



Submission to the
Standing Committee On Public Works
of New South Wales

**INQUIRY INTO JOINT USE AND
CO-LOCATION OF PUBLIC BUILDINGS**

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1. EXECUTIVE SUMMARY

This submission provides clear evidence of the significant benefits which joint use and co-location of public (and private) facilities can deliver to NSW communities.

Joint use and co-location, partnerships between service providers, collaboration and planned mixed use precincts have become hallmarks of new communities which Lend Lease has created for over thirty years in several Australian States and Territories. *(See Appendix 1 for a list of key projects).*

The descriptions, analyses and recommendations in this submission are, therefore, firmly based on first-hand experience. All the examples to which this submission refers are “out there on the ground” and available to the Committee for inspection. The great majority of the examples are projects of Lend Lease divisions, particularly Delfin Lend Lease and Lend Lease Development. Some other examples have been included because they have been influential in Lend Lease’s approach to joint use and co-location.

This submission is focussed on opportunities that exist in NSW, not only in our current projects at St Marys and Rouse Hill, but also given the emerging set of challenges and opportunities associated with future community development projects and the renewal of existing communities.

Over the years, Lend Lease has learnt how to successfully achieve joint use and co-location of public buildings through partnerships with both public and private providers. Lend Lease therefore understands how this approach leads to enhanced outcomes, where the pitfalls and difficulties lie and what needs to be done to facilitate collaborative approaches and optimise the public (and private) benefits.

Lend Lease’s approach to planning and delivering sustainable communities benefits Government at both State and Local levels in that it provides not only for co-location (and therefore savings in built form and service provision) but also reduced cost to Government in other services such as health, police, community services. A strong and healthy community will place less demands on these services over the long term.

This submission is presented in three (3) main sections:

- Identification of potential benefits of joint use and co-location of public and private facilities including buildings and open space;
- Analysis of the issues and challenges related to joint use and co-location; and
- Recommendations for action by the Standing Committee to facilitate an appropriate approach to joint use and co-location of public and private facilities in NSW.

The appendices to this submission are important. They constitute a valuable set of references to projects, publications and people of relevance to joint use and co-location of public facilities.

They also confirm the leading position of Lend Lease Corporation in the areas of interest to the Committee.

In making this submission, our objective is not only to assist the Committee, but also to position the relevant Lend Lease business units as key partners with the Committee, State and Local Governments in the development of stronger and more sustainable communities in NSW.

2. BENEFITS OF JOINT USE AND CO-LOCATION OF PUBLIC AND PRIVATE BUILDINGS

Joint use and co-location of public and private land and buildings have become hallmarks of the communities that Lend Lease has been creating for over 30 years in a number of Australian States and Territories. (*See Appendix 2 for Lend Lease business units and structure*).

Through strategies such as joint use, co-location, collaboration and sharing, Lend Lease has been able to deliver better range and quality of services at more acceptable cost and with the outcome of sustainably stronger communities.

Some of the benefits, in Lend Lease’s experience, that can be obtained by employing the strategy of joint use and co-location include—

- Different and better services;
- Better value for money— improved outcomes for the same investment;
- Reduction in land take— better quality of open space and recreational facilities;
- Better timing— better economics;
- Stronger communities— creating a community heart; and
- Better management of changing demand.

2.1 DIFFERENT AND BETTER SERVICES

The most important benefit of joint use and co-location is that the very nature of the services involved is improved.

As people from different service areas meet on a daily basis, collaborate on the design and management of shared spaces and work together to service the same clients, conventional boundaries are challenged and better services result.

The fundamental reason for this improvement is that service delivery decisions are more likely to be made in the context of the local community rather than in the conventional context of a centralised bureaucracy.

Joint use, new partners and questions about the traditional ways of doing things mean that services which, over time, may have become specialised, isolated and characterised by a “silo” mentality, are now opened up to new ways of thinking and adapted to better meet the needs of clients.

It is true that joint use and co-location also leads to more practical benefits such as “one-stop-shop” convenience. These benefits are certainly important.

But the most important benefit relates to the consequential changes in range and quality of service. For example, when a child care centre is carefully co-located as part of a residential care facility, important new cross-generational interactions occur which would be much less likely to happen in separated facilities. When young people learn

entrepreneurial skills in spaces that are co-located in a workplace such as a retail centre rather than a classroom, the nature and quality of their learning is different – and better. Or, when the community, its public school and local business people share the one co-located library, IT centre and conference rooms, the important new message is that the retrieval and processing of information with the aid of new technologies is something everyone (not just students) engages with at any time of the day.

Co-location not only enables a client to access a number of services from the same point of delivery but also leads the various service providers to coordinate their efforts, take a more holistic approach and deliver a service that is not just more convenient but qualitatively better.

The Aberfoyle Park High School, which opened in 1984, is on the same site as the extensive Aberfoyle Park Retail Hub, it has:

- *an excellent school and community library and information centre;*
- *a YMCA, local government and school recreation centre;*
- *the town sports park shared with the school, the local community and a number of sporting clubs;*
- *private pre-school operations; and*
- *the Donald Horne Performance Theatre shared with the school and local community.*

Aberfoyle Park High School was influenced by the OECD Program on Education Building (Paris) with which Australia and Delfin Lend Lease have had long association. Aberfoyle Park High School is an outstanding example of successful collaboration between public and private service providers to form a vibrant evolving heart in the Aberfoyle Park community.

Another example, where the benefits of scale when different services co-locate can lead not only to the usual economies but also to better services is the Golden Grove secondary campus in SA.

At Golden Grove, three (3) schools share specialist resources – buildings and staff. As a result of the schools collaborating they have been able to afford outstanding facilities – far better than the schools could possibly aspire to if they were acting alone. There is one (1) Physics, one (1) Chemistry and one (1) Biology specialist on the Science staff – a range of outstanding expertise that would be unlikely in schools of comparable size acting independently.

Sharing offers the students from all three (3) schools access to special opportunities in each of the schools – languages, experience in an orchestra, photography, remedial mathematics are just some examples of the opportunities which are only available because of joint action and co-location.

Often the single purpose, specialised buildings provided for services, such as education, health or recreation, constrain the nature of the services they accommodate. When new partners

collaborate across conventional boundaries in the design and operation of shared facilities, new and challenging questions are raised and different, better services result.

CASE STUDY 2— THE MAWSON CENTRE (SOUTH AUSTRALIA) – COLLABORATION DELIVERS NEW AND BETTER SERVICES

Collaboration is essential to achieve the range and quality of education and information services a 21st century community needs to sustain its social and economic development.

The Mawson Centre is currently under construction at Lend Lease’s Mawson Lakes project.

It is a landmark building for Australia in the context of public education and the sustainable development of any 21st century community.

The Mawson Centre will be the knowledge and information centre of the new community. Its intended function would not be achievable without co-location and collaboration between the key players – the Salisbury City Council, the University of South Australia and the Mawson Lakes Education Service. The Mawson Lakes Education Service has evolved out of what would have been the Mawson Lakes Primary School if Mawson Lakes had been created in the 20th Century. Part of the vision for Mawson Lakes (and other Lend Lease community creation projects) is that everyone in a new Australian community is a learner. Therefore the public education presence at Mawson Lakes looked for a way in which it could not only provide education services to children but also provide access at all hours to every person and every business in the new community. This demanded collaboration.

The Mawson Lakes Education Service will operate out of the Mawson Centre. There will be a joint school and community library and IT centre. Collaboration with the University of South Australia has led to the inclusion of an IT “barn” with access by the community as well as university students. Local government will install information kiosks.

The Mawson Centre is being built right at the heart of the Mawson Lakes community as an integral element in the town centre.

2.2 BETTER VALUE FOR MONEY – IMPROVED OUTCOMES FOR THE SAME INVESTMENT

Proposals for joint use of public buildings are sometimes driven by expectations of capital and/or recurrent savings. Such savings are often achievable. One (1) shared reception area rather than one (1) each; shared IT services or rationalised courier services are all examples of the range of opportunities for cost savings generated by co-location, joint use and accompanying economies of scale.

In Lend Lease’s experience, a focus on savings as the main or only objective of co-location can be counter-productive. Joint use is sometimes accompanied by feelings of loss of autonomy and can be viewed with mistrust, especially by participants who are less adaptable to change. The perception that co-location proposals are just another way to make savings or are aimed at achieving the same outcomes with less, are much less likely to be successful.

In Lend Lease’s experience, it is better to start with a commitment to maintain previous levels of funding in the chosen location, with the savings which flow from co-location and sharing being directed back into either the building or the service.

Lend Lease’s objective is to be able to demonstrate significant added benefits to the client with no additional cost to the service provider. It is seldom, if ever, difficult to demonstrate that joint use and co-location do lead to very significant improvements in cost benefits in the form of improved outcomes for no additional outlays.

In a note of caution, however, some of the benefits and costs of creating a new or enhancing an existing community are not always immediately apparent. They are often not obvious to the casual observer or in the short term, but are certainly appreciated by those who understand the complexities of creating and servicing communities or those who take a longer term view of the cost (and benefits) of service provision.

For example, effective collaboration between private and public school services right from the beginning of a new community development leads to the following outcomes:

- choice between private and public schools for parents from the start;
- avoidance of duplication and what could become over-supply of public school provisions if private schools are established later in the evolution of the community;
- less land take; and
- less impact on public expenditure as capital and recurrent (both maintenance and operational) costs are distributed across public and private sources.

CASE STUDY 3 – BETTER VALUE FOR MONEY – GOLDEN GROVE (SOUTH AUSTRALIA)

The development of the Golden Grove community in 1984 (see picture below) set out to achieve:

- *a choice of education providers*
- *sharing and collaboration between education providers*
- *timely delivery of high quality services*

One key element was the provision of three (3) co-located secondary schools at the heart of the new Golden Grove community.

The outcome has been outstanding, attracting international attention (OECD Program on Education Buildings and a FIABCI Award in 1993). Community satisfaction with the complex has been exceptional and, as a result of sharing specialist resources (including teachers), each school has enjoyed access to better services than any one of the schools could possibly have aspired to, and at no greater than normal cost to each school. One key element in the funding profile of the secondary complex was an interest-free loan from the developer.

In the year 2000 it was estimated that as a result of collaboration and the joint development with local government of facilities such as open space, sports hall and performing arts, the project had delivered total expenditure savings of—

- *Capital - \$40m, and*
- *Recurrent - \$83m (annual recurrent savings of the order of \$5m).*

2.3 REDUCTION IN LAND TAKE – BETTER QUALITY OF OPEN SPACE AND RECREATIONAL FACILITIES.

If in any given community all schools were allocated their own play areas (including ovals, pitches, courts, etc.), separate open areas were set aside for community sporting clubs and additional allocations were made for passive open space for community use, the end results would be likely to include:

- under use of the total amount of open space; and
- unsustainable maintenance (especially water) costs and requirements.

There is plenty of evidence of the benefits of joint use and co-location in relation to allocations of formal and informal open space in new and existing communities.

It is difficult to see why public schools, private schools, other educational institutions, local sporting clubs and local government would not seek opportunities to develop joint use recreational facilities in any new or existing community. The results are that everyone gains access to enough space, of better quality and at a sustainable maintenance cost.

One outcome of this type of joint use is a stronger community, especially if links between the joint users of ovals, pitches, courts, gymnasias and similar facilities, leads to a sustained flow of new members for local clubs and reciprocal contributions to junior sports coaching.

Rationalising the area of community open space is particularly important in the light of new approaches to water conservation.

CASE STUDY 4 – LESS LAND TAKE: MAWSON LAKES (SOUTH AUSTRALIA)

Normally a South Australian Primary School site is 4 ha. At Mawson Lakes (see below) 2.6 ha has been allocated. But when this 2.6 ha is co-located with the community open space (called Mabaroo Park) the Primary School children have access to far in excess of their normal allocation.

Open space maintenance is shared with local government and specialist recreation facilities, such as courts and formal ovals, are available.

2.4 *BETTER TIMING – BETTER ECONOMICS*

The pattern of development of education services in new urban communities often includes the following sequence:

- The first children in the new community attend nearby schools. Land is reserved for future school buildings;
- The number of children reaches a threshold and public education authorities provide a school;
- Numbers of children rapidly increase and public authorities come under pressure to provide additional facilities often in “temporary” accommodation;
- A threshold is reached at which a new purpose-built Catholic Parish school opens on a separate parcel of land reserved in earlier planning. Numbers at the public school are dramatically reduced and competition is set up;
- A second new independent (Christian) school is established (again on a separate site). Further decline occurs in the original public school where serious under use of (now tired) facilities is experienced. The school is in competition for residual enrolments and struggles to maintain ageing buildings and grounds.

Lend Lease has adopted a different approach. Lend Lease starts with the belief that every community needs from its inception a range of choices in education including a strong public education service.

Joint use and co-location make this outcome possible in the communities we create. For example, a condition for land to be reserved for any education provider is that sharing, co-location, joint use, collaboration and early establishment are requirements in Delfin Lend Lease projects.

Providers recognise that they need to be “in early” and that collaboration makes this possible.

The community benefits from access to shared programs and facilities which schools acting alone could never afford and the providers benefit from the leverage they can exert on their funding sources given the requirement on them to meet joint development schedules.

There is also a clear commercial benefit to the developer if a range of high quality educational choices are available early in the creation of a new community. This benefit can be quantified and translated in a variety of ways into a contribution to the overall cost of the jointly developed education (and community) facilities.

Earlier service provision and more favourable economies have been achieved through joint use and co-location outside of education. When health clinics are co-located in retail centres, community cultural and recreational facilities co-located with universities,

or open space provided jointly to the community, its schools and sporting clubs, earlier provision and better arrangements for maintenance and development are achievable outcomes.

It is worth noting that joint use and co-location do not eliminate competition between service providers. There is nothing wrong with providers competing for clients of their services. When co-location and joint use occur, collaboration is also necessary leading to better services, timely provision, potentially more favourable economics and stronger communities.

***CASE STUDY 5 – BETTER TIMING, BETTER ECONOMICS, BETTER SERVICES:
ABERFOYLE PARK PRIMARY SCHOOL CAMPUS (SOUTH AUSTRALIA):***

The four (4) primary schools co-located on the Aberfoyle Park campus were opened in 1982. “Heysen” and “Spence” are two (2) state schools, “Nativity” is Catholic, “Pilgrim” is Uniting Church.

The schools share a central administration, staff rooms, school and community hall, resource centre, canteen, playground, out-of-school-hours care service, oval and gymnasium.

The community has had the benefit of choice since its inception. All collaborating parties have had access to outstanding facilities at a cost that has been no greater than they would normally have had to bear.

For the State Government there have been substantial savings in both capital and recurrent compared with the level of expenditure, which would have been required, had the two (2) non-government schools not been in operation from the beginning.

Fluctuation in enrolments has occurred and will, no doubt, continue to occur. Adjustments in space usage between schools enable much easier management of the impact of enrolment fluctuations.

2.5 STRONGER COMMUNITIES – CREATING A COMMUNITY HEART

Lend Lease experience tells us that the creation of a successful new community depends, among a range of other elements, on the establishment of a successful town centre. At the heart of the neighbourhoods that make up an urban community there needs to be a successful neighbourhood centre.

Joint use and co-location are very valuable strategies in creating a sustainable, vibrant, successful community heart.

Some of the players in our successful town and neighbourhood centres are unusual. In education, for example, the conventional wisdom of the 20th century was to confine schooling to fenced enclaves in specialised buildings kept well away from shopping, entertainment and cultural facilities and the community in general.

Lend Lease has brought education right to the heart of our urban neighbourhoods and towns – not only because we recognise that everyone in any future NSW community will want access to education services all their life, and therefore learning is logically a central service, but also because education buildings have much to offer a community if the principles of joint use, sharing and co-location are applied.

Lend Lease’s town and neighbourhood centres bring together a diverse mix of users not as separate stand-alone operations (as some initially prefer to be) but as collaborating joint operators of the heart of a community on whose strength and prosperity the town centre users depend for their own prosperity.

CASE STUDY 6: CREATING A COMMUNITY HEART – BROOKSIDE CENTRE (VICTORIA)

Three (3) schools – Brookside (State), Mowbray (Christian), and Christ the Priest (Catholic) are co-located and share a range of specialist facilities.

Early childhood services, a gymnasium jointly funded with local government, an oval shared with the local football club, convenience store, village square and professional offices (currently used as an IT centre by one of the schools) all work together to create a “heart” for the Brookside community.

This is part of the Lend Lease project at Caroline Springs in Victoria.

There are some houses that are used to accommodate classes that will later move to classroom accommodation. This is an example of adaptive re-use of buildings.

Aspirations such as “building social capital” are translated into practical action by the interactions between joint users of our town and neighbourhood centres. For example, town centre workplaces in retail and professional offices become learning places for a co-located element of the local secondary school. Cultural and recreational facilities are used by a community, its clubs and its schools on a daily basis. Part of the school’s open space is the town’s open space. The town library is the school library and celebrations in the town square are witnessed and often joined by workers, students and people of all ages from the community.

There is much more to creating a strong community heart than just co-location and joint use of public and private buildings.

Social commentators such as Hugh McKay tell us that many people are looking for a sense of community, a feeling of belonging to a local group and of being part of something worthwhile in living out their daily lives.

There are indicators emerging that help us understand this strength or resilience of a community. Lend lease is engaged in leading edge research with the University of Queensland. We sense that the connections which build, and above all, sustain strength, are linked with strategies such as co-location and joint use, especially in places in which people gather on a day-to-day basis. It is no surprise that, as Lend Lease rediscovers a sense of community, the village square and the town centre are re-emerging as significant elements of our planning.

Lend Lease would be keen to participate with the NSW Government, as well as with government at local level in to share our current research and to explore further the true nature of what we sometimes loosely call “community”.

CASE STUDY 7: CREATING A COMMUNITY HEART – CAROLINE SPRINGS TOWN CENTRE (VICTORIA)

Caroline Springs is a major Lend Lease project in Victoria.

The town centre, now under construction, will have a focus on education as the unifying theme in a community in which everyone is a learner and needs access to high quality education and training as part of everyday life.

The town centre will include:

- *three (3) secondary schools;*
- *shared cultural facilities;*
- *joint school and community library;*
- *links with a retirement community;*
- *0-8 schooling sharing open space;*
- *shared community, school and sporting club open space and recreation facilities;*
- *strong links between secondary schools and the vocational opportunities of a retail centre and professional offices; and*
- *a University and TAFE presence.*

CASE STUDY 8 – CREATING A COMMUNITY HEART : VARSITY CENTRAL (QUEENSLAND)

Varsity Lakes is an important Lend Lease project adjacent to Bond University at the Gold Coast in Queensland.

Varsity Lakes is part of the Digital Precinct of the Robina Shire and knowledge industries will be the key to the sustainability of social and economic development of the area.

Varsity College Senior Campus (see below) is located in the town centre (Varsity Central) of a community in which education is a pervasive element. The town square is open space shared between school and community.

The school library and IT centre is located as part of the senior campus of the College, and is at heart of Varsity Lakes.

CASE STUDY 9 – CREATING A COMMUNITY HEART – ERINA FAIR (NSW)

Erina Fair is a major Lend Lease regional shopping centre designed to service the NSW Central Coast community.

Through joint use and co-location of a range of services, Erina Fair creates social, community, leisure and retail space for residents and visitors of the Central Coast. Erina Fair includes:

- *shopping mall;*
- *lifestyle precincts;*
- *ice-skating rink and fitness club;*
- *library, community centre;*
- *youth recreation centre; and*
- *medical centre.*

Recently the Arts Market began operating quarterly in the open space at Erina Fair open space, adjacent to the Hive. A large number of other community programmes are also occurring at Erina in collaboration with Gosford City Council.

2.6 BETTER MANAGEMENT OF CHANGING DEMAND

Lend Lease has explored approaches that lead to better management of future change in demand for public and private facilities in any community. Our objective is to build in options and alternative future solutions rather than create inflexible problems for the managers of public and private buildings as our communities evolve.

Consider the following examples in which Lend Lease subsidiaries have adopted strategies to enable authorities to better manage the inevitable (but unpredictable) changes in future demand for public and private built infrastructure.

In a number of projects we have built houses as part of the primary school facilities. The houses meet temporary demand for classrooms and are sold (or leased) as residential building stock as demand for classrooms declines.

Sharing the risk of future shifts in demand for public building space can be achieved by co-location of services. As demand for one service reduces, take up of space by co-users is often achieved. Co-location of public and private education services is an example.

A combination of co-location and clever design has resulted in the possibility of easy future conversion of buildings to alternate future uses. For example, at Brookside Centre a professional services office block is currently used for classrooms. When classrooms are available in another part of the community, the spaces will be available as offices with minimal additional cost.

In another example, a classroom block has been constructed adjacent to a residential care facility. As demand for aged care places increases, the option of conversion of classrooms to care facilities is available.

CASE STUDY 10 – ABERFOYLE PARK (SOUTH AUSTRALIA)

30% of the Aberfoyle Park High School campus (see below) is provided in classrooms which are designed and sited so that, if they become surplus to school requirements, they can readily be converted to residential (retirement) units.

2.7 RETROFITTING – RENEWING EXISTING COMMUNITIES

Every State and Local Government in Australia has a stock of public buildings, including schools, colleges, office blocks, health centres, residential care facilities and public housing for which there has been a change in the nature and/or extent of demand.

Lend Lease has developed leading capabilities in the retrofitting and transformation of existing buildings, particularly urban office complexes, for a range of clients, including:

AMEX Building, George St, Sydney, now occupied by NRMA;

MLC Building, North Sydney; and

Allara St. Canberra A.C.T.

CASE STUDY 11 – RETROFITTING: MLC BUILDING (NSW)

Lend Lease has leading capability in refurbishing public and private buildings.

The MLC Building in North Sydney is an example of retrofitting that not only delivers top-rated office accommodation, but also enables occupants to develop new collaborative work culture.

The terms of this Inquiry extend beyond the one-for-one refurbishment of older buildings. Replacement of an old building with the same end user is only one aspect of the opportunities associated with joint use and co-location.

The opportunity to retrofit and/or redevelop an old secondary school, for example, is straightforward enough when considered only within the context of what a modern secondary school requires. The real opportunity often lies beyond this straightforward and limited approach and includes the prospect of renewal of other (old) community infrastructure.

Refurbishment of one public asset in any community (urban or rural) needs to be viewed in the context of the whole community and with an eye on the opportunities inherent in collaboration, co-location, sharing and joint use.

Standard plans and off-the-shelf designs for the replacement of public buildings may not be the most appropriate reference points when retrofitting public assets. The challenge is to do better than simply re-house an existing use in new, albeit modern and environmentally acceptable, accommodation. The more interesting challenge is to find the strategies, partners, funds and

innovative approaches that transform a need to retrofit a building into an opportunity to renew a community.

For example, in many older communities (suburban and rural) there can be an over-supply of public and private building stock. Many communities, for example, have one or more schools, a church, hall, sports field or a clubroom complex which are underused, in need of upgrading and a problem to maintain. Rationalisation is one response to this oversupply. However, rationalisation often only confirms and compounds the losses which generated the over-supply of assets. School closures, the loss of halls or clubrooms, withdrawal of banking and other services, send the message that the community is in decline and further losses are likely to follow.

Co-location, joint use and the “cashing out” of benefits of rationalisation to establish sustainable income streams are some of the strategies which are leading to promising approaches to retrofitting and renewal of public and private buildings.

CASE STUDY 12 – LIBRARY REFURBISHMENT AND URBAN RENEWAL: CHICAGO (USA)

In little more than a decade, Chicago has built more than 32 neighbourhood branch libraries and renovated nine (9) others, including one of the largest in the world – the Harold Washington Library Centre which opened in 1991. There are another 14 scheduled for opening by 2005.

This growth is reversing the declines in circulation – and budgets for libraries throughout the 1970s and 1980s and despite the growth in the internet. The libraries are prospering because they have embraced new ways of functioning – instead of quiet repositories of books, they are new, active and responsive parts of the community. The internet, which was supposed to hasten the end of the library has, instead, become a major attractor to the library.

Robert Putnam, a leading academic in social capital and author of the book “Better Together” (from which this case study is drawn) comments on a new library – Near North – which was located between a highly disadvantaged community and a high socio-economic community in an area which had been gentrified – that has acted as a bridge between the communities.

This was done “with an explicit determination to make the library attractive to the whole range of potential users” and to become a “community anchor” in the neighbourhood.

Part of the success of Chicago’s libraries is attributable to:

- *The library has an obligation to connect with every school principal in Chicago;*
- *Library staff visit schools and read to children and encourage them to visit the libraries;*
- *Libraries accessed external grants to run workshops and learning programs of interest to residents including resume writing, interviewing techniques, financial planning seminars;*

- *Libraries have maps with pictures showing each school in the area and display local artworks;*
- *The libraries also collect local history – particularly concentrating on different ethnic groups;*
- *Libraries allow local neighbourhood groups to meet in the facilities; and*
- *Libraries have large stocks of computers, run computer classes, pay “cyber-navigators” to help bridge the digital divide, particularly with older people, and staff help people fill in forms to get financial aid to help their children or grandchildren gain funding to buy computers.*

CASE STUDY 13 – “THE BOND” OFFICE ACCOMMODATION: SYDNEY (NSW)

Lend Lease has achieved three main outcomes in its design and refit of its own corporate accommodation at Millers Point in Sydney, NSW:

1. *5-Star rating for use of materials and energy;*
2. *A working environment that matches its current needs; and*
3. *Adaptability to enable it to respond to inevitable changes in work practices.*

3. ISSUES AND CHALLENGES

It is clear from the Overview to the Inquiry that the Committee is aware of a range of problems and issues which arise when attempting to move outside of conventional approaches and introduce innovations in public building provisions such as joint use and co-location.

Some of the main problems and issues that Lend Lease has identified are—

- “Silo” mentality;
- Lack of access to (timely) capital;
- Incentives to share and co-locate;
- Identity and boundary issues;
- The time problem;
- Trust and ownership issues; and
- The need for skilled people.

3.1 “SILO” MENTALITY

Improvement in the way we live depends on the people who can bring about desirable change. Seldom is the initial vision realised in its entirety or in its original form. Lend Lease knows, for example, that any new community will evolve over time in directions which the community will determine rather than fit any pre-determined prescription.

The first step in creating communities that are sustainable is to achieve stakeholder agreement on the key attributes (that is, the “vision”) for the community that is being created together. Some decision-makers in both public and private sectors find it difficult to share a vision or make decisions that involve unconventional approaches, even though there may be clear (and often widely acknowledged) benefits to all stakeholders. The fact that proposals do not comply with conventional protocols is often enough to paralyse decision-makers. For some it is a question of guarding against the possibility of failure; for others the proposals are automatically rejected simply because they do not follow “the rules”.

This is a serious problem. It can frustrate development as well as local community-based stakeholders and it is one of the areas in which this Inquiry might well be able to make a difference in NSW.

Lend Lease understands that the current NSW Government has been working to overcome this problem of “silo” thinking. Important progress has been made through such strategies as the Infrastructure Coordination Group (ICG) at St Marys, the creation of the Strengthening Communities and Community Solutions Units in the Premier’s Department and many other whole-of-government and community initiatives.

3.2 LACK OF ACCESS TO (TIMELY) CAPITAL

Joint use and co-location usually requires partners to have capital (and recurrent) resources available at the same time.

This requirement can distort priorities of individual partners and their funding sources, and as such, problems which threaten the viability of joint use projects can emerge.

On the other hand, a well-constructed case for joint development with clear benefits to a community or to the joint use partners can create access to sources of capital, sometimes in the form of bridging loans, sometimes by accessing new contributions to what is perceived as a worthwhile project.

Again, the key is to present the project in ways which show real benefits to the community rather than benefits which are limited to the service provider or compliance with conventional protocols.

3.3 INCENTIVES TO SHARE AND CO-LOCATE

There is a general lack of incentives to encourage potential joint users to collaborate in the design, co-location and operation of public and private buildings.

This is a complex issue, less complex when tangible financial and other benefits can be demonstrated but potentially very problematic when benefits are delayed or marginal in the estimation of some participants.

Government at all levels can play an important role by creating a climate in which joint use and co-location of public and private buildings are encouraged.

Explicit mention in development project briefs, acknowledgement of benchmark projects and clear indications that approaches which incorporate collaboration and the re-integration of community services will be welcomed are examples of encouragement for better approaches to the provision of public infrastructure.

Specific incentives could include:

- interest-free loans to encourage private participants to establish earlier services in a shared arrangement;
- cashing out value of reduced land take; and
- flexibility in applying Section 94 resources.

3.4 IDENTITY AND BOUNDARY ISSUES

A sense of loss of identity and possible loss of control over the use of the special spaces which sustain a sense of valued uniqueness are issues which arise in many joint use proposals.

For example, when two (2) schools agree to co-locate and share a range of facilities, each school community needs to feel satisfied that possible problems of loss of autonomy, access, ownership and identity have been resolved. In one example a leader of a religious school community expressed the fear that entry into a proposed joint campus proposal would lead to such loss of identity that the outcome would be no more than “the bland leading the bland”.

Some proposals do threaten loss of identity and are rightly avoided. Legitimate concerns can arise when the boundaries between co-located joint users become blurred and clients (or staff) of one service are unable to maintain sufficient separation from another service.

Problems can occur, for example, when services to young children are co-located with certain services to adults or when services requiring high levels of privacy share space in facilities open to the public. In some cases, lacks of appropriate operational arrangements or poorly thought-out management structures have led to irreparable breakdowns in joint use projects.

Lend Lease and its subsidiaries, through research and development and experience in a range of settings, have a successful track record in balancing the needs of participants to retain and enhance identity with the requirements of effective collaboration.

The key elements to Lend Lease’s approach are stakeholder-centred processes, appropriate operational arrangements and a willingness to work with key players to clarify expectations between all parties. Physical elements are also important, such as the reservation of private spaces for each joint user, the opening up to everyone of shared space and the fair display of badging and icons which declare the presence of each user as an equally respected partner.

Collaboration, inter-dependence and learning to live with uniquely different groups were not always as high in the latter part of the last century priorities as competition, independence and the assimilation of different groups. For example, many school buildings were designed, located and operated in ways that emphasised separateness, independent autonomy, and withdrawal to a protected enclave and from the life of the community.

The re-connection of learning as part of an everyday community life is now more highly valued and is finding expression in approaches such as joint use and co-location without the loss of identity or ownership which some participants fear.

CASE STUDY 14 – IDENTITY AND BOUNDARY ISSUES – SEAFORD TOWN CENTRE (SOUTH AUSTRALIA)

At Seaford in South Australia, the town centre includes a number of examples of joint use and co-location of public and private facilities. The town centre is the focus for the community and includes a school and community library, IT centre, an ecumenical centre in which a number of denominations share space and services, a joint school and community recreation centre, open space and sports fields.

Boundary and ownership issues have been confronted and resolved and management processes established within the context of the local community.

3.5 THE TIME PROBLEM

Joint use projects take more time to plan and deliver than those in which individual service providers are accommodated in single-purpose buildings on separate sites.

This can constitute a problem for developers and their clients because “time is money” and the payback in patiently bringing sometimes hesitant players to the table can be years away.

Government can help in addressing this problem and in NSW, government at state and local levels would be making a significant contribution by:

- acknowledging that joint use schemes can take longer to put together;
- contributing to the process by seconding key people to facilitate the necessary processes; and
- making it clear that innovative outcomes are expected and that collaborative solutions will be valued.

The developer role is crucial to achieving this outcome, and some developers may not have made the investments necessary in time, people and research to develop the in-house skills such projects require.

Lend Lease has made the necessary investment. In its new communities we recognise that time is needed to allow people to think differently and to arrive at solutions that are uniquely appropriate for each community.

3.6 TRUST AND OWNERSHIP ISSUES

Lend Lease recognises—and has dealt with—issues of trust and ownership in joint use and co-location.

There are principles that can be followed when determining a fair method of apportioning capital and recurrent expenses in a shared facility. Whether the agreed

methodology is based on “user pays” or some other arrangement, the key is to agree in advance how costs will be apportioned, identity enhancements and a dispute resolution process.

Again, the context in which these issues are best resolved is the benefit to the local community. Arrangements that supporters of one joint user might perceive as a loss can be acceptable if they are seen as contributions to community benefit rather than concessions to a competitor.

Government— Local and State, has a role to play in building trust between potential joint users. For example, at St Marys under the auspices of the NSW Department of Infrastructure Planning and Natural Resources (DIPNR), an Infrastructure Coordinating Group (ICG) is operating as an effective forum in which Delfin Lend Lease and a range of community stakeholders work together to develop the relationships that are leading to effective long-term collaboration.

At Golden Grove in South Australia, ownership of joint use land and the buildings on it was held by the State Minister of Education as a trusted “third party” acting even-handedly on behalf of public, Catholic and Independent schools and the Local Government.

Joint use management agreements, processes which will work after the developer’s involvement is over and protocols by which the costs of changing patterns of joint use can be fairly apportioned, are examples of issues in which government acting as an ‘honest broker’ can make a critical contribution to joint use schemes.

Lend Lease’s experience in a number of joint-use projects suggests that many trust and ownership problems can be traced back to problems associated with access to buildings and land. Some of these issues that begin as trivial matters, can escalate into real tensions between partners who need to be focussed on services not assets. Two strategies are useful:

- appoint an asset manager to deal with asset issues; and
- establish at the outset the operational structures, which resolve problems in ways that do not distract effort from the important service issues.

3.7 THE NEED FOR SKILLED PEOPLE

People with new kinds of skills are needed in projects in which co-location and joint use are key elements. The skills required are process and change management skills. They are different and sometimes harder to find than the conventional project management skills prized by the development industry.

Getting a building up on time and on budget is only part of the challenge in a project in which the objectives include the establishment of a high quality service involving a range of service providers engaged in productive collaboration.

Building-led projects are relatively straight-forward. Service-led projects require longer lead times, more complex interactions with stakeholders and a different range of project management skills.

4. SUGGESTIONS FOR ACTION IN NEW SOUTH WALES

Lend Lease interprets this Inquiry as an invitation to think in new ways about the joint use and co-location of public and private buildings; the adaptive re-use of existing buildings and the ability to deliver improved services to NSW communities.

An effective response to these ideas will require action by developers and by government at state and local levels.

Lend Lease would be delighted to work in partnership with Government (at all levels) in these endeavours and offer the following suggestions for action:

4.1 *CREATE A CLIMATE THAT ENCOURAGES INNOVATIVE APPROACHES*

Part of Lend Lease’s response relates to the regulatory context— where rules restrict the emergence of new solutions, consideration must be given to changing them.

Part of the answer could lie in NSW Government making it known that approaches that deliver outcomes that strengthen communities (in addition to simply providing conventional services) will be encouraged and facilitated.

Conventional approaches tend to focus on short-term returns particularly on aspects such as land sales. Government also needs to consider assigning appropriate value to the longer-term social (and economic) benefits of stronger communities and be on the lookout for those innovative approaches that can deliver sustainable strength in the communities that result.

4.2 *MOVE TOWARD A SERVICE-LED APPROACH TO PROJECTS AND AWAY FROM BUILDING-LED APPROACHES.*

Project briefs are often described in terms of the buildings required to accommodate service providers. Lend Lease believes that innovative proposals and responses would be encouraged if project briefs were focussed on the required services.

For example, one question developers expect in any new community is—

“When will the school be built?”.

The answer from public and private education authorities is often given in the form of the return question—

“When will you have enough children to warrant a new school?”.

Land is reserved and within the relevant head offices a start is made on procedures that will eventually deliver a new school. This has been the traditional approach.

In the 21st Century with the emergence of the knowledge economy and the recognition of education as a lifelong continuing process in which everyone in a community is engaged, the old questions and answers about buildings are no longer the real questions.

Any new community in NSW in the 21st Century needs an education service from the day the first learner arrives or the first enterprise commences. Everyone is a learner and every business must engage in education and training or it will not prosper. This is the outcome that Lend Lease plans to deliver for the community of Rouse Hill.

It is much less important to have a new school building for the children than it is to have an appropriate education service for the whole community – including the children.

This shift from building-led provisions to service-led provisions for new communities is very important. It leads to different (and better) outcomes; it requires a different approach to the stakeholders; and it applies just as much – perhaps more – to the renewal of existing communities as it does to new communities.

Many existing communities express their desire for renewal in terms of the replacement of existing out-dated facilities – a new school, new town library or a new town hall. Expressed in this way, the danger is that replacement buildings will happen on a piecemeal basis with no real improvement in the nature or quality of the service. In a service-led approach, joint use, co-location and collaboration across conventional boundaries are often the result.

Lend Lease acknowledges the NSW Government has moved to take a broader approach to renewal of existing communities. At St Marys and Rouse Hill, Lend Lease has aligned its approach to that of Government and joint use, co-location, collaboration and sharing will be key strategies.

CASE STUDY 15 – NORTH LAKES (QLD)

North Lakes is a new suburb in Pine Rivers Shire in the Northern Corridor of Brisbane. When complete it will house 25,000 in 8,000 dwellings, currently there are about 3,000 people living there. It includes a major town centre a regional Westfield shopping centre.

The North Lakes Centre has been under development since 2001. An original partnership between Lend Lease Development, Lensworth, The Hornery Institute and Pine Rivers Shire Council has resulted in the development of an integrated learning centre.

The North Lakes Learning Centre has recently been renamed Pathways. Pathways will be located on a three (3) Ha site in the emerging town centre at North Lakes, opposite the main entrance to the New Westfield Shopping Centre.

The original partnership team, established the concept of pathways through community engagement and consultation together with market research and analysis. The team then lead the design of Pathways and negotiated the funding to complete the ambitious project now valued at \$26 million.

Stage 1, worth \$13 million is due to open in September 2004 and includes a model 21st century library, vocational education and training centre, a coffee shop and a suite of formal meetings rooms together with informal socialization space including a “Living Room” and community garden.

The development will also include a family sports and recreation centre with an indoor basketball court, indoor learn to swim pool, outdoor laps pool, children’s leisure village and a village green style oval. Stage 2, due to be complete in 2007 will include a Year 11 and 12 school completely integrated in the North Lakes Centre.

This projects success came from effective partnerships between Lend Lease, Lensworth, Hornery Institute, Pine Rovers Shire Council, Queensland Department of Education and Training, Sport and Recreation Queensland and Brisbane and North Point Institute of Training.

North Lakes community and learning facilities is also a result of challenging the conventional ideas about how to spend and leverage developer contributions (originally valued at \$3.8 million, which Council was intending to spend on a wave pool).

Lend Lease Corporation is well-placed to work with Government in the development of model approaches in new and existing communities. We know the importance of sustainability and transferability in the context of innovation and our experience at the leading edge of the creation of new communities would be valuable.

We would welcome the opportunity to participate in the identification of a limited number of projects in which normal constraints can be challenged in an effort to find a better way and a better result.

4.3 TRIAL A NUMBER OF PROJECTS IN WHICH THERE IS A GOVERNMENT COMMITMENT TO INNOVATIVE APPROACHES, INCLUDING JOINT USE AND CO-LOCATION OF PUBLIC AND PRIVATE FACILITIES.

The NSW Government has an opportunity to establish a number of projects that could lead to a new pattern for community developments in Australia.

Leaders in the development industry in Australia, such as Lend Lease, sense that the traditional approaches need to change. Approaches which have been building-led rather than service-led, lacking in a shared vision for the future of the new community, proscribed by sectoral requirements determined remote from the relevant community and unresponsive to the ways we will live, learn, work and re-create in the 21st Century, need to be replaced by new approaches.

St Marys and Rouse Hill are two (2) projects that represent excellent opportunities to become models for Australia.

Lend Lease Corporation is well placed to work with Government in the development of model approaches in new and existing communities. We know the importance of sustainability and transferability in the context of innovation and our experience at the leading edge of the creation of new communities would be valuable.

Lend Lease would welcome the opportunity to participate in the identification of a limited number of projects in which normal constraints are able to be challenged in an effort to find a better way and a better result.

4.4 MONITOR AND EVALUATE PROJECTS

As innovative approaches to the creation of new communities are explored in NSW, the outcomes need to be monitored and evaluated.

This Inquiry is an excellent example of how the Standing Committee on Public Works can gather information about an aspect such as joint use or co-location of public buildings, assess the results of its investigation and provide guidance for the future.

There are many other aspects to be studied, especially those processes by which stronger communities are created in ways that sustain continuing growth and developments.

Lend Lease suggests that the Standing Committee considers building on the experience of this Inquiry and encourage Government at Local and State level to engage in monitoring and evaluation of community development projects.

4.5 TRIAL A NUMBER OF RENEWAL PROJECTS IN WHICH MIXED USE, CO-LOCATION AND JOINT USE ARE KEY ELEMENTS

In many existing communities, piecemeal replacement of existing infrastructure is being planned or executed without adequate consideration of the opportunities of joint use and co-location.

Lend Lease suggests that one outcome of this Inquiry should be the identification of a number of renewal projects in which an integrated approach to sustainable community renewal rather than mere asset replacement be instituted.

The benefits of joint use and co-location of public and private buildings and land are just as achievable in renewal projects as they are in the creation of new communities.

4.6 SECOND PEOPLE TO WORK WITH DEVELOPERS IN NEW APPROACHES SUCH AS JOINT USE AND CO-LOCATION OF PUBLIC AND PRIVATE BUILDINGS.

There are two (2) essential conditions for the success of any project in which joint use, co-location, sharing and collaboration are involved. A shared vision needs to be established and someone needs to be assigned to guide the development of the vision and the evolution of the project.

The complexity of joint use projects, the need for trust and confidence in the participants and the negotiations involving many stakeholders all require a dedicated

skilled person to guide the project at critical stages and to act as honest broker between developer, government agencies, the community and other stakeholders.

A further suggestion is that more flexible use be made of Section 94 developer contributions.

5. CONCLUSION

To summarise, joint use and co-location of public and private land and buildings have become hallmarks of the communities that Lend Lease has been creating for over 30 years in a number of Australian States and Territories.

Through strategies such as joint use, co-location, collaboration and sharing, Lend Lease has been able to deliver better range and quality of services at more acceptable cost and with the outcome of sustainably stronger communities.

What has become apparent to Lend Lease in its experience, as a ‘place maker’ throughout Australia is that the joint use and co-location of public facilities provides fantastic opportunity to not only provide real savings to government, but also in the collaboration and improved service delivery that co-location and joint use fosters, resulting in improved community outcomes and the development of sustainable communities.

At St Marys and Rouse Hill Lend Lease is currently working with the NSW Government to achieve a range of benefits from joint use and co-location. These opportunities and benefits are identified in Section 2—

- 2.1 Different and better services (e.g. in joint education services a much broader range of curriculum and greatly-improved facilities);*
- 2.2 Better value for money (e.g. an estimated \$40m saved in Golden Grove capital expenditure);*
- 2.3 Reduction in land take (e.g. 2.6ha at Mawson Lakes, instead of the conventional 4ha);*
- 2.4 Better timing – better economics (e.g. earlier service delivery and access to new capital sources at Caroline Springs);*
- 2.5 Stronger communities – creating a community heart (e.g. Varsity Lakes);*
- 2.6 Better management of changes in demand (e.g. use of houses as classrooms in Caroline Springs); and*
- 2.7 Assisting and renewing existing communities (e.g. Erina Fair).*

New skills and new approaches are needed when joint use and co-location are employed as strategies in creating new communities. The problems and issues which arise are identified in Section 3—

- 3.1 Silo mentalities (e.g. conventional thinking in allocation of compartmentalised budgets);*

- 3.2 *Lack of access to timely capital (e.g. overcome by leverage and access to new sources of capital);*
- 3.3 *Incentives to share and co-locate (e.g. interest-free loans for early service delivery, cashing out of reduced land take);*
- 3.4 *Identity and boundary issues (e.g. addressed through shared vision and effective operational arrangements);*
- 3.5 *The time problem (e.g. joint use schemes take longer to establish);*
- 3.6 *Trust and ownership issues (e.g. the importance of groups such as the Infrastructure Coordination Group (ICG) at St Marys set up by the NSW Government); and*
- 3.7 *The need for skilled people (e.g. process skills and dedicated resources to establish necessary procedures.*

The NSW Government may like to give consideration to the actions contained in Section 4 which Lend Lease believe could assist in facilitating the realisation of the benefits of joint use and co-location in NSW—

- 4.1 *Create a climate that encourages innovation in the provision of public services;*
- 4.2 *Move towards a service-led approach and away from building led approaches;*
- 4.3 *Trial a number of projects in which there is a Government commitment to joint use and co-location and innovative outcomes;*
- 4.4 *Monitor and evaluate projects and establish clear performance objectives for community creation projects;*
- 4.5 *Trial a number (limited) of renewal projects in which mixed use, co-location and joint use are key elements; and*
- 4.6 *Develop Government capacity in delivering such projects, by possibly seconding people to work with developers in new approaches such as joint use and co-location of public and private land and buildings.*

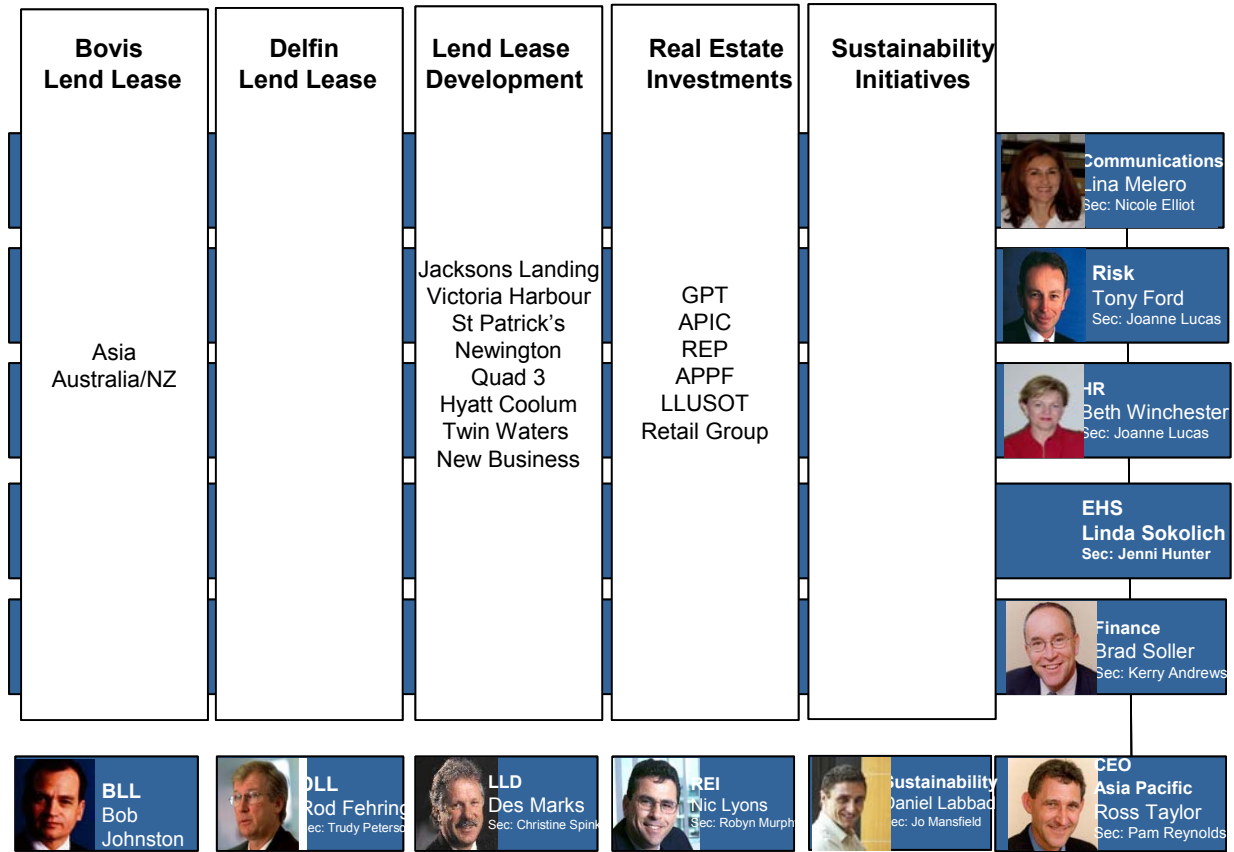
APPENDICES

APPENDIX 1

In the context of this Inquiry, the following projects of Lend Lease Corporation and its business units are significant:

- Mawson Lakes, South Australia
- Caroline Springs, Victoria
- North Lakes, Queensland
- Edgewater, Victoria
- Golden Grove, South Australia
- Lakeside- Pakenham, Victoria
- Varsity Lakes, Queensland
- Rouse Hill Regional Centre, NSW
- St Marys, NSW
- Nelson’s Ridge and Neighbourhood Centre, NSW
- Victoria Harbour, Victoria

APPENDIX 2



Lend Lease Asia Pacific Organisation Chart

Lend Lease has developed, constructed and managed real estate assets around the world for over 45 years. From office towers, hospitals and airports, to shopping centres, pharmaceutical facilities and residential communities, Lend Lease has created many landmarks for the public and private sector.

Bovis Lend Lease, is a century-old global project and construction manager, provides real estate services.

Delfin Lend Lease develops large integrated residential communities across Australia, including infrastructure and community facilities.

Lend Lease Development focuses on mixed-use developments incorporating retail, residential, office, infrastructure and community facilities.

Real Estate Investments is a major manager of real estate investments across Australia, operating in public and private markets and managing \$13.7 billion in property funds and real estate securities on behalf of investors.

Sustainability Initiatives is a new business unit established to promote sustainable development across Lend Lease’s businesses and projects.

APPENDIX 3

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