Megaprojects: A Global Review and an Outline of some Planning Principles
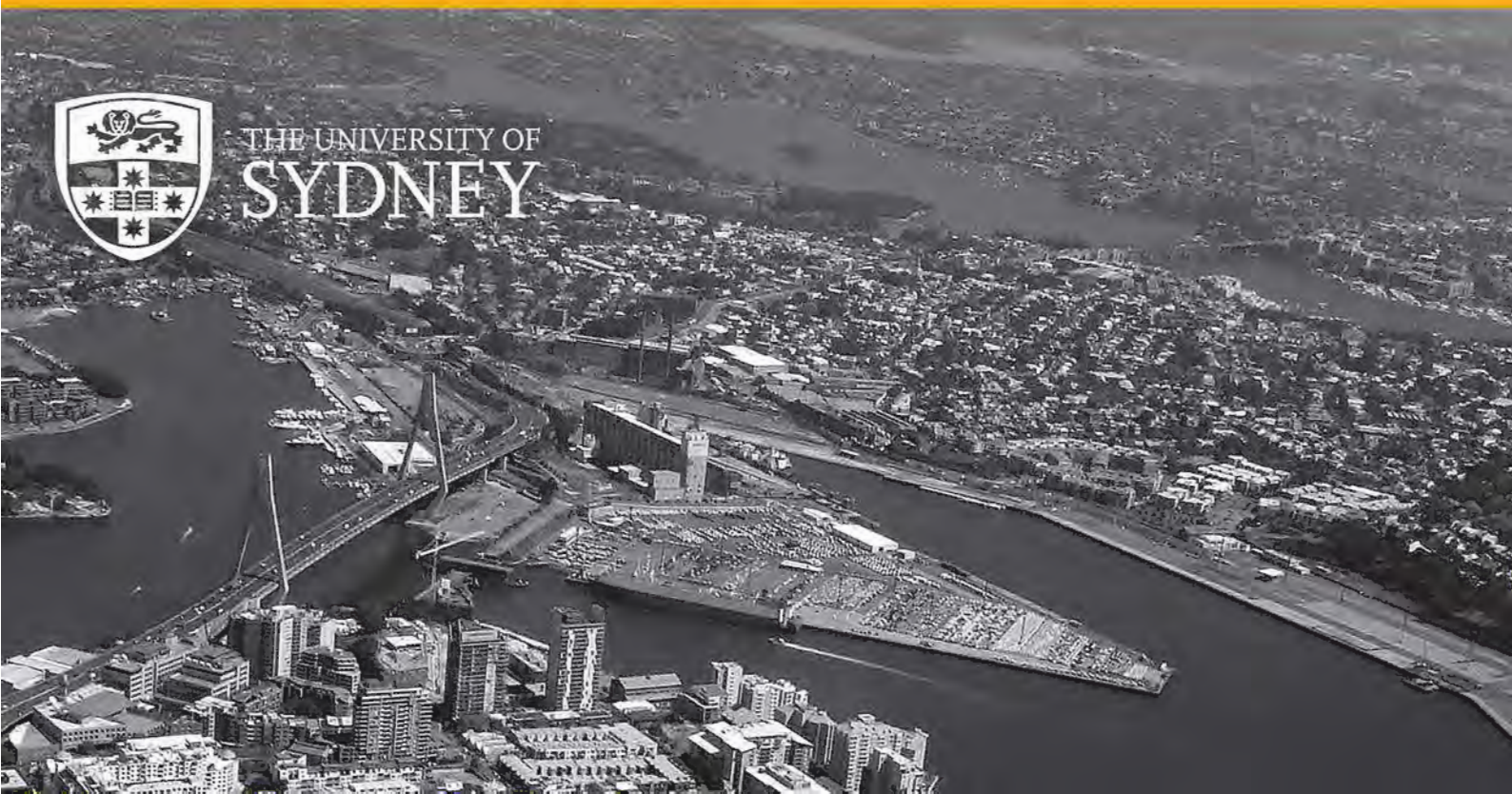
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Festival of Urbanism

Preamble

On 25 August 2014, the Council of the City of Sydney (City) approved a resolution to support a Bays Precinct community engagement program following approaches from the University of Sydney and representatives of a number of community groups who have joined to form the Bays Precinct Peoples' Campaign.

As part of that support the University of Sydney has been asked to prepare two discussion papers.

The first is a review of international critiques of large scale urban renewal projects that are some times referred to as 'mega-projects'.

The second is a formulation of 'principles' that might be adopted and applied to the governance and planning for the Bays Precinct for the protracted period that the renewal is likely to require.

This document is a draft of these principles.

This document will be revised for use by community representatives who will be attending the International Summit on the 19th and 20th of November.

The document also draws from the broad range of expert opinion and views that have been voiced during the recent Festival of Urbanism hosted by the University of Sydney. A summary of these events is contained in Appendix 10.

How the public is involved and how decisions are made and about what (ie governance), has emerged as a major question from the discussions during the Festival, and for this reason a number of international governance arrangements have been included.

Contents

Planning Principles for Megaprojects: an introduction

Considerable thought has been given to how planning processes could be improved both for megaprojects, the Bays Precinct and more widely for planning in NSW by many people over a long period of time.

The aim of this section is to describe some key principles that could be considered when planning megaprojects in general and the Bays Precinct in particular.

The very notion of 'world's best practice' in planning and urban renewal is oxymoronic if it is expected that international practice will provide a "readymade" template because best practice will always be responsive to local conditions; social, economic, political and environmental. These conditions change, and so 'best practice' would also allow adaptation to changed circumstances

Why planning principles are important.

There is a crisis of trust in NSW in relation to planning. In response, the community often calls for certainty, as does the development industry. Most commonly the certainty is provided in the form of a 'master plan' on the one hand, and a water tight agreement or commercial deal on the other. How then do we deal with changes that may be desirable during the protracted period that urban renewal requires?

A clear statement of principles provide the flexibility to deal with unforeseen changes while providing assurance that the whole process is 'on track' and in accordance with the agreed values.

First we need some overarching principles that set out what we are trying to achieve. Some may be 'high-level'; the public interest for example, some may be detailed and contextual: for example 'maximise public access'. A first take at some relevant principles are included below.

The process for the next iteration of planning for the Bays is well advanced, with UrbanGrowth given responsibility for the organisation of the International Summit on 19 and 20 November, and with the preparation of ' a strategic framework' to be presented to Government in April 2015 , and a public consultation process in May 2015.

It is unlikely, though possible, that the Government will change this process, and for this reason the principles have been ordered with this process in mind, and in order to understand the process it is important to understand the role of UrbanGrowth generally and in relation to the Bays Precinct in particular. This is set out in detail in Appendix 1 but the staging is relevant to the formulation of principles.

From a review of domestic and international projects it is clear that the most well regarded projects have carefully considered governance. In particular, it is clear how the public is included in all stages of the planning, delivery and ongoing operation of these major urban renewal projects. These projects are successful because greater participation has led to a sense of 'ownership' and fostered varied, engaging and attractive precincts. These are projects that have become highly desirable places to live, work and visit. For this reason, the first and overarching theme is openness and transparency – this is included in a number of the principles listed below.

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Secondly, we need to have principles about governance: how, about what and by whom decisions are made.

Thirdly, we need principles about good planning.

Lastly, we need principles about the ongoing operation and management.

The clear definition of principles should aim to overcome the principal criticism of major urban renewal projects identified in the paper by Mike Harris (2014):

1.   Introverted governance lacking democratic participation and accountability (Governance and participation)

2.   Global economic positioning at the sake of local issues (Global positioning and local issues)

3.   Physically and socially disconnected from the context of host city (Accessibility and integration

4.   Similar formal outcome regardless of the host city (Authenticity)

5.   Lack of public benefit and social outcomes (Public benefit and social outcomes)

Figure 1: HafenCity in Hamburg (2013)

Principles

Overarching principles

Principle 1 **Precedence must be given to the public good as the overarching principle governing renewal of the Bays Precinct;**

Defining the 'public good' or what is in the 'public interest' is not straight forward. The question of 'which public?' arises immediately; the local community or the broader public that is made up of the citizens of the city or the state? The definition of the public good in relation to the Bays Precinct overall, and in relation to individual components will be the subject of ongoing debate and discussion. An open process where the trade-off and priorities are made clear will be appreciated by the public. The public is capable of understanding the conflicting priorities of government and development if these are made clear.

Principle 2 **Public engagement and participation**

The public must be able to fully engage in all stages of the planning process, including discussion of, and decisions about proposed major developments. 'Consultation' is not enough (See Appendix 4).

It is important to recognise that this principle is not a call for greater 'democracy' for its own sake, but is based on the evidence that projects that have had more transparency and public participation have also had greater 'legitimacy', less community resistance and have proven to be more successful and 'richer' more diverse places than those that have not.

Extensive engagement with the public needs to extend from the vision and the plan through to implementation and operation.

Non negotiables

For every project, there will be some 'non-negotiables' that will be specific to the context. It is important that these are defined, or 'negotiatedat the outset, so that from that point on they are understood and made public. The identification and definition of these 'non-negotiables' is important because it means they are not subject to the same evaluation methods as other aspects of any proposals; they are givens.

Principle 3 **Define the 'non negotiables' and clearly state the process for any revision**

Examples of non-negotiables that might apply to the Bays Precinct: Maximizing public access to the foreshore, or the retention of lands in public ownership are examples of the non-negotiables that might be defined as 'givens' at the beginning of the process. Over time conditions change and even these 'non-negotiables' may need to be interpreted, adjusted, and justified. For example, it may be highly desirable to allow

small boats to berth on the waterfront- is this private use or adding to the liveliness of the public domain?

Principles for project formulation

Principle 4	**Establish the governance for community and public engagement**

Define a comprehensive and ongoing engagement process which involves multiple communities and interests as one of the first activities.

In deciding the form and nature of this engagement the Community Charter for Good Planning provides a range of useful ideas. (see Appendix 3)

One of the first activities should be the first expression of the public interest as it relates to the Bays Precinct.

Principle 5	**Respond to the strategic context**

Megaprojects need to respond to the specific needs of the city they are located in. Their scale and limited occurrence demands a clearly defined strategic rationale at the city, state and at times national level. Is the megaproject a means to address identified issues outlined in existing planning documents, including the metropolitan strategy? Most importantly, given the difficulty of addressing some of the major issues confronting the city, has the effectiveness of the megaproject, as opposed to alternate strategic investments been evaluated?

Another way of thinking about this principle is to ask the following question: "Does the project provide what the city needs?"

The best way to demonstrate that the project has responded to the context is to set out a number of alternative visions, configurations and scenarios for the project.

Principle 6	**Measure the public benefit**

From the definition of the public good (Principle 1 and 4) it should be possible to assess the relative public benefits of different options.

Principle 7	**Optimisation of public investment**

Explicitly measure the impacts of alternative configurations and scenarios for the megaproject in relation to public infrastructure. Define an evaluation framework and select alternatives that generate the best return in terms of outcomes per unit of public infrastructure investment.

For example in a site like the Bays Precinct with obvious road transport constraints that may mean restricting development in favor of land uses which generate lower motor vehicle impacts (eg housing with restricted parking opportunities)

Principles for planning.

These principles are more specific. If an open and transparent planning process is established it is appropriate that these initial principles can be changed and adapted over time. This is the key difference with successful governance arrangements in international examples and the closed commercial processes that are typical in Australian projects. The conclusion from the review of international projects (Harris , 2014) is that these closed processes lead to sub-optimal outcomes.

For these reasons, the following principles should be seen as 'starting points' rather than set in stone for the 20-30 year duration, if open and accountable governance is in place.

There are two type of planning principles; principles that should guide the planning and principles that begin to set out some of the outcomes that are expected on the site.

Guiding principles

Principle 8   **Authenticity depends on many authors**

Allow for as many 'authors' as possible. The existing city is the material accumulation of the individual actions of many 'actors' over many years, for new parts of the city to feel 'integrated' these area must allow similar processes to occur. Such an approach guarantees a diversity in housing outcomes and the built form.

'Big ideas can be delivered in small increments' (See Appendix 9).

Dividing the area of the megaproject into a number of precincts or plots also enables a diverse range of development companies to participate in the development process.

Principle 9   **Iterative and incremental development**

Incremental development of individual parts within anoverall planning ' framework' (versus the closing off of large areas, and handing over to single developers), not only reduces risk and financial exposure, it also develops trust and demonstrates good faith. "Early" precincts should include those which deliver signficant public benefit.

Principle 10   **Local context and qualities of the site**

Ensure that the megaproject connects with the rest of the city This involves consideration of transport, the level of open space, and the designing the edges between the new and existing neighbourhoods in order to encourage activity and interaction.

Reintegrate and reflect the 'local'

Tapping into community aspirations and needs is key (see Appendix 9)

Working with what exists through creative adaption and re-use of key heritage items such as the White Bay Power Station and the Glebe Island Bridge (see Appendix 4)

Principle 11   Leverage major projects

Many large urban renewal project have been 'anchored' by major events (Olympics, Expo) or buildings (Bilbao). This principle can be extended to all major works. Proposals for all major capital works should consider synergistic effects and how they might contribute to other objectives: a road should not simply be a road; it should be part of the green network, direct views and provide vistas.

Deciding whether there needs to be, and what should be the 'iconic' anchor in the Bays would be a fruitful, open city-wide discussion.

For example, the 'iconic' Philharmonia at HafenCity is well known, but arguably the location and role of the HafenCity university has been more influential, pervasive and major benefit to the social and economic development and positioning of the area.

Principle 12   Determine most appropriate allocation of risk with the objective of maximizing public benefit

Widen public benefit prospects by minimising up-front developer costs and de-risking while sharing ultimate up-lift (SGS)

The point here is the lowest cost/highest return short term deal is not necessarily the best deal in the long run.

This also raises the question of the investing in an area and waiting for the value to accrue before divestment.

This in turn is related to the 'asset recycling approach of Government- the question is whether the bays is an asset for recycling- or an asset for further investment with the aim of increasing the value through private investment. In the latter case government should be holding on to the asset until the optimum value is reached (as opposed to an early sale).

Principle 13   Ensure a high level of transparency in project planning and project delivery including a comprehensive monitoring framework.

One of the frustrations which the community has experienced with Barangaroo is the difficulty in finding out what is the "current" plan for the precinct and how it has changed from the original concept plans. The development of a suitable monitoring framework for the Bays Precinct would help renew public trust in the planning and development process.

Expected outcomes

Principle 14   Land retained for public use

A significant proportion of all the Bays Precinct lands must be retained for public use;

In the case of the Bays Precinct this is likely to require continuous public access to the foreshore. That there be no alienation of the Bays Precinct foreshores from public ownership by sale or long term lease;

More important than a fixed width dimension is for expectations of the functionality and character of the foreshore to be clearly established. This includes the building frontage, permeability and quality of spatial conditions and activity opportunities.

Principle 15 Affordable housing

A high priority be given to the inclusion of social and affordable housing for low and moderate income households as a significant element of any residential uses. International projects of similar size and location require between a 20 and 50% affordable housing component.

Principle 16 Environment performance

Major renewal projects, and particularly redundant industrial 'brownfield' sites provide unique opportunities for rectifying and improving the environment performance of adjoining existing urban areas, including water cycle management, clean and low carbon decentralized energy production, sustainable transport, reduction of the urban heat island effect amongst many others. These systems may require the establishment of dedicated management organization of some form, and these are common in many similar international examples.

Principles for implementation / governance

Principle 17 Transparent and competitive processes for unsolicited proposals

Ensuring the precedence of the public good also means that all unsolicited development proposals must be open to competitive tender and proper public scrutiny. Transparency is critical.

Principle 18 Subsidiarity and bureaucratic "minimalism"

The principle of subsidiary is that decision making should be undertaken at the lowest level possible, and that governance should be minimised.

The establishment of separate government delivery and management agencies should be confined to where ownership arrangements or multi-party coordination is necessary, which has been and remains very apparent in the Bays Precinct. At the completion of the project or sub-precincts, control should be 'devolved' or 'handed back' to the normal government and governance processes that apply to adjoin areas.

Principle 19 Separation of development and approval roles

There must be a clear distinction between the development authority and the planning consent authority.

International Case Studies

Case Studies 1:Copenhagen, Denmark; Ørestad & Nordhavn

"The big differences in Ørestad and Nordhavn lie in the strategic roles they played at the time of their conceptualisation."
Rita Justesen, City & Port Chief of Planning and Architecture

Nordhavn

Ørestad and Nordhavn are two contrasting megaprojects in Copenhagen. Ørestad, initiated in the early 1990s, was an integral part of a series of strategic infrastructure investments that aimed to radically alter the economic geography of the city within its region at a time when the city was declining. This period reflects a decisive political shift in Denmark towards government entrepreneurialism. Nordhavn, or North Harbour, seeks to address the major urban challenges Copenhagen faces today such as intense pressure for new housing and workplaces as well as the increase in commuting that has occurred as a result of the rapid growth of the past two decades.

In the early 1990s a 30 year strategic plan was enacted that proposed three big moves; 1) extend the airport, 2) construct a link between Copenhagen and Malmö, Sweden (rail and road) and 3) construct a high performance public transport system for the city (metro). A large linear site situated on government owned, undeveloped land between the city centre and the airport as well as the link to Malmö was conceptualised as the new urban district that would tie it all together. Controlled speculation of the lands

would be used to finance a 22 station metro for the broader city, with six stations located in Ørestad. The metro now connects the city centre and a number of Copenhagen districts with Ørestad and the airport.

The development became governed by a specific Ørestad Act (1992) and an entity was created to develop the new urban quarters as well as the new metro system. The Ørestad Development Corporation (ODC) was owned by the city government (55%) and the national government (45%). The ODC was dissolved in 2007 with responsibilities separated into City & Port Development Authority and the Metro Corporation.

Ørestad was primarily about building a new location for the headquarters of major companies that would benefit from its strategic location and infrastructural assets. This new urban district would also include high density housing types that were generally not available in the existing city areas. It was imagined as a modern counterpart to the historic centre that, without the spatial constraints prevalent throughout the city, could become an architectural testing ground.

Ørestad has faced its challenges. The early process has been connected to secrecy and political deal-making, the 2008 financial crisis halted progress, there was tough competition from the redeveloping harbour areas and its character has been criticised for lacking a vibrant urbanity. However its accessible location between the airport, city and Sweden provides it with long-term strategic value and its structure plan has shown resilience in its ability to incorporate unforeseen circumstances over its long implementation period.

In contrast Nordhavn, with its underlying premise of liveability and "affinity and coherence" to the forms and character of Copenhagen's compact city, presents a much more open and participatory early process. There has been public participation from the early stages including in the preparation of the competition brief. A commitment to dialogue with residents and other users is considered critical in the successful development of the district. This commitment is reinforced in the subsequent guiding development principles. The principles of liveability and participation is now a focus of the districts being developed at Ørestad.

Perhaps the strongest guiding principle at Nordhavn is diversity, in a thoroughly mixed-use structure, within an overarching framework. There are a set of 'urban design rules' that can be exploited in a number of ways while some constants are enforced. The mid-rise density is similar to the most densely built districts of Copenhagen to achieve active and varied urban life. A number of relatively small building complexes within each block aims to generate intimacy and proximity and act as a contrast to the large open expanses of the surrounding harbour. Ground floors must be flexible so that they can be used as housing, retail or commercial uses.

Similarly to Ørestad, the development of Nordhavn is providing capital to fund a new 17 station city loop metro line plus a seven station branch line for Nordhavn. Each district will be within a radius of about 600 metres from a Metro station. What unites these two megaprojects, enacted in different time and spatial contexts, is their role in strategic planning at the city scale.
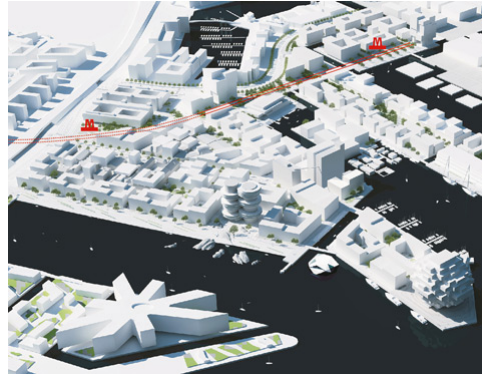
Case Study 2: Hamburg, Germany; HafenCity

"Yes, we are building buildings. But we are also producing social and cultural environments for the next century."

Marcus Menzl, HafenCity Sociologist

HafenCity is a large urban renewal project in Hamburg, Germany. It is located adjacent to the city centre on former port and industrial land. It strives to be a model development of a European city on the waterfront. There are clearly defined objectives for HafenCity to integrate with the existing city, for a high level of participation from various participants and for the allowance of change over its long delivery period.

Hamburg City maintains a high degree of control over the project through the publicly owned development company HafenCity Hamburg GmbH. According to the CEO the two most important governance outcomes of this is the strong public role in framing the objectives and shifting the economic power balance from market actors towards State level. It is believed this process aligns public interest with private capacity. With supervision of the HafenCity Hamburg GmbH by a board, headed by the mayor and four state ministers, democratic channels of participation and accountability apply.

The employment of an urban sociologist to work between developers and residents indicates the commitment to diverse participation in the development of HafenCity. Just over 2,000 of the expected 12,000 residents now live at HafenCity with a number of initiatives resulting from their involvement such as the construction of a playground and recreation centre that were not part of the initial plans. Regular forums are held in which residents, planners and various invited professions discuss HafenCity's ongoing development.

Diversity in development and ownership is a cornerstone of HafenCity's urban proposition. The HafenCity Masterplan states that the critical method to "ensuring diversity and sustainability… lies in the sensible scaling of the individual plots and, as far as possible, in the diversification of ownership." Division into small plots is seen as preferable in order to make it possible for medium-sized companies, small building contractors, building cooperatives and individuals to invest in the project.

The principle to connect HafenCity to the city centre as much as possible has led to a number of planning and urban design measures. Investment is occurring at connection points to create new shops at ground floor level and increase the quality of public space with improvements in conditions for pedestrians and cyclists. New facilities in HafenCity, such as schools, a university, concert hall and museum will encourage integration with surrounding areas and their population. A new subway line financed by the City of Hamburg with federal subsidies links HafenCity with Hamburg's extensive rail

network. A network of pedestrian and cycle routes are being constructed to fully integrate HafenCity with the adjacent parts of the city centre.

Physical integration and participation work in concert to allow HafenCity to develop in a flexible and participatory manner. This process allows for steering the development course in light of subsequent progress. As the project continues the delivery authority hold progress forums in which a range of academics and practitioners are invited to critique the project in order to maintain a successful planning and delivery process. While a masterplan/framework guides the overall principles the character of each quarter and its built form and public domain are guided by local context and designed when it comes time for that quarter to be developed. A layered competition process is intended to ensure design quality and fresh approaches as the development progresses. The masterplan was the result of an international design competition, run by the Ministry of Urban Development and Environment and HafenCity Hamburg GmbH. For the ten quarters there are ten urban design competitions and six international landscape architecture competitions, also run by the Ministry of Urban Development and Environment and HafenCity Hamburg GmbH. This is followed by design competitions for each building after preliminary allocation of land, run by private investors in cooperation with the ministry and HafenCity.

The compact building density of fine-grained mixed-use patterns, coupled with diverse investors, developers, managers and inhabitants is a proposition for an urbanity that promotes inclusiveness through participation in its development. The intent of which is to provide HafenCity with resiliency to the changing nature of cities.

Case Study 3: Lyon, France; La Confluence

"From the outset, social mixing was considered one of the criteria for La Confluence's success, and a necessity for metropolitan-scale balance."
SPL Lyon Confluence

Located centrally in the city of Lyon, France yet disconnected by its location on a peninsular, a primary objective of La Confluence is to integrate with the city and for the city to extend into La Confluence. Formally single use industrial land the new district aims to mix housing, employment, retail and recreation. All studies, design and construction is managed by the SPL ("local public redevelopment company").

La Confluence is organised under the framework of the ZAC (or "mixed economy company") which is a method in France of managing urban renewal. There are two ZACs for La Confluence, one for each phase. ZACs can be composed of a variety of public and private shareholders, depending on current land owners within the ZAC, from national government bodies to individuals. Buy in is set at fixed prices depending on land values which avoids doubtful negotiations and deals, assures transparency and engenders trust. The capital raised is used to finance the renewal with the subsequent rise in land value being passed on to shareholders as a dividend. This means that owners have a financial stake in the quality of the urban environment. Rules for ZACs are collectively formulated and act as development principles that must be delivered by law. An example might be the provision of schools based on government guidelines.

Two objectives that aim to integrate La Confluence with the broader city is a focus on public transport and a high level of social diversity. Both are dependent on a level of density comparable to the mid-rise compact character of central Lyon.

There is a clear recognition that to achieve sustainable transport priority must be placed on public and active transport. This has led to investing in efficient public transport and bicycle infrastructure while tightly managing private car use. La Confluence is connected by train, tram, metro, bus and ferry networks. The delivery authority prides itself on the safe cycling environment of La Confluence, which was detailed at the design phase. The district has five stations of Lyon's Velo'v bike sharing scheme.

The service is provided on a cost neutral basis for the city in conjunction with the advertising company JCDecaux in return for advertising rights.

The need for restrictions on private car use are clearly communicated, being "a prerequisite for acceptable urban traffic conditions." Car parking is primarily managed with three parking structures that are shared by residents, workers and visitors. The overall parking provision target is 0.6 parking spaces per dwelling and one for every 100 m^2 of office space. In addition a fleet of 30 shared electric cars are available for on-site companies. The fleet is fully powered by solar energy produced by solar panels installed on buildings in La Confluence district. These objectives are in response to consultation workshops in 2008 in which many people voiced their wish to prevent a car-centric neighbourhood and transport system.

La Confluence's objective of social diversity is considered a key criteria for the success of the district as an integral part of the metropolitan region. This is in part to address identified social polarisation in the city. The housing consists of 52% open market and 48% affordable in three categories; 17% assisted family housing, 11% 'medium' level housing and 20% social housing. Diversity extends to land use with 38% of floor space being residential, 27% office and 35% retail.

Influencing these objectives is ongoing participation by various groups. A permanent consultation process was established with the local network of inhabitants and associations. The main purpose was for local contribution to the direction of planned developments but it has also created a strong sense of local 'membership' to La Confluence as both a neighbourhood and ongoing project. This "participative democracy" was based on a Grand Lyon participation charter which promotes transparency, dialogue and common decision making.

References

Harris M (2014) *Megaprojects: A Global Review and the Australian Context.* Report for the Festival of urbanism, University of Sydney.

A vast amount of documentation relating to the Bays Precinct is available on the web. Sydney Harbour Foreshore Authority provides the most comprehensive coverage at this web address:

http://www.shfa.nsw.gov.au/sydney-Our_places_and_projects-Our_projects-Bays_Precinct-Bays_Precinct_Resource_Centre-Strategic_Framework_Consultation.htm

Appendices

Appendix 1: UrbanGrowth and the Bays Precinct

UrbanGrowth NSW has been given responsibility for the planning and determination of the most appropriate delivery model for the urban renewal of the Bays Precinct.

This process will start with the International Summit to be held on the 19 and 20 November.

> *UrbanGrowth NSW has been tasked with leading the Urban Renewal Program. CEO David Pitchford said the Summit is being held to enable the exchange of ideas between those who have been involved in urban transformation projects around the country and the world, the Sydney community and government, to hear what is possible and how.*

> *"The Summit is about helping us prepare a Strategic Plan that will guide and direct the project over the next 30 years – an overarching blueprint for not just what shape the urban transformation of The Bays Precinct might take, but how it will be achieved," Mr Pitchford said.*

Significantly, the need to determine the most appropriate and effective form of governance is an explicit task:

> *recognising the failure of several previous proposals for regeneration of the area, the Government wanted to ensure this attempt was set up for success. Ensuring the right governance framework was part of that – tasking a single agency to lead the Program[1]*

The overall mandate and re-direction of UrbanGrowth is also relevant:

> *In 2013 the NSW Premier charged UrbanGrowth NSW with a mandate to drive urban transformation that will underpin the future prosperity of urban and regional centres across NSW. We collaborate with government, private and community stakeholders in the planning and delivery of our projects.[2]*

More recently, UrbanGrowth has articulated an approach to projects and to the bays in Particular:

> *We realise that in order to Make New the waterfront land in The Bays Precinct, demands a thoughtful, holistic methodology in which we:*

> *Think New*

> *Fund New*

> *Build New*

> *Live New*

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[1]   https://www.makenew.com/Sites/Summit2014/Registration/Summit

[2]   http://urbangrowthnsw.com.au/about-us/overview.aspx

This approach to urban renewal was elaborated in greater detail by Julian Frecklington, Head of Strategy standing in for David Pitchford CEO at the Sydney Architecture Festival Colloquium held at Riverside Theatre Parramatta on 7 November 2014, as comprising four elements in a cycle:

thinking – funding – building – living – thinking.

The 'thinking' phase is concerned with defining what the city needs and what the objectives of the project should be. In Julian's words: 'what could these places do for the city?'

Having defined the project objectives and outcomes, how the project could be funded and delivered ('building') would follow, with the 'living' phase recognizing the need for both ongoing monitoring and evaluation to inform future projects, but also the possible need for 'legacy' governance arrangements.

The 'cyclic' nature of the process has a loose alignment with the cycle of 'continual improvement' that is the basis of all good corporate governance, although this was not made explicit.

There is little question that UrbanGrowth has the expertise and track-record to be seen as the most appropriate government agency to lead the planning for the Bays Precinct (interagency coordination, negotiation and partnering with the private sector, powers, resources and design and evaluation methods)

However, there are a number of issues that need to be sorted out.

The role of UrbanGrowth as expert agency vs UrbanGrowth as delivery agency vs UrbanGrowth as the most appropriate form of governance at different stages of the process needs to be clearly articulated.

The problem is this:

The 'thinking' phase is not, and should not be a "fluffy" vision statement. The thinking phase actually needs to consider a wide range of possible 'scenarios' for what would best serve the 'public interest' and having evaluated the scenarios, determine the most appropriate governance for the ensuing phases. This process should be as open and inclusive as possible.

To illustrate the point: the scenarios might range from

A   Maximising the return to government through the development 'high-end' waterfront residential

B   The development of a financial and business/education hub for the 21st century as an extension of the CBD

C   The provision of a very large component low and moderate income housing.

Each of these would have different transport and infrastructure requirements associated with them.

The Bays does have a number of distinct precincts and it is likely that each of these would also have a number of possible futures. These may not be mutually exclusive and would be used to formulate an 'optimised' amalgam .

These options should not be evaluated solely in relation to the 'portfolio' of UrbanGrowth projects[3], (although this would be very useful and instructive) but in relation to the city overall, with a wide range of evaluation criteria.

The definition of these criteria should be one of the key topics in the summit; presumably this will be the focus of the 'Thinking Cities – Think New' session.

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[3]   Green Square, Central to Eveleigh, Parramatta Road, North West Rail, North Parramatta, Newcastle

At this point, and not before, it should be possible to 'design' the best governance model for the expected outcomes- the outcomes and the governance and delivery model are interdependent.

At this point UrbanGrowth as EXPERT may need to recommend another form of governance and delivery vehicle OTHER THAN UrbanGrowth (eg. development corporation under the development corporations act, or a private development corporation, or something else)

At the risk of appearing trite, or example, IF, <u>HYPOTHETICALLY,</u> scenario A were to emerge as the preferred scenario, the governance and delivery might simply be the definition of land parcels and sale to the private sector for emphasis in the final proposal, due to the long time period, international experience would suggest that a flexible 'strategic framework' rather than a definition and prescriptive master plan is likely to be more effective. It will be more effective in achieving the result, and more effective in gaining and retaining public trust if it is acknowledged at the outset that it is not a set masterplan and that it will shift and adapt to changing circumstances. (HafenCity, others)

Recognising these issues allows us to identify distinct stages, and define the principles for each.

It would be reasonable to expect that the content and process outlined above would be included or be the basis for the preparation of the Strategic framework to be reported back to government in April 2015, and presented to the public in May 2015.

Appendix 2: Community reference group

The following section is a combination of direct excerpts from document and commentary. Direct excerpts are in italics with a web address at the end of each.

In March 2007 the Premier announced the NSW Government would establish a community reference panel to provide community input to proposed land use reviews of Bays Precinct.

A Community Reference Group (CRG) was established in June 2009 with membership from local community action groups, residents, business, maritime industries and unions, property owners, local government, the MP for Balmain and representatives of State Government agencies. The CRG's terms of reference were:

- provide advice about community aspirations and needs in relation to Bays Precinct that will inform future planning processes

- advise on current and emerging issues of interest and concern to the community and various stakeholders

- encourage and inform community discussion by conveying information on Bays Precinct to community and stakeholder networks; and

- provide input to matters considered by the NSW Government's Bays Precinct Taskforce in preparing for the first phase of strategic planning for the future of the Precinct. [4]

The Bay precinct Taskforce was established by the NSW Government in 2010. *The terms of reference of the Task force were to:*

- review the outcomes of stage one Bays Precinct work and consultations

- Devise and implement an effective consultative process to enable local and regional stakeholders to have informed input into the strategic framework for the Bays Precinct

- Identify current and emerging issues affecting the Precinct

- Identify short, medium and long-term issues and constraints and requirements to address these

- Advise on appropriate land uses having regard to strategic transport, port, maritime and waterfront precinct priorities for adjacent local areas and communities, metropolitan sydney and nsw

- Report and recommend to government on a strategic framework and strategic planning principles for the Bays Precinct by 30 July 2012.

The full report*; Bays Precinct Strategic Framework Report to the NSW Government; Bays Precinct Taskorce Volume 1* including principles and recommendations may found at this address:

http://www.shfa.nsw.gov.au/content/library/documents/64ABF9E4-DBCA-41B5-6D1E70219BC62AD6.pdf

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[4] http://www.shfa.nsw.gov.au/content/library/documents/64F2CAB4-D842-17E8-4796E4D60D7163AE.pdf

Appendix 3: Current Community position.

The Community reference group contributed to the deliberation of the Taskforce over a number of years. However, the principles contained in the final report, did not align perfectly with those suggested by the community representatives.

While this misalignment may be attributed to different expectations of the process, the community representatives, continue to believe that some of the most important overarching principles have been overlooked or dispensed with.

The most recent iteration of the communities principle may be found on the Bays Precinct Peoples campaign website (http://baysprecinctpeoplescampaign.com/principles/) and are as follows:

1:   Bays Precinct Urban Renewal Project core public interest principles To call on the Government to ensure that the Bays Precinct Urban Renewal Project follows a democratic and open process which enables public and private interests to come together creatively and imaginatively to ensure that the outcome will be a worthy of the site and of Sydney's status as a global city and properly protective of the public interest. To achieve this, Bays Precinct planning process must ensure:

a)   Precedence is given to the public good as a driving overarching principle for the renewal of these publicly owned foreshores and bays;

b)   That the community of Sydney is able to fully engage in all stages of the planning process;

c)   Excellence in planning and design for all development proposals by designating clear, publicly endorsed planning principles developed by the Bays Precinct Community Reference Group and actively seeking local and international ideas for renewal;

d)   That all unsolicited development proposals relating to any Bays Precinct public land or waters be subject to open competitive tenders and proper public scrutiny;

e)   That there be no alienation of the Bays Precinct foreshores from public ownership by sale or long term lease;

f)   That high priority be given to the inclusion of social and affordable housing as a significant element of any residential uses;

g)   That continuous public access to the harbour foreshore be a core principle for all development in the Bays Precinct;

h)   That a significant proportion of the 80 plus hectares of publicly owned lands be retained for public uses including open space

i)   The creative adaption and re-use of key heritage items such as the White Bay Power Station and the Glebe Island Bridge.

Appendix 4: Bays Precinct Peoples Campaign key principles

The following principles were set out in a speech given by Professor Jane Marceau in her capacity as a community representative and part of the Bays Precinct Peoples' Campaign on the 5th November in the Lower Sydney Town Hall

These excerpts are from Jane's speaking notes:

These are the principles that experience tells us are most likely to be breached by governments and developers alike.

I begin with the proposition that we need excellence in design for all Development Proposals and that this can best or only be achieved by following the Principles. Using the Principles we can both assess proposals and negotiate particularities.

'Excellence' here is a concept which has many aspects. Most important is the aspect of overall social value which is manifest in both content and process of decisions.

Expressed as Planning Principles for the Bays Precinct, excellence means:

1. *that precedence must be given to the public good as the overarching principle governing renewal of the Bays Precinct;*

2. *as part of this, there must be no alienation of the foreshore from public ownership by sale or longterm lease;*

3. *there must be continuous public access to the foreshore as a core criterion for acceptance of all proposed development;*

4. *a significant proportion of all the Bays Precinct lands must be retained for public use;*

5. *the community of Sydney must be able to fully engage in all stages of the planning process, including, in my view, both discussion of and decision about proposed major developments.*

   'Consultation' is not enough.

6. *ensuring the precedence of the public good also means that all unsolicited development proposals must be open to competitive tender and proper public scrutiny.*

   Transparency is critical.

Appendix 5: Planning for People: Community Charter for good Planning

http://thecommunitycharter.org

http://thecommunitycharter.org/wp-content/uploads/2014/09/Planning-for-People_-CHARTER-COMPANION-printer-version.pdf

Section 1   Principles governing good planning

- The well-being of the whole community, the environment and future generations across regional, rural and urban NSW

- Effective and genuine public participation in strategic planning and development decisions

- An open, accessible, transparent and accountable, corruption-free planning system

- The integration of land use planning with the provision of infrastructure and the conservation of our natural, built and cultural environment

- Objective, evidence-based assessment of strategic planning and development proposals

Section 2   Expected outcomes   of a good planning system

- Respects, values and conserves our natural environment and the services it provides

- Facilitates world-class urban environments with well-designed, resource efficient housing, public spaces and solar access that meet the needs of residents, workers and pedestrians.

- Provides housing choice, including affordable housing and sufficient housing for the disadvantaged, in a diversity of locations.

- Celebrates, respects and conserves our cultural (including Aboriginal) and built heritage.

- Protects and sustainably manages our natural resources, including our water resources, fragile coastlines and irreplaceable agricultural land for the benefit of present and future generations while maintaining or enhancing ecological processes and biological diversity.

- Retains and protects our Crown lands, natural areas, landscapes and flora and fauna for the benefit of the people of NSW.

- Gives local and regional communities a genuine and meaningful voice in shaping their local area and region, its character and the location, height and density of housing. Provides certainty and fairness to communities.

Section 3   Possible mechanisms for implementation

Appendix 6: The Bays Precinct Summit 18-20 November 2014

Make New
https://www.makenew.com/Sites/Summit2014/Registration/Summit

The Bays Precinct, Sydney International Summit and the Finance & Investment International Summit are the start of a new approach to large-scale urban transformation.

We recognise that a design competition and a rush to start building isn't appropriate for an urban transformation project of the scale, duration and significance of The Bays Precinct, Sydney.

We realise that in order to Make New the waterfront land in The Bays Precinct, demands a thoughtful, holistic methodology in which we:

Think New

Fund New

Build New

Live New

That's what The Bays Precinct, Sydney International Summit and the Finance & Investment International Summit are all about - thinking, hearing, discussing and learning what is possible and how, to help us shape our ambition and how to fund it.

The Summit is about starting in the right place and getting the foundations right to *Make New*.

Background to the Summit
In March 2014 UrbanGrowth NSW was given a new mandate by the New South Wales Government to drive urban transformation that will underpin the future prosperity of NSW.

In July 2014 the Premier of the State of New South Wales and NSW Planning Minister announced the Government's commitment to The Bays Precinct Urban Renewal Program, to be led by UrbanGrowth NSW.

The 30-year program will transform 5.5km of waterfront in Sydney's inner harbour, just two kilometres from the Sydney CBD (downtown), and potentially create the next big destination after the iconic Sydney Opera House. In short, it is a game-changer for Sydney.

Given the significance of The Bays Precinct Urban Renewal Program, not just to the local community but to Sydney and the State, and recognising the failure of several previous proposals for regeneration of the area, the Government wanted to ensure this attempt was set up for success. Ensuring the right governance framework was part of that – tasking a single agency to lead the Program. Convening an international summit to learn from some of the most outstanding examples of regeneration of other great cities and locations around the world, was another.

Finance & Investment International Summit   November 18
Australian Technology Park, 2 Locomotive St, Eveleigh NSW

The Finance and Investment International Summit is dedicated to stimulating discussion about the range of financing options and funding models for major urban transformation projects. It will draw upon the experience of large-scale urban transformation projects in the world's major cities, providing an opportunity to hear how they were financed, how risks were mitigated and which sources of finance

were utilised. Senior personnel from superannuation funds, banks and advisory houses have been invited to participate in panel discussions.

The Bays Precinct, Sydney International Summit   November 19 & 20
Australian Technology Park, 2 Locomotive St, Eveleigh NSW

To be held over two full days, broken down into nine different 'Assemblies', the Summit is the start of a new global methodology in urban transformation.

We want to enable the exchange of ideas from those who have successfully done it before. We want to generate robust discussion about what is possible and how, to guide the creation of an appropriate and achievable ambition for The Bays Precinct. The focus will not be on designs or buildings.

From all of this, we want to forge relationships that will enable ongoing world-wide collaboration.

Program

The Finance and Investment Summit 2014

November 18

The Bays Precinct, Sydney International Summit - Day 1

November 19

Day 1 will comprise five Assemblies:

Assembly 1 - Thinking Cities - Think New

Assembly 2 - Funding Cities - Fund New

Assembly 3 - Governing Cities (to be held concurrently with   Funding Cities)

Assembly 4 - Destination: Fish Market

Assembly 5 - Destination: Innovation Cities (to be held concurrently with Destination: Fish Market)

The Bays Precinct, Sydney International Summit - Day 2

November 20

Day 2 will comprise four Assemblies:

Assembly 6 - Building Cities - Build New

Assembly 7 - Destination: White Bay (to be held concurrently with Building Cities)

Assembly 8 - Living Cities A - Live New

Assembly 9 - Living Cities B – Live New

Appendix 7: UrbanGrowth mandate

Overview

UrbanGrowth NSW is the State's lead organisation responsible for urban transformation. Our ambition is to drive world class urban transformation that willdeliver housing and jobs growth, and improve the amenity and liveability of our urban spaces.

In 2013 the NSW Premier charged UrbanGrowth NSW with a mandate to drive urban transformation that will underpin the future prosperity of urban and regional centres across NSW. We collaborate with government, private and community stakeholders in the planning and delivery of our projects. UrbanGrowth NSW is the trading name of state owned corporation Landcom.

The criteria for determining which projects are the right fit for UrbanGrowth NSW includes:

- Projects where the location is of state or regional importance

- The scale has potential to deliver significant housing mix, jobs and community amenity

- There is a nexus between development and public infrastructure, particularly transport

- Government-owned land is involved

- Leadership across multiple government agencies is required

Our focus

Lead collaboration in the planning and delivery of vibrant and dynamic places across the state

Deliver value for money and community benefit to the NSW taxpayers both in the investment into major projects, and sale of redeveloped land to the private sector

Drive the government's ambition on housing supply, including the current 10,000 home sites program

Drive economic growth through unlocking investment

- by coordinating and delivering lead-in infrastructure and services in urban areas

- by planning and fast tracking urban transformation projects for the benefit of the community

UrbanGrowth NSW is actively pursuing longer-term strategies to promote the prosperity of NSW through urbantransformation by:

- Recognising market failures or regulatory barriers to otherwise viable projects

- Better utilising surplus government land as a catalyst for area regeneration and community benefit

- Providing additional focus on development in regional centres

- Assisting in the provision of affordable housing and job creation

- Championing world-class innovation and sustainability in urban transformation and place making

For Government Agencies

As a government agency, UrbanGrowth NSW's charter is to promote private sector investment in NSW and to increase housing supply. We often act as a conduit to get things done between various areas of government, delivering good public policy and generating benefit for the people of NSW, at no cost to the taxpayer.

Our responsibilities can involve partnering with government agencies and corporations to create new communities. Successful partnerships are about being confident that everyone concerned benefits from the relationship.

We are skilled at structuring arrangements to meet mutual goals and we can offer government agencies the commercial acumen, as well as the human and financial resources, to take your particular project from planning to reality.

Our aim is to work closely with state agencies while also providing sensible opportunities for the private sector to participate in our projects. The advantage for you is that, by marshalling the expertise and the financial resources of the private sector, we can often deliver your agency's project outcomes earlier, with minimal use of public funds.

This extends your reach and leverages your capacity to deliver.

For Councils

UrbanGrowth NSW protects and supports the public interest. As a government agency, we are subject to the same probity and ethics considerations that apply to local and state government.

We are acutely aware of the demands that are posed by dealing with multiple stakeholders, and how difficult it is to juggle interests that are often competing or contradictory. We also understand and share Wardell

Our strength lies in our ability to ensure that the outcome is positive for all parties involved. Superficial partnerships don't deliver results. It's real, hands on, collaborative teamwork that results in successful community outcomes and responsible financial management.

Our aim is to work closely with local government while also providing sensible opportunities for the private sector to participate in our projects. The advantage for local government is that, by marshalling the expertise and the financial resources of the private sector, we can meet your project outcomes earlier, with minimal use of public funds. This extends your reach and leverages your capacity to deliver.

For Developers

Much of UrbanGrowth NSW's most important work is work you won't ever see.

That's because our projects are often delivered through creative working partnerships we negotiate with the development industry - commercial developers and landowners. Our partnering arrangements are the tools we use to manage our working relationships with the private sector. They are the legal agreements that define responsibilities and apportion both risk and return for every party involved in delivering our projects.

We have variety of tried and tested working arrangements for implementing projects. Our partnering arrangements remain one of the most effective ways we have in delivering successful new communities across NSW. They bring together the best that the public and private sector has to offer in terms of skills, knowledge and experience.

Appendix 8: HafenCity development company

This overview is from the HafenCity website. The website provides a very comprehensive account of the history and governance of the HafenCity project[5]

Major urban development projects call for strong interaction and coalescence between conception and realization. In particular, the considerable intricacy involved in securing and closely coordinating public investment (around EUR 2.4 billion, of which approx. 1.5 billion is revenue from the sale of land) with acquisition of a high level of private investment (around EUR 8 billion) results in HafenCity in considerable, complex responsibilities and demands strong management.

In 1997 a port and location development company (GHS) was set up to manage the development of HafenCity – since 2004 it has been known as HafenCity Hamburg GmbH. It is responsible for the "special city and port fund", which consists of land owned by the City of Hamburg located in the HafenCity area. The sale of these sites provides finance for the lion's share of public investment in HafenCity, notably roads, bridges, squares, parks, quays and promenades. In addition to this financing responsibility, HafenCity Hamburg GmbH also clears and prepares sites, plans and builds public spaces as well as infrastructure, acquires and contracts real estate developers and larger users, and is responsible for public relations and communication.

HafenCity Hamburg GmbH is a 100 percent subsidiary of the Free and Hanseatic City of Hamburg. The company is developing HafenCity at Hamburg's behest. Public supervision, cooperation, and the division of responsibilities are demanding: the supervisory board of HafenCity Hamburg GmbH – chaired by the first mayor – consists of members of the city senate. Sales and options (with an obligation to plan) on land purchases have to be approved by the Land Commission; zoning plans are subject to consultation and approval from the Commission of Urban Development (made up largely of parliamentary and local government representatives) and are processed by the HafenCity working party in the Ministry of Urban Development and Environment which also issues permits. Juries for urban planning and open space competitions and for competitions for buildings comprise representatives of the Ministry of Urban Development and Environment (chief planning officer), the district council, HafenCity Hamburg GmbH and several politicians (from Mitte district or the city parliament) as well as private developers and independent architects.

By concentrating non-official functions in a dedicated development company of its own, Hamburg can ensure the efficiency and quality of the urban development project, yet through intensive division of labor and control also retain a high degree of public accountability.

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[5] http://www.hafencity.com/en/management/development-management-and-hafencity-hamburg-gmbh.html

Appendix 9: Bays Precinct Taskforce 2012

The following principles are from the 2012Bays Precinct Strategic Framework Report to the NSW Government, the following principles are taken directly from the Report:

6. strategic planning principles

The Strategic Planning Principles have been developed based on input from a range of sources including:

- The Stage 1 consultation process.

- Community Reference Group outcomes.

- The Stage 2 consultation carried out May-June 2012

- Input from Leichhardt Council, City of Sydney and the relevant landowning agencies.

The planning principles being recommended by the Taskforce are generally consistent with objectives and aims in a range of existing planning instruments and policy documents applying to the site. They are recommended as principles for consideration by consent authorities in assessing development applications, and to be included in future planning instruments

Public Interest and Future Proofing

1. Recognise and protect the Bays Precinct as a public resource by ensuring planning and development promote the social and economic welfare of the community.

2. Retain the publicly owned lands in public ownership to ensure long-term flexibility in the use the Bays Precinct assets.

Waterway

1. Recognise, protect, enhance and maintain the waterways as an outstanding natural asset of Sydney and a focal point of the public domain of the Bays Precinct.

2. Maintain deep water berths for commercial port, shipping and maritime uses and operations to meet existing and future demands for Sydney and NSW .

3. Preserve and manage use of the waterways for active and passive recreational boating users.

Land Use

1. Encourage new development that:

 - balance regional and local economic, social, recreational and environmental needs;

 - provide a distinctiveness and character consistent with the Bays Precinct's Sydney harbour location and that reflects the Precinct's history;

 - activate the foreshores day and night; and

 - are dependent upon foreshore location and access to waterway.

2. Commercial port and maritime uses operate in a way that recognises their location in a city environment and mitigates impacts on the amenity of existing residents and businesses in the adjoining communities.

3. Ensure non-working harbour uses are compatible with ongoing working harbour functions and do not alienate the foreshores from public ownership and active use.

4. Residential development is not a priority within the Precinct and must be carefully considered in terms of its impact on the long-term flexibility of port and maritime operations.

5. Ensure any new residential development provided as part of urban renewal is diverse in type, providing for both market and affordable rental housing.

Economic Sustainability

1. Encourage new development that contributes to maintaining and enhancing Sydney as a Global City by providing for economic growth, economic productivity, job opportunities and tourism.

2. Provide for commercial port and maritime uses within the Bays Precinct to ensure prosperous working harbour.

Traffic and Transport

1. Ensure consideration is given to transport impacts and how they can be managed in assessing new major activities or developments.

    - Integrate traffic, transport and access as part of any future development and land use considerations focussing on:

    - promoting public transport usage including opportunities for new public transport including ferries, light rail and car share;

    - enhancing pedestrian and cycle networks linking key activity areas with transport over the broader region;

    - catering for demand and ensuring that traffic impacts on surrounding residential streets and intersections are appropriately managed; and

    - considering access for disabled persons in new transport initiatives on the site.

2. Provide efficient transport and access solutions to support future port uses including the segregation of port traffic from residential areas. This includes consideration for a new port access road from City West Link Road directly to the Glebe Island and White Bay port area.

Public Domain, Open Space and Foreshores

1. Maintain and extend public access to and along the foreshore, including access to open space corridors for pedestrian and cyclists except where health and safety, security, regulatory provisions and public liability restrict access.

2. Public access within the Precinct be linked with public transport and existing public access points in the surrounding precincts.

3. Encourage addition of high quality public domain, open space and a range of recreational opportunities for both local community and visitors.

4. Restore the heads of bays for public use as opportunity arises.

Built Form and Design

1. Ensure development reflects the industrial and maritime nature of the built form of the Precinct and manifests design excellence by:

    - developing/redeveloping at a compatible scale at interfaces with adjacent existing neighbourhoods;

    - ensuring bulk, scale and location of buildings considers local views into, over, through and from within the Precinct, and conserves and where possible extends significant views;

- developing diverse architectural responses, with buildings having a diverse design, fine grain pattern, with active frontages and articulated elevations; and

2. implementing principles of 'view sharing' where relevant.

3. Ensure new development within the port and maritime precincts recognises the foreshore location and city environment in which is located, in terms of built form and design.

4. Ensure new buildings are appropriately setback from the waterfront.

Heritage

1. Recognise the significance of the Bays Precinct as part of Sydney's maritime, port and industrial history.

2. Conserve, interpret and adaptively re-use existing and potential key heritage items.

Community and Culture

1. Encourage a culturally rich and vibrant Precinct for the benefit of the local and regional communities.

2. Integrate appropriate community, cultural, and education facilities into the Precinct that are compatible with the working harbour.

Environment

1. Encourage ecologically sustainable development of the Precinct, in particular:

- Climate positive

- Water cycle management

- Decentralised power

- Low carbon precinct

- Minimise waste

- Green roofing

2. Demonstrate the sustainable sourcing and use of resources and materials in the design, construction, maintenance servicing and environmental performance of new development.

Community Consultation

1. Ensure that local community, Precinct stakeholders and local government are involved in future planning decisions.

Appendix 9: Main conclusions of Churchill Fellowship 2010 Helen Lochhead

Helen Lochhead, Assistant NSW Government Architect was the recipient of a Winston Churchill Fellowship in 2010. Her report;

> *"documents the key findings of an overseas study tour that investigated a range of recent initiatives in the UK, Europe and the USA that have set new benchmarks and demonstrated innovation in tackling the challenges of climate change to create more sustainable cities. The study involved meeting with planners, designers and staff from Government agencies in each city as well as site visits to key projects and analysis of relevant documentation. The purpose of the study was to identify the key factors that contribute to the development of successful innovative and sustainable urban environments.*

Although not expressed as principles, the main findings are applicable to major urban renewal projects such as the Bays Precinct.

Major Lessons and Conclusions Learnt

Each of the cities visited offered a range of lessons for creating more sustainable cities. Common themes included:

- The significance of a vision and project champion with the mandate to drive it.

- Aligning political will, policies and projects with community support and private sector engagement can generate extraordinary sustainability gains at every scale.

- Leading by example. Government as the builder of urban environments can promote sustainability and design excellence.

- The importance of incentives to get buy-in to the sustainability agenda through rebates, incentives, bonuses and using procurement strategies to promote sustainability agendas.

- Big ideas can be delivered in small increments. The vision can be implemented by many players over time through a range of initiatives.

- Harnessing the opportunity of major events to deliver exponential transformation and multiple benefits, be it an Olympics, world expo or federally funded infrastructure project, is key to achieving huge leaps forward and significant long term legacies.

- The value of nature in the city. Maintaining and reinstating natural systems, biodiversity and local ecologies have significant environmental, aesthetic and recreational benefits.

- Meeting the environmental imperatives alone is not enough. Social and cultural diversity, and design excellence in the built environment and public realm is key to delivering successful innovative and sustainable urban environments.

- Working with what exists. Regeneration projects that build on the inherent attributes of the place (often the small and incidental) often energise and seamlessly integrate with their surroundings.

- Tapping into community aspirations and needs is essential to deliver the greatest benefits. Without community support initiatives will not succeed.

- Sustainable policies and development can boost growth, rather than hinder it, as is commonly espoused.

- Measuring the impact and effectiveness of policies and initiatives is essential to harness support from stakeholders. When the benefits are clear, the take up rate is accelerated.

- There is no silver bullet. The most effective approaches to managing climate change involve many initiatives by many players acting across key issues: water, energy, transport, waste, biodiversity and quality of life. Working together towards a common goal has cumulative benefits.

Appendix 10 – Summaries of key events from the Festival of Urbanism

Festival of Urbanism

Session 1

16 October 2014: Health and High-rise – Is density bad for you?

Jennifer Kent, Lecturer in Planning and Research Associate at Macquarie University

Dr Jennifer Kent kicked the evening off with a parable about a continuous stream of small children struggling in a river, being swept towards a waterfall – and certain death. Two out of three fictional observers direct their efforts to trying to save as many children as they can reach; which is not many. The third walks upstream to try to find out why so many children are falling in the river in the first place.

Dr Kent is an avowed "upstreamer". She wants to find out how our built environment is throwing people into the river of diseases like type-2 diabetes, coronary heart disease and depression. She sees the built environment as having a strong role to play in addressing some of the risk factors for these prevalent and damaging diseases; like physical inactivity, poor nutrition, obesity, and the stress associated with hypertension.

Dr Kent's message was that good urban planning can get people physically active, strengthen and connect communities and provide equitable access to healthy food. Good planning, she argued, can:

- Get people *physically active* through its ability to support and encourage active modes of transport, such as walking and cycling, and also the use of public transport;

- Create places that foster a sense of *community and belonging* – benefiting both physical and mental health;

- Encourage equitable access to *healthy food* – by creating mixed use zonings to support small local supermarkets, reserving land for farmers markets and community gardens and regulating the location of fast food outlets (away from schools, for example).

What's density got to do with health?

Dr Kent emphasised that density in and of itself will not make you sick or well any more than any other urban form. But, she says, it looks very much like a certain amount of density is actually quite good for you. The reason? Density creates the *critical mass* of people to support the features that encourage healthier ways of living. These are features like public transport networks; infrastructure for walking and cycling; well-maintained

and interesting public spaces for people to sit, watch, read, and interact; farmers' markets and small neighbourhood shopping centres.

Looking further afield, Dr Kent saw increased residential density in existing urban areas as a way to reduce the use of land on the periphery for residential uses, rather than food production.

Dr Kent illustrated her point by comparing two suburbs: Leichhardt (around 55 persons per hectare) and North Epping (around 20 persons per hectare). The differences in access to public transport services and easy access to healthy food were stark. The residents of Leichhardt fare much better on both counts.

Bad density

Dr Kent's support for density was not unbridled. There is, she pointed out, also evidence to suggest that density, particularly *too much* density, is bad for us.

What Dr Kent dubbed "Bad density" can impact on mental health; respiratory health (more about that in Stephen Corbett's presentation); levels of isolation, fear, and ultimately community dislocation.

Referring to a recent literature review commissioned by the National Heart Foundation[6], Dr Kent urged attention to:

1. The quality of infrastructure in the surrounding neighbourhood and region;

2. The quality of construction and management of the actual buildings that make up higher density development. Dr Kent felt that:

> *It is far too easy in NSW to provide high density housing that is poorly constructed, poorly sited, poorly managed and not accompanied by the appropriate infrastructure to make it work.*
>
> *It is also far too easy to provide single, uniform density and forget that density means diversity, including town houses, row houses, semi-detached housing and low rise apartment buildings, as well as high rise.*

3. The social, socio-economic and cultural make-up of the residents and the surrounding community. Dr Kent called this the "elephant in the room", both from an academic and

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[6] http://www.heartfoundation.org.au/active-living/Documents/Increasing-density-in-Australia-Evidence-Review-2012.pdf. Broadly, the report suggests that residential buildings up to 4 levels are healthy for all ages; and that high-rise is associated with health risks for elderly people and children.

policy perspective. For density to be good for us, she thinks we need people to become accustomed to living in closer proximity to more people. And Dr Kent noted that not everyone is, or will be, happy about living with more people around.

For density to work in Sydney, Dr Kent concluded, "we need to acknowledge that we are dealing with a society in transition".

How this transition plays out will be different in different places.

> *It will be different in Wentworth Point where residential intensity replaces industrial uses. It will be different in Summer Hill, where the existing community will be almost doubled in the space of 24 months. It will be different in Liverpool, where the vast majority of the existing and new population is predicted to be migrant populations potentially accustomed to apartment living. It will depend greatly on the provision of surrounding infrastructure, the quality of the design of the density, and the ability and willingness of new and existing communities to adapt.*

Stephen Corbett, Director of the Centre for Population Health in Western Sydney Local Health District, and Associate Professor in the Western Clinical School and the School of Public Health, University of Sydney.

Dr Stephen Corbett traced the history of 19th and 20th century interventions in cities afflicted by a suite of ills once known as "the English Problem" – the urban squalor and degradation depicted so pungently by Hogarth's "Gin Lane". Workers in the "dark satanic mills" in industrial towns lived in overcrowded housing rows with communal toilet and water outlets. The average age of death of people living in such conditions in Manchester in the 1840s was just 17.

The NSW *Public Health Act 1902*, closely modelled on the English version, embodied a vision to solve these problems. In addition to the civic hygiene tradition, Dr Corbett called attention to what he regards as an ancient principle that binds planning and public health together – *do not locate people close to hazards*.

Density along main roads

Dr Corbett broadly accepted the proposition that higher densities can improve health outcomes in that they are associated with lower levels of vehicle kilometres travelled ("VKT") and higher levels of walking. He argued, though, that locating higher density housing on major roads exposes occupants to unhealthy levels of roadside pollution and can be expected to create perverse health outcomes.

Dr Corbett noted that the removal of lead from petrol and the introduction of standards for ozone emissions following a series of photochemical smog incidents in the 1970s have led to some remarkable achievements by the EPA in protecting air quality despite VKT growth. But the health risks posed by fine particulates and noise remain.

Dr Corbett pointed to evidence that the risk of wheezing in children increases the closer you get to a main road; and there is a doubling of the mortality rate due to heart/lung disease close to major roads. He views with concern large increases in truck movements forecast from 2011 to 2031.

What to do?

Dr Corbett argued that the hazards associated with proximity to main roads should be informing planning principles; but they seem to be getting lost. Setbacks greatly diminish the hazard. Design can also assist, by avoiding canyons that concentrate pollutants and aggravate the damage.

Dr Corbett urges that these hazards need to be given enough weight in the planning process. The case cannot be made by health professionals on a development-by-development basis.

Peter Sainsbury, Director of Population Health in South Western Sydney Local Health District, NSW Health; Visiting Professor in the Faculty of the Built Environment, UNSW; and Associate Professor in the School of Public Health and the Centre for Values, Ethics and the Law in Medicine, Sydney University.

Professor Peter Sainsbury, himself a child of the "dark satanic mills" of Lancashire (his home backed on to the local abattoir), took up one of Stephen Corbett's themes - how two professions that started together 200 years ago came to fall apart. The concern then was not about reducing density – it was about getting rid of slums. This endeavour however, he observed, brings in the confounding factor of poverty. It was (and perhaps remains?) hard to separate the two.

Dr Sainsbury traced the development of models of health focused at various times on poverty, on illness and disease ("health" being seen in that model as the absence of illness), on social factors such as disadvantage, and more recently on quality of life and liveability.

Promoting healthier built environments

Dr Sainsbury had two laments; one was the tendency of government departments to operate as "silos"; and the other the tendency to think of health services in terms of hospitals. This model of what health is seems to be shared by developers and potential residents. And so, in new areas like Wilton and Picton, when asked to think about health, developers and local communities respond with ideas for the location of a new hospital or the services expected at a local hospital.

He and Stephen Corbett have both been working with councils, engineers, and the transport agencies to try to promote healthier built environments. Some, particularly social planners, he has found to be ahead of the game; others "have some catching up to

do".

On density

Dr Sainsbury urged the greater use of some recently developed tools: health impact assessments, and a "healthy urban development" checklist. The challenge he sees is how to use these tools to promote liveability, as well as health.

Overall, Dr Sainsbury considers that these tools probably do promote some increase in densities; he concurred with some of the advantages mentioned by Jennifer Kent. He too however had some important qualifications. One concerned the identification of "the public interest" (required in some planning documents); Dr Sainsbury sees *multiple* public interests that can come into conflict.

And finally Dr Sainsbury sounded alarm about the extreme density of some "affordable" housing he is aware of in New York – containing "micro-units" of 28m$^{2.}$

Discussion Points

The comments and questions addressed to the panel centred on a few key issues.

Will density make people less happy?

There were many questions and comments from audience members touching on this issue. One asked whether any of the panel could point to any high density or medium density places where the sense of community is better than in low- density suburbs. In a similar vein, another asked about the impact of density on mental health, as opposed to physical health?

Jennifer Kent said she would not dare speculate on whether people in high density are happy or not. The evidence is that people like the amenity that goes with higher densities, not necessarily the density itself. In relation to the distinction between medium and high density, she could not point to any statistics that relate satisfaction levels to building scale, and suggested that the market would decide. But, she said, the Heart Foundation work is a systematic review and it does demonstrate health benefits from increasing density.

Peter Sainsbury's response was that the work he is aware of found the relationship of density with mental health is stronger than the relationship with physical health; but measuring *happiness* is difficult.

How much is too much?

Another asked (rhetorically) whether it is plausible for people to be living in a 28m^2 box. Another thought that SEPP65 had tried to help, but had allowed lots of buildings with small units (49m), all facing south.

Jennifer Kent agreed that there are problems like this. She said that there used to be more resources available for planning that takes account of context (which takes time, resources and money)– and they are all being taken away.

Stephen Corbett expressed concerned that high rise could end up as **a** concentration of inequality and dispossession, as he has observed in Auburn with subletting to multiple tenants. He says we need to ask: is this a liveable space? And, he cautioned, " History has some important lessons for us".

Air pollution on main roads

An audience member wondered if air-conditioning of apartments could overcome the health impacts of air pollution on main roads.

Dr Corbett responded that some pollutants are reduced by air-conditioning, but not all, as air-conditioners are not filters. In addition, many apartments along major roads have balconies. He said that the hazards are probably worse at lower levels but this has not been mapped, and nor have mitigating strategies been tested.

Another commented that on Canterbury Rd and Old Canterbury Rd, setbacks have been located at the rear to reduce overshadowing of neighbouring properties (and not at the front, to reduce impact of pollutants on new residents). Dr Corbett responded that if that happens, health outcomes for the occupants of new buildings are being traded, but health is "not on the table".

Noise impacts

There was strong interest in the question of noise impacts in denser environments. Dr Corbett responded that noise and air pollution have about the same impact on major causes of death. Most of the research in the area comes from more crowded places like the Netherlands and Hong Kong. There are new benchmarks for noise based on very robust data – they cover sleep disturbance, annoyance and learning impairment.

How does Health engage with local councils?

There was some concern about whether the tools available to consider health impact statements are in fact being used. One questioner stated that he had undertaken many developments and had never been asked to do a health assessment for any proposal.

Peter Sainsbury responded that health impact statements have been developing over the last 15 years. He does try to engage and make comments, but some Councils and some developers are more responsive than others. The approach he and his colleagues have been trying is to push for health impact statements to be integrated into either social impact assessment or the EPA Act. Dr Kent commented that the panel members are at the vanguard, this is new stuff, and it will take time.

Dr Jennifer Kent is a Lecturer in Planning and Research Associate at Macquarie University. Prior to Macquarie, Jennifer was based in the Healthy Built Environments Program at the University of NSW. She has also worked as a town planner in NSW in both local government and as a consultant. Jennifer's research interests lay primarily in the intersections between planning and health, including planning for active transport and attachments to the private car as a form of mobility.

Jennifer has just been awarded through a highly competitive international selection process, a Post-Doctoral Fellowship in urban planning research at the University of Sydney.

Dr Stephen Corbett is a public health physician and Director of the Centre for Population Health in Western Sydney Local Health District, and an Associate Professor in the Western Clinical School and the School of Public Health University of Sydney. He has a long-standing interest in how the built environment and living standards, both now and in the past, have affected human health.

Professor Peter Sainsbury is Director of Population Health in South Western Sydney Local Health District, NSW Health; Visiting Professor in the Faculty of the Built Environment, UNSW; and Associate Professor in the School of Public Health and the Centre for Values, Ethics and the Law in Medicine at Sydney University. He is a life member and past president of the Public Health Association of Australia; and a past member of the National Health and Medical Research Council and the Australian Health Ethics Committee.

Peter's qualifications and experience cover medicine, health planning, sociology, health services management and public health. His professional interests include inequalities in health, healthy urban development, social relationships and health, the experience of illness, the history of public health and social policy. Other interests include human rights, environmental sustainability, figurative war memorials, cooking and eating, the arts, cricket and Florence Nightingale.

Festival of Urbanism

Session 2

17 October 2014: alternative approaches to urban infrastructure funding

Martin Payne, University of Sydney

Martin Payne suggested that our current "business model" for metropolitan planning is not working effectively – especially with the delivery of infrastructure and housing, and transit oriented development (TOD) in particular.

While we recognise we do not have enough funds from traditional sources, Martin argued we do not give enough attention to value capture. And given the relative ease of value capture for tollways, relative to public transport, he sees a systemic bias supporting car travel relative to the greater use of public transport.

Transit-oriented development

Transit oriented development (TOD) has certain connotations:

- Reducing the amount of travel, especially car travel, and thus congestion
- Parking and traffic restraint
- Giving priority to public transport and walking (and cycling), and hence, supporting intensity/proximity
- Housing and related activities located in corridors

Martin described TOD is a coherent urban product enabling a transit-oriented lifestyle for households (with access to jobs, services, activities etc.). It is a complement to other measures in reducing congestion and related social costs. Various travel demand management measures, including congestion taxes, require better-structured urban form, which is consistent with TOD. As congestion worsens the merits of TOD increase.

Funding public goods

Capping infrastructure contributions is bad policy in Martin's view. It reduces the funds available for infrastructure - thus reducing public goods. A transit-oriented lifestyle requires a better quality of public goods.

Besides reducing congestion and social costs, Martin argued, TOD leads to reduced private travel costs and lower capital costs for its residents. He conjectures that these lower costs (which he estimates at between $3000 and $12,000 per annum) may give rise to potential to pay special rates to cover:

- Ongoing costs, such as public transport support

- Servicing of debt raised to provide infrastructure (which may be a superior way of funding, depending on the alternatives available)

The proposal would mean that those who benefit from TODs pay for TODs.

With guarantee and tax assisted loans (equivalent coupon of 1.8%, assuming a 40% tax rate) savings would support about $167,000 in bonds. Martin sees a possible case for redirecting tax assistance from negative gearing to bonds used to fund targeted new urban development, including infrastructure

How would it work?

Under Martin's proposal, land and infrastructure would be owned by a Development Agency (which could be a private or public vehicle), with a guaranteed income stream (and potentially some long-term capital gains). It would have powers to raise a bond and to collect a special rate and service the bonds. It would also play the same role as existing development agencies:

- acquires land and infrastructure
- sorts out planning approvals and infrastructure agreements
- sorts out arrangement with private developers and partners
- sells separate properties to owner-occupiers or investors
- leases parcels of properties to shops, housing associations etc.

Private property would be owned in conventional manner (but would pay a special rate): owner-occupiers, investors in residential or other property, housing associations etc. These could be tailored for superannuation fund investment, adding variety, with access to funds with different investment requirements.

The role of government would be to:
- Enable tax-privileged bonds (ideally, thus forgoing future tax income)
- Provides guarantees about the payment of the special rates (this could be with legally enforceable attachments to property)
- Empower and regulate the development agency

Finance-providing agencies would:
- Provide up-front funds
- Get an ongoing flow of income

Martin envisaged that tax-advantaged bonds would be an effective means of targeting subsidies at socially beneficial urban development, including infrastructure; and that such a mechanism may make feasible a wider range of sites, projects and outputs, making well located housing more affordable. He suggested that this mechanism may work at a range of scales and with different priced markets.

Discussion Points

Comments and questions concerned feasibility, application to different areas, and possible alternatives.

Feasibility
There was debate about whether the proposal would penalise people for doing the right thing, and how the tax mix might influence purchasing decisions. It was suggested that new transport development benefits residents of existing dwellings, not just TODs.

Martin responded that the proposed special rates would apply to properties that get uplift, and there are precedents for trying to capture uplifts. How far it would be realisable is a question for implementation.

A suggestion from the floor was that there would be a need to get allies for this, perhaps land tax relief. Martin responded that there is a whole series of inefficient taxes you could get rid of.

There was discussion about how much capital could be saved by not building car parking, and how hard it would be to generate those savings. Figures suggested were costs of $70K with no excavation, $100K if excavation needed. Rod Simpson said he has modelled this and that there is about a $12 K differential.

Application in different parts of metropolitan area
There was discussion about whether the proposal is a way to retrofit some outer areas, connecting them up to the city without pricing out existing residents.

Martin thought the benefit is doubtful if developments are isolated and it is difficult to provide public transport. The market for TODs in those areas is a question. The mechanism is suited to where you have good public transport or you don't want more private traffic. He suggested the higher propensity to use public transport might build in a bias to the inner city. It may be applicable to Parramatta and Liverpool

One audience member commented on his experience with the Green Square Town Centre; measures there were only seen as funding infrastructure not as a tax. The complication was there were 14 landowners and most models are devised for one owner. But the town centre mechanism provided a cap on speculative land sales, and was a great way to stop speculation.

Rod Simpson queried whether to some extent this stalled Green Square and whether imposing cost later as in Martin's proposal is better. A comment from the floor was that the upfront approach left profit for the actual builders.

Alternatives
Rod Simpson asked whether it wouldn't be better to have just a broad infrastructure tax across the whole metropolitan area?

Martin suggested that perhaps so, in a perfect world, but in a perfect world there would also be congestion taxes. What to do within our constraints? His proposal is conjecture, but may be a way to get more housing in the right places, supported by public transport.

Session 3

20 October 2014: The Bays Precinct: What's the Plan?

Panellists

Joining the debate on 20 October were:

David Pitchford, CEO, UrbanGrowth NSW
Kurt Iveson, Associate Professor of Geography, University of Sydney
Neil Macindoe, Planning Convenor of the Glebe Society
Angus Dawson, Director, Dawson James Pty Ltd (property, planning, construction and government advisory services)
Kate Shaw, Australian Research Council Future Fellow in Urban Geography and Planning, University of Melbourne

This diverse group of panellists attracted a lively crowd keen to hear what might be in store for the Bays Precinct, ahead of the International Summit scheduled for November. Craig Knowles, President of the Planning Research Centre, ably moderated the session.

The UrbanGrowth perspective

David Pitchford said that the starting point for lots of projects across the world is development – typically they start with an international design competition. UrbanGrowth wants to do things differently, in four steps:

- Thinking cities – aspirations
- Funding
- Building Cities
- Living Cities – great spaces, great places, great opportunities

The first application of this approach will he says be in Newcastle, where another of UrbanGrowth's projects is underway. David's view is that "you need a government with the courage to start with a plan".

David described the Bays Precinct as the highest potential urban renewal site in the world; this means there is a national element to its future. He said that the International Summit in November will have 220 active participants and 80 speakers; people who have done this all over the world. A draft strategic plan will be handed to the State government in April 2015. After that, in May 2015, there will be a "Sydneysiders summit".

Moderator Craig Knowles remarked that his understanding is that the Bays Precinct occupies 80 ha of harbour foreshore land spread along 5.5 km of the waterfront; David confirmed this and added "and 94ha of water".

David said that on returning to Australia from stints in the UK and Dubai, he saw here "a preparedness to accept mediocrity". He said that we shouldn't be afraid to learn from the rest of the world; and that includes as much about what we *shouldn't* do as what we *should* do.

The affordable housing perspective

Kurt Iveson made a pitch for social and spatial justice, and equitable access to affordable and decent housing. He noted that Sydney's housing costs are high and said we have "an incredibly divided city, with wider structural injustice creeping in".

Kurt worries about what he sees as a winding back of affordable housing for key workers, and the targeting of areas of inner-city low-income areas such as Millers Point.

Kurt's priorities for the Bays Precinct would be:

- Enforceable and sizeable commitment to affordable housing;
- Public open space that is truly open to all;
- Infrastructure provided alongside housing, not profitable elements first;
- Training and job opportunities including opportunities for residents of the nearby Glebe estate;
- Genuine engagement with civil society – it is partly the responsibility of the community to get organised;

Kurt concluded on an optimistic note: "It has been done before, it can be done again".

The local community perspective

Neil Macindoe argued that the Bays Precinct needs a much higher degree of public involvement in planning processes. He sees a need to re-create trust by involvement right from the beginning, and at every stage.

Neil argued that this is not just a uniquely large site, but part of Sydney Harbour, and he emphasised that it is all publicly owned. The public interest should he said be paramount; it should be given precedence over private interests.

From that point of view, Neil said, affordable housing is important, but not just that. Infrastructure must keep pace with new development – part of that is public transport and part of it is access to the harbour.

He pointed out that the Bays precinct includes a corridor into the hinterland along the freight rail line. He suggested that public transport could carry people along a line from Leichhardt and Lilyfield into Pyrmont.

Furthermore, Neil argued: "we seem to have lost sight of the fact that waterfronts are not the place for high–rise or carparks."

The development perspective

Angus Dawson was excited that the Bays Precinct team will look internationally, nationally and locally for ideas. He noted: "Someone then has to make the call to implement it". Angus urged that people accept that there will be a strategic plan that will be liquid over 20-30 years.

Angus argued in favour of residential (rather than commercial) development on the waterfront to avoid "scary open space"; residents 20m to 30m back from the water can, he said, provide passive surveillance. He compared this with Birkenhead Point, which is "frightening at night". He said that there is similar retail development in Vancouver, which has been "empty for years"

Angus emphasised that this does not mean repatriating public land to the private sector, providing it with a bonanza. Angus saw David Pitchford's intention not to start at step 3 (development) as the right approach to address this perception. (Neil Macindoe suggested that Barangaroo had created this perception because it had been taken completely away from the original concept and just became "an opportunity to make money").

In answer to a later question, Angus suggested a reality check: "Who delivers plans? Developers do". He said that the government doesn't want to spend funds, and therefore wants these things to be overall cost neutral. The aim, he suggests, should be to harness developers' need to make money in order to get them to deliver what we want. He thought it was time to "Stop talking about them like the Hun coming to steal your children".

Cautionary tales

Kate Shaw, a critical urban geographer, drew on her extensive research on megaprojects across the world. She characterised most megaprojects as "waterfront spectaculars" following a standard formula of high-end, high-rise office/residential/retail. In her view this formula is dated, as it is now evident that "highest and best (economic) use" doesn't necessarily produce the social or economic benefits expected.

Kate said that the profits from megaprojects often go offshore and not back into local communities. The jobs are often over-estimated: residential developments after construction generate very few jobs. Office jobs are more likely to be relocated from the city centre than newly created; retail and hospitality jobs are low-paid and insecure. The construction jobs that are created would equally be created if a different kind of development took place. The alternatives, Kate suggested, could include space for light industrial and manufacturing uses, small subdivisions for low-cost start-ups and small businesses, and housing that actually addresses local housing needs.

She pointed to alternatives to the high-end formula in some of the more interesting cities in the world like Copenhagen, Hamburg and Berlin. She argued that we should "resist the lure of going high and big".

Kate agreed that the Bays Precinct presents a big opportunity. Like Neil Macindoe, she emphasised that the Bays Precinct is already publicly owned; and the land is not going anywhere. So, Kate urged: DON'T RUSH IT.

Discussion Points

A few key issues dominated the discussion in question time.

What's the Plan? Does it include affordable housing? Does it include a working harbour?

David Pitchford said that UrbanGrowth will need to develop things that are feasible; but there is "every chance" that there will be developments other than Kate's waterfront spectaculars. He agreed with Kate's contention that "We don't have to rush".

An audience member asked if it is true that the plan at the moment is for the Bays Precinct to be a financial hub, hence the invitation to Christine Lagarde to attend the November Summit? This question didn't get an answer.

Kurt Eissman agreed with "thinking cities" as the first step, and pulling in international examples. He hoped that this will include looking at who has actually "cracked the nut" of

providing affordable housing. But *Angus Dawson* expressed the view that "The land economics of this place are such that you can't deliver affordable housing and villages".

David Pitchford stated that UrbanGrowth *does* plan to look at whether there are models for affordable and key worker housing. To that end it has entered into a memorandum of understanding with the City of Sydney, which will "enable us to interact in a way that hasn't been done before."

As for the working harbour, David suggested that economic, financial, environmental and social factors might be in alignment. Speaking as the son of a stevedore, he said he is aware that the changing nature of shipping is changing things. He is not against a working harbour, but there is less and less mercantile shipping

Planning and Consent roles

The moderator, Craig Knowles, asked David about a comment he had made about being an "enabler". This implied for Craig that somewhere else there is an assessor and a regulator. He asked: What is proposed here?

David Pitchford's response was that UrbanGrowth will be a master planner and an enabler of development. It will also be a developer, but it will have a private sector partner, unlike its predecessor Landcom. David said UrbanGrowth doesn't have planning approval powers, and will need to get development approvals like any other developer.

Angus Dawson expressed strong support for the separation of planning consent from the development authority. He believes that as an implementer you can't help but focus on implementation and "you need a check". The greatest challenge in his view is a loss of trust. He referred to recent events in Newcastle; saying "after what happened there, trust is now gone".

Breaking up the site

There was concern about the prospect of a single-developer approach, and a suggestion that the Pyrmont-Ultimo Plan is a better model.

Angus Dawson said that the Pyrmont-Ultimo approach isn't that different from the Newcastle approach. He thinks the precinct should be broken down into bits and developed piecemeal, but he understands this is what UrbanGrowth is doing. And, he added, contractors should be contracted to build what they have put in their bid and nothing else. Sites should be subject to a buyback provision that operates if they don't.

David Pitchford strongly stated that he doesn't want the precinct developed by a single developer. He commented that a single development partner takes away competitive tension, and that is important if people are to do different things in different ways.

He indicated that there are 6 possible precincts and that is a way to achieve diversity.

Trust –and Barangaroo

A number of comments and questions concerned the impact of the Barangaroo development on public trust in government and on attitudes to the Bays Precinct process.

Terry Byrne asked from the floor about transparency. He suggested that cynics wouldn't be surprised if the Bays precinct turned out like Barangaroo.

An unidentified questioner stated that the FSR for Barangaroo went up substantially over time. Another stated that Barangaroo started off as lots of different precincts and asked: How can we be sure the same thing won't happen again?

Local member Jamie Parker asked what lessons can be learnt from Barangaroo and how can we do better this time?

Kate Shaw's response was "Don't do it like that again. It was flawed at just about every point." The emphasis on highest and best use was not only unfortunate, she said, it now turns out (after a recent court case) that the developer will contribute nothing like as much as was expected.

David Pitchford said that people "keep throwing Barangaroo at him", and described Barangaroo as "omnipresent". But, he said, Barangaroo is not his responsibility. This will be a different decision-making process. David suggested that the only way to achieve trust is to be genuine.

Open space and access to the harbour

David Pitchford referred approvingly to New York's extensive system of waterfront pathways and suggested that we need new thinking about how people can access Sydney harbour again and again.

He remarked that Sydney has a fabulous harbour but asked: where can you put your feet in the water?

He suggested that there is a need for "activated" public open space and that means money; and a need to maintain space for big events (saying that there would now not be space for something like World Youth Day). David indicated that he is looking to see how social and economic aspects can be made to work together somehow to make this feasible.

Angus said that in Honeysuckle he has been keen to think about what he calls "software" - not just providing open space, but making it work. For example instead of trying to get arts people to be landowners, he supports them by asking them to do performances.

Craig Knowles

Craig Knowles is President, Planning Research Centre, Faculty of Architecture, Planning and Design, Sydney University. He is a Member of the Central Sydney Planning Committee and currently chairs the Murray-Darling Basin Authority. He also holds a number of advisory roles and directorships in the health, finance, property, planning and aged care sectors.

Mr. Knowles was a senior Minister in the New South Wales Government for 10 years, serving in the portfolios of Planning and Housing (1995–99), Health (1999–2003), Infrastructure, Planning and Natural Resources (2003–August 2005); Minister for Forests and Minister for Lands (2003–January 2005). Mr. Knowles is a Fellow of the Australian Property Institute and a Certified Practising Valuer.

Angus Dawson

Angus Dawson is a Director of Dawson James Pty Ltd. He has over 30 years' experience in the fields of property development and commercial construction. He has worked in senior executive roles in private and public sector organisations in New South Wales, Queensland and throughout the UK. In government, as CEO, Angus has led the NSW Government's delivery of the $3.45 billion Building the Education Revolution, the Growth Centres Commission and the Honeysuckle Development Corporation.

Angus has sat on numerous boards, government selection panels and review committees. These included the Infrastructure Levy Implementation Committee, the Premier's Urban Design Advisory Committee, the Rouse Hill Town Centre and Barangaroo assessment panels and the inter government task force for the acquisition of BHP's land holdings in Newcastle.

In the private sector Angus established Lansdown Homes, an integrated residential development company in Sydney and Brisbane, and was its first General Manager and later a Director. Lansdown achieved a $70 million turnover in its second operational year. He was instrumental in bringing the development division of Urban Pacific (formally Pioneer Homes) to commercial profitability. Angus has been involved at executive level in benchmark projects such as Forest Lake and Silverpoint in Queensland and Moverly Green and Harrington Court in Sydney. He is also a past President and life member of the New South Wales division of the Urban Development Institute of Australia, past chair of the Salvation Army Red Shield Appeal and was a non–executive director of City West Housing.

Dr Kate Shaw

Dr Kate Shaw is a critical urban geographer and Australian Research Council Future Fellow in Urban Geography and Planning at the University of Melbourne. Her current focus is on urban planning and policy practices in 'urban renewal' and their capacity to deliver social equity and cultural diversity. She is Deputy Chair of the City of Melbourne's Creative Spaces working group, a member of the Victorian State government's live music roundtable, advisor to the City of Sydney's live music taskforce, and part of the International Network for Urban Research and Action.

Neil Macindoe

Neil Macindoe is the Planning Convenor of the Glebe Society. He holds a master's degree in planning from University of Sydney; he is a Life Member and former President of the Glebe Society; served as a Councillor on Leichhardt Council from 1991-99; and was awarded a medal of the Order of Australia in 2012 for community service.

Kurt Iveson

Kurt Iveson is Associate Professor of Geography at the University of Sydney. He's especially interested in the principles and practice of social justice in cities, and has a particular passion for Sydney as the city in which he was born and raised, and as the place where his own kids are now growing up. He is the author of the book Publics and the City, co-author of Planning and Diversity in the City: Redistribution, Recognition and Encounter, as well as numerous academic papers on urban planning and politics. He is also Co-Chair of the Sydney Alliance

Transport Campaign Team, and writes a blog called Cities and Citizenship.

David Pitchford

David Pitchford is the CEO of UrbanGrowth NSW, with a mandate to accelerate the supply of housing and jobs through major urban renewal projects. Prior to joining UrbanGrowth NSW in September 2013, David was CEO of the UK Major Projects Authority where he had control of £800 billion worth of government projects. He also led the Palm Jumierah Development in Dubai, the world's largest land reclamation project. As CEO of the City of Melbourne until 2007, David had oversight of the construction of the much-awarded Melbourne Convention Centre and the Docklands Waterfront Redevelopment, the largest urban renewal project in Australian history, as well the iconic green building Council House 2, the first building to receive a prestigious 6 Star Green Star – Office Design Certified Rating.

Session 4

21 October 2014: Melbourne Docklands – where it went wrong and why governments don't learn.

Kate Shaw presented a critical view of most waterfront "megaprojects", characterising such developments in places as far apart as Dubai, Canary Wharf, Melbourne Docklands and Barangaroo as an anodyne version of 'mixed use' – a formulaic, office-residential-retail mix with casinos and hotels. This mix in the main is at least high-end if not aiming for a global elite. Kate presented a case for concluding that the economic benefits of projects like these are almost always overstated.

Kate argued that this formula is out of date. She pointed instead to waterfront developments in Hamburg, Berlin and Copenhagen which are of a much more human scale, with serious cultural facilities, community spaces and affordable housing, and with clear recognition of the value of sites put to lower than 'highest and best' use. The responsible authorities are just getting on with building in a manner that really does reflect and utilise the particular social, economic, cultural and environmental characters of their cities.

Kate asked: Why do these governments approach the 'opportunity' of their deindustrialised waterfronts so differently? Her answer: Because their people make them do so.

Discussion Points

Questions and comments after Kate's presentation centred on the public realm, viable alternatives and the size of parcels of land.

Public realm
There was interest in the outcomes at Docklands for the public realm. Cameron Logan of Sydney University suggested that the precinct does have a reduced footprint for cars, and the new residents like it.

Kate responded that while there are fewer cars along the promenade, there are massive carparks underneath and behind; that only 11 of the 50 or 60 buildings have green star award, and the tallest buildings are to the north, overshadowing the promenade. She disagreed with Cameron's contention that the new residents are satisfied with the precinct.

Another audience member from UTS suggested that Brisbane's waterfront precinct is a success, and said the exercise should be about what need the waterfront is responding to. He suggested that the people of Sydney should be asked: what does Sydney need?

Deborah Dearing said we know now what not to do in the public realm; she would like to see rigorous analysis of the Docklands public domain.

Viable alternatives

Several audience members pursued the idea of alternative uses for sites like Docklands. One avenue of interest was creative uses. Kate expressed concern about temporary spaces for creative uses, referring to Newcastle where they had to leave once the value of the land was raised. Temporary uses have been substituting for long-term efforts.

Another alternative use that created discussion was small-scale industry. Michael Bounds asked how this could unfold in Australia. Kate pointed out that there are warehouses full of furniture makers, set painters, electrical manufacturers, microbreweries bakeries and urban niche manufacturing throughout the old industrial areas of Melbourne and there is good evidence emerging from old rustbelt cities in US. In Berlin some big areas have been subdivided into small cheap areas for start-ups. Existing buildings can be used.

Garry Silk (formerly of City West Development Corporation) said that since the land is publicly owned it is not going to take a lot of investment to do that. His view was that the Bays Precinct is "never going to be a major financial centre as it is too far from the centre of the action" - digital industry is more feasible.

Size of land parcels

Deborah Dearing asked how important is the scale of the parcel and the number of hands involved (e.g. Pyrmont)? An active developer in the audience responded that it is important that size of development parcels be restricted if you want grain. It's easy to retain or to rezone portions of sites. It is difficult to parcel up but it can be done, as in Hamburg.

Garry Silk said we need a set of principles to inform the strategic plan; if it provides for fine grain and smaller sites we will see residential mixed use not office towers. He noted that in Hamburg there is a university and an excellent train line – you can get it right.

Session 5

23October 2014: Emily Talen on Design for Social Diversity

Emily Talen (Arizona State University) began by saying that the "holy grail" of planning is to create neighbourhoods that are compact, walkable and diverse.

One fascinating thing is how long this goal has been in play. It goes back to Ebenezer Howard – unlike Jane Jacobs, she says Howard's plan is pretty compact and walkable.

The reality in the US is that "compact and walkable" is not coincident with "diverse". That "compact and walkable" is moving away from "diverse" worries her. In Chicago, diversity has been dropping, and there is intense racial segregation.

A what and why of diversity:

Emily discussed the multiple angles from which diversity can be looked at: by family type, by income (the most important); by age; by ethnicity. Any of these dimensions is important in urbanism. She said that scale matters: Chicago at a *large* scale is very diverse. She looks at diversity at the neighbourhood scale

"Cities may be diverse in their public spaces but what's important is co-habitation at neighbourhood level, diversity in living and working in neighbourhood."

The benefits of diversity

Emily identified the economic argument, the social argument, pragmatic argument and the sustainability argument made for diversity.

The economic argument includes:

- Increased interaction
- Mutual support/economic interdependence (good for small business)
- Cross-fertilisation of ideas
- Vitality – adds colour and interest to a place

The social argument includes factors like:
- Elimination of concentrations of poverty
- Equitable distribution of resources,
- Reduction in fear/building of familiarity/ increased tolerance.

The pragmatic argument includes:
- Security - different users at different times of day creates passive surveillance
- Aging in place – it is possible to change the type of unit you live in without having to change neighbourhoods.

The sustainability argument concerns reduced miles travelled; and neighbourhood resilience.

So: why compact, walkable?

Emily said that the literature is overwhelming on this point: compact and walkable is better for the environment (lower VMT, lower energy, transit feasibility); and for individuals (health, safety, social connection).
She thinks the US has turned the corner with its obsession with low density. There is data now about changing preferences; households without children are really growing.

2014 POLITICAL POLARIZATION SURVEY

Table 3.1 Preferred Community

Imagine for a moment that you are moving to another community.
QA8: Would you prefer to live in (A community where the houses are larger and farther apart, but schools, stores, and restaurants are several miles away) OR (A community where the houses are smaller and closer to each other, but schools, stores, and restaurants are within walking distance) [RANDOMIZE]?

This question is discussed in Section 3 of the report.

|	Houses are larger/farther apart but schools/stores are miles away %	Houses are smaller/closer, but schools/stores are walking distance %	(VOL.) DK/Ref %	(N)
TOTAL	49	48	2	3,341

Walkscores

Emily described the development of the "walkscore" tool in the US which she said is a "gamechanger". "Walkscore" is a proxy for neighbourhood context – its primary defining characteristic is proximity to amenities (groceries, restaurants, shopping, banks, coffee, parks, schools, books, entertainment). It also includes a proxy for pedestrian friendliness – intersection density and average block length.
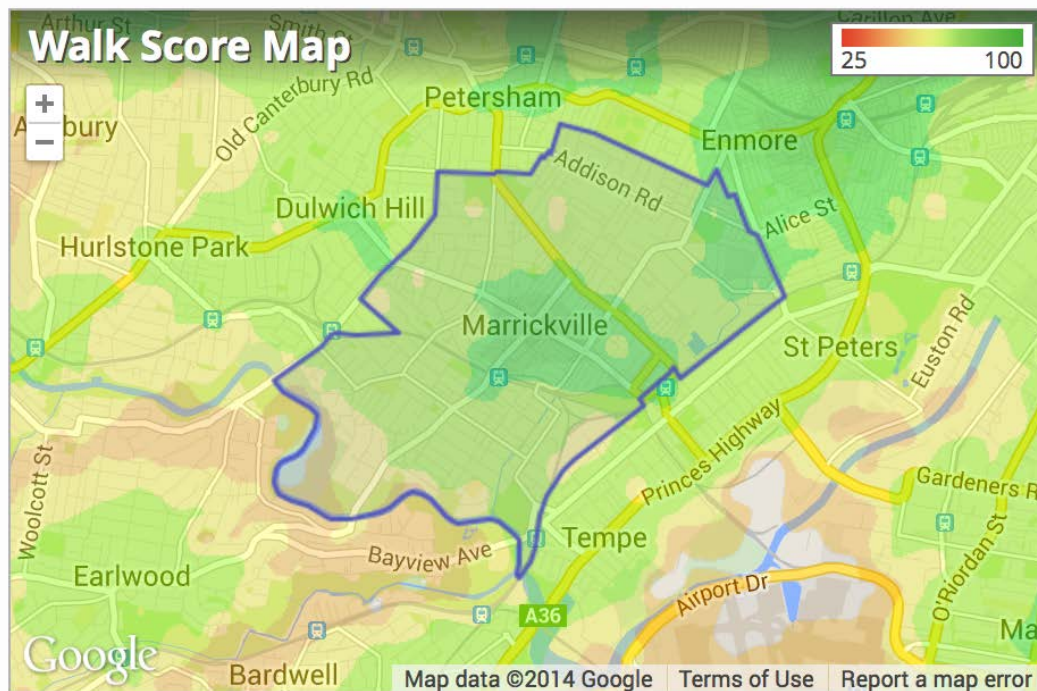
Sydney is the most walkable city in Australia. Marrickville has a walkscore of 80, which is very high – a walkscore of 80 does not imply intensely dense.

Affordability

Using the walkscore tool, the problem Emily has identified is that 71% of subsidised housing units in the US are in *unwalkable* neighbourhoods.

Research Questions	Metric	National level	Atlanta	Boston	Chicago	Miami	Phoenix	Seattle
What is the level of access for subsidized housing, and how does it vary by type of subsidy and metro area?	% HUD units in unwalkable locations	71%	90%	42%	62%	78%	94%	64%
	% HUD units with excellent access	10%	2%	19%	11%	4%	1%	17%
	Type with best access	Public housing	Multi-family	Public housing	Public housing	Public housing	Multi-family	Public housing
	Type with worst access	Vouchers	Vouchers	Vouchers	Vouchers	Vouchers	Public housing	Vouchers

She's also been looking at housing prices. She sees a decline in the affordability of desirable places. Housing prices are much higher in high walkscore (90+) areas.

Emily canvassed possible strategies for achieving the goal of neighbourhoods that are compact, walkable, and diverse: in other words, affordability in desirable places. One was for people to move to undervalued places like Buffalo, which scores highly and is attracting young graduates.

Another is to provide subsidies using one of the "zillions" of methods available.
A third is the "new town" approach, which does not involve subsidies and is favoured she says by "new urbanists". Emily does not believe that they are really creating diverse neighbourhoods as very few are affordable for a teacher, a median income earner or a cook.

Finally, Emily discussed design strategies. She thinks Australia is way ahead of the US on this:

- Short blocks
- Mixed age buildings
- Mixture of primary uses
- Sufficient population density
- Building types that can accommodate dwellings of different sizes (Paris has many examples).

The design side of this is not about places that are already walkable and therefore tend to be unaffordable. It is about growing the number of places that are compact, walkable and diverse.

Emily recommended leveraging the civic realm to make diversity work for you. The civic realm is "the integrator of diverse housing types". For example, densities near parks should be higher not lower as they are in an example she showed, from Phoenix.

Strategic aspect

Emily concluded with some comments about strategy. She noted that in Chicago there is no correlation between wanting to grow compact walkable and affordable neighbourhoods with the pattern of expenditure. Lots of dense places there are not walkable. She suggests local government investment could focus on these kinds of places. Looking for the sweet spot – improve them but don't go all the way to gentrification.

Discussion Points

Questions centred on affordability but there was also interest in diversity and in transport issues.
Affordable housing

Several questions and comments arose about the issue of gentrification and the likelihood that it would see poorer people being moved out of areas with high land value. A specific question was about Millers Point.

This led on to the necessity for subsidy and regulation, which a questioner described as another form of subsidy.

Emily's response described similar issues in the US. Places torn down are in great locations with expensive land, people are clamouring to stay there, not just to leave with a voucher to move to the suburbs. There is even a wing that wants to give them subsidised cars. It has been "quite a fight". The high rises had many more units and those numbers were not maintained.

On the other hand, she said, lots of lower income people benefit hugely and not all are against it. She mentioned the work of Lance Freeman. His bottom line is displacement is not happening as you think it is. People stay in the same area but move to a smaller place – it is more complex that we think – some sociologists she knows say it isn't a problem at all.

The prize here is to grow as much complex diverse urbanism as we can– without displacing people.

Emily mentioned that in the US the new urbanists got themselves mixed up with withdrawal of subsidy. But in Hope 6 new urbanists were happy to build affordable housing.

A questioner said that in London where there are requirements for affordable housing, they have separate entrances for the lower income affordable housing.

Emily thinks that is horrible; it happened in New York too. She was disgusted by that.

A comment was made that people moved in to Redfern because they wanted diversity but it drove out everyone not in public housing. So if we put services near diversity/concentrations – will that force them out? How do you resist that market trend?

Emily: keep on top of it with trend data and do something to support those places – some form of subsidy is needed to allow people to stay.

Diversity

An audience member asked: the quantitative big data is insightful. Is there any qualitative data about how people feel about living where they are?

Emily responded that in her book she used data to find comparatively walkable diverse neighbourhoods and then interviewed people – and found everybody extraordinarily positive about diversity. But she says there is other research from Julius Wilson and Puttnam that finds the polar opposite.

Transport

John Toon asked about the potential of bicycles; he thinks they change the scale of a place, give you a bigger range than on foot.

Emily agreed and said she is not impressed with the bicycle situation in Sydney; there is a huge fight in US, but the conflict is between bicycles and pedestrians.

Rod Simpson: Could you talk about the relationship between walkability and car parking. One strategy could be to devalue land by prohibiting car parking in inherently walkable neighbourhoods – to make it less attractive to people on higher incomes.

Emily responded that it works the opposite way in the US. Most New Yorkers do not have cars. In San Francisco development is now not allowed to include car parking, and values have increased.

But she's all for no parking.

Nicole Gurran in concluding the session said: what's absolutely clear is that good planning and good design produce higher land values, but we're kidding ourselves if we think we're creating affordable housing.

Session 6

27 October 2014: Housing markets, the GFC and city planning: perspectives from three countries

Speakers:

Dr Luci Ellis, Head of Financial Stability, Reserve Bank of Australia

 Professor Mike Berry of RMIT (author of "The Affluent Society Revisited")

Professor Christine Whitehead, London School of Economics

 Professor Kirk McClure Kansas State University

Dr Michelle Norris University College London.

Australians are not alone in their concerns about housing affordability. The Festival of Urbanism hosted a Panel discussion on "Housing Markets, the Global Financial Crisis and city planning" on Monday 27 October. Introducing the panel, Nicole McGauran asked whether the factors that made Australia's housing sector resilient will hold. She noted that Kirk Mc Clure's work has contributed to understanding of how planning policy influences housing. Professor Whitehead concentrates on housing markets and affordability. Michelle Norris has undertaken a "forensic analysis" of the Irish housing market. As part of her work at the Reserve Bank Luci Ellis has done scholarly work on lessons arising from the GFC. And Emeritus Professor Mike Berry is the author of " the affluent society revisited".

Abstract

What goes up does not necessarily go down in the US, according to Professor McClure - despite a "huge overhang" of residential construction, rents continue to rise. Affordability tops the list of political concerns in the UK, especially London. Professor Whitehead lamented the fact that while 80% of adults want to be owner-occupiers, large numbers can't see how they can ever achieve that. And Ireland is attempting to deal with a legacy of "ghost estates" in parts of the country – sometimes by demolishing them.

Professor Kirk McClure

Kirk McClure traced the development of a housing price bubble between 2000 and 2007, the crash that followed, and the progress of recovery from 2008 to 2013.

He examined two possible definitions of a "housing bubble":

- A mismatch between growth in supply and household formation (i.e. between supply and demand)
- A mismatch between growth in price and growth in income (i.e. a mismatch between prices and the market fundamental of underlying income).

His key message was that, if the market is self-correcting, the period from 2008 to 2013 should have seen production fall significantly to a level below household formation so that new household formation could consume the surplus inventory of vacant units. But this is not what has happened.

In the stable 1990s, household numbers rose by 13.5 million and housing stock by 13.6 million. Stock grew by 101 units for each new 100 households.

In the bubble period, household numbers rose by 6.9 million and stock by 12.4 million. Stock grew by 174 units for each 100 new households. Vacancy rates rose.

In the "recovery" period from 2008-2013, household numbers rose by 3.9 million and stock increased by 4.9 million. This equates to 16 new units per 100 new households. Vacancy rates remain stubbornly high.

The same picture emerged from Professor McClure's research on the ratio of aggregate value and income i.e. when he looked at the "bubble" as a price bubble rather than a supply bubble. Despite the overhang of supply, the ratio remains high for both owners and renters; although there has been some correction. That is, affordability is a problem for both groups.

His conclusion was that the housing market does not self-correct, at least not very well. Price signals can be wrong, heading upwards even when the fundamentals are not. "Shiller 'extravagant expectations'" are driving prices.

The consequences of overbuilding have been the demise of older neighbourhoods (he cited Galster's view that the demise of Detroit owes much to supply outpacing household formation) and a lack of reinvestment in existing homes.

Professor McClure argued that there is a compelling case for growth management; and planners have a role to play in preventing surplus production. He urged: "Comeback needs to be to a new stability, not a new bubble".

Professor Christine Whitehead

Christine Whitehead painted a completely different picture of the shape of housing markets in England. Levels of new supply are low, with new build adding less than 1%to total supply even in good years. The financial crisis saw the subsequent "near closure of the mortage and development funding markets". House building still runs at less than half

the rate required to keep pace with projected household formation.

Longer term issues include volatile house prices and the concentration of demand in London (accounting for one third of the estimated need for 250,000 units); and tenure change ("generation rent"). Owner-occupation levels are now below the European average at around 65%.

Professor Whitehead said that this shift did not start with the GFC but with an earlier crisis in 1989/90 when there were large numbers of (re)possessions and nearly 2 million households were in negative equity. She also referred to a particular factor in England - the level of activity of the private sector has not compensated for the withdrawal of the local authority sector. Until the 1970s the local sector built and managed about half of all units.

Figures shown by Professor Whitehead showed big variations between regions. London prices have been rising much faster than incomes in London and the south east (now 30% higher than in 2007). They have been rising against stagnant incomes in much of the rest of the country (2%down in nominal terms in the north-east). In Ireland, prices are nearly 40% down since 2007, against falling incomes.

Professor Whitehead explained some of the "new build" initiatives and "guarantee initiatives" put in place but she suggested more needs to be done, including redistributing existing housing more effectively. She favoured a modification of property tax to make it more progressive and reduce housing consumption by richer established households. She argued that in England "We MUST show the political will is there to house four generations rather than three."

Dr Michelle Norris

Michelle Norris in essence confirmed the accuracy of Professor Whitehead's view of the serious problems that have emerged in Ireland. She traced the boom and bust patterns of the Ireland's house prices and building activity from the 1970s through to the severe correction after 2007. House prices fell by 50% from their peak, even more in Dublin, and building activity practically ceased. She noted that overexposure to development loans was the proximate cause of the failure of Irish banks.

In contrast to the English situation outlined by Professor Whitehead, Michelle Norris pointed to the danger of an *overly* responsive housing market. The "buy to let" sector (typically retirees buying one or two units) is much more vulnerable to mortgage arrears. She also warned that supply is just part of the solution – all intervention in Ireland was on the supply side and despite a huge increase in empty dwellings it didn't moderate house prices.

She urged attention to the impact of non-planning policies like perverse and contradictory incentives. Ireland had no property taxes until the IMF recently forced it to

introduce one. Local government had been financing oversupply in areas without demand because it needed or wanted to increase business taxes.

She added some useful local insights into how this situation was exacerbated by an attitude common in some areas, quoting a local planner:

> *Leitrim had not seen any development for 100 years. It has been said that if somebody wants to build a house on a white line in the middle of the [motorway] in Leitrim would get it! 'Cause there was nothing happening. It was very naive to think that the [local] politicians would take a long-term overview as to what was appropriate. I am afraid that the attitude was that every house built in Leitrim is five jobs for a year. It didn't matter that there was nobody going to be able to buy it".*

Dr Luci Ellis

Luci saw a silver lining to the GMC – there is now a lot more data collected by agencies like the IMF and OECD. Looking at updated, richer data can lead to a change of perspective. Australia has not been as subject to the boom pattern described by other panel members and there is a big distinction between countries. She suggested that it is important to have cross-country comparisons, but that sometimes other countries are special and "not in a good way". Understanding why they are different is important. In her view Canada is a better comparator for Australia.

Key factors Luci pointed to include whether mortgages are fixed rates or variable, and whether the government funds mortgage insurers and hence takes the risk.

She noted that the message coming through is that housing crashes don't improve affordability, because incomes drop too.

Really painful things happen if there is oversupply, but in Australia we are a long way from oversupply nationally. There has been a shift towards more attached housing (50% of 200,000 building approvals), and it is little appreciated how net immigration has become concentrated to students and former students. There is now a premium attached to being in the inner ring – a matter of urban geography. She thinks we have to look at local situations.

Commenting on experiences elsewhere Luci noted pointed to some of the dilemmas – spec builders can create an oversupply, but if they wait until they are asked, they might only build if there are expected price rises. This assessment is based on *past* increases, and that might not work out well either.

Professor Mike Berry

Mike Berry looked at the question of inequality in the housing market, likening it to a cinema queue in which people queue outside in descending order according to the amount of money in their pockets. As more and more join the queue, the inevitable result would be that many are left outside while many of those inside can afford to buy themselves several seats. In the housing context, economic inequality results in the people at the top owning more and more houses.

Discussing the GFC, Professor Berry noted that "what goes up can come down"; and that housing debt was the trigger for the GFC. But while that was the vehicle, the main game was in business to business credit, where businesses couldn't work out what other businesses were really worth. This led to a credit crunch in the wholesale market, which in turn led to a major downturn because business couldn't refinance.

Mike concluded that we "don't really know where all this will end, because it hasn't ended yet".

Discussion Points

Why did the level of household income decrease in the US in the "bust" period?

Kirk described a process in which as the economy declined, so did the birth rate and immigration rates. Rates of immigration had been very high during the bubble.

Is the root problem participation in the housing market for the purpose of capital accumulation? Do we need to drive out that sector?

Professor Whitehead said that we do need to tax wealth more progressively, but not to the point where houses can't be part of asset mix. Luci Ellis suggested that there are some people for whom owner occupation is not in their best interests, at least for a period, but they will need homes to rent and someone needs to own them. Mike Berry thought there is an interesting difference in Australia – here people don't think of themselves as landlords, they don't say "buy to let". They see themselves as investors. He thinks taxation is the critical issue. He thinks the GFC should have shaken mindsets, but "the people who put us into the GFC are back in charge economically and politically".

Negative gearing and tax policy

There were several questions about the desirability or otherwise of taxation measures.

Kirk McClure said that negative gearing does tend to influence homeowners to buy more housing than they need. He said that unlike Galster he thinks a primary cause of the collapse of Detroit was racism, not the creation of new suburbs outside the city per se.

Role of government in land supply

In response to questions on this subject both Mike Berry and Michelle Norris said that there is a need for a greater role. Ireland had a report recommending this but it didn't do it and now regrets it. They saw large land companies hoarding land during the boom, expecting more increases in house prices, and the absence of property taxes (until recently) made it a big problem. Even now there is an enormous campaign to reduce property taxes even though Ireland can't afford hospitals.

She noted that regulating supply is very hard – it's hard to know you have an oversupply until there's a bust. And if the GFC hadn't happened they wouldn't have had an oversupply.

Christine Whitehead concurred that there is always potential for either too little or too much:

- Supply; or
- Finance

Session 7

28 October: The city is everyone's business, but the city is not a business

The City is everyone's business

Panellists:
Helen Lochhead
Philip Thalis
Marcus Spiller

Rod Simpson introduced the panel, saying that there is a high level of lack of trust in governments, developers, and construction companies – and in democracy.

We know what we want and government and developers say they are trying to give it to us i.e. the walkable compact neighbourhoods that are so desirable. He asked: maybe the problem is the process?

Helen Lochhead, Government Architect's Office

Helen began by stating that "the increasing speed and scale of urban development around the globe means that much of our urban environment is being shaped by megaprojects". Managing urban growth and housing affordability, inclusion and economic vitality is an enormous challenge in major cities around the world.

Megaprojects such as large-scale urban renewal and transport infrastructure have the power to transform a place, a precinct or a city. They have the potential to have a catalytic impact and deliver multiple benefits beyond the project but frequently these projects do not deliver on their promise.

Essential to getting it right is understanding what is needed to temper the relentless juggernaut of growth with our competing desires for a better city for everyone that also sustains the inherent attributes of the places we value.

As the recipient of a Churchill Fellowship grant, Helen has undertaken a detailed study of cities around the world to identify **key factors that contribute to the development of successful sustainable urban regeneration in cities.** In these cities (London, Copenhagen, Malmo, Stockholm, New York, Boston, Chicago, Vancouver) recent initiatives have set new benchmarks and demonstrated innovation in tackling the challenges of balancing environmental and social sustainability and economic growth.

Key factors

The findings...
• The significance of a vision

- Aligning political will, policies and projects
- Leading by example.
- The importance of incentives to get buy-in
- Big ideas can be delivered in small increments.
- Harnessing the opportunity of major events
- The value of nature in the city.
- Working with what exists
- Tapping into community aspirations and needs is key.
- There is no silver bullet.

These cities and the case studies provided valuable lessons as they were
- Inclusive

- Liveable and accessible
- Locally distinctive
- Ordinary and extraordinary
- Resilient

Vision and champions

Helen said that these cities began by asking: what kind of a city do we want? How will we make it better for everybody?

And each had a project champion with the mandate to drive it – its Mayor. She noted that despite their different politics, London's "Red Ted" and Boris Johnson shared a vision for London.

These cities started with a vision that identified shared values, needs and aspirations The imperative is to maximise value and benefits - economic, cultural, social, environmental - not just development value.

Mayor Bloomberg's vision for *a greener greater New York* and the mandate and drive of his Commissioners for Planning, Transport, Design and Parks and Recreation to champion it, the City has made huge inroads towards this aspiration. *PlaNYC* articulates a wide range of initiatives across 10 goals including housing 1 million more people in more affordable and sustainable neighbourhoods, (95% within a 10 min walk of a subway)

Helen said that urban interventions often do not stand up to close scrutiny. Regularly they result in collateral damage that includes cost blowouts, environmental degradation, social dislocation, divided communities and broader impacts not envisaged like sterile monocultures.

Many contemporary models of project delivery, being singular and monolithic in their purposes, are problematic. As a consequence a range of different approaches are being tested that are more flexible and diverse, inclusive and adaptable to change.

Helen's talk profiled a range of initiatives and interventions that have had a multiplier effect on the places they inhabit, delivering both planned and unforeseen benefits. She believes these exemplars provide replicable lessons for other cities including Sydney:

- Lower Lea Valley (Mayor of London document)
- Chicago's green roof on City Hall
- NY High Line

The NY High Line project catalyzed the transformation of adjoining area to a dynamic area.

Big ideas in small bites

Many projects were undertaken in small bites. Helen argued smaller interventions ("urban acupuncture") can achieve rejuvenation incrementally. They may include recapturing underused roadways, retrieved for pedestrian use or markets – capturing roadway for pedestrians and cyclists.

Harnessing the opportunity of major events, and even reconstruction after disasters like Christchurch and Hurricane Sandy , can deliver major transformation.
Denmark

Value of nature

Many of the projects Helen highlighted recognized the value of nature. There is design excellence beneath the beauty – if it wasn't beautiful, it wasn't happening.

Helen's conclusion was that the Sydney remit needs to be to create sustainable, diverse, enriching places.

Philip Thalis

Philip began by describing the results of a recent competition intended to improve contact between the harbour and the public domain in Busan, Korea. He noted that: "Waterfronts are an extraordinary attractor".

He then contrasted this approach with Barangaroo, which he fears has delivered a "trophy windfall profit for a selected clique": "Barangaroo is what happens when we only think of the city as business."

The original winning plan was based on the public domain. It conceived of the city as a series of layers, with towers climbing the hill. Philip lamented that his team "had hoped the project was Sydney-proof, but we were wrong". Barangaroo now has not streets, a few portes cochere, and a park that is not on the foreshore. No buildings for the community. What we got instead is "boofheads hogging the front row".

Why do we have a Barangaroo precinct at all, asked Philip? Because the Sydney Harbour Trust had a vision and the government had the foresight 100 years ago to resume and hold land .

Philip argued that public transport should be the key to the Bays precinct. In 1909 the Royal Commission proposed a city circle railway and stations were built over the next 20 to 30 years. The Commission was open to ideas. Sulman proposed a central figure 8 railway, not just a city circle – the reason he gave was that the city centre was very small and it would soon outgrown it …

Instead there has been disinvestment in public infrastructure since the 1930s. The priority now is to de-risk (he showed a typical risk management matrix) – he thinks this one of the most venal decision-making methods in use today; it equals the death of opportunity; a negative process.

Cost-benefit analysis

Philip also had some trenchant criticisms of the use of economic modelling and cost-benefit analysis. He suggested there should be more post-occupancy evaluation. He "benchmarked" Anzac Bridge against the Harbour Bridge and noted that the Harbour Bridge does a lot more – so many modes are combined. A genius work of infrastructure that changed Sydney.

He doubted it would survive cost-benefit analysis which he said shows what's missing in terms of cost-benefit analysis.

Failure of public imagination

Philip is fiercely opposed to the proposal to "flog the 3 sandstones" in Bridge Street. He pointed out that this has been public land since 1788, continuously used for public service. The Lands Department Building had the tremendously important function of regulating land – the room in the middle was the plan room. It is a loose fit low energy building – it is just neglected – but one of the best buildings ever built in Sydney.

On the other hand there is a triumph of public imagination just down the road – the Opera House; a public place plus public building, plus public room. This is the centre of our city not a CBD; it's what makes Sydney Sydney.

Philip concluded with a call for public needs and public convenience to take priority over private property rights. He feels that Parliamentary democracy has become a cartel– it is not championing public rights and public values.

Marcus Spiller
SGS Economics and Planning

Marcus started by asking who in the audience would want economists in charge of the Bays precinct – not one hand was raised, which didn't surprise him.

He said that economics is typically seen as the enemy in terms of progressing a better city; elevating short-term financial gain over the long-term interests of the city. But he suggested that without a degree of mastery of economic ideas, progressive ideas are "easy prey".

Marcus noted that it is true that economics aspires to express everything of value in dollar terms, but he suggested that it is a discipline that is the equal of planning or architecture because its original mandate was to make life better.

He then gave us all a quick lesson in how cost-benefit analysis works. setting out the formula by which "net community benefit" is calculated. Marcus said that:

"As bizarre as it might seem to sceptics, most non-tradeable costs and benefits are capable of being monetized." He gave some examples.

Monetising externalities

- The value of open space – can be expressed in terms of travel cost to access it
- The value of social capital – look at volunteer hours
- The value of urban amenity? Uplift in land value
- The value of heritage and culture? Valuation survey.

$11 per hour is the opportunity cost of leisure time

Marcus said that his team helped save Abbotsford House in Melbourne by putting a value on the park.

But he suggested that some outcomes can be treated as "non-negotiable". You can say these are non-negotiable:
- Quality design
- Access to foreshore
- No overshadowing of key public domain
- Social mix/affordable housing/social inclusion.

What's gone wrong?

Marcus asked: So why hasn't economics gained the trust of its partner professions? What's gone wrong? His suggestions were:

- Cash-strapped governments focus on financial rather than economic optimization.

- The community disempowers itself because it prefers to argue from a different paradigm. It wants to reject the approach and differentiate itself. Partly it doesn't have the forums;

- Our governance blinds us. The State government stands for NSW, it does not stand for the city – not like Boris Johnson, who stands for London.

- Our evidence is lacking. He thinks there would be evidence that everyone is better off in diverse and inclusive communities.

- Commonwealth government has crowded out the States – it sucks in power and collects most money. Cash-strapped government skews decision-making; not guided by economic analysis, guided by financial analysis.

A way forward

- Align decision making institutions – rethink governments – there should be some form of democratic forum that takes custody of the metropolitan area.
He notes that London drifted after Thatcher sacked the Greater London Council. Tony Blair brought it back even though he knew it would be a thorn in his side. We need to move towards that.

- Establish stakeholder representation
- Take a long term view
- Establish the base case
- Agree on non-negotiables, including design standards
- Agree on a reasonable financial profile
- Evaluate from holistic economic perspective
- Apply rigorous cost-benefit analysis
- Align procurement model with the planning vision

Discussion Points

A questioner asked how do you assess who bears the cost and who gets the benefits in cost-benefit analysis? What if all the costs fall on one side and the benefits accrue to a small group?

Marcus Spiller agreed that the working rule in economics is to set distributional effects aside and look to "net community benefit" – whether the community "as a whole" is better off. Economists will say "that is just a distributional issue not an efficiency issue" but in truth they are keenly interested and will do a distributional analysis.

Rod Simpson suggested that the idea of "non-negotiables" suggests that we do go to values. There is a real democratic problem to trust that benefits are equitably distributed.

![Festival of Urbanism logo]
U Principles for the Bays Precinct Renewal
DRAFT

Marcus: There is vertical fiscal imbalance. Every dollar of tax generated by any improvement would go to the federal government – not like New York.

Pat Fensham (works with Marcus) commented that they are co-authors of a paper on Sydney Harbour Bridge as an example of why cost-benefit analysis is not done well.

A questioner said that the Westconnex papers are not accessible and the cost-benefit analysis is not accessible- how do we know we are getting benefit?

Marcus: Projects like that have dynamic and long-term effects – they can be transformational. The convention is to take into account first-round effects (travel time savings); governments keep it secret because they are not accountable; and probably the cost-benefit analysis doesn't reflect the real benefits of the project.

Question from Rod Simpson to Helen: the other projects she described seem to have a clear broad view of an entire area, they are not just transport projects.

Helen: Any urban investment has to have a multiplier effect – if it is singular in purpose, just a road project, it is probably not worth building. Her examples show how a project can be used to catalyse other projects. She thinks economic analysis has to take that effect into account, but doesn't know how you would do that.