



# City Deals - path to integrated city transformation



What's  
going  
on?

**Tim Gavan**

iCities World Class CBD

Melbourne, 25 October 2016





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# City Deals – Talk of the town

New South Wales and the Commonwealth share a strong history of collaboration on the airport. Planning decisions to reserve lands and to ensure compatible land use surrounding the airport have been critical in getting us to this stage.

We will now work with the Greater Sydney Commission as they prepare their plan for the metropolitan region, including district plans for the areas around the Western Sydney Airport.

We share a vision for growth for western Sydney, with the airport as a keystone, a remarkable catalyst for investment and jobs that will transform the economic geography of the city.

And that means developing a comprehensive strategy and action plan involving all levels of government.

Such an agreement will help us leverage our investments to realise the broader economic benefits of the airport and provide an exemplar for further agreements across Australia.

In the UK these have been called 'City Deals', and despite differences in context, there is, nonetheless, much we can learn from the UK experience.

The solutions for Western Sydney are in the hands of all levels of Government and the private sector, so we have to work together to achieve the best outcome for the region.

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## Lachlan Macquarie Lecture



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E&OE

Well thank you very much Chris and the Western Sydney Futures Dialogue. I acknowledge the

# Australian context: Smart Cities Plan – April 2016



## Innovation & Digital Economy

- Grow economy through digital information and technology
- Provide supportive governance environment



## Jobs & Skills

- Increase employment opportunities through skills development and improved accessibility to employment



## Investment in Infrastructure

- Improve connectivity and mode choice
- Support innovative financing
- Improve investment decisions



## Governance, City Planning & Regulation

- Establish an integrated planning approach
- Reform metropolitan planning and governance



## Housing

- Increase quantity and affordability of housing
- Provide greater housing choice



## Livability & Sustainability

- Improve ecosystems and natural amenity
- Support social and cultural experiences



## Australian context: Smart Cities Plan

a City Deal may include:

- **Targeted initiatives to strengthen existing or emerging economic hubs**
- **Transport infrastructure funding or financing**
- **Housing supply and planning changes**
- **Changes to regulatory and zoning arrangements**
- **Investments that improve environmental outcomes**
- **Maximising benefits from underutilised State and Commonwealth land**

# City Deal – Talk of the town

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## Want a City Deal? Then ask for one, Minister Angus Taylor says



# City Deal – Talk of the town



**Infrastructure  
Australia**

# Infrastructure Priority List

Date of release

**7<sup>th</sup> October 2016**



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# City Deal – Talk of the town

Proposed initiative	Location	Problem description	Proposed timescale	Problem category	Initiative development stage
Melbourne Metro Rail (Melbourne CBD rail simplification and capacity upgrade)	Vic	Melbourne rail network capacity	Near term	Urban Congestion	Business case development
Road connection between West Gate Freeway and Port of Melbourne and CBD North	Vic	Connectivity between West Gate Freeway and Port of Melbourne and CBD North	Near term	Urban Congestion	Business case development
Cranbourne & Pakenham lines – level crossings removal	Vic	Melbourne south east road network congestion	Near term	Urban Congestion	Business case development
Improve the connection between Eastern Freeway and CityLink	Vic	Connectivity between Melbourne's Eastern Freeway and CityLink	Near term	Urban Congestion	Initiative development
Perth CBD north corridor capacity	WA	Perth northern corridor capacity	Near term	Urban Congestion	Options assessment
National Urban Road Network Congestion Mitigation Portfolio	National	National urban road network congestion	Near term	Urban Congestion	Initiative development
Sydney Port Botany Rail freight duplication	NSW	Sydney Port Botany Rail freight capacity	Near term	National Connectivity	Business case development
Sydney freight rail network upgrade	NSW	Sydney freight rail network capacity	Near term	National Connectivity	Business case development
Freight corridor from Port Botany and Sydney Airport to WestConnex at St Peters	NSW	Sydney road network capacity: Port Botany and Airport to WestConnex	Near term	National Connectivity	Business case development
Western Sydney Airport	NSW	Sydney aviation capacity	Longer term	National Connectivity	Business case development



# Malcolm Turnbull and Mike Baird spruik 100,000 job 'City Deal' for Sydney's west

Lisa Visentin and Jacob Saulwick

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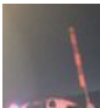
Prime Minister Malcolm Turnbull and Premier Mike Baird have announced a "city deal" for Sydney's west that promises 100,000 jobs for the region - without specifying how those jobs will be created.

With high rhetoric but scant detail, Mr Turnbull and Mr Baird declared the venture "historic" as they signed a memorandum of understanding at Australian Technology Park near Redfern on Friday.



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# City Deal – talk of the town - Last Night

Only last week the Commonwealth and NSW State Government announced a Western Sydney City Deal,

The Turnbull Government's City Deals initiative is ground breaking reform aimed at making our cities more liveable through more integrated planning and improved delivery of infrastructure



This deal will coordinate government action to increase housing in Western Sydney through better planning and density done well and streamlining approvals across all three levels of government.

**A more effective mechanism for infrastructure funding, prioritisation and governance across metropolitan regions**



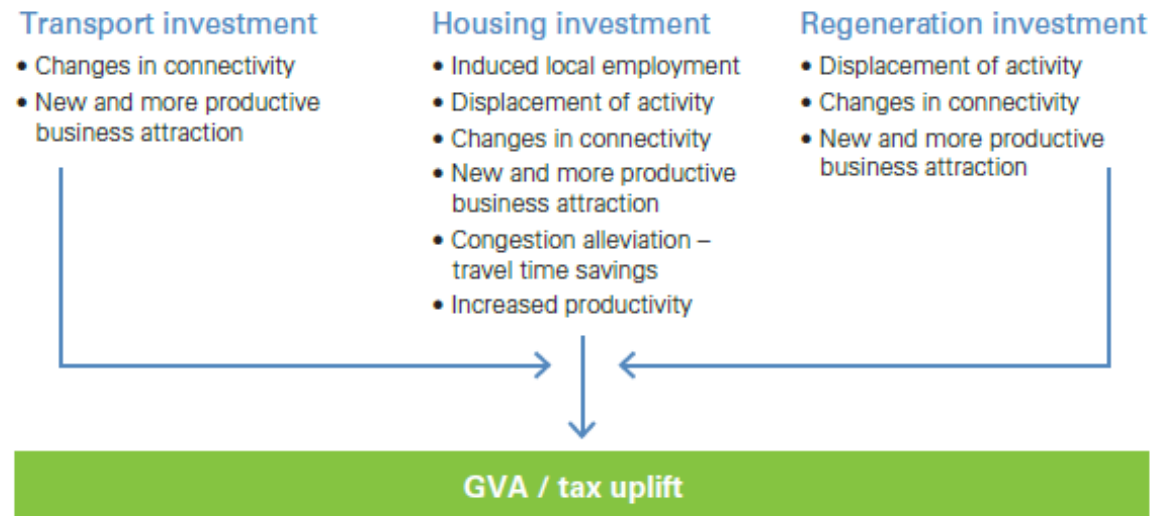
# What is a City Deal?

- 1 A long term funding **contract** that links **funding** with a set of economic and social/environmental **outcomes** that are agreed at the outset.
- 2 Brings **3 tiers** of government + **PE** together to prioritise infrastructure in the economic region.
- 3 Guarantees agreed funding mechanisms to ensure delivery of infrastructure plans.



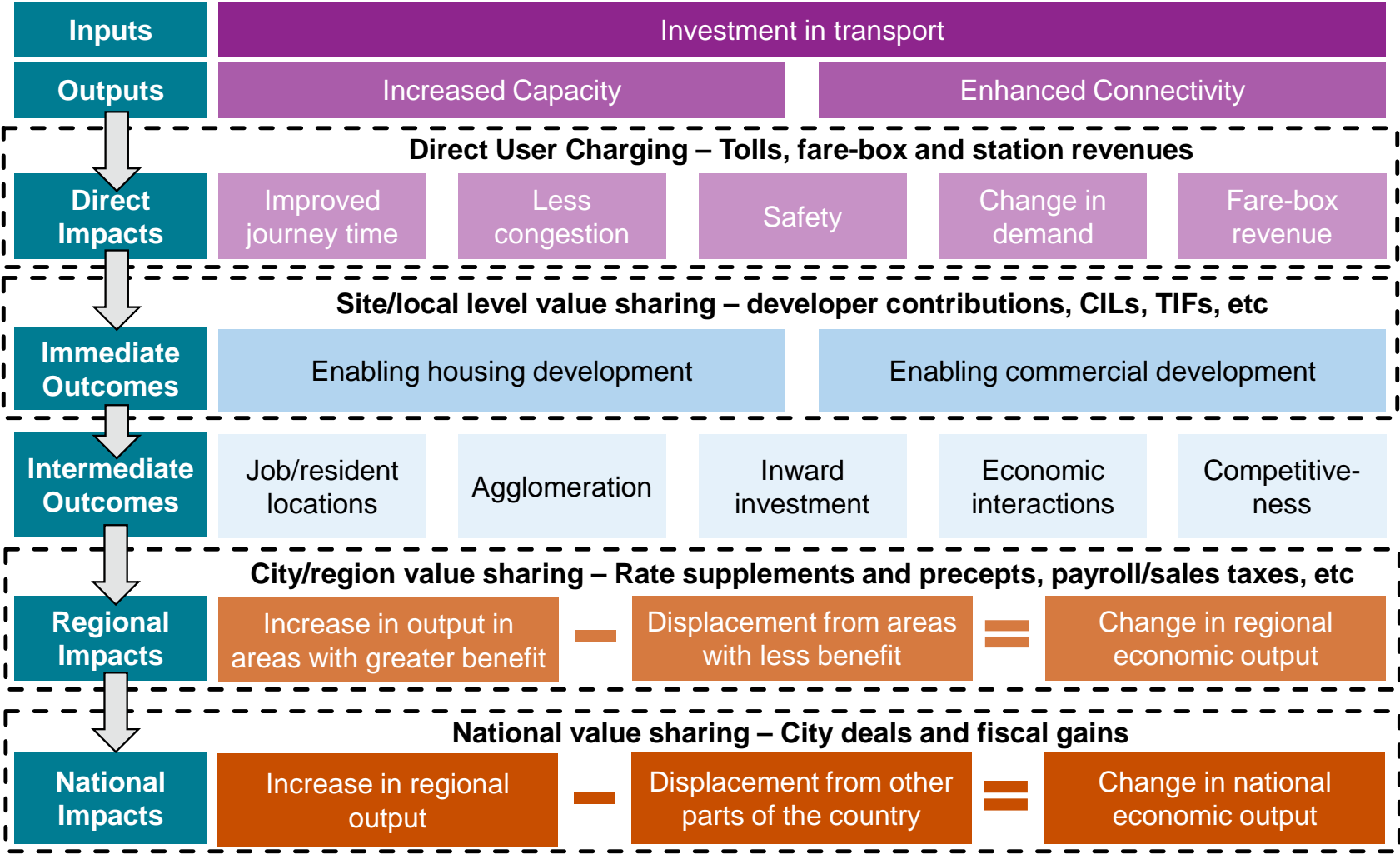
# City Deals

- City Deals originated in the UK (Manchester, 2012) – they are an approach to driving cross-governmental agreement on investment priorities across a defined geographic area.

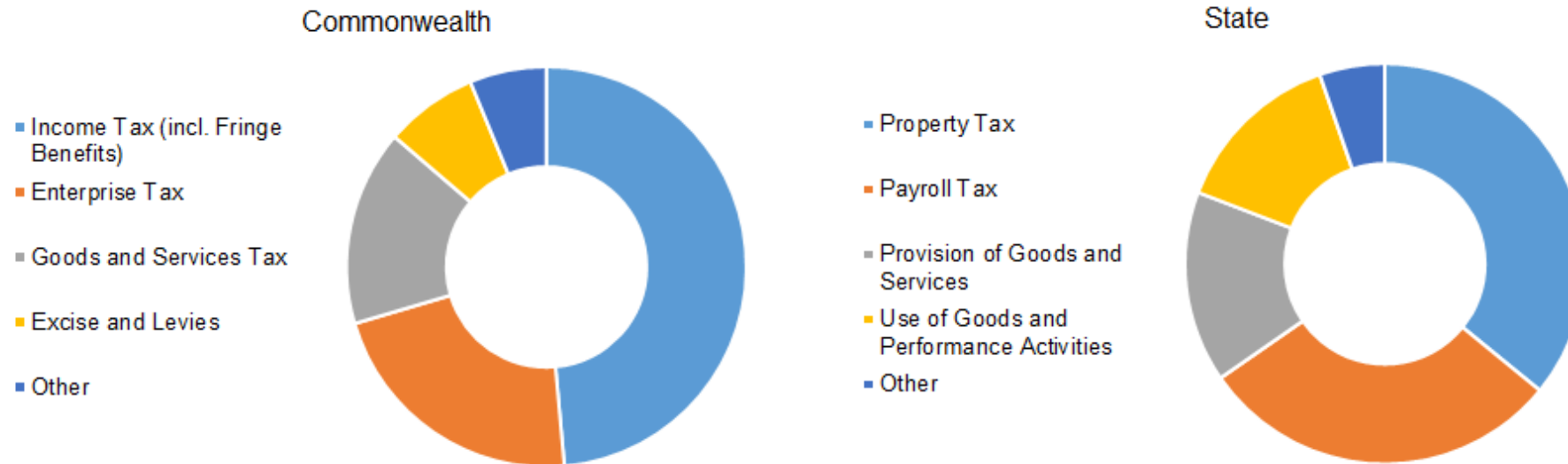


- Deal between an economic region and the government
- City Deal generally runs for 10 years or longer
- Each region identifies a list of priority projects to be delivered, along with economic performance benchmarks

# Infrastructure and value creation



# Australian context: taxation



**State autonomy over decision-making is not matched by an equal level of revenue-raising powers and the type of taxes that are retained by the Commonwealth government are those that benefit from a boost in productivity**



# Background and principles

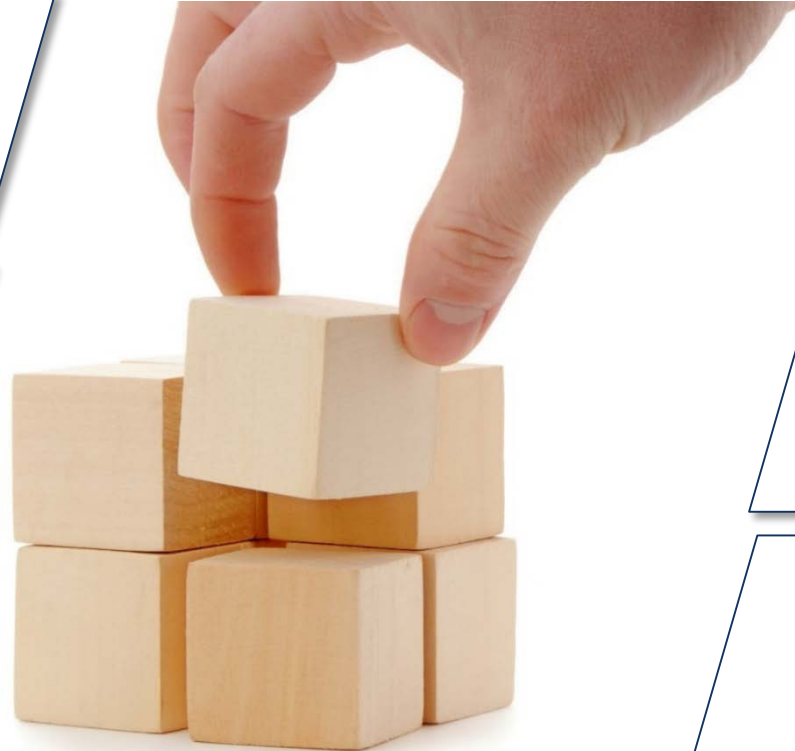


# Key Principles of the City Deals Model

**Agreed key strategic objectives** as well as secondary objectives to ensure balance

Objectives that **align local outcomes** with the national interest

Meaningful local risk taking via **additional investment**



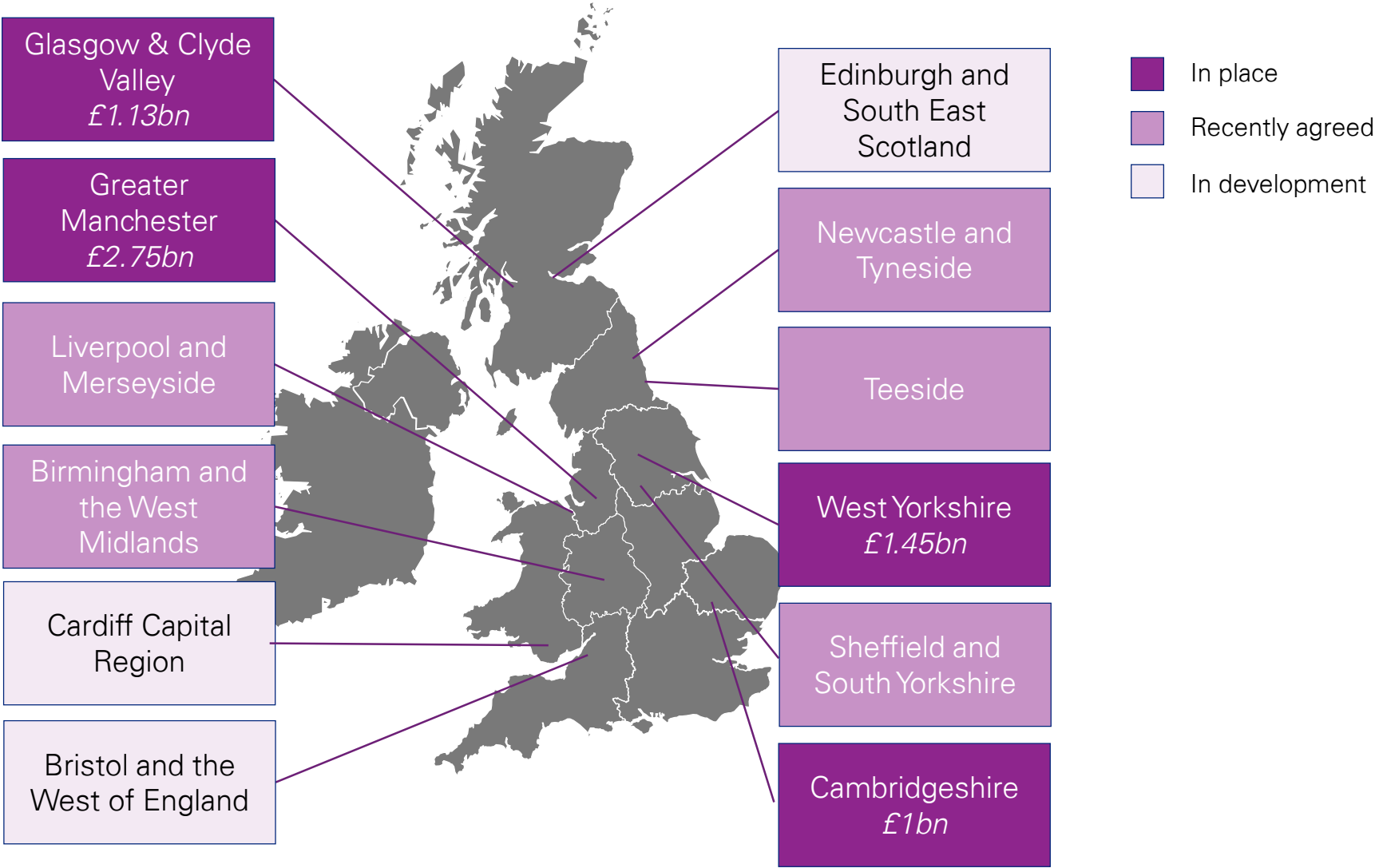
Effective **tools for prioritisation** and package building

An **effective local coalition**, ideally consistent with the economic geography

**Resources to deliver** the City Deal

**A more effective mechanism for infrastructure funding, prioritisation and governance across metropolitan regions**

# Agreed UK City Deals





## Diversity of City Deal Scope – targeted outcomes

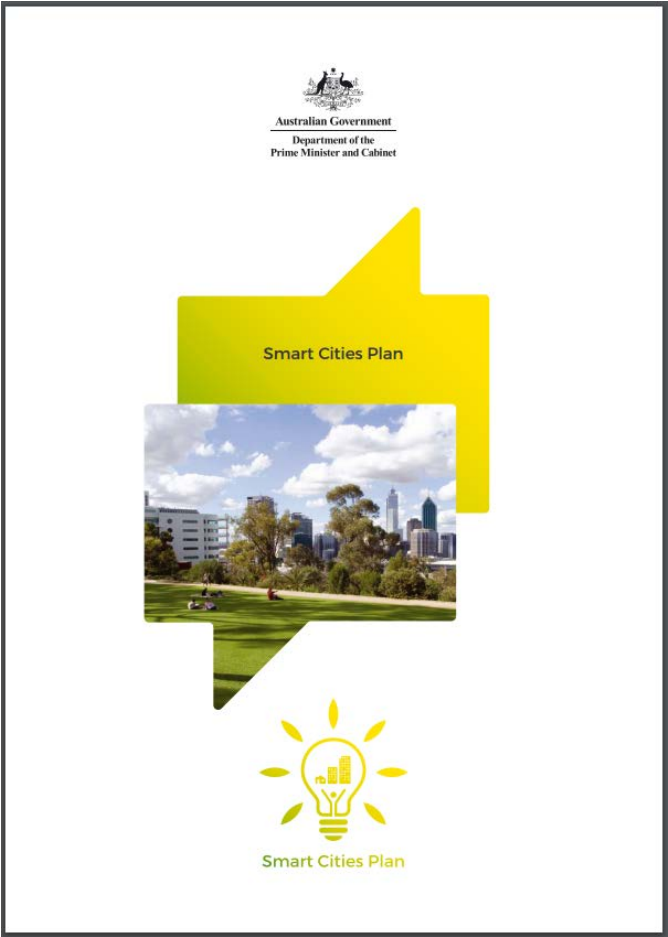
	Skills	Housing	Infrastructure Investment	Transport	Low-Carbon	Digital	Business Support
Birmingham	✓	✓	✓		✓		
Bristol	✓		✓	✓			✓
Leeds	✓		✓	✓	✓		
Liverpool	✓		✓	✓	✓		
Manchester	✓	✓	✓	✓	✓		✓
Newcastle	✓	✓	✓	✓	✓	✓	
Nottingham	✓		✓	✓	✓	✓	✓
Sheffield	✓		✓	✓	✓		

## UK City Deals: Great Manchester City Deal

First of 20, City Deals – 10 Local Councils Greater Manchester Combined Authority (GMCA).

- ▶ **Investment:** a £1.2 billion local transport infrastructure fund was created to drive growth, rewarded through ‘earn back’ funds from the central government of up to £30 million a year for 30 years for meeting growth targets
- ▶ **Business support:** a £4.4 million Regional Growth Fund
- ▶ **Skills:** a City Apprenticeship and Skills Hub - 6,000 apprentices in jobs
- ▶ **Transport:** GMCA implementing a £1.4 billion transport expansion
- ▶ **Housing:** a housing investment fund has been established, using local and national investment funds to develop 5,000 to 7,000 new homes by 2017
- ▶ **Reduced carbon** emissions: a Low Carbon Hub reduce the city’s emissions by 48%

# Federal Government Goals ... to increase



Innovation &  
Digital Economy



Jobs & Skills



Investment in  
Infrastructure



Governance, City  
Planning &  
Regulation



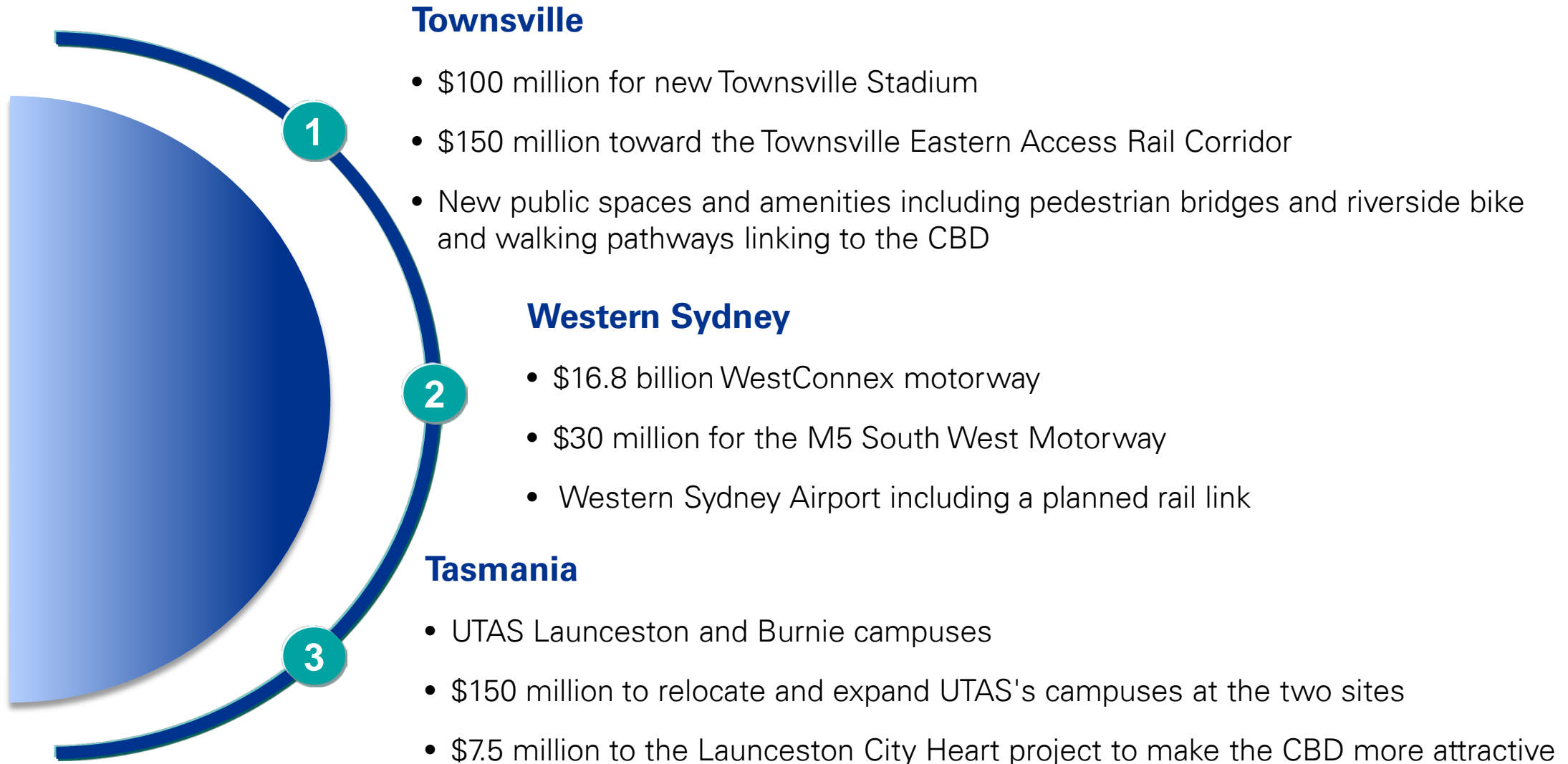
Housing



Livability &  
Sustainability

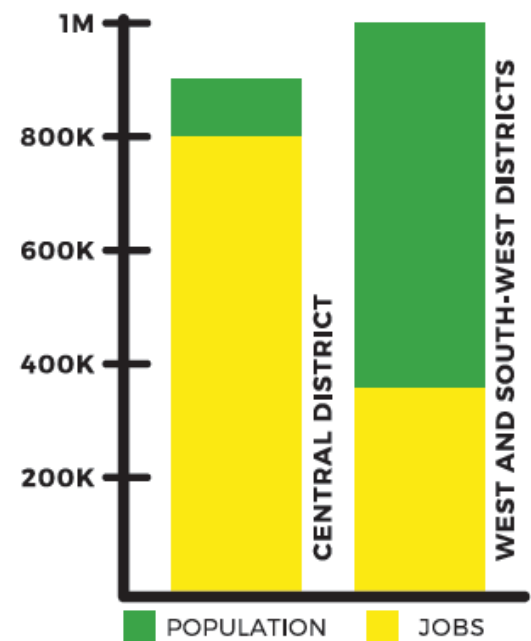
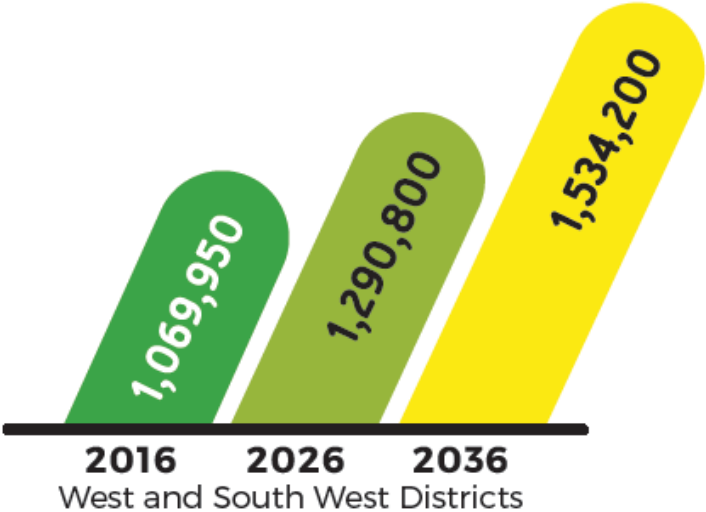


# Announced City Deals



# The Western Sydney City Deal

WESTERN SYDNEY WILL GROW BY MORE THAN **1 MILLION PEOPLE** OVER THE NEXT 20 YEARS INCLUDING ALMOST **500,000** IN THE WEST AND SOUTH WEST DISTRICTS<sup>(1)</sup>



The West & South-West Districts have **360,000 jobs** for a population of **over one million**

Compared with Sydney's Central District, which has over **800,000 jobs** for a population of **close to 900,000**<sup>(2)</sup>

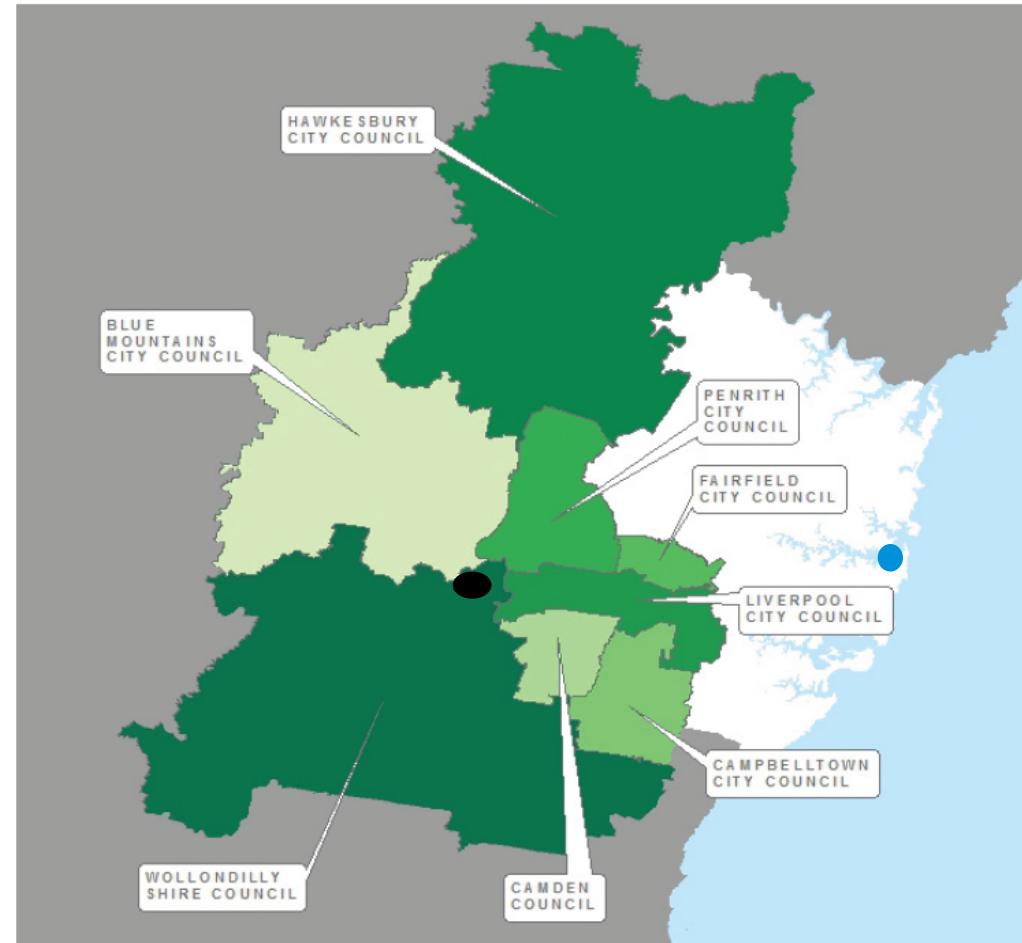
# The Western Sydney City Deal

Unlock **public and private investments** in key infrastructure

Single largest planning, investment and delivery **partnership** in Australia

Built on Western Sydney **Airport, transport & other investments**

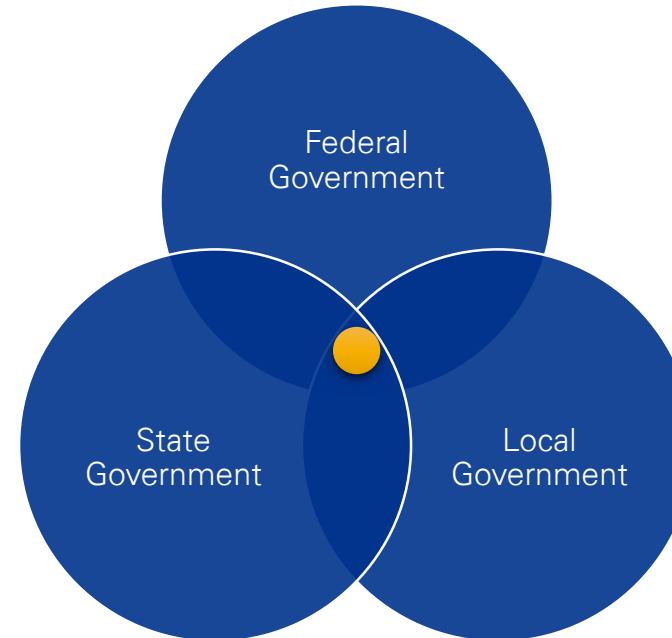
The Australian and New South Wales governments will work with local governments across Penrith, Liverpool, Camden, Campbelltown, Fairfield, Wollondilly, the Blue Mountains and Hawkesbury.



# Opportunities for Western Sydney

## Local, State and Federal Alignment

- Drive more competitive cities and regions
- Support economic growth and productivity improvements
- Improve livability and the environment
- Assist with housing supply
- Capitalise on technology and innovation



Aligning Federal, State &  
Local Government  
Priorities



# Opportunities for Western Sydney

## Governance and delivery

- Leadership and vision
- Coordination and collaboration
- Governance structures with teeth
- Stakeholders and journey

## What are you trying to do?

- Grant or performance-based?
- What are you trying to buy?
- How much money can you throw at it?
- Where will the risks lie?

## Strategic vision

- Understanding uniqueness
- Avoiding empty terms
- Policy mix
- Top and bottom-line

## Avoiding pitfalls

- Risk and uncertainty
- Modelling fallacy (evidence)
- Details matter (it is a deal)
- Understand the community needs

# City Deal – what now?

## FINANCIAL REVIEW

PREMIUM

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## Want a City Deal? Then ask for one, Minister Angus Taylor says





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