

VIEWPOINT
SALLY CAPP, AO

Enhancing Collaborative Ecosystems for Urban Projects in Australia



To deliver urgent projects and programmes, we must leverage the diverse strengths of the ecosystem and recognise the contributions of all involved, argues Sally Capp AO, the Chief Executive of Create Advisory group, an expert consultancy operating in the infrastructure sector. Sally was the Lord Mayor of Melbourne from 2018 to 2024.



Currently, over half of the world's population resides in urban areas, a figure projected to rise to nearly 70% by 2050. However, this growth may lead to challenges, transforming urban landscapes into sites of adversity and decline.



Collaborative ecosystems are crucial for delivering urgent projects and programmes in Australia. Their effectiveness hinges on establishing mutual benefits among stakeholders from the outset.

As cities rapidly expand, they become hubs of opportunity and inspiration. Currently, over half of the world's population resides in urban areas, a figure projected to rise to nearly 70% by 2050. However, this growth may lead to challenges, transforming urban landscapes into sites of adversity and decline.

Balancing these dynamics is essential. While cities generate significant employment opportunities, they also grapple with rising homelessness. In Australia, the 20 largest cities contribute 77.8% of the nation's GDP, yet new dwelling approvals have decreased by an average of 10.5% since 2020. Additionally, cities can house more people on smaller footprints but are responsible for over 70% of carbon emissions.

What We Need to Deliver

In discussions amongst levels of government and within communities, there is a clear understanding of what needs to be done to enhance urban living while mitigating negative impacts.

During my tenure as Lord Mayor of Melbourne from 2018 to 2024, I recognised that various stakeholders are aligned on these objectives. The global community's endorsement of the UN Sustainable Development Goals (SDGs) provides a shared framework for urgent action.

Notably, in 2022, Melbourne became the first Australian city to integrate the SDGs through a voluntary local review. Building on SDG 11—Sustainable Cities and Communities—the Australian Government released the National Urban Policy in November 2024. This policy articulates a shared vision for sustainable urban growth and advocates for adaptive environments that can withstand change and uncertainty.

The Australian National Urban Policy outlines five key goals for urban development across Australia:

Liveable: Creating safe, well-designed cities that promote quality of life and community connections.

Equitable: Ensuring fair access to resources and opportunities for all residents, regardless of socioeconomic status.

Productive: Facilitating economic prosperity by enhancing access to employment, services, and infrastructure.

Sustainable: Collaborating across sectors to plan for urban growth, reduce emissions, and rehabilitate natural environments for future generations.

Resilient: Building economic, social, and environmental resilience to the impacts of change, particularly climate-related hazards.

These goals would resonate with city leaders worldwide. They featured in many of the panels and keynotes at the World Cities Summit (WCS) 2024. The upcoming WCS Mayors Forum in Vienna will explore "Liveable and Sustainable Cities: Local Solutions, Global Impact" and feature inspiring ideas from committed leaders who understand the importance of visionary thinking to mobilise communities and drive action. While terminology and priorities may vary, there is a growing consensus on *What* strategies are required to enhance urban liveability.

The burning question is: *How* can we make this happen at pace and at scale?

Access to funding to deliver city initiatives is often a hot topic when leaders gather: where can we find equity and debt to fund city ambitions? Local governments have the least access to funding levers, yet, as the level of government closest to the community, are constantly responding to public needs and demands.

The irony is that there are plenty of capital-seeking projects. There are commercial and government-backed institutions, grant programmes, and philanthropic organisations seeking projects to fund. In Australia alone, there is \$4 trillion of superannuation money to be invested. Collaboration can be instrumental in mitigating risks and enhancing the 'investibility' of projects through effective partnerships, thereby attracting more capital.

The Importance of Collaboration

If the emphasis is on *How* we achieve city agendas, then the most important element is collaboration.

The Australian National Urban Policy underscores collaboration as a fundamental principle for achieving policy goals. Each identified urban challenge begins with the call to collaborate with state, territory and local governments, the private sector, and the community.

To harness the full potential of collaborative ecosystems, we must explore their dynamics in



Affordable housing build-to-rent-to-buy by Assemble in Melbourne, Australia.

Image: Assemble



Building community through open spaces: Assemble Melbourne Australia.

Image: Assemble

depth. Collaboration is often misunderstood as merely aligning similar aims and resources. In reality, it is about leveraging diverse strengths and recognising the contributions of all parties involved, ensuring reciprocity. Successful collaborations create value for all stakeholders, fostering commitment and clarity regarding roles and rewards. This win-win scenario enhances the likelihood of success.

Public-private partnerships exemplify effective collaboration among government, private sector, and community stakeholders. Melbourne has a strong track record in this area. One notable success is the Postcode 3000 initiative, which transformed inner-city Melbourne by increasing residential units from 650 in 1985 to over 50,000 today. By revising planning schemes to prioritise residential development, local and state governments worked together to create economic opportunities that were leveraged by the private sector to invest in housing.

In this instance, Melbourne, a city that had been described as a 'moribund city in a rust-bucket

state' in the 1980s, became one of the most liveable cities in the world: the Postcode 3000 initiatives delivered multiple legacy benefits for all stakeholders who took the risks in delivering the city transformation. Professor Rob Adams, the City Architect who spearheaded this transformation, emphasised that all parties must benefit from partnerships.

Addressing the Housing Crisis

Like many cities, Melbourne continues to face a housing crisis. Plans to provide social and affordable housing have stalled due to inadequate collaborative frameworks. The policy objectives and outcomes are well understood and accepted as a common goal. Often, projects struggle to reach a consensus on the benefits required for each partner to participate.

There are, however, promising examples. An innovative housing developer based in Melbourne, Assemble, has pioneered the delivery of a build-to-rent-to-own model, offering renters financial



Bringing dignity and security to people experiencing homelessness: MakeRoom, a collaborative adaptive re-use project in Melbourne, Australia.

Image: MakeRoom



Converting rooftops to common areas: MakeRoom, Melbourne Australia.

Image: MakeRoom

coaching to help them save for a mortgage deposit. By fixing rental and purchase prices for five years, this model enables residents to experience stability while working towards homeownership. To achieve this new housing model, Assemble created an alliance leveraging relevant strengths of partners: local and state government supporting planning reforms, investor confidence supported through agreed income and capital returns, and developer innovation through project design and operation.

Each partner understands their returns—from increased affordable housing stock for government to diversified risk for investors and sustainable financial returns for developers. This new housing model has attracted key workers who can live close to their work, bolstering our city's future, and is now being replicated in other municipalities.

Another innovative collaboration is the MakeRoom project, which provides transitional housing for rough sleepers. This initiative was made possible through shared risk and the commitment of partners with complementary

resources. The City of Melbourne provided the building, while the State Government funded renovations and ongoing operations. Philanthropy filled the budget gaps, and community housing provider Unison adopted a novel approach to construction and management. Although there were no direct commercial returns on this project, the collaboration focused on identifying mutual benefits, requiring extensive dialogue and negotiation. The facility now welcomes people who have had no choice but to live on our streets, giving them a pathway to housing, employment, and purpose, while positively impacting the broader community who have been consulted at every stage. This model is being considered as a benchmark for other municipalities.

Energy Transition: The Melbourne Renewable Energy Project

Melbourne has also led efforts to combat climate change through initiatives like the Melbourne Renewable Energy Project (MREP). This collaboration exemplifies how diverse stakeholders can unite for mutual benefit.



Nature energising the City of Melbourne.
Image: City of Melbourne



Incorporating ecological health into new public infrastructure:
Greenline, Melbourne Australia.
Image: City of Melbourne

In 2017, the City of Melbourne initiated MREP to secure renewable electricity and advance climate action, critical for meeting emissions reduction targets. This marked the first instance in Australia where state and local governments, cultural institutions, universities, and corporations combined purchasing power to fund a wind farm comprising 39 turbines with a capacity of 80 MW. This wind farm now powers town halls, bank branches, universities and street lights across Melbourne, demonstrating the effectiveness of collaboration in addressing climate change. Through this collaboration, the City of Melbourne became the first Council in Australia to operate using 100% renewable energy.

A second MREP collaboration has now also been completed, involving seven of the city's largest energy users. The electricity from the MREP 2 project will be used to power 14 shopping centres, 9 office buildings, 7 educational campuses, and 4 manufacturing facilities across greater Melbourne. Together, MREP 1 and 2 have reduced the equivalent of 5% of the city's emissions.

This collaborative ecosystem model has now been adopted extensively by other municipalities across Australia.

Conclusion

The momentum toward creating more liveable, equitable, and sustainable cities in Australia requires a concerted effort focused on collaboration. By fostering effective collaborative ecosystems and ensuring that all stakeholders benefit, we can navigate the challenges of urban growth and create thriving urban environments for future generations. 🗨️