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Shaping Future Cities Designing Western Sydney

Report on the August Summit
September 2015

To help develop Shaping Future Cities – Designing Western Sydney, Deloitte Access Economics held a summit at the firm’s Parramatta office on 20 August 2015. More than 40 government, business and local civic leaders attended.

The summit’s aim was primarily to gain feedback on a discussion paper circulated before the event. The discussion paper summarised the key themes that emerged from Deloitte’s consultation with more than 300 stakeholders since March. Based on these consultations and the firm’s own research, Deloitte developed draft strategies and recommendations for the paper, with the ultimate aim of creating 200,000 great new jobs by 2020. The draft strategies fell into three broad categories: platforms for growth, creating jobs and connecting jobs to people.

The summit also heard from NSW Planning Minister Rob Stokes, Committee for Sydney CEO Dr Tim Williams and a number of key Deloitte personnel. However, the purpose of this report is to outline the attendees’ feedback on the draft strategies and recommendations and other comments that may help Deloitte draft the final blueprint. We have not covered the speeches unless they are pertinent to the attendees’ feedback.

Platforms for growth

Create a new narrative for Western Sydney

Throughout the consultative process most regional stakeholders agreed that Western Sydney had an image problem and, therefore, needed a new narrative. The summit heard two key comments about the new narrative:

- **“Be ambitious and lofty.”** That was the advice of Parramatta City Council CEO Greg Dyer. He pointed to the success of his council’s “Building Australia’s next great city” campaign. “I haven’t heard a single word of cynicism, push-back or concern that we’re overreaching,” Mr Dyer said. “People are willing to listen to these [ambitious] messages.”
- **“Should we market Western Sydney?”** Sydney Business Chamber Executive Director Patricia Forsythe urged caution when creating a regional narrative. “The reality is we’ve got really different areas within the region, like Liverpool, Parramatta and Penrith. By holding to regional strategy, you might be missing the opportunity to create some very strong brands within the region.” She agreed that it was vital for all stakeholders in the region to work together and jointly advocate on regional issues – but just as inner Sydney has areas with different identities, Western Sydney should develop and use its existing brands.

Balance parochialism, cooperation and integration

Attendees generally agreed on the need for greater cooperation between stakeholders and organisations in the region. However, there was some discussion on balancing parochialism and cooperation, as well as the need to see Western Sydney as part of the greater Sydney ecosystem and economy.

Sydney Business Chamber Director David Borger said that parochialism had held the region back. “We have 14 councils, different mayors, and federal and state MPs who don’t really collaborate,” he said. “We need to have a common vision that holds governments to account but also hold ourselves to account. At the heart of it, we need a reformed Western Sydney Regional Organisation of Councils. Our civic leadership has got to be team Western Sydney, not team my local area.”

On the other hand, the Committee for Economic Development of Australia’s Kerrie Kelly said that some parochialism and independence was necessary for allowing areas to flourish regardless of the state government’s contribution. However, it has to be balanced by the need for the region to participate in and leverage the integrated global city concept Dr Williams is championing.

In his address to the summit, Minister Stokes said: “We need not separate Western Sydney from the rest of Sydney. What is good for the east is good for the west.”

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Develop more plans for the Western Sydney airport

There was general agreement that the Western Sydney airport would be a game changer for the region. However, some attendees were concerned that not enough was being done to take advantage of this critical infrastructure project.

Liverpool Lord Mayor Ned Mannoun pointed out that the state government had yet to formally review its long-term transport plan and freight strategy to take into account the new airport. “It’s positive they’re now looking at preserving the corridor from the South West Rail Link up to the airport. That’s great, but at the end of the day, we’re still looking at a train journey of more than an hour from Badgerys Creek to the Sydney CBD. It also doesn’t address the issue of getting to other centres like Parramatta or Penrith,” he said.

Depoliticise infrastructure

Deloitte’s Luke Houghton said a 40-year infrastructure plan would “allow the right projects to be put forward at the right time to support the right growth”. However, achieving this goal would require overcoming one of NSW’s great challenges – to ‘depoliticise infrastructure’ so that everyone worked towards the region’s common vision for infrastructure and growth, including federal and state government departments, councils, and infrastructure and property developers.

Create a welcoming narrative for migrants

Attendees generally agreed that Western Sydney’s multicultural diaspora could become a key competitive advantage for the region. However, Ms Forsythe said the region needed to do more to turn that diversity into an advantage. “We should use that strength and say to the world, ‘We are a place which you can be a part of.’ We want culturally diverse people to naturally feel at home when they arrive,” she said.

Make the Western Sydney Innovation Corridor a high priority

Celestino Chief Executive John Vassallo said developing the innovation corridor should be a priority in the blueprint. “There’s not another area in Sydney or Australia that has potential to create jobs and change a place like the innovation corridor does, because it’s right in the middle of high-growth cities like Liverpool and Penrith, and the second Sydney airport,” he said. “If we can get that right, we can really change Sydney.”

Director of Strategic and Government Relations at Western Sydney University Dr Andy Marks said the innovation corridor was designed to take advantage of the second Sydney airport and would incorporate health, agribusiness, engineering and science areas. It was designed with a north-south route ‘to reorientate the way the west is thought of’. He said: “We want to make sure Liverpool, Campbelltown, Penrith, Hawkesbury and everywhere in between are part of a common narrative.”

Reform local government

Mr Mannoun said it was important to reform local government by moving to a popularly elected mayoral system such as that in the Liverpool and Fairfield councils. He said a popularly elected mayor reduces the infighting among councillors jockeying for positions, and diminishes the potential for anomalies such as one independent holding the balance of power for many years.

He also said it was vital to get the federal bureaucracy involved to help remove red tape such as that holding up construction of a proposed building in Parramatta.

Develop smart cities to empower citizens

Parramatta City Council Strategic Smart City Officer Tara Cheesman said the council would soon have smart bins, wayfinding street signs and sensors in buildings and roads that would make a wide range of data available.

“We’re looking at data capture models,” she said. “We’re looking to improve not only our services and liveability, but also to give people a voice and enable them to play a large role in the development of the city, and for that data to be used to create places that they will actually use. The value comes in the usability.”

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Creating jobs

How far should we go to 'pick winners'?

The biggest issue to emerge from the summit was the notion of supporting key industries and areas – and governments' role in this support. Some attendees were strongly in favour of 'picking winners' but others urged caution.

In his address to the summit, Minister Stokes said: "The government's role is to provide supporting infrastructure. The role of business and the community is to determine what they want to be the future for their area."

Not all attendees agreed, with one saying: "I would have thought that [picking winners] was at least part of the role of government, not just leaving it to a business free-for-all."

Deloitte's Peter Forrester agreed: "There's a massive difference between choosing to compete and choosing to win. We need to... create domains of winning businesses."

Mr Vassallo said the Sydney Science Park at Luddenham was 'an example of what can happen when government wants to facilitate new ideas and investment'. However, he also said: "I think we've got to be careful when creating blueprints or picking winners that we don't actually restrict potential. I think the main role for government is to get out of the way of private investment. We need to come up with a blueprint of where we want to be, but let private enterprise work within those parameters and deliver it."

Mr Vassallo pointed out that markets and industries change quickly. "We shouldn't try to think we know everything; just try to create an environment where new technologies and innovations can grow."

Grow catalyst and support industries

Apart from the underlying issue of picking winners, attendees also commented on catalyst and support industries:

- **Lofty ambitions.** Western Sydney Parklands Executive Director Suellen Fitzgerald said existing growth in sectors such as tourism indicated that the blueprint could be very ambitious. "When we were doing the management plan for Western Sydney Parklands, we allowed 50 hectares, or about 1 per cent, for tourism. To be frank, I thought it was unlikely that we'd reach that," she said. "But now only five years later, I'm thinking we're going to have to up that considerably to meet the demand."
- **Supply chain centre of excellence.** Ms Forsythe said the second Sydney airport and initiatives such as the Moorebank and planned Eastern Creek intermodal terminals represent big opportunities for Western Sydney to become a world leader in supply chain technologies.
- **Support from utilities.** Sydney Water General Manager of Business Strategy and Resilience Sandra Gamble said she saw opportunities in the blueprint for Sydney Water to be an enabler and contributor to catalyst industries. "We can make sure our infrastructure is in place at the right time and in the right scale," she said.
- **A successful model for health and education.** Director of the Centre for Infectious Diseases and Microbiology at the University of Sydney, Westmead, Professor Tania Sorrell said the hospital was a successful, long-term model for the collaborative initiatives under discussion. It is the result of collaboration between a university, the health sector and local businesses. The potential for universities to collaborate in the region could be a fantastic opportunity, she said.



Support jobs in places where they are growing

Discussions about supporting key areas revealed the following concerns:

- **Will the hierarchy be divisive?** Ms Kelly was concerned that creating a hierarchy of centres, precincts, corridors and zones could be divisive. Regional stakeholders might worry about the classification of their areas, what that classification entailed, and why one industry was considered more essential than another.
- **More ideas for the outer west.** Mr Borger said large centres such as Parramatta and Liverpool had well-known, ambitious plans, 'but the further you go out to the edge of Sydney, the ideas become thinner'. Dr Marks pointed out that the innovation corridor was a big idea for the areas west of the M7, but acknowledged that it was a 20- to 40-year plan.
- **More focus on the south-west.** Greenfields Development Company Managing Director Anthony Perich complimented the discussion paper, but said: "It doesn't focus enough on the south-west, which is growing very quickly and creating a lot of jobs."

200,000 new jobs: how ambitious?

Director of Western Sydney University's Centre for Western Sydney, Professor Phillip O'Neill, put the target of 200,000 new jobs in five years into perspective. He said it was fundamentally the same as the state government's target from 10 years ago: a residents-per-job ratio of around .75. However, access to jobs in Western Sydney had fallen for the first time in the last five years. He said it was a very ambitious target, even taking into account the earlier statement by Mr Stokes that half of the jobs would likely come from organic growth.

Professor O'Neill said that to reach the target a new project on the scale of the Barangaroo development would have to be created every 15 months. That would require a joint effort by councils, the private sector, and the state government departments of Planning, Health, Education and Treasury.

Create jobs that draw people west

Deloitte's Ursula Brennan said: "As we work through this, we need to ensure it doesn't end as tokenism, but it really is about jobs that are valued and act as a draw from east to west."

Create a strong manufacturing brand

Manufacturing Skills Australia Executive Officer Leon Drury said: "There needs to be a strong voice supporting manufacturing in Western Sydney and in NSW. It's suffered an image problem for some time. People still think that manufacturing equates to smoke stacks. It isn't. It's high tech, it's high skilled and the opportunities are global, not just local."

However, he said research had shown there was significant confusion about how companies can shift from traditional to advanced manufacturing. "Western Sydney is actually the largest manufacturing area in Australia. You wouldn't know it. We need to create a manufacturing brand in Sydney and let people know about it."

Develop a data-sharing initiative

Following up on Mr Stokes earlier comment that NSW Premier Mike Baird preferred to make decisions based on data, Mr Perich suggested a data-sharing initiative involving public- and private-sector organisations in the region.

"We can all contribute by giving real, hard data," he said. "This region ought to be famous for helping government make decisions based on solid evidence – the sort of data a Westfield uses before it builds a shopping centre."

Connecting our people to jobs

Make transport the top priority

Mr Mannoun said that with the huge volumes of people coming to the region, transport should be the top priority for connecting people to jobs. “[Transport infrastructure] takes such a long time,” he said. “If we do not address this to start with, the region is going to come to a standstill.”

Mr Mannoun said the region should consider adopting a funding model being used in the US, where residents literally ‘buy in’ to major infrastructure projects – they vote on whether they should help fund each project.

Use Barangaroo as a model

NSW TAFE Western Sydney Institute Director Duncan Ellis said the Barangaroo Skills Exchange was a good example of what can be achieved by combining infrastructure and skills programs.

“We’re creating 25,000 training outcomes,” he said of the on-site hub that is designed to enable Barangaroo workers to learn new skills, develop existing ones and improve their future employment prospects.

He cited the example of a 55-year-old worker who couldn’t read and write well and had a back injury that was preventing him from working. The worker went through the training program, and now plans to become a Work Cover assessor, which will enable him to work in the construction industry for another decade.

Professor O’Neill agreed that Barangaroo was a good model for how the public and private sectors could work together on a targeted sectoral initiative to help address the jobs deficit and social disadvantages in the region.

Ensure skills and jobs access for all demographics

Western Sydney University Executive Officer Scott Brewer said that while much of the summit’s focus was rightly on school leavers, it was also vital to consider the skills and access issues of other demographics. These ranged from micro-infrastructure for those who need to travel to jobs outside their local areas to support for migrants and mature-age students undertaking masters’ degrees.

Develop the right skills for the right jobs

Ms Forsythe said it was vital to ensure the local tertiary education sector offered the right courses for the jobs that are emerging, such as those in supply chain and logistics.

Should public housing estates be redeveloped?

“If we want to get people working, we’ve got to start with the worst parts of the city,” said Lend Lease Executive Director Tony Costantino. He cited a US study that found that if children under 13 can get out of an underprivileged neighbourhood then every aspect of their life improves. He urged the region’s councils to work together to create a plan for redeveloping the most disadvantaged public housing estates.

However, Professor O’Neill disagreed saying public housing isn’t such a problem if people have jobs. “If we reach the target of 200,000 jobs in the next five years, the public housing problem will be hugely diminished,” he said.

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