Connected Decisions

Principle 1: Facilitation

As populations grow and the density of our urban environment increases, decisions are being made that will shape our communities and how we live for years to come. So why is it that governments, which operate through election cycles, are typically the decision makers while the local community and businesses often have a longer-term stake in what happens?

In aspiring to make genuinely connected decisions, we need to rethink government's role, as a traditional top-down approach does not have the depth needed to effect local change.We need to look at 'governance beyond government' and embrace all of society in collaborative decision making. Government has a critical role to play as an enabler of this collaborative approach, making sure that laws and regulations are upheld, that outcomes are transparent and equitable and duplication of effort is reduced. But they don't always have the answers – and nor should they.

In exploring more flexible governance structures, we need to acknowledge that at times government may need to lead collaboration efforts – either with other levels of government, other departments, non-government entities or a combination of these. Other times, government can take on the role of facilitator, enabling other organisations to step up to the plate. In this structure, government can act as a partner to the community and an enabler of the development through planning, policy and resources. Understanding the appropriate model for a particular precinct or issue will be the challenge.

Our global cities demonstrate a variety of governance structures, shaped by factors including demographics, culture, geography, economics, politics and the environment – with each city having its own unique dynamics. We can, however, determine the strength of each system of governance by experiencing and analysing the liveability, functionality, efficiency and sustainability of each city. We can look to other global cities from which to draw lessons – so long as we embrace the evolutionary nature of our cities and therefore the need for our governance structures to change with this. In a time of rapid change, static governance and a 'business-as-usual' approach will not allow for our cities to continue to grow and thrive.
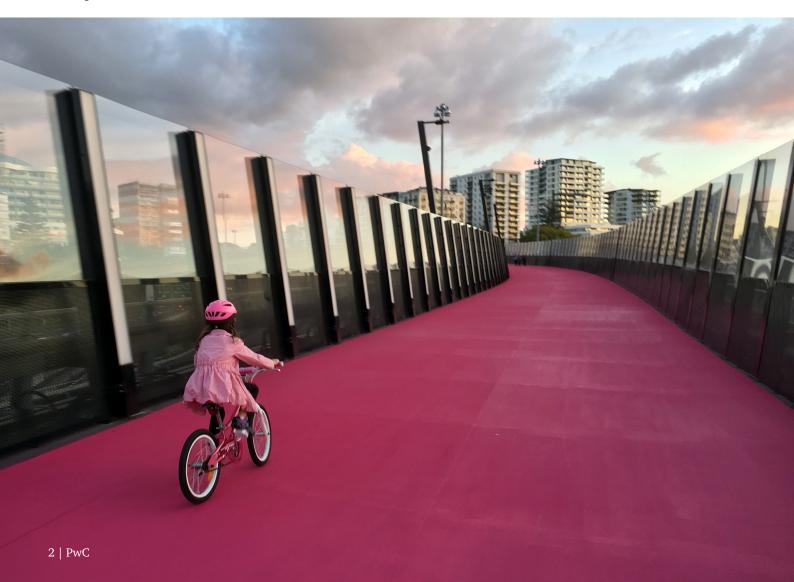
"Governance – how we make decisions – is central to the successful development and growth of precincts. Cities and places are complex, and the governance around a place will have a significant impact on how it functions, how it grows and how it connects with the people who live, work and play there."

Collaboration: engaging the community in decision-making

The people that inhabit places are increasingly acting as collective problem-solvers and active delivery partners rather than passive recipients of new developments. Each individual will be living, working and playing in these spaces; their needs, as well as the needs of future residents, should be at the forefront of decision-making processes. The 'placemaking approach' is an ideal avenue for empowering the community, building their confidence and collaborative skills, allowing them to self-organise and giving them the tools to solve the problems in the areas where they live and work.

As the key stakeholder in the placemaking process, the community needs to be engaged at all stages and levels.

The city of Auckland, led by its Council, is an exciting example of what can happen when communities shape the places in which they live, work and play. A strategic plan is in place for community-led design which acknowledges the vital role of the community in placemaking, while enabling the people to shape places through their own initiatives. The scale of initiatives ranges from small short-term projects, events and activities – street planting, murals, markets – to large-scale visioning for neighbourhood planning

Also in New Zealand, Porirua City outside of Wellington, has developed the Porirua Village Planning Programme, putting communities in charge of the development of their neighbourhood's vision, then partnering with Council to make it happen. 11 of their 16 villages have developed village plans, resulting in a great increase in community pride, goodwill and connection between Council and its communities.

Government and developers need to embrace more extensive and genuine community partnerships, to realise the community as a partner in progress. To reflect this, we need to explore the potential for communities to form coalitions that can be represented in governance structures. Formally recognising the place for the community within the governance structure can assist in moving away from what has traditionally been reactive, issue-based campaigning, which often occurs during major development processes. Having a central point of contact can also allow governments and developers to engage with the community in a more coordinated way.

The more successful community engagements have been those that target all user groups through various media and modes of interaction while ensuring the process is ongoing rather than having a single moment of input and feedback. Additionally, the ability for the community to access sound data and information to inform their decisions is an important factor.

Governance models in precinct planning

In large precincts and urban renewal sites, a robust governance structure needs to be in place to facilitate decision making at a strategic and policy level. Additionally, the organisational structure around decision making should be sufficiently dynamic to consider the complex needs and issues around precinct planning.

A precinct with a robust governance structure will also provide a sound management strategy, which should include a proactive and flexible management authority to meet the ongoing needs of the precinct. With key responsibilities including maintenance, security, commercial management, programming, marketing, branding and place promotion, a 'place manager' is essential to the success of precincts and urban spaces.

An example of this governance model is the Metropolitan Redevelopment Authority (MRA) in Perth, which was established to oversee the redevelopment of five significant areas across the city. The MRA provides a unique governance model, which involves the authority being a planning regulator, developer and a place manager. The Authority's planning frameworks are customised for each redevelopment area, taking into consideration the unique vision and objectives required. Additionally, the MRA provide value through assistance in urban design, strategy and innovation.

Strong collaboration between all levels of government, the private sector and the community is essential in the design and delivery of large precincts. The MRA demonstrates the value of governance and decision making at a metropolitan scale that focuses on outcomes, people and place.

Governance frameworks also need to allow for flexibility as a precinct or city evolves. An example of adaptive governance is the City Deals approach, which 'bring together the three levels of government, the community and private enterprise to create place-based partnerships'. Applying this approach to precincts may provide the opportunity to collaborate and align investment decisions, strategic planning and policy to drive outcomes that meet the needs of all.

So if all levels of government are focused on placemaking and urban outcomes, with people at the centre of place, then an outcomes-based system should evolve. However, to achieve this and deliver change, governing bodies must be empowered to challenge and look beyond immediate operational considerations and approach cities and precincts through the lens of optimum social, environmental, economic and local benefit. With this focus on outcomes, the traditional structures of governing will be challenged and a new form of governance created to best address the issue at hand.

The Bennelong Bridge connecting two of Sydney's fastest growing communities, Wentworth Point and Rhodes, demonstrates the immense benefits from innovative funding of public infrastructure that can generate significant value for all stakeholders.

The NSW Government initially proposed a pedestrian and cycling bridge to link the two communities. However, the proposal was expanded by an alliance of private developers and landowners, who entered into an agreement to deliver the Bennelong Bridge in return for receiving additional development rights on the Wentworth Peninsula. Opened in 2016, the Bennelong Bridge allows for pedestrian, cycling and public bus and emergency vehicle traffic, but not private vehicles.

Constructed at no cost to government, this $63 million public asset was privately-funded and handed over to the Roads and Maritime Services. PwC undertook analysis of the value created by the bridge – and by value, we take into account the net benefits to a range of beneficiaries like government, the community and landowners through amenity increase, ease of mobility, sustainability, land value uplift and further development opportunities. In the case of Bennelong Bridge, the $63 million investment is estimated to have generated a total of $2.1 billion in value across a range of beneficiaries from 2014 to 2025.

> *When a government organizes itself around creating successful public spaces and generating Place Capital, it is often able to accomplish a broad range of existing goals more efficiently. When performing at their best, communities organize to compete to contribute to the public realm and shared value. Indeed, the most loved places were invariably created through this often informally generated culture of governance".*

Funding and value

A key issue that underpins any type of development is how to pay for it. Just as we look to multiple stakeholders to work together on solutions and governance, we should also be leveraging various stakeholders and blending finance to reflect the variety of precinct activities. A variety of funding and financing mechanisms can be drawn on from all parts of society – which can help to get precincts developed – but we also need to keep them operating and maintained. Importantly, alignment between governance and funding can bring those with a 'seat at the table' closer to those with 'skin in the game', increasing accountability to achieve the outcomes everyone has agreed on.

Although sometimes unpopular, we have to get comfortable with 'user pays' models for many of the services we enjoy. However, this not need be at the full rate of recovery, especially when considering essential services and low-income individuals.

We can get smarter at promoting lower-cost options, especially from technology enabling utilisation of existing assets, and how we provide information so that people can decide their willingness to pay.

Another aspect of funding that needs to be considered is that of 'shared value'. This approach recognises the fact that the value of development is often shared value across multiple stakeholders. For example, a new train station directly benefits commuters who live in the area, surrounding business from increased retail sales, road users if congestion reduces from modal shifts and improvements in the quality of life for the local community from less congested streets. Such infrastructure can also encourage development, increasing commercial and residential investment, which can lead to additional funding streams.

Recognising and maximising the value of a development for stakeholders can create funding streams when there's an opportunity to tap into or share the value created to help pay for the infrastructure delivering the value. Mechanisms that link the value realized to any value share is critical, ensuring that any contribution is less than the value realized at the time by the stakeholder. The community also has the potential to invest in developments through means such as local businesses and even crowdsourcing. and in doing so is given a greater stake in the development.

Finally, a governance structure based on a partnership between government, developers and the community, and which reflects the sources of funding and financing, can more effectively drive decisions that directly benefit all stakeholders and deliver on the agreed objectives.