The extension of the Cultural Quay will include the controversial East Circular Quay development. This site, on the promontory leading out to the Sydney Opera House, was home to the warehouses of the wool trade for much of the nineteenth century. During the waterfront boom of the 1950s and 1960s, the warehouses were replaced with some of Sydney's first curtain wall office buildings, including Unilever House, designed by Harry Seidler in 1957. Since the designation of Bennelong Point as the site for the Opera House, development on East Circular Quay has been a contentious issue. Jorn Utzon's winning design for the Opera House in 1962 was accompanied by drawings of a 15-story wall of office development along the East Circular Quay site. Utzon saw this as a way to frame the setting of the Opera House. The recent history of the site continues the debate and is evidence that not everyone shares Utzon's views.

In 1984, a government-controlled consent body was established to oversee the future of East Circular Quay. In 1992, the City of Sydney held a public ideas competition, which attracted some 200 submissions. Indicating the polarity of the views for the site, submissions ranged from low-scale parks to projects that maximized the allowable building density. The Lord Mayor of Sydney, Frank Sartor, established a panel of experts to assess the competition ideas, and a set of design guidelines was developed for the site. These guidelines mandated a low, horizontal development, which took account of view corridors across the Quay and encouraged public cultural uses at the ground level. They also proposed a six-meterwide colonnade along the entire length of the building that would lead people from the Quay to the Opera House.

Acting on legal advice that there were existing consents on the five parcels which would allow for higher developments than allowed in the design guidelines, the City Council closed the existing roadway that services these parcels. Restricting access would ensure a lower height development and improve pedestrian uses at the ground floor. Meanwhile, the site's new owners, CML, had demolished several of the existing buildings, thereby exposing the empty site to public view, and reinstating the lost character of nineteenth-century vistas. This opened a new view to the Opera House from Circular Quay and an attachment to the idea of keeping the site "open" developed. The "no development" option could only occur through government intervention. However, no government was prepared to purchase the site.

In much the same way as Darling Harbour, Circular Quay has suffered a proliferation of consent and decision-making bodies. These include the City of Sydney, the Central Sydney Planning Committee, the State Minister for Planning, the Maritime Services Board, the Land and Environment Court, etc. In recognition of these inefficiencies, the Sydney Harbour Foreshores Authority was formed in February of 1999, amalgamating the functions of the City West Development Corporation, the Sydney Cove Authority and the Darling Harbour Authority (in January 2001). An AUS\$22 million upgrade of the Quay and its ferry wharves is currently underway, under the auspices of the new authority.

For some time now advocates have promoted the idea of a waterfront promenade in Sydney. The existing walkway between the Opera House and Macquarie's Point at Farm Cove is extremely popular with both locals