be viable because of new height limits. ... Developers said yesterday it was a “massive contradiction” for the Government to promote Victoria as a tourist destination, then thwart proposals designed to improve St Kilda’s tourist facilities. ... Mr Mike Brady, from Evindon Pty Ltd, said ... “a large part of the hotel could just be boarded up” when the lease runs out next year. “We’ll be looking to spend our money elsewhere” (*The Age*, 20/11/87).

Architect Rod Thorley (for Mandalay Gardens) said the task of redesigning plans for a 13-storey tower block for the Upper Esplanade, had resulted in spiralling costs and a lower standard of residential unit. ... Developer Mike Brady said St Kilda would be left behind in the tourism boom (*EHT*, 26/11/87).

A planning scheme amendment based on the *St Kilda Foreshore and Environs Height Control Study* was prepared by the Council (City of St Kilda, 1987d). The amendment, RL47, maintained the controls recommended in the study, but edged the height limit on the Esplanade Hotel up from 16 to 18 metres to make it a clean six storeys.

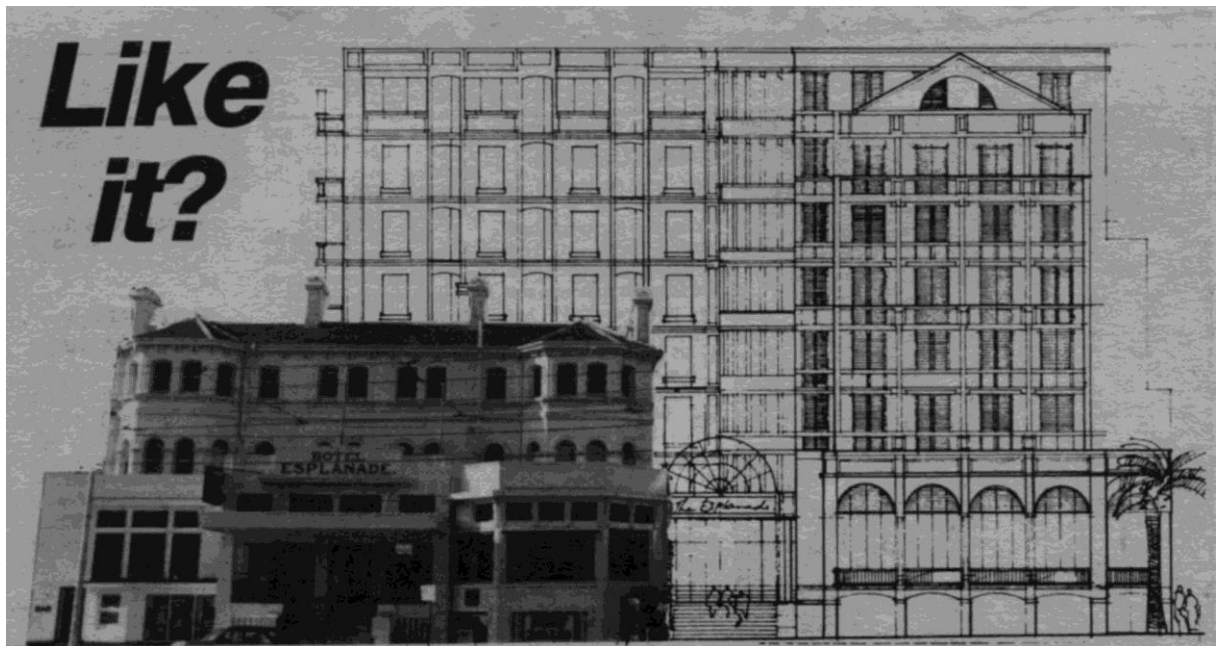


Figure 1 Esplanade Hotel proposal, 1988

Emerald Hill, Sandridge and St Kilda Times, 28/7/88

Early in 1988, Evindon applied to demolish Baymor Court and sections of the Esplanade Hotel and build a 24 metre luxury hotel. Mandalay Gardens applied to the Council to demolish the flats and build a 24 metre, slightly less luxurious luxury apartment block. The revised Mandalay plans included an art gallery.



Figure 2 Mandalay redevelopment proposal, 1988

Another flier hit the streets:

**SAVE ST KILDA!
DEVELOPMENT IS DESTROYING ST KILDA'S IDENTITY**

In the recent past we have seen the proposed or actual destruction of St Kilda's traditional landmarks to make way for large scale commercial developments. These include the:

1. plans for a high-rise apartment block on the Mandalay site
2. plans for a new enlarged marina
3. plans for a motel in Beaconsfield Parade
4. revocation of the George Hotel's licence
5. takeover and planned redevelopment of the Esplanade Hotel
6. termination of the lease for The Venue
7. obliteration of St Moritz, the site for which is to become the location for a tourist development
8. termination of the lease for the Stokehouse
9. redevelopment of Kirby's Kiosk on the St Kilda pier and termination of the original management's lease

The unique social composition of St Kilda will be threatened as long-time residents are driven out by high rents, the rich and hordes of tourists. The "Turn the Tide" Council elected last August to prevent these developments from being shoved down our throats has been unable or unwilling to stem the tide. It is vital that interested citizens register their opposition. Act promptly to save Mandalay. You could be next! (StKTU, 1987d)

Jack Downey would lean forward in drunken conversations down at the pub and insist that the proposed redevelopments would date so quickly, and that the developers would squeeze so many apartments into them, that in ten years time the yuppies wouldn't want them any more and they'd perform precisely the same function as the dog-box flats of the 1960s – awful to look at but a good source of low-cost housing. We would argue all night about whether architectural character had to be destroyed to save social diversity, and about whether the

Council had any control over this anyway. Even if the Council could influence the built form – and this was by no means certain – it was fast losing its battle to protect low-income rental housing. It simply didn't have the statutory power to control private housing affordability. Jack argued that preservation of the historic streetscape would guarantee the tenants' displacement (*EHT*, 4/3/93). At least there was a fighting chance the current proposals would revert to cheap housing; in the meantime they would subsidise public housing elsewhere in St Kilda (participant observation).

But the Save St Kilda members – tenants and idealists – could not accept that there were not better options than these. We didn't believe that the redevelopments would ever become cheap, and we didn't really see why property owners couldn't simply maintain their properties and let them at reasonable rentals. Governments could intervene in the market and restrict property-owners' rights, and therefore profit levels, with heritage and height controls. Why couldn't they exercise similar control when it came to low-income housing? We also didn't understand the delicacy of public housing form and location. Does low-income housing always have to be tacky high-rise or stowed away in the back blocks? Is 'market rules' all there is to it? Jack was very patient.

The lines were becoming more starkly drawn, with practical considerations overtaking the more theoretical arguments. Jack's primary concern, shared by the founders of Turn the Tide with the Tenants Union and Community Group workers, was low-income housing. The Victoria and Pollington Streets Community Group (VPSCG) and St Kilda Heritage Watch were advocating more openly for architectural heritage. Save St Kilda continued to try to maintain the relationship between the two. It was not easy. Media commentators were sympathetic to the notion of architectural preservation, but representations of the argument for protecting low-cost housing always made it seem a bit out of left field.

The yuppies have come to St Kilda. After almost 100 years as the poor cousin of Melbourne's inner suburbs, seedy old St Kilda has finally been recognised by the BMW-and-brunch set as a desirable place to live. Run-down boarding houses are being renovated and sold for \$300,000-plus; smart-looking couples wearing Bollé sunglasses and designer T-shirts roam Acland Street on a Sunday morning in search of a good Black Forest cake...

...many locals have started thinking about the future of their suburb and voicing their concerns. Opinion is, however, divided. On one side of the fence sits the pro-development group: residents and local business people who believe that the refurbishment and development of old properties and vacant land is a good thing. These are the people who have welcomed the arrival of the so-called yuppies with their expendable incomes and Vogue Living tastes.

On the other side are the residents who fear that the newcomers and the clean-up campaign will force low-income families out of the area and erode St Kilda's cosmopolitan, slightly raffish image. Somewhere in the middle is the group which favours sympathetic development but is strongly opposed to any high-rise, especially along the foreshore. These people have seen some architectural monsters approved by councils of the past and do not want their suburb to become another Surfers Paradise (Perkin, 1987:74-8).

Added to the problem of the public perception of a campaign that advocated for government-mediated restrictions on private property rights, was the more awkward issue of the run-down

state of most of St Kilda's blocks of low-cost flats. Save St Kilda's argument, that residential and commercial buildings should not be allowed to be neglected to the point where redevelopment or substantial rehabilitation (with their attendant evictions and price increases) become the only options, was not much help to those campaign members whose flats were falling to bits. Our suggestion to Rod Thorley and Bill Kosky that they repair and maintain the Mandalay flats, increase the rents not too much and make their money out of an in-fill development in the vacant lot behind was met with incredulity:

The existing building is NOT worth saving for a number of reasons. Mainly because it is NOT worth preserving on an aesthetic or a historical point of view, and because it is unsafe structurally... Any attempt to preserve this mundane and architecturally unimportant facade would be impractical, almost impossible and, at any rate, ridiculously expensive. Local residents should also note that a commercial development such as a Hotel, Motel or even tourist fun park, would NOT be impossible for this site (Thorley, 14/7/87, emphases in original).

Mike Brady, front-man for the Esplanade Hotel development, accused Save St Kilda of being parochial to the point of ridiculousness. "You can't hang on to an area", he said (*The Age*, 15/4/89). The Turn the Tide Councillors went to some length to distance themselves from the Save St Kilda campaign. "They're just a bunch of middle-class kids protecting their patch of turf", said Cr Enticott, a Turn the Tide stalwart and housing worker (Catalyst, 1989).

The Turn the Tide strategy was more pragmatic. Its key participants were increasingly looking to direct Council provision of affordable housing as the only politically viable solution. Two spot-purchases for public housing – one block of flats and one house – had already been made in 1986 with Federal Government assistance, and the St Kilda Housing Association established to manage these and future purchases (City of Port Phillip, 1995). There was growing support within the Council for a funding arrangement through the Commonwealth Local Government and Community Housing Program (LGCHP), where Council contributions were drawn from a "slightly higher than normal" rate on investment blocks of rental flats (City of Port Phillip, 1995:4). A third spot purchase was made in 1987. In a two-pronged approach that had the effect of making the Council look moderate, Save St Kilda agitated against the loss of low-income rental flats while Turn the Tide negotiated for more community housing. As a strategy it was more tacit than planned, and had mixed success.

Low-income housing and the planning system: the Mandalay case

In February 1988 the Planning and Environment Act 1987 was proclaimed, with its provision for local government consideration of the social and economic effects of a development application. No definitions or guidelines for how to interpret this were provided. Bill Kosky, director of Mandalay Gardens, booked a date in the State planning appeals authority, the Administrative Appeals Tribunal (AAT), in anticipation of a refusal of his redevelopment proposal.

A meeting of Mandalay Gardens and Save St Kilda was convened by the Council in April (City of St Kilda, 1988a). Kosky and Thorley made it clear they would not consider retaining

the existing buildings, arguing that the flats suffered from “concrete cancer” and had to be demolished. They maintained it was not viable to further lower the height of the proposal. Councillor Brian Slattery, who chaired the meeting, reported back to the Council:

The main issue discussed ... was whether the building should be demolished at all. Considerable concern was stated as to the general trend to St Kilda becoming a far higher income suburb. The developers stated that this was inevitable and beyond their control anyway.

In order to attempt to obtain some practical solution to the main concern – that of the loss of low income housing stock – I asked the developers if they were willing to allow some of the flats to be used as such housing in return for some concessions (possibly as to parking), and if there were financial contributions from themselves, the Ministry of Housing and the Council. They said that although they would continue through the normal planning procedures (including the appeal process if necessary) to achieve what they originally set out to achieve, they were prepared to look at such a scheme.

Therefore I suggest that it would be timely for the Council to write to the Ministry of Housing to see if they were willing to contribute towards the costs of say 10 units on the site, for use as low income housing. The Council and developers should also contribute (City of St Kilda, 1988a).

Council officers attempted to assess the social impact of the Mandalay proposal by determining the number of low-income people living there. They established that 16 of the permanent residents at the time had incomes of less than \$15,000 per year (City of St Kilda, 1988b). In May the Council decided to grant a permit to Mandalay Gardens to demolish the flats and build a seven storey apartment block, with a condition that the developer provide “up to 16 one bedroom units within the development for sale to the Ministry for Housing and/or Council for low-cost housing” (City of St Kilda, 1988c). The decision satisfied neither the objectors nor the developers. Everyone appealed.

Thirty-one notices were lodged against the Council decision. One was from Mandalay Gardens, against ten of the conditions attached to the permit and especially that relating to the low-income housing requirement. Ten were from Mandalay residents, four from Baymor Court and sixteen from other tenants around St Kilda against demolition of the building at all. As I was the first named, the objector appeals were grouped together as Shaw and Others. The appeal grounds related both to loss of low-income housing and destruction of streetscape. The appeal hearing was set for September 1988.

The new Act provided the grounds for Save St Kilda’s appeal and for the City of St Kilda’s defence against the developer’s appeal. The impact of the redevelopment without a low-income housing component was presented by the Council in the context of the general trend of loss of low-income housing in the municipality. Mandalay was the first case before the AAT to test the social and economic provisions of the new Act. It was watched closely for the precedent it would set.

The media campaign began to heat up. The issue of the redevelopment of St Kilda – with the Mandalay flats as a readily identifiable metaphor – became a metropolitan cause celebre. Support came from unlooked-for sources. The Anarcho-Syndicalist Federation of Melbourne South devoted a spot to Save St Kilda in its newsletter, *Scream!* :

A MESSAGE TO THE TENANTS OF THE MANDALAY FLATS.

The Anarcho-Syndicalist Federation Melb. South is sympathetic to your cause and we wish you all luck in the court hearing. If by chance the trial fails to obtain the respective results, the A.S.F. would be more than happy to help defend the building, encouraging mass community support of the occupation. If our voices don't work, maybe some DIRECT ACTION WILL !!!!!!! Please feel free to contact us any time. (ASF, 1988)

The newsletter of the Inner Urban Ministerial Advisory Committee to the State Department of Community Services carried articles following Save St Kilda's progress. Academics, planners, lawyers and activists from all over Melbourne contacted the group and assisted in the preparation of the appeal case. Members of Save St Kilda worked night and day through June and July to organise a benefit concert to raise funds for the hearing. The next Council elections were to be held on 6 August 1988; Save St Kilda chose the same day for the benefit. A half page advertisement ran in the local newspaper in the week leading up to the election nominating Save St Kilda's preferred candidates which, when it came to the crunch, were essentially those supported by Turn the Tide. The newspaper's editorial supported the same candidates.

SAVE ST. KILDA - BEFORE ITS IDENTITY IS DESTROYED BY DEVELOPMENT

SAVE ST. KILDA is an informal group of St. Kilda residents who are increasingly disturbed by the current wave of development in St. Kilda. Traditional landmarks with unique cultural and social value are being destroyed to make way for large scale developments which will benefit only the developers and a wealthy elite. Many of these developments will have the direct effect of evicting long term residents. Indirectly they will contribute to rising rents and rates, forcing many more tenants out of St. Kilda. St. Kilda will become a cold Surfer's Paradise for the rich, with the tourist developments destroying the very things tourists currently enjoy. St. Kilda Council has significant influence over these developments. SAVE ST. KILDA interviewed all candidates standing for election this Saturday, and asked them 3 key questions about their positions on development. Here are the results.

	WEST WARD						NORTH WARD		CENTRAL WARD						SOUTH WARD					
	Paula Blair	Gerald Bryant	Marylou Jelbart	Leonard Levy	John Murray	Norman O'Malley	Norman Crane	Norma Walker	Colin Bell	Timothy Costello	John Downey	Albert Krantz	Damien Rayner	Bernard Cosigan	John Enticott	Alan Fitzgerald	Jenny Jackson	Teresa Kay		
Will you support reducing the height limit on the Upper Esplanade from 8 to 4 storeys?	No	Yes	Yes	No	Yes	No	*	*	No	Yes	Yes	*	No	No	Yes	No	Yes	Yes		
Will you support rezoning the Upper Esplanade from Tourist and Residential to the original Residential zone status?	Yes	No	Yes	Yes	Yes	Yes	*	Yes	No	Yes	No	*	No	No	No	No	No	Yes		
Will you vote to oppose the current plan to build a 7 storey highrise on the Esplanade Hotel entailing the demolition of the Baymore Court Flats?	No	Yes	Yes	No	Yes	Yes	*	Yes	No	Yes	Yes	*	No	No	Yes	No	Yes	Yes		

* Declined to answer

The SAVE ST. KILDA group believes that these responses indicate which of the candidates are most sensitive to development issues.

SAVE ST. KILDA RECOMMENDS THAT YOU VOTE ON SATURDAY, 6TH AUGUST FOR THE FOLLOWING CANDIDATES:

WEST WARD 1 Marylou Jelbart **CENTRAL WARD 1 Timothy Costello**
NORTH WARD 1 Norma Walker **SOUTH WARD 1 Teresa Kay**

THE SAVE ST. KILDA BENEFIT WILL BE HELD ON THE EVENING OF SATURDAY, 6TH AUGUST AT THE JUNCTION OVAL CLUB ROOMS. TO RAISE FUNDS TO CONTINUE THE CAMPAIGN AGAINST INSENSITIVE DEVELOPMENT.

Authorised by Eugene Sroogoch, 18-20 The Upper Esplanade, St. Kilda

Figure 3 Save St Kilda ad, 1988

Emerald Hill, Sandridge and St Kilda Times, 4/8/88

Turn the Tide ousted another pro-development councillor, gaining a fourth seat, and returned Jack Downey who was up for re-election. Two independents aligned with Turn the Tide and supported by Save St Kilda were re-elected. At the first meeting of the Council after the election, the application to redevelop the Esplanade Hotel was refused. Evindon immediately lodged an appeal.

ONCE UPON A TIME THERE WAS A HAPPY, INNOCENT LITTLE PUB OVER-LOOKING THE SEA...

THEN SOME BIG BULLYS MOVED IN EITHER SIDE...

WHY DON'T YOU BLOODY GROW UP YA LITTLE WIMP!

GRRRR!

HE FELT INADEQUATE SO HE PUT ON AN EXPENSIVE NEW SUIT AND HE GREW AND GREW AND GREW...

THEN HE BECAME A HARDENED AND CYNICAL PUB LIKE ALL THE OTHER BUILDINGS AROUND HIM...

CAN'T COME IN HERE DRESSED LIKE THAT MATE... HOW MUCH DO YOU EARN A YEAR?

ITS NOT SIZE THAT COUNTS GRAFI

THE SAVE ST. KILDA BENEFIT

WITH SUPPORT FROM 

SAT. 6

AUGUST

AT THE...

JUNCTION OVAL

CLUB ROOMS • AUGHTIE DRIVE ST. KILDA

IN **TWO ROOMS** WITH...

MARK SEYMOUR AND FRIENDS

THE REPTILES • MELODY LORDS

BRADY BUNCH LAWNMOWER

MASSACRE • TON-UP PIRATES

JAZZ!! SWINGIN' SIDEWALKS

BUZZARD FUNGUS • SWING CITY

VALANGA + TAMI FROM MAJUBA

COMEDIANS... FOUND OBJECTS

EMPTY POCKETS & ANDREW GOODONE

\$8 OR \$6 CONCESSION

9:00 PM ONWARDS

© FRED NEGRO 1988

Figure 4 Save St Kilda benefit flier, 1988

Cartoon by Fred Negro.

Two thousand people attended the benefit concert, which raised \$8,000. Simon Molesworth, a leading planning barrister and Chair of the National Trust of Australia (Victoria) was engaged by Save St Kilda for the Mandalay appeal, reducing his usual rate of pay substantially. The next six months were to be spent in planning hearings: the Administrative Appeals Tribunal for the Mandalay appeal and panel hearings for the RL47 planning scheme amendment.

In August 1988 St Kilda Council endorsed a study on the social and economic impacts of residential planning (City of St Kilda, 1988d). The Council decision on height controls had dealt the campaign a blow, but it stood by its difficult compromise steadfastly and maintained its commitment to affordable housing. A series of residential planning objectives were adopted, aimed at protecting St Kilda's significant, private, low-to-medium-rental housing through the planning permit process. These formed the basis for a Social and Economic Residential Policy adopted in September (City of St Kilda, 1988e). The policy provided a rationale for the inclusion of public housing in new developments, and a basis for rejecting further applications that would result in a significant, detrimental social impact on rental housing and tenants (*ibid.*). It also proposed an amendment to the local planning scheme to incorporate these objectives.

On 19 September 1988 the Mandalay appeal began. It was reported from the outset: "The scene at the opening of the hearing was a stark reminder of just how far the Tribunal had moved from its original aim of being an informal forum ... accessible to all-comers. Instead of a minimum of legal mumbo-jumbo there were lawyers everywhere" (Clemens and Shaw, 1991:2). The leather-jacketed patrons of the bottom bar of the Esplanade Hotel were in trouble. A lawyer by the name of Walter Webb chaired the hearing, with two other panel members, Brian Logan, a retired city engineer, and Dr Judy Atkinson, a recently appointed academic. Walter Webb had sat on three hearings in and near St Kilda in the last few years, and ruled in favour of the developers in each one (SSK, 1989d).

Evidence was given by the Council and objectors to demonstrate the loss of low-income rental housing in St Kilda over the previous decade. The 1985 Housing Policy was tabled, along with the Council's interpretation of social and economic effects in its submission to the planning legislation review. The Council argued that, as the applicant was gaining a financial advantage by the exercise of a planning discretion in its favour, it should be prepared to sacrifice some of its financial gain for the community benefit.

Save St Kilda, led by Simon Molesworth, supported the Council's position regarding retention of low-income rental housing. Molesworth argued that the new Planning and Environment Act explicitly allowed broader consideration of social and economic effects than had been previously possible. Molesworth urged the Tribunal to explore the extent of the social effects of the proposed development and to examine these in the context of the objectives of the new Act. He also argued that retention of the buildings was critical to achieving the objectives of the urban conservation controls in the area (Molesworth, 1988).

Save St Kilda had an array of expert witnesses who worked free for the hearing, including Mark Bartley, a town planner, Phillip Goad, an architectural historian, and Sue Riley, the housing officer with the St Kilda Community Group. The developer's barrister, Stuart Morris, called Maxine Cooper, a sociologist who argued that the social impacts of the development were insignificant; Robin Williams, an architect who argued that Mandalay was "hostile in its introversion" (Williams, 1988), a landscape architect and a traffic consultant. For the Council,

two planning consultants appeared, with Esther Kay, senior Council planner appointed in 1986 and author of the ‘social and economic impacts of residential planning’ report and the St Kilda Foreshore and Environs Height Control Study. The hearing lasted four days.

The key issues were whether social impact should be judged in terms of the individual tenants or in a broader context; whether the planning system was an appropriate mechanism to address such impact; whether it was fair to require concessions of developers for the ‘community benefit’, and whether the Mandalay flats were worth preserving. In the course of continuing negotiations between the developer and the Council, the number of flats to be made available for low-income housing was reduced to seven. It didn’t matter. Five months later, in February 1989, the AAT’s decision on the Mandalay case was handed down. It ruled against both the Save St Kilda appeal and the Council’s conditions.

The AAT decision took a narrow interpretation of social impact, judging it solely in terms of the individual tenants and arguing that such effects should not form a basis for refusing a permit because “developers would in future, before applying for a planning permit, have all existing tenants evicted so that when they made their application there would be no tenants to consider” (AAT, 1989a). The Tribunal rejected the broader impact of the development’s contribution to the trend of loss of low-income housing, stressing that “...the Tribunal is bound to have regard to the proposal before it and not to unknown proposals that may occur in the future” (*ibid.*). The decision doubted that the planning system was an appropriate mechanism to address issues of affordable housing, and argued that there is nothing in the planning scheme to forewarn a developer that it might be called upon to “contribute part of its expected profit for the community benefit”. It argued that such a requirement would “militate against any worthwhile residential development taking place in the municipality”. On the “urban conservation issue”, the decision stated that “the Tribunal is unable to accept that the ... tired building accommodating only 18 flats ... makes any worthwhile contribution to the urban conservation in this area” (*ibid.*).

One of the Tribunal, Dr Atkinson, dissented from the other two panel members and issued a separate, minority decision. She cited the Minister for Planning in his introduction to the 1987 State planning policy document, *Shaping Melbourne’s Future* (Victorian Government, 1987), as follows:

Whereas traditional land use and infrastructure planning may have been adequate responses to growth pressures of the past, today’s complex challenges require integrated physical, social and economic planning and resource allocation... (Victorian Government, 1987).

Dr Atkinson argued that the specific reference to social and economic considerations in the new Planning and Environment Act clearly gave greater legitimacy to their consideration in planning decisions (AAT, 1989b). She stated that she was persuaded that the development would not only have an “adverse social effect on a number of the present tenants of the flats”, but that “the loss of low-income housing is a one-way process, and ... that the Tribunal should not contribute to the continuing loss of such housing in St Kilda”. Further, that “to disregard

the cumulative effect of developments such as the one proposed would make a nonsense of the objectives of the Planning and Environment Act” (*ibid.*).

On the requirement to provide low-cost housing, Dr Atkinson wrote:

while it was suggested that this might constitute an undesirable fetter on our free market system, I agree with the objectors’ submission that it would more properly be considered as an example of planning as an intervention in the public interest.

...the applicant submitted that town planning controls are not appropriate to achieve the sort of social objectives which the objectors seek. I cannot agree. In essence, it seems to me that the social objectives which the objectors seek to achieve are expressed in Part 5 of the submission on their behalf, which asks whether housing for low income members of the community will continue to be available in locations which are both convenient and desirable.

It is my view that the question is an appropriate one for the Tribunal in the context of section 4 objectives (a), (c) and (g) of the Planning and Environment Act. ... I have had regard to the Victorian Government’s Social Justice Strategy, which is concerned with principles of fairness in the distribution of resources and access to services, and which provides further support for the views I have reached (AAT, 1989b).

On the matter of urban conservation, Dr Atkinson added:

It was argued by the objectors that affordable housing opportunities in St Kilda should provide for the diversity of lifestyles that contribute to the special character of the area. The point was made that while low-cost accommodation was the only option for those who are in some sense disadvantaged, there were those in the community who through choice or circumstance also look for low-cost accommodation in areas such as St Kilda. The Tribunal was told that the present tenants of the Mandalay flats include [people] who could be considered to be working for less, out of choice.

This area of St Kilda has not been classified as an urban conservation area for its quality of intactness, or for the number of important buildings, but rather for the qualities that derive from the history of this area ... [and] I have formed the view that the contribution of lifestyles is an important factor in this area of St Kilda. This acknowledges the implicit social (including cultural) component of objectives in the Planning Scheme and Planning and Environment Act 1987.

...I cannot agree with the majority decision that the Mandalay flats add nothing to the streetscape. I believe they provide an important historic and cultural link with the residential and holiday architecture of the 1920s and 1930s in this prominent section of the Upper Esplanade (AAT, 1989b).

Dr Atkinson stated that she would have upheld the appeal by the objectors against the decision to grant a permit. Had she “been persuaded that the objectors’ appeal should fail”, she would have dissented from the majority decision on the issue of the low-cost housing component within the approved development (*ibid.*). She stated that the Council appeared to have spent considerable time and resources on developing policies that “are broadly aimed at protecting the more vulnerable residents within its municipality”, and that it had “responded professionally and sensitively to the pressures for development that have emerged over a considerable period” (*ibid.*).

On the advice of its lawyers, and because of the precedent that would be set by the Mandalay decision, St Kilda Council appealed to the Supreme Court against the majority decision. It lost. In a disastrous result, the Supreme Court judge said that having low-income earners in

the proposed development “would be like having second class seating in a first class carriage” (EHT, 21/9/89), and ordered the Council to pay \$400,000 in costs to Mandalay Gardens. Cr Melanie Eagle, Deputy Mayor of St Kilda, said:

...this was a new area of law that had to be tested. Sometimes issues matter and the principle that council had a right to demand certain conditions from a developer was important enough for a test case to be run. If St Kilda Council didn't, who would? (EHT, 21/9/89).

But the precedent for reading social and economic impact had been set at its most narrow interpretation. It was over a year before Dr Atkinson was allocated to another panel hearing (Judy Atkinson, personal communication, 1990). Her dissenting decision, however, left an important residue. The necessity to comply with ‘political reality’ was dominating public debate in the pragmatic 1980s. The arguments for ideals seemed like they were from another world, and the experience in the AAT surrounded by lawyers and planners arguing for days about car parking confirmed it. Sometimes the members of Save St Kilda looked at each other wondering what we were doing there. But Dr Atkinson showed genuine interest in what the Council and Save St Kilda were saying, and gave credence to discussions of intangibles that had the elderly male panel members cringing. People who were structurally resistant to these lines of argument were compelled to seriously consider them. It is clear, on reflection, that the panellists inherited from the planning appeals system prior to the introduction of the new Act were unlikely to decide any other way. But they were not always going to be there. The process became very exciting. The Council, Turn the Tide and Save St Kilda were all, in their own ways, struggling for change in the way urban planning was understood. The dissenting decision legitimised their desires, and perhaps saw more unity in the collective approach than we were aware of at the time. St Kilda Council and Save St Kilda lost Mandalay, but I was left with the impression that the ground was beginning to move.

The politics of historic preservation: the Esplanade Hotel

The confluence of the building boom in the mid-1980s with the proclamation of the Planning and Environment Act, 1987 had resulted in long delays at the AAT. Commercial and high-rise building activity in the inner-city was frenetic, and for the first time people who lived in affected areas had a formal mechanism to express their views. But the increase in resources to the AAT was not commensurate and appeals were banking up. It took five months for the Mandalay decision to be handed down; Evindon lodged an appeal in August 1988 against the Council's refusal to grant it a permit, and by October hadn't even been given a date for a hearing. The AAT was bound to consider appeals according to the planning regulations at the time of hearing, and the proposed planning scheme amendment, RL47, set a height control of 18 metres for the site. If RL47 were approved before Evindon's appeal, the developer's 24 metre application would be automatically ruled out. But if the AAT approved the development before RL47 came into force, that approval would stand, even if RL47 came in the following day. New regulations did not apply to approvals already granted. It became quite clear that the

outcome hinged as much on which hearing concluded first as on the merits of the case, and the issue was reduced to a race.

The RL47 planning scheme amendment hearing commenced in October 1988. It was scheduled to last three days. Many parties made submissions to the hearing, including Mandalay Gardens, Evindon, the Claremont group and local real estate agents. Simon Molesworth acted for the Council. Save St Kilda, the St Kilda Heritage Watch, the Victoria and Pollington Streets Community Group (VPSCG) and other groups made their own submissions, supporting the proposed height controls but arguing for lower heights on The Esplanade. On the first day, the Queens Counsel for Evindon, Tony Hooper, requested an adjournment to November 1988 to have more time to prepare his submission. The hearing resumed in November. Evindon finally had a date for its appeal in the AAT: February 1989. Hooper requested that the Council supply more information and sought an adjournment to February. The Chair of the panel, Michael Gerner, initially refused until Hooper suggested he would lodge an appeal to the Supreme Court. Even if based on completely spurious grounds, that process could take months. The planning scheme hearings were adjourned to February.

In January 1989 the residents of Baymor Court were given 60-day notices to vacate. Four of the most elderly tenants moved out. The remaining fourteen stayed. The annual St Kilda festival was held on the weekend of 11 and 12 February. Save St Kilda set up tables outside Mandalay and collected thousands of signatures against the Esplanade and Mandalay redevelopment proposals.



Figure 5 Mandalay banner

A week later, in February 1989 and just as the Esplanade appeal was about to start, the AAT's decision on the Mandalay case was handed down. The RL47 hearings resumed. Evindon had discovered that Michael Gerner had acted as a consultant to the St Kilda Council some nineteen years prior, in 1970. Before proceedings started on 13 February, Tony Hooper announced Evindon's intention to challenge the entire process in the Supreme Court on the basis of Gerner's legal bias. The hearings were adjourned again.

PANEL CHAIRMAN WON'T GO

St Kilda height limits panel chairman, Michael Gerner, is defying an attempt by developers to stall the hearings with a Supreme Court bid to replace him. ... Simon Molesworth QC, said "the City of St Kilda finds it outrageous that the hearings are being stopped. We will win in the Supreme Court". ... Save St Kilda spokesman, Mark Smoljo, said local people were outraged at the "legal shenanigans". "Once again it shows that wealthy and powerful people with money to go to the Supreme Court get a different brand of justice than ordinary folk" Mr Smoljo said (*EHT*, 16/2/89).

On 20 February we were back in the AAT for the Esplanade Hotel appeal. Walter Webb was Chair. The other two Tribunal members were advertised on the morning of the hearing as John Godfrey, engineer, and John Buckley, a planner. There was some hope that John Buckley, like Judy Atkinson, would be more receptive than the lawyers and engineers to the social and economic arguments on which both Council and Save St Kilda would rely. John Buckley, however, was replaced at the last minute with no explanation by Brian Logan, the engineer who had approved the Mandalay development.

The Council and Save St Kilda were arguing the same case this time, and the proposed height control for the Esplanade Hotel in RL47 was expected to carry substantial weight. But by the end of the hearing we had no doubt that the Tribunal was going to rule in favour of Evindon.

In March 1989 a meeting was called at Baymor Court. James Grey, media officer with the Building Workers Industrial Union (BWIU) had been speaking with Melanie Eagle and wanted to meet with members of Save St Kilda. A few days later I received a phone call saying that the union had decided to place a black ban on the demolition of Mandalay. It happened very quickly. A joint media release was issued from the BWIU, St Kilda Council and Save St Kilda. Even before the release went out a photographer from *The Herald*, Melbourne's other major daily newspaper, arrived at Mandalay at 7.00 am. We dragged ourselves out of bed to be photographed on the steps with Melanie and one of the union organisers.

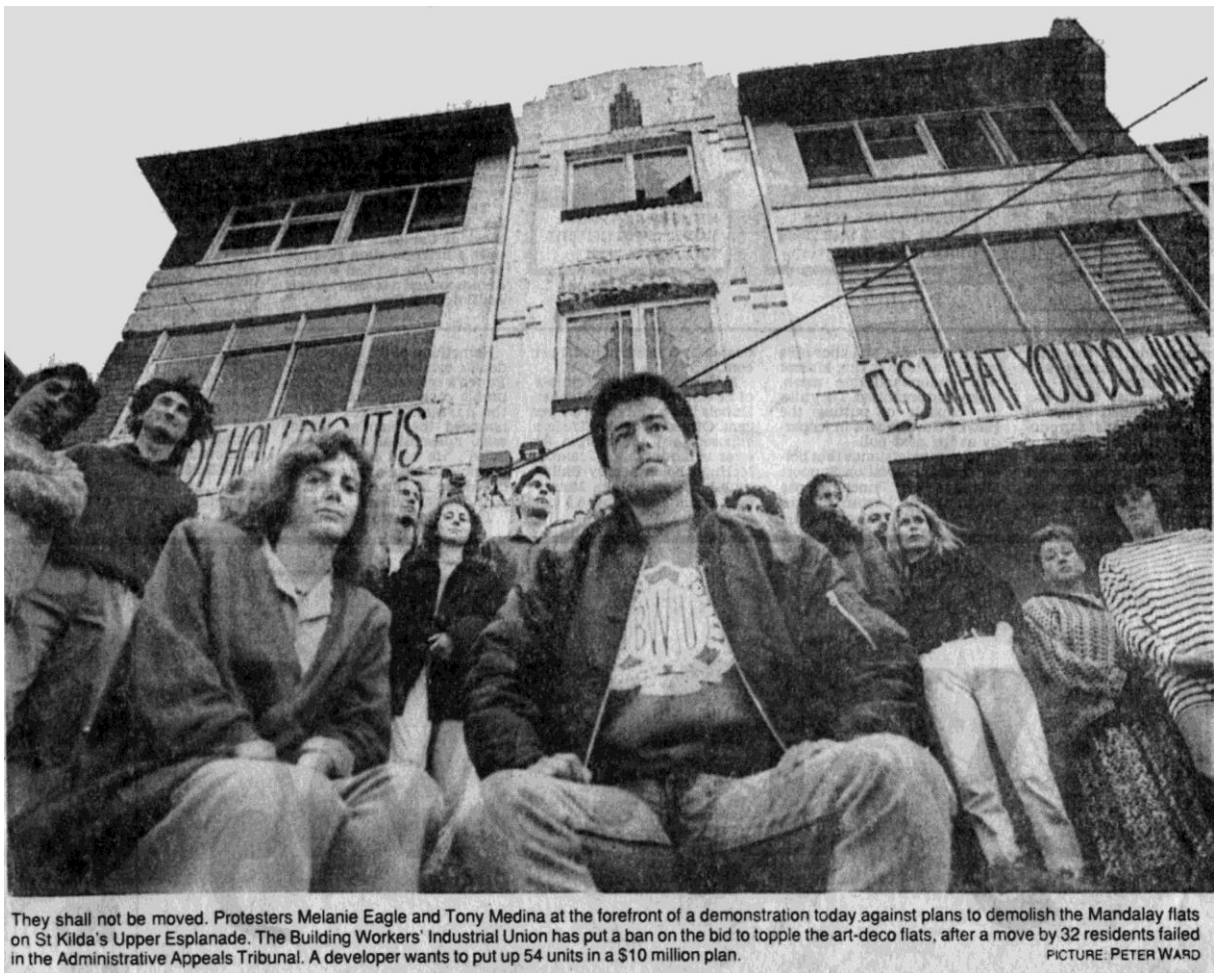


Figure 6 'They shall not be moved', *The Herald*, 15/3/89

The BWIU has joined the campaign to defend low-income tenants in St Kilda by placing a ban on demolition of the Mandalay flats on the Upper Esplanade. Last month, 32 residents lost their appeal in the Administrative Appeals Tribunal and now face eviction. In a joint statement issued by the BWIU and Save St Kilda, it was made clear that no development of the site would occur unless the existing Art Deco flats were retained for low-cost housing.

"St Kilda residents are feeling the brunt of the national housing crisis, as developers attempt to bulldoze low-income tenants out of their homes and replace them with high-rise playgrounds for the rich", said BWIU organiser Tony Medina. "Building workers and other workers are suffering in Melbourne's housing crisis, as land values and rents spiral" (BWIU, 1989).

On 11 April 1989, Save St Kilda held a meeting in the biggest band room at the Prince of Wales Hotel (the Esplanade Hotel, not surprisingly, was no longer available). Police had informed the tenants of Baymor Court that they would be around the next day to evict them. 500 people packed the room. Sue Riley, by then working with the St Kilda Tenants Union, urged the residents of Baymor Court to sit tight. The assistant secretary of the BWIU, Vince Raffa, announced a ban on the demolition of Baymor Court. Save St Kilda resolved to incorporate, in order to establish status as a legal entity. It was a fairly major shift, as it meant becoming a formal association rather than a campaign. I was elected secretary. An announcement was made urging as many people as possible to be at Baymor Court the following morning.



Figure 7 Save St Kilda organisers talking to police
Photograph by Ross Hipwell.

The meeting set the following objectives for Save St Kilda:

1. Save St Kilda will act in the interests of all St Kilda residents who care about maintaining our existing diverse community, with a special emphasis on the interests of tenants and people on low to middle incomes;
2. Save St Kilda will act to protect the existing community of St Kilda and the architectural character of the area;
3. Save St Kilda endorses the 12 metre building height limit which St Kilda residents have voted for on many occasions. This is the height of the 3-storey walk-up flats that are characteristic of the St Kilda area;
4. Save St Kilda will act in conjunction with existing organisations fighting for low rental accommodation elsewhere to present a united front against this problem everywhere (SSK, 1989a).



Figure 8 On the balcony of Baymor Court

Photograph by Ross Hipwell

The next morning several hundred people turned up at Baymor Court. Five television camera crews and all the main metropolitan and local newspapers arrived to witness about twelve police in friendly discussions with Save St Kilda organisers.

The police left. 300 hundred people picked up their placards and banners and walked up The Esplanade and Fitzroy Street to the office of Biggin and Scott, the real estate agents who managed the flats, chanting, “Evict Biggin and Scott!”

Nine days later, without warning, thirty police returned at 6.00 in the morning with sledgehammers. The tenants were evicted and the locks on their flats changed.

The campaign picked up enormous speed. Suddenly I was working almost full time on media liaison. *The Age* carried a front page feature in its weekend supplement:

Rod Thorley says that whether residents like it or not, he is the new face of St Kilda. “I suppose I represent the new breed of people coming into St Kilda with my BMW”, he says in his hi-tech South Yarra office. “The area is changing whether St Kilda people like it or not. There are such things as market forces, you know”...

“Blue-collar workers are leaving St Kilda and the white collar workers are moving in, that’s just the reality,” he says. “We live in a free society, a democratic, commercial society. It’s very hard to legislate for the poor”.

The poor, it seems, have no place in the glorious new St Kilda that Rod Thorley envisages. If he is the new face of St Kilda, it might be an idea to either get rich or get out. “I don’t see that prostitutes and drug-pushers and people on the dole are particularly up-lifting and I don’t see why I can’t live in St Kilda in a clean environment,” he says. “Why can’t they damn well go out and get a good job?” (*The Age*, 15/4/89).



Figure 9 Tenants hit the streets
Photograph by Rodger Cummins.



Figure 10 Inside the estate agent's office
Photograph by Ross Hipwell



Figure 11 Rod Thorley at Mandalay

Photograph by Cathryn Tremaine.

A poster appeared in the streets soon after *The Age* feature ran. It carried the photograph of Rod Thorley from *The Age*, with one word writ large underneath: **GREED**.



15/4/89).

“Mike Brady accuses St Kilda residents groups of intellectual elitism. ‘You can be parochial to the point of being ridiculous. Should people have to declare their pecuniary interests before drinking at the Esplanade? There’s a fair amount of hypocrisy in St Kilda. You can’t hang on to an area’” (*The Age*,

Figure 12 SHOUT! Newspaper, 1989

Cartoon courtesy of John Wright.

The planning scheme amendment hearings continued. They were adjourned twice more at the request of Evindon, and concluded in May 1989, seven months after they commenced. The Supreme Court challenge to Gerner was still pending, which meant that he could make his report to the Council, but that it would have no status until the challenge was resolved. Gerner's report was received by the Council in early June. It accepted the Council's proposal for an 18 metre limit on the Esplanade Hotel site. But nothing could be done with it. The decision from the AAT arrived the following week, with no reasons attached. It upheld Evindon's appeal, and ordered that a permit be issued. Evindon dropped its Supreme Court challenge against Gerner.

The process just seemed too cynical. The letters section of the local paper extended over three pages as the argument raged between, on one side, Mike Brady, Alain Gerrand, Bill Kosky and Rod Thorley, and members of Save St Kilda, the VPSCG and St Kilda Heritage Watch on the other.

Save St Kilda wrote to the Premier (SSK, 1989c). The letter raised, amongst other things, the unexplained switching of Tribunal members on the morning of the Esplanade hearing. The

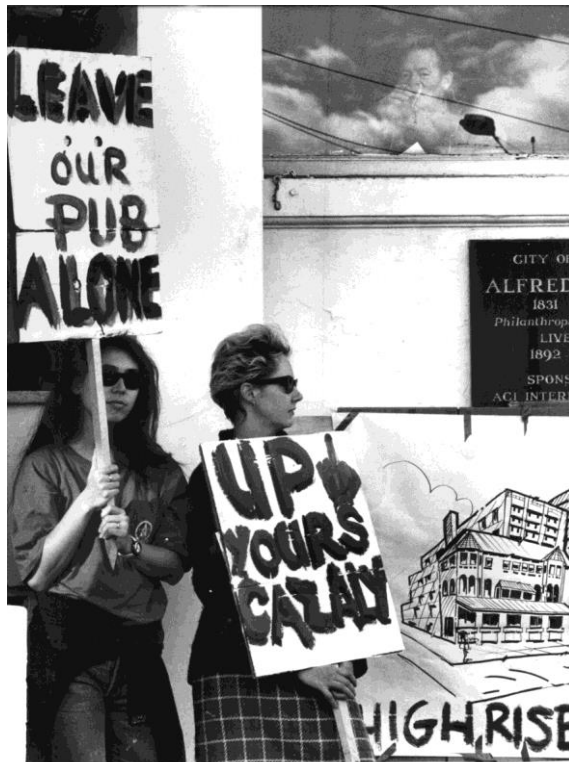


Figure 13 Outside the Esplanade Hotel
Photograph by Ross Hipwell.

President of the AAT was asked by the Premier to explain. The President issued a statement in late August stating that, in essence, it was because of a communication between Tony Hooper and Walter Webb on the weekend before the hearing commenced. The reasons presented for the communication were innocuous enough; the manner in which it was done, and the fact that all parties to the hearing were not given an opportunity to comment, were not. The City of St Kilda lodged an appeal against the conduct of the AAT to the Supreme Court.

The media coverage of the issue was frenzied. Calls were made for a review of the AAT, as Save St Kilda and the St Kilda Heritage Watch were joined by the Inner Urban Regional Housing Council, the Victorian National Parks Association and a number of other community

groups and private consultants in voicing their concern at its operation. The local newspaper was by now openly supporting the Save St Kilda campaign and Turn the Tide (*EHT*, editorial, 3/8/89), and ran front page stories each week on the latest twist in the saga. Television current affairs programs ran in-depth analyses, major newspapers carried feature stories, and Save St Kilda organisers were giving radio and press interviews every second day. The developers were winning the planning hearings, but Save St Kilda was winning the public relations war.

Letters

• from page 8

ST KILDA "TREASURE"

It is unfortunate that the debate about the extent and quality of development in St Kilda has

protection.

One of the major concerns of the current development of St Kilda is that fashionable new accommodation is being built as it always has been but the stock of older and cheaper flats is under threat.

people who call St Kilda home.

DIMITY REED,
St Kilda

MUD SLINGING OF NO HELP

I agree with Ms Reed (EHT May 18) that the issues relating to the preservation of St Kilda's built environment and urban character are too

APPALLING TREATMENT

I am writing to express my disgust at the appalling treatment of low income residents in St Kilda and surrounding areas. It is apparent that if they are

Letters

ST KILDA NEVER AGAIN PARADISE

In the debate over the proposed development of the Esplanade Hotel it seems that the most damaging criticism of any argument is that it is "emotional."

After losing my home of six years at Bay Court I feel justified bringing emotions into argument. In fact it is emotional commitment home and community which is at stake.



As your newspaper continues to report, the "get rich quick" developers are using every available legal manoeuvre to achieving their objective of ruining our community.

In their latest trick, they have delayed the issuing of a planning report which is being attacked by the public.

They claim to be biased but worked St Kilda - 18 years ago. The street

CYNICAL TRICKERY

As your newspaper continues to report, the "get rich quick" developers are using every available legal manoeuvre to achieving their objective of ruining our community.

In their latest trick, they have delayed the issuing of a planning report which is being attacked by the public.

They claim to be biased but worked St Kilda - 18 years ago. The street

TIME TO CUT BULL

In reference to Kate Shaw's letter (EHT March 9).

As a director of Evindon Pty Ltd which owns and operates the Esplanade Hotel, I am not in the least bit embarrassed to have engaged legal counsel to represent our company at the Administrative Appeals Tribunal. Of course we believe we will win our appeal and would not be going through expense and trouble if it is a fundamental of private law whether individuals or directors of companies are members of a movement, case heard in panel.

For Mr. Elwood that the conduct of the hearing is beyond reproach. However, how Mr. Elwood can call the hearing "beyond reproach" is beyond me.

It is interesting to see suggestions that "the truth" has been won out, "serve the record, during the

Depa... interesting... suggestions that "the truth" has been won out, "serve the record, during the

who... by companies whose only concern is monetary gain. KAREN PORTER, St Kilda

WE BUY IT, WE DO IT

Alex Njoo's advice on how to run a business (EHT April 20) and his claims - such as that should "expose (developers) sham buy their products" as "a good business never alienates its customers"

possibly carry weight if he business himself. Come on Al you mean by into submit "crush us" stand in their You say exactly go well it might know there are actually such as

It's the end of the AAAT case, you would expect from a developer.

The environment of the Administrative Appeals Tribunal, on the air-conditioned 10th floor of a huge city building, heavily dominated by sober middle-aged men in suits, is totally alien to most people. An environment which immediately intimidates particular sections of the community simply can't be called unbiased.

In fact, the current Ministerial review of the AAT panels would suggest that the Attorney-General's department does indeed find this information interesting, and has been concerned about it for some time.

However, how Mr. Elwood can call the hearing "beyond reproach" is beyond me.

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who... by companies whose only concern is monetary gain. KAREN PORTER, St Kilda

Letters

A FOUL SNOOKER

MIKE Brady seems to have missed the ball in his response (EHT, March 16) to my earlier letter. I do believe him when he says he is not embarrassed to have engaged legal counsel to represent Evindon in the latest run of hearings, and it is very gracious of him to allow our right to do the same (regardless of cost...). We must invite him down to the public bar some time.

Perhaps Mike's continued insistence that our system of planning appeals is as open to residents as it is to developers is only what you would expect from a developer.

The environment of the Administrative Appeals Tribunal, on the air-conditioned 10th floor of a huge city building, heavily dominated by sober middle-aged men in suits, is totally alien to most people. An environment which immediately intimidates particular sections of the community simply can't be called unbiased.

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It is interesting to see suggestions that "the truth" has been won out, "serve the record, during the

who... by companies whose only concern is monetary gain. KAREN PORTER, St Kilda

it - with or without Mr Njoo's patronage.

MIKE BRADY,
Elwood.

BRADY WEARS A BIT THIN

Fascinating to read that Mike Brady (spokesperson for the Esplanade Hotel developers) is concerned about the legal

costs that St Kilda ratepayers have to bear.

Particularly fascinating when Brady himself unnecessarily took council to court last Friday because council lawyers would not guarantee, within the five minutes demanded, to give a permit to demolish within a week.

It is also curious that Brady and Co. received a copy of the tribunal decision on that Friday but council did not formally receive one until five days later. And then - curiously enough - the decision did not contain any reasons - an unheard of situation!

We have been told that the reasons will be forwarded on sometime soon. Meanwhile council has unfortunately had to go to court again to (successfully) get a stay of time until council receives the reasons.

It would be interesting to know how much Brady cares about St Kilda really - and of amenity that for an inquiry into the Administrative Appeals Tribunal. It is obvious that in this area many decisions that are being made which result in the loss of low cost accommodation. Finally, I would ask the Minister for Housing, Mike Brady, to provide a valid and logical justification for government actions for low income taxpayers and pensioners.

It is only with such approaches that low income residents will have some protection of their homes.

SUE RILEY, the Housing Worker, and I, the Geo. and Esplanade Group Limited

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The full bench of the Supreme Court decided that justice must be seen to be done, and ruled that Evindon's appeal on the Esplanade Hotel return to a differently constituted Tribunal to be heard again. But when Evindon dropped its proceedings against Gerner, the amendment had proceeded along the usual course. The Council had passed it to the Minister for approval, and it now sat on the Minister's desk. In November 1989, before Evindon had a chance to book a second hearing in the AAT, Tom Roper, then Minister for Planning and Environment, approved RL47. Height limits of 9 and 12 metres for most of the St Kilda foreshore, 24 metres for the highest section of the Upper Esplanade, and 18 metres for the Esplanade Hotel, were law. Evindon's application exceeded the planning controls, and was automatically rejected.



Figure 14 Members of Save St Kilda and the Victoria and Pollington Street Community Group outside the Supreme Court

Emerald Hill, Sandridge and St Kilda Times, 9/11/89.

Evindon suggested that it would appeal to the High Court (*EHT*, 9/11/89). It didn't. The Esplanade Hotel redevelopment was shelved. The local paper carried the headline: "Esplanade Plan In Tatters!" (*EHT*, 30/11/89). I was quoted saying (unfortunately) that Evindon "had shot itself in the foot, then put that foot squarely in its mouth" (*ibid.*). Baymor Court was safe, but empty.

The St Kilda Housing Program

In May 1989 The Venue came crashing down. Maggie and I stood on the back balcony of Mandalay watching the great mechanical claw smashing through the walls like they were made of wafer, our hearts sinking a little further with every brick. The Council had sold The Venue to the Victorian Ministry of Housing. The sale was conducted through a tender process, leading to great outcry from a number of private developers when they learned that the Ministry bid was not the highest received (*EHT*, 16/2/89). But purchase price was not the sole criterion for Council selection of preferred tenderer, and the Council's opponents were only

too well aware of this. The Director of Housing lodged an application with the Council for construction of a seven-storey, 53 unit elderly people's village and five flats for disabled people.

After much internal discussion, Save St Kilda agreed to publicly support the development. The issue was delicate: although the eight-storey limit along that short stretch was undeniable, the height of the proposal was inconsistent with the four-storey limit endorsed at Save St Kilda's inaugural public meeting in 1989. The until-then-unconfronted difference between Mark and Maggie's perspectives was thrown into stark relief: low-income housing or architectural preservation? (SSK, 1989b). The problem was resolved when we learned that the owners of Mandalay and of the new St Moritz Hotel had lodged an appeal against The Venue redevelopment to the AAT. They had engaged Simon Molesworth, who relied on the same urban conservation arguments that he used on our behalf in the Mandalay appeal. We had no choice. Save St Kilda openly speculated in a letter to the local paper about whether the objectors were motivated by a sudden interest in urban conservation, or by the prospect of public housing tenants next to their rich flats and hotel rooms (*EHT*, 2/5/91). Save St Kilda made a submission to the appeal in defence of the Council decision. For the first time in an AAT hearing, we were on the winning side.

The Venue public housing project was one of many initiated by St Kilda City Council in the late 1980s. Four blocks of flats were purchased in 1988 and 1989, and an old fire station that was converted to community housing with tenant input into the design. In 1989 the Council commenced Phase II of the housing program: a five year joint venture project with the State Government, in which \$5 million of Council funding was matched by \$10 million from the Commonwealth State Housing Agreement (City of Port Phillip, 1995). Funding for the Council contributions was based on an explicit redistribution of the wealth generated from advancing gentrification, including 50 percent of the rents from the commercial properties on Crown Land and 50 percent of the supplementary rate income from the office and hotel developments – mainly in the commercial St Kilda Road area – that were built during the property boom (City of Port Phillip, 1995). The St Kilda Housing Association, a non-profit association with tenant, community and Council representation on its Committee of Management, purchased properties on behalf of the Council and took responsibility for their management. The funds were paid quarterly to the Housing Association and invested in term deposits which, in conjunction with rents paid by tenants, generated on-going operating revenue.

By the early 1990s, Council contributions to public and community housing reached 2.5 percent of its total budget, exceeding the housing expenditure of any other council in Australia (City of Port Phillip, 1995; 1999b). Low-to-moderate-income private rental housing was by now disappearing rapidly, but a small stock of secure public and community housing was growing.

Recession

In 1990 the bottom dropped out of the property market. The world stock market crash in October 1987 had precipitated a sudden switch of finance capital from equities to property development. Berry and Huxley (1992), following Harvey, argue that this added to the on-going, deeper forces of de-industrialisation in the developed world and to the longer-term process of capital switching from manufacturing to the built environment, leading to rapid over-accumulation in the property sector. Australia plunged into the worst recession since the 1930s (Davidson, 1992). Interest rates before the recession were at their highest ever, there was a glut of new office and hotel space in the inner-cities of many advanced capitalist economies, including Melbourne, and the property developers and investors involved found themselves seriously over-capitalised. Those who had completed new redevelopment projects had problems off-loading; those who had not were in even deeper trouble. Melbourne's city landscape became characterised in the early 1990s by 'bomb sites' of demolished buildings and indefinitely delayed or half-completed redevelopment projects.

In the lull, St Kilda Council developed a detailed planning strategy for the foreshore. The resulting *St Kilda Foreshore and Environs Strategy* (City of St Kilda, 1991b) reinforced the rationale for the controls in the planning scheme, and set out directions for future, sensitive development of the foreshore. A study of St Kilda's local architectural heritage was commissioned. The Esplanade Hotel was given the highest possible listing, meaning that Council permission was required not only for demolition, but for all major internal and external works. The National Trust, which has no statutory but some moral authority, also classified both the Esplanade Hotel and Baymor Court, and successfully nominated Baymor Court for registration on the National Estate. All the studies pointedly omitted Mandalay. Luckily for both Mandalay's owners and tenants, one of the Council permit conditions that survived the AAT hearing was that no demolition could occur until the owners were ready to start construction. The tenants stayed, Mandalay Gardens kept collecting rent, and the prospect of the project actually commencing looked more and more remote. In April 1990, the company decided to sell. Mandalay was passed in at auction at \$2.75 million. The owners reportedly wanted \$3.3 million (*EHT*, 26/4/90).

The purchase price of the Esplanade Hotel at \$5.6 million in 1987 was premised on Evindon's 18-storey redevelopment proposal. It was a high price to pay otherwise, even at the height of the property boom. With the opportunity for recapitalisation removed, Evindon was left with enormous debt repayments. By 1989, the amount the company owed on the hotel was closer to \$10 million (Weibye, personal communication, 1997). Evindon retained the hotel manager it had temporarily installed when it bought the freehold. Bringing in Bruce Weibye was the best thing Mike Brady did. Weibye understood pubs, and within two years was running the most comprehensive and well-known music venue in the country. But he was working against tough odds. The Esplanade Hotel, or the 'Espy' as it was affectionately known, was hugely successful in terms of money through the door, but 90 percent of its revenue went directly to

servicing Evindon's loan. The punters were coming in droves, but the chairs were falling apart.

WHAT PRICE THE GOLDEN GOOSE?

In the late 1980s and early 1990s the Espy became one of the most successful pubs in Australia. It turned over around \$6,000,000 pa and employed an average of 150 musicians each week, contributing at least \$15,000 a week to the music industry. In addition to well established local and international performers, the Espy picked up less exposed artists, making it a vital 'first rung' on the ladder for new ensembles. The fickleness of the record industry is such that many good young bands struggle for recognition, and the Espy became the place to see not only undiscovered acts before they hit the mainstream, but other acts that remain fiercely independent. The Espy's comedy nights - a uniquely Australian cultural experience - are now known on the world comedy scene. (An American journalist who came out to review the Gershwin Room recently commented to the Espy's comedy co-ordinator that not since the Haight-Ashbury district of the '60s had he felt such positive energy).

The pub is a venue for photographic and art exhibitions, performance art, theatre, cabaret, poetry slams and the Melbourne Writer's Festival. It conducts live broadcasts through the local community radio station 3PBS-FM, 3RR and the ABC, presenting the best of the alternative music scene to a wide radio audience. It is the location for a number of ABC and community television productions and countless independent film shoots. The Espy is used for live Internet performances (a cross between independent radio broadcasting and cable television), with a genuinely international audience; its website guestbook is filled with comments from throughout the world. One of these sums up well the dominant sentiment:

Keep sticking the finger up at the shiny shallows that are taking over this side of town, just say no to casino culture and the blandsville notion that economy is more important than people, and let me dance when and how I damn well please. Cyndy Kitt, 1998 (kitten@Bigpond.com)

But no matter how prolific the golden goose, if it is purchased at twice its street value it is never going to make ends meet. The Esplanade Hotel could never produce enough revenue to satisfy Evindon.

Sources: Cameron Paine, sound engineer; Bruce Weibye, Espy manager; Trish Shoesmith, Espy entertainment manager; Trevor Hoare, comedy room coordinator; personal communication, 1997

In 1991, Evindon decided to cease its operation of the Esplanade Hotel, and to transfer the liquor license to a company that had previously operated other hotels in Melbourne. In a strange episode, leaders of Save St Kilda were contacted by various of its members, staff at the Esplanade, people in the hotel industry and a State Government official, each of whom made the contact in secret, and each with a similar message: the proposed licensee consistently siphoned the profits off otherwise successful hotels, 'ran them down' and moved on. Reasons proffered for this ranged from the company directors "having more money than brains" to using the hotels as fronts to launder drug money (SSK, 1991). The process with most of the hotels was the same: entertainment was stopped if payment was required; standardised ticket-system bistro meals were introduced, a 'beer-barn' culture was generated, no maintenance was done and the licensee eventually cleared off with unpaid debts. But nobody had been able to establish a connection between this latter behaviour, the web of companies and directors linked to the hotels, and the man said to be behind it all.

Save St Kilda made some enquiries of its own, and found two reasons to be concerned. The first was that several of the hotels mentioned had indeed been through this process and the

man known to be associated with each of them, and with the Esplanade transfer, appeared on few of the license documents. The second was that the big investor directors of Evindon, who had by then taken the reigns from Brady and Gerrand, appeared completely unconcerned. A team of people from Save St Kilda and staff at the Esplanade began some serious research. Enough evidence was uncovered to justify an appeal against the license transfer to the Liquor Licensing Commission (LLC). After some high intrigue and an unsolicited visit to my flat from the people behind the transfer, a hearing began at the LLC. Save St Kilda was represented by a local barrister, Neville Kenyon, who donated his services. On the fourth day, as the Commission began to delve into some of the documents unearthed by Save St Kilda, the application was withdrawn. The license remained with Evindon.

The research team prepared a local charter for the Esplanade Hotel which was endorsed by a general meeting of Save St Kilda and Esplanade staff. The Esplanade Hotel Community Charter stipulated a conduct of appropriate care of its pub (SSK, 1992):

This is not to say that the hotel should not be touched. Buildings which are left alone fall into disrepair and benefit no-one. The Esplanade Hotel has been let alone for too long. It must be cared for. Its characteristic features should be preserved and there are aspects of the hotel which most definitely should be improved. We are concerned about over development: that point not far beyond the essential improvements which if reached would cause the place to be changed for the worse. There is a fine balance between working on the hotel to make it better and going too far and ruining it. We believe we understand this balance well. The purpose of this charter is to outline the improvements required and to identify those things that should not be changed. Our aim is to maintain the Esplanade Hotel as the most unique and popular pub in Melbourne (SSK, 1991:1).

Evindon was mute with rage. Management of the hotel passed to the son of one of the senior directors. He ripped out the original wrought-iron staircase in the hotel foyer. Staff rang me, I rang the Council and the National Trust. The Council enforcement officer arrived on the scene and ordered the son to put the staircase back. The conservation officer with the National Trust commented:

[it was] a most simplistic and uncreative way of altering the building ... they obviously have no understanding of the finer points of architecture (Storey, quoted in *The Age*, 8/3/95).

The line between property rights and community rights was thin, and fraying.

The aftermath

The long delays at the AAT were affecting many people. At around the same time as the call for a review, dark rumblings began that alluded to objectors appealing against development proposals solely to blackmail the developers. The story was quickly picked up in the media, which quoted allegations from usually unnamed sources about extortionate approaches being made to them in return for dropping objections and withdrawing appeals. One of the few developers to go on the record was Mike Brady.

Today, songwriter-turned-developer Mike Brady said he was recently approached by some objectors asking for money to drop an objection to a development. He said the approach was made in the last six months. "I refused them. There was no figure mentioned which they were

prepared to accept. I didn't entertain them. I said it was not reasonable to talk about compensation". Mr Brady said professional objectors posing as conservationists and concerned residents held major developers to ransom with the threat of long delays unless payment was made to them in the form of compensation. He said the racket had been going on for so many years that some developers had come to regard it as one of the hazards of their industry. "For years, developers have been on the receiving end of a long stick with a nail in it" (*The Herald*, 17/11/89).

Save St Kilda issued a press release suggesting he name names: "We regard the allegations of extortion as a grotesque projection of some developers' way of doing business onto people less interested in profits than in a well-planned city" (SSK, 21/11/89).

In late November 1989 a review into the planning appeals system was announced (*The Age*, 30/11/89). Its terms of reference included the compositions of panels and general issues of resourcing, but placed emphasis on limiting objector and appeal rights and on the possible introduction of filing fees to deter appellants (Victorian Government, 1989b). Less than two years into the operation of the Planning and Environment Act, 1987, consideration of social and economic impact had been set at its most narrow interpretation, and the mechanisms for public participation inspired by the State's Social Justice Strategy were under examination for their winding back.

Given its inability to control redevelopment, St Kilda Council returned to the strata-subdivision process to try to protect the low-income housing in St Kilda that was still sound and not under threat of demolition. A strategy adopted in April 1990 aimed to identify planning applications for rejection where Council "could justify these rejections at the AAT" (City of St Kilda, 1990d). The Council resolved once again to try to incorporate the 1985 Housing Policy into the planning scheme, and to research the use of development levies and incentives as a means of replacing lost low-income housing. For back-up data, it commissioned a survey of the physical and socio-economic effects of changes of tenure in flats after subdivision.

A Social Profile Study was prepared in July 1990 by Henshall Hansen Associates. The study found that, whilst 33 percent of subdivided flats became owner-occupied after subdivision, there were more socio-economic similarities than there were differences between people living in subdivided and unsubdivided properties. It suggested that the housing removed from the rental market was providing greater diversity to, and easier access for first home-buyers. Further, the study found that rent differences between unsubdivided flats and the subdivided flats that returned to the rental housing market were insignificant (City of St Kilda, 1990e:11). The apparent evidence that only one-third of the tenants affected by subdivision would not be able to find alternative, comparable accommodation was, in the context of the Mandalay precedent, sufficient to persuade the Council to abandon all attempts to refuse subdivisions on social and economic grounds. The Council resolved to "allow the process of subdivision to proceed along its natural course" (City of St Kilda, 1990:6).

The St Kilda Tenants Union released a damning critique of the methodology and findings of the Henshall Hansen report (StKTU, 1991). It argued that every tenant affected by the subdivision process had to relocate: a significant cost whether or not they were able to find comparable accommodation. It emphasised that the tenants who suffered greatest social and economic impact were those who were already most vulnerable. The critique questioned whether it was in fact first home-buyers who were buying the newly subdivided properties, and argued that in any event, a 33 percent loss of rental flats was by no means insignificant (*ibid.*). It also contested the finding that subdivided flats did not have significantly higher rentals.

As with Jack Downey's analysis of the rental market in 1984, the evidence on which the Tenants Union workers relied was more anecdotal, based on the many cases through their door, than supported by comprehensive analysis. Once again, informed local knowledge detected a longer-term trend that still had not completely shown up in the aggregate data. The low-income housing stock was shrinking rapidly, but the sheer number of flats in St Kilda meant that even so, there was still more private rental housing in St Kilda than any other municipality in Melbourne. Median rent levels were still considerably lower in St Kilda than they were across the rest of Melbourne (Victorian Government, 1999). It was the early 1990s, St Kilda had been under pressure of gentrification for twenty years, and still the data suggested that the rent gap had not closed.

In 1991 an application was made to St Kilda Council to demolish another block of low-cost flats in the eight-storey limit area on The Esplanade. The flats, at 4 Alfred Square, housed about 40 tenants on low to moderate incomes. The Council decided to test the strategy of developer levies.

If it is appropriate for the State Government to levy developers of so-called 'greenfield sites' so that they may contribute to the associated infrastructure costs, then why is it not appropriate to oblige a developer to pay for the relocation costs of tenants being forced to leave their homes? And why not developer levies, as used in other countries, to contribute to child-care or public transport costs which are compounded by the development? (Melanie Eagle, personal communication, 1991).

This time the Council negotiated at length with the applicant, and reached agreement from the applicant, the tenants, Save St Kilda and the St Kilda Community Group Housing Service without appeal. A condition on the Council permit for an eight-storey building containing 29 apartments and an art gallery made provision for tenant relocation assistance, a 90 day 'rent holiday' prior to demolition, a cash contribution to the tenants equivalent to the bond on their flats, and a contribution of one percent of the value of the works to be paid to the Council for provision of low-cost rental accommodation elsewhere in the West Ward of St Kilda (City of St Kilda, 1992).

The development was never built. According to the consultant to the developer, it was not the levy that tipped it over, but the fact that it was simply more profitable to renovate than to rebuild (*EHT*, 9/6/93). The owners sold to Bruce M. Terry – a small-time rehabilitator of old

blocks of flats. Terry was in the right market at the right time. He bought when prices were low, renovated, subdivided and sold on quickly. He had no trouble getting subdivision permits. The tenants in 4 Alfred Square were given 60-day notices to quit. The Council, the St Kilda Community Group and the Tenants Union negotiated a small rent-free period for the tenants before their eviction, but Terry refused to pay the developer levy and the Council was in no position to require it without going back to the AAT. It was not even worth trying.

In 1992, permission was given for another block of flats, at 2A Robe Street, to be subdivided. The 1960s block with 24 flats was run-down and plain but had provided reasonably comfortable, cheap rental housing for over 20 years. Another 40 tenants were evicted. It was one of 93 blocks of flats subdivided that year (City of St Kilda, 1994).

ODE TO FREDA

Freda was an energetic, robust 59-year-old Russian immigrant who lived in 2A Robe Street for 15 years with rental assistance from the Jewish Welfare Organisation. Her flat overlooked the empty block behind Mandalay, and she often watched Robin tending his vegetable patch. We used to have parties in the back block. We were preparing for one of these when Freda called to us from her window - what were we doing? We replied that we were having a party that night, and more because it was the polite thing to do than thinking she wanted to, I asked her would she like to come? She would love to, she said, and would bring some biscuits. At 8.00 pm Freda turned up with a tray of biscuits she had just pulled from the oven. She was waving sparklers about when I lost track of her at about midnight.

Freda and I saw each other regularly after that. She decided I would be her daughter. When her eviction notice came I was working with the St Kilda Community Group, and we attempted to negotiate on her and her neighbours' behalf for a rent-free period and assistance with relocation. The St Kilda Housing Association offered her a place in the new Venue public housing development, but it was not due for completion till May 1993. Freda refused all offers of alternative accommodation, even when all her neighbours had gone and she was the last tenant remaining. The Tenants Union tried to persuade the developers to allow her to stay till May, but renovations had already started and the developers said it was too dangerous. We obtained every possible extension, and still Freda would not accept my pleas to let us find her a temporary alternative. She told me that "not even in Russia" would she be forced to leave her home, and could not accept that things were different in Australia. On October 13, 1992, Freda was locked out of her flat by police (who had neglected to inform the Jewish Welfare Organisation and the Community Centre of their action), and was screaming in the street in her dressing gown for five hours until a council worker coerced her into accepting accommodation in the St Moritz Hotel under threat of hospitalisation.

In November 1992 the flats in 2A Robe Street went on sale as an 'exclusive selection of classic bayside apartments' with a paint job, high fence and gates and featuring 'new gourmet kitchens'. In May 1993 Freda moved into a flat in The Venue, but she was almost unrecognisable. She was thin and frail and would not speak to anyone. She died two years later.

In 1993, Bill Kosky, director of Mandalay Gardens, was convicted of avoiding \$100,000 in taxes and operating false bank accounts (*The Age*, 16/4/93). Bruce M. Terry stepped in at the right time again, and bought Mandalay. We were served with eviction notices in July. By the end of September the plants around the flats had been ripped out and the original kitchen cupboards with their built-in ironing boards were being heaved over the balconies and crashing into rubbish skips below. Maggie managed to rescue a few. It was a cold, grey time.

‘Concrete cancer’ notwithstanding, the flats were renovated, subdivided, and on the market by 1994. The flats sold for around \$200,000 each. When some of them returned to the rental market about a year later, the rents had doubled. (Terry, interestingly, took a similar route to his predecessor. In 1999 he was under investigation from the Federal Court for his ability to maintain his “bright red Roller”, extensive car collection and “antique-filled beachside mansion” after being bankrupted a year earlier over a \$1.3 million loan from the Pyramid Building Society (*The Age*, 7/3/99)).

The Esplanade Hotel stood still, playing music seven nights a week, but the residents from the Claremont site on Beaconsfield Parade, Baymor Court, Mandalay, 4 Alfred Square and 2A Robe Street were gone.

Locality politics: the wrong target?

Much debate ensued after the Mandalay decision about the use of planning system to achieve ‘social’ ends. By 1990 two further appeals at the AAT had relied on the social and economic provisions of the 1987 Act. The Mandalay decision had indeed been used as precedent and both had failed (*The Herald*, 13/3/90). A well-known local planning commentator, David Whitney, argued that the decisions had an “air of inevitability” about them (Whitney, 1990). He pointed out that proposals to demolish low-income housing were in accordance with the planning schemes, and that “[St Kilda] Council’s objective of preventing the erosion of housing stock will never be achieved so long as the planning scheme’s purpose specifically supports or encourages the form of development the Council has found itself refusing” (*ibid.*). He added:

There is no doubt, an urgent and pressing shortage of low-cost housing in the St Kilda area but the problem will not be solved by expensive and vocal opposition to proposals the planning scheme encourages. The energies devoted to fighting these appeals could surely be better directed (Whitney, 1990).

His point was reminiscent of one Leonie Sandercock made some years prior, that participatory practices in the planning system didn’t help “the poor”, and that if people were interested in the broader issues of low-income housing, for example, they were better off directing their struggle “at the point of production” (Sandercock, 1983). The argument was not unfamiliar to the Save St Kilda and Turn the Tide organisers, nor to the Council, but none entirely accepted its logic. In essence Whitney, presumably, and Sandercock were arguing for state-mediated facilitation or provision of affordable housing, although in different ways and from quite different perspectives. But this was only ever going to be part of the solution. The first and most obvious problem with the argument was that the vast majority of tenants in Australia rent in the private sector (the figure was around 90 percent in St Kilda in the early 1990s (Turn the Tide, 1994)). In the absence of the fundamental structural change Sandercock was alluding to, an increase in public or community housing of anything like the scale required to replace the low-cost housing being lost, seemed even less likely than a change to the system of

local planning control that would allow councils to protect the private rental stock already in existence.

With *Turn the Tide, Save St Kilda* recognised the need for public and community housing. Both groups had strong connections with local and State-wide housing advocacy and social justice organisations. Both were represented on the Inner Urban Regional Housing Council and the Public Tenants Union, which lobbied State and Federal Government for more public housing, and took part in their many events and campaigns. These organisations fully recognised the constraints placed on State Governments by Federal funding arrangements and made regular trips to Canberra. With the Housing Council's support, *Save St Kilda* made direct approaches to the local member of State Parliament, Andrew McCutcheon, and the Minister for Housing, Barry Pullen, to consider buying Mandalay. This was no act of turf protection: few of the group's members, and none of the residents of Mandalay, were on public housing waiting lists (though many would have qualified), and most were too young to meet the Housing Association's 'longevity of residence' criterion. But these approaches met with consistent failure. By the 1990s over 43,000 people were on Victoria's public housing waiting list (Costello and Bisset, 1991) and the State-wide campaign for affordable housing was fighting just to maintain existing levels.

The union bans on Mandalay and Baymor Court were oriented not to creating more public housing, but to protecting the private rental stock (BWIU, 1989). With the *St Kilda Tenants Union*, *Save St Kilda* and *Turn the Tide* lobbied the State Government for stronger private tenancy rights. Perhaps adequate public housing provision seemed too unlikely given the historical conservatism of the Australian electorate. It was in the interests of protection of existing low-income housing under the planning system that the Council had repeatedly argued for incorporation of housing policy, at least into its own planning scheme if not the State-wide planning system. Costello and Bisset of the Ecumenical Housing Unit, in an analysis of affordable housing and the planning legislation (1991), argue that any factors that "reduce the availability or raise the costs of private rental housing, [and which] represent a serious threat to the economic and social well-being of low-income private tenants ... are essentially in the realm of planning" (1991:22). They conclude that legislative amendment to the Planning and Environment Act, 1987, "is the best way to protect the supply of affordable housing for low-income households in urban Melbourne" (1991:57). For community groups such as *Save St Kilda*, the most effective route into this debate was through precisely the kind of public campaign Whitney so criticised.

A second problem was that public housing rarely accommodated architectural and heritage preservation, although the *St Kilda Housing Association's* community housing purchase and conversion program was beginning to redress this. This was a lesser concern, at the end of the day, but one that neither *Turn the Tide* nor *Save St Kilda* members were prepared to relinquish. It was for this reason that the Council argued for planning controls that would allow it to refuse certain kinds of major redevelopment, also to no avail. True, planning

controls alone still could not guarantee the retention of private low-cost housing, and could mitigate against it. As the Tribunal had pointed out, “assuming that any owner would want to maximise the return of his [sic] investment and demolition was refused, the owner would then turn his attention to upgrading the flats so that he could demand a higher rent” (AAT, 1989a).

Partly in response to this dilemma, the Council attempted to introduce a local law for control of buildings in a dilapidated condition. The law was designed to enable the Council to fine property owners who allowed their buildings become ruinous, with the intent of deterring deliberate neglect. It had two objectives: to protect heritage classified buildings that were falling into disrepair, and to circumvent the need for demolition or major rehabilitation that required the eviction of tenants or dramatic increases in rent. In its enactment, the local law would provide the Council “with an additional vehicle to achieve certain of its heritage and housing objectives” (City of St Kilda, 1990c:4). It made explicit provision for the exercise of discretion in regard to tenant security and rent levels, and to low-income property owners. But the local law was deemed to be inconsistent with the Victorian Building Control Act 1981, and was overruled by the State Government.

So the strategy continued to be conducted on two levels: to gain more state-mediated public and community housing, and to try to maintain private low-income rental housing through the planning system. If the former was inherently restricted, the latter seemed doomed in the short term. Guided by the narrow, legalistic interpretation which in the early 1990s had come to dominate, the Minister for Planning and Urban Growth, Andrew McCutcheon, explained why:

It would be inappropriate to utilise the planning legislation as a means of imposing value judgements which are not broadly accepted across the community. For this reason, we need to be careful about what we mean when we refer to ‘adverse social effects’.

What might be described as the ‘conventional’ view is that such ‘adverse social effects’ only arise where developments impose costs on parties other than those involved in the development transaction itself. This is merely an extension of what has long been considered to be a fundamental aspect of decision making in planning. That is, if a development imposes ‘costs’ on, say, a neighbouring property because of overshadowing, noise or some other nuisance, it is generally accepted that the development should be appropriately modified, or the adversely impacted neighbour should be compensated in some way (eg. through noise attenuation works). What the Planning and Environment Act does, in this context, is to ensure that social costs as well as costs of a physical nature may be taken into account when assessing development proposals.

Taking this argument one step further, one could say that a cost is only imposed on a third party where that party is denied a right or benefit to which they are normally entitled. Looked at this way, the case of the displaced low-income tenants is problematic.

Notwithstanding the fact that such tenants may have long established links with a local community or geographic area, they do not have a legally recognised entitlement to continuity of tenure within their dwellings or neighbourhoods beyond that given in their tenancy agreement or lease. If this is accepted, it would be difficult to sustain a legal argument ... that the displacement of low-income tenants is an ‘adverse social effect’ within the terms of the Planning and Environment Act...

But this is not a static picture. The rights of low income tenants have been, and hopefully, will continue to be extended through community actions and the appropriate legislation. We might look forward to a time when issues of continuity of tenure will be more favourably resolved

than the narrow perspective which might currently prevail. As the rights of tenants evolve, so too will the parameters which determine what may be admissible as ‘adverse social impacts’ in terms of the planning legislation (Andrew McCutcheon, personal communication, 1991).

In the immediate term, for all their intentions, the Social Justice Strategy and the Planning and Environment Act had succeeded neither in extending the rights of low-income tenants, nor in introducing a planning system that allowed the most fundamental social consideration – that of a right to secure, affordable housing – to be taken into account. St Kilda Council understood the situation only too well.

Unfortunately, the cause of broadening the scope of ‘social and economic effects’ so that it caters for the needs of relatively vulnerable people has not been helped by the major players to date. Legislators left it open ... bureaucrats did not assist with their guidelines. And AAT Tribunals were - as we know - disastrous. Perhaps this reflects the innate conservatism of these players (perhaps such conservatism is necessary?). But there is an underlying philosophical problem still. This is that greater importance is still placed on the ‘rights’ of landowners and their property rather than on people’s rights more generally - either as a community or as individuals.

...But I think it is all a fluid area, with change over time. Certainly the energy and vision and courage of players such as community groups and local councils is necessary to move the debate forward (Melanie Eagle, personal communication, 1991).

It was as the only remaining option that St Kilda Council in the late 1980s turned its energies to a highly specific, local program of low-income housing provision. This was despite the widely shared observation that “the failings of the market place to provide sufficient affordable accommodation ... could never be overcome by the combined contribution of well-intentioned community groups and their local housing projects on their own” (Costello and Bisset, 1991:7). It is interesting to note here the point made by Manuel Castells:

So, why urban movements? Why the emphasis on local communities? Have people not understood that they need an international working class movement to oppose the multi-national corporations, a strong, democratic parliament, reinforced by participatory democracy, to control the centralised state, and a multiple, interactive communication system to use the new technologies of the media to express (not to suppress) the cultural diversity of society? Why, instead of choosing the right ones, do people insist on aiming at the local targets? For the simple reason that, according to available information, people appear to have no other choice (Castells, 1983:329).

In as much as the local state and the local manifestations of capital reinvestment are the only targets available to local communities, they are the right targets. For Save St Kilda, the choice was clear: it had nowhere else to go. But the immediately local target was deeply constrained, and the Council had responded as far as it was able. So the Save St Kilda campaign, in its own small way, did broaden its focus. It was no longer just about Mandalay, nor the Esplanade Hotel, nor the St Kilda foreshore, although each was a telling microcosm. Save St Kilda became a campaign for a change in culture. It used every legal mechanism available: contributions to planning and housing forums, government lobbying, media coverage, concerts, a rally of resident action groups across the State and a multi-media performance piece played over four nights during the 1990 St Kilda festival. The group tried to give voice to an alternative culture that did not privilege private property rights above all else; that

desired that property owners be motivated by more than maximisation of financial return. It became a campaign for a culture that did not accept that social values and practices should be determined by market principles. A big task. We knew it was idealistic, but we believed nothing is inevitable.

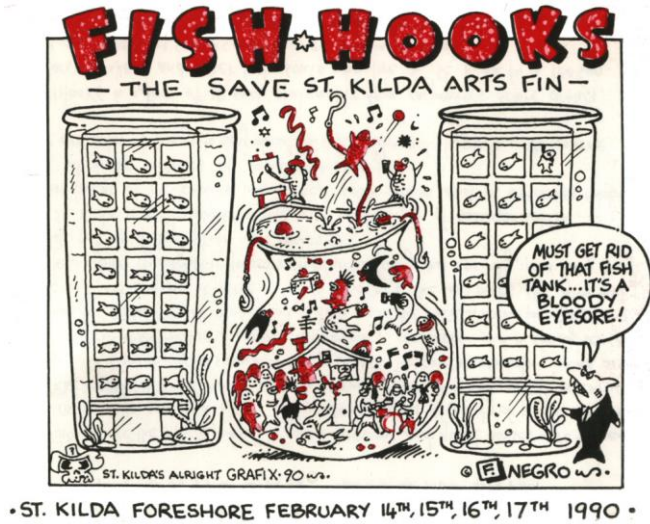


Figure 15 Fishhooks: the Save St Kilda Arts Fin

Cartoon by Fred Negro.

Figure 16 Fishhooks in production

Photograph by Peter Vervaaert.

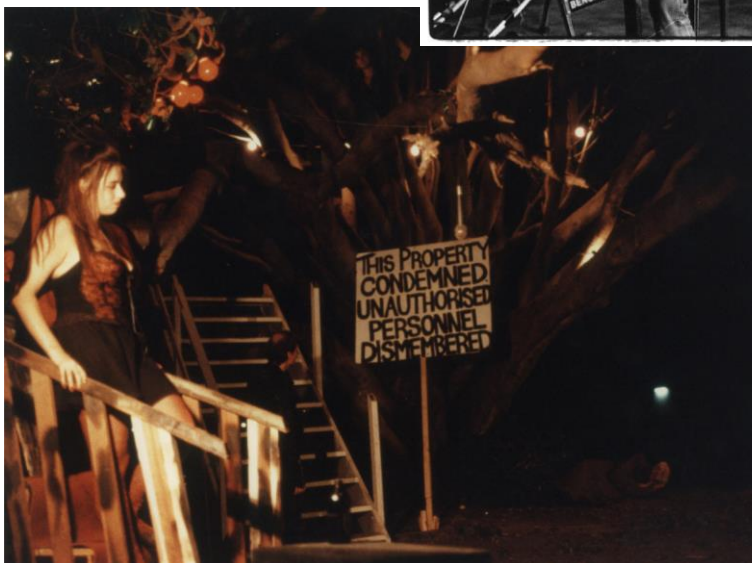


Figure 17 The Corroboree tree massacre

Photograph by Peter Vervaaert.

6. The contested local image

Some points in space seem to perpetuate their mystique far beyond what chance would predict. Certain cities, for example, occupy spaces that time and time again tend to be singled out as sacred sites. Archaeologists probing the depths of the earth discover strata of holy space shaped by successive peoples whose religions have changed but whose religious edifices are layered one above the other. In much the same way, albeit with respect to more profane activities, certain urban spaces serve a recurring function – as places for protest. One thinks immediately of Bastille Square in Paris, Hyde Park in London and Independence Square in Philadelphia. In Lower Manhattan a few sites have come to be associated with politically charged protest: the park in front of City Hall ... Tompkins Square Park (Janet Abu-Lughod, 1994).

The battle through the 1980s between the potential beneficiaries of gentrification and the advocates of social diversity had pushed the Victorian State legislation to its limit. Realisation of the objectives of Turn the Tide required a massive injection of State and Federal funds into public and community housing. For Save St Kilda, fundamental changes were needed to tenancy laws and the planning legislation, along with a reinterpretation of ‘adverse social effects’. Both required a shift in broader culture towards recognition of the value of affordable housing and equity for all people. But in the depressed 1990s, cultural change in Victoria moved in the opposite direction.

The impact of local culture and politics had nevertheless been profound. The image of St Kilda in the late 1980s was fierce, and after the experience of Mandalay and the Esplanade Hotel, potential investors must have been wary in their approaches to property redevelopment by the bay. St Kilda’s imagery had been contested one way or other for the best part of a century, and was now itself the site of conscious struggle. Despite a growing conservatism in State politics, the Council maintained a wide range of programs that supported community politics and encouraged its many communities to celebrate their differences. By the late 1990s, this celebration contained St Kilda’s greatest challenge.

Neo-liberal government and State reform

In the period following the world recession of the early 1990s, emphasis on economic growth at global, national and State levels outweighed any emphasis on social equity. Entrepreneurial governments as well as private investors were burned in the property bust, and government interest in a market-led recovery had become all the more intense (Berry and Huxley, 1992). Rather than intervening to restrict property rights, State Government intervention was oriented almost entirely to creating an unencumbered market. Brian McLoughlin (1992), in an analysis of Melbourne’s physical and political development, contrasted the consequent “increasing centralisation of power and the growing corporatist style of the State” in the early 1990s with Victoria’s “highly decentralised and locally democratic local government areas” (p.122). He noted that this phenomenon was setting up “some good examples of central-local political

tensions”, leading to an “even greater sense of localism in political life and ... fiercer concern for the promotion and protection of local areas” (*ibid.*).

These tensions increased. In 1992 the conservative Victorian Liberal/National Party Coalition led by Jeff Kennett swept to power with absolute majorities in both Houses of Parliament. The Kennett Government immediately initiated a program of wide-ranging neo-liberal social and structural reforms. To ‘reform’ means to improve, of course, and it remains the subject of some debate as to whether the privatisation of public utilities, compulsory competitive tendering of local government services, sale of public assets, closures of small schools, hospitals, country rail lines and community services constitute improvement (Shaw, 1998; Costar and Economou, 1999). But the actions of the Coalition Government, and of Labor before it, must be understood in the context of the broader national and international climate. The Coalition simply stepped up the economic rationalist agenda that had begun under Labor during the 1980s in Australia, at the Federal level in particular. Considine and Costar (1992) note that social democratic governments in Spain, Greece, France, Sweden and Australia developed a common character in this period:

...after a few modest reforms, each retreated to a strategy of public service cuts, welfare reorganisations, wage reductions and economic deregulation. This caused aggravation to traditional supporters such as trade unions. Internal party democracy declined, centralisation intensified, but these governments were re-elected in the mid-1980s often because they had out-flanked their opponents to the right (Considine and Costar, 1992:284).

The move of the ‘new right’ away from governmental control towards reliance on competition in the marketplace as a “more efficient way of protecting the public” was in keeping with international economic trends that started with the economic crises of the 1970s and early 1980s (Yergin and Stanislaw, 1998:13). Yergin and Stanislaw observe that “the world over, governments have come to plan less, to own less, and to regulate less, allowing instead the frontiers of the market to expand” (*ibid.*). Central to this strategy is the running of government as a business, with a major objective to retire debt and reduce public expenditure. The moves of the Victorian Coalition government in the 1990s to “restrict democratic processes on a broad front” (Mowbray, 1996:33), including “organisational renovation; downsizing; redefinition of citizens or constituents as customers; reduction of the social wage; reduced taxes; contracting out; commercial deregulation and facilitation of private business, and so on” (*ibid.*), were entirely consistent with these trends.

It was the vigour with which the Kennett Government took to the reforms that was unprecedented, producing “the most activist, controversial and ideological administration in twentieth-century Victoria” (Costar and Economou, 1999:vii). Key amongst these reforms was a major restructure of local government, starting with the sacking of all elected councillors. Councils were replaced by State Government-appointed commissioners to oversee forced amalgamations, the redrawing of municipal boundaries, reductions in councillor numbers and the redefinition of councillor roles before a return to local elections two years later (Shaw, 1998; Kiss, 1999b). A model for new local government was developed

on advice from consultants to the City of Melbourne, who drew on local government theory from the United States. Extensively quoting an American publication, *Re-inventing Government* by Osborne and Gaebler (1993), Clifton Consultants – two of whom were senior office holders of the Liberal Party (*Melbourne Leader*, 1994) – developed a ‘Customer Service Model’ that envisaged local government as “catalytic, competitive, mission-driven, results-driven, customer-driven, enterprising, decentralised” (Ridley et al, 1994:3). In language that was grasped eagerly by proponents of the reforms, councillors would become Boards of Directors – ‘steerers’ – and leave the actual day-to-day management – the ‘rowing’ – to council officers (*ibid*:4).

These terms and concepts were quickly absorbed into government parlance and public understanding (Shaw, 1998; Kiss, 1999b). New councillors were not to “meddle” in their council’s “day-to-day affairs” (Leonie Burke, MP, quoted in *The Herald-Sun*, 9/8/97), and were told that the “‘personal way’ [would] not survive in the long term” (Hickman, 1996:6). Compulsory Competitive Tendering required an organisational structure “that separates ‘steerers’ from ‘rowers’ and ‘purchasers’ from ‘providers’” (*ibid*:3). By the time local democracy was restored the commissioners had personally appointed a new layer of senior management including Chief Executive Officers with responsibility for hiring and firing all staff, and many progressive left councillors returned to actively hostile bureaucracies (*ibid*.).

The local government restructure was a strategic accompaniment to the move to a new State planning system (Victorian Government, 1996). At his August statement in 1993 the Minister for Planning, Robert Maclellan, announced the reform of all Victorian municipal planning schemes (Victorian Government, 1993). The new system would “facilitate investment by substantially simplifying and clarifying the development approvals system” with “streamlined approvals” and “extra procedural flexibility” (Victorian Government, 1993:6; 1994:1). Stimulation of Victoria’s economic recovery and facilitation of economic development was the State’s “number one priority” (Victorian Government, 1993:3):

Wealth creation is a first priority in Victoria. The statutory planning system should not contain unnecessary deterrents to development or innovation and the decision-making process should give additional weight to protection and promotion of wealth-creating activity (Victorian Government, 1993:3).

The new system increased the level of control of the private sector – “the people with the ideas” (Melbourne Docklands Authority, undated). The ideological commitment to minimal government intervention in a market system was clear, but intervention from a highly centralised administration was necessary to make the transition. All councils were to prepare new planning schemes in accordance with a set of simplified, standardised State-wide specifications: the Victoria Planning Provisions (VPPs). The VPPs allowed little opportunity for prescriptive controls: planning was to be ‘performance-based’ and any use or form nominated in a scheme could be varied by permit (Victorian Government, 1996b). After a period of public exhibition and comment, all local schemes would be subject to the scrutiny and recommendations of State-appointed panels before final approval by the Minister.

A degree of local variation was enabled through the requirement that all councils prepare a Municipal Strategic Statement (MSS) and incorporate local policy into a section of the planning scheme called the Local Planning Policy Framework (LPPF). This framework accorded council policies proper statutory authority – the recognition of local government that had been sought by the City of St Kilda for almost ten years. In this regard, it was an enormously important step for local planning. But the new planning system made it clear that any policy that was inconsistent with the State VPPs would not be allowed (Victorian Government, 1996b). To make it clear what was acceptable, the commissioners and their senior staff presided over the rewriting of local policies and redirection of municipal strategies.

Councils were required to undertake strategic work to support their planning objectives – another highly positive directive. But a sound strategic base was only one aspect of the reform agenda; more fundamental was the emphasis on ‘performance’. Regulatory devices such as height controls were out – Maclellan later described them as “silly rules” (*The Age*, 15/1/98). It became clear that the difficulty in quantifying ‘performance’ would translate into a reduction in planning controls in general (Ogilvy, 1998). It was this high degree of intervention in the political and philosophical decisions of local communities and their locally-elected councils that generated some of the greatest opposition to the Kennett Government’s reforms, and contributed to its ultimate undoing (Shaw, 1998). In the 1990s, the ideological gap between local and State Government began to widen.

A good example of State-local political tensions

In 1994 a letter to the local St Kilda newspaper said:

How many times do Councillors and the police have to be told; until Fitzroy Street is rid of every form of human social misfit known to mankind, no-one, but no-one, is going to spend one cent investing in the greatest municipal disgrace of any so-called “business area” in St Kilda (*EHT*, 23/2/94).

The sentiment was not widely shared. Turn the Tide and the other progressive independents on Council held the balance of power comfortably. So strongly supported was Turn the Tide, in West Ward in particular, that the Turn the Tide logo on a candidate’s how-to-vote card was sufficient to guarantee her easy election. But the conservatives had launched a vitriolic attack on the housing program and on the Mandalay pay-out in the late 1980s, accusing the Council of excessive expenditure and financial mismanagement (McGregor, 1990). Estimates varied wildly in the letters pages of the local newspaper. The former conservative Mayor, Keith McGregor, stated in his election material that expenditure had increased by \$11 million per annum under Turn the Tide (*ibid.*). According to the Turn the Tide election material, the increase was more of the order of \$2.5 million (Turn the Tide, 1990). In 1991 an unidentified sticker with ‘Turn The Tide’ printed across a background of a hammer and sickle was plastered around the streets, and placards with TTT = REDS appeared at some of the polling booths on election day. Turn the Tide was anxious to stress its fiscal responsibility, and the

tone of its election material in the early 1990s began to change. Cr Enticott's campaign literature played down the housing program, and emphasised that he would "keep rate increases to below CPI" and "ensure that inappropriate tourist development does not intrude into residential areas and depreciate property values" (Turn the Tide, 1991).

This apparent drift was matched by equivalent subterfuge from the right. The repeated lack of success of Keith McGregor and the Ratepayers Association led other conservatives to adopt a more cryptic approach. The election slogan of a local slum landlord, "BEWARE OF WOLVES IN SHEEP'S CLOTHING!" (Kraemer, 1991), failed to indicate who were the wolves and who the sheep. Kraemer's campaign was similarly unsuccessful. Save St Kilda continued to publish the results of a candidate questionnaire before each election, seeking levels of commitment to protection of low-income housing. In the early 1990s the group had to include a rider that specified the basis for its preference for the Turn the Tide and Save St Kilda-supported candidates, as the responses of most candidates were so similar.

SAVE ST KILDA

Save St. Kilda is a resident movement committed to the protection of St. Kilda's social and architectural character. Over the last four years the movement has fought to reduce the number of high-rise luxury hotel and office developments in St. Kilda, and helped maintain a proportion of St Kilda's low income housing stock for its traditional residents. The economic climate has swung from one extreme to the other: instead of the over-scale development proposals of recent years, St. Kilda is facing the decay of many of its landmarks and some of its older housing stock. The derelict Majestic/George Hotel complex in Fitzroy Street is a problem which is now being addressed. This is a direct result of negotiations sensitively undertaken by the current Council with the owner and potential investors. Similarly, the architectural character and accessibility of Luna Park, the Palais Theatre and the Sea Baths complex are likely to be saved by a sensible balance between retaining the sites in public ownership and allowing low intensity commercial activity. St. Kilda needs intelligent Councillors to keep coming up with solutions such as these, which allow economic viability while still preserving St. Kilda's unique built and social environment. It is Save St Kilda's view that St. Kilda does NOT need a gung-ho develop-at-all-cost Council, NOR should it have a Council which will allow the city to die. Save St. Kilda interviewed all candidates standing for election this Saturday, and asked them three topical questions. Here are their responses.

	CENTRAL WARD					WEST WARD					SOUTH WARD					NORTH WARD				
	Tim Costello	Mary Kraemer	Julia Murray	Paul Docherty	Danuta Chiczewski	Craig Lonnee	Barbara Meikle	Robb McGregor	Dimitry Reed	Colin Bell	Liz Johnstone	Tony Brady	Felicity Broughton	John Enticott	Mark Perlich	Ingrid Gerardis	Simon Holmes	Devin Trussell		
Will you support the protection of low income housing from poor maintenance or demolition?	YES	NO	YES	UN-DECIDED	NO	YES	NO COMMENT	YES	YES	YES	YES	NO	YES	YES	NO	NO COMMENT	YES	YES		
Will you support Council in applying rate relief to low income households?	YES	YES	YES	UN-DECIDED	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	NO	YES	YES	YES		
Will you support Council's on-going role in the provision of public housing?	YES	NO	YES	UN-DECIDED	NO	NO COMMENT	YES	YES	YES	NO	NO	NO	YES	YES	NO	NO	YES	NO COMMENT		

All of the candidates who answered YES to every question are supported by Save St. Kilda. However, basing our judgements on their past records in the community, SAVE ST. KILDA RECOMMENDS THAT YOU VOTE ON SATURDAY, 3RD AUGUST FOR THE FOLLOWING CANDIDATES:

WEST WARD 1 **Robb McGregor** **CENTRAL WARD** 1 **Tim Costello**

SOUTH WARD 1 **John Enticott** **NORTH WARD** 1 **Simon Holmes**

Questions drawn from the Housing Electoral Lobby Questionnaire, courtesy of the Inner Urban Regional Housing Council. Authorised by: J.E. Strocchi, 18-20 The Upper Esplanade, St Kilda

Figure 50 Save St Kilda ad, 1991

Emerald Hill, Sandridge and St Kilda Times, 1/8/91.

In the early 1990s the progressive independent-Turn the Tide Council was stronger than it had ever been. Julia Murray, a committee member of Save St Kilda, joined the growing number of Turn the Tide Councillors. Under the mayoralty in 1993 of Dr John Spierings, an historian, and in 1994 of Reverend Tim Costello, a left-wing lawyer and Baptist minister, St Kilda Council commenced some of the most progressive local government programs in the State. It

funded an extensive harm-minimisation program relating to drug and alcohol abuse, with special emphasis on rooming house tenants, street sex workers, psychiatric disability services, doctors, pharmacists and community support agencies (City of Port Phillip, 1997c). It supported a needle exchange in the office of the Prostitutes Collective of Victoria. It attempted to address the issue of street sex work not by increasing police presence and forcing the prostitutes to relocate, but by examining options for where they might operate within the municipality with least aggravation to residents and greatest personal safety.

SAVE ST. KILDA

Save St Kilda is a resident movement committed to the protection of St. Kilda's social and architectural character. Over the last five years the group has fought to reduce the number of high-rise luxury hotel and office developments in St Kilda, and struggled to maintain some of St Kilda's more offbeat qualities. Save St. Kilda is not anti-progress, it is concerned simply that development in St. Kilda be in keeping with its distinctive nature. The architectural heritage of our locality is finally being appreciated, and positive steps are being taken to ensure its preservation. Protection of St. Kilda's social character now becomes all the more vital, as the process of uncontrolled gentrification places increasing pressure on low cost housing. To assume that architectural preservation can only occur at the expense of low-income residents is two dimensional. With appropriate controls and judicious application of local powers, it is possible to maintain both architectural and social character. Preservation of social character will best occur through equitable housing policies, to ensure that St. Kilda's low-income population has somewhere to live. Save St. Kilda interviewed all candidates standing for election this Saturday, and asked them three questions relating to the issues discussed above. Here are their responses:

	NORTH WARD					CENTRAL WARD					WEST WARD					SOUTH WARD				
	VIRGINIA BROWNE	MICHAEL EVANS	STEVE GILL	MARTY PERLICH	PAWEŁA WHEELER	PAUL DOHERTY	JULIA MURRAY	CHRISTOPHER REYNOLDS	DIANE WOLAND	MARY BARTLETT	MARK BOTTE	ROBERT BUCKINGHAM	DANUTA CHYZENSKI	GEORGE IRVING	ANTHONY BRADY	GINA FISKE	LYNNE GUALA	PETER HOSSEN		
Will you push for council policy which actively protects low cost, private rental accommodation in St. Kilda?	YES	YES	YES	YES	YES	UNABLE TO CONFIRM	YES	YES	YES	YES	YES	UNDECIDED	YES	YES	NO	YES	YES	YES		
Will you urge council to vigorously apply the Dilapidated Buildings Local Law to prosecute property owners who allow socially or historically important buildings to deteriorate through neglect?	YES	YES	YES	NO	YES	UNABLE TO CONFIRM	YES	YES	UNDECIDED	YES	YES	YES	YES	NO COMMENT	YES	YES	NO	YES		
Will you support council's on-going role in the provision of public housing?	NO	YES	YES	YES	YES	UNABLE TO CONFIRM	YES	YES	YES	YES	YES	UNDECIDED	NO	YES	YES	YES	YES	YES		

The large number of "YES" responses would indicate that most candidates are aware that these issues are important to the local community. Some of those candidates who answered "YES", however, are contradicting public statements that they have made in the past. This is particularly true of several candidates who stood in previous years but failed to get elected. We therefore advise that you read the election leaflets very closely before deciding where your vote will go. Based on Save St. Kilda's knowledge of the candidates and their past records in the community, WE RECOMMEND THAT YOU VOTE ON SATURDAY, AUGUST 1 FOR THE FOLLOWING WARD CANDIDATES:

NORTH WARD	1	MICHAEL EVANS	CENTRAL WARD	1	JULIA MURRAY
WEST WARD	1	MARY BARTLETT	SOUTH WARD	1	GINA FISKE

Authorised by Karen Porter, 18 The Esplanade, St. Kilda

Figure 51 Save St Kilda ad, 1992

Emerald Hill, Sandridge and St Kilda Times, 30/7/92.

Council staff were interactive and consultative; community advisory committees were maintained and supported. Council investments in capital works were accompanied by consultative processes run by the St Kilda Community Group that gave affected residents a voice in local decision-making. I was working three days a week as neighbourhoods worker with the Community Group at the time, and together with the Community Group Housing Service, the Tenants Union and the Council, set up protocols for developer-provided financial assistance to tenants evicted by subdivisions. These were generally followed smoothly. The Community Group worked with the Council to provide relocation assistance to displaced tenants (participant observation). The Council re-affirmed its commitment to the 1985 Housing Policy with an updated policy that emphasised the Council's role in direct housing provision and reiterated its desire to "protect and enhance existing residential uses and stock"

(City of St Kilda, 1993:3). The local contribution to low-income community housing provision in 1993 reached 4.4 percent of the annual municipal budget (*EHT*, 4/8/93).

When the Kennett Government was elected in October 1992, things at the local level started to change, subtly at first. Dormant conservatives emerged. Dimity Reed, leader of the Victoria and Pollington Streets Community Group, had been elected to Council with Turn the Tide support in 1991 on the basis of her work around the Esplanade Hotel and her public commitment to the Council's housing program (Figure 50). But in late 1992 Cr Reed began to side with the conservative minority on Council (Cr Spierings, personal communication, 1993). The conservatives had long opposed the housing program on the grounds that St Kilda ratepayers "were paying for public housing twice—through Federal Government taxes and high local government rates" (*EHT*, 4/8/93).

'Most other municipalities don't have a housing scheme, therefore St Kilda ratepayers are subsidising other ratepayers and ... it is leaving other areas under funded. ... I have no problem with public housing in St Kilda. I live near and support developments but I believe it is a state responsibility' (Cr Virginia Browne, quoted in *EHT*, 4/8/93).

Cr Reed added a neo-liberal voice to the conservative opposition by attacking the housing program on aesthetic grounds. The terms of the debates about city development shifted as 'performance' and design predominated over notions of social justice. Reed went on to preside over a substantial redevelopment of the St Kilda Hot Sea Baths, arguing successfully for selection of the tender with the most extravagant design and smallest 'public' component (St Kilda Hot Sea Baths Committee, 1992). The functioning baths closed prematurely to much opposition, and the project collapsed soon afterwards. It has just recently been resurrected in significantly scaled-down form. Reed was part of the Council that was sacked, but far from being scathed by the experience, reappeared within days as commissioner of the newly amalgamated municipality of Moreland.

The dismissal of St Kilda Council in June 1994 occurred in the face of the most sustained community opposition in the State (SHOUT!, 1996). St Kilda was to be amalgamated with two rather more politically conservative councils – South Melbourne and Port Melbourne – with a substantial reduction in electoral representation. The inducements offered to their constituencies, of economies of scale and lower rates in particular (*The Age*, 24/5/94), held little appeal to a large section of the population. The letters pages of the local papers were filled with protest:

We have a long and proud history which we do not wish to be diminished by the State Government's need to restructure our society for monetary reasons without even consulting the people who are affected (letters page, *Caulfield-St Kilda Leader*, 23/5/94).

Following the Constitutional provision that a referendum must be held if ten percent of the affected population requests one, 13,500 of the 73,000 St Kilda, Port and South Melbourne residents called for a poll (*Caulfield-St Kilda Leader*, 16/5/94). The non-compulsory referendum brought 35 percent of the population out to vote – a result a little lower than the traditionally low, compulsory vote in council elections (Kiss, 1999a). Of those who did vote,

88 percent voted no to the amalgamation (Hickman, 1996; *The Age*, 24/5/94). An *Age* editorial noted that the poll “demonstrates ... that at least one group of residents is not persuaded by the Government’s council amalgamation plans, nor lured by the promise of substantially reduced rates” (*The Age*, 24/5/94). The State Government proceeded with its reform in the interests of the ‘silent majority’.

Council initiatives that had developed over many years were undone within months of the commissioners’ arrival. Pursuit of developer levies for low-income housing, the protocols for tenant support on eviction and Council advisory committees were abandoned. A neighbourhood planning project that I had been working on with Council officers and the CEO – designed to increase resident input into local planning decisions – was scuttled when the CEO was transferred to another municipality. Most of the senior officers left, or were removed. Local and State funding was withdrawn from a number of community services. Council functions including library and child-care services, and eventually planning and building, were put out to competitive tender. This not only threatened to destroy the relationships between council workers, service users and other community agency workers that had developed in some cases over a decade, but created internal tensions by forcing workers to tender for their own and other people’s jobs.

Following a State Government directive, the commissioners cut rates by 25 percent and set a cap on further increases. In November 1995 a Housing Directions Statement was prepared by the Council under the new CEO, Jon Hickman. It removed all references to the traditional role of private rental housing in St Kilda and protection of existing stock. The City of Port Phillip would “facilitate” low-income housing provision rather than engage in “direct provision of housing stock as undertaken by the former City of St Kilda” (City of Port Phillip, 1995b:1). Phase II of the Housing Program – the joint venture with the Commonwealth-State Housing Agreement – was reaching completion. This was allowed to conclude and no further funds were committed. The Statement indicated that a Housing Strategy for the City of Port Phillip would be prepared in accordance with these directions to replace the former Housing Policy of the City of St Kilda (*ibid.*). A major source of the St Kilda Housing Association’s operating budget – interest payments on invested funds – was diverted into consolidated Council revenue. It was through devices such as these, and Council asset sales, that the commissioners were able to demonstrate their financial management prowess and finish their term with retired debt and a budget surplus.

After completely restructuring internal Council management systems and instituting a new level of senior staff, Hickman and the commissioners set about defining the new electoral context. They determined that seven councillors should represent the area previously covered by 33. The new City of Port Phillip was drawn into wards. There would be one councillor for the locality of Port Melbourne, two for South Melbourne, and four for the former municipality of St Kilda. It became quite clear that when local democracy was restored, elected councillors would return to a different set of policies and a very different local bureaucracy.



Figure 52 The municipality of Port Phillip and new ward boundaries

The local policy framework for subdivision did not change, as it was already as permissive as it could be short of becoming as-of-right. It seemed however that investor confidence was renewed in St Kilda under the commissioners, as the Minister for Planning had predicted:

Planning, investment and job creation are inextricably linked. Private sector investment depends substantially on business confidence. The unsatisfactory perceptions of the planning approvals system held by the business sector, and the development industry in particular, affects business and retards investment ... Implementation [of the reforms] will ... support the economic development of Victoria ... In combination their effect will be dramatic (Victorian Government, 1993:4, 27).

The increase in tenant evictions was so dramatic that the Community Centre telephones and my phone at home rang hot. The St Kilda Tenants Union received a 44 percent funding cut, and had to reduce its staff by two-thirds (*EHT*, 26/5/93). In the period following the amalgamation, Save St Kilda was decimated. Many of its original members left St Kilda, and while new people continued to join, the mailing list became almost impossible to maintain due to the constant address changes.

The political activities of Turn the Tide and Save St Kilda took on a certain bleakness – the Kennett Government appeared to enjoy such widespread and aggressive support that people on the left were plunged into despair. The timing for a return to local democracy was not revealed for a year into the commissioners' term and was constantly undermined by warnings from the Premier that commissioners could be reinstated if re-elected councils "misbehaved" (*The Age*, 26/6/97). An attempt by the leaders of Turn the Tide to develop an alliance across the new municipality of Port Phillip foundered through sheer lack of optimism (participant observation).

The old Mandalay residents had scattered. Some left St Kilda, others went to the outskirts of the municipality, some found alternative accommodation nearby. Maggie and I and a group of our friends decided to try to buy a place to live. Sale prices in St Kilda in 1993 were the lowest they had been in five years. I had family money I could draw on, and we figured we could scrape and borrow enough between us to do it. We found a small, rambling block of five flats around the corner from Mandalay, back from the beach and behind a gay nightclub that had just closed. The flats had accommodated people associated with the club, most of whom had moved out when it folded. The remaining tenants would stay, of course: we could all fit in, company share, peg rents to the purchase price plus real improvements, annually publish a 'Belford Street rental index' and live as best we could according to our ideals.

We hit a rock when some of our group found they couldn't get loans without access to individual titles – the old story. With the spectre of subdivision and individual ownership raised, my stipulation that we not sell our shares above the purchase price, adjusted for inflation and the costs of improvements we made to the building, came under pressure. Given the financial safety-net of my class background, my position was morally weak. Things started to fall to bits and I started looking elsewhere for a flat to rent. Maggie and Harry, Maggie's business partner, did the unimaginable, took out a huge loan and bought the entire block on their own. I was still searching – flats were cheap but the selection was limited – when Maggie asked me to come and rent the sweetest flat in the block, a two-room flat with morning sun. She offered me a choice of rents: \$105, \$110 or \$115 per week. I chose the lowest. From then on our relationship started to change.

If there is any moment of loss of innocence in life, this was mine. In 1994 I experienced a shattering of ideals. Market imperatives were destroying my workplace, other people's workplaces, our community, even my closest friendships. Freda was weighing heavily on my mind. My focus turned inward, and I was casting back to a familiar darkness when I unexpectedly fell in love. In 1995 I got married and moved out, left the Community Centre and accepted a scholarship at RMIT. It was time to have a good think. In 1997 we bought a large weatherboard house with a back yard in Abbotsford, an inner-Melbourne locality closer to the city than St Kilda, for about two-thirds of the price of a flat in Mandalay.

Each time I drive past the crumbling white hulk on the corner of Fitzroy and Grey Streets, I wonder whether the fight to save St Kilda has already been lost. And now there are plans to turn the historic Seaview Hotel into a boutique bar and restaurant. St Kilda's changing all right, and probably for the better. But still...

The whole of St Kilda was once regarded with disdain. The Snake Pit regulars once owned a small patch of it and there's no doubt that they never appreciated it. It's just that no one else wanted it then (Merz, 1990).

Housing subcultures: 1987 – 1999

The combination of the particularly severe impact of the property market bust in Melbourne, and the introduction of height controls in St Kilda in the late 1980s, had put an end to speculative high-rise development activity on the St Kilda foreshore. The Council's coincident decision to not intervene in the strata subdivision of blocks of flats, and perhaps the political climate after 1992, was soon reflected in the number of subdivision approvals (Figure 53).

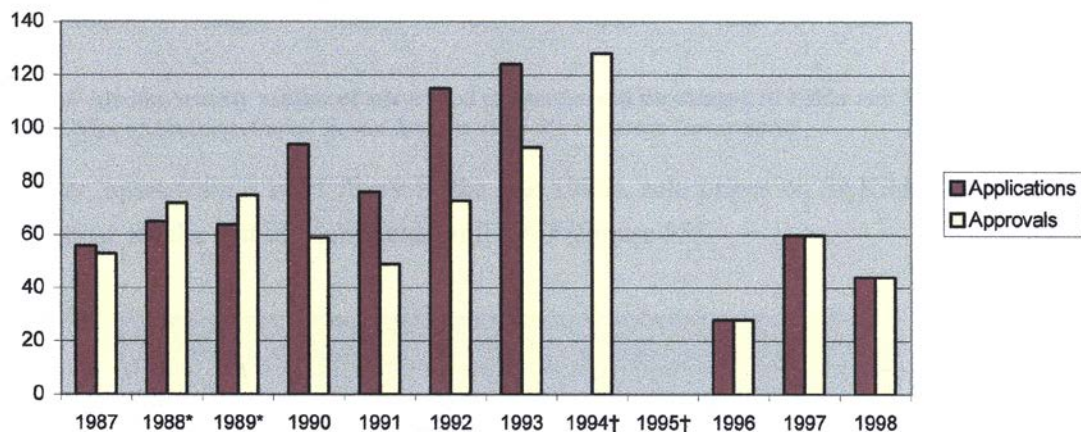


Figure 53 Strata Subdivision approvals in St Kilda, 1987 – 1999

Source: City of Port Phillip Housing Strategy context report (1997); City of St Kilda and Port Phillip subdivision registers.

* The lower applications than approvals in 1988 and 1989 are probably due to a lag in the approvals process.

† Data collection and storage systems of the three former council areas were merged following the amalgamation, and were heavily disrupted during the period under the commissioners. Comprehensive record keeping resumed after council elections in 1996, but it is likely that the 1996 figures are incomplete.

By 1993, 59 percent of St Kilda's blocks of flats had been subdivided (City of Port Phillip, 1997a). But over 8,000 unsubdivided flats remained (*ibid.*), and it seemed that many subdivisions were still of poor quality and returning to the rental market at relatively low rents. The rate of subdivision increased furiously after the Council's decision to not intervene and during the term of the commissioners, and by the late 1990s there were few unsubdivided blocks left. By 1996 only 50 private rooming houses remained (St Kilda Community Group, 1996). But it was not until 1996 that median rents in St Kilda finally overtook the metropolitan median. Figure 54 shows the median weekly rentals of all properties in St Kilda compared with those of the Melbourne metropolitan area. The fact that there are so many more flats in St Kilda than other parts of Melbourne of course skews median rents downwards. This is countered however by the not inconsiderable number of large, old houses in St Kilda and their long-term status as relatively high rent accommodation (Victorian Government, 1999). Despite the high numbers of evictions, the rental housing that remained appeared to still be relatively affordable.

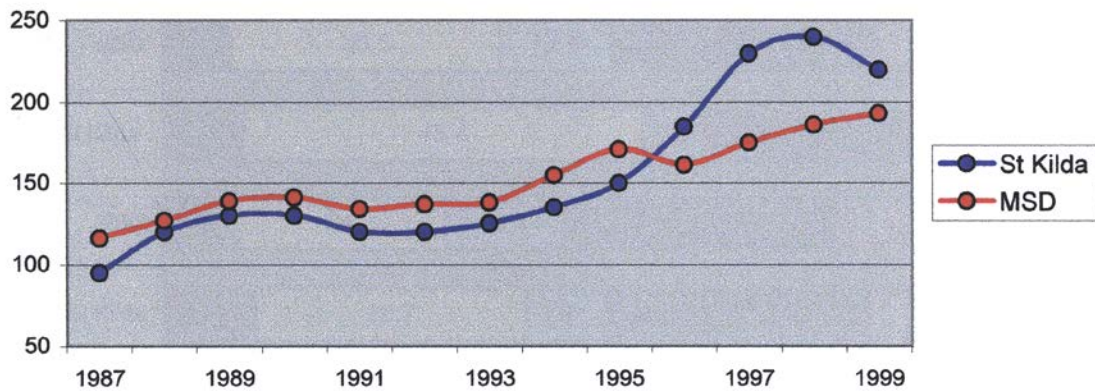


Figure 54 Median weekly rentals of advertised properties (all dwellings), St Kilda and MSD, 1987 – 1999

Source: Office of Housing Annual Rental Reports 1986-99, Victorian Government

Similarly, apart from a brief flurry in the late 1980s, sale prices on St Kilda flats remained below those for the rest of Melbourne until 1997 (Figure 55).

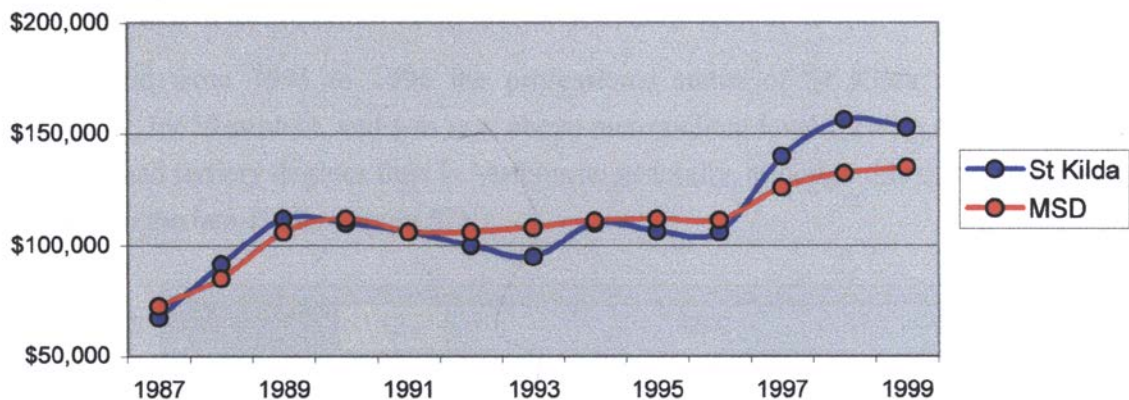


Figure 55 Median sale prices on flats, St Kilda and MSD, 1987 – 1999

Source: Land Victoria, Valuation Survey and Services Division, 1999

What was happening demographically? Census data comparisons before and after 1994 are made difficult not only by changing categories, but by the boundary changes resulting from the municipal amalgamations (City of Port Phillip, 1995c). The re-elected Port Phillip Council organised the municipality into smaller neighbourhood areas that, when combined, correlate approximately to the former municipal boundaries. Council officers re-analysed raw 1991 Census data to fit the new neighbourhood areas and presented 1996 data in the same way. Combining data from those neighbourhood areas that cover the former City of St Kilda allows an accurate assessment of the demographic change in the locality from 1991 to 1996, and a reasonable comparison with St Kilda in the 1980s.

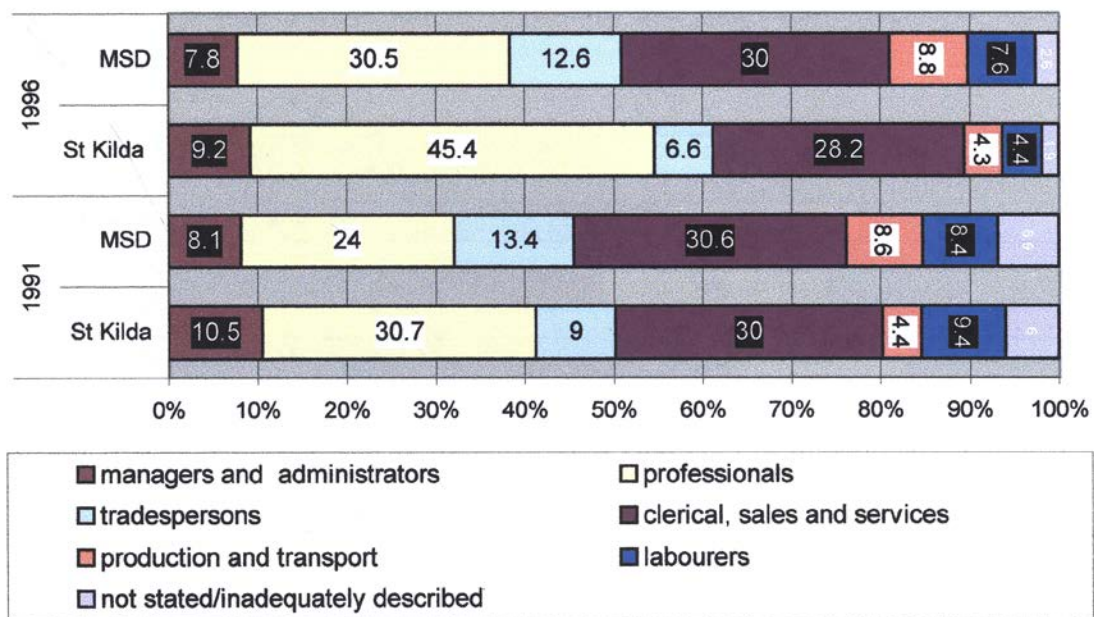


Figure 56 Occupation (as percentage of total employed population), 1991–1996

Source: Compiled from the City of Port Phillip Community Profile, 1998

In the period from 1991 to 1996 the professional status of St Kilda residents jumped dramatically, by 50 percent, and was way above metropolitan levels. Twice as many residents in St Kilda had tertiary degrees than in Melbourne generally, although this continued a pattern that began in the late 1980s (Figure 57).

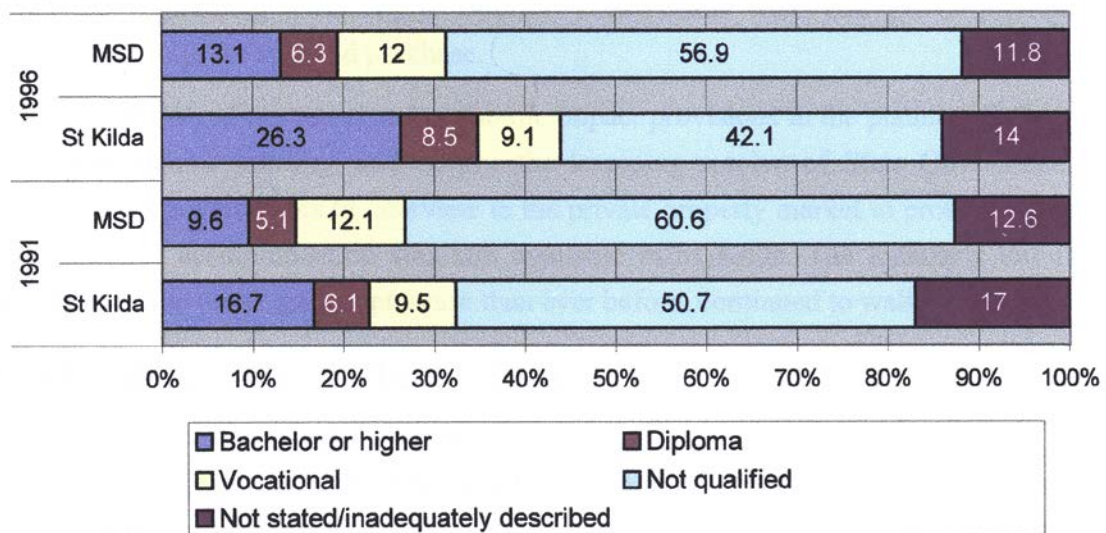


Figure 57 Qualifications (as percentage of total population), 1991–1996

Source: Compiled from the City of Port Phillip Community Profile, 1998.

But interestingly, incomes still did not exceed metropolitan levels. The change in income data from 1991 to 1996 is clear: the lowest income group decreased by five percentage points and the highest income group increased proportionately. But annual household incomes in 1991 in St Kilda were well below the metropolitan average, as suggested by the flat rentals and sale prices around the same period, and in 1996 were still well below Melbourne-wide levels (Figure 58).

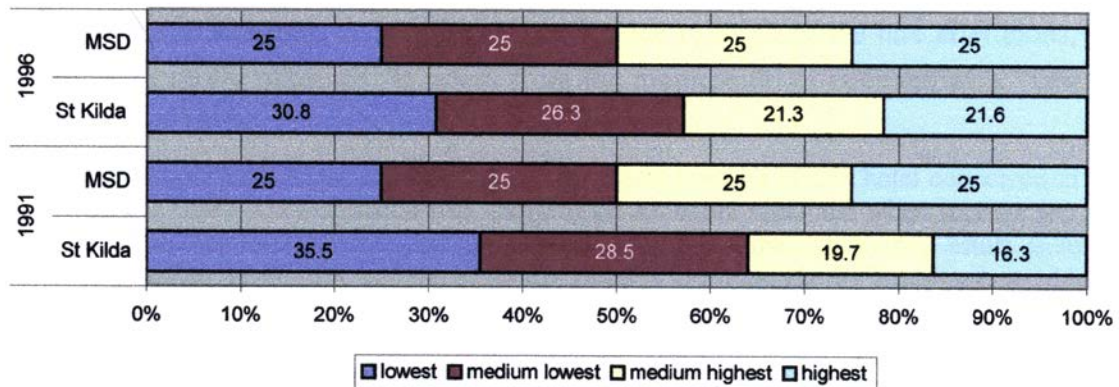


Figure 58 Annual household income, 1991 – 1996

Source: Compiled from the City of Port Phillip Community Profile, 1998

By 1996 St Kilda had still not gentrified to the extent that might have been expected. Despite the efforts of property market investors to capitalise on clearly under-valued land in St Kilda in relation to the rest of Melbourne, high-rise development had failed to eventuate. The shift to rehabilitation in the 1990s, picking up the trend that had started years earlier, was producing considerable variation in type and quality of housing. Many flat conversions were fairly minimal, especially those back from the beach, and were proving quick and profitable. Every subdivided flat occupied by its owner was a flat lost to the rental market, and the rental market was tightening accordingly. But the subdivisions were still providing relatively affordable housing for rent and purchase.

Despite the failure of the social and economic impact provisions in the planning legislation to protect low-income housing, and despite the lessening resolve of State Governments and ability of local governments to intervene in the private property market to protect low-income housing, cheap accommodation was still available in St Kilda. The locality's low-income population, while under greater pressure than ever before, continued to walk the streets.

Re-imaging local culture and community politics

A combination of factors other than state and market was working its magic. Local housing characteristics – in particular the high number of small flats in St Kilda – necessarily limited rents and purchase prices. The happy meeting of subcultures over a long time in the one place had produced a strong sense of local culture and difference. This in turn created increasingly embedded communities whose values were founded in opposition to the very forces that would remove them. They had no intention of relinquishing the space they helped define. The community politics that developed to defend these values evolved into a system of local government that valiantly sought ways of reducing the homogenising influence of mainstream

economics – on its electorate at least, if not broader society. Each of these elements in isolation had an impact on St Kilda’s development. Combined, they created a powerful image.

In the early 1990s the hotel on the St Moritz site had changed hands three times. A sympathetic aesthetic critique labelled the building “a bit cardboardy” (Dimity Reed, quoted in *The Age*, 25/7/92); the more common view had it as a white elephant (*ibid.*). Despite its popularity with the four-wheel-drive set as a place to drink in the late afternoons, the hotel rooms were rarely occupied. It stood, from the moment of its opening, as a “neat parable” (*The Age*, 25/7/92):

The smoke has cleared from the excessive ‘80s to reveal a luxury hotel conceived in the heady days of 1987 when St Kilda was going to be the boom area, and when tourists were going to flock to Australia. Neither has happened on the scale predicted by real estate agents and be-pony-tailed developers, and the St Moritz Hotel is bleeding. Hardly a customer troubles its staff. ... But it is struggling with some special disadvantages: four-star tourists are not interested in St Kilda because it is too far from the city and the suburb’s reputation as a drug-infested playground for lowlife still has some resonance.

...The failure of the St Moritz is a big blow to the ‘South Yarra by the sea’ school. It suggests that ‘luxurifying’ the area would not only be a nightmare in social and aesthetic terms, but it would not be profitable (*ibid.*).

In contrast, The Venue public housing development next door was permanently full, and had won a Housing Industry Association award for excellence in senior citizens housing. Of all the redevelopment proposals made in the late 1980s, these were the only two on the St Kilda foreshore to come to fruition.

The Esplanade Hotel stayed grungy. Bands played seven nights a week and the Espy’s comedy scene was making it on the world stage (see breakout, page **Error! Bookmark not defined.**).

The gentrification of a suburb so historical and eclectic has proved tough. The Esplanade Hotel stands proudly untouched. Shoes still stick defiantly to its beer soaked carpets, bikies and meat workers still sit near the front window and enjoy watching the sun go down over the bay, and a marvellous [kitchen] out the back serves a nutritious hamburger for \$5 (*The Age*, 25/7/92).

Traders and estate agents made a concerted effort to counter this imagery, producing advertisements in the metropolitan and local press:

You feel like you’re on vacation when you come home to Bay Vista apartments. Where else in the world could you find high quality accommodation in a famous tourist precinct with seven days a week shopping? And be surrounded by beaches, parks and botanical gardens! Nowhere but exciting, vibrant St Kilda (*EHT*, 29/10/92).

The real estate board advertising the sale of the Mandalay flats proclaimed the site as “Melbourne’s most famous address”. A promotional video showed a black-clad, blonde-haired woman looking strangely like me leading the viewer past granite-top kitchen benches to the balcony to admire the view. The odd-shaped windows built around the balconies to keep out the winds had been removed, the golden sunburst motifs in the stained glass doors were replaced, and a deco paint job brought the flats up a treat. A fence and high gates kept out the riff-raff. A four-storey, in-fill development in the back block was commenced soon

afterwards, selling off the plan. But it was slow in selling. The most conspicuous feature of Mandalay in the mid-1990s was the large real estate advertising boards mounted on the fence.



Figure 59 Mandalay, 1994

In a major development, the Majestic Apartments in Fitzroy Street is being gutted and rebuilt, plus a whole new section built on at the rear. The original Victoriana features such as pressed metal ceilings and old floor boards are being retained and restored to highlight the entire apartment block. ... The end product will create the exotic ambience of the sophisticated apartment blocks one finds in a city like Rio de Janeiro (*EHT*, Property section, 31/3/93).

Celebrity purchasers were splattered across the media – “Joe Camilleri from the well-known group [the] Black Sorrows is one who has put his money where his saxophone usually is and already bought at least one of the apartments” (*ibid.*). St Kilda had become “the Riviera of Melbourne” according to one feature spread (*The Age* property pages, 19/3/94). When the block of flats at 4 Alfred Square went on sale it contained “mind-blowing designer apartments impeccably finished to the highest international standards including parquet floors, gourmet kitchens, wool blend carpets and an unequalled position opposite the beach [close to] world class restaurants and cafes” (*ibid.*).

By 1996, another private hotel in Fitzroy Street had been replaced by a restaurant, as had the old railway station, the State Bank, the local legal office, the Lebanese take-away, the pool hall, the bakery and the shoe repair shop (*SHOUT!*, 1996). The local supermarket and green grocer were consumed by rehabilitation of the Prince of Wales Hotel complex.

There was a time when Karen Z. wouldn’t have considered living in St Kilda. Its reputation for the unsavoury side of life made it an interesting place to visit but South Yarra or Carlton was a far trendier – and safer – option for those who could afford to make the investment choice.

Gradually the tone of the newspaper stories about St Kilda began to change. The George Hotel (home of the Snake Pit) had been lovingly restored by a local entrepreneur, with stripped back walls, minimalist décor, rooms converted to apartments and obligatory Council support. Plans had been laid for a \$5 million art-house cinema and “gay apartments” in the Seaview Hotel (*EHT*, 18/6/92). The rehabilitation of the Majestic private hotel next door “received an enthusiastic greeting from the councillors and town planners” (*ibid.*) with four storeys of “classic-style apartments around a fountain courtyard on the vacant site created after fires forced demolition of the rear section of the Majestic” (*ibid.*).

Today, Karen, 33, a secretary, and husband, Charlie, 35, a fork-lift manager, represent the new face of St Kilda (*The Age*, 28/5/97).

A St Kilda trader commented:

In terms of safety and seediness, it's definitely changed but that seediness has taken on a groovy side to it that people are happy to live near as long as it's not too grotty. It's funky to have that kind of edge: the tattoo parlours, the prostitution and the drugs are OK to a lot of people (Anastasios, quoted in *The Age*, 28/5/97).

The image-making was working: St Kilda was becoming the place to be. The locality's historical claim to the cultural 'cutting edge' was used to great effect by the local real estate and business communities, along with their increasingly self-conscious notions of difference and tolerance. In a limited edition, "hardcase, quarterbound in linen, with the cover text foil stamped" coffee table book funded by local businesses and entitled *St Kilda in your face* (Hoyne et al, 1997), Anastasios writes:

St Kilda has many faces. Some belong to models, some to rock stars, some to addicts, and others to artists. The faces come pierced, scarred, laughing, toothless, singing, tattooed, painted, suntanned and talking to themselves. If you live in Melbourne you know these faces. You're one of them. You understand that St Kilda is the one place in this city where anything can happen. It is the one suburb that, despite the high-rise, the drugs, the wankers, and perhaps even because of them, has not lost its spontaneity, or its tolerance. Simultaneously it is staggeringly chic and unashamedly raw, and always in your face (Hoyne et al, 1997:npn).

The book contains beautiful photographs of local 'characters': Kenny looking rather elegant drinking a stubby at an outdoor cafe table (seconds before he was moved on, I suspect); a soft focus shot of an old rooming house tenant on a good day when his conjunctivitis was not playing up. The book was displayed next to \$600 Alessi toasters in a local boutique in Acland Street called *Urban Attitude*. Acland Street was given extensive streetscaping works with ceramic tiles, curly wrought-iron seats and street art (designed by Maggie, wrought-iron by Peter). Fitzroy Street was so full of outdoor tables in front of the restaurants that it became difficult to negotiate. On weekends the foreshore was crowded with tourists, and traffic banked up for kilometres on the main routes into St Kilda.

SEA, SUN AND CELEBRITIES!

With its own village of pastel-hued apartments not unlike Hollywood's Melrose Place, St Kilda and surrounds is Melbourne's undisputed party precinct. And if you're a celebrity, it seems, a 3182 postcode is a raunchy must – soapie stars included. With the purchase of a three bedroom, Edwardian home needing TLC in Wilgah Street, the area's newest hip resident is Neighbour's actress, Nicola Charles (*The Age*, property, 27/9/97).

The prices of the Mandalay flats finally took off. By 1999 the front flats were valued at around \$400,000 each (Tony Pride, personal communication, 1999). They were mostly owner-occupied, but according to local rental agents would rent for around \$350 per week. The four-storey in-fill development of the back block had appreciated by 30 percent: flats that sold off the plan in 1996 for \$220,000 were selling three years later in the \$300,000s. The split design of the front flats allowed easy access to the new flats in the rear, which were designed around an internal courtyard to maximise light and views. The historic preservation of Mandalay was assured.

The Prince of Wales Hotel in Fitzroy Street was the next local icon to undergo restoration. The band room where, ten years earlier, building union officials had met with Save St Kilda to declare their commitment to the retention of low-income housing and ban the demolition of Baymor Court, became part of a new bar and restaurant. Downstairs, the subterranean *Mink Bar* had a soviet theme with cold war movie posters on the walls and engravings of hammers and sickles. Patrons could consume assorted fish roe platters “with beluga caviar, salmon roe and wasabi tobiko served with blini and creme fraiche” for \$50 under pictures of Karl Marx. In a delicious if unwitting reference to the internal politics of the union movement, the restaurant upstairs was decorated in a different style of communism.

With its quirky, structural furniture, contemporary-meets-rough-hewn architecture, and Mao-jacketed staff gliding purposefully among pre-dinner drinkers, these areas are, like the rest of the Prince complex, completely entrancing... (*The Age*, Epicure, 19/5/98).

The revolutionary metaphors stopped there. Using imagery worthy of the city boosters of the 1930s, a metropolitan journalist oozed:

The multi-million-dollar transformation of the Prince of Wales is one of the great stories of Melbourne, and Circa, The Prince, is a shot at the perfect restaurant. Not just a perfect eating-out experience. A package that gives you a buzz from the moment you enter to the moment you leave. Circa is a testimony to the marriage of style, money and experience in a restaurant...

We ride a wave of relaxation and awe ... Entranced. A corner table, at the end of a long, rectangular room flanked on three sides by sofa-banquettes, proves the ideal spot for indulging the senses. We can see the black organza wall-drapes that hang crumpled from a metal gantry, the white furniture, the recycled timber floorboards ... the shimmering, fuchsia-coloured raw silk curtain ... we can hear the music: some Cuban, some pop, some jazz, all well thought out ... we touch beautiful glassware and cutlery, stiff, starched linen, smooth upholstery, and perhaps even each other. Such is the mood (*ibid.*).

Average bill: “\$120 for two, plus drinks” (\$12 a glass of wine or \$62 for one of the lower-priced bottles) (*ibid.*). At street level little changed – the week’s music billing was still chalked up on the blackboard out the front (Tony Joe White instead of The Shonkytonks), and the gay bar lent an air of authenticity to the Prince’s new incarnation, lightly pricking memories of the drag nights in the 1970s.

But the sticking point was unavoidable. Residential rehabilitation, for all its benefits including ease of passage through the Council permit process, does not include fundamental structural alterations. Many St Kilda flats and converted hotels, especially those from the 1960s, were little bigger than bedsits. Consolidation of units within a building takes reconstruction to another administrative and financial level, so in most cases the developers are stuck with the structures they purchased. Articles in the metropolitan property pages desperately proclaimed the newly subdivided 1960s blocks as the absolutely latest thing in retro. **STYLE IN A ‘60S BLOCK; SWINGING SIXTIES SELLS; PLASTIC KITCH IS HIP!**, trumpeted the headlines (*The Age*, 27/9/97; *Sunday Age*, 23/11/97).

Once dismissed as ugly boxes, brick-veneer apartments are in demand on the bayside ... 1960s brick-veneer flats in inner bayside suburbs ... contain stylish sanctums. ‘A lot of the bright young things have discovered that those flats have large windows, good space and clean lines’ [a local estate agent] said (*Sunday Age*, 23/11/97).

For all their euphemisms, the “designer studios” that filled the real estate advertisements, even with their “world class views and sunsets” (*The Age* property pages, June and July, 1994), were still bedsits. And this was reflected in the price. They started at \$99,950 (*ibid.*) – cheap home-ownership by Melbourne standards. By 1997 the prices were creeping up: “1960s flats have soared by 20 percent since April!” (*Sunday Age*, 23/11/97).

When Caulfield (1994) and Ley (1996) ask how to account for the new ‘canons of good taste’, a simple answer appears: advertising. Conversion of the sixties flats into the latest *must have* was appropriating the 1960s retro chic that had been around since the early 1980s, when all its forms – from clothes to lampshades – were cheap to purchase (this being part of the logic behind much alternative subculture). Its incorporation into mass culture via the mainstream media, like punk before it, was a classic process of commodification that worked to attract more consumers to substantially marked-up prices. And finally, recapitalisation on St Kilda’s building stock was occurring, making the best of a difficult situation.

Good morning ladies and gentlemen.
 Are there any questions regarding the property or contract?
 Yes, Mr Pride. Is it safe in this street?
 Well I suppose if you mean, ‘Is everybody sitting at home, all watching telly, doing and thinking the same thing’, No!
 If you want ‘safe’ move to Glen Waverley - be brain dead!
 Before I ask for your bids I’d like to make a few observations about the property.
 Look at the facade. Horrible! Look at the floor plan. Useless!
 Paint the walls, polish the floorboards, wood in the fireplace. This is a St Kilda house.
 You can go grunge.
 You can go yuppie.
 You can go gay.
 You can go arty-farty.
 You can go bohemian.
 You can go crazy!
 It’s all ok in this street, in this suburb
 Dalgety Street has got them all: Bank Managers; and moving up from there, artists, crazies, film makers, poor, rich, boys, girls, students, chicks with dicks, politicians and even worse; lawyers; and estate agents.
 Now if you’re a really boring person this house will help your reputation. Leave Narre Warren. Forget clay and flies. Forget ride on mowers. Forget whipper snippers. Forget your moccasins.
 Now who will give me an opening bid.
 \$50,000. Thank you madame. Yes, we’re selling the letter box first.
 \$260,000, now 280, that’s more like it.
 (Hoyne at al, 1997:npn)

By the late 1990s, even the “crazies” were commodified. Turn the Tide and Save St Kilda had succeeded in protecting the social diversity their members so valued. The estate agents and other city boosters made a virtue of necessity; a reflection, perhaps, of “capital’s intractable entrepreneurial diligence” (Caulfield, 1994:50). In the late 1990s, St Kilda’s local subcultures had become an essential selling point.

Instead of gradually becoming invisible, as theory suggests they should have, the poor, the abandoned and homeless of the neighbourhood were defiantly conspicuous. Unlike the Lower East Side in New York (Smith, 1992), the dilapidated buildings were disappearing, but the poorest of their evicted residents were rehoused in community housing or supported by

services that helped them remain in the area. The toilet block painted by the kooris who drank in Cleve Gardens, a small park at the intersection of Fitzroy Street and The Esplanade, had been demolished as a parting gesture from the commissioners. The fires in the 24-gallon drums were gone, but the kooris themselves were not, and they were harassing the Chardonnay-quaffing paying customers and giving the restaurateurs hell.

After 25 years of slow gentrification, St Kilda remained a complex, contested space. Despite the Mediterranean colour schemes and palm trees and blue sea, the locality was not quite the Riviera. When Barry Humphries, that most sneering of Australian populist critics, said “although St Kilda is much better it hasn’t come up as well as it could have” (*Sunday Age*, 18/4/99) – he would prefer to live in the more comfortable upper-middle-class suburbs of Kew or East Camberwell – he gave a little more support to the view that market forces were not the only ones shaping the urban environment. That ‘funky’ edge was still a little too sharp for some.

7. Reconstruction: the late 1990s

By the late 1990s, St Kilda had to be considered gentrified. The rent gap had closed. House and flat prices exceeded Melbourne medians, and the majority of residential and commercial buildings, even the bedsits, had been tastefully prepared for the ultimate in life-style experience. But few short-term investors made the large capital gains often associated with gentrification, as land prices and rents had increased in only small increments since the 1970s. The people who stood to make the greatest returns on their investments were, ironically enough, those members of Ley's cultural new class who had waited twenty years; who probably had as the least of their motivations the prospect of capital appreciation when they bought their dwellings in the 1970s and early 1980s. And the participants and supporters of Turn the Tide did not appear to be selling.

The gentrification of St Kilda was qualified. While there was certainly evidence of the rampant, narcissistic yuppie consumerism that shrieks advanced gentrification, it was not dominant. The streets still had an easy feel about them – rooming house tenants wandered freely, giving the yuppies a hard time. Maggie's ceramic work in Acland Street got a bit scruffy, and new-wave hippies and elderly eccentrics were the main occupants of the wrought-iron seats. There were still plenty of locals around who knew each other and gave the sense that St Kilda was home to a wide range of social and demographic groups. It was twenty-five years since this once grand, once run-down seaside municipality had come under pressure of recapitalisation. Community politics – a result of the housing stock and embedded subcultures – had made their mark. St Kilda's architecture, culture, local governance and local imagery maintained a sense of equity and humanity.

In 1998 a third attempt was made to redevelop the Esplanade Hotel. This time, its developers used a different approach. But far from being seduced by the new 'cultural sensitivity', local subcultures mobilised once again. Most of the activists from the 1980s who had owned their homes were still around. It had become abundantly apparent that no type of private housing in St Kilda was immune to rehabilitation. But the many blocks of flats still housed pockets of resistance. In the late 1990s, all five of the identified local specificities – housing characteristics, local culture, community politics, local government and image – were simultaneously called into play. The last battle of the 1990s over the Esplanade Hotel became a metaphor for the future of St Kilda, and for the future of local difference.

The reconstruction of local democracy

The City of Port Phillip

Local democracy returned to the amalgamated City of Port Phillip in March 1996. Three former councillors from the previous South Melbourne and Port Melbourne Councils were returned. None of the progressive councillors from St Kilda ran again; their fight against their sacking had taken its toll. Turn the Tide supported four new candidates in St Kilda. Three were elected easily; the fourth was narrowly defeated in Elwood by a long-standing conservative councillor. The resulting Council was made up of two Turn the Tide Councillors, two ALP Councillors who were supportive of Turn the Tide, and three unaligned. Left-progressive forces just held the numbers.

The new Council had much to do. At its first meeting Christine Haag, a Turn the Tide Councillor, moved that the word ‘customer’ be deleted from all Council documentation and oral presentation, and be replaced with “community, citizen or service user, as appropriate to the context” (City of Port Phillip, 1996a:14). The Council sought a full briefing from the Housing Development Officer on the status of the draft Housing Strategy (City of Port Phillip, 1996a). It resolved to not renew CEO Jon Hickman’s contract, and to not put any of its human service functions out to Compulsory Competitive Tender.

These actions provoked the State Minister for Planning, Rob Maclellan, who had assumed responsibility also for Local Government, to suggest that he could introduce a special ‘City of Port Phillip Act’ to sack again those councils that refused to contract out specific services (*The Age*, 6/8/96). Of the Port Phillip Councillors in particular he was quoted as saying: “I’d just question how long they intend to be in charge of the affairs of the council. If they don’t obey the law then they won’t be in charge”, and added that he had “a lovely list of [councils] I’d like to extinguish” (*The Melbourne Times (TMT)*, 3/7/96). In some of the more startling ministerial interventions into local government, Maclellan requested details on how individual councillors voted on budget items (*EHT*, 19/6/96), and introduced amendments to the Local Government Act that required councils to inform him of their intention to sack their CEOs, and provided for the gaoling of councillors who leaked ‘commercially confidential’ information (*TMT*, 12/3/97; 19/3/97).

The ‘surplus’ with which the commissioners had ended their term was unsustainable. Along with the 25 percent rate cut, the City of Port Phillip had lost an additional 25 percent of its rate base in the boundary changes: mainly high-rating commercial areas that went to Melbourne City Council. With an almost 50 percent reduction in rate revenue, Council savings had to be used to fund recurrent expenditure (former councillor, personal communication, 1999). Even with these constraints, the Council reversed the commissioners’ decision to not engage in direct housing provision. It committed 0.5 percent of the Council budget to community housing in Port Phillip and commenced Phase III of the housing program. This phase involved two large co-operative projects with private developers: the purchase of a big old rooming

house in Fitzroy Street involving a private housing component in the front, and a joint private/community housing development on the former Council depot site (City of Port Phillip, 1997d; Spivak, 1999).

The Council began to prepare its Municipal Strategic Statement as directed by the Minister. A day-long ‘community summit’ held in February 1997 to identify key issues for the various communities in Port Phillip was attended by 500 people (City of Port Phillip, 1997e). Ten percent of the participants were from non-English speaking backgrounds, the “koori community” was involved in a forum that attempted to identify the specific needs of kooris in St Kilda, and many more people were involved in smaller forums conducted in each neighbourhood area (City of Port Phillip, 1997e:5). The summit was preceded by over 1,000 interviews followed up by reference groups and ‘catch up’ sessions (*ibid.*). The three highest priorities identified by the people involved were: planning and development, including protection of streetscapes and low-income housing; environment, which emphasised sustainable environmental practices; and community consultation in decision-making (*ibid.*).

The Council commenced the strategic work required to justify its planning objectives. It re-examined the work that had already been done on the St Kilda foreshore – the 1991 *St Kilda Foreshore and Environs Strategy*, the supporting 1987 *Height Control Study* and Amendment RL47 that incorporated these controls into the former St Kilda planning scheme – and accepted that these were as relevant in 1996 as when they were devised (City of Port Phillip strategic planner, personal communication, 1996). The Council developed planning objectives for South and Port Melbourne, where there were few, and ‘rolled over’ the St Kilda controls into a draft scheme for the City of Port Phillip. As the controls had been written as mandatory, the proposed scheme was already in breach of the intent of the VPPs. The first panel to consider the scheme, in November 1997, accepted temporary continuance of the development and heritage controls in St Kilda subject to their comprehensive review within a year. The new format Port Phillip planning scheme was gazetted by the Minister in October 1998, with a ‘sunset’ clause specifying expiry of the existing controls on 31 December 1998 (City of Port Phillip, 1998a; 1999c).

The St Kilda foreshore was in a state of flux. Many of the public buildings on the foreshore were on Crown Land under long-term leasehold and Council management. They had been assessed for their potential sale by the State Labor government in the late 1980s but all thoughts of public land alienation in St Kilda were abandoned in the wake of the Esplanade Hotel saga. Now the idea was back. Luna Park, the Palais theatre, the Palace nightclub, the O'Donnell Gardens and other tracts of open space were being considered for sale and “redevelopment or re-invigoration” (*Port Phillip Leader (PPL)*, 8/9/97; *The Age*, 5/1/98).

The Esplanade Hotel was also in limbo. Jokes about the sticky carpet were wearing a bit thin. In 1996, Evindon sold the hotel for about \$9 million to Australasian Leisure and Hospitality (ALH), the hotel-managing division of Carlton and United Breweries (CUB). CUB owns hotels throughout Australia, and for a time it seemed that the company was large enough, and

sufficiently interested in maintaining the Espy's beer sales, that it would absorb the inflated purchase price into its wider operations and allow more of the pub's revenue to go towards its maintenance (Weibye, personal communication, 1997). Early rumours of the installation of poker machines soon died down and essential works were carried out. The hotel's prospects were looking better than they had for a long time when, in August 1997, CUB sold the freehold to Becton Corporation, a large property developer. The price was not disclosed, but was reported to be between \$7 and \$8 million (*The Age*, 28/8/97; *EHT*, 3/9/97). It seemed that both Evindon and CUB had sold at a loss and that the market price of the hotel was gradually returning to the value of its existing use.

I was summoned to an 8.00 am breakfast meeting in a respectable St Kilda cafe in August 1997. A small group of St Kilda residents, including former St Kilda City Councillors and Turn the Tide organisers, was concerned about the recent events. Things had changed. Meetings were no longer smoky affairs extending late into the evening at the pub. It was orange juice and coffee and everyone had to get to work. All the people at that first meeting owned their homes, were university educated and employed in professional occupations, including me. Save St Kilda had dissipated but its status as an incorporated association remained intact. It took a while to get enough of the old members of Save St Kilda together to make a quorum, but one Sunday afternoon at the Galleon a bunch of former St Kilda residents agreed to a name change for the old firebrand. In 1998, Save St Kilda metamorphosed into the Esplanade Alliance, with an almost entirely new membership. Peter Hanks, barrister, assumed the role of secretary. Dr John Spierings, former mayor of St Kilda, was convenor.

The Esplanade Alliance

The founding members of the Esplanade Alliance were, by 1990s standards, long-term St Kilda residents. They were Rose's (1996) 'economically marginal professionals', although no longer marginal; members of Ley's 'cultural new class', though hardly new. They were the 'cultural professionals' who had bought their flats or houses in the 1970s and 1980s when property values were low, and who had founded or supported Turn the Tide when redevelopment looked like destroying social diversity and architectural character. With Save St Kilda they had largely succeeded in protecting the locality's architectural heritage, and had not entirely failed in maintaining social diversity. They included Helen Halliday, proprietor of the local bookshop and the first female St Kilda City Councillor in 1975; David Brand, architectural historian and co-author of the City of St Kilda's 20th Century architectural study; Fooi Ling-Khoo, architect; Rai Gaita, author and philosopher; Mary Bartlett, former St Kilda Councillor and community sector manager; Krystyna Kynst, corporate media advisor; Carmel Shute, advisor to the new Port Phillip Council; John Spierings and Peter Hanks. Of the ten or so people who formed the first core group of the Esplanade Alliance, eight had lived in St Kilda longer than fifteen years.

A campaign was prepared to address various issues on the St Kilda foreshore, including the beleaguered Sea Baths redevelopment and the proposed Crown Land sales. Its primary focus

was the Esplanade Hotel. This focus quickly attracted others – mainly long-term supporters of Turn the Tide and/or Save St Kilda who had lived in the locality for years. Their connections throughout Melbourne extended to a wide range of social, political, literary and music circles, and as word got around the Esplanade Alliance's ranks swelled considerably. More recent arrivals to St Kilda began to make contact with the Alliance. Many had recently purchased their flats or houses and were new to St Kilda as residents. But they were not new to the Esplanade Hotel, nor to the locality in general. As residents of Melbourne, even of Australia, their connection to the Espy and the St Kilda foreshore was well developed. Most notably, the new arrivals who joined the Esplanade Alliance were not models of the advanced gentrifier. Their stated reasons for joining the Alliance were the same as their reasons for choosing to live in St Kilda – the local culture, tolerance and diversity (participant observation, 1999). As a consequence of the higher prices paid for their dwellings, many of the recent in-movers were in fact poorer than their longer-term neighbours.

There were few renters involved. As the campaign gathered pace, more renters and rooming house tenants and low-income residents of St Kilda showed up at the public events, but very few took part in the organisation. Unlike Save St Kilda, whose working-class and economically-marginal members attended meetings and contributed ideas but let the more confident members take the public roles, the lack of diversity within the Esplanade Alliance was stark. In a fascinating turn of events, Winter's 'radical home-owners' (1994) were running the campaign to protect the grungy old Espy. Why? It is tempting to speculate that the Alliance was in fact the stereotypical, conservative locality-based action that should have kicked in years before; the beneficiaries of advancing gentrification finally organising for historic preservation and improvement of property values. But such a conclusion would not be entirely correct.

The Espy as metaphor

The post-modern developer

When the Becton Corporation acquired the Esplanade Hotel it was covered by a local heritage listing and height limit of 18 metres. For several months the director of Becton with responsibility for the Espy, Hamish Macdonald, was circumspect about the company's plans. ALH continued to operate the hotel and there was little change, other than a subtle shift to a slightly more perfunctory management style (Cameron Paine, personal communication, 1997). Staff were instructed not to talk to the media. Then, in late 1997, Bruce Weibye, the manager who had been responsible for encouraging much of the Espy's cultural experimentation and had long been supportive of Save St Kilda, was sacked on a pretext. There were rumours of a high-rise tower and Becton was making no guarantees about the hotel's retention (*PPL*, 1/9/97; 22/9/97). Port Phillip Council made an application to Heritage Victoria, the State heritage protection authority, to list the hotel and Baymor Court (*EHT*, 26/11/97). A State

listing would require Heritage Victoria's permission for demolition or alteration – protection that was all the more important given the uncertainty surrounding the local heritage controls.

By early 1998, rumours abounded but Becton had done nothing (*PPL*, 1/9/97; *The Age*, 11/9/97; *EHT*, 22/10/97; *PPL*, 1/9/97; *Sunday Age*, 21/12/97). Rather than wait for an announcement and assume a reactive position, the Esplanade Alliance launched its campaign in January 1998 with the release of a report on the Esplanade Hotel's cultural significance (Paine and Shaw, 1998). The Alliance, "a coalition of St Kilda residents, traders, musicians, architects, lawyers and community group representatives", had formed to make sure there was no doubt about the value of "St Kilda's cultural and architectural character" (Esplanade Alliance, 1998a). Its media release said the Esplanade Hotel "represents the heart, the soul and the spirit of the Australian music industry. It symbolises the diversity, the eccentricity and ultimately the tolerance that make up the unique character and charm of St Kilda" (*ibid.*). The launch referred to the importance of local heritage and existing height limits, but placed emphasis on the Espy's role "as one of Australia's most important live music venues and Melbourne's leading showcase for new music and comedy" (*ibid.*).

Metropolitan media picked up the cultural argument: 'Bohemia rules OK?' ran the headline (*The Age*, 5/1/98). "This is St Kilda, where diversity and eccentricity are synonymous. The Esplanade Alliance ... fears an aesthetically and culturally important landmark might go belly-up in favour of a high-rise apartment block. Whither the launching pad for much local and experimental music?" (*ibid.*).

Where planning controls were raised, their context was explicitly political. John Spierings saw the fight to retain the Espy "as symbolic of the overall fate of St Kilda. If the Espy goes under, then you've got to ask big questions about the future of the entire suburb" (quoted in *The Big Issue*, 23/2/98):

...they are issues that hang not only over St Kilda. With the increase in demand for luxury inner-city living, the Melbourne sky-line has been transformed over the past decade. As redevelopers look at ways to best utilise sparse inner-city space, they are again looking 'up' for inspiration. Condemned as dehumanising and uninspired by many architects in the '70s, high-rise buildings are staging a comeback. Height restriction controls are being slackened at both local and State Government levels. As John Spierings puts it: 'redevelopers are interested in intensification of development to maximise profits ... and [are] looking for high yields out of the sites'. Pitching the 'beach' ideal of foreshore, piers, palms and water views – all a stone's throw from the city – has proved a successful marketing formula along the Bay. For redevelopers, in other words, the Esplanade Hotel is a perfect site (*ibid.*).

The Big Issue went on to quote from Esplanade Alliance's report on the Espy's cultural significance:

'Any person or company with sufficient finance can demolish something that exists and construct something new. On rare occasions the replacement is a work of architectural note. An even greater challenge than producing a masterpiece upon a blank canvas, however, is to treat what is already in existence with respect and sensitivity, and to incorporate and carry that living cultural significance into the future.' It is a statement of purpose that should guide developments not only to the Espy but to the city of Melbourne as a whole (*ibid.*).

Feature articles ran on the long and dear role of the hotel in local Melbourne culture: “Australians are renowned for the love of their pubs. But there couldn’t be too many hotels in Melbourne or anywhere else that inspire the reverence, affection and blind loyalty of St Kilda’s Esplanade Hotel...” (*EHT*, 21/1/98); “On a hot Sunday afternoon in St Kilda, the Esplanade Hotel shimmers like a thirsty mirage. The sunshine bouncing off the bay cleans up the hotel’s cracked and faded facade, an off-white colour like a second-hand wedding dress...” (*Sunday Age*, 11/1/98); “A potentially protracted community campaign to preserve St Kilda icon the Esplanade Hotel now has a national profile...” (*PPL*, 26/1/98).

Things had changed in many ways. The issue of protecting public access to a run-down building, with its subtext of social equity and idealism (i.e. fantasy in an economic-rationalist society), was picked up by the metropolitan media far more comfortably than it had been a decade earlier. The responses of the developers were also quite different. Compare the comment of Mike Brady in 1989:

Mike Brady is more concerned about cleaning up the Esplanade Hotel. ... The luxury hotel and bar which his group, Evindon P/L, plans to build will, he says, with its boutique beers and brand new carpets ‘enhance the area’. ... ‘I believe that our proposal will enhance the area – to have a beautifully designed hotel, somewhere everyone can go, will be wonderful. Now it’s somewhere just rock ‘n’ rollers go.’ (*The Age*, 15/4/89).

with that of Hamish Macdonald in 1997:

Hamish Macdonald, a Becton director ... acknowledges the building’s significance and says the redevelopment will be sympathetic. ‘It’s a brilliant site, with a lot of history ... one of the reasons why it’s such a great site is that it’s got history – it’s already an icon.’ (*The Age*, 11/9/97).

Becton approached the redevelopment of the Esplanade Hotel carefully. In late 1997 the Corporation invited five local and two international architectural firms to respond to a design brief for the site (*EHT*, 22/10/97), and set up a panel of “independent” Melbourne identities to assess the tendered design concepts (Becton Corporation, 1998a). Before any announcement was made rumours circulated that Becton had plans for a high-rise residential complex and that at least two of the tenders proposed demolishing the Espy. Becton persistently denied both rumours: they were “completely wrong” and “misinformation” (*PPL*, 1/12/97; 26/1/98; *EHT*, 11/2/98; 18/2/98). Becton commenced its own process of consultation and employed selected locals to seek the views of the Fitzroy Street and Acland Street traders (Becton Corporation, 1998b).

In February 1998 Becton announced its intention to “retain the Esplanade Hotel exactly as it is today” (Becton Corporation, 1998a). Becton’s media release said that following the recommendation of its “independent panel”, it would reject the two of the nine proposed schemes that required the demolition of the Esplanade. The preferred design concept for the Esplanade Hotel site “retains the affordable and accessible characteristic of the Espy”, said Hamish Macdonald. The pub would become “the cornerstone of a landmark development for

the remainder of the site” (*ibid.*). Becton released an artist’s impression of the new development, which showed part of a building behind the Espy.



Figure 1 Artist’s impression of the new Esplanade Hotel redevelopment

The following day, Becton unveiled plans for a high-rise tower designed by Nonda Katsalidis, the most celebrated Melbourne architect of the time. It was a beautiful structure of unspecified height. Becton claimed it had “delivered a design solution which creates a landmark building for St Kilda while retaining the physical and essential character of the Espy” (Becton Corporation, 1998a). The Corporation had also demonstrated, right from the start, that its public pronouncements could not be believed.

The plans not only retained the Espy but outlined ways in which it would do this. “The Espy will continue to be operated as it is today, by the same management and offering a diverse mix of live music, comedy and food” (Becton Corporation, 1998a). It was rumoured that a preliminary invitation had been extended to the local community-radio station, 3PBS, to relocate to the rooms upstairs. The remaining hotel rooms would be converted to low-rent “artist’s studios” (Hamish Macdonald, personal communication, 1998). The Esplanade Alliance smelled a rat.

The Alliance had prepared for a range of proposals and Becton’s announcement came as no surprise. But the Alliance was no more internally unified than were Save St Kilda, Turn the Tide and the VPSCG in the 1980s. This particular option raised the greatest range of responses. There were undoubtedly concerns about surrounding property values, although these were not publicly expressed. There were certainly strong issues about aesthetics. At one end of the design spectrum was Rai Gaita, who argued that Becton’s apparent interest in high-quality design was a great advantage for St Kilda, and a vast improvement on the ‘Evindons’ of the 1980s.

Beauty is food for the soul. Without it our spirits shrivel. Most people know this but are embarrassed to say so – less embarrassed, perhaps, when it comes to nature; more so when it comes to the urban environment. When the value of almost everything is described in a

language best-suited to economics, it can seem soft-headed to speak of our need for beauty (Gaita, 1998).

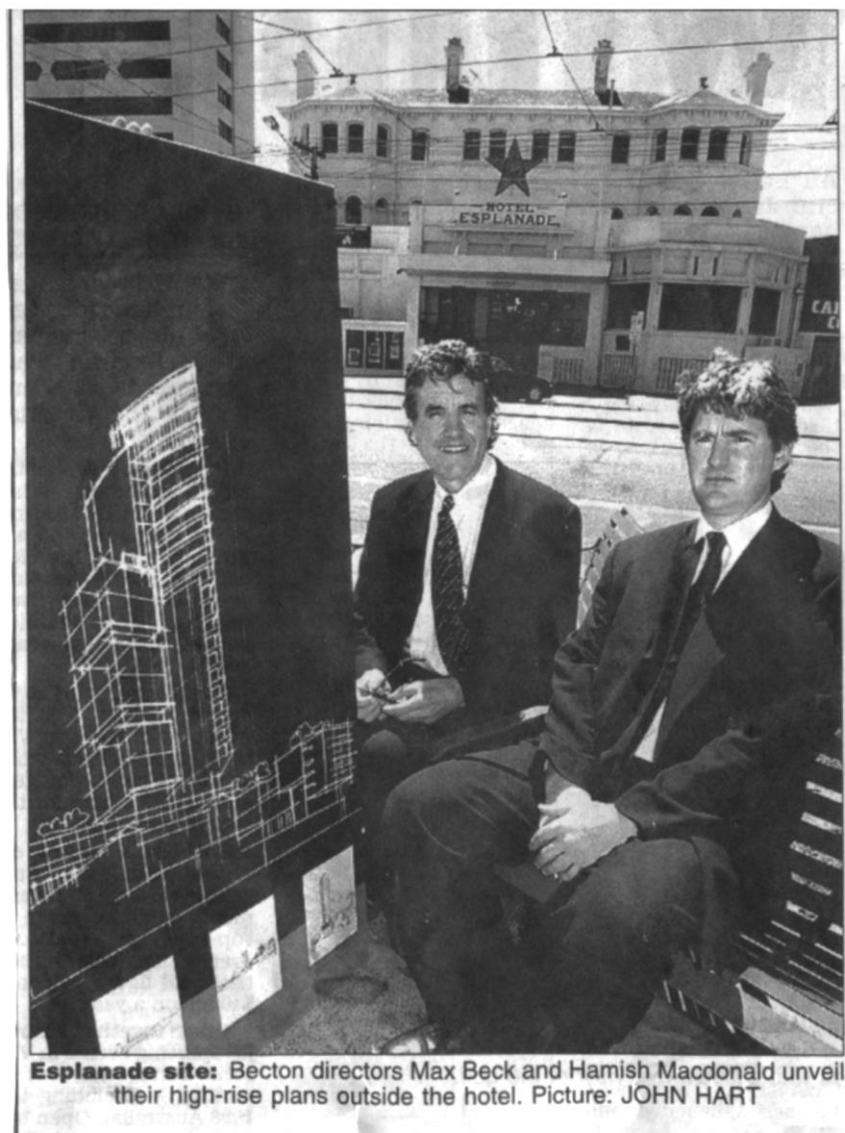


Figure 2 'Tower for hotel site'. Becton directors Max Beck and Hamish Macdonald unveil their plans outside the hotel

Herald-Sun, 19/2/98

Both Rai and David Brand argued that it was better to encourage a beautifully-designed structure that exceeded the height controls than have a mundane redevelopment within the planning controls. On the other side of this debate were Krystyna and Helen, who did not accept that development within the existing controls must be mundane by necessity, and whose ideas of desirable development for the foreshore were based on images of low-rise Mediterranean streetscapes: human-scale and accessible.

But urban design did not dominate the Alliance's discussions. Considerations of local culture, alternative music, social history and social justice were accorded equal weight (participant observation). John Spierings argued that the logic that a certain number of residential units were required in order to retain the Espy were "economics of Becton's making" (*The Age*, opinion piece, 19/2/98), and asked why local residents should bear the brunt of the negative

impacts of a high-rise building on the foreshore. His concern was not primarily residential amenity. Spierings maintained a fiercely moral position on the local culture of St Kilda; its accessibility and its politics. A high-rise development on the Espy site would bring higher numbers of wealthy people into St Kilda than a low-rise development (all in the Alliance accepted that any housing on the site would be expensive if it weren't publicly subsidised).

Spierings argued that there was a world of difference between people who would pay \$400,000 for an apartment and those who would pay \$1.5 million. The former – the most likely scenario with a low-rise development – would still be connected to the street, “cheek-by-jowl” with St Kilda’s humanity. The proposed development, he argued, suggested a self-contained life-style: gym and leisure centre within the building, drive-in security car-park, complete and deliberate isolation from the ‘masses’. He objected to the explicit “flaunting of wealth and spectating culture of elite residents looking down on the street, taking much but giving little”. Spierings’ main concern was with precedent – with the expectation that would be generated by a major transgression of the planning controls. He feared the shift in “critical population mass” that would slowly eliminate St Kilda’s psychiatric services, housing program and ultimately, its progressive-left Community Alliance (John Spierings, interview, 1999).

Spierings’ analysis captured the sentiment of many of the Esplanade Alliance members. Just as the Esplanade Hotel and Mandalay were microcosms of the changes in St Kilda in the 1980s, the renewed Espy development became a metaphor for the future not only of St Kilda, but for the way politics and planning were done in Victoria. Underlying this perspective was a political-economic analysis that clearly identified the Becton proposal as a speculative development, based on potential rather than existing value, that abused and marginalised low-income people in the process. The debate within the Alliance was an old one: variations on a theme that was being explored in many different contexts.

I was working with David Brand and John Spierings on Alliance policy. For all my thinking and study on the subject, I produced a contribution that was even more idealistic than it had been a decade earlier. I imagined a collection of interesting buildings around the Espy that continued to nurture alternative subculture, where new and subversive ideas could hatch. I imagined a well-designed, ecologically-sustainable in-fill development of plus-or-minus six storeys in the unused parts of the site that would support the Espy as a place of positive discrimination for people whose differences limit their choices. In this lay the catalyst for unification. Everyone in the Alliance agreed that was ridiculous. Even were the Alliance prepared to trade-off greater height for retention of the Espy, Becton could not realistically guarantee that its tower would not fundamentally corrupt the nature of the hotel. The fact that the Corporation did make these guarantees only served to highlight its untrustworthiness. So the task became clear: ensure that no doubt remained about the valuable role of the Espy, and get the height of the building (and cost of the new apartments) reduced as much as possible while continuing to advocate for the best possible design.

The Alliance's public missives did not reveal the fragility of this position. The group made a detailed submission to the City of Port Phillip about Becton's proposal:

The architecture of St Kilda's Esplanade is diverse and eclectic. All sorts of different architectural styles and different types of buildings jostle each other side by side. It is a wonderful, sometimes wacky mix, and it is what people come to visit and live in St Kilda for. The architectural variety reflects St Kilda's social diversity, with all sorts of people and sub-cultures and commercial and entertainment interests rubbing shoulders in a spirit of appreciative co-existence.

The huge size of the Becton tower introduces a completely different force into the picture: a force of singular dominance, both visually and socially. This huge 'landmark' will reduce the central visual and architectural image of the St Kilda foreshore to just one thing. When you look at St Kilda; when you think of St Kilda, there will be just one image - the Becton tower. The rest will become purely incidental. It will also communicate in a powerful and grand way that the trend line in St Kilda is fast moving away from celebrating social diversity to the development of exclusive residential spaces radically divorced from the local environment, neighbourhood context, and from the area's cultural history. In effect it will help dissolve, quite dramatically, the very urban character that it is trying to buy into.

Becton argues that St Kilda is all about being bold and different. Perhaps, but this sense of difference works within a truly pluralistic fabric; bold and different and totally dominant will not work. Building the first CAD style tower on an Australian beachfront (apart from the towers that press skywards on the Queensland Gold Coast) is bold and different, but entirely inappropriate. It is a complete misreading of St Kilda's culture and spirit (Esplanade Alliance, 1998b).

The message to the media was more simply put:

It might be hard to imagine the new residents, people who can afford to spend hundreds of thousands of dollars for a clear view of the bay, putting up with the sound of a teenage grunge band on their first foray out of the garage. But according to Becton's managing director, Max Beck, they will actually enjoy it. "It's grit. The sort of people who want to buy here want a bit of grit," Mr Beck said.

But community groups are not so sure. A member of the Esplanade Alliance ... said ... "people who come because they like 'a bit of grit' end up sweeping their area clean – they don't want it to be too close. Then it is only a matter of time until the grit goes completely" (*The Australian*, 19/2/98).

In April 1998 the Heritage Council met to consider submissions on the inclusion of the Esplanade Hotel and Baymor Court on the Victorian Heritage Register. Becton opposed the listing. With a strong sense of *déjà vu* I watched Becton's team of barristers and consultants show slides of places architecturally comparable to the Esplanade Hotel, with nice coloured friezes and tables in dining rooms set with fresh linen and elegant glassware and cutlery, and slides of rooms upstairs at the Espy with plaster falling off the walls. Becton won.

Hamish Macdonald announced that Becton would demolish Baymor Court and seek to build a block of apartments that exceeded the 18 metre height limit (*EHT*, 6/5/98). The local newspaper reported his saying that the hotel would only be at risk of demolition if the company failed to gain approval for its plans. "If this occurs, we may well elect to sell the site and a future owner may be less accommodating of St Kilda's culture and the Espy" (Hamish Macdonald, quoted in *EHT*, 6/5/98). The Mayor of Port Phillip, Dick Gross, entered the fray and accused Becton of "planning blackmail":

‘Becton publicly admitted some months ago that the Esplanade Hotel site was special and of state significance, and it acknowledges the deep attachment that locals and patrons have for the Espy,’ he said. ‘It is now up to [Becton] to work hard and come up with an appropriate development plan’ (Dick Gross, quoted in *EHT*, 13/5/98).

One month later, a formal application was submitted to Port Phillip Council to amend the planning scheme to allow a 125-metre, or 38-storey tower.



Figure 3 The Esplanade Hotel proposal

The media response was gleeful, and merciless.

Becton reveals its Espy blockbuster

By HELEN WESTERMAN

THERE'S one thing about the Becton Corporation's plan for a 35-storey residential tower behind the Esplanade Hotel that both the developers and opposition agree on.

It's tall.

"It's really high," conceded Becton director Hamish Macdonald. "It's a really beautiful piece of



"It's no secret that a feasibility study for an 11-storey tower is in their bottom drawer, put together last year," she said. "I wish they'd start discussions about what they really want, begin reasonable negotiations around that, and come down from there."

Becton has repeatedly committed itself to retaining the Espy's cultural aspects, and has promised to develop artists' studios in unused upper

St Kilda quakes under Godzilla's shadow

MICHAEL BACHELARD

THE St Kilda foreshore, Melbourne's eclectic bayside strip,



Espy a "historic fragment, robbed of its landmark qualities".

Kate Shaw, a member of community group the Esplanade

Espy's towering controversy

by DENIS BROWN

BECTON has produced a promotional video to support its proposed 35-storey tower development on the Esplanade Hotel site.

Titled *The Espy — a Vision for St Kilda*, the eight minute documentary

But neighboring Baymor Court will be demolished to make way for a four-storey building and tall tower. A planning amendment application before Port Phillip Council features a slim skyscraper exceeding the height limit by 29 storeys.

Meanwhile, Mayor Dick Gross pre-

on, Becton may not need a planning amendment considering the State Government is scrapping Port Phillip's height limits in December.

"It is all very confusing as this amendment application comes at a time when our height limits are for the chop," Cr Gross said.



The Espy tower: will it go up, up or away?

By SIAN WATKINS

The 35-storey tower to be built behind St Kilda's Esplanade

Godzilla tag over Becton project

by DENIS BROWN

THE Esplanade Alliance has dubbed a 35-storey tower Becton plans to erect above St Kilda icon the Espy as "Godzilla".

A planning amendment



tower as it might look from St Kilda Pier.

ody brilliant — with punched and designs of

University architecture professors Evan Walker and Haig Beck, entertainer Ronnie Burns and

local arts and entertainment committee.

Ms Kate Shaw, a spoke for the Esplanade Alliance, yesterday Becton was people into a Faustian pact. "We'll trade the Espy's soul in the form of a tower."

Another alliance member David Brand, a heritage activist, said the tower would overshadow and trivialise the hotel monster. No matter how designed, the CBD-scale will be ridiculously out of scale on the visually and historically diverse Esplanade foreshore, he said.

Yet one reviewer, Mr Ian Schaik, writing in the upcoming winter issue of Melbourne architecture magazine, *Antipode*, says Becton's tower is "a playful outcome". And Mr

Monster tower plan for Espy

By KYLIE HANSEN,



A spokesman for Esplanade

The Alliance had expected a high-rise, but not this high. Becton's ambit/iousness immediately dispelled any potential disagreement within the group. The campaign was simple, and the newspapers loved it.

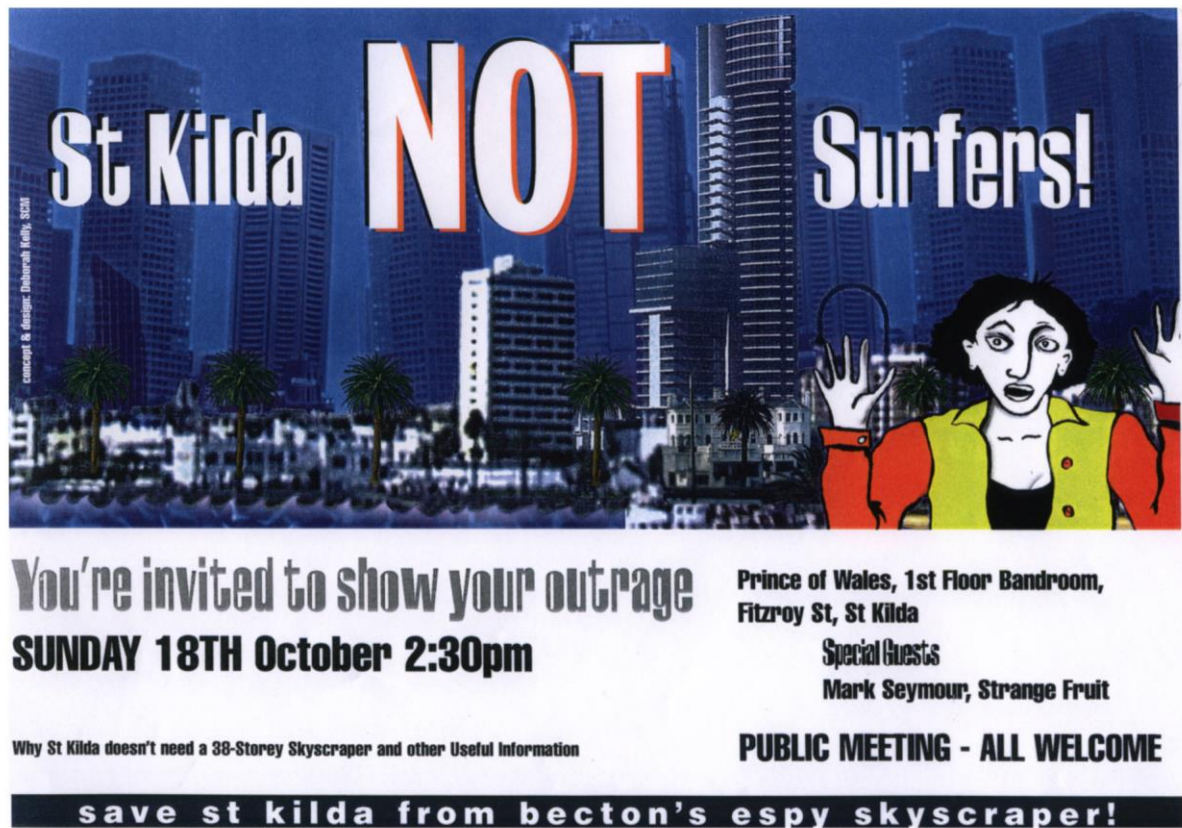


Figure 4 Esplanade Alliance poster

"THE ESPY"

A Vision for St Kilda



This video forms part of Becton Corporation's application for a Planning Scheme Amendment for No. 12 The Esplanade, St Kilda

Becton responded with a promotional video that began: "The Espy is an icon ... any developer who interferes with it does so at their peril" (Becton Corporation, 1998c). On the cover of the video was a cartoon of the happy little Espy by Fred Negro, local cartoonist and rock-star-about-town. Fred had drawn all the cartoons for Save St Kilda in the 1980s and designed the Esplanade Alliance's letterhead.

Figure 5 "The Espy": the Becton video
Cartoon by Fred Negro.

Hamish Macdonald set up court on Tuesday evenings at the *Street cafe* – a groovy bar in Fitzroy Street – where he discussed Becton's plans with anyone who approached him. He began to approach local musicians, and made contact with selected members of the Esplanade Alliance to invite them to the Becton

headquarters for private meetings (Rai Gaita, Mark Seymour, David Brand, personal communication, 1998).

The Esplanade Alliance organised a series of public events, street stalls, performances and meetings. Becton's plans were displayed and public comments on the proposed planning scheme amendment were collected. The campaign culminated in November with a rally held outside the Espy, organised by the Alliance and supported by the National Trust. The crowd of over a thousand people heard the leader of the State Labor Opposition; the Opposition deputy leader, John Thwaites, who was also the local MP); a local Liberal MP and a Federal Senator unanimously condemn the proposal.

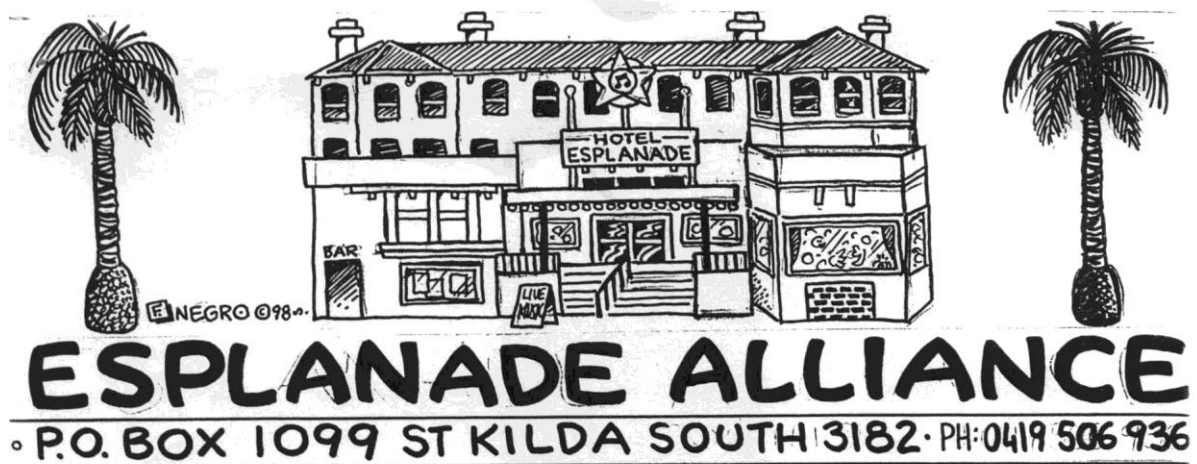


Figure 6 Mark Seymour at an Esplanade Alliance rally

Photograph by Regis.

Becton chose the same day to announce that it had discovered the old bricked-up vaults beneath the Espy – long known to locals – that ran underneath the road. A *Herald Sun* reporter wrote:

Bricked up vaults beneath the road in front of St Kilda's Esplanade Hotel may become a swinging new blues bar under plans to redevelop the landmark pub ... The long-lost space, which could resemble chic Parisian-style underground blues and jazz clubs, was discovered by Esplanade Hotel developers, Becton (*Herald-Sun*, 16/11/98).



Media Release

18 October, 1998

Protest against Becton's 38 storey tower at the Espy

Today, St Kilda musicians Paul Kelly and Mark Seymour joined the public rally to fight Becton Corporation's proposal to build a 38-storey residential skyscraper behind the historic Esplanade Hotel in St Kilda.

The rally, organised by community group Esplanade Alliance, formally launched the group's campaign to encourage everyone interested in the Espy to look at the plans and to register their comment.

Spokesperson for the Esplanade Alliance, Ms Kate Shaw, said that while Becton's plan to retain the general culture of the Espy is fabulous, its treatment of the rest of the site demonstrates a lack of understanding of what St Kilda is about.

"Becton has gone to a great deal of trouble to persuade people that it understands the Espy culture; but when you see the 38-storey skyscraper behind the pub, soaring off into the ether, you realise they actually don't get it at all", Ms Shaw said.

"The tower will overwhelm and trivialise the Espy and destroy the scale and character of the St Kilda Esplanade and Foreshore environment," she said.

"It will also severely aggravate wind, traffic and parking problems, extensively overshadow surrounding houses and public spaces, threaten the area's social diversity and strain public resources and services."

.../2

Figure 7 Esplanade Alliance media release, 18/10/98

Monday radio discussed the Espy throughout the day. Regular ABC commentator, Michael Gurr, said of the *Herald Sun* article, "this guy's swallowed a real estate developer's thesaurus" (Radio 3LO, Gael Jennings Program, 16/11/98). The following exchange ensued:

Gurr: I wonder of some sort of psychological damage happened in Melbourne when we lost all our councils? ... when we got those commissioners we were kind of told, your opinion is irrelevant. Now we've got elections back and our councils back and the people of St Kilda are back...

Gael: It's not just the commissioners though. There've also been changes to the planning laws and, well, Mr Maclellan the Planning Minister, does appear to have more discretion now ... maybe people still feel they're not part of the process any more...

Gurr: So, you mount a strong campaign and back local candidates to get on your council, and your council gets sacked ... This thing in the Herald Sun today by their Urban Affairs reporter, he says that Mr Macdonald ... has tipped that Port Phillip Council would refer a decision on the redevelopment to an independent, state government-appointed, planning panel. Can you guess what's wrong with that sentence?

Gael: Independent and state government are juxtaposed?

Gurr: An independent, state government-appointed, planning panel (*ibid.*).

A caller to the program noted that Hamish Macdonald had said "he doesn't want his 38-storey tower to set a precedent on the St Kilda foreshore". Gael Jennings: "He just wants to get his hit" (*ibid.*). A week later the State Tourism Minister and Liberal MP for St Kilda, Louise Asher, added her support to the campaign against Becton's proposal (*The Age*, 21/11/98).

Becton began to approach residents of its previous developments to ask for their written support.

'That's fair enough, isn't it?' asked developer Max Beck two months ago. He was talking about the million bucks he spent buying the house next door to his Brighton mansion in 1994, just to make sure developers would not build units there.

However units elsewhere seem fine and dandy. ... At Eastside, a Becton estate built in East Melbourne five years ago, residents were agog to receive a letter last week from [Becton's estate agent] asking them to get behind Max's Espy project.

...They really should check their files. Becton has plenty of Eastside signatures already. These would be on the residents' correspondence over the past three years pleading in vain for Becton to fix leaks, cracks and lifting parquet floors (*The Age*, 22/11/98).

Members of the Alliance worked around the clock. The National Trust joined the campaign, with an invitation to its extensive membership to consider the proposal and send comments to Port Phillip Council (Trust News, December 1998). The Council received 10,949 submissions against Becton's proposal, and 618 in support (City of Port Phillip, 1998b). No application in the history of St Kilda, or Melbourne, had generated such a response (City of Port Phillip, 1998c).

The more things change...

It was December 1998, and the St Kilda foreshore was still covered by the planning controls developed in the late 1980s. Port Phillip Council had two options on Becton's proposed planning scheme amendment. Acceptance was ruled out – there were too many opposing submissions. It could abandon the amendment or refer it to a panel appointed by the Minister for Planning. In the usual course of events, a panel would hear all submissions and make a recommendation back to Council. Panel recommendations are not binding, and councils have the discretion again to accept, abandon or modify the amendment before final approval by the Minister (Victorian Government, 1988). This procedure had existed for planning scheme

amendments since the introduction of the Planning and Environment Act 1987; the more recent context, however, was that the independence of panels appointed under Rob Maclellan's delegation had been repeatedly queried (Victorian Government, 1996a). In addition, Maclellan had developed a reputation for being highly interventionist (and "paranoid, intimidatory, dictatorial and heavy handed") (*TMT*, 17/7/96). He had exercised his 'call-in' powers and overridden council decisions on a number of highly public and controversial occasions. The climate was such that it was a brave council that did not follow the advice of one of his panels (*ibid.*; Shaw, 1998; Kiss, 1999). Becton had already expressed its expectation that the matter would be referred to a panel (*EHT*, 18/11/98), and that this process would produce a satisfactory outcome:

After talks with the Planning Minister [Hamish Macdonald] said the company felt the existing height limit was inappropriate, and was confident that an 'unbiased planning review panel' would approve a landmark building for the site (*The Age*, 16/11/98).

The Esplanade Alliance argued that referral of the matter to a panel would relinquish local control. In addition, it argued that there was a principle at stake that went beyond St Kilda: "It's about local democracy and the ability of councils to make independent decisions on behalf of their constituencies without fear or favour", I was quoted as saying for the Alliance (*The Age*, 16/12/98). But there was the real risk of the Council losing control entirely if the Minister chose to intervene. Speakers at the rally had said "there was concern the Planning Minister ... would override the local council's decision if it rejected the proposal. Democrats Senator, Ms Lyn Allison, told the protesters that an organised campaign with the support of the local council was needed to stop the Government from pushing the project through the planning process" (*The Age*, 16/11/98).

Cr Gross, the Port Phillip Mayor and self-confessed "epitome of equivocation" (*The Age*, 17/12/98), was in a constant state of panic. His inclination, right up to the Council meeting at which the decision was to be made, was to refer to a panel and avoid the risk of a Ministerial call-in (personal observation, 1998). It was a difficult argument. It pitched the desire to be reasonable against the abrogation of responsibility. The primary difference between the Council and the Alliance was that the Council wanted to be seen to be 'doing the right thing', and allow all applications to be 'objectively' assessed on their merits – in panel hearings if need be. It had the added pressure that the Minister had already expressed his general view that councils should let "appointed, properly-credentialed design panels" make planning decisions (*TMT*, 2/7/97). The Alliance argued that, while such an approach may be desirable, it neglected the issue of the fundamental unequal distribution of power. Referral would make the council look unwilling or unable to handle the issue, suggest an inadequate policy base, and convey the message that the State should deal with major development proposals. The Minister himself had also said he only overrode councils where they were irresponsible or incompetent (Victorian Government, 1996a). Maybe that was the clincher.

On 15 December 1998 to a packed hall, Cr Haag said that the Becton proposal was a classic case of destroying what made St Kilda special, for private gain. She said “this application is so lacking in merit that in my opinion no amount of ‘expert advice’ could render it suitable and acceptable. Nor could panel advice enable this council to make a better decision than we can make tonight” (City of Port Phillip, 1998d). The Council voted unanimously to abandon the amendment, to a standing ovation.

The Council proposed a working group consisting of Councillors and officers, the Esplanade Alliance, the National Trust, State Government representatives and Becton, to negotiate an acceptable development with a proper public process (City of Port Phillip, 1998i). Becton’s ‘cultural clothing’ fell to the floor. Within a day Macdonald had called on the Minister to intervene (*The Australian*, 16/12/98), called the process a sham (*The Age*, 17/12/98) and threatened to demolish the Espy (*The Australian*, 17/12/98). To another paper, he suggested Becton could “allow the hotel to become more run-down before selling it to another developer” (*The Herald-Sun*, 17/12/98). He condemned the Council and the Esplanade Alliance as “one and the same” (*The Australian*, 17/12/98). Suddenly, Becton sounded very like Evindon ten years earlier. Some things remained just the same.

Cultural drift

A victory for difference

The Age editorial supported the Council’s decision.

St Kilda’s charm may be a little raffish and the Espy these days better known for its beer-soaked carpets and alternative rock bands than the seaside gentility it once had, but it remains an integral part not only of the area but of Melbourne. ... The Council’s decision, which was preceded by a vigorous campaign by St Kilda citizens, the National Trust, and by artists and performers who use the hotel, is a heartening demonstration of the strength of local democracy. The council has upheld its stated claim ‘to recognise its citizens as citizens, not customers’. The State Government should respect this decision and not seek to overturn it (*The Age*, 17/12/98).

The following day Jeff Kennett, the Victorian Premier and a strong supporter of Louise Asher, said he “doubted very much whether Mr Maclellan would override a unanimous decision of the council” (Radio 3AW, reported in *The Age* and *The Herald Sun*, 18/12/98). Becton later announced it would not seek Ministerial intervention (*The Weekend Australian*, 19/12/98). Once again the Espy, and with it, a strong element of St Kilda’s local culture and politics, were saved from the homogenising impact of State-supported ‘market forces’.

The new City of Port Phillip had had three years of elected representation, and the old local communities were invigorated. A municipality-wide left alliance – the Community Alliance of Port Phillip (CAPP) – had finally established and was growing in numbers and strength. An all-day symposium to establish policy for a “progressive community coalition” was attended by 80 people (CAPP, 1998). Its key principles and beliefs were summarised as “community governance, inclusiveness, justice, responsible and fair local development, environmental sustainability and economic sustainability” (*ibid.*). The principles specifically referred to

support for socially excluded and disadvantaged residents, progressive and redistributive taxation and rating policies, minimal application of user pays in service provision, encouragement of affordable housing and support for strict planning controls (*ibid.*).

DIVERSITY

the essence of St. Kilda

ST KILDA, NOT SURFERS

"High rise development is the biggest issue facing St Kilda. I have the track record to oppose its threat. I am committed to preserving St Kilda's heritage and culture. Controls are needed that promote innovation and maintain St Kilda's diversity." **David Brand**

"David played a leading role in opposing Becton's skyscraper plan for the Espy."

Kate Shaw and Mark Seymour



SUPPORTING LOCAL RESIDENTS

"St Kilda's diversity relies on a community that embraces *all* its citizens. I will vote to maintain and enhance services that care for older residents, families and children. I will ensure Council's support for St Kilda's gay community continues. Council's programs to meet the particular needs of indigenous people and non-English speakers are essential."

David Brand

"Council's community housing program enables hundreds of long-term residents to still call St Kilda home. It's an award-winning program we should be proud of. David Brand will work hard to further develop the program and bring the Depot project to fruition."

Tim Costello and Patricia Cross



ARTS AND CULTURE

"St Kilda is a major artistic centre of Melbourne. David Brand will bring experience, insight, and creativity to the arts portfolio on Council." **MaryLou Jelbart** arts commentator



OUR NEIGHBOURHOOD

"We need to restore the balance in our shopping strips by encouraging businesses that cater for local residents.

The traffic and parking burden is overwhelming many parts of St Kilda. David will work with residents and traders on an action plan to untangle these problems."

Gerry Tickell Fitzroy St resident, **Rosie Tovey** Fitzroy St trader

ACCESSIBLE AND ACCOUNTABLE

"Accessibility and accountability are at the core of local government. David will listen and respond to residents and be a powerful advocate on behalf of us all."

Helen Halliday Resident, trader and former councillor

DAVID BRAND IS ALSO SUPPORTED BY: John Broderick, Dr. John Spierings (former Mayors of St Kilda), Ron Barassi, Jon Cattapan, Rai Gaita, Krystyna Kynst, David Scott, Mark Smoljo, Ann Byrne, Helen Tripp, Allan Powell, Liz Crowe, Simon Holmes, Frank and John Van Haandel (PoW), Stephen Fenely, Norbert Loeffler, Dick O'Bryan, Jane Crawley, Russell Walsh, Mirka Mora and Donlevy Fitzpatrick.

DAVID BRAND VOTING INFORMATION

ST KILDA WARD ELECTION

SATURDAY 20 MARCH 8AM – 6PM

Where to Vote:

St Kilda Park Primary School
Fitzroy Street, St Kilda

Betty Day Senior Citizens Centre
67 Argyle Street, St Kilda

You can also vote prior to Election Day at the library,
St Kilda Primary School, Brighton Road, St Kilda

Please contact me on 9534 6734 if you need transport to vote, or require an application for a postal vote.

Voting is compulsory.

Authorised by Tim Costello, 109 Argyle St, St Kilda. Printed by KWIK KOPY 480 St Kilda Rd.

Figure 8 Vote 1 David Brand, 1999

The second round of Council elections came in March 1999. CAPP ran candidates in four wards: David Brand, Carolyn Hutchens (an active member of Save Albert Park – an extraordinarily well-organised group that formed in response to the State Coalition's

alienation of inner-urban parkland for an annual FIA Formula One Grand Prix), Jane Touzeau and Freda Erlich. It supported ALP candidates in three wards: Dick Gross, the incumbent mayor; Darren Ray, a gay candidate, and Julian Hill. The CAPP campaign was in some ways more openly political than the Turn the Tide campaigns ever were. David's election material emphasised social diversity and equity for St Kilda's aged, gay, indigenous and non-English speaking communities. His reference to the community housing program was the most explicit of any Turn the Tide or CAPP candidate of the previous nine years (Brand, 1999b).

The conservatives hotly contested the election in some wards but once again they polled poorly. David Brand was elected overwhelmingly from five candidates, on primary votes alone. Carolyn Hutchens and the three ALP candidates got up, and a sixth 'independent' who had declared his support for CAPP was elected in the ward where CAPP had not campaigned. Jane Touzeau was narrowly defeated in the conservative stronghold of Elwood. Once again the majority of residents of St Kilda, and the broader municipality of Port Phillip, voted for a strong, progressive-left council.

The rise of aestheticism

During 1998, the development and heritage controls across the entire City of Port Phillip were reviewed. The *Review of Height and Development Controls*, *Heritage Review* and *Port Phillip Urban Character Study* were compiled into *Neighbourhood Amendment C5*. Amendment C5 was to complete the transition to the new format Port Phillip planning scheme (City of Port Phillip, 1998e, f, g, h). The process was highly participatory, with the Esplanade Alliance and many other residents groups making comment on the content of the documents. To assist with the process, the Council set up a planning advisory committee composed of representatives of various resident and business groups in Port Phillip.

The reviews of height, development and heritage controls essentially reinforced much of the strategic work undertaken earlier. The heights on the St Kilda foreshore were maintained and more buildings were added to the list of locally-significant heritage buildings (*ibid.*). But in line with the VPP the proposed heights, rather than acting as 'controls', were to act as 'preferred maximums' that could be exceeded at the discretion of the Council. The interim, existing controls were extended for a further 12 months to allow the amendment to go through the final consultation, panel hearing and approval process. Proposed Neighbourhood Amendment C5 was placed on public exhibition in October 1998.

In early 1999 the State Government released a document entitled *Inner Melbourne Foreshore urban design framework: Gateway to the Bay* (Victorian Government, 1999b). Its emphasis on the St Kilda foreshore directly contradicted the intent of Port Phillip's draft planning scheme. *Gateway* proposed an overall development strategy for the Bay covered by the City of Port Phillip, reiterating the State Government view that St Kilda should play "a strategic role ... in enhancing Melbourne's image" (Victorian Government, 1999b:21). It focused on bringing Melbourne "closer to the Bay" by "enabling St Kilda and Port Melbourne to become

unique waterfront urban centres". The framework would allow St Kilda: "to recognise its metropolitan role as the city's cultural satellite by the sea" (*ibid*:22). The State Department of Infrastructure (DoI) proposed that *Gateway* be adopted by State and local government authorities and "appropriately expressed in the State Planning Policy Framework and the Port Phillip Planning Scheme" (*ibid*:3-5). There was little in the document that explicitly specified the type of development proposed, but an artist's impression of the foreshore had a high-rise tower on the Esplanade Hotel site.



Figure 9 Gateway to the Bay, 1999

The Council announced that it had "grave concerns about differences between [*Gateway*] and Amendment C5" (City of Port Phillip, 1999d), and a Joint Working Group (JWG) was set up between Port Phillip Council and State Government staff to attempt to resolve the differences. The *Gateway* document was placed on exhibition for public comment during March and April. The Council, the Esplanade Alliance and the National Trust once again campaigned to ensure their various constituencies were informed. After 30 submissions had been received, DoI staff suggested assistance might be needed to deal with them all (DoI officer, personal communication, 1999). By the end of the exhibition period around 7,000 opposing submissions had been filed (City of Port Phillip, 1999c).

Gateway was abandoned on the proviso that Port Phillip Council prepare 'urban design frameworks' for St Kilda and Port Melbourne (Victorian Government, 1999c). 'Urban design' was defined as "essentially bringing a design approach to how towns and cities are developed" (Victorian Government, 1999d). The frameworks translated into an intensification of

development in Port Melbourne, and into ‘suitable design objectives’ for St Kilda that would provide a basis for assessing proposals to exceed the ‘preferred maximum heights’ that survived the panel process. The Councillors successfully argued for a context to the framework that did not tie them to precedent – in particular that of the high-rise buildings of the 1960s and 1970s dotted along the foreshore – and set to work.

Suddenly urban design dominated. Social equity and diversity almost disappeared from public discussion. The *Gateway* process had succeeded in diverting debate in St Kilda into territory the Esplanade Alliance, Turn the Tide and Save St Kilda had managed to avoid for fifteen years. In an apparent culmination of the Coalition Government’s reform program, debate about planning in Melbourne became fixated on aesthetics. In the United States a similar trend prompted the observation that:

builders and developers could not in their wildest dreams have designed a strategy of such academic and intellectual status that it would successfully direct analysis toward trivial matters of surface and away from more vexing matters of substance (Ghirardo, quoted in Crilley, 1993:147).

But an equivalent critique in Melbourne was given little attention in public forums. High-profile commentators became preoccupied with notions of “slim and stunning” high-rise towers with fast moving shadows and “plump” low-rise developments that “take up whole sites” (Dimitry Reed, quoted in *The Age*, 15/1/99). A strong counter-argument was put: that “architects are as capable of quality design in lower and medium-rise developments, and that if strong architecture can only be afforded by high-rise development, then we really have lost the plot” (*ibid.*). But neither side of the discussion verged onto whom these developments were for. The senior officers in the State bureaucracy had framed not only the terms of the ‘urban design objectives’, but the terms of the public debate.

The Council’s 1999 Municipal Strategic Statement does refer to social diversity. It states that “the continued diversity and tolerance of people in Port Phillip is a high priority for both Council and the local community”, and recognises that maintaining a diverse population “is contingent upon maintaining a diversity of housing stock” (City of Port Phillip, 1999e:5). But it is less assertive in its section on implementation. The MSS refers to “facilitation” of low-income housing, with no mention of direct provision. The Corporate Plan is clearer. The Mayor’s message states:

For those who crave power in a Council, three documents stand out as worth affecting. These are the Municipal Strategic Statement, the Budget and the Corporate Plan. This Corporate Plan tells the reader about the dreams and aspirations that are harboured in the breasts of our councillors and officers. If anyone cherishes a municipal dream and they don’t get it into the Corporate Plan, then it will remain just that, an unfulfilled dream (City of Port Phillip, 1999f:2).

In its section on ‘promoting diversity’ the Corporate Plan lists 16 actions, one of which is to provide ‘Celebrating Diversity and Difference’ training to Council staff (City of Port Phillip, 1999f:6). Last on the list is to advocate for adequate maintenance of community housing

across the City. The objective commits only to completing current, outstanding community housing projects (*ibid*:7).

Almost a year into the 1999 Council's term, no financial commitment had been made to the housing program. Port Phillip has an excellent Housing Strategy. It explores multiple actions to protect and add to the municipality's low-income housing stock. These include providing support and incentives to rooming house owners and managers; freeing up under-utilised shop-top housing; entering into further joint-venture mixed-income housing projects with private developers and continuing to support the direct provision role of the St Kilda Housing Association (City of Port Phillip, 1997d). But none of these are included in the 1999 Corporate Plan.

The popular impression of St Kilda as 'raffish' and 'alternative' persists (*The Age*, 17/12/98) with assistance from the local and metropolitan media. It continues to be perceived as a place of 'cutting edge' art and music, with many places for experimental performance and independent galleries, and no shortage of muses on the street. But the struggling artists who continue to live in St Kilda either bought their dwellings many years earlier or are hanging on to a rental flat that has not yet been sold into owner-occupation. Or they await the rent increase that will drive them out. Most of the artists and actors and musicians who can afford to rent or buy into St Kilda in the early 2000s have achieved mainstream commercial success. The City of Port Phillip continues to celebrate difference by supporting the local Gay Pride festival, recognising Port Phillip's "traditional custodians", liaising with police and street sex-workers and sponsoring a great variety of arts and cultural events in support of "local artists, musicians, film makers, writers, etc" (City of Port Phillip, 1999f:6-10). But *Neighbours* stars are presumably not the artists the Council has in mind.

Port Phillip Council has made many statements about the value of social diversity – from Cr Haag's public comment that the Council wants to "retain a broad mix of residents – what people love about this city is its diversity" (*The Age*, 13/8/97), to the 1999 Municipal Strategic Statement. The Council has recognised that social diversity is contingent on a diversity of housing stock. These pronouncements have been made often enough that it is clear the Council knows that it must do more than repeat the rhetoric. The seven years under the Coalition Government were a bleak time for people interested in social equity. Joint local-State funding arrangements for community housing were not high in the Coalition's priorities, and all councils were deeply constrained in what they could achieve independently – especially with regard to expenditure on progressive social programs. But this recent shift in local discourse to aesthetics is more disconcerting, as it appears to abandon even the desire for more equitable urban policy.

There are many reasons for governments at all levels to invest in affordable housing, and many local and international models for how it can be done. There are also, of course, many reasons for governments to change or argue for change to legislation on 'social' planning and tenancy security. These reasons are not just about maintaining the social and cultural diversity

so valued by gentrifiers – “even developers talk about not destroying the very thing that has made the area attractive” (Christine Haag, quoted in *The Age*, 13/8/97). They include ensuring that all people have access to a basic human right: secure housing.

Mark Nicklen, CEO of the Sacred Heart Mission, says that on the first day of November 1999, 618 people came for lunch. Sacred Heart began serving lunch in the St Kilda Parish Hall to homeless and disadvantaged people in 1982. Fr Ernie Smith wrote in 1983: “It is not a soup kitchen. We attempt to provide a variety of meals every day of the week, seven days per week, and to sit people down at tables where they can enjoy their meal with other people” (quoted in Longmire, 1989:297). In its first year, one hundred people came for lunch each day (*ibid.*). The meals program has continued ever since, and grown in scale. Over the last year the mission has provided an average of 400 meals per day, and the number is steadily increasing (Mark Nicklen, personal communication, 1999).

These figures suggest the unsurprising possibility that there are more people homeless or living in poverty in St Kilda than there have been since the beginning of the long economic boom of the 1950s. What is surprising is that Nicklen estimates that 70 percent of the people who come for lunch live or slept within walking distance. They still live or sleep in St Kilda. They have not yet been shunted off to the outskirts of Melbourne where housing is cheaper, where there are few community services, and few public places where people with no money can hang out without feeling ostracised. They have hung on to, or refused to leave, the place where they can sit and enjoy their lunch with others.

On the cusp of the millennium, the City of Port Phillip has some important decisions to make. A continued local focus on aesthetics will see the place gentrify more certainly than any State Government action or industry push. After 25 years of restricted gentrification, local abandonment of the social policies of the last 15 years could finally precipitate the complete transformation.

Political shift

A capitalist state that openly uses its coercive forces to help one class accumulate capital at the expense of another class loses its legitimacy and hence undermines the basis of its loyalty and support ... The state must involve itself in the accumulation process, but it must either mystify its policies by calling them something they are not, or it must try to conceal them (O'Connor, 1973, quoted in Pickvance and Preteceille, 1993:10).

In October 1999, just as the Kennett Government was poised to enter its third term, it lost office. In a shock result, the margin was so small that the State was in limbo for four weeks while it awaited the result of a deciding by-election in the outer-suburban working-class electorate of Frankston East. The outer-suburban and rural electorates had dealt the Coalition the severest blows – a reaction to the Government’s perceived inner-city focus and its “autocratic” and increasingly unaccountable style of leadership (*The Age*, 18/10/99). The by-election was decisive. A Labor Government formed with the support of three rural independents, at least one of whom has clear progressive-left politics. Soon after his

ascendancy to the Premiership, the leader of the ALP, Steve Bracks, reiterated his pre-election commitments to a more egalitarian, humane style of government. He declared “an end to winners and losers” (*The Age*, 19/10/99) and said he would govern Victoria with fairness and integrity. In almost the same breath, Bracks gave an “unequivocal guarantee” that he would produce annual surpluses of at least \$100 million (*ibid.*).

Experience since the 1980s has shown that no government in Australia, Labor or Liberal, is going to voluntarily engage in activities that are perceived to work against the interests of private business. But Labor governments traditionally hold principles of social justice and equity more dear, and the Bracks Government is more likely to be receptive to community pressure to provide for disadvantaged people. The new Government has also emphasised a commitment to local democracy. John Thwaites, St Kilda’s local member, is now the State Minister for Planning. Thwaites has stated clearly: “For councils the message is they have a lead role in planning, and for the community they will be heard and their needs and values reflected in planning decisions” (*The Age*, 13/12/99). He imposed immediate height controls on Melbourne’s foreshore, and reinforced the six-storey limit on the Esplanade Hotel (*The Age*, 14/12/99).

It is time for communities of difference, low-income housing advocacy, tenants’ rights and social justice groups to reunite after the debilitating 1990s. The question for the City of Port Phillip is whether those local groups and individuals are still sufficiently present in numbers and spirit to continue to shape their local government. They can organise to protect a symbol of St Kilda’s cultural and subcultural difference. Can they maintain the extension of the Esplanade Hotel’s imagery to the rest of St Kilda? To the rest of Port Phillip? They have a powerful legacy behind them.

8. Whose Image?

The cultural response in the late 1990s to the proposed redevelopment of the Esplanade Hotel and the *Gateway to the Bay* framework was the biggest and most decisive in St Kilda's history. The threat to the Esplanade mobilised thousands of people across the many successive, but co-existent layers that make up the locality. The campaign was about more than property values and historic preservation. For some people, it was more than just the future of St Kilda. The alternative subculture of the hotel became a metaphor for cultural difference in the face of a market-driven planning process that sees in all urban localities only their potential for recapitalisation. Community politics and desire for local determination in St Kilda stood explicitly against new-right government policies that function primarily to create environments that maximise opportunities for capital accumulation.

The reinforcement of height controls in the City of Port Phillip was perceived as an acknowledgment of the difference between local use value and broader exchange values.

New Minister for Planning, John Thwaites, has delivered on his promises to reform the undemocratic, unreasonable and unfair planning regime which has seen ... community objections to inappropriate developments trampled underfoot by arbitrary ministerial interventions. ... "It's about time there was a showdown at the OK Corral for the cowboys in the industry. They should saddle up and leave town," said the Mayor (City of Port Phillip, 1999).

In some ways the campaign against full-blown gentrification in St Kilda has succeeded. The underlying causes of gentrification are way beyond the reach of any local community: the international movements of capital in and out of urban environments, with their associated decline in inner-city manufacturing, shift to service-sector employment and consequent transformation of urban class structure have fundamentally reshaped advanced capitalist societies in the last thirty years.

Yet local particularities have had their effect. The first tenant to move into the Earls Court public housing development can muse now at length on the changes in St Kilda over the last 75 years from the security of her balcony and recently acquired life tenure. Five historical and local specificities have been identified in this research that appeared to restrict the process of gentrification in St Kilda. What was their individual and collective impact? The assessment of the modifications to the gentrification process depends on the scale of analysis. From the vantage point of 'everyday life' (Caulfield, 1994), the variations observed are significant. From the wider viewpoint of global economic and social restructuring (Smith, 1996) they are minute and only too few. Both perspectives are reasonable and true. In the former lies hope for collective action for social equity; in the latter lies a clear analysis of its constraints.

The identification of local specificities that can ameliorate the most negative effects of gentrification is important for progressive community action and local governance. What are

the implications of these specificities for those who wish to resist the process? If progressive-left politics that oppose gentrification are not to beat their wings hopelessly and tire themselves out, they must clearly identify their targets and plan their strategies. While the major beneficiaries of market economies, and the systems of international governance that support their continued prosperity, are undoubtedly the 'right targets' for political mobilisation, they are inaccessible and will go to great lengths to ensure they remain that way for as long as possible. This reality challenges their status as the 'right' targets. If progressive-left politics are to actively engage with any success on urban issues, they must focus on targets they can reach. Local capital and the local state, as local manifestations of global processes, are accessible. Under what conditions can they be required to modify their operations?

Historically-developed housing characteristics play a vital role. The prevalence of high-density, high-quality, small flats in St Kilda had several flow-on effects. First, they were not demolished during slum clearance programs, but were not obviously disposed to gentrification. Second, the size of the flats necessarily kept rents and purchase prices down for far longer than other parts of Melbourne that were made up primarily of small houses. Even in 1999, the smallest flats in St Kilda still provide relatively accessible housing. Third, the timing of their entry into the home-ownership market was such that many marginal and early gentrifiers were able to buy their dwellings when the municipality was still regarded by the gentrification industry as undesirable, enabling the establishment of a number of stable communities and subcultures. Governments can learn from historical events. The judicious application of maximum standards in dwelling size and minimum standards in quality of construction can help to ensure a stock of relatively accessible, long-term housing.

These housing characteristics contributed to the development of a distinctive, embedded local culture of low-to-middle-income residents and critical social practice. While the creation of access to individual flat ownership in 1967 allowed a higher degree of housing security, its unavailability prior to that date created a relatively unusual space in Australian history, with a far higher proportion of renters to owner-occupiers than any other municipality in the State. This status attracted and aided a flowering of subcultures of renters – already defined in Australia as people who live differently – who actively sought a place where they could live according to alternative values. Most urban places have “long and complex economic and demographic histories” (Abu-Lughod, 1994:336), but the consolidation of a clearly identifiable (and subversive) local image immediately prior to the locality's entry into the affordable home-ownership market has had evident, and not unique, repercussions. A particular kind of 'cultural new class' was attracted to the newly available, secure and affordable housing in a place that would have horrified more conservative people.

While some of these characteristics cannot be easily reproduced, they can perhaps allow predictions to be made about the likelihood of gentrification in similar spaces. One feature is definitely reproducible: cultures of alternative values lead to politics of resistance that can find their way into systems of governance. Community politics can shape local culture in and of

themselves. In St Kilda, the culture of resistance evolved over many decades to become part of local tradition. More recent gentrifiers who would not consider themselves in any way politically active have found themselves in a social milieu where resistance is part of everyday discussion and practice, etched into the locality's physical fabric and collective consciousness. The extension of this practice into local government is a relatively smooth, though not uncontested, progression.

Local government, as sometime antagonist, sometime partner and long-term construct of State Government, has an interesting role to play. In Australia, local government's responsibility for local planning gives it some considerable power. Most often these powers are not used to restrain capital accumulation. Where they are, local government comes into immediate tension with the State Government which has ultimate and overriding responsibility. But local governments can require local capital to adhere to locally-determined practices. They can lobby the State for more equitable legislation regarding protection of low-income tenants and housing stock. They may be ignored or overridden and they can be sacked, but they also have strong mobilising and electoral power. The State Government's final solution for troublesome councils carries its own set of dangers.

Local government in St Kilda was shaped by community politics in the 1980s in a fortuitous period of Labor State Government. Broader State or national context for local action is critical. The response of the State to requests for greater tenancy protection and social and economic planning power was deeply disappointing; there is still much to be done. But State support for the local community housing program was instrumental in perpetuating a culture of compassion and egalitarianism. It is conceivable that the dissipation of funding for this program through the 1990s might now be reversed. A significant number of individuals and communities in St Kilda have continued to express their support for the housing program through council consultative procedures and the ballot box. The current State context is such that the prospect of the program's expansion must again be seriously considered. Remarkably, local governments and progressive communities in Victoria hold more power now than they have for almost a decade. Port Phillip Council has many opportunities ahead of it. The elected Councillors should carefully re-examine their collective ideologies and practices. Top levels of Council management should be re-assessed; many senior officers were appointed or promoted under an ideological regime that has, for the moment, passed, and they must adapt to the priorities on which the Councillors were elected, or leave. What are the implications for progressive politics? To become involved in local government. For local government? To nurture strong, participatory communities. Combined, they can do much.

The pressures from capital on local government should not be underestimated. But councils should not be seduced by the rhetoric of new-age developers, nor capitulate to their blackmail. As I write, an item is reported in the press of a challenge against South Sydney Council. The Housing Industry Association and an individual developer, Meriton Apartments, are

appealing against a South Sydney requirement that the developer contribute 80 of a proposed 2,300 units in its Green Square “urban renewal project” to the Council for affordable housing.

Mr Harry Triguboff, the billionaire behind Meriton, said while the company was happy to pay for affordable housing, South Sydney’s levy [of 3.5 percent] was “ridiculously high”. “Everyone I speak to is aghast at the figure...,” Mr Triguboff said (*Financial Review*, 15/12/99).

Triguboff’s claim that the levy makes the development “impractical” is the same as Becton’s suggestion that it cannot retain the Esplanade Hotel without a five-fold breach of the height limit. Let them walk away, if they will.

Urban space will always be contested. A most salient illustration of this is the recent convergence, of the impact of local specificities in St Kilda with the broader pressures to recapitalise on the inner-city. In a single point of tension, the image of place has become vital. Individually, housing characteristics, local culture, community politics and local government have had some real effect in maintaining social diversity. Collectively, they have created a powerful image – an historical, economic, cultural and political synthesis of persistently incomplete gentrification. In a massive collective move on the part of the most conspicuous agents of gentrification (estate agents and developers), the image itself is now the contest. In 1999, is St Kilda Melbourne’s Riviera? Its ‘cultural satellite’? The ‘cutting edge’ of experimental art and music? Is St Kilda the perfect place for a Chardonnay by the Bay? A good place for a late-night beer and pizza? A place to score drugs? The place to catch up on the best spots to sleep out? Home, once its residents fight their way through the tourists? For the moment, it is all of those things. The culture of St Kilda is not yet an homogenous image of self-obsessed consumerism. But it is in danger, and the danger now comes also from within.

The ‘aestheticisation’ of the public debate about planning too readily embraces the terms of the ‘post-modern’ approach to revalorisation. After twenty-five years of contested gentrification, the Council’s commitment to St Kilda’s social diversity has been reduced almost to rhetoric. The current wave of community politics in St Kilda has its roots in the 1970s with Jack Downey and his neighbours and colleagues, whose desire to protect social diversity was coupled with a clear recognition of the need for state intervention to protect and provide low-income housing. It is partly due to their work that the battle for cultural difference has come this far. Protection of the aesthetics of the buildings without political and social consciousness will be Jack’s battle lost.

In her analysis of the many factors that contributed to the gentrification of the Lower East Side, Janet Abu-Lughod concludes:

Local actions do affect what happens in local areas; we would not want to deny this nor to discourage participants in local struggles. But to say that human actions affect outcomes is not to argue that they are all powerful. To paraphrase Marx, humans make their own histories, but not as they choose. They operate always within circumstances given to them from outside and by others. This is especially true of relatively powerless social groups, classes, and neighbourhoods (Abu-Lughod, 1994:335).

I must agree. But in the course of telling this story I have come a full circle, and have surprised myself at just how much power local communities and their governments can hold. Abu-Lughod's analysis can also be turned on its head: if gentrification in St Kilda does proceed to completion, responsibility cannot be laid entirely at the feet of 'structural forces'. Images of the city will be ever contested. Don't give up.

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