# PARTNERSHIP FOR PROSPERITY CHALLENGING AN UNCERTAIN FUTURE



Urbis acknowledges the Traditional Custodians of the lands we operate on.

We recognise and respect their continuing connection to these lands, waterways and ecosystems for over 60,000 years and pay our respects to their Elders past and present.

We recognise that First Nations sovereignty was never ceded and that this was and always will be First Nations land.

# OUR CALL To action

### **CRISIS. EMERGENCY.**

The issues facing our cities and regions are immense. A severe undersupply of affordable housing, growing inequity, inadequate public transport, connectivity and climate change consequences, to name a few.

Our way of life is not in jeopardy. Living is. In the past 12 months, there has been an increased focus on the liveability pressures facing communities across NSW, and indeed nationally. From a governance perspective, there are challenges in stewarding a path in an environment where climate uncertainty and social fragility are testing the resilience and sustainability of our cities and communities.

Understanding we need practical, implementable, and impactful solutions, Urbis called on the brainpower of leaders from diverse backgrounds, spanning private, public, academic, professional services and for-purpose sectors. These creative and analytical thinkers came together on 23 August 2023 at Urbis' event, 'Challenging an Uncertain Future: Co-creating Practical and Effective Solutions'.

Together, we workshopped what could be achieved if solutions were designed from a place of partnership. This thinking requires us all change the way we overcome barriers to collaborative problem solving, transforming how we approach our policymaking, business, and governance.

This document synthesises the outcomes of the event, highlighting the primary obstacles and defining a 10-point plan to overcome them.



# OUR Obstacles

There are many barriers blocking collaborative approaches to problem solving. Following are what we consider the most obstructive today.





# Narrowly defined value

We do not consider balanced and holistic definitions of value when looking at proposed policy, investment or development changes. Future solutions must include social, environmental, equity and broader liveability considerations alongside the traditional commercial and economic returns.

We look at outcomes in isolation and fail to see the interrelationships. We see the world as a zero-sum game. The wins made by a particular stakeholder are assumed to have to come at the expense of another.



We plan and deliver in isolation. Too often infrastructure is being delivered to a single purpose, without considering amenity, liveability, sustainability, productivity and equity outcomes. Coordination is deemed too hard. A systems thinking approach is desperately needed where win-win outcomes are prioritised, and adversarial approaches are cast aside.



There is widespread NIMBYism (Not In My Backyard) particularly in affluent areas. The argument is that development, investment, growth and change will slow down property price growth, worsen traffic congestion and increase noise. This self-interest ignores evidence and comes at the expense of future generations' prosperity. It perpetuates social and economic segregation and prevents individuals, such as essential workers, from accessing suitable housing. This resistance causes communities to miss out on the vital benefits of diverse housing, like promoting economic strength and improving social inclusion.





# Lack of shared purpose and vision

There is a trust deficit. There is no unified and inspiring vision of what a prosperous, liveable and sustainable future NSW looks like. What does density done well look like? How can we deliver housing supply, choice and affordability in a way that can improve the productivity, equity and sustainability outcomes of the State? What is our individual and collective contribution to a better future?



The existing governance structures result in a culture and ecosystem that hinders experimentation, risk taking and innovation. There is a misguided assumption that there is no cost to doing nothing. That we could somehow continue to enjoy our current lifestyle without the need for population, development, policy and investment growth. Objectives by different stakeholders and agencies are automatically assumed to be incongruent with one another.









# OUR PROPOSITION: Partnership for Prosperity

Time is up for traditional problem solving, responsibility-shifting, blame games and mistrust.

We need a new deal.

### We need a Partnership for Prosperity.

This radically simple proposition enshrines a collaborative approach and building trust to solving each and every problem. In practice, it defines roles for government, the private sector, for-purpose organisations, and the community; each sharing equitably the risk, the responsibility and ultimately, the rewards.

All partners would commit to reasonable compromises, a dedication to shared outcomes, and clear delivery programs and timeframes.

Collaboration is not a new concept. But we need a new commitment. We have the solution. All that's needed is you.

# PARTNERSHIP FOR PROSPERITY 10 POINT PLAN

### Co-create an equitable and inclusive vision

A single vision that unifies all parties and provides a North Star to guide all decisions. How? Through a series of conversations amongst government, business, the for-purpose sector, academia and civil society (young and old). These need to occur with a focus on defining and co-creating a unified vision of a prosperous, sustainable, equitable and liveable future NSW.

### 2 Set equity targets

We measure what we value. It's time to take equity outcomes seriously. We set targets and monitor the performance of macroeconomic indicators such as unemployment, economic growth and inflation; and change policies accordingly. We need to set equity targets and monitor outcomes with the same level of seriousness and make policy, investment and development decisions based on the evidence of performance.

### 3 Transform consultation to collaboration

To effectively support not just growth, but prosperity, we need to transform the structure of community consultation from a battle between perceived "givers and takers" to collaborative negotiation. The consultation process will require a pre-commitment to negotiation and readiness to compromise. The agreement, which will be binding on all parties along with the evidence of its outcomes, will form a component of the assessment process. This will move consultation processes from a position of perceived conflict to one of collaboration.

### 4 Redefine the measures of success

Move beyond the completion of siloed tasks as a measure of success to a more holistic multistakeholder agreed way of measurement that better captures quality of life for all. Measure progress and intergenerational consequences of our actions now and into the future.

"Put people and progress, fairness and opportunity at the very core of our thinking about our economy and our society, now and into the future". The Hon. Dr Jim Chalmers MP, Treasurer. <sup>1</sup>

## 5 Shift from siloed to holistic KPIs

We need to cease single activity based KPIs for different government agencies, developers, investors and the not-for-profit. KPIs need to be more inclusive and integrated, with holistic delivery, prosperity and liveability outcomes for people and places the priority. KPIs should be agreed through co-design and collaborative efforts that engage all major stakeholders and are framed according to a broad concept of value. For example, KPIs that highlight early delivery of enabling infrastructure for new communities' developments should be prioritised to reflect the critical role this plays in creating broader economic and social value.

### Story telling the 'why' and the 'how'

Increasing support for change requires understanding its purpose, need, and how it will be achieved. Communities are to be educated on the context, the challenges, the solutions and how they will be delivered. This evidence includes the consequences of no change, so the opportunity cost of inaction is demonstrated and encourages thinking beyond individual self-interest.

### Develop a framework for informed and balanced assessment

Impact assessment and business case requirements for government funding and land use planning approval should be rebased to consider the cost of inaction. It is unrealistic to assume the world remains unchanged if an investment or development does not progress.

### Mandate integrated infrastructure, land use planning, and delivery

We need to shift the adversarial relationship between planning authorities, infrastructure and service agencies, developers and civil society to one of cooperation and joint accountability. This will maximize the liveability and productivity outcomes from land use, infrastructure planning and delivery. We need to stop treating investment and development decisions as zero-sum games to opportunities for win-win outcomes.

### Incentivise first-movers and experimenters

State and local governments should consider fiscal and land use planning incentives to encourage experimentation and innovation in NSW. State and local governments from around the world with the most effective business attraction programs routinely offer companies billions of dollars in fiscal incentives, including cash grants, rebates and tax credits to entice them to relocate, expand or stay in a particular locality. In the United States some USD90 billion in fiscal incentives are dispensed by local and state governments a year.<sup>2</sup>

## **10** Supercharge Improvement Districts

Replicate the Sydney Western Harbour Business Improvement District (BID) in other places. A BID is a partnership between local government, community and business where they come together to fund and govern the improvement of a local place/precinct. Transport for NSW is proposing a new policy to make it easier for BIDs to be set up in NSW.<sup>3</sup>



# 10 POINT PLAN Solves all five Obstacles

10 Point Plan		Narrow definition of value	Siloed thinking	Vested interests	Lack of shared purpose and vision	Risk averse culture
1	Co-create equitable and inclusive vision	<b>~</b>	<b>~</b>	<b>~</b>	✓	<b>~</b>
2	Set equity targets	<b>~</b>	<b>~</b>	<b>~</b>	~	<b>~</b>
3	Transform consultation to collaboration	<b>~</b>	<b>~</b>	<b>~</b>	~	<b>~</b>
4	Redefine measures of success	<b>~</b>	<b>~</b>	•	×	<b>~</b>
5	Shift from siloed to holistic KPIs	<b>~</b>	<b>~</b>	•	✓	<b>~</b>
6	Storytelling the 'why' and 'how'	<b>~</b>	<b>~</b>	<b>~</b>	~	<b>~</b>
7	Develop a framework for informed and balanced assessment	<b>~</b>	•	<b>~</b>	✓	<b>~</b>
8	Mandate integrated infrastructure, land use planning, and delivery	<b>~</b>	•	<b>~</b>	×	<b>~</b>
9	Incentivise first-movers and experimenters	<b>~</b>	•	<b>~</b>	✓	<b>~</b>
10	Supercharge improvement districts	<b>~</b>	×	<b>~</b>	~	<b>~</b>



# CASE STUDIES

The good news? Some of these practical and impactful solutions are already in play. Following, we highlight three instances of what we hope to see more of.

### **UK SOCIAL VALUE ACT**

**Case Study** 

The <u>Social Value Act</u> provides a robust framework for defining and quantifying measures of success by requiring people who commission public services to think about how they can also secure wider social, economic and environmental benefits. The Act is effectively a mechanism that embodies a broader concept of stakeholder value in the procurement process.

It also encourages commissioners to consult with their local provider market and/or community to design better projects and services that involve collaboration between government, businesses and non-governmental organisations. Another benefit of the Act has been the increasing standardisation of social value measurement, and a sharing of the risk of benefits realisation.

In June 2018, the UK Government expanded the Act to enable the explicit evaluation of social value when awarding most major contracts. The expanded Act is now supported by the Social Value Model that provides a consistent approach for government, service suppliers and development partners that streamlines and standardises the procurement process. The National Social Value Measurement Framework (the TOMS) is now the prescribed measurement and monitoring tool for social value in the UK. It provides an evidencebased and consistent foundation for the defining outcomes and measures of success for projects and programs. The TOMS seek to enable the public and private sectors to measure social value delivered by providing national standards that are objective indicators to measure what positive outcomes have in fact been achieved by a project or activity. The TOMS are updated on an annual basis and include a set of 'proxy' values expressed in financial terms, that enables users to assess the impact of activities on a social value.

Together the UK Social Value Act and Social Value Model enable the procurement and delivery of projects and services that are based on a broad concept of value, shared responsibility, co-creation of equitable and inclusive projects and services, and a consistent stakeholderinformed framework for the measurement of success.

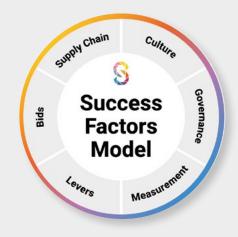




Image source: www.socialvalueportal.com

#### How does this case study perform against the 10 POINT PLAN?

- Set equity targets
- 3. Transform consultation to collaboration
- 4. Redefine measures of success
- 5. Shift from siloed to holistic KPIs
- 7. Develop a framework for informed and balanced assessment

8. Mandate integrated infrastructure, land use planning, and delivery

### INTEGRATED INFRASTRUCTURE AND LAND USE PLANNING AND DELIVERY

### **Case Study**

During the initial COVID-19 response period, NSW launched a number of initiatives to fast-track planning processes to keep construction and the economy moving. The <u>Planning</u> <u>System Acceleration Program</u> was one such initiative which was a series of reforms and partnerships between state and local governments.

Under this program, the <u>Accelerated Infrastructure</u> <u>Fund (AIF)</u> was launched in April 2020 with the aim of fast tracking the funding of infrastructure to unblock development approvals and speed up the delivery of housing supply.

The state fund was open to project nominations by councils and was created to deliver on four key objectives:

- Fund infrastructure that unblocks development approvals and enables development activity
- Stimulate construction activity by investing in 'shovelready' infrastructure projects
- Reduce local developer contributions
- Encourage developers to enact development approvals and invest in construction.

The AIF's overarching goal was to achieve quick wins to deliver housing supply in high growth areas of Greater Metropolitan Sydney. The program has been run in a series of rounds and has grown from its original funding of 14 projects in identified Western Sydney greenfield areas to funding 36 projects throughout NSW. While later rounds of the AIF are under construction or at various stages of funding allocations and agreements, round one has demonstrated that funding for smaller infrastructure projects can accelerate development.

Round one provided AUD75.9 million to 14 now largely completed projects which aimed to unlock up to 40,000 new homes, 115 ha of employment land and up to 1000 jobs in identified growth areas.<sup>4</sup> The infrastructure funded included:

- 4.55 km of local road
- 1.63 km of stormwater infrastructure
- 35.4 ha of public open space
- 31 playgrounds and parks
- 0.5 km of cycleways.

This fund has acted as a lever to complete physical and social infrastructure projects which would otherwise impede land release and housing delivery.

The AIF is an effective model demonstrating how state government can work effectively with the development community and local governments, who are under-funding pressure due to rapid growth in addressing housing supply and social infrastructure provision.





Image source: The Accelerated Infrastructure Fund

### How does this case study perform against the **10 POINT PLAN**?

- 5. Shift from siloed to holistic KPIs
- 7. Develop a framework for informed and balanced assessment
- 8. Mandate integrated infrastructure, land use planning, and delivery

### **MEASURING WHAT MATTERS**

### **Case Study**

Redefining measures of success by implementing a wellbeing approach encourages better measurement of people and progress, fairness and opportunity - improving the focus of policy makers. This year, the Australian Government released <u>'Measuring What Matters'</u>, Australia's first national <u>wellbeing framework.</u><sup>5</sup>

The Framework uses 50 indicators to evaluate our progress towards more healthy, secure, sustainable, cohesive and prosperous Australia. These measures go beyond GDP, employment and other traditional economic indicators to capture what is important to people, communities and the country.

The aim is to provide a more comprehensive foundation for understanding our economy and society to inform the efforts of government, business and the community sector in improving the lives of all Australians. While identifying measures, the Framework also guides each sector towards improving them – a partnered approach to prosperity.

The Framework helps to shift thinking of now to longterm. It's a more holistic way to measure progress, and to measure the intergenerational consequences of our policies.

'Measuring what Matters' has five wellbeing themes: Healthy, Secure, Sustainable, Cohesive and Prosperous. Inclusion, equity and fairness are cross-cutting dimensions of the Framework.

This Framework takes inspiration from international sources, New Zealand and Scotland being two exemplars.

New Zealand established its first <u>Wellbeing Budget<sup>6</sup></u> in 2019, and with it set out five priorities for budget funding:

- transition to a sustainable and low-emissions economy
- social and economic opportunities
- lifting Maori and Pacific peoples' opportunities
- reducing child poverty
- improving mental health.

The challenges this Wellbeing Budget sets to overcome are long-term and the impacts won't be outwardly noticed for some time. However, these priorities have stayed the same over four Wellbeing Budgets – albeit with some minor changes – and that's a success in itself.

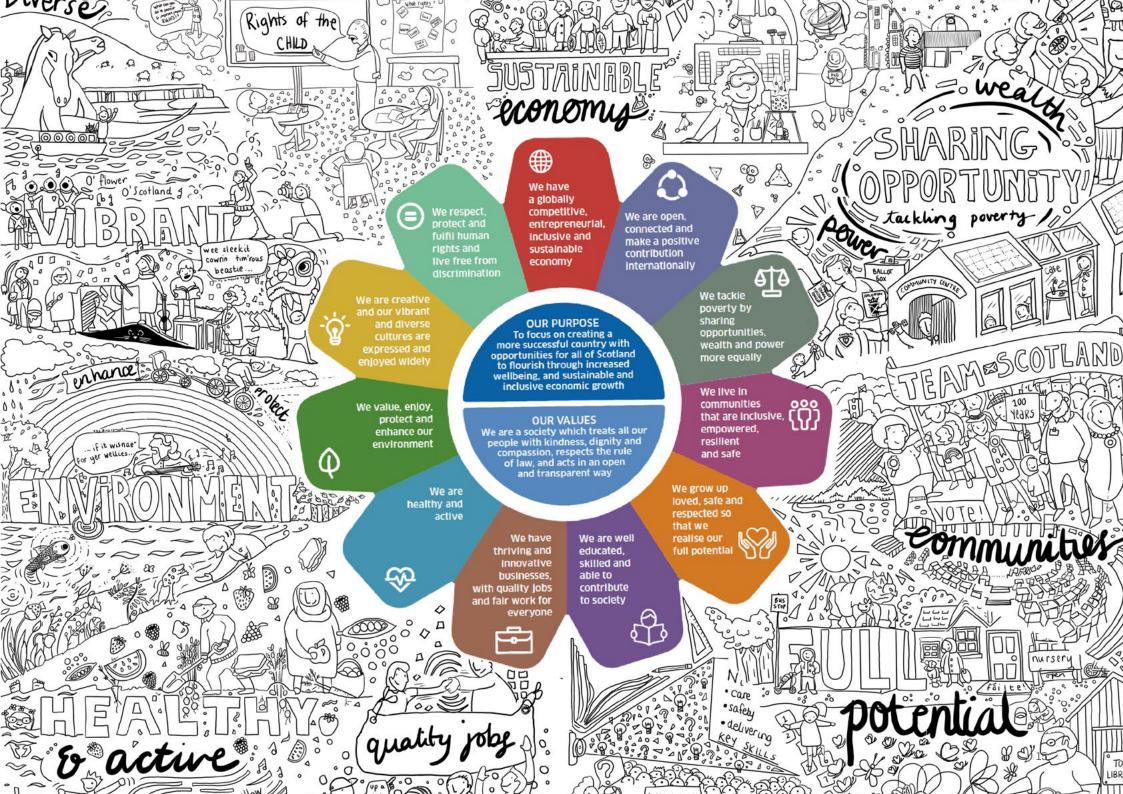
New Zealand's Wellbeing Budget puts wellbeing spending at the forefront of the government's focus. It is working on measuring progress in more sophisticated ways and encourages departments to prepare policy bids with a view to these priorities. It makes wellbeing a benchmark by which to judge the budget. Scotland has for 15 years used a wellbeing framework to guide its spending and policy priorities. The <u>'National</u> <u>Performance Framework'</u><sup>7</sup> was adopted in 2007 with a vision to measure and improve wellbeing outcomes. Updated in 2018, it covers 11 major outcomes, including "a globally competitive, entrepreneurial, inclusive and sustainable economy" to children growing up "loved, safe and respected" – with 81 measures of improvement.

Speaking to the Framework's progress, public policy researcher Jennifer Wallace, says, "The Scottish experience on wellbeing frameworks provides some evidence of the link between a wellbeing framework and advocacy, policy and social change... With over 10 years of experience, it tells a strong story of how a focus on wellbeing can reorientate government by creating a shared language for public services and a sense of unity of purpose."<sup>8</sup>

'Measuring what Matters' is a big step in the right direction for improving the lives of all Australians. The responsibility of realising its objectives belong to all sectors - private, public, and for-purpose.

### How does this case study perform against the **10 POINT PLAN**?

- 2. Set equity targets
- 4. Redefine measures of success
- 7. Develop a framework for informed and balanced assessment



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#### Prosperity for all is reliant on effective partnerships. No single sector holds the key. It requires collaboration, cooperation and a shared purpose.

#### We're ready for action. Are you?

Contact us to discuss how we can achieve practical, implementable, and impactful solutions, together.



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