

18 August 2015

Economic Development Queensland  
Waterfront PDA  
GPO Box 2202  
Brisbane, Qld 4001

Townsville Waterfront PDA

Please find enclosed submission on the Townsville City Waterfront Priority Development Area Proposed Development Scheme.

A copy has also been provided to Townsville City Council and the Deputy Premier, Hon Jackie Trad MP.

Regards,



Jen Williams  
**Queensland Deputy Executive Director**



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## **Submission on Townsville City Waterfront Priority Development Area Proposed Development Scheme**

18 August 2015

## Contents

1	Introduction	3
2	Summary of recommendations	4
3	Property industry's contribution to the Queensland economy	5
4	Land use plan	6
5	Infrastructure plan	12
6	Implementation strategy	13
7	Governance	14
8	Conclusion	15
	Contacts	16

## 1. Introduction

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Thank you for the opportunity to provide feedback on the *Townsville City Waterfront Priority Development Area Proposed Development Scheme* (development scheme).

The Property Council has strong membership in Townsville- owners, operators, investors and consultants for some of the most significant land holdings and assets in the region.

For this reason, we are keenly interested in the development of the Townsville Waterfront and the revitalization of the core CBD area.

The Property Council commends Townsville City Council for its initiative in requesting the designation of the Waterfront as a Priority Development Area under the *Economic Development Queensland Act 2012*, and for working with the Queensland Government and Port of Townsville on the proposed development scheme.

This designation has drawn significant attention to the Waterfront area, and highlighted the possibilities for development and investment in this strategic location.

The Property Council is keen to assist Council and the Queensland Government in the finalisation and subsequent implementation of the development scheme to ensure the best outcomes are achieved for the Townsville community.

The following pages of this submission provide recommendations and commentary for the consideration of Council and the Government.

## 2. Summary of recommendations

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1. Ensure the vision statement is accompanied by a comprehensive plan for delivery
2. Provide a clear commitment and timeframe for catalytic projects
3. Clarify the timeframe over which development is anticipated to occur
4. Provide background as to how the PDA boundary was decided upon
5. Ensure connectivity within and outside of the PDA, including public transport
6. Undertake a plan and establish a budget for resolving major issues surrounding tenure
7. Work to resolve constraints in the planning stages, rather than through development assessment
8. Encourage innovation in addressing carparking requirements
9. Ensure development assessment functions rest with a single entity
10. Provide greater certainty and clarity regarding infrastructure delivery
11. Revise key project actions to create tangible, proactive outcomes
12. Establish a public/private entity to drive the PDA Vision

### **3. Property industry's contribution to the Queensland economy**

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The property industry in Queensland creates the homes we live in, the offices in which we work, and the shopping centres and recreational areas where we spend our leisure time.

It has a larger footprint on the Queensland economy than any other industry<sup>1</sup>.

#### **3.1 Contribution to Gross State Product (GSP)**

The property industry directly contributed \$33.8 billion to GSP in Queensland in 2013-14, representing 11.4 per cent of total GSP.

It is estimated to have contributed a further \$49.9 billion to Queensland GSP through flow-on demand for goods and services.

#### **3.2 Contribution to employment**

The property industry directly employed 239,772 full time equivalent (FTE) employees in Queensland in 2013-14, representing 12.1 per cent of the state's workforce.

The industry also supported some 292,684 additional FTE jobs through flow-on activity.

Approximately 27.4 per cent of wages and salaries paid to Australian workers are generated by the property industry.

#### **3.3 Contribution to government revenues**

The property sector in Queensland contributed approximately \$9.9 billion in combined State Government tax revenues and local government rates, fees and charges revenue in 2013-14. This equates to 49.8 per cent of total State taxes and local government rates, fees and charges revenues in 2013-14.

#### **3.4 Contribution to the Townsville economy**

In Townsville in 2013-14, the property industry accounted for 10.6 per cent of full time employment (over 8,000 jobs) and contributed \$1.036 billion in Gross State Product.

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<sup>1</sup> All the statistics in this section are sourced from AEC group, 2015

## 4. Land use plan

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### Vision

The Property Council supports the development scheme's vision of creating a world-class destination, delivering an identifiably 'Townsville' mixed-use offering.

Designating the Waterfront as a Priority Development Area was a positive step that has drawn attention to the opportunities available to develop and revitalise some substantially unused and State-owned parts of the CBD.

Additionally, the development scheme builds on Council's already demonstrated commitment to revitalising the CBD, seen in recent years through initiatives such as the CBD development incentives program.

Encompassing cultural, sporting, recreation, maritime, residential, commercial, research, education, tourism and retail offerings, the development scheme is highly ambitious in the outcomes it aims to achieve.

While the Property Council is supportive of these ambitions, they must be accompanied by a realistic and achievable plan for implementation and delivery. This will provide certainty to potential investors, and demonstrate that the development scheme is more than 'just another plan'.

### Catalyst projects

The *Vision statement* notes that the Waterfront is a 'large-scale civic investment' project. As such, there is a need for certainty regarding the civic investment and delegation of responsibility that will take place within the PDA.

Government investment will have a significant flow-on effect, providing jobs, economic activity and stimulating demand for other development.

Much has been said about the proposed stadium, however there is little certainty regarding the delivery timeframes and the onus of responsibility for this project. Greater communication with stakeholders on Council's intentions and the current status of the project would serve to allay some of this apprehension and provide some surety regarding its future.

A convention and exhibition centre has been mooted along with the stadium, and the development scheme now also anticipates an art gallery and performing arts facility.

In order to stimulate investment activity within the PDA, there must be clarity regarding the level of civic investment that will actually occur, who will take responsibility for delivering it, and over what horizon.

The Waterfront Promenade, for example, will need holistic resolution of tenure arrangements and the development of an overall location plan in advance in order to provide certainty to individual landholders and investors regarding the impact the Promenade may have on their valuable riverfront land.

This catalyst project is needed very early on in the development stages to stimulate investment from the private sector and to secure land necessary to achieve the desired outcome. While uncertainty remains regarding funding arrangements, tenure and



responsibility for delivery, the industry will be hesitant to proceed with its own development works.

### Timeframe

The development scheme does not provide a timeframe over which the vision is expected to come to fruition. The *Implementation plan* provides some indication of when key projects are expected to occur, however the life of the development scheme is unclear, as is any staging concept to provide investors with confidence about the priority of certain areas for development.

Many investment decisions will rely on the completion of key projects within the *Implementation plan*- such as the revetment wall project- which may further delay activity.

The *Strategic context* references a projected growth in Townsville's population to 270,000 to 300,000 over the next 25 years. The purpose of the PDA is to encourage much of this population to invest, live and work in the CBD.

Given the scale of the development anticipated in the development scheme, it is likely that much of it will not occur until there is a critical mass that is able to service the new development.

This will also apply to civic infrastructure, such as the arts gallery and performing arts complex, as they will require a greater population density in order to support their commercial operations.

Given the extended timeframe over which development is anticipated to occur, the revitalisation of the Waterfront will need to be staged to ensure a concentration of activity and ongoing activation of the Waterfront.

The Property Council supports the staging of the PDA and is keen to understand- beyond the mooted key projects- how Council plans to undertake this staging.

### Site boundary

At 97.2 hectares, the PDA is a large site, eclipsing the 42 hectare South Bank precinct in Brisbane.

The Property Council seeks to understand how the boundary of the site was determined.

At such a scale already, it would seem logical to include other disconnected areas like Reid Park and the greater Railways site. Additionally, part of Palmer Street is included within the boundary of the PDA, but other parts with significant development potential have been excluded.

Finally, given Council's commitment to revitalisation of the CBD core, there is a risk that focusing on a new area will divert investor attention away from the positive work of Council and the private sector in revitalising the CBD core.

A complementary strategy to continue the current focus on the CBD core would assist in maintaining this momentum.

### Connectivity

As noted above, it is unclear how the PDA will connect with sites external to its boundary. The best outcome for Townsville would see the PDA seamlessly connected with the broader CBD area, however at present it is unclear how this will occur.

The current uncertainty regarding the CBD bus hub also calls into question how public transport will integrate with this site.

The Property Council has long advocated the importance of locating the proposed integrated transport hub at Ogden Street, and the PDA now reinforces the need for a connection to be provided in this strategic location.

It is unclear why Council is again seeking comment on the proposed location for the integrated transport hub, as this has been established through the *CBD Master Plan*, *City Plan* and comprehensive stakeholder engagement. It is our understanding that detailed design work has been undertaken for this location.

Certainty regarding the location of the bus hub, along with who will take responsibility for its delivery and over what timeframe, will allow the private sector to make investment decisions with confidence and bring forward development activity.

Finally, while the Property Council supports the development scheme's aim of creating greater connectivity within and through the Waterfront, the number of pedestrian and cycle bridges proposed is highly ambitious.

Although Ross Creek does not have the same span and therefore cost impediments as other city waterbodies such as the Brisbane River or the Yarra River, this circa six kilometre stretch of water will have a similar number of crossings as Brisbane City (8) or Melbourne (7).

The reuse of existing defunct rail bridges is supported, however where new bridges are proposed, securing greater connectivity on land along the Waterfront between the bridges may achieve a similar outcome in a quicker, more affordable way.

### Tenure

As noted in the development scheme, land within the PDA is owned by a range of stakeholders, the majority them being one of the three levels of government or a government-owned agency. As such, the complex tenure arrangements will pose significant barriers to activity, particularly in delivering a seamless outcome along the foreshore.

The *Implementation plan* flags Council's intention to look at government landholdings and potentially identify sites where the desirable outcomes of the PDA could be better achieved by the private sector.

The Property Council supports this intention, as much of the delivery of the PDA will rely on private sector investment.

As an early action, the Property Council would like to see Council undertake a review of all landholdings within the PDA and determine a clear strategy for acquisition, disposal and conversion from leasehold to freehold (where required), to enable early stages of land release and or public/private partnering opportunities.

In addition, the Property Council encourages Council to establish a budget for funding the acquisition of key parcels of land along the Waterfront Promenade to enable the delivery of a publicly-accessible walkway.

The complexity of facilitating a continuous Waterfront Promenade will require Council to take ownership for developing and implementing a holistic plan for this catalyst project.

With government being a major landholder in the area, there is an opportunity to convert and reuse underutilised spaces and assets to deliver civic outcomes. With so many linkages and connections throughout the PDA, separating some of the civic uses to different points could stimulate activity in various sections of the Waterfront, while allowing users to easily move between them using the walkway and bridges.

This could include converting the currently vacant railway building into an art gallery or performing arts space, rather than investing in the delivery of a new asset located next to the proposed stadium and entertainment centre.

### **Constraints**

In addition to tenure, a significant number of development constraints are identified in the development scheme.

As noted in the *Introduction*, the intention of the PDA is to provide a streamlined planning and development assessment framework in order to facilitate economic development.

It is unclear how any of the matters of State interest have been resolved in the development scheme, with Council's *City Plan* called up in many instances as a point of reference for development applications.

Experience with other PDAs has seen the resolution of many similar constraints to those identified in the development scheme, through detailed work being undertaken between the local government and Queensland Government at the planning stage.

While significant work may have been undertaken in the background, the inclusion of the constraint mapping from *City Plan* has the appearance of all State interests continuing to require resolution on a development-by-development basis within the site.

The Property Council seeks to understand the level of consultation undertaken with agencies such as the Department of Transport and Main Roads, and how the development scheme seeks to limit existing requirements for individual applicants to undertake large scale modelling and assessments.

Additionally, with a new Coastal Management District proposed, and new erosion prone area and storm inundation mapping released by the Queensland Government, it is unclear what impact they will have in the PDA.

Townsville is considerably more advanced than other local government areas in Queensland in terms of planning for the impacts of climate change, however how these long term plans will be reflected in the PDA remains unclear.

Commonwealth interests such as native title and the Great Barrier Reef Marine Park will continue to affect development proposals in the PDA, and it is unclear how these matters will impact on the viability of the development foreshadowed in the development scheme.

### **Car parking**

Car parking is an issue of concern to the Property Council as it adds significant costs to development and can at times render development proposals unfeasible.

Townsville currently has an oversupply of car parking within the CBD. As proposed during consultation on the City Plan, the Property Council would like to see new developments able to deliver innovative alternatives to providing dedicated car parking onsite.

This could include the use of parking in nearby parking facilities, or sharing of parking facilities used for different uses e.g. servicing a commercial component during the day and a restaurant in the evening.

Concealed car parking adds additional costs to development, particularly where basement car parks are required in flood prone areas.

The aftermath of the 2011 floods in South East Queensland reinforced the importance of flood-proofing basements, however these improvements come with significant additional costs to the developer that in most instances are not recoverable from future tenants and owners.

Basement car parking should be one option available to developers within the PDA, however given the cost constraints and logistics of delivering basements in the area, it should not be the preferred outcome.

Additionally, concealed parking- whether basement or screened- will prove difficult for major civic infrastructure assets such as the stadium and convention centre, and may render these projects unfeasible.

### **Assessment against the development scheme**

Through the development scheme and its designation as a PDA, development proponents in the Waterfront can expect to benefit from a streamlined development assessment process.

In order to meet the compressed statutory timeframes, much of the process will rely on constraints and concerns being resolved in pre-lodgement meetings. There is a concern, however, that assessment managers may not be in a position to provide formal policy positions during the pre-lodgement process, particularly for matters of State Interest.

This may lead to the unfortunate situation where an assessment manager is forced to issue a refusal or heavily condition development in order to meet the timeframes.

Additionally, it is imperative that a single entity holds development assessment powers across the entire PDA for all types of development. For example, in the Townsville State

Development Area, Townsville City Council is responsible for Reconfiguration of a Lot and Operational Works applications, while the State Government is responsible for Material Change of Use applications. This adds complexity and can often lead to unnecessary conflicts and delays.

There is also a concern that development outside of the PDA will be affected by the provisions of the development scheme. For example, there is a risk that proposed developments on the external boundary of the PDA will need to demonstrate how they reflect the desirable outcomes of the PDA, even though there are no legal grounds to ask proponents to do so.

This issue arose when the *CBD Master Plan* was released, with proponents receiving development approval conditions relating to the delivery of this non-statutory document.

As seen in other PDAs, there is also a concern that the streamlined development assessment requirements can create a two-tiered market, with sites falling within the PDA having a competitive advantage over those outside of the PDA.

Council must be cognisant of this potential conflict when assessing proposals both within and outside of the PDA.

Finally, the Property Council supports the inclusion of interim land uses in the development scheme, as this creates an opportunity to activate the area ahead of a viable market for the ultimate outcome.

The facilitation of interim uses will require Council to consider its internal training and guidance to assessment teams to enable them to make policy positions, and support the private sector in the implementation of creative and innovative uses.



## 5. Infrastructure plan

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The *Infrastructure plan* provides limited detail or certainty for potential investors in the PDA. While greater detail is provided for some of the placemaking infrastructure in the *Implementation plan*, there is little clarity regarding the additional costs infrastructure may place on potential investors.

It is noted that Council intends to seek funding from the State Government through normal budgetary processes, however which projects this relates to is unclear.

Similarly, while it is noted that Council will seek to fund placemaking infrastructure through alternative revenue sources, there is little clarity or certainty regarding how this will take place.

With the private sector taking responsibility for the delivery of a significant proportion of the infrastructure within the PDA- network, non-network and placemaking- greater certainty will be required to allow investment decisions to be made.

The Property Council supports Council's continuation of the adopted infrastructure charges resolution within the PDA, as this will ensure a greater level of equity both for those developing within and outside of the PDA.

## 6. Implementation Strategy

Breaking down the *Implementation strategy* into catalyst, medium- and long-term actions provides stakeholders with an understanding of the projects Council seeks to prioritise. The listing of some projects in the catalyst period, such as small craft dredging investigations, is however questionable, as they will have minimal impact on bringing forward economic activity in the PDA.

Many of the key projects mooted for the first three years involve undertaking further studies and developing guidelines that will need to be completed *prior* to any development in the PDA being able to take place.

Some of these, such as public realm, lighting and signage guidelines, will need to be considered in the preparation of any development application, and as such will delay development from occurring until they are completed.

For projects in the medium to longer term, there is little certainty regarding the impact these key projects will have on proposed development. For example, the future designation of a Regional Park may have significant implications for affected landholders if they find a part of their site unexpectedly being required for parklands.

The *Implementation strategy* typically uses broad statements to describe the key projects. There are many projects involving 'investigations' and 'engagement', but very few of them have a deliverable, such as 'build' or 'create'.

As many of these initial activities are being undertaken by Council, the Property Council is keen to see the language in the *Implementation strategy* better reflect Council's desire to drive investment in the PDA.

As an example, the *Toondah Harbour Priority Development Area Development Scheme* provides clear, tangible actions to implement the PDA's vision:

The actions	Desired outcomes
<b>Catalyst project</b>	
Redevelop the site owned and controlled by Redland City Council at the end of Middle Street; including construction of the first stage of the public plaza.	<p><b>Diversity:</b> delivery of mixed use development containing residential and retail uses.</p> <p><b>Business attraction:</b> provision of positive perceptions on the growth of Toondah Harbour</p> <p><b>Value for money:</b> delivery with relatively minimal infrastructure investment up front.</p>
<b>Short term</b>	
Expand the catalyst project with additional mixed use and residential development, improve the existing GJ Walter Park and facilitate provision of road connections.	<b>Staged delivery:</b> completion of the land based elements at the northern end of the PDA in Precinct 1.
Intensify development in Precinct 1, including the CSIRO site properties on Middle Street.	<p><b>Activity:</b> generation of high rates of development which activates development of key sites in precincts 1 and 2</p> <p><b>Staged delivery:</b> development to intensify within the PDA heart which</p>

## 7. Governance

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While falling outside the realm of the development scheme, the Property Council is keen to understand the governance arrangements Council will seek to put in place to oversee the delivery of the PDA and drive the outcomes outlined in the *Vision statement*.

A range of governance structures- statutory and non-statutory- are available to local governments throughout Queensland to deliver government-led projects.

While some of the structures utilised by local governments have facilitated the delivery of positive economic development outcomes, others have been mired by allegations of conflicts of interest and a lack of transparency.

The Property Council is keen to ensure that any entity established by Council includes private sector representation, and provides transparency regarding its activities.

In order to gain traction and build momentum within the PDA, the Property Council recommends that Council seeks the early establishment of a dedicated entity and provides it with the resources necessary to drive outcomes.

This entity should be a mix of public and private sector representatives, ensuring adequate consideration of government and market priorities.



## 8. Conclusion

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The Property Council would like to again thank Economic Development Queensland and Townsville City Council for the opportunity to provide a submission on the *Townsville City Waterfront Priority Development Area Proposed Development Scheme*.

The Waterfront PDA provides a unique opportunity for Townsville to build on its natural beauty and create a world-class mixed-use destination within the CBD. The Property Council looks forward to working with all stakeholders to build on this vision, and move Townsville towards its target of 30,000 people living, working and playing in the wider CBD by 2030.

If you have any further questions about the Property Council or the detail included in this submission, please contact Chris Mountford on 07 3225 3000, or [cmountford@propertycouncil.com.au](mailto:cmountford@propertycouncil.com.au).

Yours sincerely



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## Contacts

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