

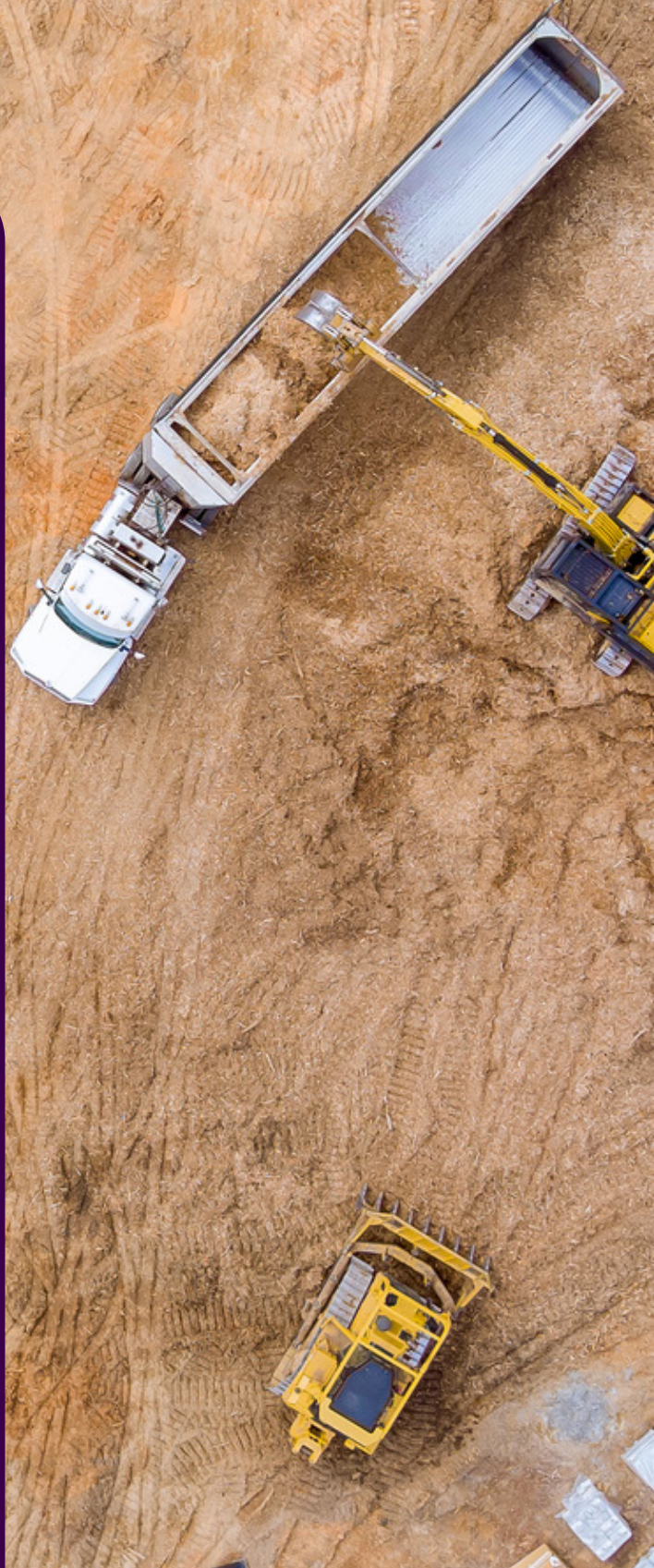
Western
Sydney
Leadership
Dialogue



Rebooting Delivery

c: \\ Rebooting > Delivery
November 2023

Full Report



Rebooting Delivery

Place-based delivery agencies are a well-established tool of state government to maximise the utility of strategic public land and to properly leverage catalytic investments in public infrastructure.

With the NSW Government simultaneously looking to establish a game-changing western economic hub in the Aerotropolis, investing in the largest expansion in public transport infrastructure since the original Bradfield Plan, and facing a critical housing crisis, there is a potential role for new and refocused state development corporations or delivery authorities.

However, before adding new layers of governance, creating new public service roles, new ministers, and new acts of parliament, it's important to understand how agencies will contribute to whole-of-government priorities as well as recognising that, in most cases, government involvement in place-based delivery has a 'shelf life'. A focus needs to be maintained to ensure that these agencies move through the key stages of their life cycle to their end point: a successful and self-perpetuating place. Without this progression, duplication and inefficient uses of scarce public funds proliferate and community acceptance of this approach to delivery will be diluted.

THE NEED TO REVIEW AND ASSESS THE PURPOSE OF PLACE-BASED DELIVERY

The alienation of place-based delivery from typical local government planning controls is in most cases necessary either when the state holds strategic land or when councils do not possess the tools or powers to deliver what are usually ambitious visions for future places and precincts. Wherever local government functions are taken over by the state, there needs to be a compact with councils and communities that once the job is done, the state will step back, in recognition that local government is best equipped to deal with and respond to the needs of communities.

This paper is designed to provoke a discussion on what success looks like for government when it comes to placemaking and precinct delivery. Rather than single out any specific agency, department, or cluster of government, we propose there is a need for constant review and response to the progression of places through the life cycle to keep them on track. We examine two specific places in Greater Western Sydney where government has 'skin in the game' in terms of land and infrastructure – the Aerotropolis in the Western Parkland City and Sydney Olympic Park in the Central River City – and call for a refocusing of the delivery effort in these precincts, and a recognition of where each sit in terms of life cycle and the ultimate end goal.

The Place Delivery Lifecycle

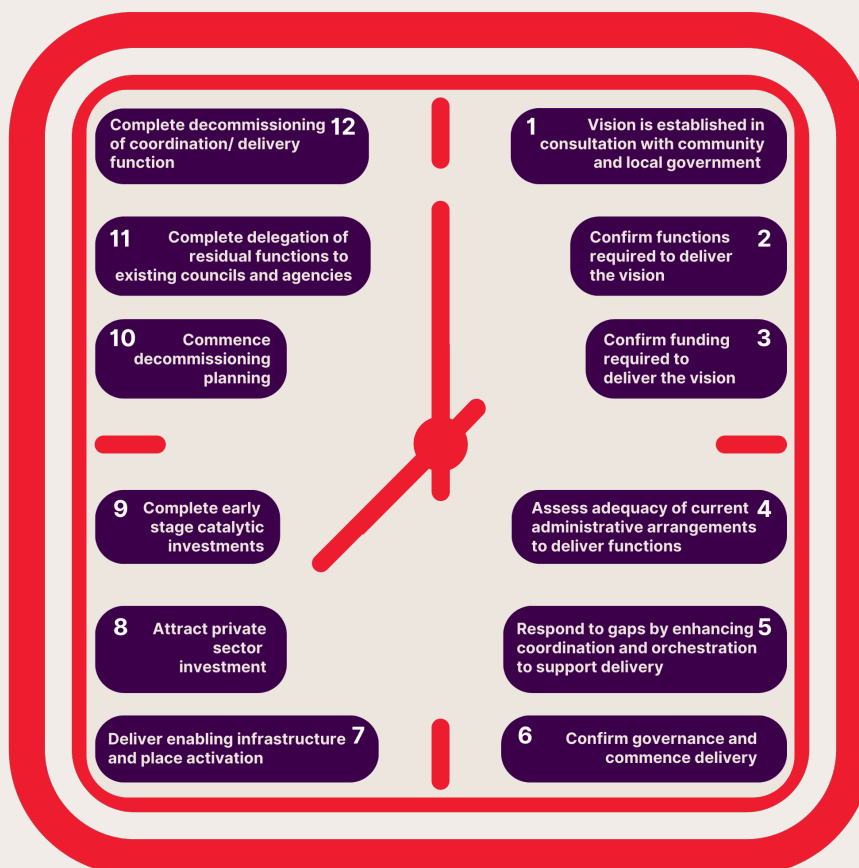
There are many examples of successful exercises in state-based management of place delivery, including the Sydney Olympic Park (delivered to a very strict, obvious deadline), the Honeysuckle precinct in Newcastle, and the Rocks and Pyrmont, which were both gradually handed back to Council.

To succeed at placemaking on strategic land holdings supported by public infrastructure, the Dialogue suggests that bespoke place delivery agencies, authorities or development corporations need to be based on the ultimate outcome of delivering a successful and self-perpetuating place, based on clear public good outcomes.

From the establishment of the place delivery agency, through to the delivery of place, there are distinct stages in what we have called the **Place Delivery Life Cycle**.

While the timeframe and metrics for progression will be different for each place or precinct, the stages and priorities of government at each juncture are essentially the same. In each case, the government needs to step back, wind down delivery, and let the remaining functions fold back into the ordinary business of government departments.

Some agencies may move on to a logical extension by geography or associated need somewhere else. We believe however, that observance of the life cycle is important to avoid a situation whereby the existence of place delivery agencies is extended merely for the sake of internal self-interest, at which point they may lose sight of their original purpose.



The Opportunity in Delivering the Western Sydney Aerotropolis

In its foundational document, A Metropolis of Three Cities, the Greater Cities Commission set out a vision for the Western Sydney Aerotropolis to become the western economic anchor for Sydney. This was a bold strategic planning play that would leverage the massive public investment in Western Sydney Airport and its surrounding infrastructure and address the historic east-west imbalance of job distribution across the city.

The Aerotropolis would generate 100,000 jobs within¹ and 200,000 new smart jobs across the broader Western Parkland City². In response to the plans, the private sector gave its in-principle backing, with 15 memoranda of understanding (MOU) signed between the NSW Government and leading global and local corporations and institutions.

These MOUs were show of confidence in the government's plans and a reflection of the upside factors that the precinct provided for potential investors, including but certainly not limited to:

- Being geographically situated central to a large and growing catchment of workers and supply chain businesses.
- Adjacency to a new state of the art 24-hour international gateway.
- The absence of legacy-built environment restrictions – if you want to build a facility of a certain specification, here is the place to do it.
- Development certainty with regards to support navigating regulatory risks.

While the vision and concept of the Aerotropolis has resonated with Western Sydney's elected leaders and those who have long advocated for investment in jobs and infrastructure in the west, this support is of course conditional upon:

- The delivery of new and diverse jobs. The targets are a useful but not unconditional success factor. Investments that generate a range of smart, working class and entry level jobs for workers across the region need to be made. Workers need to see the opportunity to work closer to home to bring communities on board with the vision.
- Aerotropolis investors need to be closely intertwined with suppliers from the surrounding economies (Campbelltown, Liverpool, Fairfield, Blacktown, Penrith, and others further afield). This is so that investment in the precinct has a local multiplier (rather than a syphoning) effect. Capability-building in our local SME supply chains should start now.
- The delivery of future-proofed public infrastructure and amenity, making it a better-connected place that the world's most innovative investors can't afford not to be.

¹ Department of Planning: [Western Sydney Aerotropolis explained](#)

² Department of Infrastructure, Transport, Regional Development, Communications and the Arts: [Western Sydney City Deal Implementation Plan](#) (2018)

Why the Aerotropolis Requires a Different Approach to BAU

If the Aerotropolis is to succeed and live up to the ambition set for it, particularly in terms of job creation and investment attraction, it needs to be de-risked on a number of fronts as a starting point. Simply regulating permissible land uses and waiting for investment to flow won't be enough.

It is broadly acknowledged that a handful of key investments are needed to establish momentum for this precinct from early on. It is unreasonable to ask for investors to start it, gain traction here and carry all the risk on their own. Specifically, government needs to:

- Provide essential services, including water, sewer, power, transport, and telecommunications infrastructure.
- Provide amenity to attract and engage workers in the area.
- Give firms confidence that they will have access to appropriate talent.
- Give firms confidence they can have access to materials they need and move products to the markets that they serve.
- Give firms timely certainty on planning and issues that directly impact investment decisions.
- Make sure places accommodate 'next practice' that are designed to enable new ways of doing things that are cost effective and maximise wellbeing. That includes decarbonisation, climate adaptation, circular economy, and harnessing Industry 4.0 technology.

Under a BAU scenario, after zoning decisions, government then steps back and leaves industry to invest accordingly. For industry, navigating regulations and the various systems of government alone to establish facilities and operations is a substantial barrier to investment. For government, this scenario will give rise to the possibility that investments are made in a disjointed way that does not fully capitalise on the opportunity for economies of scale and development of local industry capability.

Further, under the BAU scenario, without facilitation or incentives of any kind, investments will happen at a pace determined by the market, without regard for the needs of Western Sydney communities for targeted economic uplift – which was a key factor in the conception of the Aerotropolis.

For the Aerotropolis to succeed, a coordinated and well-targeted approach to delivery is required. Without one, there are simply too many risks surrounding fragmented decision-making driven by disparate motivations of multiple decision-makers who have limited or no visibility of the opportunity to leverage each other's investments.

On the government side, there is no single institution that is responsible for solving for all of the risks and requirements of potential investors in the precinct. There is a compelling case for a new approach to overcome barriers to investment for the private sector and for government and the community, to ensure investments in the Aerotropolis can be curated in a way that optimises local benefits.

The BAU approach creates too big a possibility of a white elephant precinct, which Greater Western Sydney, too long starved of targeted economic development, can't afford and shouldn't accept.



10 Success Factors for the Aerotropolis

1 LEVERAGE THE AIRPORT 'ABOVE AND BELOW THE WING'

Above the wing includes the variety of people travelling for different purposes delivering economic and social value for the region (business, family visitors, tourists, and students). Below the wing is freight, high value access, and service to the world through the movement of goods.

2 APPROPRIATE LAND ZONING

Appropriate land uses are enabled through timely zoning and assessment decision making.

3 LAND USE THROUGH ENABLING INFRASTRUCTURE

Appropriate land uses are enabled through timely and cost-effective delivery of enabling infrastructure.

4 EFFICIENT INVESTMENT ATTRACTION

Efficient process for investment attraction navigating how to carry out business in NSW.

5 WORKING WITH BUSINESS

Working with existing and new businesses from Western Sydney to link them to international businesses locally and globally.

6 APPROPRIATE TRANSPORT CONNECTIONS

This includes supporting the ability for workers to get to the Aerotropolis, as well as enabling the ability to distribute and receive freight in an integrated network.

7 TALENT ATTRACTING AMENITIES

Amenities in the Aerotropolis needs to attract talent to work there. It needs to be a place of choice for people that work in Western Sydney.

8 COLLABORATION

Within the precinct, there needs to be collaboration, knowledge sharing and connections that spark and re-enforce investment, and help it continuously grow.

9 CONNECTIVITY

It needs to connect with surrounding regional cities such as Liverpool, Campbelltown, Fairfield, Penrith, and Blacktown. Within each of these neighbouring LGAs, supply chains need to be engaged and where necessary curated to ensure there is a broader regional economic uplift from investment.

10 SUSTAINABILITY

The precinct itself needs to be nature positive so that the environment is better with the precinct being there.

Sydney Olympic Park

Originally a heavy industry hub, including a major abattoir and armaments dump, Olympic Park is famously the site of one of Australia's great moments on the global stage. Since 2000 it has played host to scores of major events that loom large in the national psyche and hold a special place in the memories of millions of people.

Beyond its original and primary purpose, SOP is an important hub for community sport and boasts tremendous open green spaces and wetlands, testament to the investment pre and post Olympics in remediation and regeneration of the local environment. The Sydney Olympic Park Authority (SOPA) is the government agency that has been responsible for delivery and management of SOP since 2001. This was following the cessation of the Olympic Coordination Authority which successfully delivered all of the event and infrastructure aspects of the 2000 Olympics at a time when there was little confidence the city would be ready in time to host the Games.

SOPA's remit includes the day-to-day management of all public places in the park, including 430 hectares of parklands, management of buildings, facilities and landscape assets, delivery of programs and events, visitor experience, provision of sports and leisure facilities, sustainability, protection of ecosystems, environment and heritage, and general coordination of the precinct.

PLANNING FAILURES AND ECONOMIC ISOLATION

Beyond major events, community uses and environmental conservation as legacy items, the unmet potential in the precinct when it comes to urban renewal is clear. Criticism of what has been two decades of poor urban policy in SOP abounds in the media and planning circles, and in many ways this negative sentiment has overflowed into the broader community. The common thread in SOP critiques is connectivity. With the 'bones' of a thriving high-density mixed-use precinct, the missing ingredient is regular, reliable mass transit providing the day-to-day movement of people and vibrancy to attract the investment it is missing.

While critiques of the place itself may rightly point out this key failing, the failure to deliver rests with successive post-Olympic governments (not SOPA itself) who have until only recently not prioritised the substantial capital investment required to remedy the economic isolation of SOP.

TRANSPORT INFRASTRUCTURE: THE FINAL MISSING PIECE IN THE SOP PLACE PUZZLE

With Sydney Metro West under construction and Parramatta Light Rail Stage 2 headed for procurement and delivery in the coming years, the connectivity problem for SOP is very close to a solution. Analysis conducted by Arup in 2019 estimated that 766,000 workers would be within a 30-minute catchment of a Sydney Olympic Park Metro Station with the delivery of Sydney Metro West, a staggering 900% increase on today's accessibility.³

Metro and light rail will bring about an increase in the residential population in SOP from 5,207 today to 21,428 by 2041, a 311% increase.⁴ The impact of metro rail for SOP will be transformational, placing it within approximately 15 minutes of the Sydney CBD and 10 minutes from Parramatta/Westmead.

³ Sydney Olympic Park Business Association: [Relight the Flame](#) (2019)

⁴ Forecast.id: [Sydney Olympic Park](#)

Findings | Aerotropolis

1 The Aerotropolis has been dutifully conceived and planned by the Western Parkland City Authority (WPCA). This includes comprehensive strategic land use planning which has helped establish the vision for the wider precinct and the places within, and garnered significant interest from potential investors.

2 With Western Sydney International Airport on track to open in late 2026, and Sydney Metro – Western Sydney Airport soon thereafter, there is limited remaining time to generate momentum for the Aerotropolis. While it presents a relatively unique investment within Australia, intransigence now may cost us opportunities to secure transformative, economy-shaping investment. Government needs to make it easy for footloose global capital to land here.

3 The delivery of inter-agency and inter-governmental coordination has not yet been achieved by WPCA. Effective delivery in this space may require WPCA to be given the authority for direct dealing with prime local and global investors, where there is a demonstrable, clear long-term public good in avoiding regular market procurement processes.

4 Ineffective corridor preservation for transport and utilities has been a significant whole-of-government failure, impacting the timely and cost-effective delivery of the Aerotropolis.

5 The signing of 15 MOUs between a range of major local and global investors and the NSW Government for commitments to establish a presence in the Aerotropolis was encouraging early evidence of its value proposition.

MOUs were entered into on the broad understanding that investment would be ‘concierged’ through the various departmental and regulatory gateways to realise the public good (job creation and industry development) that each would generate.

6 The remit of WPCA became too broad over time, often encroaching upon functions and priorities that would ordinarily rest with other parts of state and local government.

The movement of WPCA into the Department of Planning and Environment (DPE) will streamline some of its functions related to land use and land servicing. However, there is a need for greater focus on its crucial investment attraction functions, with scope to engage directly with industry.

Assessment of progress | Aerotropolis

We believe WPCA is currently stuck at stage 2 of the Place Delivery Life Cycle, and needs to progress quickly through to stage 6. This will give the Aerotropolis the best chance of succeeding in becoming an attractor of new investment, industry creation, and a volume of high value jobs to rebalance the east-west economic geography of Sydney and leverage the once-in-a-century opportunity presented by the opening of a new international airport and metro line.



The following is required for this progression:

- Confirmation of the functions required for WPCA to succeed. The Dialogue suggests that the remit of WPCA be reduced to focus solely on Aerotropolis delivery, and the success factors outlined in this paper.
- Securing requisite funding to deliver a successful place. This needn't cover the entire long-term Aerotropolis project, but certainly must be sufficient to catalyse early momentum-generating investment.
- Assessment of how fit for purpose the current governance arrangements (legislation, administration, and reporting lines etc.) are.
- Responding to the governance gap analysis with appropriate coordination and delivery arrangements. As outlined, we believe some capacity and authority to act outside of the Planning cluster and coordinate between departments is an immediate obvious starting point.
- Confirm new governance arrangements and commence delivery.

Ultimately this will require top-down leadership to empower WPCA and its various stakeholders to 'conierge' investments through our planning, procurement and regulatory systems where there is a clear and demonstrable regional economic benefit, and adhering to the appropriate bounds of probity and the public interest.

Findings | Sydney Olympic Park

1 The Sydney Olympic Park Authority (SOPA) performs many functions that would typically fall to local government, however its residents pay council rates to the City of Parramatta Council.

2 The delivery of Sydney Metro West and Parramatta Light Rail Stage 2 will deliver the transformative missing piece that is required for SOP to meet its potential as a high-density mixed-use precinct.

3 The remarkable environmental remediation and regeneration project within and around SOP is one of the NSW Government's great success stories and a key achievement of SOPA over the last 22 years. This, along with the precinct's enviable parks and open spaces, will be key ingredients for its future success.

4 SOP has been widely identified as having major potential to provide a large volume of new housing to help address the housing supply and affordability crisis.

5 In SOP, the NSW Government has established a host of valuable legacy assets and land, located in the geographic heart of Greater Sydney. Due to a range of factors, primarily, budgetary constraints and political will, the opportunity to leverage the Olympic-era investment was lost relatively soon thereafter. Consequently, SOP has been Sydney's planning 'problem child' for the last 20 years.

6 While it is appropriate for Government to remain in the precinct as a custodian of strategic land holdings and assets, SOPA may not be the most efficient delivery agency.

Other parts of government possess the relevant expertise. For example, Parramatta City Council can do civic management, DPE or Council can do master planning, Greater Sydney Parklands can manage public parks, the Office of Sport can manage venues, and Property NSW would be well-placed to oversee development and management of long-term leases.

Assessment of progress | Sydney Olympic Park

Sydney Olympic Park has spent most of the last 20-years in between stage 6 and stage 8 of the Place Delivery Life Cycle. With its catalytic investment (Metro West) now in the pipeline, the NSW Government needs to move SOPA into stages 10-12 over the coming years and determine an appropriate time to divest its various functions to council and other appropriate arms of government.



Ultimately this timeframe will depend upon the sequencing of urban renewal that occurs off the back of Metro West and the economic activity that it triggers. All indications are that passenger take up of this new metro line will be rapid from its expected opening in 2030. With public transport connectivity providing the final and key ingredient for a successful place, the function of SOPA a dedicated place delivery agency for SOP is diminished.

**Western
Sydney
Leadership
Dialogue**



The Dialogue is a not-for-profit, community initiative leading a national conversation about Greater Western Sydney.


The Dialogue facilitates interaction between key opinion leaders, across industry, government, academia and the community, to inform public policy debate and to advance a Western Sydney regional agenda through research, analysis, advocacy & events.

If you would like to know about partnering with the Dialogue, please email info@westernsydney.org.au requesting our company credentials or an event sponsorship prospectus.

 @WSLDialogue

 @BestoftheWest

 westernsydney.org.au

 (02) 8318 8028