

# Negotiating Development: the interaction of formal and informal institutions in development approval in Wyong, New South Wales

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**Abstract:** This paper explores how formal and informal institutional arrangements are mobilised in unique ways to secure development approval at a greenfield release site on Sydney's fringe: Wyong Shire. The paper argues that the institutional configuration mobilised to secure development approval rests on the identity and history of the developer and their project managers and their relations with state and private development actors. This paper explores the differential enrolment of formal and informal institutions for development purposes within Wyong by those who principally operate within the area (local) and by those who have moved into the area from other regions (foreign). It becomes clear that local development actors are much more likely to mobilise informal institutional arrangements for the purposes of securing development approval, while foreign actors are more likely to use formal arrangements. However, this picture is complicated by the fact that some foreign actors actively pursue local consultants in an effort to utilise their existing development relations for their own purpose, while some local consultants actively avoid certain foreign developers for fear that their existing relations will be damaged.

## Introduction

Literature on planning and property markets has focused increasingly on the institutional relations which mediate development opportunities (Adams and Hastings, 2001; Guy and Henneberry, 2000). However, little attention had been paid to exploring the manner in which formal and informal institutional relations are mobilised in unique ways to ensure development approval. This paper explores how formal and informal institutional arrangements are differentially operationalised to secure development approval at a greenfield release area on Sydney's: Wyong Shire. It is argued that the development configuration mobilised to secure development approval rests on the institutional identity and history of the developer and their project managers and their relations with state and private development actors. The character and operation of four development configurations are discussed: local developer/local project manager; local developer/foreign project manager; foreign developer/local project manager; foreign developer/foreign project manager.

In recent readings of residential development, local knowledge and associations, rather than formal institutional rules, have been positioned as the ability to recognise and effectively engage relevant development actors in a manner conducive to development objectives (Hillier, 2000). While local informal associations are vital, these relations need to be analysed in conjunction with those formal processes which are equally important to the construction of residential property. Further, while there is general consensus that informal institutions play a vital role in planning negotiation, there is little research to compare and contrast the institutional operation of local and foreign actors or the manner in which development and state actors construct themselves through the mobilisation of formal and informal institutions in each interaction. By bringing the analysis of rules, norms, and politics to the fore, institutional readings of residential property recognises both formal and informal arrangements and focus our attention on the expression and results of socio-cultural power relations (Ball, 1998). This paper explores the differential enrolment of formal and informal institutional actors for development purposes within Wyong by those who principally operate within the area (local) and by those who have moved into the area from other regions (foreign).

Despite the importance of government, in terms of land-use planning and the provision of some capital investment, private developers take most of the initiative for development and redevelopment in Australian cities. As such, this paper focuses on the roles of two key private actors (developers and project managers) and their interaction with state actors at the local scale. In order to confront the multiplicity of negotiations involved in residential development, private interests with the ability to draw together coherent translations of development are becoming important. This role is often played by the project manager, who is increasingly identified as being responsible for drawing together all the elements of development. While drawing together planning and development requirements as defined in formal institutional requirements, such as state and local planning policy, it is vital to recognise that private actors equally mobilise informal institutional relations in an effort to facilitate development (Healey, 1997). Development approval and negotiation therefore needs to focus on the mix and interaction of formal and informal institutional arrangements enacted in property.

This paper is divided into four sections. The first explores recent theoretical discussions of institutions and how they have increasingly been implemented in the theorisation of residential property and planning. The second section explores the historical and institutional construction of residential planning and development in Australia. The next section provides an in-depth analysis of the main development configurations which mediate development at Wyong. Some conclusions follow.

### **Institutions and Negotiations in Planning**

The central tenet of institutionalisation across its various guises is the stable, recurring, repetitive, patterned nature of behaviour that occurs within institutions (Hodgson, 2001). At their most broad institutions are seen to be those structures that define the legitimate actors, the number of actors, the order of action, and what information actors will have about the intentions of others. Rather than treating institutions as unchanging 'facts of life' new institutional approaches champion evolutionary analysis which focuses on the way individuals are embedded in social collectives which alter individuals' preferences and possibilities (Lowndes, 2001). Under this rubric the definition of institution has been relaxed with the broad definition encompassing formal structures and official procedures, as well as tacit understandings and conventions that span organisational boundaries (Lowndes, 2001).

The pervasiveness of informal constraints and their importance in mediating residential development and planning cannot be overestimated. As the means of coordinating repeated actor interaction, informal institutions are: extensions, elaborations, and modifications of formal rules; socially sanctioned norms of behaviour; and internally enforced standards of conduct (North, 1990). Informal institutions limit the number of alternatives from which formal institutions are developed, they are more resilient in times of change and challenge to formal institutional constraints, and, most importantly, informal institutions affect the power asymmetries in the conflict over the establishment and resourcing of formal institutions (Knight, 1992). Informal institutional structures are generally located outside the formalised routines of governance and provide the medium where decision-making and bargaining take place (Hillier, 2000). In this institution-centred interpretation of networks trust and reciprocity are positioned as those entities which reduce transaction costs, rather than formal contractual provision. Nevertheless, while informal institutional arrangements are central to residential development, they operate alongside formal constraints.

Formal institutions, generally as explicit legal rules, represent the dominant context for market operation (Hodgson, 2001). Formal institutional rules represent those constraints which are more explicitly socially shared (Knight, 1992). While North (1990) argues that formal institutions constitute a relatively small proportion of total institutional constraints, formal institutions are seen to provide a level of stability to social and economic interaction. Rules are most often expressed as those formal institutional assemblages which mediate interaction, such as the legal framework, which embody constraints on behaviour. In terms of residential development, land-use planning is positioned as a central regulatory regime that sets the rules and limits the sphere of activity of landowners, developers, investors, companies, and households (Healey, 1994).

In property development, zoning and planning are seen to provide precise and predictable ground rules for development (Healey *et al.*, 1995). Plans generally specify the norms and standards for development, coupled with incentives to promote certain kinds of development that the market is perceived to be unwilling to provide (Healey, 1994). Nevertheless, in recent years there has been increasing criticism of urban governance programs which focus on formalised rules such as zoning and planning and which downplay the informal institutional associations which operate around and within such frameworks. As such, Lowndes (2001) identifies that recent studies into urban governance and planning have begun to open the 'black box' of local council or 'town hall' and analyse the various interactions and conflicts between politicians and officials, managers and workers, and officials and citizens. MacLeod and Goodwin (1999) go further to suggest that it is not the formal machinery of government, but the informal partnership between local government structures and business elites which facilitates urban governance. Here the formal is mediated by informal roles and power bases, which inevitably cause tension and conflict between members of the state and/or private sector interests.

Local planning policy is mediated by factors such as the political style and leadership of a council, the geographic, economic, and social characteristics of an area, and the management style of senior council officers. While planning of some form is present in virtually all locations where residential property is enacted, there is little doubt that the nature of local politics and planning processes can differ significantly across locations, which leads to a great variety in the nature of policy processes. In their study of greenfield development, Adams *et al.* (2002) suggest that it is the local planning policies

which are the most important component of the rules and regulations which influence development. Adams *et al* (2002) also suggest that development interests feel local planning initiatives are more easily altered than State based planning initiatives due to a belief that, through localised and informal institutional association, they can exert influence over local policies and approval processes. The danger, according to Amin and Cohendet (1999), is that by dividing institutions into formal and informal, and by conducting systematic inquiry into each separately, it is possible to play down the interaction between the formal and the informal. Thus any research must explore the differential mobilisation and success of both formal and informal institutional arrangements simultaneously.

Further, special attention should be paid to the negotiation effects of agency, where interpersonal relations between property interests and political interests are negotiated and influenced (Healey *et al.*, 1995). The negotiation environment facilitates the enrolment of expertise in the form of numerous agents and consultants which have knowledge of the institutional environment and data most pertinent to institutional interaction. Claydon (1996) defines negotiation as the process whereby parties attempt to reach agreement. In residential development, actors, be they developers or local governments, employ consultants and lawyers to promote and protect their claims in the negotiation of projects and policy (Healey, 1997). While the process of negotiation plays a central role in the development of residential property, in the majority of instances there is no formal process for consultation or negotiation over development agreements. Thus, this arrangement is likely to favour a developer with good local knowledge and contacts, leaving those developers without these local contacts at a severe disadvantage (Healey *et al.*, 1995). Given the requirement to know the institutional rules and negotiation processes, Ball (2003) suggests that planning authorities are more willing to engage with large developers who have a large staff knowledgeable about institutional constraints and planning practices. However, the spatial implications of negotiation are equally important given that small, local development actors have a similar capacity to mobilise informal institutions. This differential agency of local and foreign development actors is of central concern here. Prior to exploring the development configurations of local and foreign actors in Wyong, the development characteristics of the area are discussed.

### **Development in the Wyong Shire**

Wyong is one of two Local Government Areas (LGA) which constitute the Central Coast, located halfway between Sydney and Newcastle. Unlike development sites in Sydney or Newcastle, the Central Coast offers the opportunity to define clear spatial boundaries. The Central Coast is physically separated from Sydney by the Hawkesbury River and Ku-ring-gai National Park, and from Newcastle by the Lake Macquarie and Tuggerah Lake systems. This spatial divide facilitates the definition of local and foreign development actors. For the purpose of this analysis *local* actors are defined as those whose principal office and work is located on the Central Coast. In contrast, *foreign* actors are those whose principal office location is outside the Central Coast, and where the Central Coast represents a relatively small proportion of their development activities. This research is based on 45 interviews with development actors at Wyong, including developers, consultants, council staff and State planning officers. The following section explores how institutions, both formal and informal, are mobilised in development networks, and how the tendency to enrol various institutions is a product of distinct actor identities.

DEVELOPER	HEAD CONSULTANT/ PROJECT MANAGER	FREQUENCY	STRENGTH OF LOCAL TIES	FORMAL/ INFORMAL	RESULT	PRIOR RELATIONSHIP	SIZE OF DEVELOPMENT
LOCAL	LOCAL	2	1	Informal	<ul style="list-style-type: none"> <li>- Build Trust</li> <li>- Strongest local relationship</li> <li>- Long term</li> <li>- Consultant and developer want to keep reputation</li> </ul>	Yes	Medium (Between 10 and 50 development lots)
LOCAL	FOREIGN	4	3	Formal	<ul style="list-style-type: none"> <li>- Short term</li> <li>- Goal of project maximisation</li> <li>- Consultant does not care if they loose their reputation</li> </ul>	Possible	Small (Less than 10 development lots)
FOREIGN	LOCAL	1	2	Informal	<ul style="list-style-type: none"> <li>- Long term</li> <li>- Consultant keep reputation</li> <li>- Developer to build reputation</li> </ul>	Yes	Large (More than 50 development lots)
FOREIGN	FOREIGN	3	4	Formal	<ul style="list-style-type: none"> <li>- Short term</li> <li>- Both want a good reputation but does not care if relationship goes down hill</li> </ul>	No	Medium/ Large

Table 1: Developer/project manager configurations in Wyong

### Development Configurations

Development in Wyong is characterised by four developer/project manager configurations each of which mobilise different institutional arrangements for the purpose of securing development approval: local developer/local project manager; local developer/foreign project manager; foreign developer/local project manager; and foreign developer/foreign project manager. Each of these configurations initiates different interactions with the local council, differentially mobilising formal and informal institutions in efforts to facilitate development approval. Each of these development network configurations is discussed in detail below (and summarised in table1).

#### **Development Configuration One: Local Developer/Local Project Manager**

Under Development Configuration One (DC1) development is characterised by local developers and local project managers. In a fashion similar to the local and embedded focus of discussions of institutional thickness (Amin and Thrift, 1995), DC1 exhibits the strongest local ties with both state-centred actors and local private actors mobilised in the development process:

I have been in a tin shed at [site of development] for ten years. Council know we are in amongst it. I don't work in [Sydney]. We work here because this is where we want to be. (Local Developer 1)

Under DC1 informal and long-term relations are fostered with other local private actors who are periodically engaged in the development projects of local developers. The day-to-day management of the development project is conducted by the local developer rather than the project manager, since the developer has developed relations with council and private actors and can enrol these relations when needed, while avoiding additional costs of hiring an external consultant:

We hire consultants when and for how long we need them. So we have a pool of expertise, but the management role is done here. (Local Developer 1)

Nevertheless, DC1 does not devalue the local institutional arrangement of consultants, who mobilise their own informal, historical associations and knowledge for long-term local developers. Here consultants form part of a pool of expertise (Ball, 2002) that is frequently mobilised to facilitate development. In this instance individual consultancies are drawn into the development configuration as they are engaged to translate particular components of the project (e.g., environmental or survey work):

[Our consultants] are very good. They have worked in the area for a long time and they have got all those associations with council. (Local Developer 2)

Here, in addition to the formal knowledge of certain aspects of the development translation, the informal associations between consultants and council are enrolled in the development network. Given the local nature of the developer, those consultants with the most experience and best relationship with council are targeted:

All planners and surveyors don't all have the same relation with council. Now because we are local we know who the council like and who they don't. So we obviously go for the ones that council like. (Local Developer 2)

While the informal relations of the consultants are vital to the success of development under DC1, equally important are the relations between the developers themselves and the council. Although under most configurations developers attempt to nurture informal relations with council, under DC1 the level of these ties play a much more significant role, not unexpectedly since the developer plays the central role in translating development objectives:

It is great having consultants who are known at council, but we need to be known also. Now if a consultant stuffs up then we can find a new one. But if we lose our good name then that is much harder to fix. We know council very well and we use that to help development. It is more important that we know council, how they work. (Local Developer 1)

The majority of developers mobilising DC1 are relatively small companies. Given the size of local developers, the focus on the development of local, informal, long-term relations of trust and reputation are recognised as the most effective in facilitating development:

Through fair negotiations with council we have a reputation, and I think we deserve it. (Local Developer 3)

This proposition counters the work of Ball (2003) who contends that local councils are more willing to engage in an informal manner with large developers, with interaction under DC1 conforming more to the ideals identified under the institutional thickness paradigm of localised informal interaction and trust (Amin and Thrift, 1995). While the assertion that small, locally-based developers are the most efficient in mobilising informal relations for the purpose of development may appear to run contrary to Ball's (2003) claim, these local developers tend to own large land holdings and have a long history of development in Wyong. Thus, on the Central Coast these companies are presented as relatively large; however, in terms of total development output and staff they are considerably smaller than Sydney-based developers who operate across development locations. Unlike in districts dominated by large developers, such as western Sydney, where councils' preference for interaction with large developers may be more acute, local small-scale development actors on the Central Coast have the opportunity to enrol informal institutional associations in a manner which facilitates development opportunities.

In summary, DC1 offers a development arrangement which champions informal associations with council in an effort to build trust and social relations over the long-term and where developers and consultants operate in a manner which enhances their reputations. Under this configuration private actors are less likely to pursue formal lines of appeal, such as court, and have personal relationships with staff at senior levels within council, allowing them to 'go over the top' (Local Developer) to senior council staff in efforts to secure development approval.

### ***Development Configuration Two: Local Developer/Foreign Project Manager***

Development facilitated through a local developer and foreign project manager (DC2) represents the most infrequent development arrangement in Wyong. This configuration is characterised by developers with a single lot and with no need for long-term relations with the local council or consultants. Under DC2 little attention is paid to reputation, rather development decisions are made as part of a short-term strategy concerned with realising maximum profit. While developers engage consultants as a method of facilitating development approval, these consultants, in turn, operate in a manner conducive to their own objectives, primarily centred on the maintenance of relations with council and related consultants. Thus, the employment of an external project manager is seen as a method of alleviating the tendency for local consultants to maintain their reputation for both the purpose of gaining future work and operationalising that work through maintained informal relations with council (Ball, 2002):

Local consultants might not pursue the ultimate project for the client. But I offer that service. I will follow every lead. It doesn't really worry me if I don't do any more work [in Wyong]

because there is plenty of work for me [in Sydney]. I can go in there and really pursue their best outcome without fear or favour. (Foreign Project Manager 1)

In contrast to local consultants who may attempt a balancing act between the maintenance of relations and efforts to facilitate individual developments, foreign consultants are much more likely to pursue formal lines of appeal. This configuration is positioned as advantageous to local developers as individual development applications are less likely to be subjected to conflicts and concerns of an informal nature (Lowndes, 2001).

In this configuration existing informal associations are not necessarily absent as both developers and project managers may have operated in the area previously; however, unlike development initiated under other development configurations, the focus on interaction with council is the immediate approval of the project. Little emphasis is placed on the maintenance of informal relationships, trust, and reputation with the local council. Thus, informal relations are less likely to be mobilised in DC2, in favour of formal lines of appeal (Lowndes, 2001):

Most of the time there is only one lot and we will do anything to get it up. Because we won't be in the area again we might be more willing to step on council. That is primarily done through the Land and Environment Court. (Foreign Project Manager 1)

Given the tendency to mobilise formal institutional avenues, especially appeals to the Land and Environment Court, council officers are less likely to engage on an informal level with development applications pursued by DC2, potentially breeding animosity between development and state actors:

A lot of the time we don't really see them. They come in with the application, we do our job, and when they are not happy with the result they go to court. It is definitely not the best way to get the best development outcome for the area. (Council Officer 1)

Further, development pursued under DC2 is generally considered as negative, resulting in potential longer-term problems for the area caused by short-term objectives and unwillingness to negotiate outcomes. Here the pursuit of short-term profit is positioned by council officers as contrary to the long-term benefit of the area, which is pursued through alternative configurations which emphasise informal relations. In summary, DC2 is the most infrequent development configuration at Wyong as existing landowners are more likely to sell to established developers; nevertheless, those developments which do proceed are characterised by short-term profit-seeking activities with scant regard for the development and maintenance of long-term informal associations with council.

### ***Development Configuration Three: Foreign Developer/Local Project Manager***

Development Configuration Three (DC3) represents the most frequent developer/project manager arrangement in the Wyong Shire. The prominence of DC3 is driven primarily by the relative scarcity of developable land in the Sydney basin. Under DC3 developers are large-scale firms with a long history of residential development who have moved to the Central Coast in an effort to increase their stock of developable land and maintain profit margins for shareholders (Dowling, 2005). While large in size and with an extensive knowledge of the institutional arrangements which frame development, the lack of local knowledge is seen as a hindrance to development:

When you get a new player in the area they don't know who has been buying up, who at council has been dealing with different developments, they haven't dealt with the council planning control previously. They also have to learn how the politics up here work. I am talking about local, state, and federal. They have to get that network going, that rapport, and then pull it all together. (Council Officer 2)

Hence, both informal relations with staff and an understanding of local politics are vital in facilitating development (according to council). Further, council argue that development actors must, first, be aware of the existing market actors mobilising development, and, second, demonstrate a comprehensive understanding of the interaction of formal policy interventions from all levels of government. Under DC3 local project managers identify their value to the development process given their understanding of local institutional arrangements, as well as a number of practical advantages for foreign developers which facilitate quicker development:

It is an advantage having the project manager up on the Coast. If there is a problem, whether that be at the site or at council, then he just jumps in the car and he is there. (Foreign Developer 1)

Thus, the role of the project manager in facilitating development is paramount, as they come to represent the centralised actor in development. Under this configuration the local project manager is positioned increasingly as the translator of development opportunities as they enrol relations with council, knowledge of formal and informal institutional constraints, technical issues of the site, and, perhaps most importantly, the development and profit objectives of the developer. Under this arrangement development is managed and performed by the local project manager, rather than the developer itself:

Having [the consultant] on the Central Coast is absolutely critical. We are not based up there. So [the consultant] is the nucleus of [the developer] up there on a daily basis. (Foreign Developer 1)

I do all the dealings with council. When there is a meeting with council I won't just attend the meeting, I will run it. Now I might tell the developer to come to that meeting so they know what is going on. But they pay me to do all that stuff. (Local Project Manager 1)

These comments reinforce the central position of local project managers as they enrol both subcontractors and council in ways difficult for developers located away from Wyong. Importantly, the second comment hints at the minimal role developers actually play in development networks at Wyong as the consultant positions the developer's presence at meetings as a means of validating his own actions (informing the developer of the issues) rather than aiding negotiation. Given the central role of local project managers, emphasis is placed on informal relations with council:

If we send someone from down in Sydney up to Wyong, they may not be aware of the regulations. They might have the manual, but it is not second nature. In addition, the project manager has a relationship with the council that has been established over many years. They have that working relationship, they know what each other is thinking, they know what to expect from each other. (Foreign Developer 2)

While the above developer recognises the ability of consultants to identify and enrol formal institutional constraints through 'manuals' or policy documents, the residual knowledge of local actors is positioned as advantageous (Healey, 1997). The value of informal local relations, reputation, and rapport is emphasised by the project managers themselves:

[The developer doesn't] have to come in and recreate the wheel. So when [the developer] comes to the Central Coast they know nothing, they don't know whether they are talking to someone important or a secretary. So that knowledge is very advantageous. (Local Project Manager 1)

The intensive interaction which facilitates the development of informal relations with council is emphasised. Thus, rather than developing informal relations through interaction with the council, developers effectively purchase informal associations through the engagement of local consultants. Although local consultants offer foreign developers increased access to informal development relations, this does not imply that developers do not wish to develop their own relations with council. Where this is the case, the existing relations of local consultants offer an expedient means through which these informal associations can be developed:

It has only been about six months since we have been in Wyong. So I haven't developed a relationship with council yet, but I will, and I will do that through my [local] project manager. (Foreign Developer 2)

Although it is likely these informal relations between council and foreign developers would develop as a matter of course through repeat interaction, the appropriation of these relations is quicker and more efficient through the utilisation of a local project manager.

Local project managers also suggest that informal associations with council facilitate development because they provide an opportunity for pre-emptive approval (e.g. deferred commencement consent) based on historical relations. Thus, local consultants may be granted approval on the basis of institutional history and informal relations despite the fact that formal requirements may not have been met. These relations are seen to facilitate more efficient market operation; however, they can only be achieved through local consultants who have built trust (Adams *et al.*, 2002), not foreign consultants new to the region:

These relations with council officers make it easier in the sense that if I say I am going to do something, my word is accepted. I can say that we will do this and they believe it. The other side of that is if I say something is going to happen I make damn sure that it happens. So if there is a problem council will sign off on it. If someone else came in they would tell him to go away and fix it and then they will sign off on it. That is hard won, and it has to be nurtured along the way. (Local Project Manager 2)

It is important to note, however, that not all local actors have the same level of trust or informal associations with council. Thus, the selection of local project managers represents a strategic process by developers who attempt to maximise their own market position by engaging local consultants with the best link to council and other development actors (D'Arcy and Keogh, 2002; Ball, 2003). As such, it is an active strategy by Sydney-based developers to engage the most powerful consultants (i.e. those with the best relations and experience) on the Central Coast into their own development translation:

We basically targeted the key project manager based on the Central Coast. We knew that they already had all the contacts that we needed up there, so once we managed to get a hold of that one person it was just a matter of going through them. We basically headhunted. (Foreign Developer 2)

The ability to target those actors with the best local connections is facilitated through an extensive process of initial consultation where developers gather an adequate picture of local development relations. In addition, from a market-centred perspective, local consultants are seen to have additional long-term cost advantages given their knowledge of other private actors in the area:

There are some bad contractors, but our consultant knows who they are. He knows who screws up and who does things wrong. If that were up to me I would probably hire them. (Foreign Developer 2)

Thus, local project managers not only strengthen the development translation through the enrolment of only reputable actors, such translation is difficult for foreign developers unaware of the institutional and development histories of each actor. In this sense local project managers are advantageous to foreign development actors given, first, their knowledge of formal policies, second, their informal associations with members of council charged and, third, their historical knowledge of development in the area (the market).

DC3 emphasises informal relations with council and development actors. While the length of time which developers have been operating in Wyong varies considerably, all developers in this configuration are pursuing long-term development strategies and, as such, actively pursue the development of informal relations with the local council. Under DC3 formal lines of appeal, such as court action, are less likely to be pursued in favour of a negotiated outcome, a course which maintains existing relationships for the project manager and facilitates similar relations for the developer. Consequently, DC3 does not present the most efficient short-term outcome for new entrants into the market, as immediate profits are forgone in efforts to develop and maintain long-term informal relations which are seen to allow for more efficient market operation in the future.

#### ***Development Configuration Four: Foreign Developer/Foreign Project Manager***

Development Configuration Four (DC4) represents the third most frequent arrangement in Wyong; however, its frequency is increasing. Under DC4 both the developer and the project manager originate outside the Central Coast and, as such, this configuration is characterised by the lowest level of existing local ties and informal relations at the beginning of the development process. As in DC3, foreign developers are drawn to Wyong by the availability of land; however, rather than engaging local project managers, developers opt for utilising project managers in Sydney with whom they have operated in the past:

We have worked with the developer previously. So they know us and we know them. (Foreign Project Manager 1)

This preference for utilising project managers with whom developers have worked previously arises from a supposed better understanding of the strategic direction of the developer. Thus, under DC4 the history and informal associations between developer and central consultants are positioned as equally important to equivalent relations with council and local development actors.



Under DC4 informal associations with council are not mediated by existing relations of long-term local project managers. Rather, although recognised as inefficient, developers and foreign project managers are required to initiate these relations on their own behalf:

When you first move into an area you are asking a lot of stupid questions. You don't know the people, you don't know the standards, you are coming in fresh and asking a lot of naïve questions. (Foreign Project Manager 2)

Nevertheless, while informal associations are actively pursued, formal arrangements are positioned as those through which development is facilitated. Given the time consuming process of developing and maintaining informal relations with council, development networks under DC4 position formal arrangements as the most fair, effectively providing a level playing field where local informal associations are downplayed:

Council has to have a set of rules that developers work to, and that the developer knows then where he stands, and there is less chance of favouritism. (Foreign Project Manager 2)

Favouritism here refers to those arrangements reached through informal means (DC1 and DC3). Nevertheless, local developers, project managers and council officers mobilising informal relations for the purpose of securing development approval reject any accusation of preferential treatment by council:

It isn't because they know each other and so deal with the application expeditiously, it is because the person knows what we require. That's good, that's healthy and that leads to the best processing of their application. (Council Officer 1)

Here a senior council officer highlights the inherently interconnected nature of formal and informal interactions mediating development as formal institutional arrangements are positioned alongside informal arrangements emphasised in DC1 and DC3. Therefore development approval is not granted on the basis of personal knowledge of each other (although this is important) but through local actors being aware of the formal requirements of development. Interestingly, the proposition by council that local development actors have a better understanding of formal frames suggests that, despite calls for increased formal arrangements by foreign actors, local actors are more efficient in mobilising of formal requirements (MacLeod, 2001). Thus, formal institutions are not a means through which foreign actors can operate more effectively than local actors, but rather are the most efficient in terms of their own actions. In other words, foreign actors under DC4 are more likely to facilitate development through formal rather than informal means, although it is likely that these operations would still be less efficient than those translations offered by local actors. This pursuit of efficient market outcomes rather than the development and maturation of long-term informal relations, leads potentially to animosity between council and foreign development actors:

As issues emerged we entered into a process of negotiation. We didn't see council as an adversary; however that same opinion was not shared by some of the council officers. Transparent communication and cooperation have to work both ways. The reality of closed-door decision making rather than open discussion can make well-intended landowners revert to their traditional adversarial approach. Council has not fulfilled its end of the bargain in a cooperative approach. (Foreign Project Manager 1)

Following the comments for the foreign project manager above, council officers are positioned as those who pursue an adversarial approach to negotiations – the opposite to what local actors suggested. Further, the inconsistency of the institutional operation under DC4 is identified. Although council (according to the developer) championed formal lines of communication – those relations which foreign actors are better equipped to deal with – this approach is critiqued by foreign actors, despite their relative lack of local informal associations and knowledge. The quotation above shifts all blame for the failure of development to council, yet fails to recognise the inferior institutional position (both formal and informal) of the developers themselves in achieving development. As suggested previously, local actors are less likely to pass blame to the local council as they, first, have a more intimate relation with the council in general and individual staff in particular, and second, wish to maintain these relations, which may be destroyed through attacking the council.

It is important to note that under DC4, emphasis is placed on maintaining a commercial relationship between private actors as private foreign actors are concerned with ensuring future development.

Where planning approval is not forthcoming blame is located with the council, rather than other foreign actors with whom further commercial opportunities may exist:

If the developer comes in and says 'why is this taking so long and why did it cost this much?' we can't say it was [the private planners], and we can't take the blame. So we have to be careful that everyone looks good. What we do most of the time is blame council. That way nobody looks bad. You have to be careful, because we know these [developers and planners] and if we make them look bad then there is less of a chance that we will get the next job. (Foreign Project Manager 1)

Development initiated under DC4 is conspicuous in its difference to DC3, as it is an active strategy that no private development actor 'looks bad', despite the fact that council opinion of the developer and consultant may deteriorate causing difficulties in future development negotiations. However, it is possible that this tendency to protect private relations between development actors rather than relations with council is due to the nature of development in Sydney which is characterised by a large number of councils. In this development environment the need to maintain amicable relations is somewhat lessened as conflict with one council is unlikely to impact upon all development locations. In addition, given the large number of developers and consultants in Sydney, it is possible that the loss of a single large developer as a client may have significant ramifications for a consultant, as they may be unable to form similar relations (in the short-term) with an equivalent developer (Dowling, 2005).

The complex interactions of private actors and local council make generalisations over the nature of DC4 difficult, given that DC4 is constituted by both foreign developer/foreign project manager configurations that seek long-term involvement in the area and a number of developers with relatively short-term objectives. Nevertheless, developers with a long history of development in Wyong, be they local or foreign, object to the short-termism exhibited by many foreign developer/foreign project manager configurations. These criticisms arise from the lack of long-term commitment to the area (Adams and Watkins, 2002):

There seems to be a lot more one-off developers moving up from Sydney. They don't care about the reputation. They pursue the fastest and easiest way they can get in and out. (Local Developer 2)

It is important to note that the 'fastest and easiest way' of pursuing development options is through formal institutional avenues for those who lack local knowledge and informal relations. Despite the recognition that formal avenues, such as legal action through the Land and Environment Court, can be time consuming, these options are still relatively less time consuming than the development of informal relations with council – under DC4 immediate market outcomes are emphasised. This section has outlined the four primary development configurations which mediate development at Wyong, each of which mobilise a different arrangement of formal and informal institutional arrangements for the purpose of securing development approval.

## **Conclusion**

This paper has illustrated how different institutional associations are mobilised in efforts to secure residential development. The role of institutions within development negotiations was highlighted through the differing identities and strategies of local and foreign actors. Under the development configurations analysed, the tendency to mobilise informal institution to facilitate development approval was a strategy more likely to be initiated by local actors with long-term development objectives in the area. In contrast, formal institutional arrangements are more likely to be mobilised for the purpose of achieving approval by foreign actors who are devoid of existing informal institutional arrangements or unwilling to initiate the often time-consuming process of their creation (Lowndes, 2001). Nevertheless, foreign actors may actively attempt to appropriate local informal institutional arrangements through engaging local actors as project managers. Thus, traditional institutional analysis that suggests that informal institutions are mobilised in fairly consistent ways (Amin and Thrift, 1995) downplays the complexity of institutional arrangements and mobilisation. Here the ability to enrol formal or informal institutional arrangements for the purpose of securing development approval depends on the identity and network configuration of the translator, be they local/foreign or developer/consultant.

This research builds on existing research into the institutional nature of residential property (Ball, 2003; Guy and Henneberry, 2000) by illustrating how institutional arrangements are differentially mobilised for development purposes. This research argues that while formal and informal institutions

are present in all development networks at Wyong, the propensity to develop, mobilise and protect these arrangements rests on individual development identities. Residential development networks, therefore, are never stable as new configurations and alignments shift the translations and identities of actors. Rather than there being a single representation of development, multiple orderings jostle to create ideal development translation. Here development approval is facilitated through the enrolment of a series of actors and institutions, ranging from local developers, foreign developers, local consultants, local informal associations with individuals within council, formal policy rules which originate topologically away from Wyong, inter alia, in an effort to facilitate development.

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