SUBMISSION

Ross Creek Priority Development Area

Fiducia et Prudencia
Com et Munos

A not for profit regional investment banking enterprise.
The Ross Creek PDA is an ambitious program for Townsville’s CBD. It represents the 13th master plan or economic plan in the last 13 years to address the Townsville CBD, its environs (in whole or in part) and the regional economy. A number of conceptual and economic issues are worthy of further attention to ensure the ambitions of the vision can be realised in an economically, socially and ecologically positive manner. They are addressed in no particular order below.

**Shade**

Well designed public spaces can be exciting, attractive destinations. In the dry tropical environment of Townsville, a key design principle that can contribute to a place being attractive to people is the extent to which it delivers on what can be described as the “lush” principle. The lushness of the Strand is one of the main reasons why it continues to work today. The proposed PDA design must embed lushness within its aesthetic and design philosophy, and define a genuinely tropical “heat resistant” urban landscape. To this end, I submit that the design needs to:

1. Provide extensive and contiguous shading wherever pedestrians and cyclists are expected. The boardwalks and pathways need to be shaded, without which the likelihood is that over time they will attract few other than the sun-hardy.

2. Shading can and should be designed to incorporate solar energy capture. Similarly, any car parks within the PDA should also be roofed with solar panels.

**Atmosphere**

In addition to extensive and expansive shading, the design aesthetics must avoid a bland sensibility. Design images made available in the consultation documentation do not reflect a bold design aesthetic, thereby limiting the extent to which the proposed development will achieve aesthetic critical mass. Any hoped-for boosts in visibility resulting from major public architectural developments will only take place if the design ambitions are suitably bold. Copy-cat sensibilities will not do justice to the ambitions invested in the PDA.

A bland copy-cat sensibility is also unlikely to contribute to the cultivation of rich and dynamic tropical atmospheres. These emerge through the contingent interactions of not only built forms, but critically other variables in the urban ecology that go to materiality and texture (e.g. lushness), noises and smells. If the PDA is to have a real chance of revivifying a public realm, more attention needs to be given to the tactile, aural and olfactory senses.

There is a strong emphasis on restaurants and cafes. However, it would be wise to step back from this specific focus and give more detailed consideration to what has been described in the academic literature as “third spaces”, which have been pivotal to creative and imaginative production.

**Land Uses**

The deployment of rigidly defined two-dimensional land use precincts is likely to result in a stifled public realm. It is well known that innovation, creativity and public imaginations can best be situated in environments that are open, pervious and dynamic. Fixed notions of land uses in a world in which what people do, how people do and when people do are mediated by rapid changes in digital technologies risk constraining imaginative uses, adaptations and re-uses over time.

A truly imagination-enhancing urban landscape would be supported by less rigid land use definitions and ideas, rather than emerge in predefined spaces and precincts. Two-dimensional land-use mapping cannot prescribe or mandate creativity or innovation. Enabling the free flow of information and activities across the entire PDA and beyond should be the “new normal”. To this end, I submit that:

1. Existing ideas of defined use precincts be replaced by more open concepts of land uses and activities. Communities of users will evolve an appropriate stance towards spaces that cannot be predetermined by planners.

2. Principles of creativity be incorporated into the design of spaces and places, by giving due regard to the centrality of the free and unplanned flow of people and information. From a design perspective, there needs to be greater sensitivity to what makes spaces actually work, by giving attention to the lived dynamics of human experiences in places. This means paying more attention to the senses of touch, smell and hearing.
Dealing with flooding

A 2013 report prepared by GHD for Townsville City Council estimated that $190m would be required to implement the “defend” measures to protect the Townsville CBD from future storm tides and flooding. Measures identified include levees and storm tide gates at the mouth of Ross Creek. Flood inundation mapping provided by the Queensland Government has identified that the entire PDA is subject to high level risks. In light of the significant risks of inundation to public infrastructure value and safety, I submit that:

1. The PDA design demonstrates how it will address and mitigate the inundation risks in the context of the preliminary infrastructure considerations identified by GHD.
2. The additional costs of the inundation defence investment be factored into the total capital and operations and maintenance costs of the PDA development.
3. Government and/or Council take advantage of the focus the project creates in terms of inundation insurance to examine alternative approaches to insurance that is affordable and robust.

Public benefits / Private gains

Considerable sums of public monies are proposed to be invested into the development. Public statements also indicate that significant private development activity will take place as a result. It is as clear as that these private development activities will not be undertaken unless profitable.

Development profits that can reasonably be expected to justify proceeding with any private investment would be in the region of 25–30% minimum. Given that any private profits will be underpinned by a substantial public catalytic investment and that in fact it is the public that will assume the bulk of the precinct’s development risk, consideration needs to be given to the recovery of capital and operational costs incurred without which the private profits would not be realisable. A number of mechanisms exist to recoup an appropriate proportion of costs. To this end, I submit that:

1. In the interests of fairness, private development beneficiaries, be levied with a “benefited area rate” to recover capital costs, which would reflect the marginal benefits these developers and landowners would derive from the proposed public risk taking and investment.
2. The benefited area rating mechanisms also be applied to ensure the public is appropriately remunerated for the operational expenses incurred over the life of the public assets against which private profits are expected to accrue.

Urban Renewal Expectations

Much has been invested into the urban renewal potential of the PDA. I conclude this submission with some cautionary observations.

1. The PDA is largely undeveloped lands on the opposite bank to the existing CBD. The extent to which the PDA development (should it be viable) will result in CBD renewal is debatable and untested. That there is hope that new development will rescue the old CBD speaks more to the failures of 20+ years of failed interventions aimed at CBD renewal.
2. The Townsville CBD has experienced commercial vacancy rates of between 20–30% for the past 25 years. Property values have also been in a long term slump. There is in short a significant supply overhang, or a shortage of demand. More supply is unlikely to overcome problems that have arisen due to changes in demand for commercial and retail space across the overall urban fabric of Townsville.
3. Residents continue to prefer suburban living. Over 92% of Townsville’s population lives outside of the Townsville–North Ward and South Townsville–Railway Estate Statistical Areas. Without compulsion, given the extent of approved suburban expansion and available space in the outer suburbs, it is likely that the overwhelming majority of future residents will choose the suburbs.
4. The secular decline of the Townsville CBD is related to patterns of urban settlement underpinned by the expansion of suburban living and suburban air-conditioned big box retailing. The hollowing out of the CBD is also likely to be driven in the future by changing work patterns associated with computerisation and digitalisation. A recent CEDA Report estimated that up to 40% of existing jobs will be at risk of being computerised out of existence by 2030. Many of these will be in the administrative, services and management areas. As white collar work is replaced by technology, the demand for traditional CBD office space is likely to continue to fall.
5. Radical structural changes in the region’s labour force cannot be ignored. The Townsville SA2 labour force is smaller now than it was in 2008. The two largest sectors of job losses are agriculture, forestry and fisheries and manufacturing. Without a significant turnaround in the overall regional economy (as opposed to one-off capital works inspired sugar hits), there is real risk that the CBD–Ross Creek PDA ambitions will not be realisable. This is for the simple reason that without sufficient people of the right demographic and income profile, there is unlikely to be enough demand to make developments in the PDA feasible and bankable.

When confronted with secular decline in regional economies, governments tend to look to fiscal policy interventions as the most direct remedial tools. The Ross Creek PDA fits this profile, and speaks positively of the government’s intentions. However, the challenges for the North Queensland regional economy are immense, and I caution against excessive expectations about what the PDA will achieve.
Further Information

I am available to provide further information if required. I can be contacted directly via email: wpowell@sistercitypartners.com.au

With kind regards

WARWICK POWELL
Chair & Founder


^An alternate possibility that introduces exogenous demand is theoretically conceivable in terms of the rapid growth in interest in Australian real estate from overseas investors. This is a case of "market making”. Whether the Townsville Ross Creek–CBD development can fit this bill is an open question.