

DELIVERING

City Deals

City Deals are a new approach in Australia to bring together the three levels of government, the community and the private sector. The partnership focuses on aligning planning, investment and governance to accelerate growth and job creation, stimulate urban renewal and drive economic reforms to secure the future prosperity and liveability of our cities.

Our Focus Areas

The uniqueness and diversity of Australia's cities means that it is necessary to tailor the approach to designing and delivering Australian City Deals. The approach draws from our experience developing the first three City Deals in Townsville, Launceston and Western Sydney, as well as lessons from overseas.

Depending on the city's priorities, a City Deal might include investment, planning, policy and regulatory changes in relation to:

- Jobs and skills
- infrastructure and investment
- liveability and sustainability
- innovation and digital opportunities
- governance, planning and regulation and
- housing

City Deal Principles

These principles will guide the development, consideration and selection of City Deals.

A shared vision for growth, reform and improvement

The commitment to a City Deal reflects a serious and shared ambition from federal, state or territory and local leaders to improve their city. The process of agreeing and implementing the City Deal provides an impetus for major reforms and co-investments that can jump-start economic growth and improve liveability.

A negotiated and customised approach, across the whole of government

City Deals focus on leveraging cities' unique strengths and responding to their specific needs. Instead of national and state policies and programs delivered locally by different departments, working with local

governments and stakeholders produces a unified deal that addresses a city's priorities.

Transformative investment

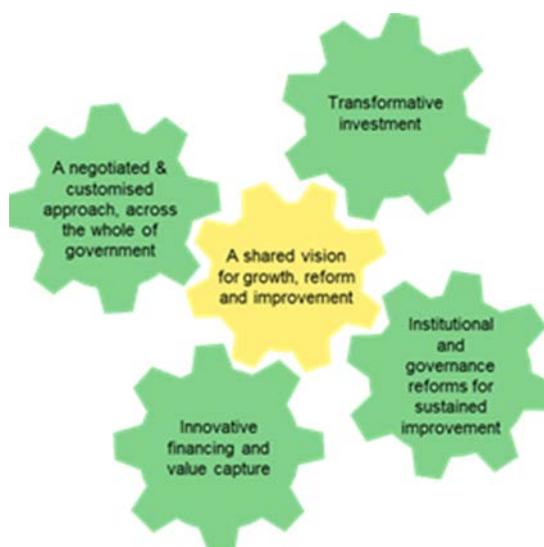
Investment delivered as part of a City Deal is focused on a long-term vision for the city, not immediate business-as-usual needs. This longer term and broader approach makes City Deal investment transformative, rather than reactive.

Institutional and governance reforms for sustained improvement

For sustained improvement, institutional reforms and investments may also be necessary to improve local capacity for whole-of-city governance and reform. This could include creating new bodies for planning, collaboration, governance and investment to ensure progressive improvement.

Innovative financing and value capture

City Deals should, where possible, use innovative financing and funding methods to deliver greater investment than could otherwise be provided. Since the deals aim to integrate transport, housing and land use policies, they create the opportunity for coordinated action to maximise and capture the value of investment.



DELIVERING

City Deals

Conditions for success

Meeting the following three criteria gives the best chance for a successful City Deal:

Willing and capable partners

The jurisdictions involved need to be willing and able to negotiate and deliver a City Deal. All levels of government must dedicate the resources needed for effective negotiation and implementation, as well as the political capital to drive difficult reforms and investments in the long-term interest of the City.

Opportunities to unlock economic potential and transform the City

There must be real opportunities to unlock economic potential in the City. City Deals are best suited to improving larger complex economic systems rather than simply providing an area assistance package.

Alignment with broader investment and policy priorities

City Deals should leverage government investment to further national policy goals, such as economic reform, rather than simply improving one location.

The process to develop a City Deal

The three phases of developing and delivering City Deals can be summarised as preparation, collaboration and implementation (see diagram below).

Preparation

To establish a framework for City Deal discussions, and shared commitment to the City Deal model, the Prime Minister invited all state and territory governments to sign a City Deals Memorandum of Understanding (MoU).

Once the City Deal MoU has been signed, the Commonwealth's Cities Division works closely with their state and territory counterparts to consider city deal opportunities in line with the principles outlined on page one.

The preparation phase helps local governments and stakeholders prepare and set the groundwork for a City Deal in their community.

While only a small number of City Deals will be initiated at any one time, all cities can benefit from engaging in the preparation phase. It may help communities to identify and act upon opportunities in their local area – for example strengthening ties with the private sector and other communities with similar challenges – or enhance engagement with policy and funding processes, such as grants or other investments from local, state or Australian Government programs, business investors or philanthropic organisations.

Online data and guidance will support local governments and other interested users, to establish a **baseline** for their city, develop a **vision** for the future, and identify **focus areas** to be explored through a City Deal.

Engaging the local community to identify priorities and opportunities is important throughout the process.

Collaboration

The collaboration phase is about the formal development of the deal. This phase begins once all three levels of government have agreed to develop a City Deal. During this phase, the Australian Government, state or territory and local governments work together with the community and private sector to identify priorities and commit to delivering key outcomes for the city.

Although each deal is unique, the Australian Government has developed some guidance for this stage, including templates, timeframes and protocols, which are shared with the parties to the City Deal.

In the first instance, we **discuss** objectives for the City Deal, identify decision-making requirements and develop appropriate governance arrangements for the deal.

A successful City Deal relies upon parties having mutual goals and finding where there's a genuine need for collaboration between governments. Coordination across governments, ongoing consultation with the community and key stakeholders, along with detailed workshops, and specialist advice helps to **shape** the scope of the City Deal and identify potential delivery partners.

We explore various options to address priority issues for the city. Once there's agreement about initiatives that will enable success, we formalise and agree to the City



DELIVERING

City Deals

Deal. The deal includes the commitments of each level of government, and other key partners.

Implementation

The implementation phase commences once the City Deal is agreed. Over the life of each City Deal, monitoring and evaluating performance and keeping the community up to date about progress is important. We want to ensure that the City Deal is making a difference, and share lessons.

Following signing of the City Deal, we **engage** with the community and with other interested parties to deliver the various commitments under the City Deal.

An Executive Board (established for each City Deal to oversee implementation) will **monitor and evaluate** progress on the delivery of commitments. We will report annually on the progress.

Over time, we will **refine and adapt** each City Deal as necessary. As milestones are achieved, we will determine next steps for each commitment. We also look at emerging trends, opportunities and risks and consider whether commitments under the City Deal need to be refined. We will consider altering a deal after its formal review, which typically occurs after 3 years.

