

# Creating Public Value Through Collaborative Governance—Case Study: The Strategic Development of the Bays Precinct, Sydney Transformation Plan

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**Abstract** The paper presents an approach developed by UrbanGrowth NSW known as the *City Transformation Life Cycle*<sup>TM</sup> (UrbanGrowth NSW 2014a) and its application to developing a 25-year urban renewal strategy (a transformation plan) for an area known as The Bays Precinct, Sydney. This case study provides a powerful demonstration of collaborative governance and public value creation (Moore in *Creating public value: strategic Management in government*, Cambridge, MA, Harvard University Press, 1995; Stoker in *Public value management: a new narrative for networked governance?*, *American Review of Public Administration*, 2006). UrbanGrowth NSW, as the lead government agency, had the leadership foresight to genuinely share its role as the ‘place-maker’ with other diverse actors to establish the principles that ultimately underpin *The Bays Precinct, Sydney Transformation Plan* (UrbanGrowth NSW 2014b, c).

**Keywords** Place-making · Urban transformation · Public value  
Collaborative governance · Stakeholder participation

This paper is divided into four parts.

Part 1 identifies three significant challenges for associated with complex urban transformation projects: managing broader public expectations; recognising cultural impacts and appreciating the multitude of interdependencies associated with these complex place-making projects. Other key theoretical concepts are also briefly outlined: place-based leadership; governance, stakeholder engagement and public value creation. UrbanGrowth NSW’s *City Transformation Life Cycle*<sup>TM</sup> (UrbanGrowth NSW 2014a) is described as a new approach to iterative business planning for urban transformation, a process that embodies a collaborative and organic approach to place making.

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Part 2 of the paper provides a detailed case study of how the *City Transformation Life Cycle*<sup>TM</sup> (UrbanGrowth NSW 2014a) was applied to the stakeholder engagement associated with the strategic development of a transformation plan for the Bays Precinct. The case study details the engagement approach and the outputs that emerged from that engagement. It also relates the objectives to deliver The Bays Precinct, Sydney Urban Transformation Program that are underpinned by the twenty (20) high-level Principles of *The Bays Precinct, Sydney Transformation Plan* (UrbanGrowth NSW 2015c) to the United Nations Sustainable Development Goals (Australian Government 2015).

Part 3 of the paper assesses the degree to which the engagement process associated with the development of *The Bays Precinct, Sydney Transformation Plan* (UrbanGrowth NSW 2015c) demonstrated collaborative governance (see Ansell and Gash 2007) as well as public value creation by applying Moore's Public Value Chain (Moore 2007 in Grant et al. 2014).

Part 4 concludes the paper and summarises key learnings arising from the public engagement process.

## 1 Introduction

Urban transformation projects are by nature highly complex due to the need to respond to broader public expectations, cultural impacts and the many interdependencies associated with planning and delivering the project.

## 2 Broader Public Benefit Expectations

It is a public expectation that urban transformation projects are expected to be part of the solution for broader complex issues like climate change and societal disadvantage (see Jones 1998).

Learnings from waterfront regeneration projects (Jones 1998) in the United Kingdom and United States of America in late last century suggest these projects were generating wider economic, social and environmental benefits at the expense of local communities' benefits. The later European experience in waterfront regeneration like projects in Barcelona and Copenhagen had taken a more place-based approach to "*emphasise small-scale and publicly-orientated, as well as innovative regeneration schemes*" (Jones 1998, p. 440).

A land use framework and other inter-related plans endeavour to resolve value conflicts through illustrating what balancing broader public benefit and local place making means (Godschalk 2004). They change the urban environment and, as such, it is important that an over-arching strategy (transformation plan) which underpins them captures shared aspirations on what a place might be.

## 2.1 Cultural Impacts

Because urban transformation projects change the urban environment, they impact on how local people exist within it. The importance of place in these projects cannot be underestimated; it is here where sustainable place shaping occurs, motivated by values engrained in culture (Horlings 2015).

It is at the pedestrian scale where spaces are cherished by people and where social practices occur (Friedmann 2010). These are the spaces in between buildings (Hyslop 2014) that expand the public realm for social practices to express culture.

What is culture in the context of transformative projects? Landry's discussion on cultural literacy notes, "*Culture is who we are, the sum of our beliefs, attitudes and habits. It is seen in customary ways of behaving—making a living, eating, expressing affection, getting ahead or, in the urban context, behaving in public places.*" (Landry 2006, pp. 245–249). Landry emphasises the criticality of appreciating culture in times of "dramatic transformation" "because it is then that the culture needs to absorb, digest and adjust. Acknowledging culture fosters change through "creativity, innovation and renewal" which are critical ingredients in sustainable change. However, if culture "feel threatened or weak" openness to change may diminish.

Horlings (2015) muses that "*Culture plays a mediating role between people or society and the environment, influencing people's intentions, way of life, sense of place, practices, norms and rules. (Dessein, Battaglini, & Horlings, in press; Horlings, in press). In its variety, culture—including tangible as well as intangible aspects—is one of the sources as well as an outcome of distinctiveness between places.*" (Horlings 2015, p. 259). It could be argued that when urban transformation is done in a sustainable way and with a focus on the common good, then people are willing to accommodate change.

In examining why people would accommodate change and participate in place-shaping processes O'Brien notes that "*Transformation to sustainability is not only driven by practices and political structures, but also by individual and shared beliefs, values, worldwide views and paradigms that influence attitudes and actions*" (O'Brien 2012, 2013 in Horlings 2015, p. 259). It is the latter that motivates stakeholders to find common ground.

Balancing broader public benefit and local place making necessitates a holistic approach where introduction of new or renewal of built-form (housing, employment and infrastructure uses) acknowledges culture, and culture confidently plays that mediating role for the common good.

### 2.1.1 Many Interdependencies

Urban transformation projects comprise many different and interconnected parts that are contemplated simultaneously—these interdependencies can be difficult to grasp and take time to unravel.

Landry (2006) discusses complexity and human mindset construction and suggests it is not equipped with unravelling complex issues in the emerging world we live. This is based on the evolution of cities from their initial industrial origins to service-based cities. Landry (2006) proposes a conceptual framework that considers the 20-year horizon and beyond—“*through which it may be easier to focus on the significant and strategic, to unravel the trivial from the profound, and to understand timelines and connections*” (Landry 2006, p. 191).

The success of achieving broader public benefit and authentic place making are mutually dependent on each other. It begs the question of where does the stakeholder thinking need to be to deal with complexity, interdependencies and those broader issues?

### 3 Part 1: Theoretical Overview of Key Concepts

Successful urban transformation projects require consideration and application of a broad array of theoretical concepts in both the planning and delivery of the project. Some key concepts are outlined in this section.

#### 3.1 *Place-Based Leadership*

The role of place-based leadership is core to informing the approach to stakeholder engagement and, ultimately the decision-making process. Hambleton (2015) identifies political, public managerial/professional, community, business and trade union as the five roles of place-based leadership and notes that overlapping these roles creates potential innovation zones. In this innovation zones lies the opportunity where “*place-based leadership can shape the quality of the exchanges*” (Hambleton 2015, p. 127). While the innovation zones can be where conflicts could arise, they can also represent areas of ‘common ground’.

Crosby et al. (2016), explored “*orchestrated collaborative work*” as a mechanism for moving away from the traditional top-down business-as-usual approach to stakeholder engagement and postulating an alternative approach where “*leaders must act as sponsors, champions, catalysts and implementers*” (Crosby et al. 2016, pp. 5–6). Employing multi-leadership roles helps break down barriers, legitimise and energise collaboration, bring diverse skills and knowledge and deliberately and appropriately disrupt the collaboration process to encourage stakeholders “*to think outside the box*” (Crosby et al. 2016, pp. 5–6).

Other scholars (Crosby et al. 2016; Hambleton 2015; Horlings 2015; Stoker 2006), suggest place-based approaches are suited to complex-problem solving through stakeholder engagement where the emphasis is placed on collaboration, inclusiveness, taking a holistic view, adaptive, open, and interactive (learning together).

### 3.2 Stakeholder Engagement

Insights by Zivkovic (2015) in complex adaptive systems theory suggest that communities are “*complex adaptive systems and focus areas for building the adaptive capacity of communities are: create a disequilibrium state, amplify action, encourage self-organisation, stabilise feedback and enable information flows*” (Zivkovic 2015, pp. 2, 4–6).

A stakeholder engagement framework that includes an iterative process is necessary in strategy formulation when dealing with complex problems. Complex problems change character (Zivkovic 2015), and while a transformation plan for a place will have a vision, principles and objectives, it is important as society evolves, that the vision, principles and objectives are checked for relevance.

In the context of a complex urban transformation project, stakeholder engagement is an iterative and cyclical process with a defined scope that can change over the life of the transformation project. Urban transformation projects are 20–30-years in the making and stakeholder engagement must be sustained over this period, recognising that within the lifetime of the project new stakeholders will emerge with new generations, each with new ideas.

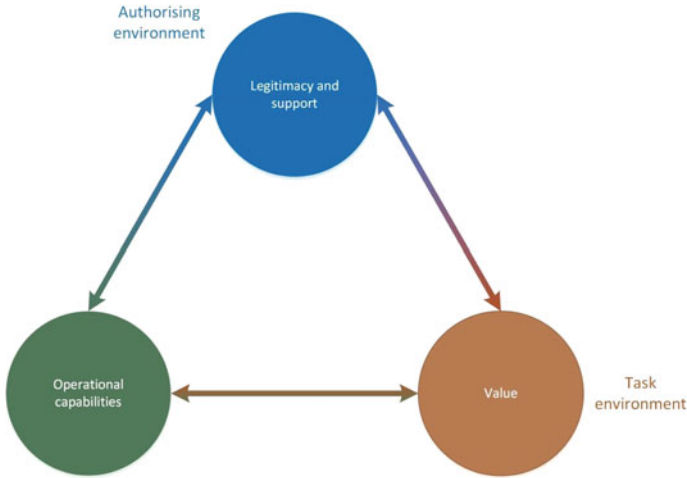
### 3.3 Public Value

Public Value has been described in terms of citizens being ‘shareholders’ in their community. “*The value may be created through economic prosperity, social cohesion or cultural development. Ultimately the value—such as better services, enhanced trust, or social capital... is decided by the citizen... not just through the ballot box, but through taking part in consultations and surveys, for example*” (Horner and Hazel 2005 in O’Flynn 2007).

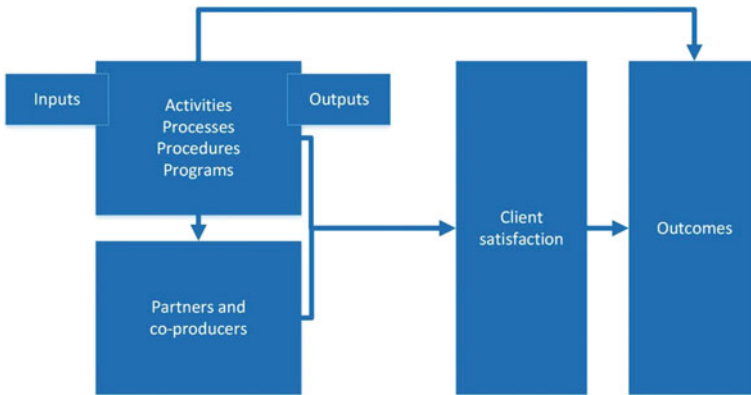
... governments across Australia are continually engaged in Public Value Creation – defined as the process of adding value to the public sector through the exercising of managerial authority – all the time. However, managers cannot decide for themselves what Public Value is. Rather, they should seek the views of all in a complex authorising environment comprised of elected officials and a range of stakeholders...significant community engagement is required to assess and measure Public Value, as opposed to private value (Grant et al. 2014, p. 1).

Moore (1995) postulated the concept of Public Value by describing the relationships between public sector managers, elected representatives and other stakeholders as ‘The Strategic Triangle’ (see Fig. 1), where the authorising environment is aligned with the operational environment and administrative capabilities to create public value (Moore 1995 in O’Flynn 2007).

Moore expanded this concept further to describe the “Public Value Chain” (see Fig. 2)—which enables measurement of the public value created and critically recognises that ‘outputs’ and the ultimate ‘outcomes’ are not the same. Assessing



**Fig. 1** Moore’s public value: the strategic triangle Grant et al. (2014). Adapted from Alford and O’Flynn (2009, p. 173)



**Fig. 2** Public value chain (Moore 2007 in Grant et al. 2014)

the ultimate ‘outcomes’ of a process is more indicative of the true public value created (Moore 2007 in Grant et al. 2014).

### 3.4 Collaborative Governance

Closely connected to public value creation is the concept of collaborative or networked governance. Stoker (2006) describes networked governance as “a particular

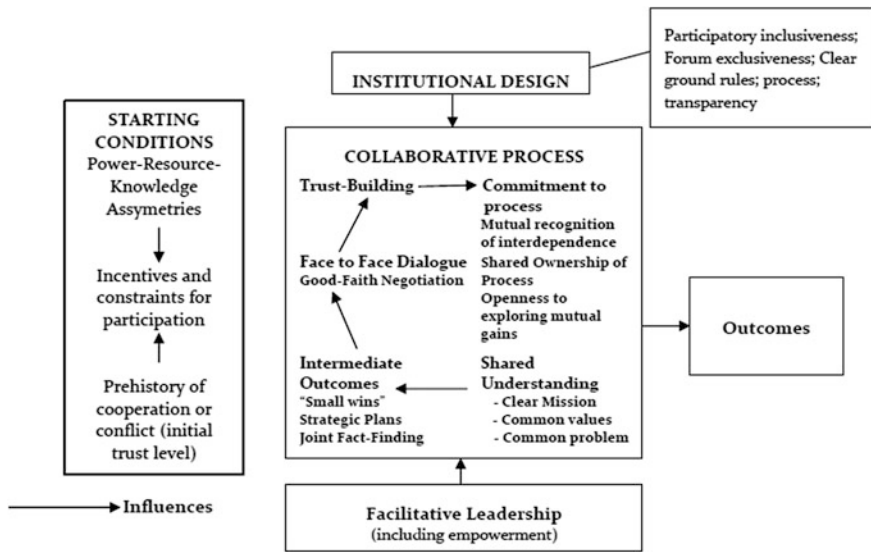


Fig. 3 Collaborative governance (Ansell and Gash 2007)

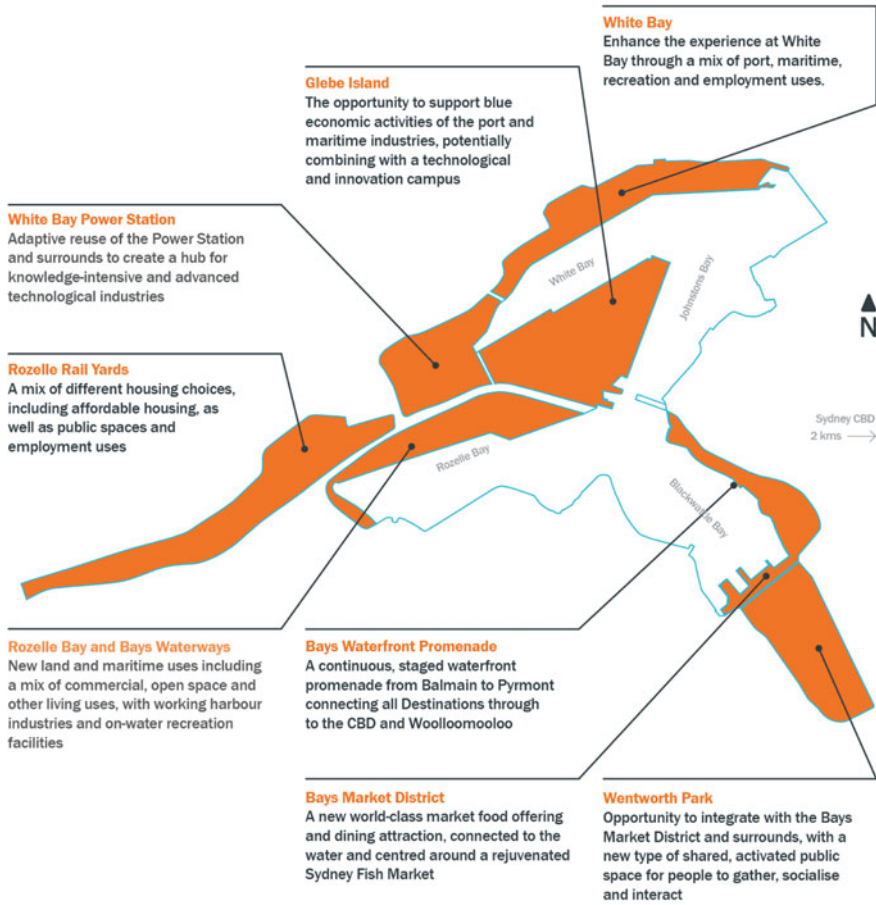
*framing of collective decision-making that is characterised by a trend for a wider range of participants to be seen as legitimate members of the decision-making process in the context of considerable uncertainty and complexity”* (Stoker 2006, p. 41). Building relationships based on values of mutual respect and shared learnings resonate with this approach. Ansell and Gash’s model for collaborative governance (see Fig. 3) highlights the importance of trust as a critical factor in the success of collaborative governance mechanisms (Ansell and Gash 2007).

The rationale for the above model is that a citizenry actively engaged in shared decision-making processes and operating based on mutual respect and trust is less likely to disengage—which can strengthen governance structures because of increased public scrutiny of the decisions and behaviours of the government.

#### 4 Part 2: Case Study—Strategic Development of the Transformation Plan for the Bays Precinct, Sydney

In 2014, UrbanGrowth NSW (State-Owned Corporation) was tasked with leading the transformation of The Bays Precinct, Sydney (The Bays Precinct) (UrbanGrowth NSW 2014c, d).

The Bays Precinct is currently a place that sleeves the iconic Sydney Harbour surrounded by well-established urban villages (see Fig. 4). The Bays Precinct. Its waterways (94 ha of Sydney Harbour) and most of its land (95 ha) is Government



**Fig. 4** The Bays Precinct, Sydney (UrbanGrowth NSW 2015a, b, c, d)

owned and predominately used for port, maritime and commercial uses. However, a significant part of its 5.5 km of foreshore is not publicly accessible. The Bays Precinct contains several significant heritage items like White Bay Power Station and Glebe Island Bridge.

The Bays Precinct has a rich indigenous, multicultural and industrial history of transformative functions for Sydney and Australia. It was a place of trade between Aboriginal clans to essential maritime commerce in the new colony to industrial and recreation uses. In the early 1900s White Bay Power Station was built on the shores of The Bays Precinct to power Sydney’s train network. The Bays Precinct was used for Second World War purposes. Its current occupiers are Sydney Fish Market, White Bay International Passenger Terminal and other maritime uses (The People for Places and Spaces 2015).



Recent history suggests that the place has importance not only to local community but also the wider population and visitors: *“The area is of special interest because it fulfils unique operational and recreational needs and has the potential to meet a wider range of operational, open space and development needs. The Precinct is where adjacent new and long standing residential, waterfront industrial, waterfront commercial, recreational and cultural interests of different scales come together... The future of the Bays Precinct is important to both the local residential and business community, to the wider population of Sydney and New South Wales and to visitors to the State.”* (NSW Government 2012, pp. 9–10).

#### **4.1 UrbanGrowth NSW’s City Transformation Life Cycle™**

UrbanGrowth NSW’s operations must have regard *“to compliance with the principles of Ecologically Sustainable Development contained in s6(2) of the Protection of the Environment Administration Act 1991”* (Landcom Act 2001). This Act states that *“ecologically sustainable development requires the effective integration of economic and environmental considerations in decision-making processes”* (Protection of the Environment Administration Act 1991).

UrbanGrowth NSW’s *City Transformation Life Cycle™* (UrbanGrowth NSW 2014a) recognises the importance of the above legislative requirements and customises its stakeholder engagement processes that are based on practical experience and consistent with the International Association for Public Participation (IAP2) principles: collaborative; purposeful; proactive; accountable and; inclusive (IAP2 2014).

The *City Transformation Life Cycle™* (UrbanGrowth NSW 2014a) (see Fig. 5), endeavours to challenge the ‘business-as-usual’ approach to urban transformation projects. Why challenge the ‘business-as-usual’ approach? We now function in a highly connected globalised world with access to learnings, ideas and many communication options. Our cities are evolving from industrial base to service base (see Landry 2006). The world faces environmental and social challenges that drives cities to be more sustainable.

Simply, it is expected that city projects individually and collectively contribute to a city’s sustainability. In this example, managing complexity like cultural impacts, many interdependencies and broader public benefit expectations required leadership centred on place and involving citizens (Hambleton 2015; Stoker 2006) to create public value.

The *City Transformation Life Cycle™* (UrbanGrowth NSW 2014a) postulates that urban transformation projects should be contemplated in four elements: Thinking Cities, Funding Cities, Building Cities, and Living Cities suited to the longer time-frames of these projects’ type and where change is a continuum.

**Fig. 5** UrbanGrowth NSW: City Transformation Life Cycle™ (UrbanGrowth NSW 2014a)



- Thinking Cities—Establishing a single ambition and objectives that focus on the strategic, economic and cultural significance of a place.
- Funding Cities—Determining funding and finance model(s) that supports investment certainty for the ambition and objectives.
- Building Cities—Integrating new and existing uses within a place and its surrounds for example, land, water, infrastructure and services through transparent processes and staged delivery.
- Living Cities—Creating sustainable places, spaces and opportunity centred on resilience, happiness and prosperity and; through managing and monitoring, review the strategy.

The City Transformation Lifecycle™ recognises that implementing urban transformation projects is not linear and involves unravelling complex issues and as such, the elements should be re-visited periodically and to act in response to effects such as changes to the funding and finance setting, innovation and disruptive events. Taking a non-linear approach is echoed in the recent World Economic Forum Roadmap for Urban Transformation (World Economic Forum 2016).

Gradual change can lead to significant outcomes in the physical sense of a place but also in people’s well-being and in the health of the environment in which they live. Engagement with stakeholders about this type of change requires a mindset motivated by vision (Landry 2006) as primacy and less on the built-form. The City Transformation Life Cycle™ (UrbanGrowth NSW 2014a) approach was an attempt to equip stakeholders for a non-traditional mindset in developing transformation projects through broadening public participation in decision-making as a public value creation opportunity.

## ***4.2 The Stakeholder Engagement Process for the Development of the Transformation Plan***

Transformation projects on public lands requires approaches that identify public value, in the context of the potential economic, cultural and social benefits for the local and broader community of Sydney.

For The Bays Precinct, these were challenging questions because over the previous 15 years, The Bays Precinct had undergone extensive consultation on land use issues, a strategic land-use framework and strategic planning principles (NSW Government 2012). As such, some stakeholders had deep content knowledge, and others, very little and there were often clear competing agendas. Public trust in the process had also been eroded over this period.

The City Transformation Life Cycle™ (UrbanGrowth NSW 2014a) was applied in the stakeholder engagement program in developing The Bays Precinct's strategy known as *The Bays Precinct, Sydney Transformation Plan* (The Transformation Plan) (UrbanGrowth NSW 2015c). The stakeholder engagement program's objectives were:

- *Ensure broad participation for Sydneysiders to be informed, consulted and involved,*
- *Build relationships to increase opportunities for involvement and collaboration,*
- *Engage future users that may live, work or visit The Bays Precinct in the future,*
- *Listen and be responsive by acting on public participation feedback where possible and,*
- *Demonstrate how feedback was considered clearly to all participants* (UrbanGrowth NSW 2016b, p. 2).

In the case of The Bays Precinct, treating community as a complex adaptive system (see Zivkovic 2015), could enable a better understanding of the key challenge: its complexity and interdependencies, determine what the behaviour needs to be and problem-solve through an interactive platform.

As a starting point for this engagement process, UrbanGrowth NSW utilised *The Bays Precinct Strategic Framework Report* to the NSW Government (NSW Government 2012) to establish an agreed baseline. While this Report did not include a program to prioritise and resolve identified issues, it did offer valuable insight into issues and opportunities that built on previous consultations—which identified clear value conflicts between local and broader public benefits.

A key challenge in developing a land use framework for the Precinct is to balance the economic and regional needs of broader Sydney with protection of local residential amenity, enhancement of recreational and open space and foreshore access and urban renewal. It is important that careful decisions are made for the best possible use of these valuable lands. (NSW Government 2012, p. 4).

Addressing these value conflicts was essential for The Bays Precinct because its transformation ambition is one that shifts it from an industrial place to a service-based place and in doing so requires a leadership type that shifts the mindset

appropriate for industrial city ambition to one that fits a service based city. This type of leadership mindset is based on being visionary and courageous, (Landry 2006) where many people have roles to play and where there is recognition that complex urban regeneration projects have a timeframe that extends beyond political electoral cycles.

At the time of the development of The Transformation Plan the goal for the Bays Precinct in Government's 20-year plan for Metropolitan Sydney Area (*A Plan for Growing Sydney*) is to transform its “currently underused areas for the economic, cultural and social benefit of Sydney and the State” (NSW Government 2014, p. 26).

Subsequently, Government's ambition for The Bays Precinct is “[T]o drive an internationally competitive economy, through the creation of great destinations on Sydney Harbour that will transform Sydney, New South Wales and Australia.” (UrbanGrowth NSW 2015a, p. iii).

### 4.3 Anchor Events

Hambleton (2015) and Stoker (2006) emphasise the importance of creating opportunities to exchange international learnings and share local knowledge as a critical element in driving place-based change and realising the related public benefit outcomes. Hambleton (2015) outlines a framework for understanding international learnings based on formal and informal learning that can lead to technical advancements, changes in policy, practice and governance.

Hambleton notes this application in examples of waterfront renewal projects in the United Kingdom—Bristol Floating Harbour and Cardiff Bay, and United States of America—Baltimore Inner Harbour. Equally important is the local knowledge because this describes peoples' experience in place—its identity, its beliefs, its issues, its strengths and its environment. (Hambleton 2015). Stoker makes the point of the “need to give more recognition to the legitimacy of a wide range of stakeholders” this includes “neighbourhood leaders” who have the knowledge as “users” (Stoker 2006, p. 47).

One of the key principles to drive the success of 10-Step Action Plan in the World Economic Forum Roadmap for Urban Transformation is “learning from other cities” (World Economic Forum 2016, p. 51). It also identifies the importance of city identity and citizen-centric collaborative approaches in evolving in the global context.

The Transformation Plan was built through utilising a staged approach through creating platforms for participation and feedback. This approach was considered innovative because it “helped to overcome the challenges that had stalled its progress previously” (UrbanGrowth NSW 2016b, p. 8).

UrbanGrowth NSW established key anchor events that also generated publicity that captured a wider audience. The anchor events were supported by smaller

targeted activities with stakeholders. Information was gathered and shared through a variety of ways reflecting different cognitive preferences (UrbanGrowth NSW 2016a, b).

These anchor events included: The Bays Precinct, Sydney International Summit 2014 and the Finance and Investment International Summit. Collectively, these engagement activities brought together a broad range of stakeholders (350 participants) from community, government, business, industry groups and academia with local, national and international practitioners to primarily discuss learnings from other cities and collaborate to develop a shared ambition.

These anchor events enabled formal and informal knowledge sharing through one on one discussions to forums (see UrbanGrowth NSW 2016a, b). Knowledge capture from the 1200 participants occurred via traditional and modern technology tools and included 2700 feedback notes and 146,548 YouTube views of video content during the consultation (see UrbanGrowth NSW 2016a, b).

Learnings arising from the Summits encouraged UrbanGrowth NSW to open up the largely publicly inaccessible site to the public. “Discovery Day” (12 April 2015) attracted 25,000 participants who experienced the place in its current state, learned about its past and had the opportunity to contemplate its future (see UrbanGrowth NSW 2016a, b).

The Sydneysiders Summit and Leadership Forums were held in May 2015 and included opportunities for school students, industry, local residents and the broader Sydney community to contribute their thoughts on the future for The Bays Precinct. A discussion paper was developed to present the case for change, the rationale and evidence-base that had informed the transformation scope, the project’s key challenges and possible mix of uses in The Bays Precinct (UrbanGrowth NSW 2015a) as part of a broad public engagement program.

The Call for Great Ideas (UrbanGrowth NSW 2015b) was a further platform to draw out innovative opportunities for The Bays Precinct. Two hundred and thirteen submissions were made by local residents, interstate and overseas countries (UrbanGrowth NSW 2016a, b). These ideas were assessed by an Independent Assessment Panel supported by a Technical Advisory Panel and Community Advisory Panel. The Independent Assessment Panel recommendations also informed the development of The Transformation Plan.

#### ***4.4 Outputs—Principles for the Transformation Plan***

Sessional Papers for The Bays Precinct, Sydney International Summit (2014c, d) and the Finance and Investment International Summit were developed to set the context and pose questions and ideas from local, national and international experience. The *City Transformation Life Cycle*<sup>TM</sup> (UrbanGrowth NSW 2014a) was applied at these summits to ensure ongoing and interactive engagement that was based on the following objectives for the strategy to develop The Transformation Plan for The Bays Precinct:

- *develops a set of principles and ambitions for the Precinct that will contribute to the long-term needs of an international, regional and local community*
- *ensures these ambitions can be delivered through innovative and resilient funding models*
- *sees the design response as an essential outcome but not a driving part of the process*
- *builds a platform for active and ongoing collaborations with the community, stakeholders and partners*
- *installs transparent governance arrangements that enable more efficient decision making (UrbanGrowth NSW 2014a, p. 7).*

These objectives reflected expectations associated with the strategy to develop The Transformation Plan: long-term vision, evidence-based, collaborative and transparent. Through an interactive process, UrbanGrowth NSW captured the knowledge from these summits and co-created with stakeholders twenty (20) high-level Principles (listed below) with the themes of: public benefit, recognition of culture, transparency and long-term sustainable responses.

1. Build on the unique history of The Bays Precinct.
2. Establish a powerful and enduring governance model based on whole of-government collaboration that fearlessly pursues public benefit.
3. Be transparent and communicate the issues and challenges we face and the investments needed to realise the Precinct's potential.
4. Allow the time to invest in genuine and early engagement with, and broad acceptance of our plans from, all categories of the public, government and industry.
5. Unlock public access to the Harbour's edge and waterways along the entire coastline.
6. Develop an overall Bays Precinct Transformation Program to prioritise major projects and define the staging for integrated development and land use.
7. Establish a whole-of-precinct transport infrastructure plan early, based on connectivity, accessibility and active transport
8. Prioritise planning for public spaces, White Bay Power Station and Sydney Fish Market.
9. Generate optimal housing supply outcomes based on a model of diverse housing options, the highest design principles and activated public spaces.
10. Ensure the land use and associated development is diverse, beautifully designed and creates 'great places and great spaces'.
11. Build the capacity for The Bays Precinct to be a place that contributes to healthy, prosperous and resilient lifestyles.
12. Support economic development and growth that can drive a strong, digitally connected, innovative and diverse knowledge economy.
13. Plan for future generations by being open to new ideas and embracing emerging trends.

14. Adopt world-class energy generation systems that maximise efficiency and establish The Bays Precinct as the exemplar for ‘big city’ energy provision.
15. Introduce environmental and ecological systems to improve water quality, address ongoing sources of water pollution and encourage public recreation.
16. Support the economic activities of maritime industries and celebrate the authenticity of the working harbour.
17. Provide the platform for investment from Australia and abroad, and from public and private sectors.
18. Incorporate a strong funding and financial strategy to enable innovative, leading-edge and productive investment vehicles that promote investor appetite.
19. Seek broad sources of funding for urban transformation across a range of investors, including superannuation and pension funds, and philanthropy.
20. Employ an ethical procurement process that optimises value for government and taxpayers while being attractive to investors.

In September 2015, the Australian Federal Government endorsed the United Nations Sustainable Development seventeen (17) Goals (see Australian Government 2015). A number of these goals are pertinent to the objectives to deliver The Bays Precinct, Sydney Urban Transformation Program that are underpinned by the twenty (20) high-level Principles (see Table 1).

## 4.5 Outcomes

An important outcome from The Bays Precinct, Sydney International Summit 2014 and the Finance and Investment International Summit was the highly interactive engagement process, which facilitated visionary thinking. Participants had the benefit of shared knowledge and learnings, and started from an agreed baseline to develop the strategy for The Transformation Plan for The Bays Precinct.

The final Transformation Plan’s objectives, mix of uses and inclusion of large adjoining public space was significantly influenced by the feedback garnered through the engagement process.

To demonstrate transparency and clarity on how the feedback influenced The Transformation Plan and seek Government’s approval a companion document (GHD 2015) was prepared. This companion document detailed “*the changes from the Discussion Paper to the [Transformation] Plan, and how the Discussion Paper feedback and the Call for Great Ideas influenced changes*”. It also highlighted that, “*It is clear in the ‘Informing the Transformation Plan’ document that the public feedback and ideas had a strong influence on the final Plan*” (UrbanGrowth NSW 2016a, b, p. 6).

The Transformation Plan translates the ambition for The Bays Precinct into a policy framework (UrbanGrowth NSW 2015a, b, c, d, pp. 11–12) to guide UrbanGrowth NSW in its collaboration with State agencies and other entities.

**Table 1** Comparison of sustainable development goals with the objectives for The Bays Precinct, Sydney Urban Transformation Program

Sustainable development goals	Sub goal	The objectives for The Bays Precinct, Sydney Urban Transformation Program
8 Decent work and economic growth	8.2, 8.3, 8.5, 8.9	1. To deliver a hub of export-oriented knowledge-intensive jobs that can increase Sydney's global competitiveness
10 Reduced inequalities 11 Sustainable cities and communities	10.2 11.7	2. To deliver enduring, socially inclusive and great places to benefit Sydney residents and national and international communities
11 Sustainable cities and communities	11.1	3. To deliver housing choices, including affordable housing options, through design, finance and construction excellence
11 Sustainable cities and communities	11.2	4. To deliver a world-class mass and active transit solution that unlocks the economic and human potential of The Bays Precinct and demonstrates a model of environmental excellence
11 Sustainable cities and communities	11.7	5. To achieve building design excellence and quality urban design in all destinations
3 Good health and well being 6 Clean water and sanitation	3.9 6.3	6. To provide ecological and marine water quality improvements to enable abundant biodiversity
7 Affordable and clean energy 9 Industry, innovation and infrastructure 11 Sustainable cities and communities	7.1 9.1 11.6	7. To deliver integrated utilities solutions that enable advanced energy generation and technologies
4 Quality education 11 Sustainable cities and communities 13 Climate action 14 Life below water 15 Life on land 16 Peace, justice and strong institutions	4.7 11.3, 11.6, 11b 13.1 14.2 15.8, 15.9 16.7	8. To apply integrated planning within a land and water context that considers strategic policy decisions and the interrelationships between biophysical, social and economic aspects
11 Sustainable cities and communities	11.4	9. To celebrate heritage and culture by creating new experiences throughout The Bays Precinct

This collaboration endeavours to bridge the divide between public policy and market reality to maximise public value on public lands.

Through a cabinet process The Transformation Plan was adopted by the NSW Government (UrbanGrowth 2015c).



## 5 Part 4: Demonstration of Collaborative Governance and Public Value Creation

In the context of The Transformation Plan for The Bays Precinct, if Moore’s model for Public Value Creation is applied (see Moore 2007 in Grant et al. 2014), then clearly the engagement process by UrbanGrowth NSW in the development of The Transformation Plan for The Bays Precinct provides an applied demonstration of public value creation.

The innovative approach taken by UrbanGrowth NSW to ‘share power’—and genuinely open the decision-making to include other diverse points of view was a clear departure from traditional bureaucratic ‘consultation’. While challenging to undertake, the outputs of the engagement process have resulted in tangible outcomes that reflect the high degree of stakeholder participation—in particular, the underlying principles for The Transformation Plan that will guide the future development of The Bays Precinct.

Similarly, in terms of collaborative governance, assessing the engagement approach for the development of The Transformation Plan reflects the criteria established by Ansell and Gash (2007) as demonstrated in Table 2:

Legacy learnings arising from developing a strategy for a complex urban transformation project anchored by a commitment to broad public participation include:

- **Future proofing:** The process enables future adaptation of the strategy so that the Transformation Plan will remain relevant over the lifetime of the project. The Transformation Plan is a living document (action-orientated and priorities) and has capacity to respond to input by current generations as well as enable contributions by future generations. The Transformation Plan “*acts as a reference and guiding document for practitioners over the life of the Transformation Program*” that outlines high-level spatial planning framework focused on evidence-based analysis, integration and holistic thinking (UrbanGrowth 2015c, pp. 57–70).
- **Public value creation through collaborative governance:** Enabling broader public participation in decision-making has delivered a strategy with strong support from stakeholders and established a strong foundation of public trust in the process. The Transformation Plan embeds a commitment to ongoing public engagement that includes a reference group, established through an open expression of interest process.
- **Embedding life-long learning opportunities, innovation and creativity into urban transformation projects.** The development of the strategy for The Transformation Plan and the application of the City Transformation Lifecycle™ as the mechanism for broader stakeholder participation catalysed UrbanGrowth NSW’s subsequent commitment to embedding learning and research programs into all of its urban transformation projects (schools, vocational educational providers and universities).

**Table 2** Assessment of collaborative governance principles applied to the transformation plan for The Bays Precinct (adapted from Ansell and Gash 2007)

Criteria for collaborative governance	Assessment of engagement process for the transformation plan for The Bays Precinct
Was the <i>City Transformation Life Cycle</i> <sup>TM</sup> (UrbanGrowth NSW 2014a) and the subsequent engagement strategy for The Bays Precinct, Sydney transformation plan initiated by public agencies or institutions?	Yes. Urbangrowth NSW (a state-owned corporation) initiated the <i>City Transformation Life Cycle</i> <sup>TM</sup> (UrbanGrowth NSW 2014a) which established an iterative process for engagement, starting from an agreed baseline and working collaboratively to share knowledge and learnings
Are participants in the forum non-state actors?	Yes; international representatives with expertise in urban transformation, local residents, businesses and community organisations actively participated in the initial, The Bays Precinct, Sydney International Summit and Finance and Investment International Summit Broader public participation occurred through the Sydneysider Summit, leadership forums, discovery day and public involvement in the call for great ideas
Are participants engaged in decision-making (not just consultation)?	Yes, the twenty (20) high-level principles that underpin the transformation plan were co-created by the participants at the initial summits and UrbanGrowth NSW Feedback was genuinely considered in the development of the transformation plan and this was reflected in a public document (GHD 2015), detailing how the feedback had been incorporated into the plan In addition, community and state agency representatives were included on the assessment panel for considering submissions to the call for great ideas
Is the forum formally organized and does it meet collectively?	The engagement activities were formally organised—and an ongoing Bays Precinct Reference Group continues to meet with UrbanGrowth NSW on a regular basis
The forum aims to make decisions by consensus (noting that may not always occur)	The engagement was not predicated on achieving consensus but rather providing an opportunity for everyone to be heard. The twenty (20) high-level principles that underpin the transformation plan were developed by participants at the initial summits
The focus of the collaboration is on the public policy or public management	Yes, the collaboration was focussed on determining the future for an iconic waterfront location in Sydney and the transformation plan represents a key public policy document for the NSW Government

The success of the future implementation of The Transformation Plan is dependent on effective decision-making by the implementers and stakeholders in the areas of leadership, whole-of-government partnership, ongoing public engagement, working with industry, assuring excellence through a design directorate, holistic placemaking, efficient transport and mobility, precinct wide funding and finance model and, open and transparent procurement at major project stages (see UrbanGrowth NSW 2015c).

The Transformation Plan's policy framework includes accountability through its statement of commitments under the themes: diverse and socially inclusive; globally competitive; connected; heritage and culture; built environment and natural environment and in the planning and urban design strategic framework process (see UrbanGrowth NSW 2015c). It affords the opportunity through the organisation's sustainability policy and urban design framework that the delivery of these commitments is monitored overtime.

## 6 Conclusion

This paper presented UrbanGrowth NSW: *City Transformation Life Cycle*<sup>TM</sup> (UrbanGrowth NSW 2014a) and its application to the developing an urban renewal strategy for The Bays Precinct. It also reflected on the public engagement process through understanding current practices in leadership suited to transformation projects pursuing public value. These leadership practices are centred around place-based leadership and the importance of place to citizens (Crosby et al. 2016; Hambleton 2015; Horlings 2015; Stoker 2006; Zivkovic 2015).

The Bays Precinct key challenge evokes value conflicts between local and broader public benefits. The high-level spatial planning framework in The Transformation Plan aims to guide the transformation. This framework is underpinned by twenty (20) high-level Principles and feedback from stakeholders throughout the strategy formulation phase. This was done by involving public from the onset through an innovative engagement program and utilising UrbanGrowth NSW: *City Transformation Life Cycle*<sup>TM</sup> (UrbanGrowth NSW 2014a).

In the past, progressing The Bays Precinct transformation was challenged by complexity, concerns and mixed expectations. Using this model equipped stakeholders through preparing the mindset that motivated by vision (Landry 2006). Here preparedness met opportunity through the diverse activity base (be it large-scale events or the many intimate encounters) that created the opportunity for sharing ideas and knowledge that was captured, digested and utilised and shared with the public.

By applying the *City Transformation Life Cycle*<sup>TM</sup> (UrbanGrowth NSW 2014a) and embedding an iterative and deep approach to stakeholder engagement, The Transformation Plan for the Bays Precinct, Sydney was delivered as a genuinely co-created product. This demonstrated UrbanGrowth NSW's strong commitment

place-based leadership, collaborative governance and public value creation (Moore 1995; Stoker 2006).

Shortly after the adoption by the NSW Government of The Transformation Plan for The Bays Precinct, the commitment to its core principles were tested by the market. UrbanGrowth NSW released a Request For Proposals (February 2016) for the development of one of the destinations, the White Bay Power Station. Submissions closed in June 2016 and were assessed. All submissions were rejected by UrbanGrowth NSW and the NSW Government because they were inconsistent with The Transformation Plan (UrbanGrowth NSW 2016a, b).

This demonstrates that the rigour of the engagement processes used to develop The Transformation Plan were highly valued by the NSW Government.

As the development of The Bays Precinct evolves over the next 20–30-years, the public value created through the unique and iterative engagement processes enabled by the City Transformation Life Cycle™ (UrbanGrowth NSW 2014a) will become a lasting legacy and provides strong learnings for other complex urban transformation projects.

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