



**Australian Government**



**Government of  
Western Australia**

**MEMORANDUM OF UNDERSTANDING  
TO ESTABLISH AND IMPLEMENT CITY DEALS**

**between**

**The Commonwealth of Australia**

**and**

**The State of Western Australia**

**April 2018**

## ***Preamble***

This Memorandum of Understanding provides an undertaking by the Commonwealth and the State of Western Australia to work together on City Deals. City Deals will improve the lives of people through better transport, economic growth, improved housing supply and affordability, better access to jobs and improved environmental outcomes.

Australia's growth as a knowledge based economy, and the prosperity this offers, goes hand in hand with the growth of our cities and the regions surrounding them. To succeed in the 21<sup>st</sup> century economy our cities, both regional and metropolitan, need to be productive and accessible, but they also need to be liveable and sustainable, with a clear focus on serving citizens.

City Deals will formalise the partnership between different levels of government and define priorities, actions, timeframes and accountabilities for achieving joint goals. City Deals will improve collaboration by coordinating governance, strategic planning, investment and reform. The establishment of City Deals will require all levels of government to bring reforms, planning or asset contributions, and investments to support improved outcomes in our cities.

The Commonwealth will provide support for key transformative infrastructure to implement City Deals. The Commonwealth and Western Australia will bring the full strength of their policy levers to give effect to City Deals. The State and participating local government partners will in turn align land use, policy and regulatory settings and infrastructure priorities to implement the City Deal. This will enable the full economic potential of intervention to be realised.

As a first priority, the Commonwealth and Western Australia will work with local governments to deliver a City Deal for Perth. Perth is forecast to become a city of 3.5 million people by around 2050, requiring 800,000 new homes. This high rate of growth will require governments to act now to plan for and invest in major infrastructure. METRONET is the Western Australian Government's plan to connect Perth's suburbs, reduce congestion and meet Perth's future planning needs by investing in new public transport infrastructure and services as well as planning for new housing. A Perth City Deal will be underpinned by the significant infrastructure projects that have now been announced as being jointly funded by the Commonwealth and Western Australia, including the Commonwealth's foundation investment of \$1.84 billion in METRONET.

Through the Perth City Deal, governments commit to developing reform in key areas, including but not limited to:

- Increasing infill housing within Perth's existing footprint by setting policy frameworks for density, so there are more, diverse homes in active and accessible neighbourhoods, well connected to jobs, services and recreation;
- Exploring value capture opportunities that may facilitate land value uplift in infrastructure corridors to help fund the cost of key METRONET projects, using fair and efficient mechanisms, while encouraging new development;
- Improving planning and governance outcomes, encouraging coordination, consistency and collaboration across different areas of Perth, and streamlining planning approval processes.

An integrated approach to infrastructure investment and land use planning will help to maintain the iconic lifestyle of Perth and its communities, and set the framework for Perth's sustainable growth into the future.

### ***Principles for collaboration***

The Commonwealth and Western Australia commit to the following foundational principles in support of City Deals. City Deals will:

- Provide an ambitious plan to generate economic growth, jobs and housing, reduce travel congestion and improve environmental outcomes to deliver measurable improvements to people's quality of life and standard of living.
- Involve the community in determining regional priorities and how they can contribute to implementation.
- Prioritise local needs within a context of nationally significant reform, including actions that drive productivity and competition.
- Engage the private sector to create better policy and regulatory settings for investment and to accelerate the delivery of key infrastructure through consideration of alternative infrastructure funding models consistent with policy statements.
- Take a long-term approach to achieve transformative change within the period of a City Deal, with clear short and medium term actions that provide certainty to business and the community.
- Identify the 'game-changers' and catalyst actions that will deliver a step-change in growth outcomes and then prioritise delivery.
- Be flexible to allow for changing needs and emerging priorities.
- Deliver action and reform that are additional to governments' usual operations.
- Establish streamlined governance to enable effective collaboration, coordination within and across governments and strong leadership with clear accountabilities.
- Support open access to data for transparent, evidence-based decision making, performance monitoring and smart technology solutions.
- Define measurable goals, priorities, actions and implementation timeframes to enable performance and all parties' contributions to be measured.

### ***Domains for action***

Every City Deal will be different. Each will be tailored to reflect the specific needs and growth opportunities of that region. The focus will be on collaborative actions that will transform the economic, social and environmental outcomes for the area.

City Deals will prioritise the following domains for action. City Deals will identify commitments from parties to deliver these complementary and cross-cutting domains.

**Governance, city planning and regulation** – To deliver planning and regulatory reforms that improve governance arrangements and integrate infrastructure, land use and environmental planning decisions to facilitate economic growth.

**Infrastructure and investment** – To improve accessibility and productivity in our cities through programmed, co-ordinated and evidence-based commitments to transport and other infrastructure across all three levels of government, and support for innovative private and public sector financing solutions.

**Housing** – To improve housing supply and affordability, including by encouraging appropriate densities and greater diversity of housing options and integrated land-use and transport planning.

**Jobs and skills** – To improve employment outcomes by supporting skills and industry development and removing barriers to employment.

**Innovation and digital opportunities** – To harness the productive potential of information and communications technologies and the digital economy, including through a conducive and adaptive regulatory environment and a commitment to make data publicly available wherever this is practical.

**Liveability and sustainability** – To improve the environment, attractiveness and resilience of our cities, including support for clean air, green spaces, biodiversity conservation, vibrant arts and cultural experiences, improved community amenity and active transport.

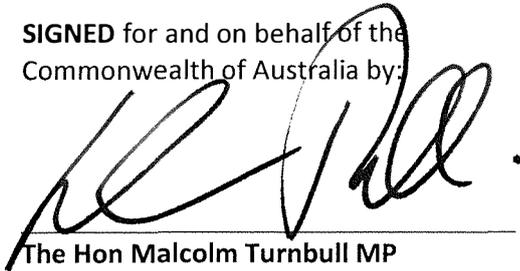
**Agreement**

Through this Memorandum of Understanding the Commonwealth and Western Australia agree to work cooperatively and collaboratively in good faith to agree priority locations and improve Western Australia's cities through the implementation of tailored City Deals.

Relevant local governments will be invited to participate in developing and implementing City Deals in Western Australia.

The Commonwealth and Western Australia do not intend any of the provisions of this Memorandum of Understanding to be legally enforceable. However, that does not lessen the commitment of the Commonwealth or Western Australia to this Memorandum of Understanding.

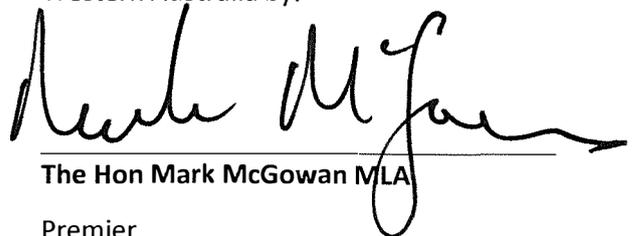
**SIGNED** for and on behalf of the Commonwealth of Australia by:



The Hon Malcolm Turnbull MP

Prime Minister  
Commonwealth of Australia

**SIGNED** for and on behalf of the State of Western Australia by:



The Hon Mark McGowan MLA

Premier  
State of Western Australia

27 / 04 / 2018

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