URBIS

CAIRNS CITY CENTRE

COMMERCIAL REVIEW

Final Report
Prepared for Cairns Regional Council
February 2020

Urbis staff responsible for this report were:

Director	Paul Riga, Leila Collins
Associate Director	Kobus Van Der Vyver, Rebecca Logan
Senior Consultant	Monique Fenn, Simone Roberts

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY: KEY FINDINGS

Cairns Regional Council (CRC) commissioned Urbis to undertake a commercial review of the city centre to understand current activity, future trends, challenges and opportunities and ways in which Council and others can further support business/commercial activity in the area.

Urbis have undertaken a series of business audits, hard data reviews and stakeholder engagement activities to understand the current trader and community sentiment and baseline business information.

By examining the Cairns city centre product, perceptions and demand characteristics and considering the macro factors at play, we have created a picture of the city centre that allows us to identify the challenges and opportunities at hand .

What we found was a large and dispersed retail and commercial precinct experiencing reduced visitation from both locals and visitors. This is due to a combination of factors that will require a strategic and consolidated approach to begin to remedy. A number of these factors are not specific to Cairns and are impacting city centre retail and commercial activity in regional areas across the country.

Macro factors such as the global economy and consumer confidence, retail trends such as the move to online shopping, and reduced tourism numbers are creating an environment not conducive to a strong retail/commercial market in the city centre.

The situational analysis was structured around three core themes: **Product, Demand** and **Stakeholders.** These themes encompass a variety of drivers that have informed the assessment of the city centre.

The analysis found the Cairns city centre retail **product** lacks diversity and depth. Parking is of concern and is a deterrent.

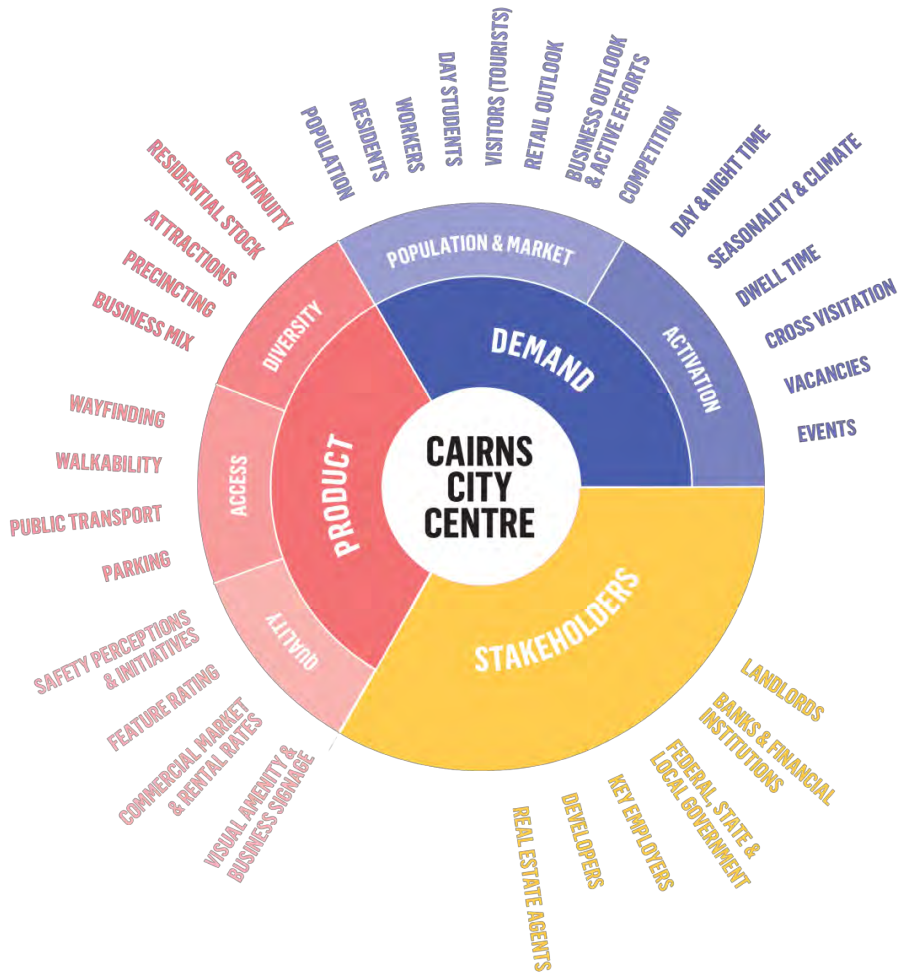
Perceptions of safety, attractiveness and convenience are influencing the local experience and inclination to visit.

Low population density means lack of **demand** for products and services in the city in both the day and night time economy.

Most of these factors are beyond Council's direct control as there are limited ways Council can influence activity levels in the city centre as the 'market' dictates the future direction of trading/activity in the CBD.

A combination of short and long term interventions will begin to bring diversity and demand to the city centre. Short term, addressing public perceptions on parking by considering options or simplifying Council parking and permit regulations will improve perceptions. Longer term, stimulating population density through projects that attract large employers and residents to the city will drive demand for products and services. Working with tourism bodies and operators to attract visitors to the region and the city centre will also assist.

The tables overleaf summarise the key recommendations from the review, their benefits and the stakeholders required to deliver change.



STRATEGIC INTERVENTIONS AND RECOMMENDATIONS

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Business Adaptation Ongoing adaptation and evolution of businesses and trader's operations responding to retail trends.	Retail trends adversely impacts Cairns City Centre trading conditions.	• Nil – Council has no influence on retail trends.	• City centre traders continue to adapt to changing retail trends.	• Significant shift to online retailing is expected to continue impacting certain 'traditional' retail sectors.
Major Retail Attractions Encourage and support major retail anchors and attractions to remain and establish within the Cairns City Centre.	Lack of major retail attractors and anchors in the Cairns City Centre.	• Consider provision of incentives and support for appropriate development. • Brief real estate agents and other stakeholders.	• Landlords and real estate agents continue to seek & investigate opportunities *(meet the market)* to tenant vacant premises.	• The reality is the opportunity (population and purchasing power) is limited.
Improvement of building stock Fix/upgrade premises.	A number of buildings/premises within the Cairns City Centre are looking 'tired'/run down, which is adversely impacting the visual amenity of the City Centre as a whole.	• Appropriate enforcement proceedings should building be dilapidated/ unsafe.	• Landlords – investment in refurbishment/ upgrades	• Landlord investment will depend on willingness, financial capacity and commercial merit.
Student Accommodation Encourage and support development of student accommodation in the City Centre.	Low levels of student accommodation in the Cairns City Centre.	• Consider provision of incentives/support for appropriate development and brief real estate agents.	• Real estate agents and developers – identify/investigate opportunities. • Education providers (e.g. universities) consider provision of support for development.	• Market will dictate whether investment proceeds.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Precincting Encourage/support development of emerging precincts within Cairns City Centre.	There are some precinct areas in the Cairns City Centre but they have developed on an ad hoc/organic basis.	• Communicate location and nature of emerging precincts to real estate agents, public etc. • Facilitate and encourage trader engagement and collaboration (City Centre Place Manager). • When considering streetscape and other infrastructure upgrades, ensure these support precincting	• Landlords and real estate agents – consider precinct alignment when tenanting (should ultimately benefit them). • City Centre Traders – potential collaborations within precinct areas.	• Certain level of precinct development can be expected to continue to develop organically.
Support education anchors Encourage/support university retention/expansion in the Cairns City Centre.	University presence within Cairns City Centre is a positive but retention/expansion critical.	• Consider provision of incentives for university expansion within the Cairns City Centre. • Advocate (at a Federal and State level) for funding and support for university expansion/ development in the Cairns City Centre.	• Universities – consider opportunities for expanded presence within the Cairns City Centre.	• A strong university presence in the Cairns City Centre has activation, passive safety and other benefits as well as encouraging ancillary investment such as student accommodation.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Tourist & leisure attractions Encourage/support development of major attractions in the Cairns City Centre.	Lack of major attractions in Cairns City Centre with most located on the fringe or further afield e.g. Cairns Performing Arts Centre (CPAC), Munro Martin Parklands (MMP), Aquarium, Casino, Esplanade Parklands, Cairns Central, Pier Shopping Centre, Reef Fleet/Cruise terminals etc.	• Consider provision of incentives and support for appropriate development and brief real estate agents and other stakeholders. • Continue to advocate for State and Federal funding to enable the Cairns Gallery Precinct project to proceed.	• Provision of State and Federal commitments and support for the proposed City Deal projects including the City Centre Master Plan and Cairns Gallery Precinct projects. • Real estate agent and developers – identify/ investigate opportunities.	• Market will dictate whether investment proceeds. • Cairns Regional Council has committed to the Cairns Gallery Precinct project subject to securing equivalent capital funding commitments from the State and Federal Governments. • Cairns City Deal proposal has been submitted to the Federal and State Governments but as yet, no commitments have been made.
Soft Activation Continued implementation of 'soft' activation activities.	Lack of 'soft' attractions drawing residents and visitors to the City Centre (this observation is pre 'Sunday on Shields').	• Coordinate soft activation activities. • Consider other innovative soft activation activities that may support increased visitation and circulation • Consider support for events that have significant activation benefits	• City Centre Traders, universities, others – participate/sponsor soft activation activities.	• Cost/benefit of activation initiatives should be monitored on an ongoing basis.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Linkages and connectivity Various actions that support connectivity.	Connectivity between Cairns City Centre and key attractions on city fringe could be improved.	• Continue with Florence Street Link project connecting the Esplanade Parklands with the Precinct (CPAC and MMP). • Continue to progress the Esplanade Dining Precinct and Shields Street Stage 3 Council projects. • Continue with planned 'City Streets' upgrades as identified in the City Centre Master Plan. • Continue to advocate for the Cairns Gallery Precinct project as an important link between the Esplanade Parklands & Cairns City Centre. • Undertake wayfinding review and implement recommendations to provide increasing signage, and a more accessible/attractive pathway connections.	• City Centre Traders - develop connections and relationships with key attractions and investigate opportunities for cross referral. • Queensland Government – ensure connectivity with the Cairns City Centre is considered in the planning and implementation of the Trinity Wharf Cairns and Cairns Convention Centre Refurbishment and expansion projects.	

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Activate vacant shopfronts Landlords to 'meet the market' to rent vacant premises. Visual amenity of vacant premises to be improved in the interim.	High vacancy rates and unrealistic rental return expectations.	• Seek to activate vacant premises through Urban Spaces.	• Landlords and real estate agents 'meet the market' to lease vacant premises. • Landlords and real estate agents - support Council's Urban Spaces program.	• Landlord reluctance to 'meet the market' may be influenced by valuation implications and/or individual landlord preferences and financial position. • Note: To date Council's attempts to 'relaunch' the Urban Spaces program has met with ambivalence from agents.
Increase City Centre workforce Encourage major business to take up space and support commercial office development in the Cairns City Centre.	Lack of major white collar employers in the Cairns City Centre with most located on the city fringe or further afield.	• Consider provision of incentives/support for appropriate development and brief real estate agents.	• Promote Local, State and Federal Governments to take office space in the Cairns City Centre for future expansion. • Real estate agents and developers identify and investigate opportunities.	• Demand for A Grade commercial office space is high but development will depend on commercial realities of individual projects including access to finance.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Increase residential density Encourage and support development of residential accommodation in the Cairns City Centre.	Low residential population density (people living) in the Cairns City Centre.	• Consider provision of incentives and support for appropriate development • Brief real estate agents.	• Real estate agents and developers – identify and investigate opportunities. • Financial institutions provision of finance to support residential development.	• It is noted that whilst provision of incentives to encourage new high and medium density residential development may provide some assistance, market factors such as the price (cost) of alternatives (house and land, existing unit and apartment stock etc.), availability of finance and high underlying land values are key factors influencing the commercial viability of new projects. Incentive alone may not be enough to see projects proceed.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Ongoing parking review Ongoing consideration of parking related matters.	Public perceptions of high parking cost and low parking availability	• Continue to communicate and explain rationale for current Council policy on parking charges and regulation in the Cairns City Centre to public and City Centre traders. • Maintain an awareness of approaches taken to parking in other city centres (including emerging technology) and consider outcomes/results for application locally. • Continued promotion of active transport options for commuting and leisure travel (walking, cycling etc.).	• Queensland Government – investigation (e.g. Cairns Metro/Airport Link proposal), provision and promotion of public transport options.	• Council has already undertaken significant analysis of parking charges and regulation in arriving at the current position. • It is noted that public perceptions contradict each other to some extent. • Promotion will assist in the contradicting public perceptions noted.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Establish and promote the Cairns identity Variety of activities that support continued population and visitor growth.	Large physical area of the Cairns City Centre when compared to resident and visitor populations.	• Continue to advocate for Cairns City Deal and other Federal and State priorities that support economic, population and visitor growth. • Provision of continued financial support for TTNQ aimed at securing increased visitation and visitor expenditure. • Continue to advocate for a visitor levy aimed at delivering a step change in tourism industry investment and market share. • Continue Council initiatives aimed at attracting inbound private investment to Cairns (including City Centre). Encourage (and support) formation of City Centre Traders Association aimed at improving city centre identity and promotion.	• Queensland Government - legislative change to enable the introduction of visitor levy. • Federal and Queensland Government commitment to a City Deal for Cairns. • TTNQ – continued destination marketing and industry development activities aimed at delivering increased visitation, visitor expenditure and market share. • Stakeholder organisations and agencies involved in economic development (e.g. Cairns Chamber of Commerce, TIQ, Advance Cairns) – support for investment attraction initiatives.	• Ability to 'reduce' or redefine the physical area of the Cairns City Centre is limited so initiative should focus on population and visitor growth.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Walkability and heat mitigation Heat mitigation and improved shading in relevant areas.	Lack of shade in some parts of the Cairns City Centre.	• Investigate, including in conjunction with universities, urban landscape consultants. where appropriate, potential for shade and other heat mitigation measures as part of planned 'City Streets' upgrades in the Cairns City Centre.		• Investigations should consider cost/benefit of shade and heat mitigation measures adopted in other tropical cities such as Darwin. • Link with connectivity recommendations.
Safety Continue to address levels of crime and anti – social behaviour.	Adverse perceptions regarding personal safety.	• Continued engagement with and support/ assistance for Queensland Police Service (QPS) initiatives and initiatives of other relevant State agencies.	• QPS - physical presence/visibility and continued dedication of resources to address crime and antisocial behaviour. • Other State Agencies – implementation of initiatives aimed at addressing the root causes of crime and antisocial behaviour. • Local media – assist with addressing perceptions	• It is important that both actual personal safety and the perceptions of personal safety need to be considered.

INTRODUCTION

INTRODUCTION

The Cairns 2050 Shared Vision has been developed by Cairns Regional Council (CRC) with key stakeholders to 'develop a bold vision for the future of Cairns to build upon the natural setting, existing quality of life and the established character of the city.'

The Cairns City Centre Master Plan supports this vision, and identifies five project opportunities that support the Cairns Regional Council strategic direction and exemplify the five guiding principles:

1. Embrace Tropical Urbanism
2. Support economic growth and diversity
3. Create an accessible and connected city centre
4. Celebrate culture, creativity and the arts
5. Deliver a sustainable, safe and liveable city centre.

'A great place is multi-dimensional and made up of attributes unique to its location and purpose.'

Shaping Spaces for People, Urbis 2019

Origin of the review

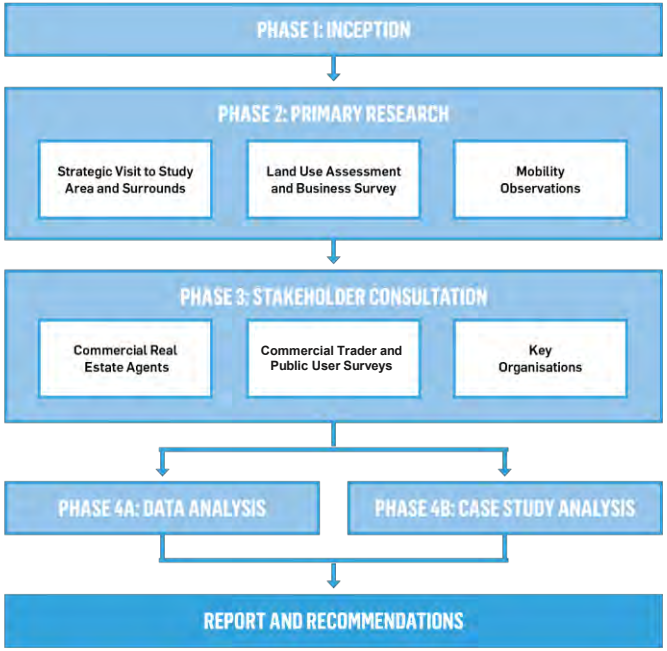
The city centre, traditionally the commercial heart of Cairns, has been recognised as an area suffering from a lack of activity and difficult commercial conditions. These include a changing retail environment, and the need to balance an offer that appeals to and provides for the needs of a varied market. As a result, CRC commissioned a commercial review of the city centre to understand current activity, future trends, challenges and opportunities, and ways in which Council and others can support business/ commercial activity in the area.

This review incorporated a combination of business audits, hard data reviews and stakeholder engagement activities to understand the current trader and community sentiment and baseline business information. Examining the Cairns city centre product, demand and management characteristics and considering the macro factors at play, has created a picture of the city centre that identifies the challenges and opportunities at hand.

Review objective

The objective of the review was to consider the business and commercial mix, real estate market performance, trading conditions and movement trends with reference to case studies, and stakeholder inputs. This situational analysis informed the identification of recommendations beyond infrastructure and includes interventions that are not within the control and responsibility of Council.

Approach



STUDY AREA

The study area has been defined by Cairns Regional Council and is identified as the commercial heart of the city.

Throughout this report, there are various boundaries defined by different data sources. However, the study area - as defined by the eight city blocks bordered by Aplin Street, The Esplanade, Spence Street and Sheridan Street- have been referred to as the **Cairns City Centre**. It is noted that the suburb that the area resides in is Cairns City, and is referenced as such.

The extended nature of the Cairns City Centre suggests a broader view is necessary in some cases to understand the inter-relationships of the attractions and features of the area.

Cairns City vs Cairns City Centre (Study Area)

DATA SOURCES AND CASE STUDIES

DATA SOURCES AND LIMITATIONS:

- The data used for this review has come from a variety of sources including CRC provided documents, mobile phone (ping) data, face to face interviews, and a trader and public online survey. These opt-in surveys were promoted publicly and were open to any respondents.
- *Business Audit:* a physical review of the individual premises and businesses within the city centre. This data was cross referenced with online listings and address details.
- *Traders Survey:* emailed to businesses within the city centre from a CRC sourced distribution list. The CBD Place Manager visited businesses in person to promote the survey during the consultation period.
  - 56 responses received.
  - Of these, the majority were professional services (23%), and other shopping - homewares, specialist, beauty and jewelry (16%).
- *Public Survey:* promoted and distributed via CRC
  - 2324 responses received.
  - 99.7% of respondents live in the Cairns region
  - Of these:
    - 43.4% are in the 40-59 year age group
    - 38.2% live as a couple without children
    - 40.7% visit the Cairns city centre weekly
- *Stakeholder organisation interviews:* Urbis interviewed 15 representatives of key stakeholder groups to understand their connection, influence and opinion on the city centre. A full list of the stakeholders interviewed can be found in the Annexure.
- Queensland Police Service online crime statistics
- *Cairns Business Survey Report:* Chamber of Commerce and Industry Queensland survey report from March Quarter 2019.
- *Pedestrian studies:* CRC provided data
- *Mobile phone (ping) data:* Urbis utilised mobile phone data sourced via an independent provider to review movement trends in the Cairns city centre based on mobile phone device pings.
- *Cairns CBD Activation Survey 2019:*
  - CRC survey to city centre businesses to assess sentiment related to events and activation in the city
  - 40 respondents
  - Led to the activation of Sundays on Shield
- *Sunday on Shields Visitor Survey August 2019:*
  - CRC survey to attendees at Sunday on Shields
  - 55 respondents

CASE STUDIES

- Urbis identified 3 case studies in collaboration with CRC to demonstrate interventions made or planned by other councils facing similar challenges to Cairns. The case studies include:
  - Darwin, Northern Territory
  - Newcastle, NSW
  - Queenstown, New Zealand
- Where applicable the case studies have been referenced in the situational analysis to benchmark the findings and provide context.

SITUATIONAL ANALYSIS

SITUATIONAL ANALYSIS APPROACH

The situational analysis brings together raw data points from a variety of sources including, the business audit, mobile phone data, movement analysis and stakeholder engagement to understand the current context of the commercial operations in the Cairns city centre.

This data was reviewed and the outcomes were found to fall under three overarching themes:

1. **Product** – the physical and observable city centre buildings and public realm
2. **Demand** – population, market and activation drivers of the utilisation of the city spaces
3. **Stakeholders** – the game changers with the ability to influence change

These themes reflect the integrated elements of the city centre. Some elements are specific to Cairns and some are more relevant to city centre precincts in general.

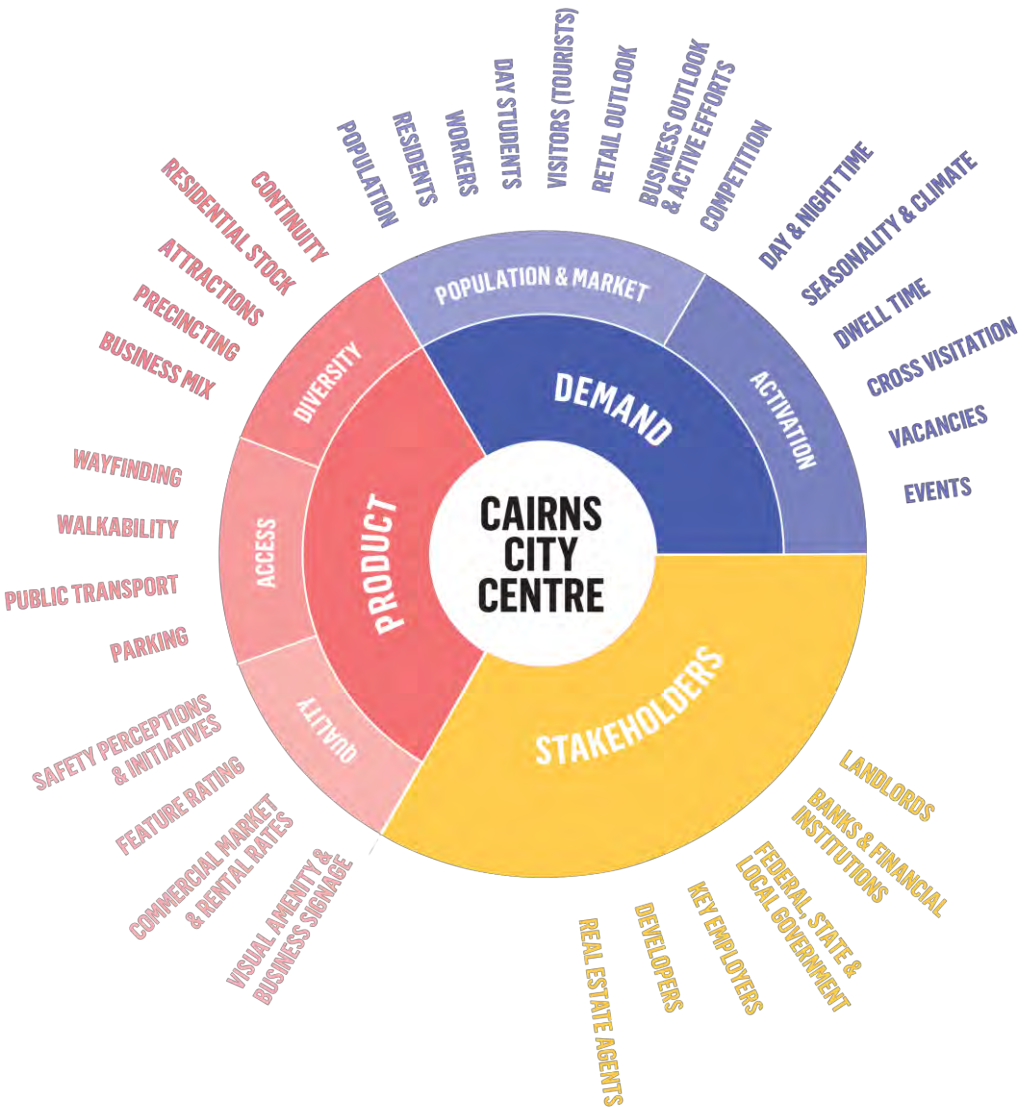
The Product and Demand themes were further broken down to include the following subsets:

Product

- Diversity
- Quality
- Access

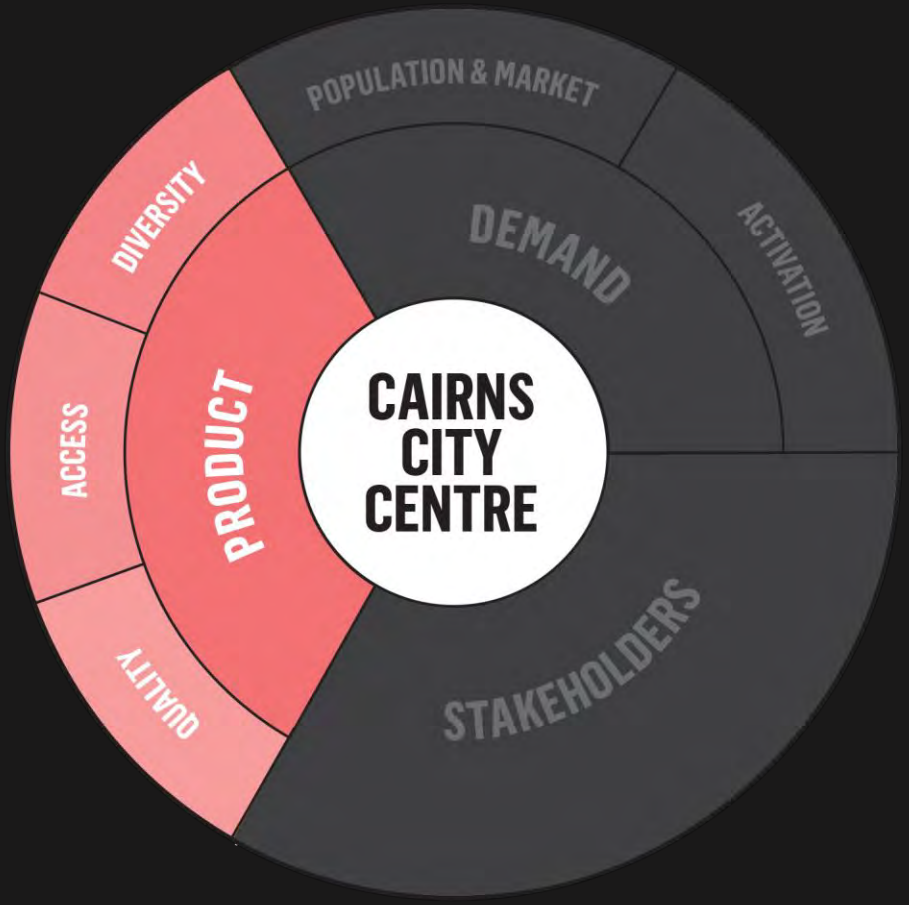
Demand

- Population and Market
- Activation



PRODUCT

DIVERSITY
QUALITY
ACCESS

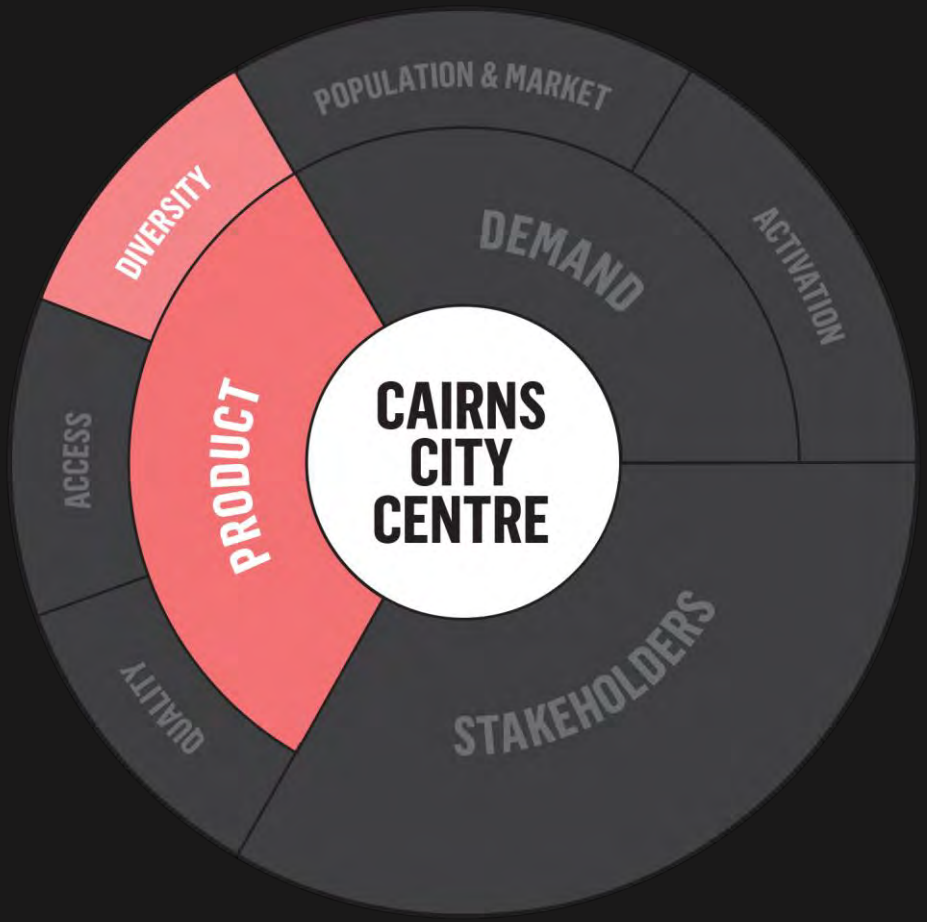


What is in the Cairns city centre?

DIVERSITY

The diversity of product in the Cairns city centre

1. Business Mix
2. Precincting
3. Attractions
4. Continuity



CAIRNS CITY CENTRE BUSINESS AUDIT

A business audit of the Cairns city centre was undertaken in September 2019. This audit involved a thorough cross-referencing of every business within the study area, and analysing it's attributes across the areas of *activation*, *weather coverage, building upkeep* and *business signage* (refer to the Methodology in the Annexure for a definition of these attributes).

For the purposes of this report and comparison, the businesses have been categorised as per the Australian and New Zealand Standard Industrial Classification (ANZSIC).

The ANZSIC classification is attached in the Annexure.

Business Audit – All Businesses

Source: Urbis Business Audit

CAIRNS PRODUCT DIVERSITY

Typically, a diverse product offering will deliver a more robust economy. The operation of both retail and commercial uses can drive mixed business activity. The (September 2019) business audit has identified the mix of offerings within the Cairns city centre and found although there is a diversity of business types, the city is lacking the diversity of major anchors required to attract large scale visitation.

In order to create a comparable dataset, each of the businesses audited have been classified as per the Australian and New Zealand Standard Industrial Classification (ANZSIC) codes. These codes follow a hierarchy of detail, which has been used throughout the report.

The types of businesses identified are shown in the table and graphs. *Accommodation and Food Services*, and *Retail Trade* have been identified as the dominant business divisions within the Cairns city centre. These are further categorized to the ANZSIC Class Level (the most detailed level), which specifies their offering. In each of these categories, the majority of businesses are *Cafés and Restaurants*, and *Clothing* and *Watch and Jewellery* retail respectively.

The Cairns city centre public survey indicated a local perception of the city centre retail offer being directed at visitors rather than the local market. Notably, from the engagement, respondents perceived a high number of souvenir shops dominating the market (these are listed under *Administration and Support Services*).

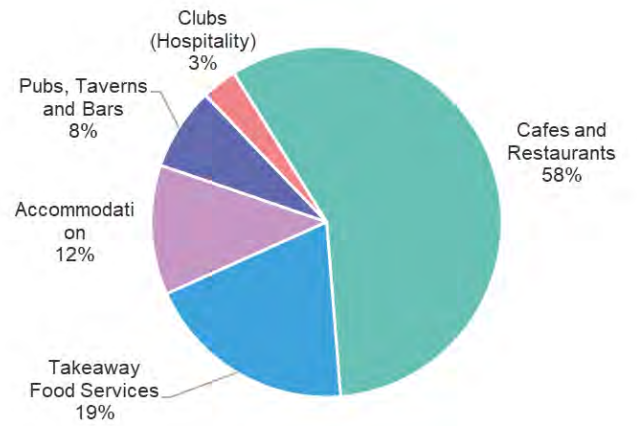
Business Count by ANZSIC Division (Level 1 Hierarchy)

	Number of Businesses
Accommodation and Food Services	184
Retail Trade	162
Vacant	101
Other Services	59
Administrative and Support Services	50
Professional, Scientific and Technical Services	38
Rental, Hiring and Real Estate Services	16
Health Care and Social Assistance	16
Public Administration and Safety	15
Arts and Recreation Services	15
Financial and Insurance Services	13
Education and Training	10
Wholesale Trade	2
Information Media and Telecommunications	2
Electricity, Gas, Water and Waste Services	1
Transport, Postal and Warehousing	1
Manufacturing	1
Grand Total	**686**

Source: Urbis Business Audit

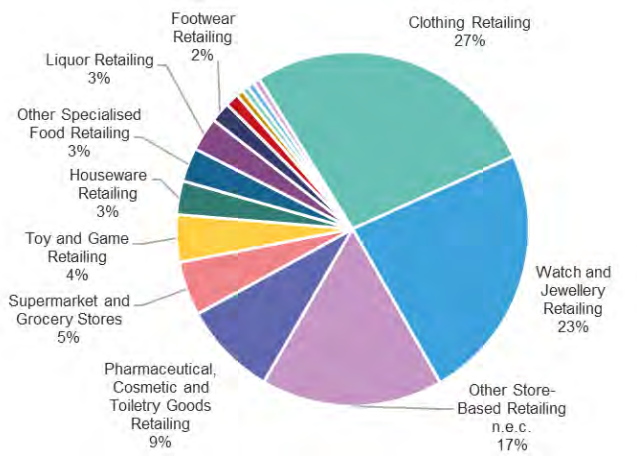
Key Learning:
Despite the number of businesses and spread across the ANZSIC categories in the Cairns city centre, there is a lack of key retail anchors to focus visitation.

Accommodation and Food Services by ANZSIC Class (Level 4 Hierarchy)



Source: Urbis Business Audit

Retail Trade by ANZSIC Class (Level 4 Hierarchy)



Source: Urbis Business Audit

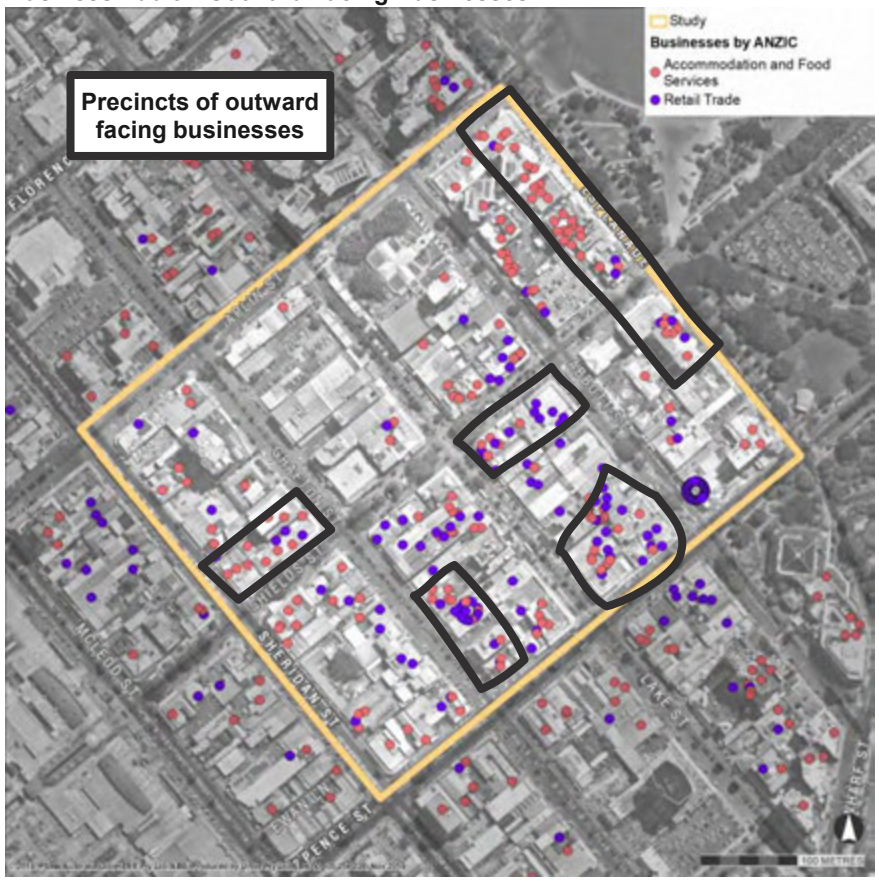
CITY CENTRE PRECINCTS

In a sprawling city centre such as Cairns, creating precincts of similar or complementary businesses can be beneficial for developing small areas of business synergies. Precincts can be particularly important for leveraging street activation, creating employment districts and managing the duplication of businesses. This can be true of both inward and outward facing businesses. **Inward facing** businesses are those that do not rely on foot traffic such as professional and health services. These businesses are more destinational, and mostly visited by the local market. **Outward facing** businesses interact with and draw in the public, often relying on foot traffic, such as retail and food and beverage outlets. Outward facing uses can encourage longer dwell times and have greater interaction with both tourists and locals.

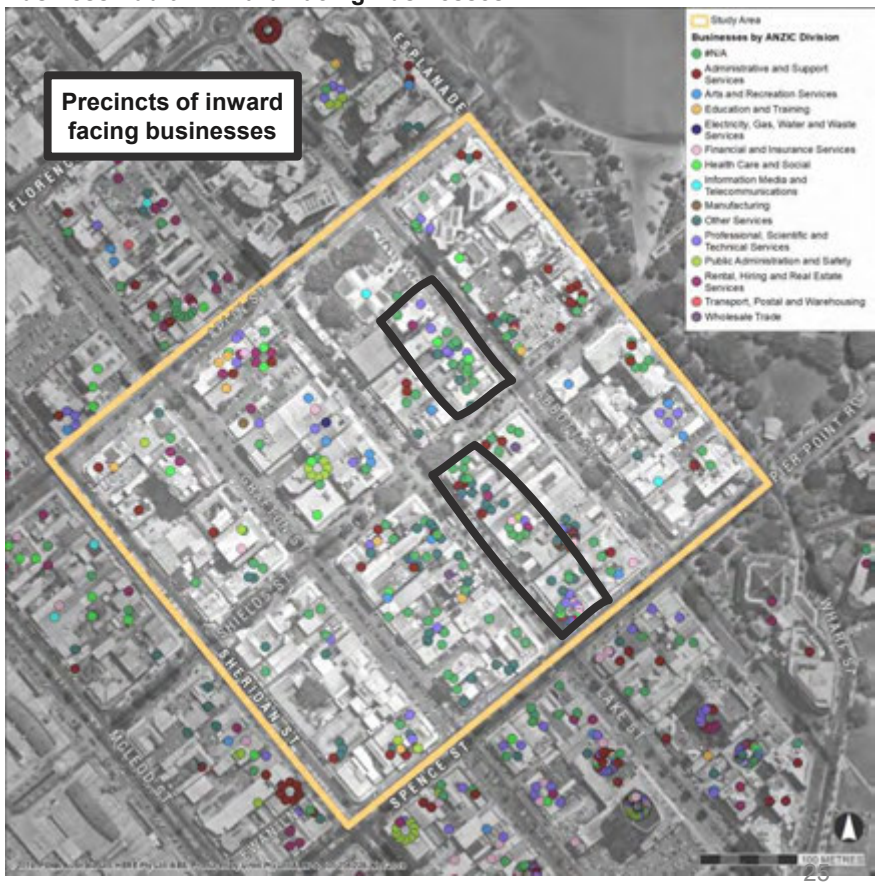
Whilst the Cairns city centre does not have very clearly defined precincts, there is some evidence of it occurring organically. The Esplanade food and drink precinct is the most obvious example of an outward facing businesses precinct with alfresco dining leveraging ocean and lagoon views. Other outward facing pockets are observable around the Sheridan and Shield Street intersection, and along Grafton Street. However, they do not have sufficient levels of density and are interspersed with unrelated businesses and vacancies.

There is a precinct of inward facing businesses along Lake Street, through to Spence Street.

Business Audit – Outward Facing Businesses



Business Audit – Inward Facing Businesses

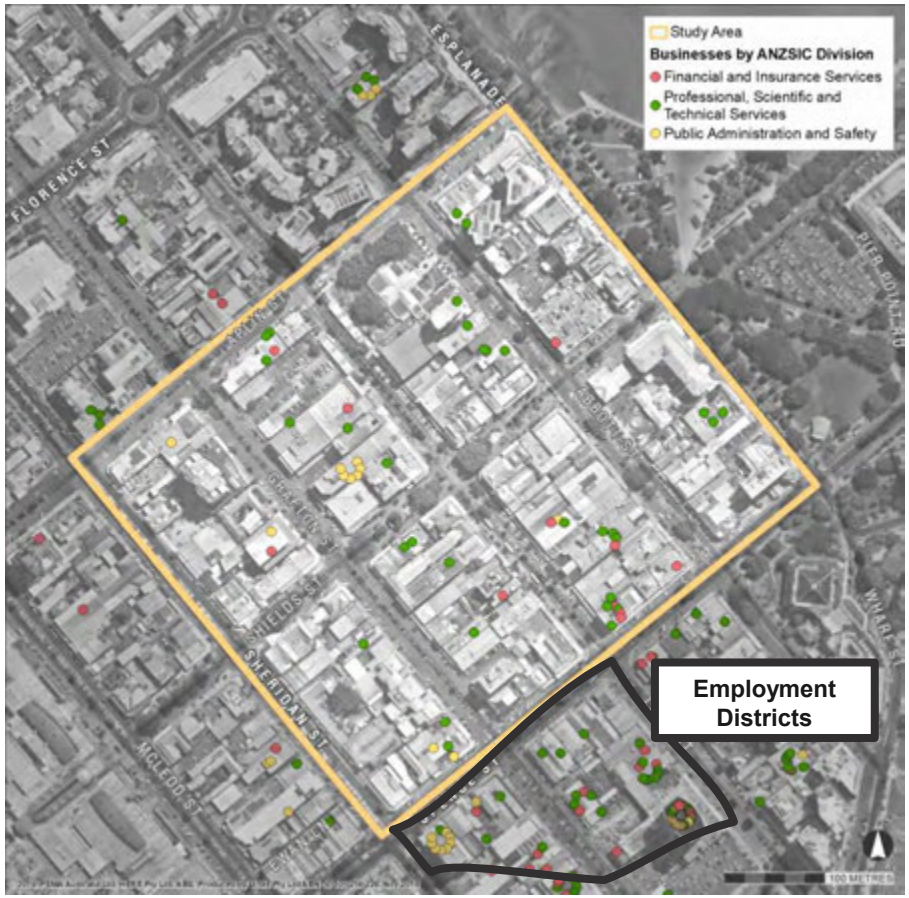


CITY CENTRE PRECINCTS

'White-collar" Employment Districts

White-collar employers are desirable as their workforce are typically required to be within the city centre for long periods and are therefore likely to frequent local businesses. The map below shows there are very few white-collar employers within the city, with the majority located along Lake and Sheridan Streets to the south-east, external to the city centre boundary. Anecdotal evidence from stakeholder interviews suggest that some of the typically inward facing professional services businesses have moved to more street facing premises in response to the availability of premises and proximity to foot traffic/increased visibility.

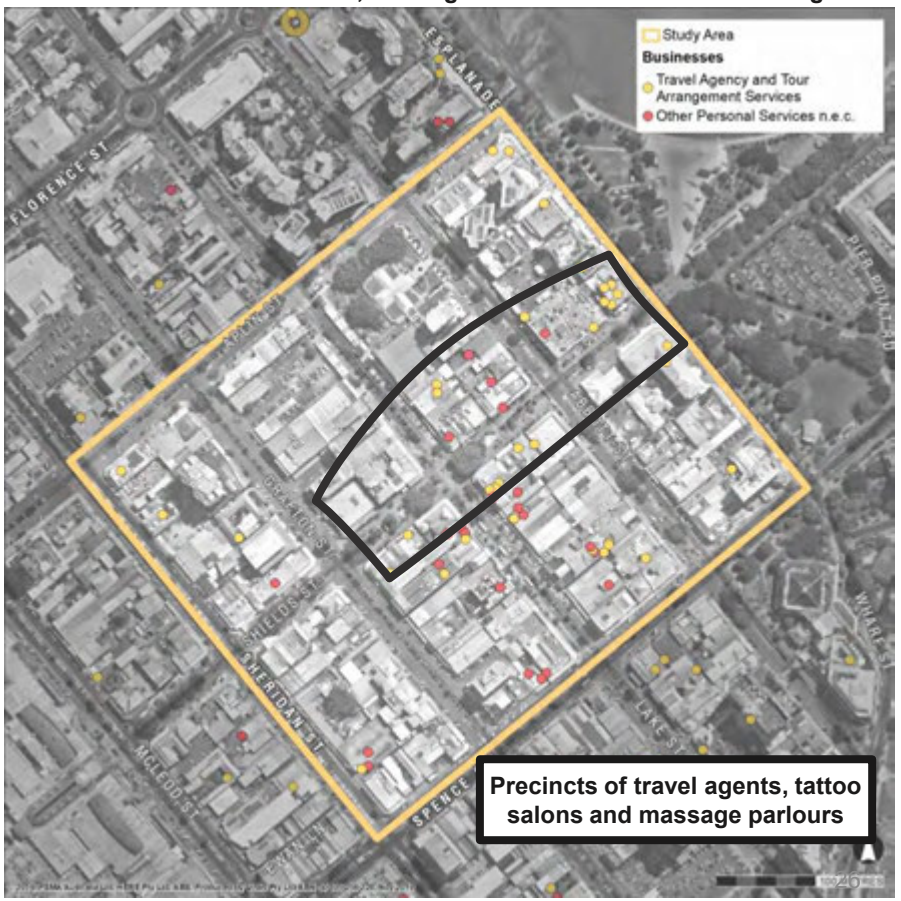
Business Audit – White Collar Businesses



Personal services and travel agents

The image below shows a concentration of massage parlours, tattoo salons and tourist/travel agencies along Shield Street. While there are perceptions of a disproportionately large number of these businesses in the city centre, the business audit shows *Personal Services* and *Travel Agents* comprise only 10% of all city centre businesses. It is likely this perception has arisen due to the similar nature of these businesses in a concentrated area. A fine balance exists between potential business synergies and cannibalisation.

Business Audit – Tattoo Salons, Massage Parlours and Tourist/Travel Agencies

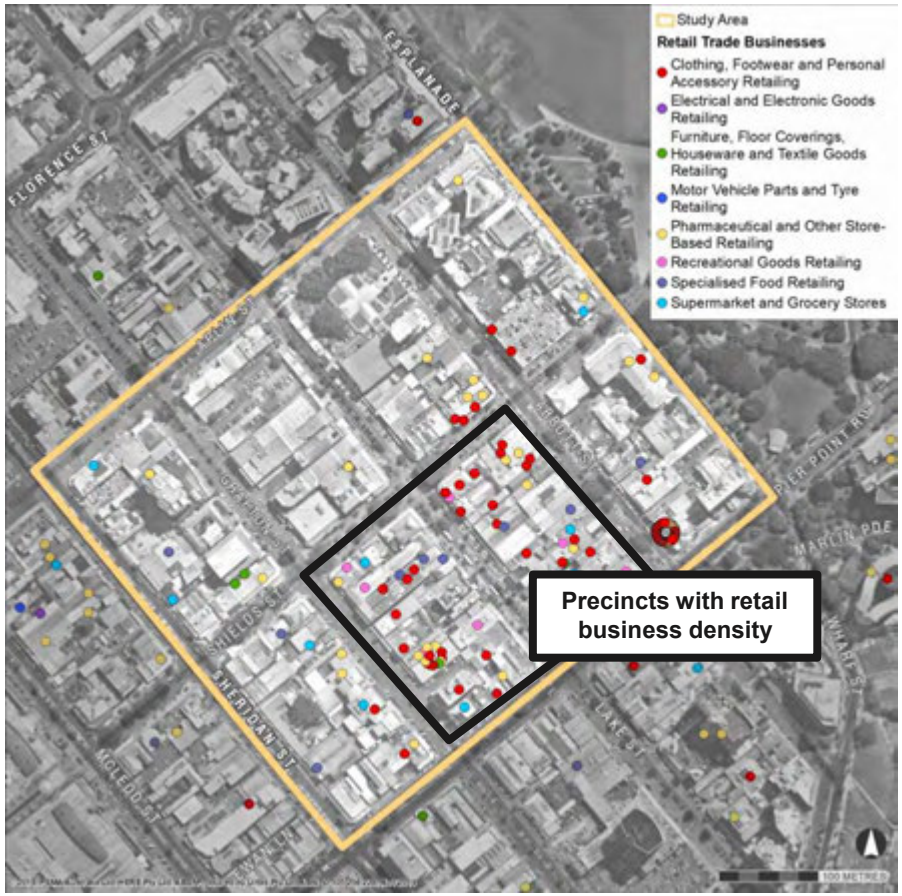


CITY CENTRE PRECINCTS

Retail High Street Shop Precincts

The map below identifies the retail uses of city centre businesses down to the class level (the lowest level within the ANZSIC system). Based on the business audit, the majority of the retail high street shops are located within two blocks to the south-east of the study area, as shown on the map below. These two blocks are also linked via laneways, providing an additional walkway of retail offerings, further bolstering the number of retail stores in this precinct.

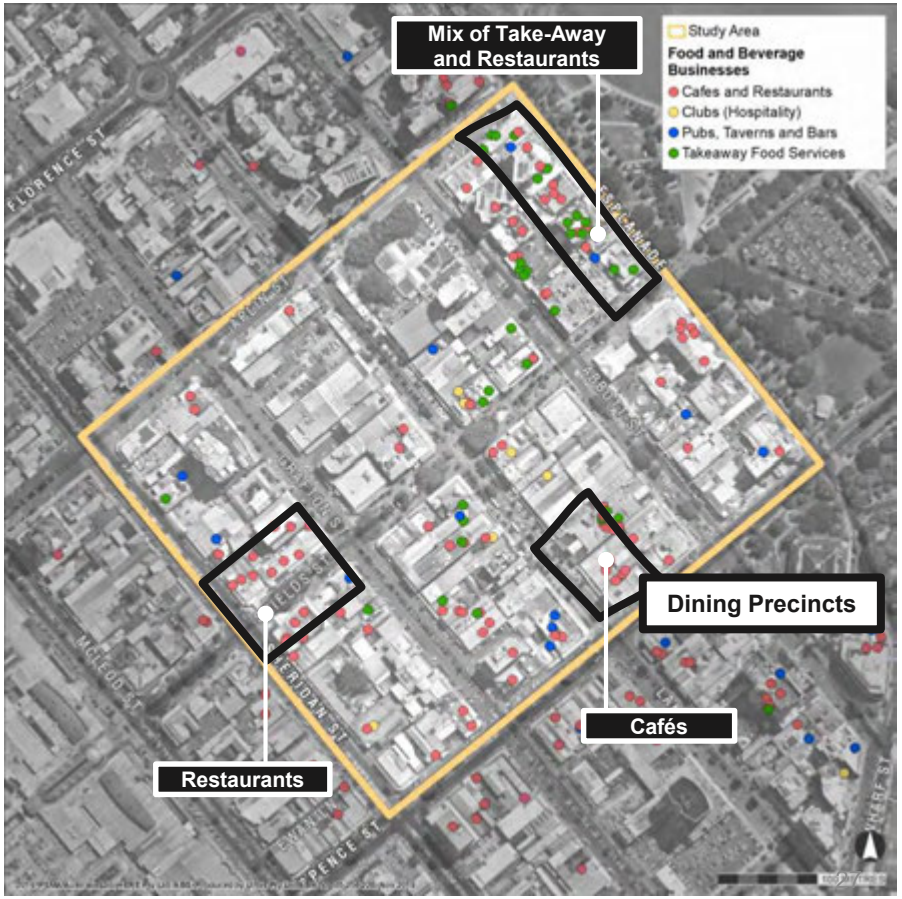
Business Audit – High Street Retail Precincts



Food and beverage

A large proportion of the businesses within the Cairns city centre are food and beverage options. These are scattered across the city centre, mostly grouped in a handful of different precincts. Each precinct offers a different type of offering. For example, there are more takeaway options located near The Esplanade, which is highly visible to a range of markets (backpackers, young families) seeking more affordable options. The Esplanade precinct also features more recognisable brand choices. The two identified restaurant and café precincts are located further within the city centre, and tend to feature local businesses.

Business Audit – Food and Beverage uses



WHAT BRINGS PEOPLE TO THE CITY

Locals and tourists are visiting the city for a number of reasons; to visit attractions, to work, or access other services.

Most major attractions in the Cairns city centre are based around the waterfront to take advantage of the views, climate and natural environment. However, there are also a few precincts located away from the waters edge which are destinations for tourism, entertainment, open space and recreation. The bulk of these are located outside the identified Cairns city centre zone, as shown on the map below.

Feedback from the public user survey revealed that 40.7% of local respondents visit the city centre each week. Other respondents noted, that on a weekly basis:

- 45.7% visit the city for work
- 15.3% visit the clubs and bars
- 36.7% visit restaurants and cafes
- 39.9% do some food and grocery shopping in the city
- 29% do some other kind of retail shopping
- 10.6% attend community events

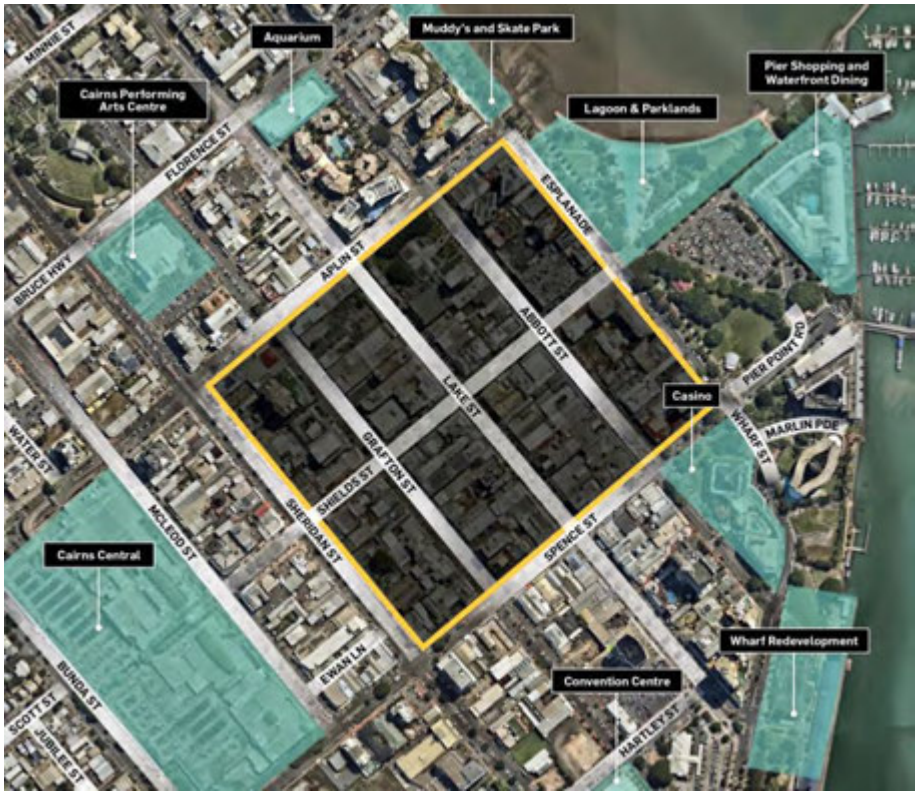
These activities can be clearly correlated to specific times during the week:

- Weekdays (6am – 6pm) are the most common time for work, study, accessing professional, personal and government services.
- Weekend days are for visiting restaurants and cafes, attending community events, shopping and visiting community or cultural facilities.
- Weeknights and weekend nights are for visiting clubs and bars and restaurants and cafes.

The public user survey identifies that visiting restaurants and cafes, and shopping for goods, groceries, and other retail are the most common activities domestic visitors to Cairns are undertaking in the city centre area.

Noting these findings, there is a gap linking cross-visitation between attractions, services and retail within the city centre. Creating linkages and incentivising visitation between attractions and centre retail could strengthen activation in the centre.

Key Attractions



BUSINESS TENURE AND INTENTIONS

Responses to the traders survey indicate the current product offering and mix **is unlikely to change in the short to medium term.**

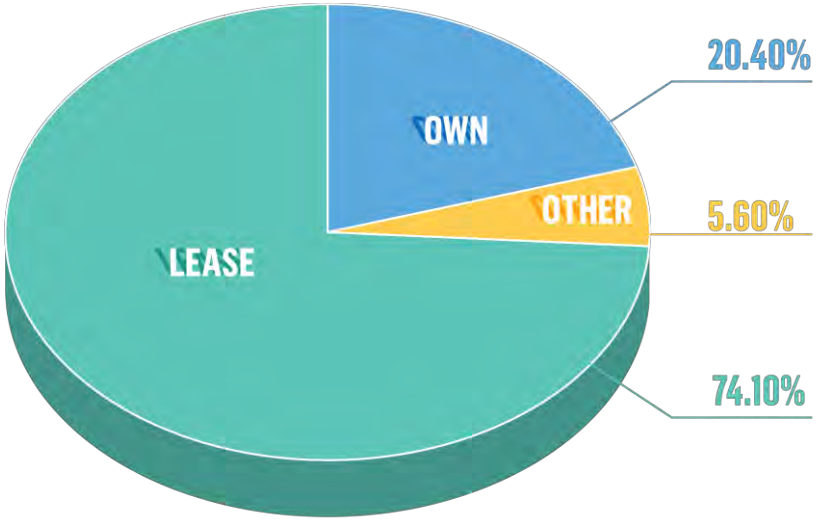
Nearly 60% of respondents indicated their businesses are long-term, having been in the city for more than five years.

Nearly three quarters of respondents are engaged in a lease, with many reporting lease terms of 2 or 5 years. A long term lease can make it difficult for a business to relocate, with a valuable client base relying on the existing location as part of their routine. With leases in excess of 2 years, there is limited scope for near term relocation. 10.8% of respondents said the reason they were located in the city centre was because they were locked in a lease.

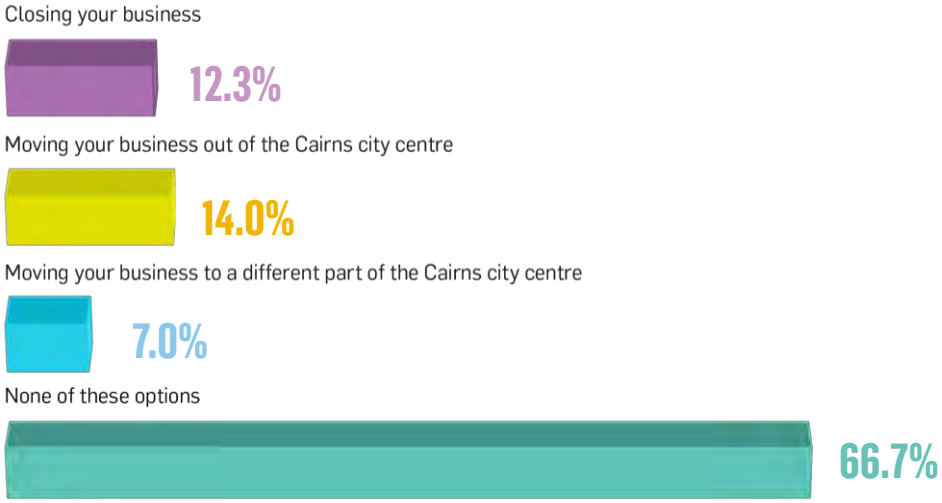
Despite this, just over 70% of respondents are not considering closing their business, moving their business out of the city centre, or moving to a different part of the city centre in the next 12 months. They identify some of the benefits of being in the city centre as access to customers and synergies with other businesses.

It should be noted that 56 responses were received from this survey and the majority of respondents were professional services.

Tenure of Business Breakdown



In the next 12 months are you considering:



DIVERSITY LEARNINGS AND OBSERVATIONS

The analysis related to the Diversity theme is largely informed by the business audit and a review of the present business offering in terms of cohesion, precincting and activity drivers. Key observations on diversity include:

- Representation across most of the ANZSIC codes does not necessarily translate into a diverse and attractive city. Public perceptions, analysed in further detail in the Demand section of this report, indicates that the offering does not provide sufficient variety and appeal with the local market of the opinion that the offer is directed mainly to the tourists.
- When analysed in more detail, *food service businesses* (141) including cafés, restaurants and takeaway is the dominant retail offer in the city centre. *Clothing retailers* (43) is the next most prominent retail category.
- A duplication of offer is noticeable with a high number of Tattoo Salons, Massage Parlours and Tourist/Travel Agencies that could deliver business synergies, but also result in sales cannibalisation if an oversupply occurs.
- The issue with the retail offer does not lie in the number of businesses making up the offer, but that there is no depth in the anchors to focus visitation. Most of the key retail anchors are in the Cairns Central shopping centre which by nature is enclosed, air-conditioned and does not encourage cross visitation with the city centre.
- Food and beverage is dispersed across the city with limited consolidation with the exception of some key identifiable dining precincts. Similarly, non-food retail is not curated, concentrated around anchors or clustered to create activity density and business synergies benefits that attract visitation.
- Several precincts have developed organically throughout the city taking advantage of natural vistas on the Esplanade or around core anchors such as Rusty's Markets. Targeted development to leverage these precincts as a springboard to drive city centre investment will benefit overall development with flow on effects for other opportunities in the city centre.
- There are 192 non-food service businesses in the city centre which do not contribute notably to street activation.
- 22 accommodation establishments provide a good foundation for a tourist presence, potential night time activation and prolonged dwell times subject to an interesting and appealing product being available.
- Key employers and the main employment precincts for long day workers are outside the study area which does not allow significant opportunities to capture lunchtime spend or opportunistic buys by the working population.
- City centre anchor attractions such as the Convention Centre, Aquarium, Performing Arts Centre are all located outside of the commercial heart. Potential sales driven by visitation to these anchors are lost due to the absence of clear linkages and product packaging.

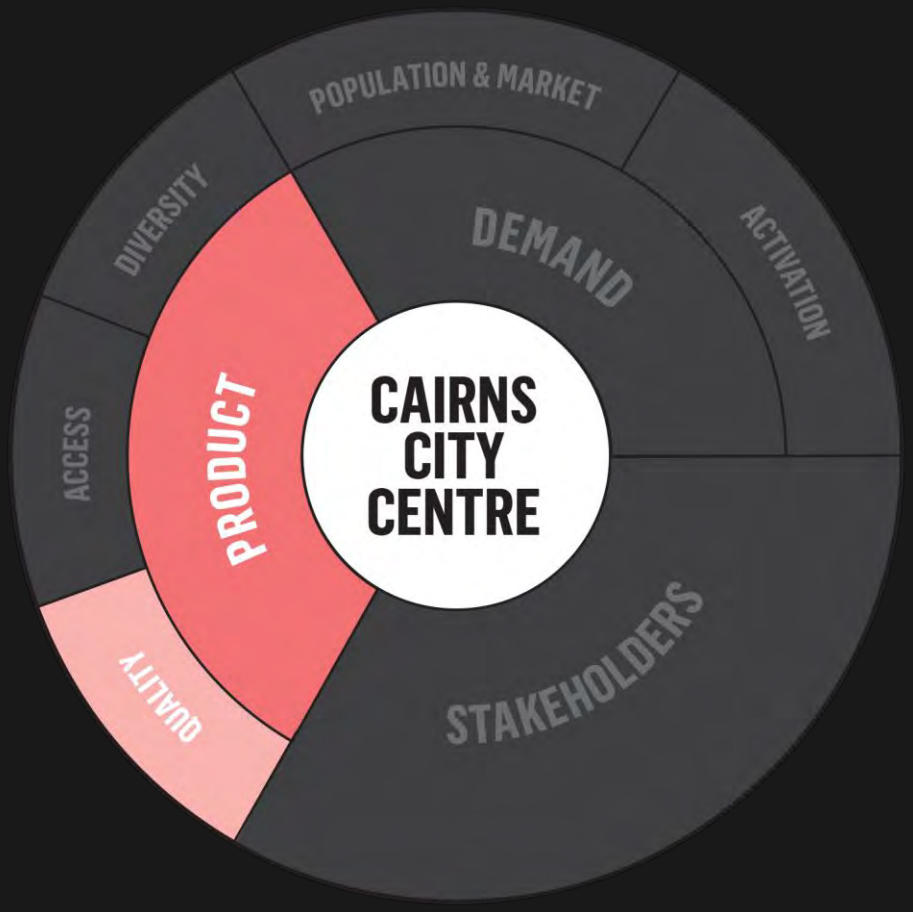
Key Learning:

Attracting new anchor attractions and leveraging existing anchor attractions is required at a strategic level to competitively position the city centre. Strategic leveraging will include curating destinational precincts around a cohesive tenant mix to attract visitation and inspire prolonged dwell times.

QUALITY

How the physical qualities of the city impact user experiences, marketability, and attract visitation and investment.

1. Visual Amenity
2. Commercial Market
3. Feature Rating
4. Safety



VISUAL APPEARANCE

Visual appearance refers to the impact of a space, place (in this case the city centre), and how user experiences and perceptions are shaped by the visual impact of the area. This includes the streetscape, building facades and the general visual impact of the city centre on users at different time of the day, and night.

8.9% of respondents to the Cairns public user survey indicated that they did not visit the city centre more regularly because 'it's not an attractive place' and 6.4% said they did not visit more regularly because 'it's not a clean environment.'

Further feedback from the public user survey included:

"Early [in the] morning [and] late [at] night the city looks dirty and tired. There appears to be no pattern to the location of food outlets and bars apart from the Esplanade. One needs to walk some distance when browsing [for the] rest."

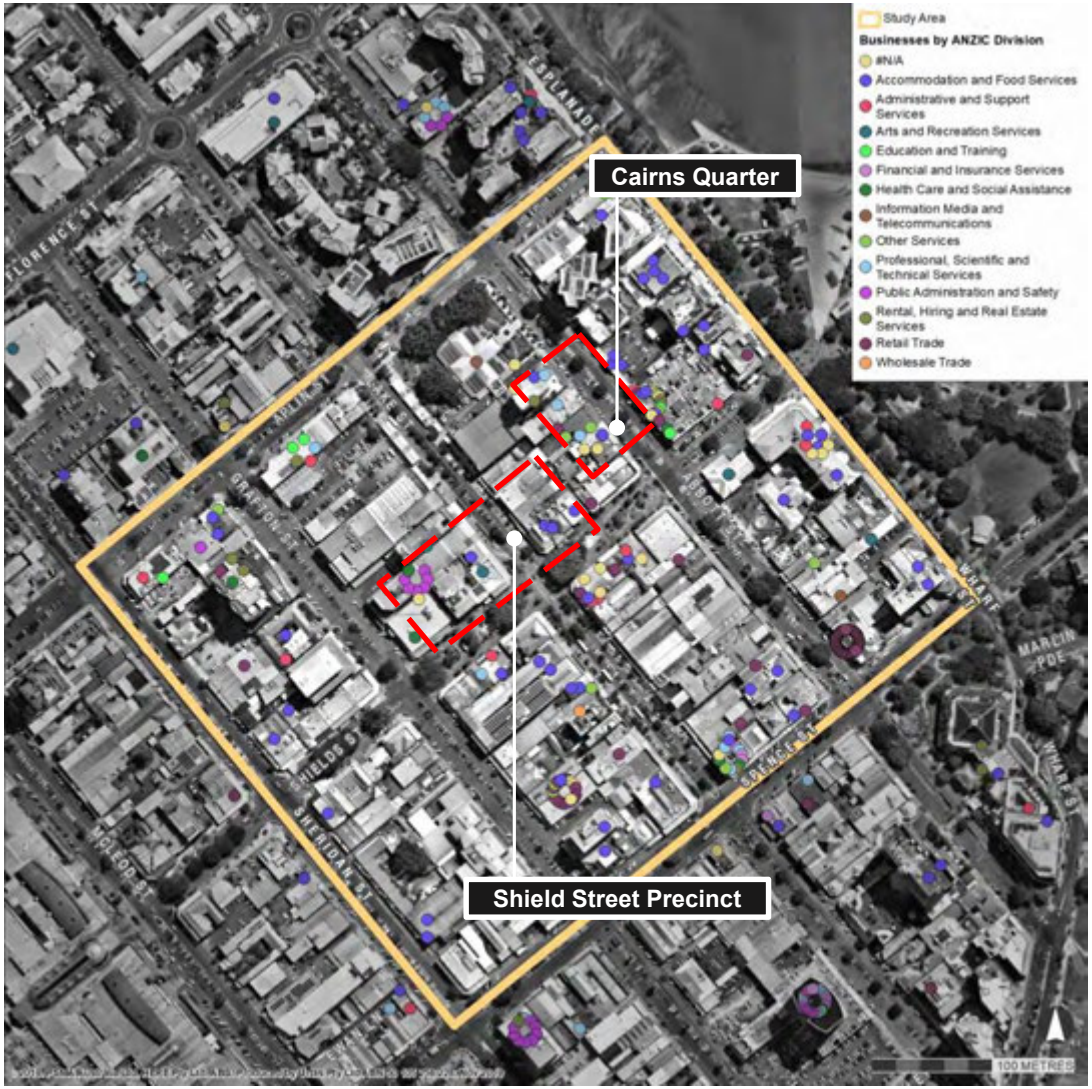
During the business audit, each business was ranked based on it's overall *attractiveness*, with a building quality ranking of 1 (low) to 5 (high). This considered variables such as upkeep, lighting, paint, cleanliness and additional efforts made to make the building appealing.

The bulk of businesses fell mid-way along the scale indicating an acceptable level of quality. However, more notably, only a small portion of businesses had high rankings. These are largely scattered around the city centre, with a cluster along Shield Street fronting onto the gardens. Newer buildings such as Cairns Quarter have also encouraged surrounding businesses to undertake renovations. In the last 3 years, 48% of respondents to the traders survey reported significant renovations to their premises.

Interestingly, these areas don't fully align with the highly activated areas. Whilst the quality of the buildings is important, the use of the buildings and their spaces may have a greater pull for patrons.

Comments from the trader survey suggest respondents would like to see a relaxation of the laws regarding A-frame signs and displays to create visual interest on the footpath to entice people into stores.

Businesses with Building Quality Rating 4 or 5



CITY CENTRE REAL ESTATE OUTLOOK

Commercial stock in the city is eclectic. Targeted interviews with commercial real estate agents operating in the city provided insights into the current market and commercial stock.

Feedback indicated that many properties are tightly held for long periods with limited investment in internal and external refurbishments and rental prices are perceived to be high. This is seen as a disincentive for property owners to improve their properties based on the falling market and high vacancy rates, and limited return on investment.

These findings are further evidenced by the public user survey:

So many ugly buildings in questionable condition - looks awful.

The Esplanade and Shields Street, between Abbott Street and Cairns Central, are viewed by commercial real estate agents as 'better' precincts and attract the highest rental rates. Rental rates reduce slightly between the Esplanade and Grafton Street where activity is significantly reduced.

Similarly, real estate agents commented on the reduction of foot traffic, specifically along Grafton Street due to the relocation of a number of businesses, notably the Australia Post outlet. Businesses located along Shields Street were seen as more desirable due to a higher volume of foot traffic between Cairns Central and the Lagoon.

The departure of large businesses and employers have left some vacuums in the city centre market with larger tenancies (>150sqm) noted as being hardest to lease. The existing built form (narrow shop front with deep tenancies) limits the ability of lessee's to convert larger sites into smaller tenancies.

Smithfield, Edmonton, Earlville and DFO are growing commercial hubs, drawing customers, businesses and workers away form the city. These commercial hubs are being seen to offer lower rental rates, better traffic and residential density than the CBD.

Retail Trading Service Industry	Indicative Rental Ranges $/sqm		
	Prime Location	Mid-Tier Location	Poor Location
Premium	$1,500 to $2,000	$1,200 to $1,600	N/A
A-Grade	$1,000 to $1,500	$800 to $1,200	N/A
B-Grade	$700 to $900	$400 to $600	$200 to $400

Office Space	Indicative Rental Ranges $/sqm		
	Prime Location	Mid-Tier Location	Poor Location
Premium	N/A	$475 to $525	N/A
A-Grade	$425 to $475	$425 to $475	$375 to $425
B-Grade	$350 to $400	$350 to $400	$325 to $350
C-Grade	Sub $350	Sub $350	Sub $250

Source: Urbis Valuation Workbook

Real Estate Outlook Key Insights

- Big tenancies are less marketable
- Purpose built buildings difficult to repurpose
- Vacancies are often owner - not market - driven
- Slow rental growth
- Unrealistic rental expectations
- Market tightening
- Decline in enquiries
- CBD fringe have marketable rentals

RENTAL LISTINGS

Urbis investigated the Cairns city centre commercial listings for the past two years. The listings were benchmarked to the CBD's of Darwin and Newcastle.

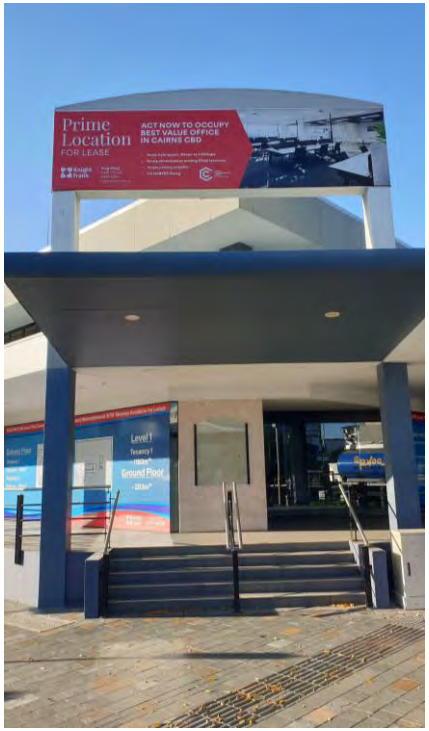
The average listings across all grades of rental are similar, suggesting the market conditions and stock quality are comparable across all three locations. The average rental rates in Cairns are significantly lower than Darwin and Newcastle, contrasting with the views of some real estate agents who suggest that landlords in Cairns have unrealistic rental expectations. The similarities in the market conditions and stock quality across the three location suggests this isn't the case.

Premium grade stock rental rates in Cairns ($412sqm) and Newcastle ($363sqm) are well below the Darwin average ($1,322), which is skewed by premium listings in Smith Street and the Smith Street Mall. If the Smith Street listings are excluded from the analysis, the Darwin average premium listing is in line with the other areas at $440sqm.

Comparability of premium rates suggests that good quality, well maintained commercial stock is in demand in Cairns and that the market will respond if commercial stock is available that meets occupier requirements.

	Cairns	Darwin	Newcastle
	$/sqm		
Listing Range	$10 - $430	$ 24- $625	$40 - $615
Average Rental (All grades)	$ 128	$ 219	$ 258
Average Rental (Premium grade)	$ 412	$ 1,322	$ 363

Source: Urbis Price Finder and Real Commercial Listings, November 2019



IMPROVEMENT EFFORTS

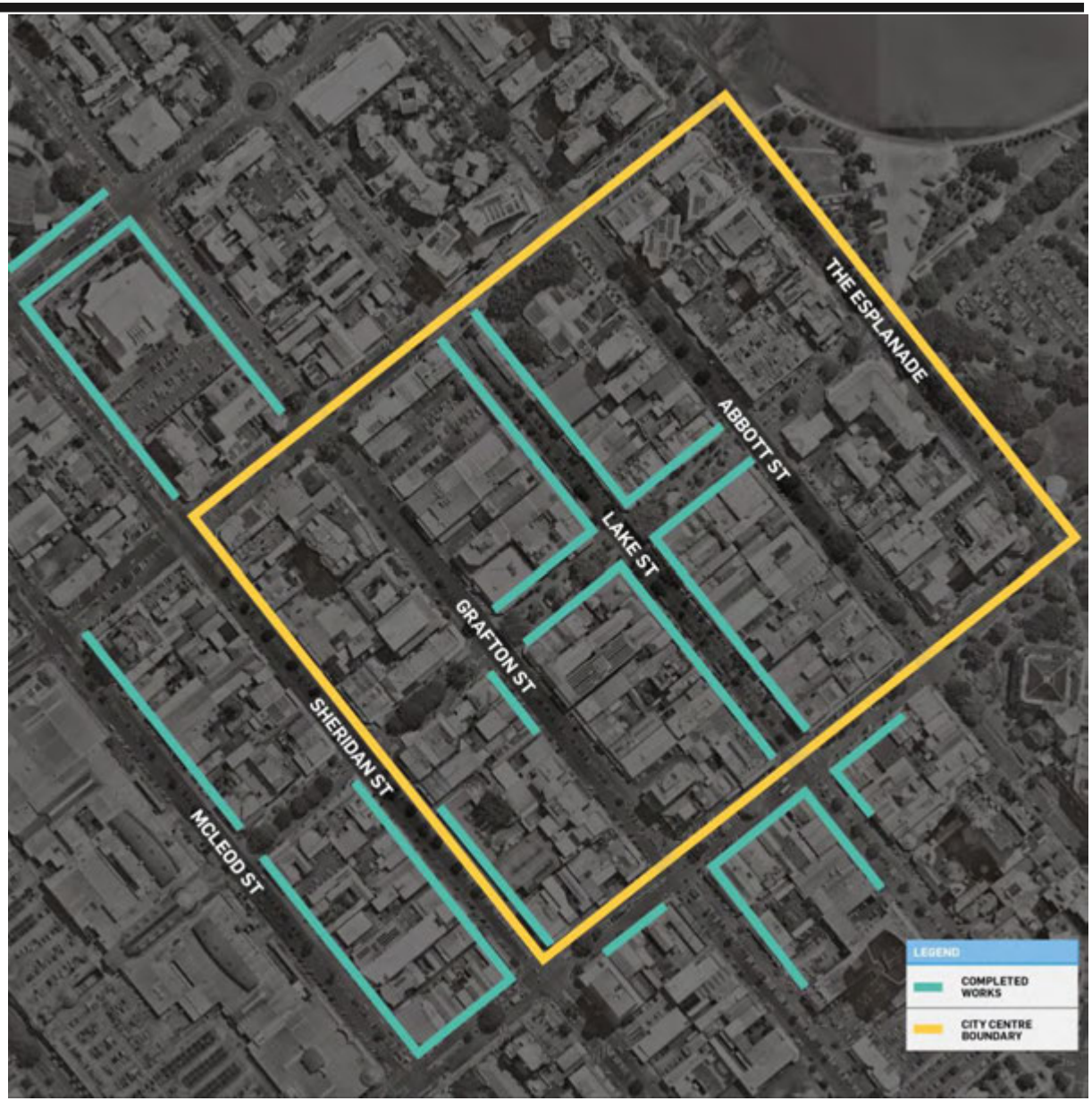
The Cairns City Centre Master Plan outlines five key improvement efforts. One of these is the **City Streets project**. This project is about acknowledging the important role that city streets play in creating public space, and enhancing movement and circulation. Utilising feedback from previous consultation, this project focuses on *'streetscapes that create a connected, tropical public place with an active street life.'*

The Master Plan notes that a number of street upgrades have already been completed, or are earmarked for future works. Lake Street and Shields Street, between Abbott and Grafton Streets, have already had works completed. The rest of the city centre is identified for future works, or considered within other elements of the Master Plan.

As noted in the section on visual appearance, 48% of respondents to the traders survey noted that their trading premises had significant renovations or improvements completed within the previous 3 years. 62% of these were completed by the trader, and 46% were completed by the landlord.

When asked what they would change about their current premises one third of respondents noted they would change their shop front appearance.

Feedback from various sources indicated that there has been a notable amount of building and development happening within the city centre for an extended period of time. Although these works may ultimately generate greater activity, the disruption has impacted traders by restricting access, further limiting parking and making the area generally unpleasant.



FEATURE RATING

Respondents of the public user survey were asked to rate the following features of the Cairns city centre on a scale of one (1) being very poor, to five (5) being excellent. The features included:

- Shopfront interest and attractiveness
- Street signage and wayfinding
- Footpaths and landscaping
- Availability of parking
- Range of retail options
- Range of dining options
- Accessibility (ease of getting around)
- Safety
- Children's entertainment (under 12)
- Teen entertainment (over 13)
- Night time entertainment
- Events
- Weather protection (shade, rain protection)

There was limited variation between the mean scores of each of the features: the highest was 3.9 and the lowest was 3.2.

The highest ranking feature, (mean score of 3.9) was **range of dining options**. Commentary around this feature highlighted the Esplanade dining precinct and the emerging presence *of 'increasingly interesting bars [and] restaurants'*.

The tied lowest ranking features were **shopfront interest and attractiveness**, and **range of retail options** both with an average mean of 3.2. Commentary around **shopfront interest** related to high vacancy rates, duplication of retailers, and general comments around tired, and run down shop fronts.

'All buildings look run down, too many backpackers shops and info centres, and [the] city is overrun with $2 tourist shops'.

Feedback also related to the **range of retail options** including high vacancy rates, duplication in the retail offering, and a shift in preference to suburban shopping centres.

'…city centre is poor for retail options, [I] tend to use the suburban shopping centres and retail outlets'.

Some of the other commentary around other features included:

Feature	Mean Score	Commentary
Street signage and wayfinding	3.5	Mixed commentary around signage. Streets were seen as easy to navigate but with limited signage.
Footpaths and landscaping	3.6	Positivity and support around recent Council street scape improvements, but still a general need to undertake a 'clean up'.
Availability of parking	3.6	Mixed commentary around price and availability.
Accessibility	3.6	Walkability was noted as being decent but limited for people with disabilities.
Safety	3.6	Commentary around safety indicated a major problem, specifically at night time.
Children's entertainment	3.5	Options are limited away from the Esplanade.
Teen entertainment	3.3	Options are limited away from the Esplanade.
Night time entertainment	3.4	Bars and clubs are noted as being excellent, however mostly targeted at tourists and young people.
Events	3.5	Seen to have improved significantly but impacted by other factors such as parking and cost.
Weather	3.3	Weather impacts could be mitigated from additional shading and better design.

Key Learning:
Lack of shop front interest and limited range of retail options identified as key reasons as to why residents don't visit the city centre.

CRIME OVERVIEW

Stakeholder feedback, online surveys and a scan of recent media articles identified safety as one of the key elements impacting the success of the city centre,.

A review of Queensland Police crime statistics for the Cairns city centre between the period of October 7 and November 7 2019 indicated:

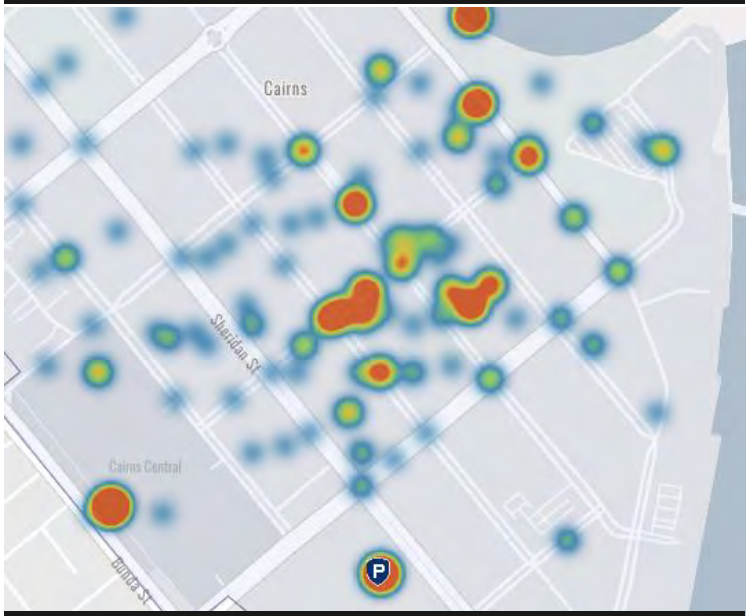
- 351 offences were committed.
- Other Theft, Good Order Offences and Drug offences were the three highest offence types.
- The majority of crimes were committed at midnight.
- The Shields Street and Lake Street intersection had the highest crime activity.
- The Orchid Centre Shopping Centre and adjoining retail on Lake Street also indicated high incidents of crime.
- The highest incidents of crime occurred on a Sunday.

Commentary from the public user survey noted that some residents do not feel safe in the city centre at night due to a high perceived presence of itinerants, poor lighting and youth criminal activity.

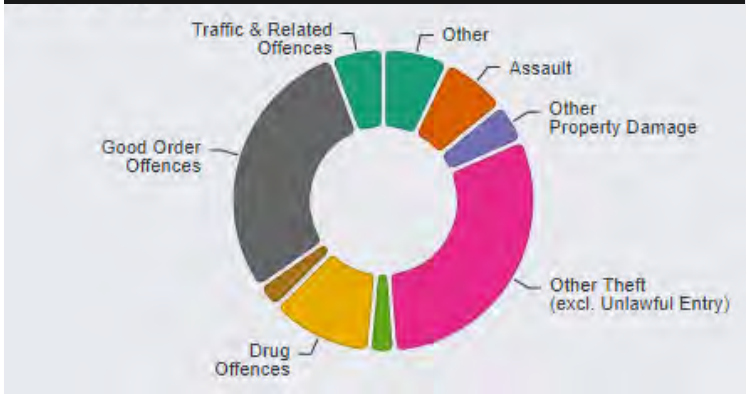
'I don't feel safe walking around the city after dark especially if I am away form the Esplanade.'

An incident involving the assault of two police officers in the city centre has recently triggered additional concerns for residents and workers.

CRIME HOT SPOTS

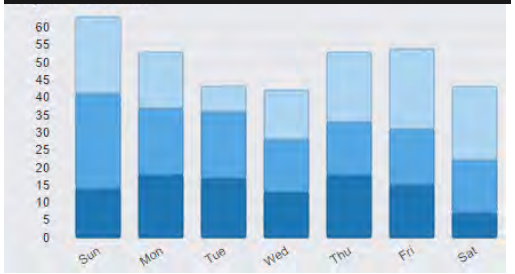


OFFENCE TYPES



QPS, 2019, https://qps-ocm.s3-ap-southeast-2.amazonaws.com/index.html

WEEKLY TRENDS



Offences appear to peak on Sundays and towards the end of the week. The trend is downwards on Mondays with a lower number of offences on average taking place on Tuesdays, Wednesdays and Saturdays.

WEEKLY TRENDS

Offences spike in the lead up to midnight and secondary peaks at 4am, 9am and 6pm. There appears to be a drop off around 2am.

SAFETY PERCEPTIONS AND INTERVENTIONS

Safety Perceptions

Itinerants and juveniles are seen by the public as creating the greatest issues for traders, and contributing to public users feeling unsafe in the city centre. Feedback from the public user survey noted that respondents felt unsafe when walking on the streets, particularly when alone.

'My main concern is safety, I just don't feel safe in the city. I feel safe when I am inside an establishment or driving on the roads, I feel unsafe when I am walking around and am constantly scanning for potential issues.'

'I don't feel personally safe anymore. I wouldn't walk alone anymore.'

'As a female, I wouldn't feel safe in some of the streets alone.'

The traders survey revealed 54.7% of respondents have safety concerns for their business or staff, and 58.5% have employed new security measures in the last 3 years, the most common being CCTV surveillance.

Safety Interventions

Project Romeo Paso was a short term project launched by Cairns Police to address some of the safety concerns raised within the city centre. The task force meets with Council monthly, to help facilitate a reduction in 'red tape' and allows the Cairns Police and Council to resolve issues quickly.

Itinerants and juveniles were seen to be creating issues for traders within the city centre. Although Police note that these groups were not the sole reason for the taskforce being created, they note that it has resulted in reduced activity of these two groups.

Chroming has been a serious issue for juveniles within the city centre, and Police have asked the Woolworths on Lake Street to remove Rexona deodorant from the shelves.

Police note that despite the efforts of the task force, the CBD is still viewed as being unsafe. This could be because the public is not aware of current Queensland Police interventions.

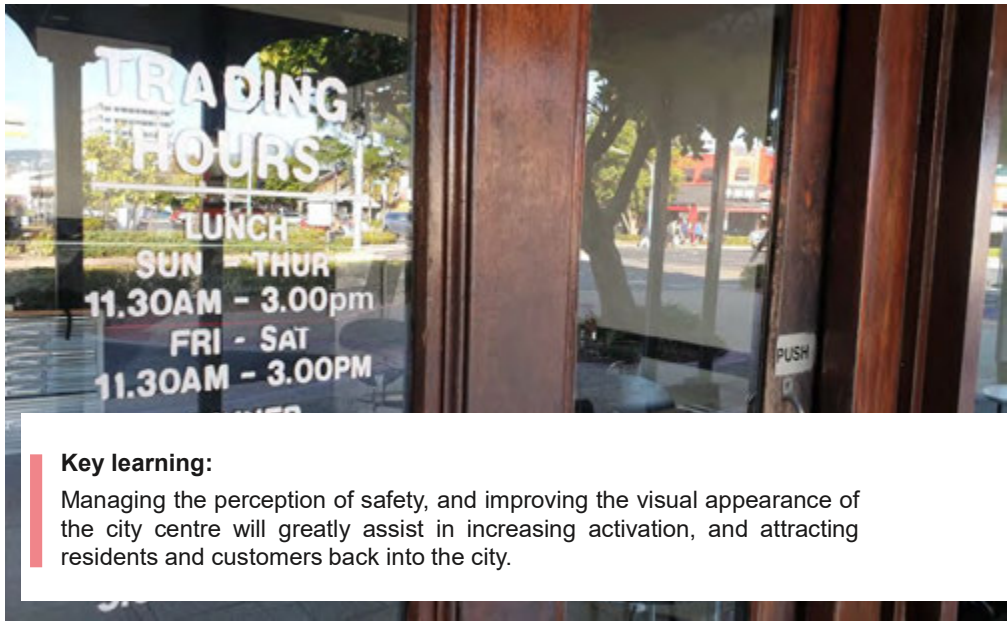
Increased activation and increased people in the city centre provides a passive safety benefit (and also a benefit in terms of perceptions of safety - i.e. a person feels safer if there are more people around).

Key Learning:
Adverse perceptions of personal safety (particularly at nighttime) are impacting city centre visitation

QUALITY OBSERVATIONS AND LEARNINGS

The analysis of the product quality in the city centre included a review of data relating to visual amenity and perceptions, a real estate outlook, ranking of city features and a crime and safety overview. Key observations include:

- The city is perceived as looking 'tired and dirty' and requiring significant investment. Council improvements were noted as being successful, however additional investment by building owners is considered necessary to create a more 'attractive' city centre.
- During the business audit, businesses were ranked based on their level of overall 'attractiveness'. The bulk of businesses fell mid-way along the scale indicating an acceptable level of quality. Only a small portion of businesses had high rankings.
- Particular areas of the city are considered more desirable than others. For example, the Esplanade and areas along Shields Street (between Cairns Central and the Lagoon) fetch higher rental rates than other areas due to the higher volume of foot traffic.
- Larger tenancies are considered to be the hardest to lease. The existing built form (narrow shop front with deep tenancies) limits the ability of lessee's to convert larger sites into smaller tenancies.
- Suburban shopping centres, such as Smithfield, Edmonton and Earlville are increasing in popularity and are drawing business away from the city. These commercial hubs are being seen to offer lower rental rates and better traffic and residential density than the CBD. Centres are also attractive due to the provisioning of air-conditioning, which is particularly important in a tropical climate. The centres are typically also more conveniently located.
- Dining options were noted as being the highest value feature within the city centre. *Shopfront interest and attractiveness* and *range of retail options* ranked the lowest with further commentary around building condition, vacancy rates and retail duplication.
- The quality of the product in the city centre is impacted by a public perception that is it unsafe and there are high incidents of crime. For the period between October 7 and November 7 2019, *good order offence* and *other theft* were the highest offence types within the city centre. Shields Street and Lake Street intersection had the highest crime activity, as well as the Orchid Centre shopping plaza and adjoining retail on Lake Street.
- Noting the incidents of crime, Queensland Police Service (QPS) established a taskforce charged with addressing the safety concerns raised. Stakeholder interviews with Police noted that crime associated with itinerants has decreased since the implementation of the taskforce however juvenile crime is still an issue.
- Other QPS interventions involved discussions with the Woolworths on Lake Street to remove Rexona deodorant cans from shelves to reduce the incidences of juvenile chroming.
- Safety improvements are noted to be closely linked to increasing the population density (residents and employees) and increased activation through events and other interventions.



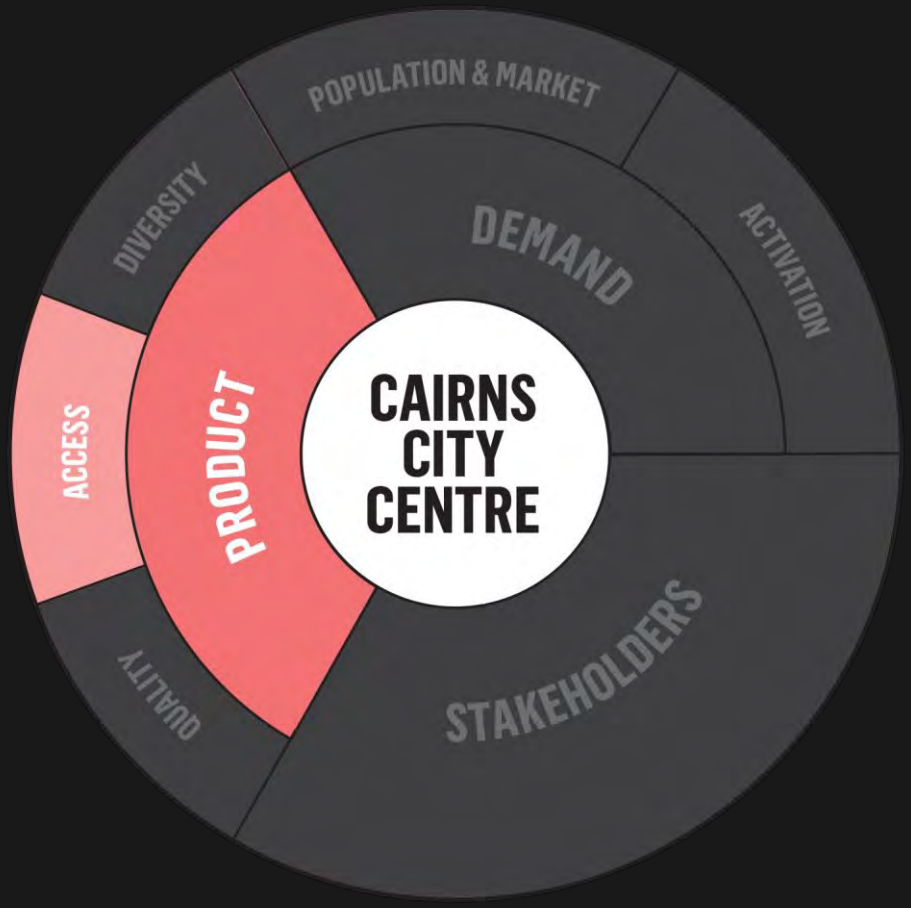
Key learning:

Managing the perception of safety, and improving the visual appearance of the city centre will greatly assist in increasing activation, and attracting residents and customers back into the city.

ACCESS

How easy is it to get around the city?

1. Parking
2. Walkability and Wayfinding
3. Cover and Shade



PERCEIVED PARKING ISSUES IMPACT VISITATION

The commercial review did not undertake a parking review, but parking has been identified as an area of contention throughout the analysis. Respondents to the public survey noted that the cost and lack of parking within the city centre was the primary reason they did not visit more often.

However, comments were mixed. Other commentary noted that the issue around parking was not about availability or cost, rather, convenience:

'There is plenty of parking available in the city - you just have to walk a little way, and this is what people don't like. They want to be able to park right out the front of the place they visit.'

This level of convenience is particularly relevant in a tropical climate where heat and humidity can act as a deterrent to visitation, unless parking is located close to the destination.

Parking was identified by the traders as a hinderance to business in the traders survey. Commentary called for the removal of off street parking time-limits and costs, and also commented on the number of trades people taking up valuable car spaces within the city.

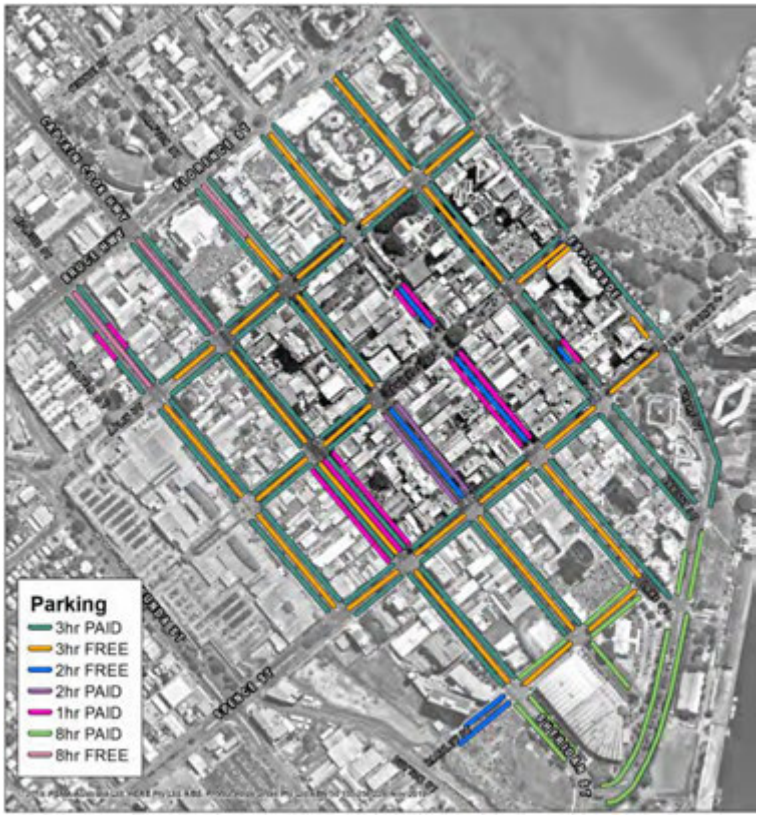
Competing shopping destinations such as Cairns Central provide unlimited or 2 hours free parking. A competitive offering for the city centre would at least match that of competitors.

The analysis of the parking status quo found the following:

- Within the Cairns city centre, public parking options includes a range of short to long term and paid and free parking. On weekdays, paid parking applies from 8:30am to 6pm, and on Saturday from 8:30am to 2pm.
- The majority of car parks within the city are 3 hour paid parks. There are some 1 hour paid parks located along the zones near key attractors. This includes along Lake Street outside Woolworths, and along Sheridan Street outside Rusty's Markets. All of the parking located in the median strips is 3 hour free parking, due to regulations around the safety of ticketing.
- Cairns is largely car dependent, as evident in the public survey with 72% of respondents reporting they use their personal vehicle to access the city centre. There are two major bus platforms within the subject area, located on Lake Street, servicing the north and south regions across 20 different routes around Cairns. Typically, each of the routes leave the platform every 30 minutes.
- Public transport options to and from the city are limited and underutilised. 3.2% of survey respondents stated that they used public transport to travel to and from the city, this is less than the number of people who indicated that they use rideshare (5.7%). Commentary on public transport noted:

  'Some form of realistically priced public transport. Sunbus is irregular, unreliable and way too expensive to be classed public transport.'
- There are limited dedicated bikeways that provide access to the Cairns city centre although the majority of roads provide wide shoulders for cyclists. Furthermore, there is a lack of end of trip facilities which would encourage cyclists into the Cairns city centre.

Existing Parking Offering



Source: Cairns City Council
Note the 1hr paid parking along Sheridan St applies on Thursday, Friday and Saturday only.

PARKING PRICE COMPARISON

Council have undertaken a number of parking reviews, the most recent resulted in a resolution in May 2019 with Council amending the “on-street 7-day parking regulation in the Cairns CBD to 8:30am until 2pm paid on Saturday and Free on Sunday”.

To gain a further understand of the current parking situation, a comparison of parking costs and timeframes was undertaken against the case study areas of Newcastle and Darwin.

Comparatively:

- Newcastle’s car parking is more expensive across all times of the day, night and weekends.
- Newcastle offers free parking on Sundays.
- Hourly parking on-street, and off-street is cheaper in Cairns, however capped daily parking is cheaper in Darwin.
- Darwin offers free parking across weekends, whereas Cairns only offers free parking from 2pm on weekends.

City	Hours of Pay	Cost of Parking	Free Periods
Cairns City Centre	8:30am – 6:00pm Monday to Friday 8:30am – 2:00pm Saturday	On-street parking: $1.60/hour Off-Street parking: $1.60/hour capped at $10	From 2pm Saturday Sunday
Darwin CBD	8:00am – 5:00pm Monday to Friday	On-Street parking: $1:80-$2.50/hour Off-Street parking: $1.60-$2.10/hour $3.40-$5.70/day	Saturday Sunday
Newcastle CBD	8:30am – 5:00pm Monday to Friday 8:30am – 5:00pm Saturday	On-Street parking: First 15mins free $4.00/hour Off-Street parking: $4.50/hour capped at $20 $11 Early Bird Parking $5 Saturdays	Sunday

Source: Council Websites, November 2019

Key Learnings

- All comparable case studies charge for parking.
- Free parking (when available) are normally limited to weekend days.
- Cairns parking was generally lower than Darwin and Newcastle.

PARKING INTERVENTIONS

Parking interventions are not limited to the reduction or removal of charges. Various other actions can communicate Council's resolve to address public perceptions around the cost and availability of parking. One of these may be to review current parking systems and management practice.

Several Australian cities have recently introduced app technology as a way of managing city parking. Three examples include PayStay, CellOPark and EasyPark. It is noted that Cairns Regional Council is trialing the EasyPark app, however uptake of the technology has been low. Further investigation on the low uptake could be considered in an ongoing review.

Each of these apps operate in a similar fashion, with the customer noting their registration and the parking zone. Most smartphone apps operate with a timer, allowing the customer to only pay for the exact time spent. By allowing the customer to start and end the parking period, it modifies the perception of money spent, and more freedom gained. Additionally, with the customer able to use anywhere, there is an increased perception of convenience.

City	Method of Payment
Cairns	Ticketed pay and display
Brisbane	Ticketed pay and display CelloPark Mobile App
Mackay	Ticketed pay and display PayStay Mobile App
Darwin	Ticketed pay and display PayStay Mobile App
Newcastle	Ticketed pay and display EasyPark Mobile App
Gold Coast	Ticketed pay and display EasyPark Mobile App

Advantages to introduce smartphone technology to manage parking

- **Flexibility -** Multiple options to suit individual needs of customers and all day parking option available at outset
- **Fair and Accurate Payment -** payment calculated only for the exact time the parking bay is utilised based on a start time
- **Convenience** - manage parking remotely
- **Insights** - Data capturing and ability to analyse and report parking trends to the public including number of frequent users, average duration of stay and parking vacancy
- **Automation –** operational cost savings for council
- **Prepare for further technological advancements** – to find a park such as Kerb, I Parked Here and Cheap Parking

Challenges and considerations

- Requires access to a smart phone and mobile data by the public to use
- Requires competent use of app technology and may exclude certain groups
- Initial capital investment by council and potential operational costs
- Appropriate public messaging to communicate council's ongoing review and monitor of parking related matters.

Key Learnings

- Interventions are not limited to price adjustments.
- The public is generally more accepting of customised packages with flexibility.

WALKABILITY AND WAYFINDING

The Cairns City Centre achieved a high walkability score of 93 (out of 100) (walkscore.com). This is largely due to the grid layout, and the laneways which offer easy and high accessibility across the area. Residents living and visiting the city are able to walk to a plethora of uses within a 5 minute walk.

Whilst the navigation in and around the City Centre is high, observations from the public survey around the intersections have indicated that the traffic lights take too long to change.

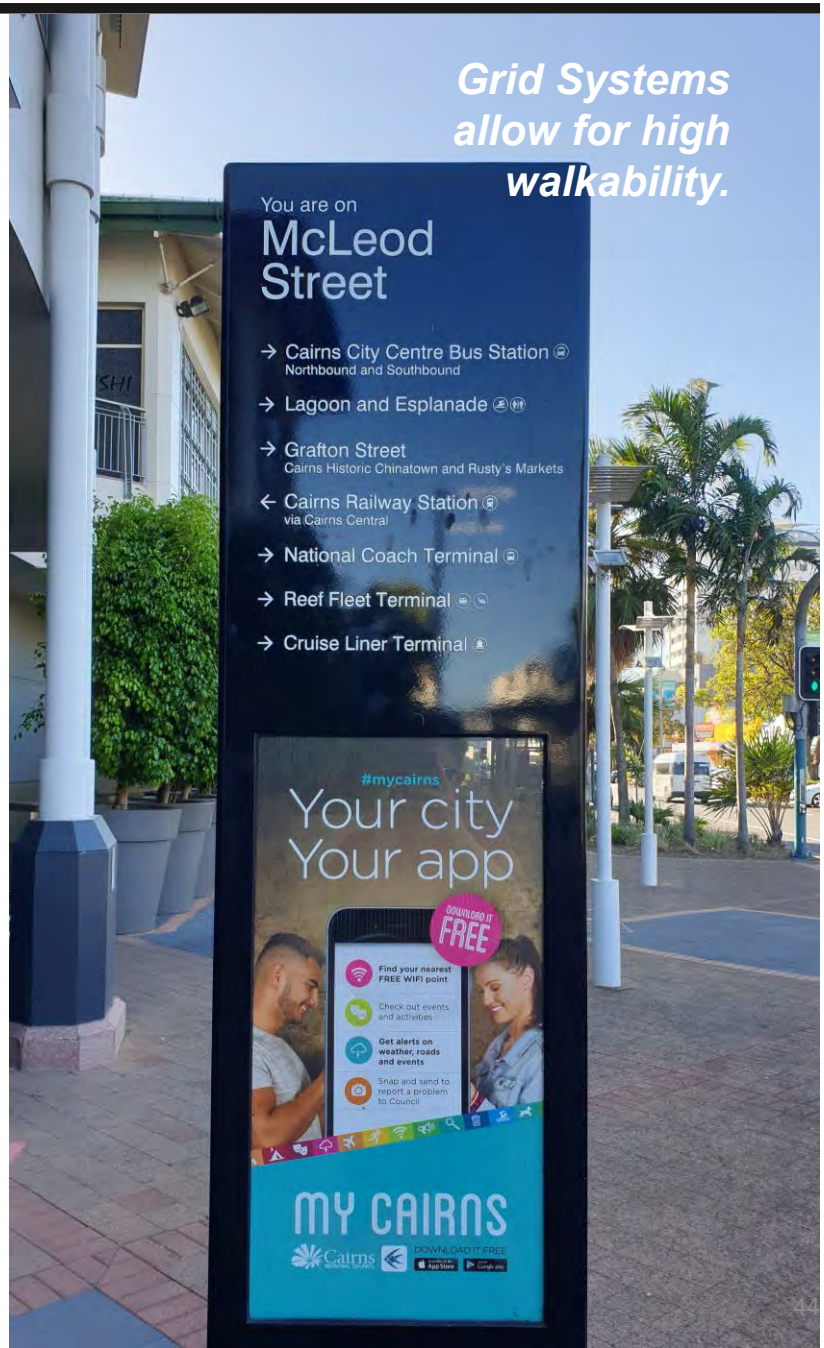
'It can be difficult to get around on foot. The pedestrian lights take too long to change.'

Given the low levels of traffic, the majority of pedestrians do not wait for a green light to cross the road. This is exacerbated on intersections with limited shade - pedestrians would rather cross the red light, than wait in the hot sun.

63.5% of traders are aware of Council's footpath policy. 44.2% of traders feel footpath dining is just right, 36.5% think there is not enough, and 19.2% think some areas need more.

Engagement with commercial real estate agents noted that regulations around footpath advertising were tightened several years ago and has impacted businesses. This is further evidenced by commentary within the traders survey:

'Allow A frame signs back out to increase business & vibrancy of the street.'



Grid Systems allow for high walkability.

COVER AND SHADE

The tropical Cairns climate is a major factor in the likelihood of locals and tourists walking through the City Centre. Feedback from the public survey suggests that the walkability of Cairns City Centre could be improved through additional shading.

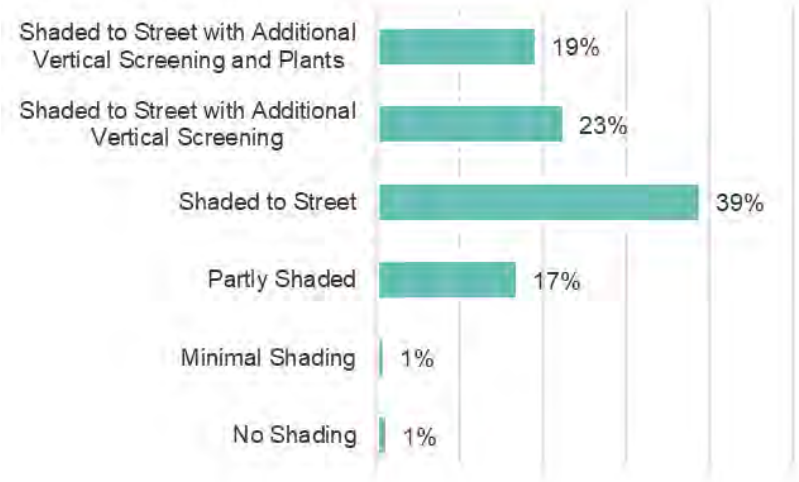
Cairns is not alone in this requirement - as part of their City Deal, Darwin has implemented a range of strategies to cool and green the city.

The business audit included an evaluation of each businesses based on their fixed awnings. This evaluation found the bulk of businesses are at least shaded to the street, with a further 42% having implemented additional shading. Under the Cairns Local Plan, this level of a shading is a minimum requirement. However, the time of day (and related sun movements) also influence the amount of shade available.

Trees and other vegetation planted throughout the study area offer additional shade but can have also been identified as having impacts on safety (through reduced visibility), cleanliness of the area and visibility of the retail offerings.

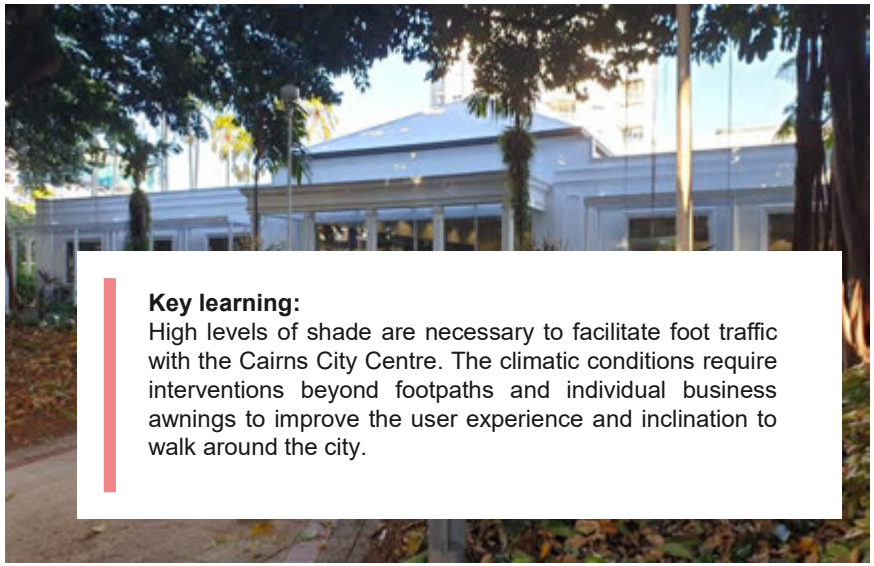
Though improvements have been undertaken to improve the visual amenity of the street (such as footpath design, planting etc), this could be further enhanced through additional shading. When asked to rank weather protection (shade and rain protection) on a scale of 1 to 5 (1 being poor, and 5 being excellent), the majority of respondents gave it a rank of 2 or 3.

Business Audit – Building Cover Rankings



Implementations forming part of Darwin's City Deal

- Research project lead by CSIRO for Tropical Urban Design and Liveability
- Heat mitigation trials for surface treatments to reflect heat
- 55m timber shade structure
- Staged greening of streets
- Tropical Design Guide providing guidance on cooling down streets and water/climate sensitive design



Key learning:
High levels of shade are necessary to facilitate foot traffic with the Cairns City Centre. The climatic conditions require interventions beyond footpaths and individual business awnings to improve the user experience and inclination to walk around the city.

ACCESS, MOBILITY AND COVER
KEY LEARNINGS AND OBSERVATIONS

Access to the city centre is perceived as being difficult. The situational analysis identified the perception that parking is a significant barrier for people looking to come to the city and that public transport is insufficient to make it a viable alternative to car travel.

The public survey found parking is viewed as being scarce, and expensive. However others noted that the issue with parking was not about cost or availability, but convenience, suggesting there is sufficient parking within the city, but it is not necessarily directly outside the final destination.

A review of parking costs in Cairns comparative to Newcastle and Darwin, identified that Cairns parking is generally less expensive than both case studies.

Public transport was noted to be insufficient. Less than 5% of respondents to the public user survey noted they use public transport to travel to the city. In fact, more respondents use rideshares, such as Uber or taxis, to travel to and from the city than public transport.

Once in the study area, Cairns City Centre has a walkscore of 93, indicating it is exceptionally easy to navigate. This is largely due to the grid system.

The public user survey asked respondents to rank weather protection (shade and rain) on a scale of 1 to 5, 1 being poor, and 5 being excellent. The majority of respondents nominated a rank of 2 or 3.

Footpaths and Council's footpath policy were also considered during this analysis, given the contributions that footpaths play in enhancing a city's walkability. 63.5% of traders who responded to the traders survey were aware of Council's footpath policy.

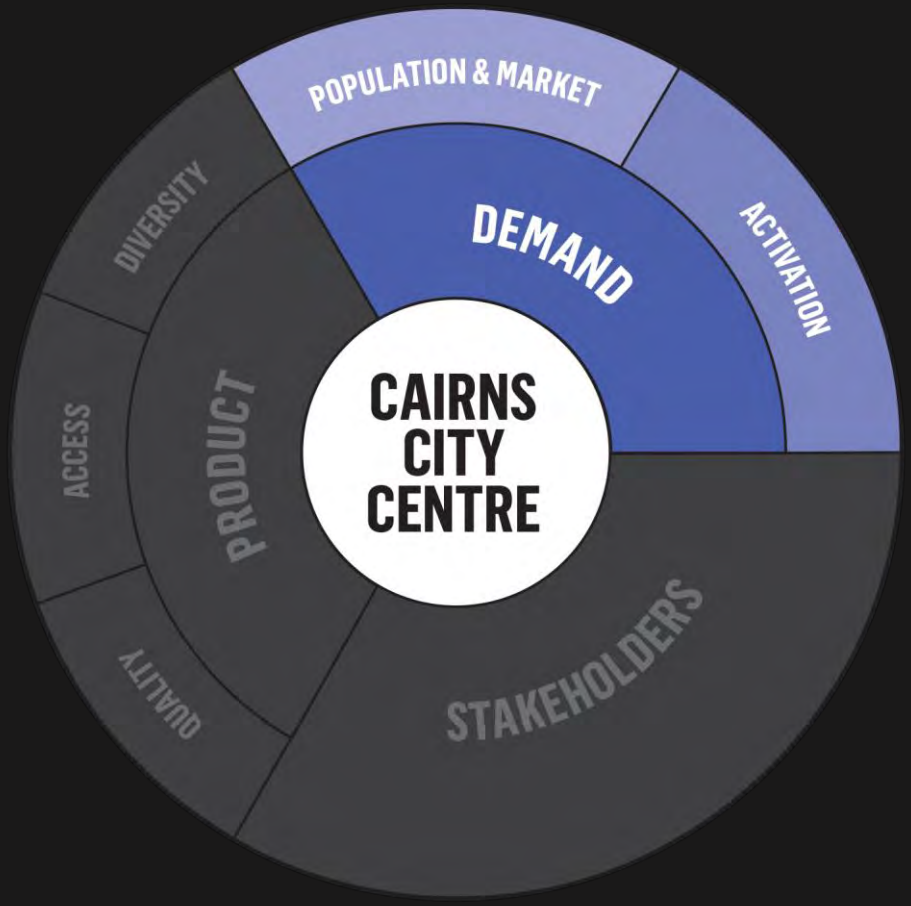
When asked if they thought improved footpath policy would make a positive change to their business, only 1 trader responded positively. Engagement with commercial real estate agents noted that regulations around footpath advertising were tightened several years ago and has impacted businesses.

Key learning:
Access and mobility are key to improving the vitality of the Cairns city centre. This can be achieved by prioritising the town centre as a core destination and the cultural heart for tourists, residents and locals and the strive for walkability to ensure the town centre caters for easy movement and connectivity including walking and cycling.

DEMAND

POPULATION & MARKET

ACTIVATION

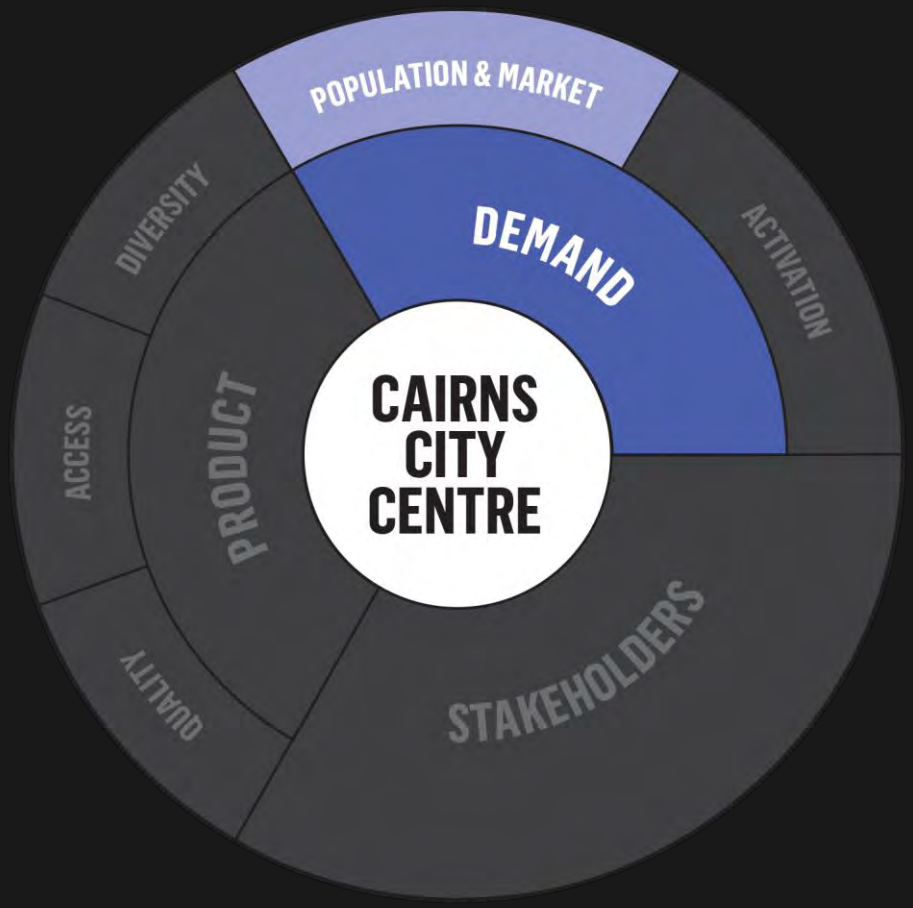


What drives utilisation?

POPULATION AND MARKET

Residents and visitors drive use.

1. Population
2. Residents
3. Workers
4. Day Students
5. Visitors (tourists)
6. Trends in retail trade
7. Business Outlook and Active Efforts
8. Competition



THE INNER CITY RESIDENTIAL REALITY

There is quite a lot of residential and visitor accommodation just to the north of the study area (one to four blocks), but the Cairns City Centre has a very low population density of 1,415 persons per square km. This density rating is a direct reflection of the availability of residential product. The Cairns residential market has seen a relative plateau over the last 5-7 years. Price points have seen little growth, and the quantum of sales has been down. As a result, there has been a reduced level of confidence for new developments entering the market. The three Crystalbrook developments recently completed or nearing completion are the only new developments during the last 5-7 years. This low level of supply has placed increased pressure on the existing supply to accommodate city residents and has not encouraged the continual urbanisation of the City Centre.

The demographic snapshot of people living within the Cairns City Centre is dissimilar to the case study areas of inner city Newcastle and Darwin. Residents living within the Cairns City Centre are either young adults or downsizers, the majority of which are owner occupiers. There is a very small student population, and a lower proportion of lone households compared to Newcastle and Darwin. This snapshot may be a reflection of the older, larger residential product offered along the Cairns waterfront, which is likely to appeal more to owner occupiers.

Both Newcastle and Darwin CBD's reflect the trends of other inner-city areas, and are categorized by a high proportion of Gen Y residents who are renting their home and higher proportions of single households. There is a much larger student population in both these cities, despite there being no university campuses within the City Centre boundaries.

CAIRNS CITY CENTRE

~1,415 persons per Sq.km

Couple with no Children	42%
Lone Households	33%
Owner Occupiers	67%
Aged 20-29	25%
Aged 45-59	23%
Students	3%

NEWCASTLE CBD

~2,029 persons per Sq.km

Couple with no Children	35%
Lone Households	41%
Renters	53%
Aged 20-34	37%
Students	10%

DARWIN CBD

~2,396 persons per Sq.km

Couple with no Children	34%
Lone Households	38%
Renters	79%
Aged 20-34	43%
Students	6%

Source: ABS Census 2016

CITY CENTRE WORKFORCE

An analysis of ABS data shows the majority of workers in Cairns City Centre are *Retail Trade* and *Accommodation and Food Services*, aligning with the findings of the business audit. Due to the Cairns City Centre being only a small section of Cairns City, the Remainder of Cairns City is listed separately.

In the Remainder of Cairns City, the Cairns Base Hospital has clearly influenced results with a large proportion of workers involved in *Health Care and Social Assistance*.

In Darwin and Newcastle, there is a much higher proportion of people working within *Public Administration and Safety* in the City Centre. This is likely to be because there are large numbers of government staff who are working within these inner city areas.

There are no longer any major government employers within the Cairns City Centre, evidenced in the low level of *Public Administration.* This has been exacerbated by the gradual movement of government offices out of the City Centre, such as the Cairns City Council, Ergon Energy and Defence personnel.

Worker Profile by Industry	Cairns City Centre	Remainder of Cairns City	Newcastle City Centre	Remainder of Newcastle City	Darwin
Agriculture, Forestry and Fishing	0.1%	0.1%	0.1%	0.0%	0.9%
Manufacturing	0.4%	0.7%	0.8%	0.4%	0.8%
Mining	0.0%	0.4%	1.5%	0.8%	1.6%
Electricity, Gas, Water and Waste Services	4.1%	0.4%	2.7%	0.3%	2.3%
Construction	1.1%	1.6%	3.4%	6.3%	3.2%
Retail Trade	24.2%	3.6%	6.8%	3.4%	5.1%
Wholesale Trade	0.4%	1.1%	0.8%	0.1%	0.8%
Accommodation and Food Services	19.6%	14.5%	9.3%	16.8%	12.7%
Transport, Postal and Warehousing	1.6%	3.8%	2.8%	4.5%	1.1%
Information Media and Telecommunications	2.7%	0.4%	2.7%	4.6%	2.8%
Financial and Insurance Services	4.6%	1.6%	15.4%	2.5%	4.0%
Rental, Hiring and Real Estate Services	2.7%	2.9%	2.2%	1.5%	2.9%
Professional, Scientific and Technical Services	6.4%	6.2%	14.0%	14.3%	12.0%
Public Administration and Safety	7.9%	12.2%	18.7%	15.3%	35.3%
Administrative and Support Services	5.4%	3.8%	3.3%	5.2%	3.3%
Education and Training	5.2%	3.9%	1.9%	9.0%	2.1%
Health Care and Social Assistance	8.3%	37.0%	10.8%	11.7%	4.7%
Arts and Recreation Services	1.5%	3.4%	0.8%	0.5%	1.2%
Other Services	3.6%	2.6%	2.1%	2.9%	3.2%

Source: ABS Census 2016

WHERE DO PEOPLE WORK?

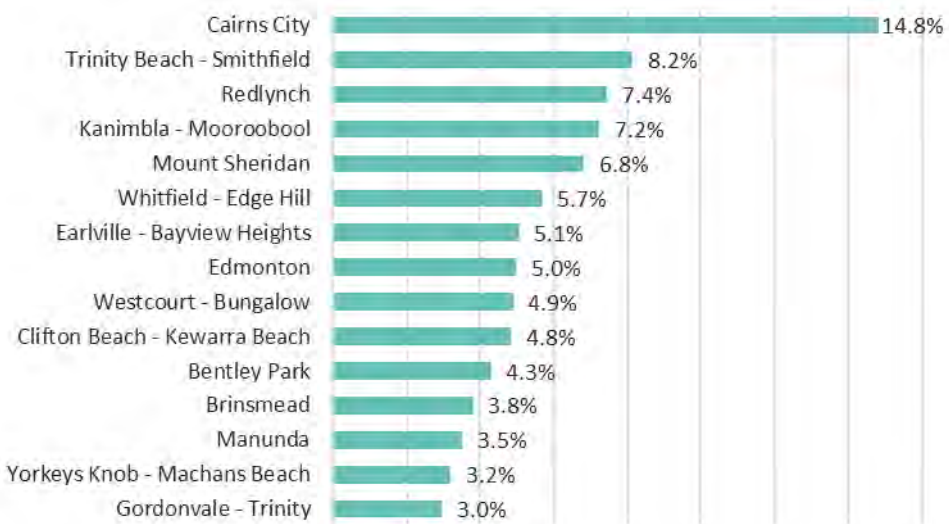
The following charts identify where Cairns residents work.

The bulk of the population work in the surrounding Cairns region (Cairns LGA), with 9% working in the Cairns City Centre (study area), and 24% working within the Remainder of Cairns City (Cairns City SA2).

Typically, city centres provide the commercial base for managers and professionals. Whilst 62% of white collar workers are in Cairns City Centre and Remainder of Cairns City (combined), there is an opportunity for Cairns City Centre to hold a greater share.

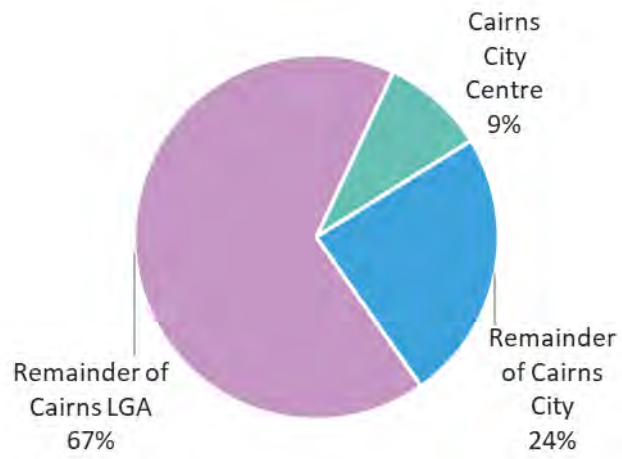
Looking at the Cairns City Centre workforce (all occupations), there is a large portion which do live and work within the city (14.8%). However, over 85% of city workers commute to the city each day. Workers are travelling from both northern and southern suburbs, indicating no real trend in terms of preferential residential suburbs for city workers.

Place of Usual Residence for Cairns City Centre Workforce

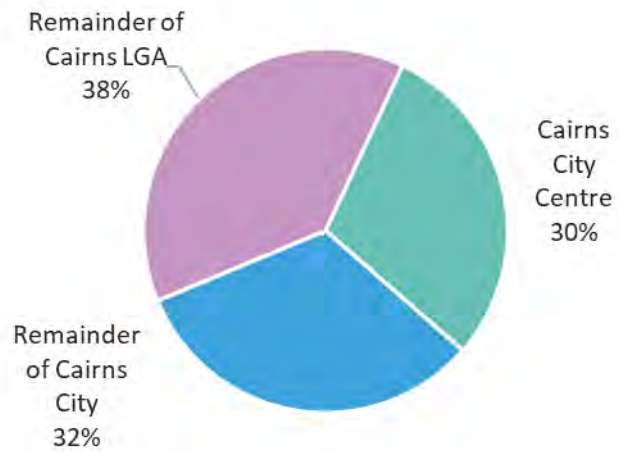


Source: ABS Census 2016

Total Workforce Location



Managers and Professionals (White Collar Workforce) Location



Source: ABS Census 2016

DAY STUDENTS CONTRIBUTE TO DAYTIME ACTIVATION

Cairns is benefitted by two major universities in the City Centre – James Cook University (JCU) and Central Queensland University (CQU). CQU have a policy of locating their main campus in the city centre of any location. JCU have a small study centre/campus within the City Centre and a main campus in Smithfield.

The CQU population of around 1,700 students means they will soon be looking for a new campus within the City Centre with bigger capacity. Discussions with CQU have advised that whilst the student body is primarily domestic, they are actively trying to grow their international student numbers.

JCU has a student body of around 4,500 students across the Smithfield and CBD campuses, of which approximately 13-15% are international students. Students, particularly those studying health and nursing subjects, use the City Centre campus for clinical study and training. JCU are aware there is a need to have a significant presence in the CBD vicinity because there are a lot of people using it. However, there are no plans to expand or move this campus and the focus will remain on the Smithfield location.

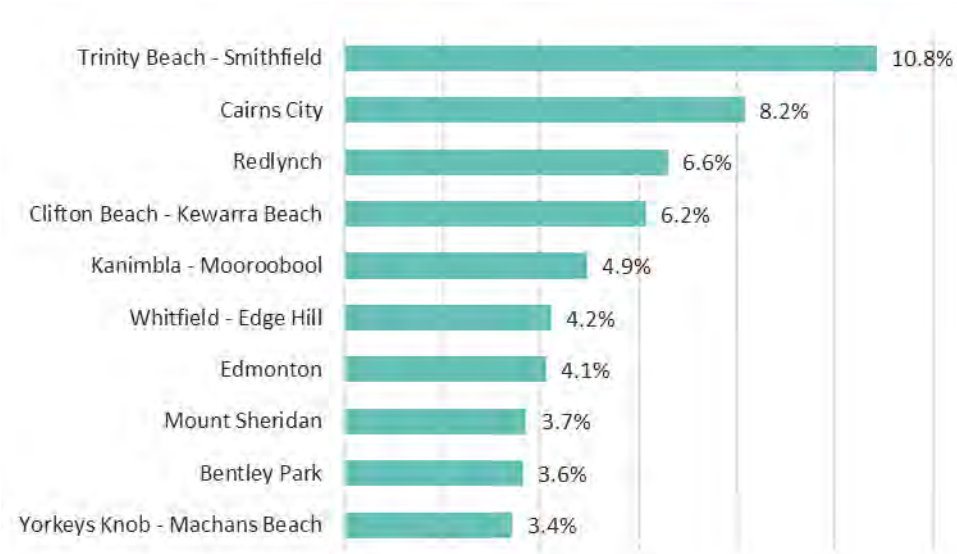
Whilst students typically do not have the incomes to be spending a great deal of money at surrounding businesses, they do add to the activation of the area. Furthermore, if appropriate entertainment is offered, there is greater potential for students to extend their time within the city. Typically, students mostly frequent inexpensive food and drink venues within the City Centre.

Stakeholder discussions have noted that the bulk of students are not living within dedicated student housing. Whilst there is dedicated housing provided at Smithfield, there are either very small offerings in the CBD, or short term only. Discussions with CQU indicate that the majority of students share house or home stay.

The accompanying chart highlights that the bulk of students are residing in suburbs outside the CBD.

Cairns has also been experiencing growth in vocational, ELICOS and tertiary education for international students, with educational institutions increasingly locating themselves in the City Centre or nearby. However, these student numbers are linked to the decline in international tourism because the majority of students arrive on tourist working holiday visas. Cairns is seen as a study tour destination rather than a long term international education destination, with study tour stays typically 5 days - 4 weeks, English courses (8 days- 4 weeks) and long term students (6 months – 2 years). These students are staying in purpose built accommodation (including backpacker accommodation) and in homestays in the suburbs.

Place of Usual Residence for Students Attending Tertiary Education



Source: ABS Census 2016

INTERNATIONAL VISITORS

Cairns is the launchpad for tourism in Tropical North Queensland. Bordered by the Daintree Rainforest and the Great Barrier Reef, Cairns has historically been regarded as a key destination for international visitors.

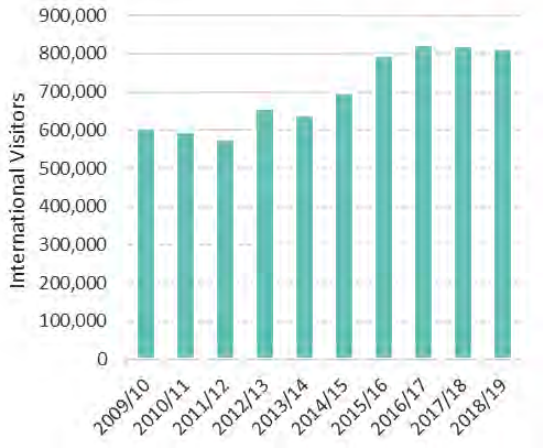
This is evident in the significant increase in international visitors over the last ten years. However more recently, those figures have started declining, and are below Queensland's rate of annual growth.

International visitors represent approximately one third of visitors to Cairns[1]. Information gained through the stakeholder interviews suggested:

- Chinese and Japanese visitors spend the most time of any international visitors in the City Centre. Typically, this market are looking for luxury shopping and authentic handmade pieces which are not prevalent in Cairns.
- European visitors exit the airport and travel straight to Palm Cove and Port Douglas.
- Both high and mid/low end cruise ships visit Cairns. High end are willing to spend on authentic/high end retail and dining but low end will visit Woolworths for supplies and return to the ship for pre-paid food and beverage.

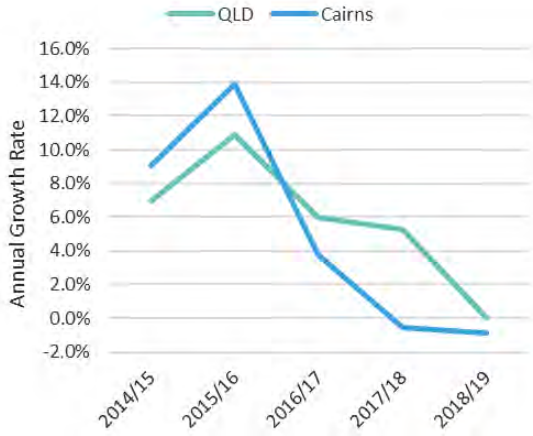
Cairns City Centre businesses have reported feeling the impacts of the decline in visitor numbers to the region.

International Visitors to Cairns



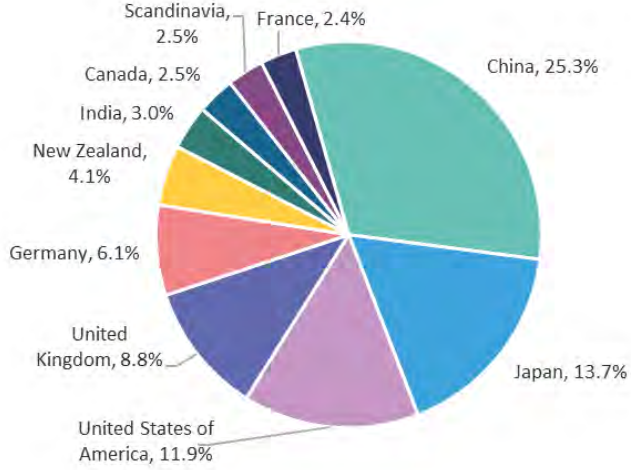
Source: Tourism Research Australia

Annual Growth Comparison



Source: Tourism Research Australia

Top 10 Visiting Countries to Cairns (2016 to 2019)



Source: Tourism Research Australia

1. See below link for demarcation of the Cairns Region tourism study area
https://www.tra.gov.au/tra/2016/Tourism_Region_Profiles/Region_profiles/index.html#

DOMESTIC TOURISM

Cairns is also a prominent destination for Australians. Two thirds of visitors to Cairns are domestic tourists.

The number of overnight trips has steadily been increasing. Over the last five years, this has increased to more than 2.4 million per year, at a rate of 3.1% per annum. The bulk of these visitors (75%) stay for less than a week, however nearly 17% stay for between one and two weeks.

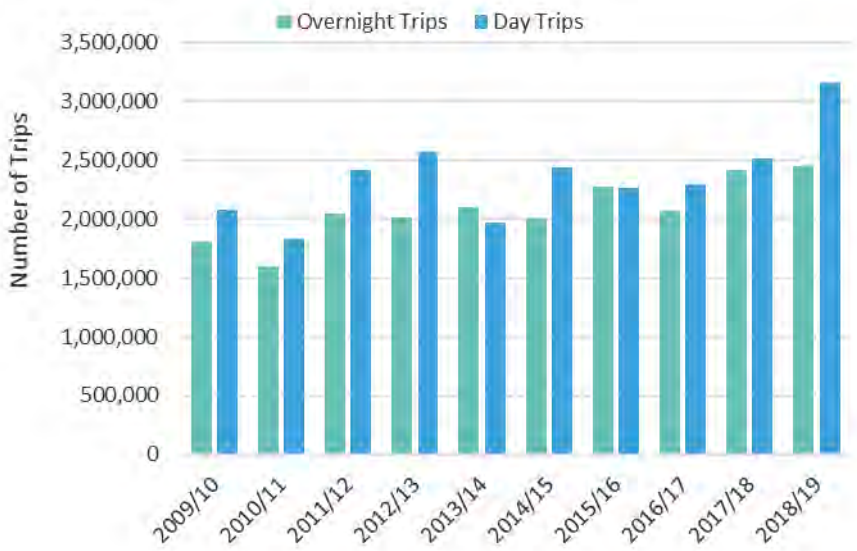
The number of day trippers to the Cairns region has increased significantly over the last financial year. These are generally people moving in and around the region, either for business or leisure. The top areas for day trippers (excluding Cairns City which would largely be considered business trips) are Tully, Port Douglas, Mareeba and Atherton. These are all areas located outside the region, and may provide an opportunity to provide links between these places and the Cairns City.

Of the overnight domestic visitors, 42% reported to visit Cairns City.

35% of day trippers visited Cairns City.

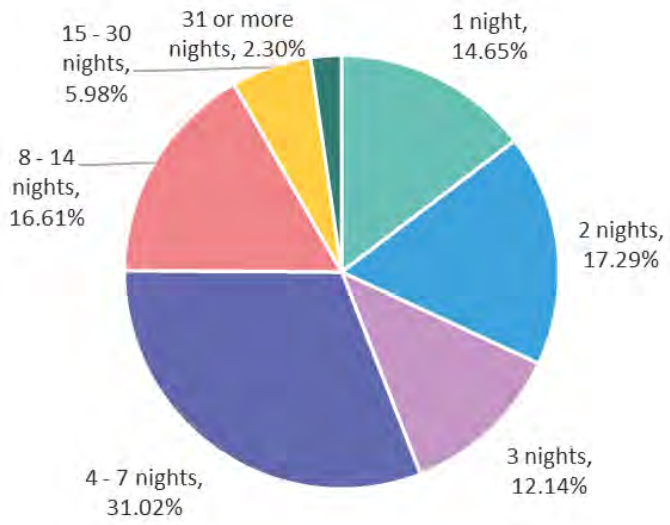
Source: Tourism Research Australia

Domestic Visitors – Overnight Vs Day Trips



Source: Tourism Research Australia

Overnight Trips - Duration of Stay



Source: Tourism Research Australia

1. See below link for demarcation of the Cairns Region tourism study area
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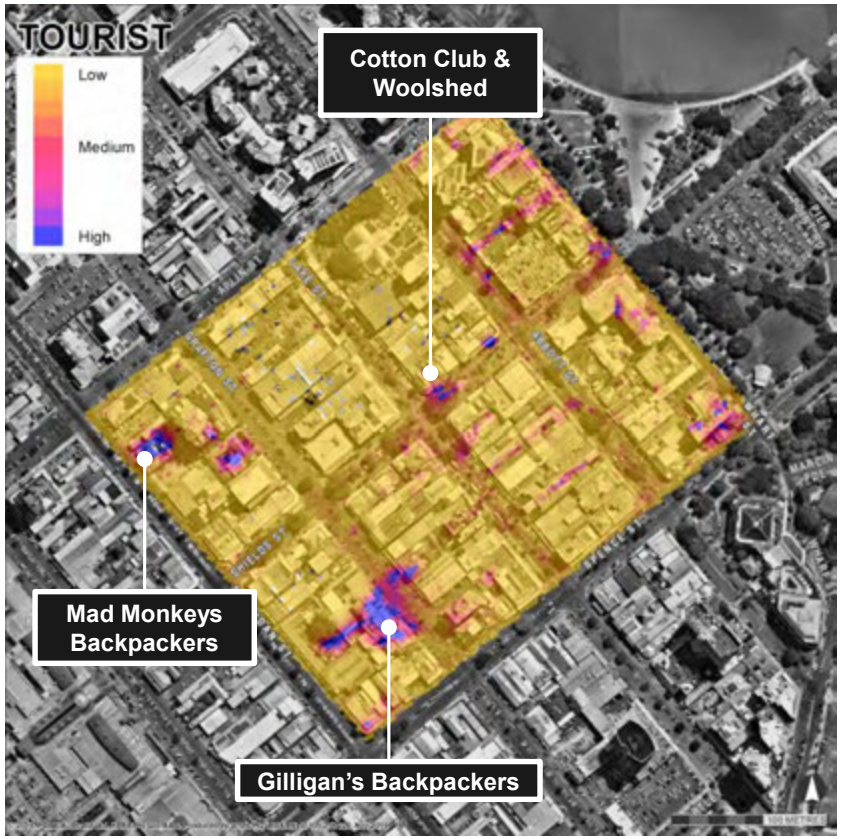
THERE ARE MORE LOCAL VISITS THAN TOURIST VISITS

The maps below represent a ping data general perspective of movements in the City Centre over a 2 year period considering all times of day by tourist or locals. Analysis of 'ping' or mobile phone data in the study area shows, **64% of pings belong to locals, 25% are domestic visits, and 11% are international visits**, which has been determined via the mobile phone's usual night time location. It is noted that there may be multiple visits by one ping identification (i.e. one ping does not equate to one visitor, but each unique device represent a visitor).

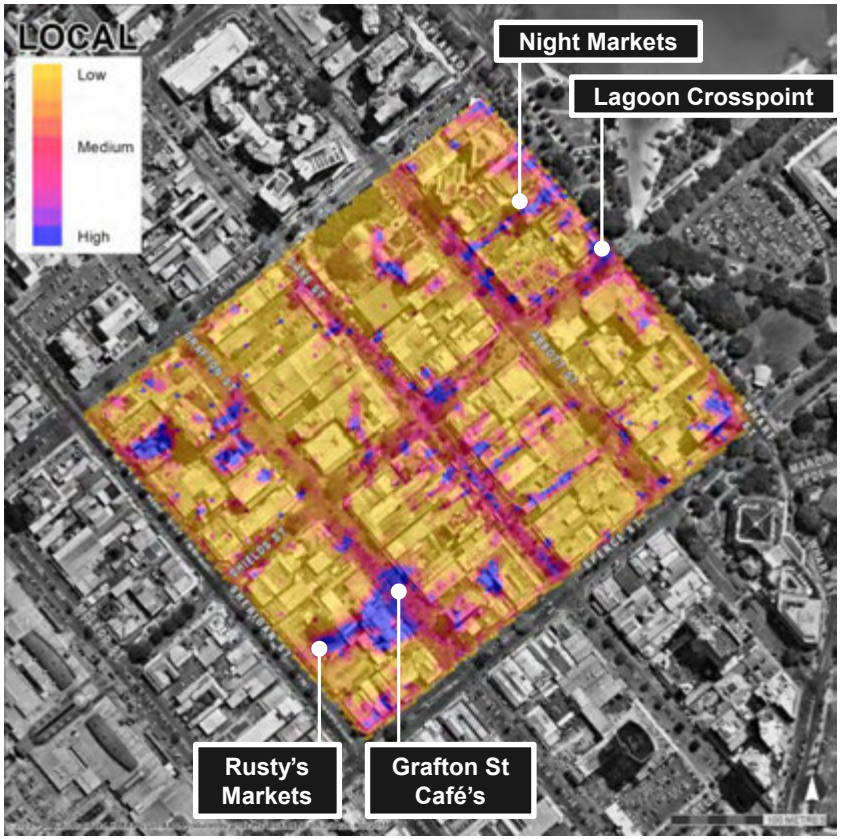
Both maps have been set at similar scales and thus it is evident there is a much stronger local presence than domestic or international visitors especially around the high activation hot spots. For tourists, hot spots are evident around backpacker locations and associated bars. For locals, there is more movement within the streets, as well as along the Esplanade, small cafés along Grafton Street, and through the laneways. The high activation of laneways is ascribed to cover as well as the particular offer.

Ping Data – Tourists



Source: Urbis

Ping Data – Local Residents



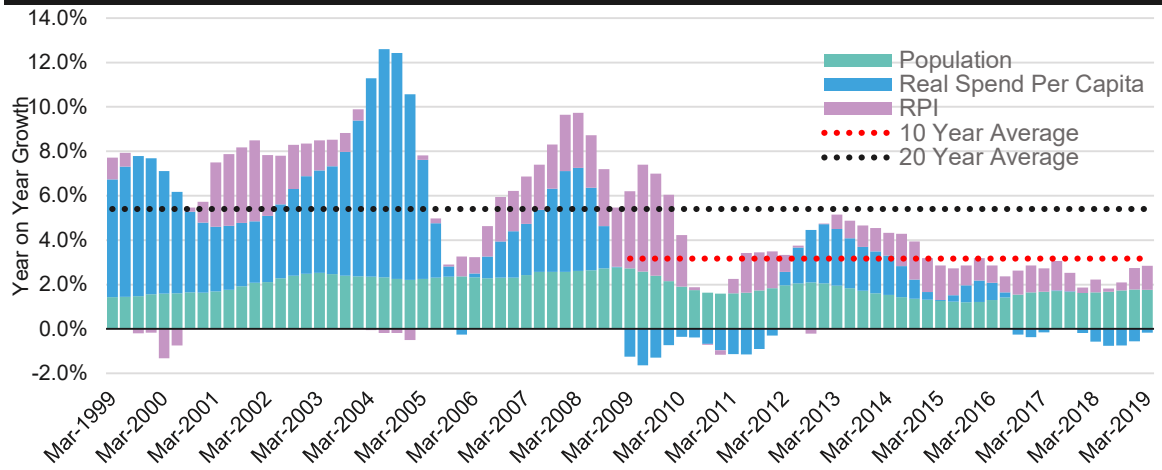
Source: Urbis

TRENDS IN RETAIL TRADE

KEY TRENDS

- Between the year ending March 1999 and March 2019, ABS Retail Trade reports retail turnover in Queensland increased from $23.1 billion to $64.1 billon (in nominal dollars). This represent an average growth rate of 5.2% pa.
- However in the ten years from March 1999 to March 2009 this growth was 7.5% pa compared to 3.1% pa in the between March 2009 and March 2019.
- Urbis looks at three key components of retail trade growth to better understand headline retail numbers:
  - **Population Growth** fell from 2.3% pa to 1.7% pa
  - **Real Spend Per Capita** declined from 3.6% pa to 0.3% pa
  - **Retail Price Inflation** decreased from 1.5% pa to 1.0% pa
- The growth in spend per capita in Queensland has declined substantially. Why? Key factors include:
  - Slowing income growth
  - Increasing unemployment
  - Declining labour force participation
- All of these factors are also present in the Cairns LGA. In concert with declining population growth, there are significant headwinds to retail spend in Queensland.
- While tourism business supplements retail sales in the City Centre, weakness in the resident spending market is a major factor in current trading conditions.

COMPONENTS OF QUEENSLAND RETAIL TRADE GROWTH (YEAR ON YEAR CHANGE)



Source: ABS and Urbis Benchmarks

KEY SOCIO-ECONOMIC TRENDS IN CAIRNS LGA

	2006 to 2011	2011 to 2016	Impact on Retail
Population Growth	2.7% pa	1.5% pa	↓
Per Capita Income Growth	3.5% pa	2.9% pa	↓
% Unemployed	4.3% in 2006	7.7% in 2016	↓
Labour Force Participation	72.9% in 2006	69.4% in 2016	↓

TRENDS IMPACTING RETAIL

CONSUMER TRENDS AND PREFERENCES

- Consumer trends and behaviour are changing the shape of the retail market.
- This includes a reduction in the share of household consumption directed towards retail.
- Between 1988 and 2018, the share of consumption directed to **Health & Education** and **Recreation** has increased.
- Retail spending on food both fresh for home and eating out has grown, while growth in the amount consumers spend at department stores and apparel sales has slowed.
- **Online** sales increased from $15.5 billion in the 12 months to June 2014 to $29.3 billion by June 2019[1]. Over the same period Retail Trade increased $52 billion. In other words 73% of growth was in the physical market.
- The impact of increased consumer choice in regional Queensland could lead to higher penetration rates as consumers look for increased options in brands.
- Of interest for the Cairns City Centre, there are differences in the consumer profiles of groups that like **main Street shopping** compared to **shopping centres**. Urbis research shows that:
  - Main street shopping environments are liked most by inner city / urban dwellers, tourists, diners / people on leisurely outings and more affluent shoppers.
  - Shopping centres are liked most by families, residents of middle and outer suburbs, low to mid high income areas, teenagers / young adults and young office workers .

SHIFTING CONSUMPTION PATTERNS

Consumption Category	Share of Consumption
Retail	Decreasing
Health & Education	Increasing
Recreation	Increasing

ONLINE SALES GROWTH

	Online Sales ($B)	Retail Trade ($B)
Y/E June 2014	$15.5	$273.4
Y/E June 2019	$29.3	$325.4
Growth	$13.8	$52.0
Share of Growth	27%	

CHANGING RETAIL PREFERENCES

Share of ABS Retail Trade

	1988	2018
Apparel & Dept. Stores	19%	14%
Food	50%	55%

CONSUMER PREFERENCES

[1] Source : NAB Online Retail Sales Index

CAIRNS BUSINESS OUTLOOK

A Cairns Business Survey was undertaken for the March 2019 quarter by the Chamber of Commerce and Industry Queensland using the Pulse Business Index.

The business outlook survey provided the following key business operational insights:

- Cairns businesses, although less pessimistic than the state and national averages, showed expectations of weaker conditions over the short term with a softening economy.
- Businesses reported challenging operating conditions as well as weaker sales and revenue, but there is a degree of optimism as more businesses expect stronger sales and revenues than businesses with the opposite view.
- One-third of businesses reported stronger payroll costs and two thirds of businesses reported substantial cost pressures particularly from increasing prices for insurance and electricity.
- About 50% of businesses reported weaker profitability over the quarter with most businesses expecting profits to weaken.
- Job creation waned over the March quarter as a greater proportion of the businesses reported decreasing the staffing levels than businesses indicating increases.
- Business capital expenditure and investment levels have generally increased over the March quarter with about half of businesses reporting the intention to increase capital expenditure to boost sales and performance.
- Considering the above, business conditions are challenging in all markets and not only the City Centre. Costs are increasing and sales performance are not resulting in negative profitability effects. The trader survey undertaken among a more focused City Centre sample has shown similar results with 16% of respondents optimistic that sales will increase, 23% expecting a decrease and the majority expecting a stable continuation of current sales levels.

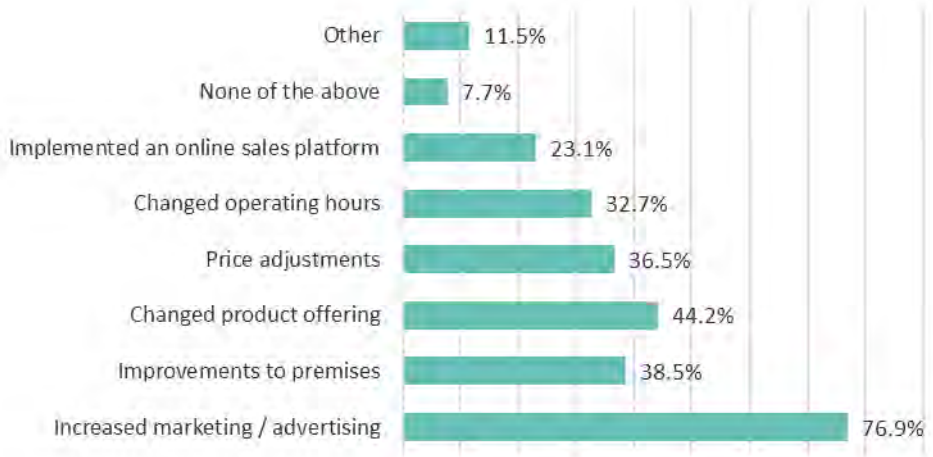
KEY BUSINESS CHALLENGES AND INTERVENTIONS

- Increasing operational costs (59%)
- Parking availability (55%) affecting access to customers and market share
- City centre attractiveness (45%)
- Low customer numbers (45%)

In response to these key challenges, business have reported the following interventions implemented to improve sales:

- Increased marketing and advertising (77%)
- Reviews to their product offering (44.2%) and
- Improvements to their premises (3.5%).

Note: The trader survey sample was limited to 53 responses on sales expectations and 56 responses on challenges



POPULATION AND MARKET OBSERVATIONS AND LEARNINGS

A vibrant city is one that is liveable, sociable and an urban space that has utility that is flexible and adaptable to a variety of purposes. The analysis of the population drivers of demand considered the resident population, workforce and visitors. Market considerations looked at market segmentation, demographic shifts, retail pressures, business performance and purpose of visit. A key observation is the requirement to bring people back to the city for a variety of purposes whether they are city dwellers choosing to take up residence in the City Centre, increasing the worker population or extending the stay and utilisation of the public realm by students and visitors. There is a relatively high volume of residential and visitor accommodation just to the north of the study area (within four blocks). There is an opportunity to attract this population to the study area by improving the retail and commercial product and offering.

Increased activation will help drive the success of businesses in the City Centre , and a variety of challenges and enablers need to be considered:

- A low representation of city dwellers are driven by lacking City Centre residential stock, particularly rental stock.
- A small student population, despite the presence of 2 tertiary education institutions in the City Centre. Student accommodation is primarily around the CBD fringe area.
- The departure of anchor employers from the City Centre over a period of time has resulted in commercial vacancies and left a vacuum in the market and lost worker spend.
- Short dwell times suggest a requirement for more things to do, product variety and interest.
- The product offer in the stores needs to be more responsive to the desires of locals as the City Centre is more frequented by locals than tourists.
- Targeted events hosted within venues in the City Centre is considered a strong activator that will prolong stays. Businesses agree that events bring more visitors to the City Centre, but they need to appropriately position themselves to capture the sales potential.

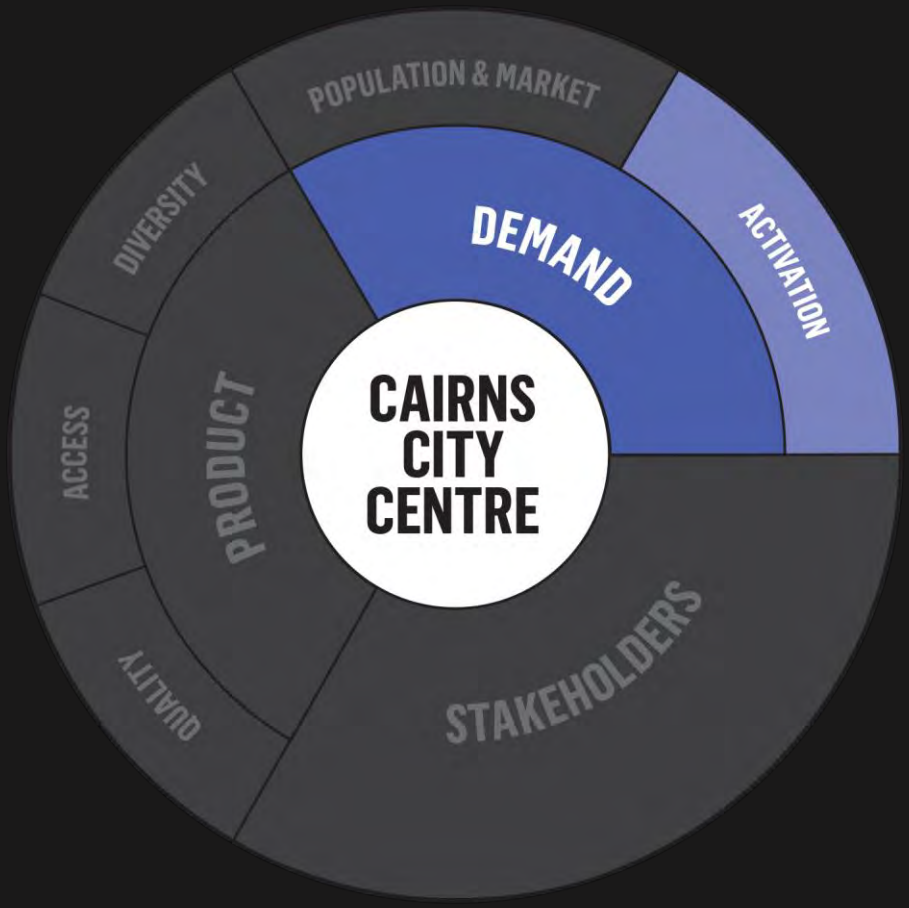
Key learning:

Driving demand by increasing population and footfall means a combination of interventions to increase the local resident population base, worker and student presence and a varied product that will inspire visitation.

ACTIVATION

Activation drives energy and appeal

1. Events
2. Vacancies
3. Cross Visitation
4. Dwell Time
5. Seasonality and Climate
6. Day and Night Time

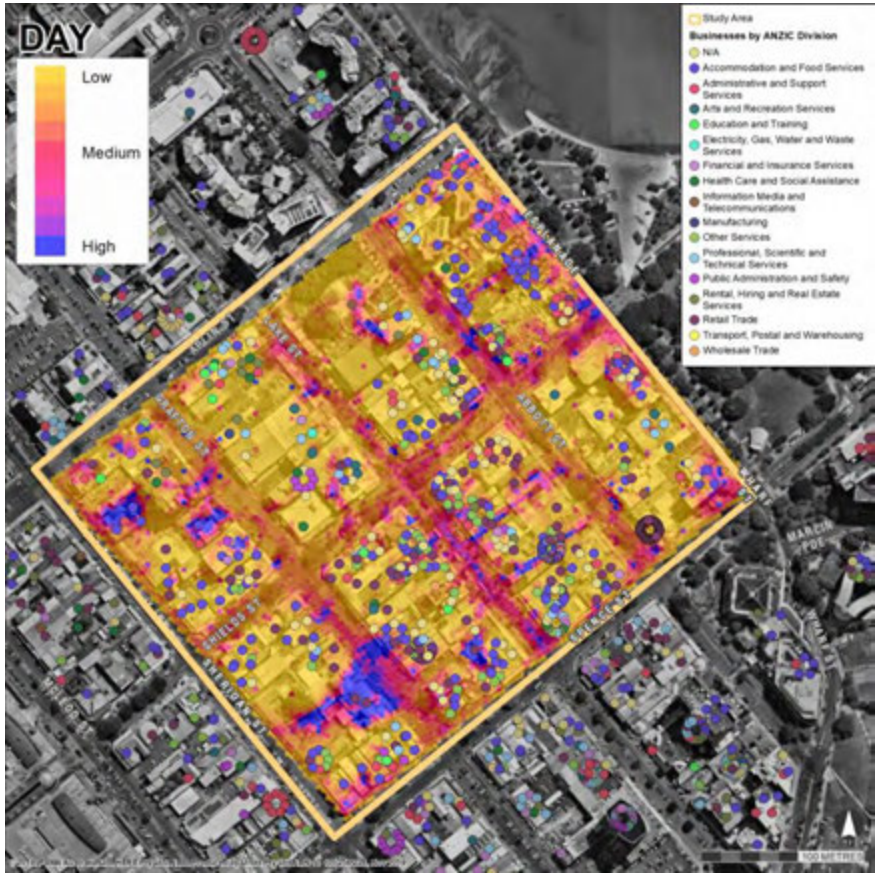


DAY AND NIGHT TIME ACTIVATION

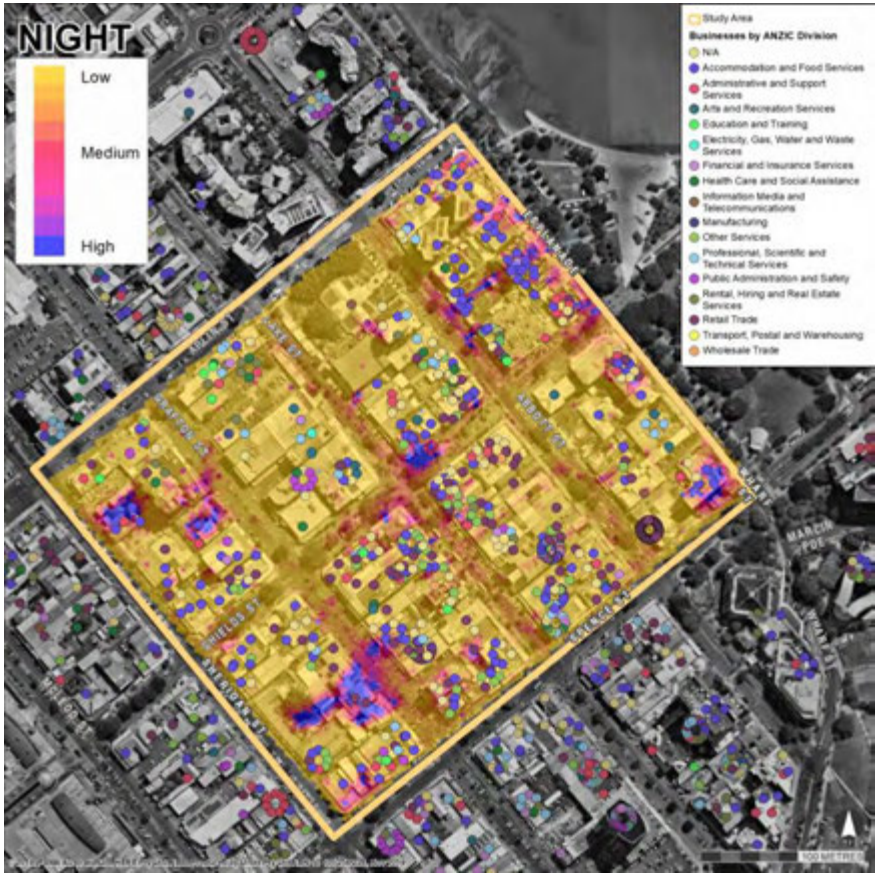
The maps below quantify activation throughout the day (6am to 6pm) and night (6pm to 6am) utilising mobile phone ping data. Ping data indicates that the highest concentration of activity is located within three backpackers (Mad Monkey, Bounce and Gilligan's Backpackers) located on Grafton and Sheridan Streets. The clustering around these facilities indicates that backpacker facilities are at the centre of day and night time activation. Night time activation indicated another concentration of activity on the intersection between Lake and Aplin Streets, as well as along the Esplanade, The Cotton Club, and Night Markets. Day time activation shows higher concentrations of activity along Lake Street, between Spence and Aplin Streets, and along Abbott Street between Florence and Aplin Streets, which may be due to the location of Woolworths, office tenancies, and CQU University.

Feedback from the public survey indicated that the majority of respondents who visited the City Centre on a daily basis, visited for work between the hours of 6am and 6pm. Respondents visiting the city on a weeknight evening were largely visiting restaurants, pubs and clubs.

Ping Data – Day Time Vs Businesses Uses



Ping Data – Night Time Vs Businesses Uses



HOT SUMMER DAYS DRIVE CUSTOMERS TO CLIMATE CONTROLLED SPACES

Cairns has a tropical climate. The weather is largely monsoonal, with a dry period from June to October, and wet season from November to May. The average temperature ranges from 20°C to 29°C, with high levels of humidity.

This climate impacts comfort levels for people moving around outside and by extension, trade in the City Centre. This is evident via the trader survey with 52% of businesses reporting that summer months are the quietest for their businesses.

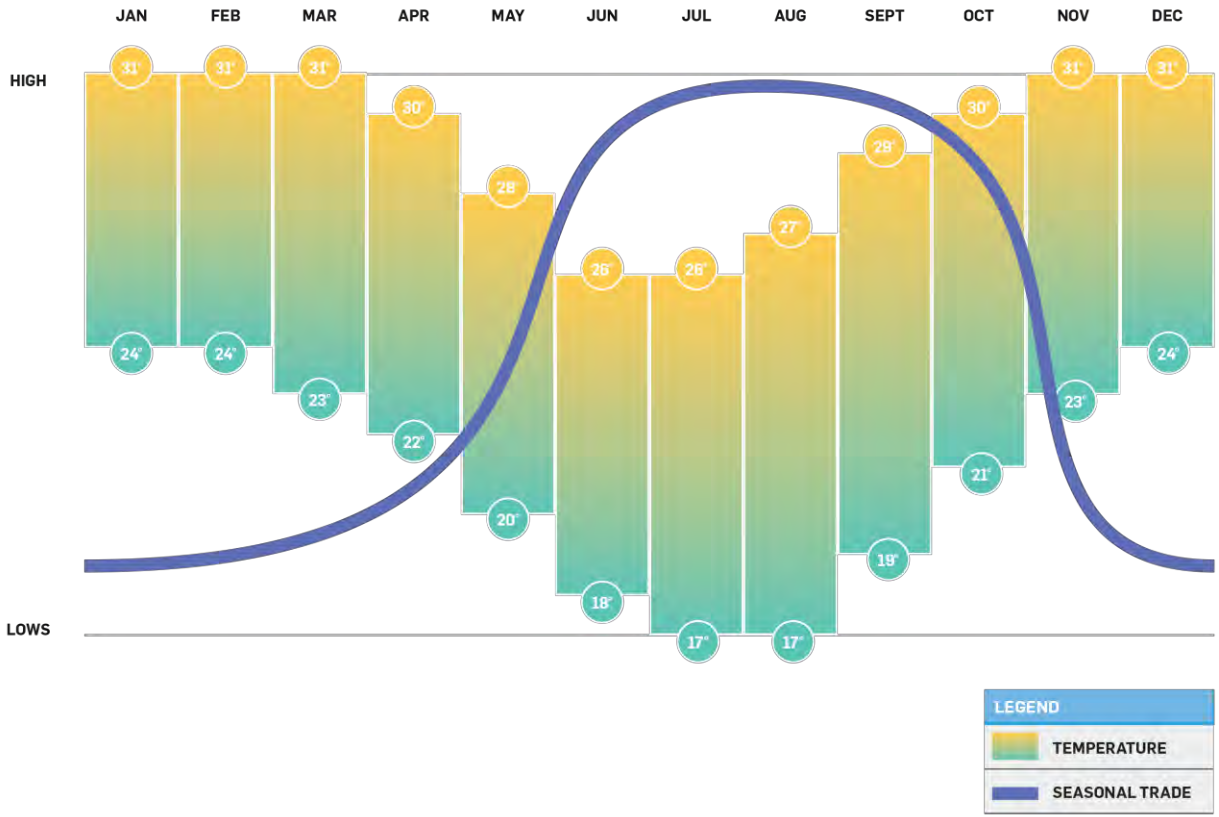
Additionally, the summer months coincide with the wet season and there is strong potential for flooding, especially during a king tide, due to the location of the City Centre near the waterfront.

These weather variables, have direct implications for trading in the City Centre:

- Parking – visitors will always seek the closest park to minimise their exposure to the weather
- Shading – when walking around the city, coverage from the sun is vital

These two factors can make the idea of shopping within an enclosed, air-conditioned mall more attractive than shopping and visiting the City Centre.

Activators such as events, where possible, should be planned in seasons with low trade performance to increase footfall and potentially sales in the City Centre.



Source: Timeanddate.com and Trader Survey, Urbis 2019

DWELL TIMES

The dwell times listed within each of the blocks below have been calculated based in the mobile phone pings of each visit. Generally, both locals and tourists are spending a similar amount of time within the City Centre of between 110 and 115 minutes. The blocks with the highest dwell times are Block 1 (eastern Esplanade block) which includes two hotels, an art gallery and food and beverage providers and Block 8 (western city block) which includes two backpackers, food and beverage and Centrelink.

Public user feedback has indicated that the City Centre does not offer enough for people to stay for longer periods of time. Whilst the majority of respondents reported that greater parking availability and improved pricing would increase visitation, other key topics included more community events, a more attractive environment and a better variety of retail stores. The community events suggested by the public survey include live music or an outdoor cinema. The graph on following page provides further detail on the reasons why the public do not come to the City Centre or why they only stay for a short period.

WHY DON'T LOCALS VISIT THE CITY CENTRE MORE REGULARLY?

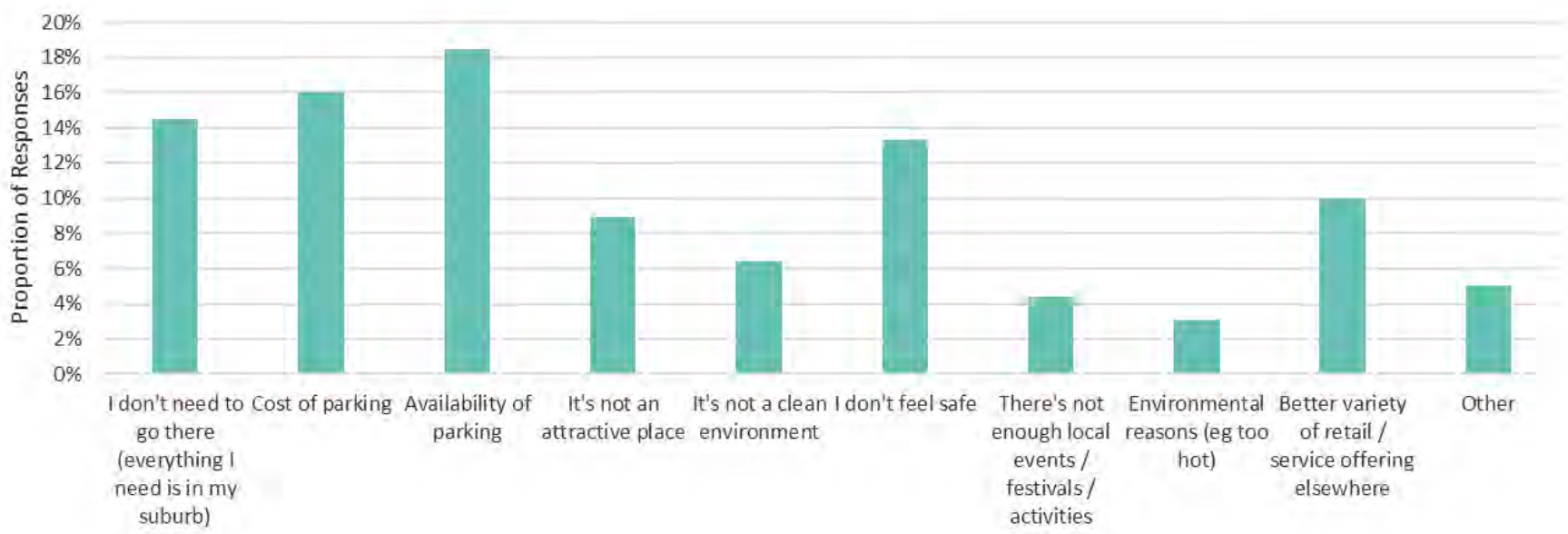
As with many regional centres, the Cairns City Centre was once the centre of retail activity. However, for a variety of reasons, this is no longer the case.

The public survey asked respondents why they don't visit the City Centre more regularly. Responses included:

- the cost and availability of parking
- needs being met elsewhere
- concerns about safety.

Increasingly, shopping centres often a more attractive destination, offering a range of business, in closer proximity to their home, in a comfortable climatic environment – important within Cairns. Therefore, the neighbourhood centres are seeing much higher patronage as they provide similar services (particularly food and beverage and retail) in a more desirable location.

Public Survey – Why Don't You Visit The City Centre More Regularly?



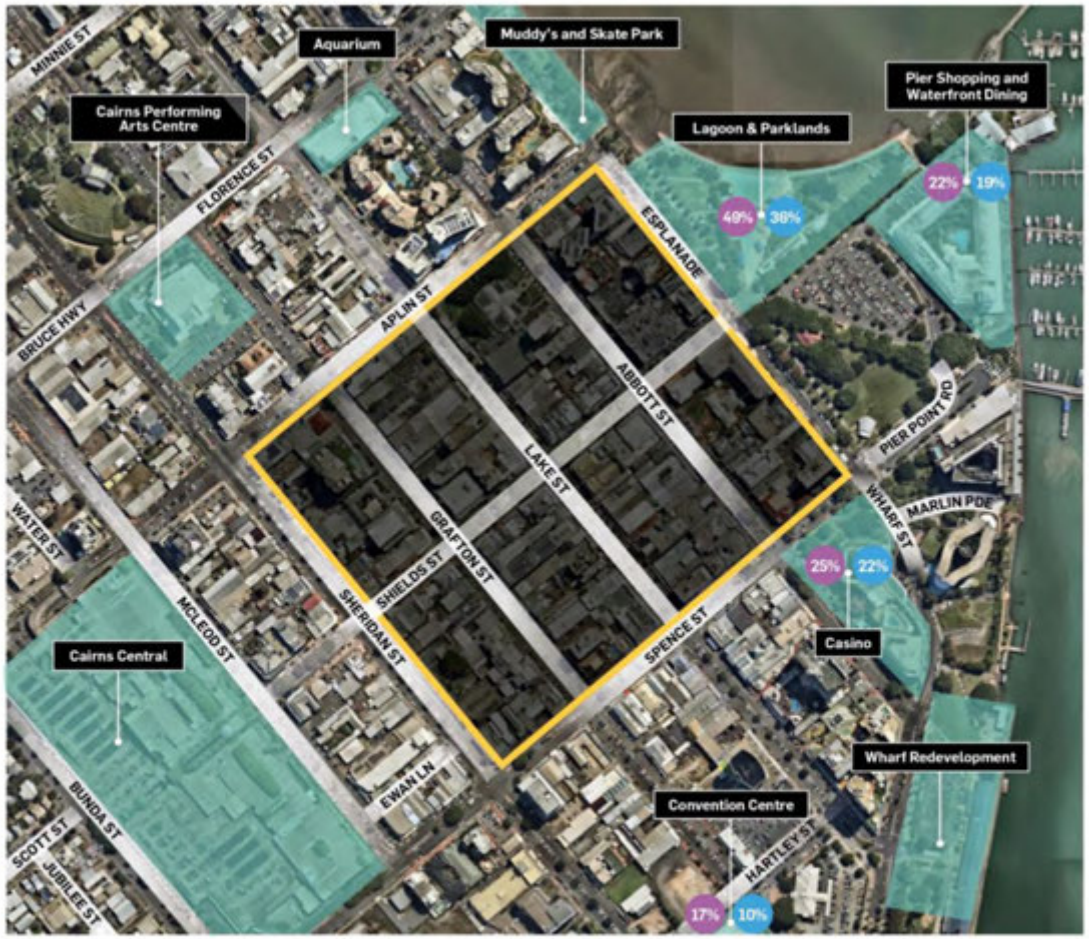
LACK OF CITY CENTRE ATTRACTIONS RESULTS IN LOW CROSS VISITATION

There is a disconnect between major attractions and cross-visitation to services, retail or restaurants within the City Centre boundaries. As such, in order for people to visit the City Centre, they must be seeking a specific business, to 'explore' and linger. 9 major uses are all located just outside the Cairns City Centre, resulting in a disconnected area.

This is further evidenced by the public survey which demonstrates that residents who do not work within the city only visit on a semi-regular basis to access personal and professional services such as hair dressers, accountants and lawyers.

Interviews with key stakeholders identified that historically, residents and tourists saw the City Centre as a key retail destination and would regularly visit and 'window shop' through the 'boutique' style of retailing. However, this has declined in recent years due to the supply and offering of retail further evidencing a need for product diversity.
The data within the table highlights the people visiting key attractions around the City Centre, and the proportion who visited the City Centre. The lagoon and casino have the highest cross visitation. Approximately half of all tourists who visit the lagoon enter the City Centre at some location. Although this falls to 36% for locals, this is still a relatively high level of visitation. The casino has generally registered lower figures, despite the proximity to the city. Both the Convention Centre and the Pier have poor cross visitation rates.

Major Attractions[1] and Cross Visitation for Local and Tourists



[1]Due to data limitations cross visitation could not be analysed for visitors to Cairns Central, The Performing Arts Centre, Aquarium, Muddies and the Wharf.

LEGEND
TOURISTS
LOCALS

Source: Urbis Ping Data

VACANCIES DEACTIVATE THE PUBLIC REALM

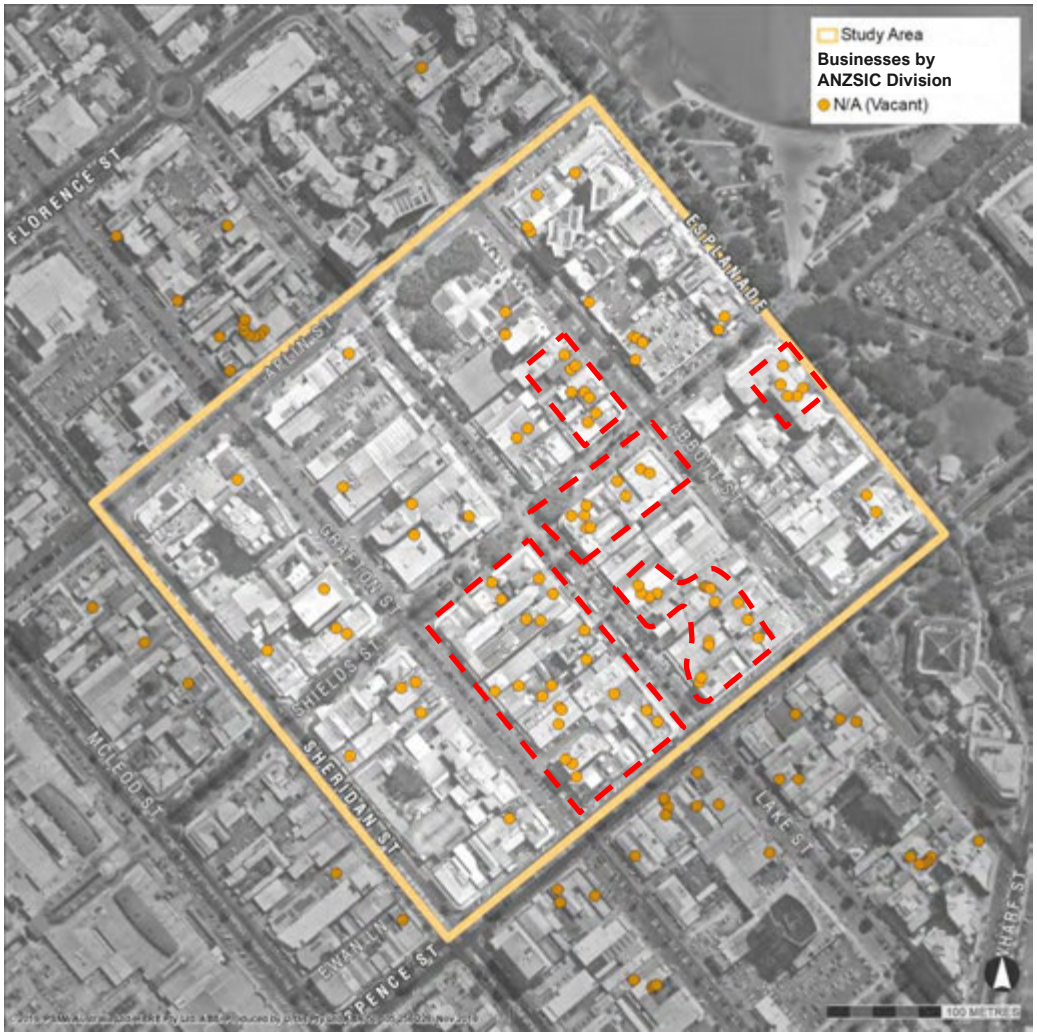
The business audit provided an insight into the number of vacant businesses within the Cairns City Centre. It is noted that businesses which had only recently closed and may still have signage and/or fit out have been included as vacant.

There are a handful of precincts which are identified with high vacancies. The major precinct is along Shield Street, between Abbott and Lake streets. Despite being located alongside the Shield Street Gardens, this area has seen higher levels of vacancies and crime, impacting the businesses and the attractiveness of the area to potential occupiers.

Elsewhere, there are vacancies along Abbott Street, and through Grafton Street.

Engagement with local real estate agents has suggested this may be due to the ongoing issues with safety and crime around the central area. Despite being in a prime position, businesses are struggling to gain traction. Real estate agents also reported the high rents asked, and the inability of the landlord to reduce the rents due to valuations.

Vacant Businesses



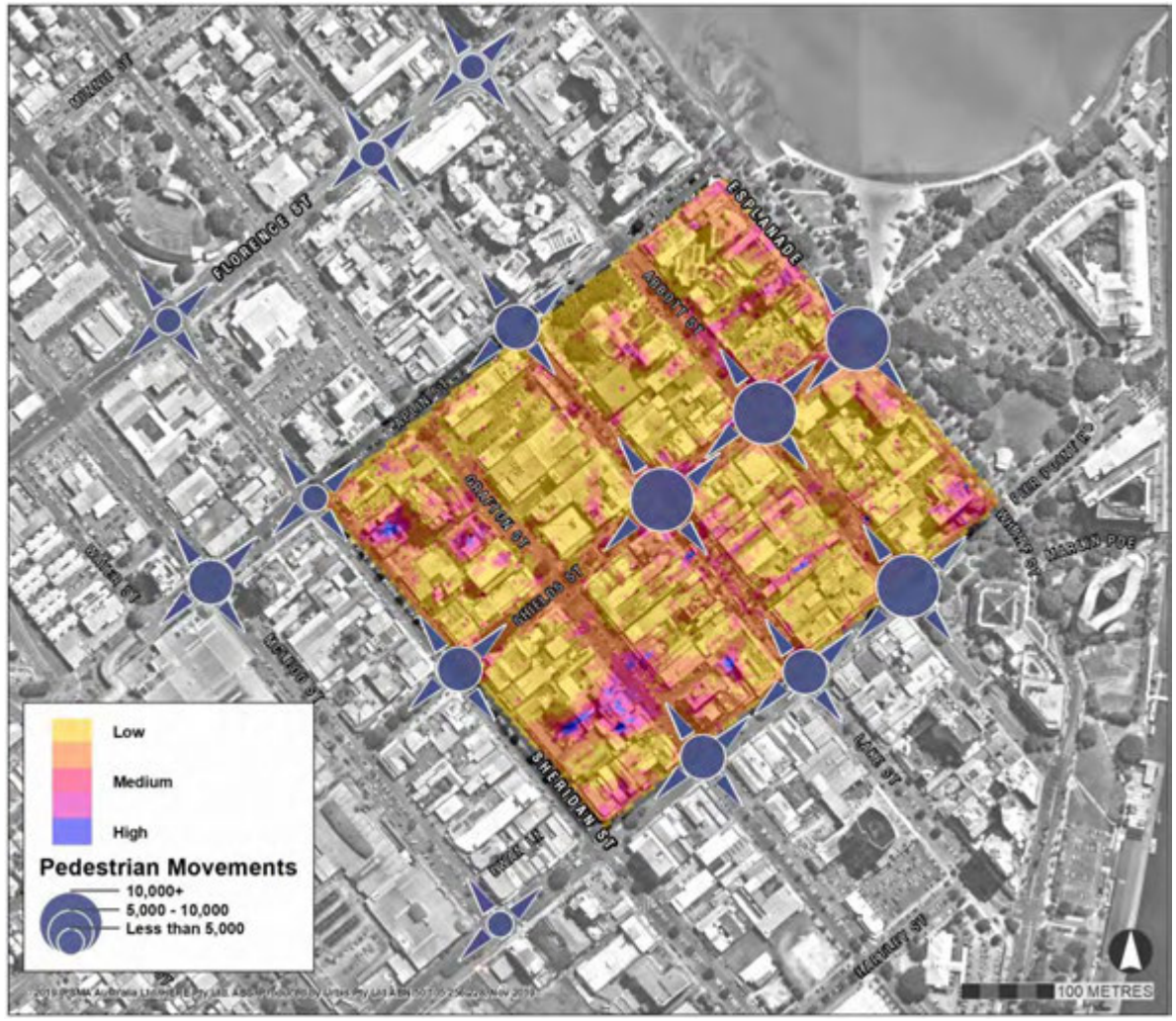
PEDESTRIAN MOVEMENT AND ACTIVATION

The data in the figure highlights the level of ping data, as well as pedestrian movements as provided by Council's cameras located on the corner of each intersection.

It is evident that Shield Street acts as a major thoroughfare through the City Centre. Interestingly, the bulk of the movement occur through Shield Street, between the Esplanade and Lake Street. Pedestrians tend to move in either direction after that. Due to data limitations the origin and destinations can not be unpacked in further detail.

Both Lake Street and Shield Street have undergone significant beautification and provide a higher level of walkability. Therefore, it is unsurprising these feature a higher level of pedestrian activity.

Ping Data and Pedestrian Movement Data



EVENTS - A DRIVER FOR ACTIVATION

Civic events can be a catalyst for activation. Council currently has 17 events planned between December 2019 and February 2020. Although these events will drive activation, they are located on the fringe of the City Centre along the Esplanade and may not drive visitation into the city. It should also be noted that the majority of these events are held during the day time.

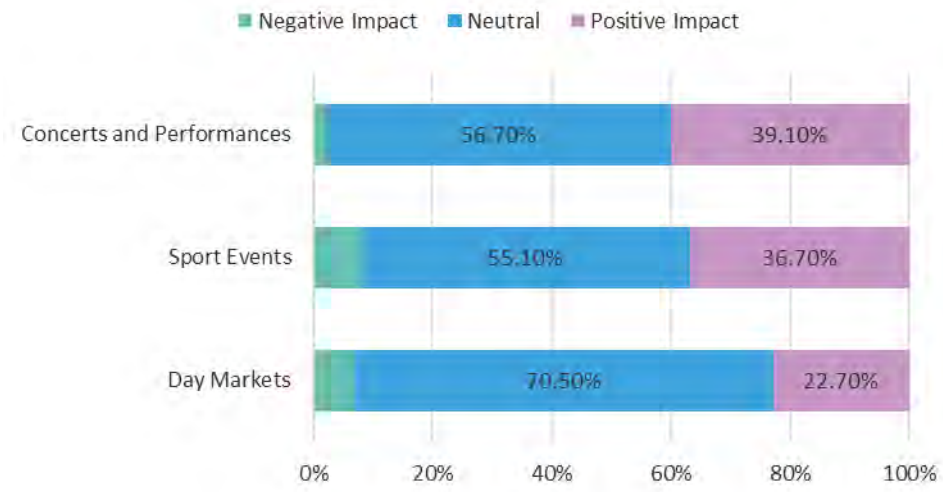
When asked what interventions they thought would make the biggest positive impact on their business, 15% of traders noted increased events and activity:

'an increase in events/activity/culture would create more foot traffic'

35% of traders stated they saw positive change from sporting events, and 35% noted they saw positive change from day markets indicating that local events have a positive impact on businesses.

A user survey at Sunday on Shields in August 2019 found 65% of people came to the city specifically for the event with 98.2% agreeing they would return for similar activities.

Trader Survey - Impact on Traders Following Events



Cairns City Events Calendar (Dec 2019 to Feb 2020)

1 Dec – Christmas in the City
7 Dec – Esplanade market
8 Dec – Carols by Candlelight
13 Dec – Christmas Lights on the Move
14 Dec – Esplanade market
28 Dec – Esplanade market
31 Dec – New Year's Eve

4 Jan – Esplanade market
11 Jan – Esplanade market
18 Jan – Esplanade market
25 Jan – Esplanade market
27 Jan – Australia Day Festival

1 Feb – Esplanade market
8 Feb – Esplanade market
15 Feb – Esplanade market
22 Feb – Esplanade market
29 Feb – Esplanade market

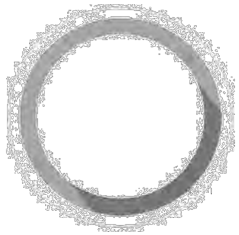
Source: Cairns Regional Council

ACTIVATION OBSERVATIONS AND KEY LEARNINGS

High activation banks on a place to be relevant, special, unique, authentic and diverse. The analysis around activation reviewed activation through various lenses including time of day, seasonality, duration of stay, cross visitation, activators and deactivators. The analysis delivered the following key findings which are discussed in the following 3 categories:

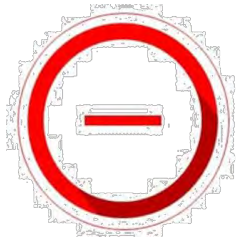
Activators

- **Core attractions** such as the backpackers are at the centre of day and night time activation with synergistic benefit most felt by entertainment and leisure destinations in the direct vicinity.
- The **dining precincts and night market** shows high concentration of activity and attraction which could be leveraged with consolidation and density in the City Centre offering.
- **Events** enable activation of the City Centre if hosted in this location. When events are hosted on the City Centre fringe, businesses do not appear to notice significant uplift. Translating the higher footfall and activity into sales revenue require businesses to be more responsive to capture latent spend.



Neutral effects

- **Long stay worker** trends do not appear to greatly influence dwell times as the average dwell time is below 2 hours, much shorter than the average workday.
- Longer **dwell times** are mainly in the western and eastern blocks corroborating stakeholder impressions that people do not venture to the centre of the study area or appear to be mainly passing through.
- **Low cross visitation** from City Centre fringe destinations appear to be related to connectivity challenges or having ‘no reason for people to go’. It appears the attractions within closer proximity and exposure to the City Centre such as the lagoon had higher levels of cross visitation.
- **Pedestrian movement** appears to have a limited effect - the majority of visitors drive their cars to the closest available carpark and walk only the concluding part of the journey.

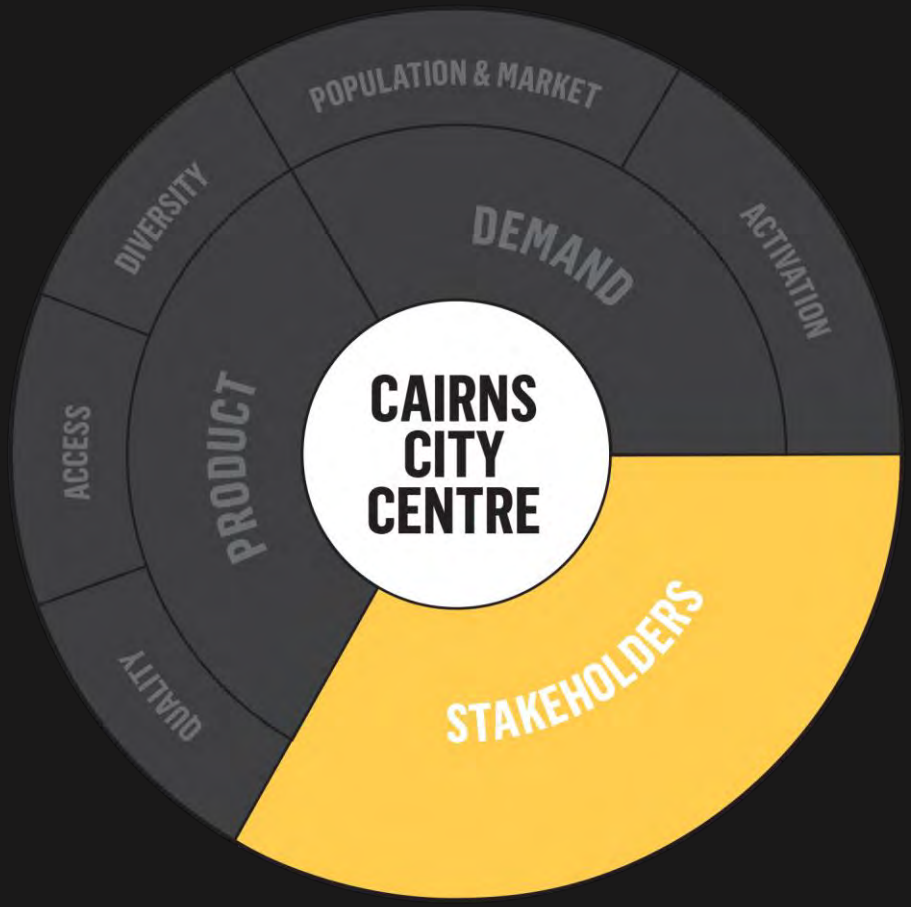


Deactivators

- **Vacancies** have a negative effect on activation as it reduces the area’s destinational pull
- Rising **temperatures** in the warmer summer months deactivates the City Centre street with shoppers preferring climate controlled environments and businesses reporting a decline in foot traffic and sales.
- Areas with **unappealing buildings or activities** such as itinerant dwellers.

STAKEHOLDERS

Stakeholders are the game changers.



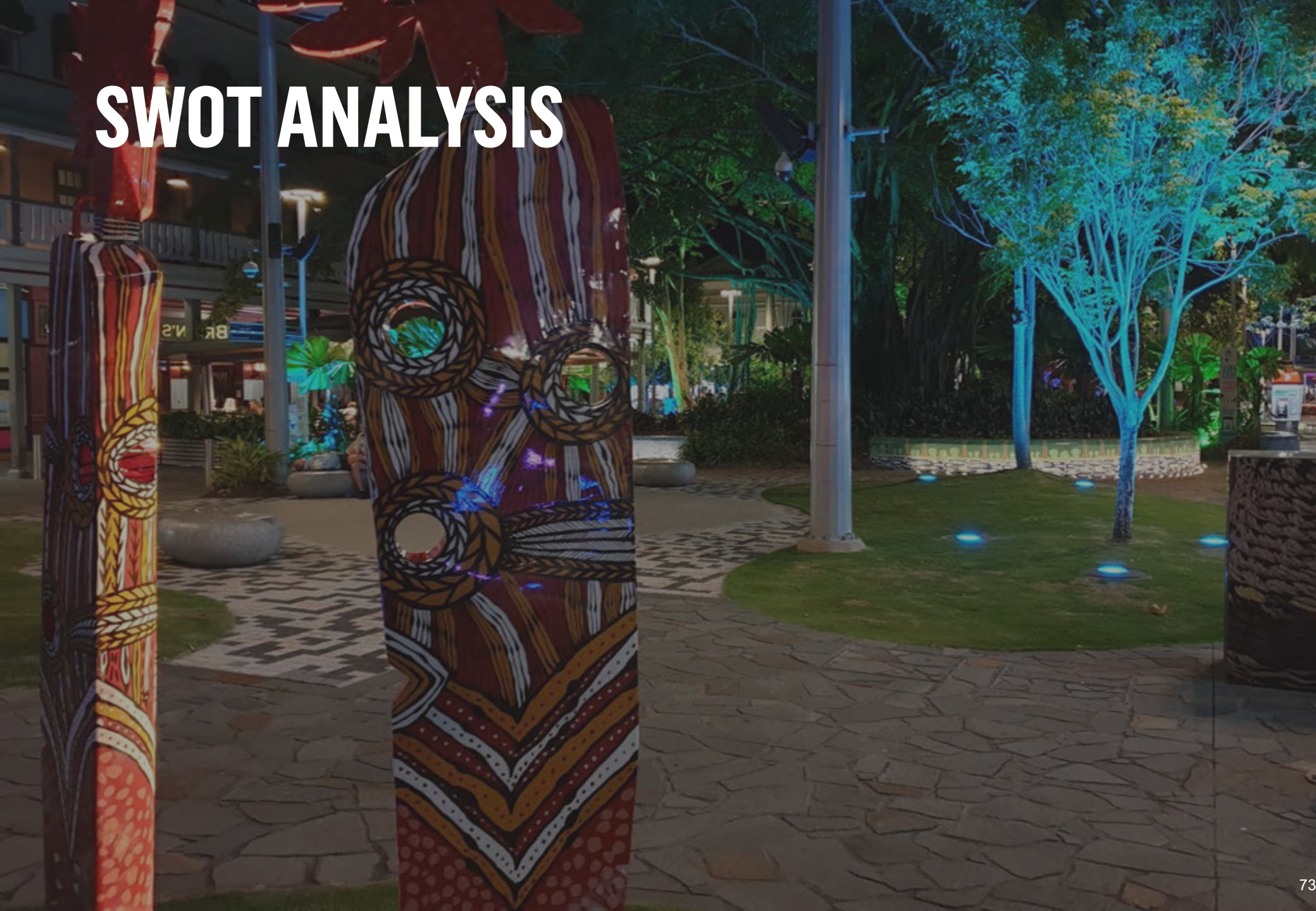
STAKEHOLDERS

The future of the City Centre's success cannot be achieved without buy-in and action from a variety of stakeholders and influencers. The following figures provide an overview of key stakeholders, and their potential role.

STAKEHOLDERS

	Key Stakeholders	Role
Government	Federal government	A City Deal could be an excellent opportunity for Cairns. In order to facilitate this, an ongoing partnership needs to be established with the federal government. A City Deal will assist with both financing and governance arrangements, ongoing.
	State government	Similar to the federal government, growing a relationship with state government will also be critical to establishing a City Deal. Further, as Cairns is a metropolitan hub servicing main regional area's, location of state government facilities within the City Centre could assist in boosting additional activation.
	Local government	Reviewing and managing City Centre governance and responsibilities to ensure they support the development of trade in the City Centre. This may include parking, events, footpaths and connectivity, signage, marketing, and provision of public toilets and similar facilities. Additionally, local government are likely to be best placed to coordinate efforts between stakeholders.
Property Sector	Landlords	Actively manage holdings and consider the wider context of the city in regards to upkeep and maintenance. Work with real estate agents and tenants to set realistic rental rates and mix of tenants.
	Developers	Continue to propose and develop new attractions, innovative and interesting developments/buildings for the City Centre, and bring residential and student accommodation to City Centre. Work with other stakeholder groups to build a credible case for funding and investment.
	Real estate agents	Taking an active role, with landlords, to facilitate a precincting approach to retail and services.
Business	Financiers and Investors	In order to facilitate development, developers need to be able to secure financing from the banks. Due to the current retail climate in Cairns, developers and businesses have reported limited capacity to borrow the finances required to undertake meaningful projects that could potentially impact positive change in the city. Alternative funding sources should be considered, such as crowd funding, angel finance and targeting high-net worth individuals.
	Key employers	Consider opportunities to move their workforce into the City Centre to drive demand for services through incentivisation.
	Attraction managers	Work with other attractions, accommodation, employers and traders to develop packaging and coordinated offers.
	Industry associations	Coordinating efforts, mobilising traders and creating a business vision for the City Centre. Actively implementing steps to realise vision.
	Traders	Contribute to activations, actively participate in strategy and planning, suggest and drive ideas for City Centre improvements.

SWOT ANALYSIS



KEY INSIGHTS SUMMARY (SWOT ANALYSIS)

Strengths

- Major anchors surrounding the City Centre (Esplanade, Convention Centre, Aquarium, Cairns Performing Arts Centre, Lagoon/Parklands etc.)
- Historical and culturally important buildings and sites
- Depth of short term accommodation offering
- Central location of university and ELICOS campuses
- Ongoing Council commitment to investing in the city
- Ongoing investment in major attractions such as the Convention Centre expansion, Centre for Contemporary Arts, Crystalbrook properties
- Acts as a gateway destination for national and international tourist markets
- Grid like streets allow for easy walkability

Weaknesses

- Perception of high crime and safety concerns
- Climate conditions
- Limited large scale employers and retail anchors
- Limited residential population to drive activity
- Limited connectivity including public transport, walkability and other access
- High vacancy rates
- Lack of diversity including new and trending business types
- Parking perceptions, inconsistencies, and managing parking availability.
- Lack of major attractors (retail and other) within the city centre

Opportunities

- Connecting key city fringe attractions with City Centre activation
- Increase residential density in the City Centre
- Increase City Centre workforce
- City Deal
- Establish and promote the Cairns identity
- Address public perceptions
- City centre activation and activating vacant shopfronts
- Parking review
- Create defined precincts for synergistic businesses
- Coordinated business efforts to attract investment and financing
- Encourage visitation through events and other innovative soft activation

Threats

- Growth of suburban shopping centres, decentralised entertainment, and dining options.
- Poor performance of high-street retail
- Perceptions of limited and expensive parking
- Perceptions of lack of safety and high crime
- Generating the appropriate level of buy-in from stakeholders
- Increasing unemployment
- Potential for continued loss of tourism market share

RECOMMENDATIONS

RECOMMENDATIONS

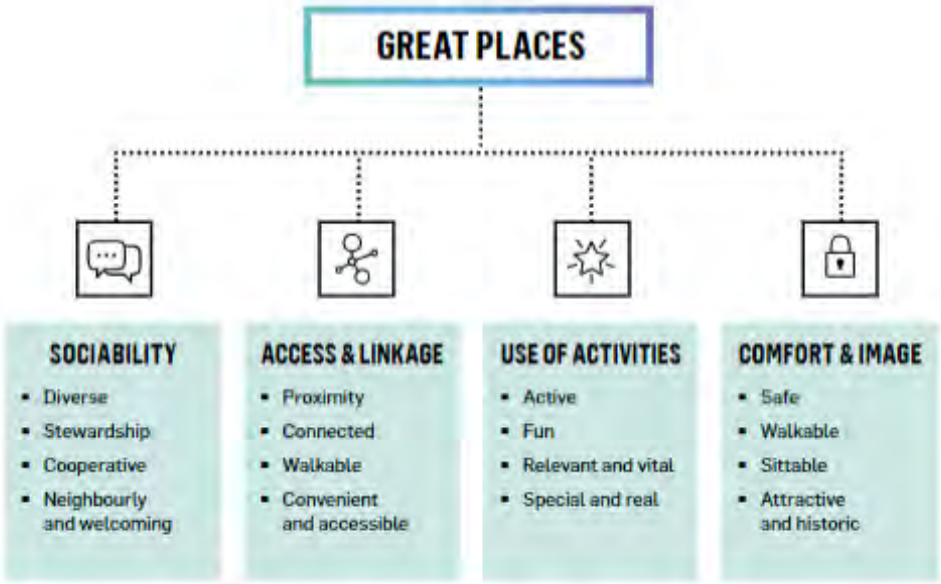
A great place, or in this case a working City Centre for Cairns, will be multi-dimensional and made up of attributes unique to its location and purpose.

According to the principles of shaping places for people, A great Cairns City Centre…

- embodies sociability welcoming different people for a variety of reasons
- promotes diversity, creating a vibrant environment that encourages people to linger
- is inclusive through open spaces, activities, access and linkages
- offers a variety of things to do at different times of the day and year
- reflects the unique cultural and environmental identity of the area
- encourages a sense of pride and feeling of safety
- demonstrates a mutually beneficial relationship between elements
- sustains itself commercially and socially in the long-term
- is shared by multiple stakeholders.

A cross-section of product, demand and stakeholder drivers with consideration of the learnings from comparable case studies and our insights on a functional operating city have contributed to the development of the following recommendations.

These recommendations are a combination of short term tactical and long-term strategic actions that will positively impact the Cairns City Centre. The impact and level of difficulty have been plotted to guide the prioritisation of interventions.



Shaping Spaces for People, Urbis 2019

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Business Adaptation Ongoing adaptation and evolution of businesses and trader's operations responding to retail trends.	Retail trends adversely impacts Cairns City Centre trading conditions.	• Nil – Council has no influence on retail trends.	• City centre traders continue to adapt to changing retail trends.	• Significant shift to online retailing is expected to continue impacting certain 'traditional' retail sectors.
Major Retail Attractions Encourage and support major retail anchors and attractions to remain and establish within the Cairns City Centre.	Lack of major retail attractors and anchors in the Cairns City Centre.	• Consider provision of incentives and support for appropriate development. • Brief real estate agents and other stakeholders.	• Landlords and real estate agents continue to seek & investigate opportunities *(meet the market)* to tenant vacant premises.	• The reality is the opportunity (population and purchasing power) is limited.
Improvement of building stock Fix/upgrade premises.	A number of buildings/premises within the Cairns City Centre are looking 'tired'/run down, which is adversely impacting the visual amenity of the City Centre as a whole.	• Appropriate enforcement proceedings should building be dilapidated/ unsafe.	• Landlords – investment in refurbishment/ upgrades	• Landlord investment will depend on willingness, financial capacity and commercial merit.
Student Accommodation Encourage and support development of student accommodation in the City Centre.	Low levels of student accommodation in the Cairns City Centre.	• Consider provision of incentives/support for appropriate development and brief real estate agents.	• Real estate agents and developers – identify/investigate opportunities. • Education providers (e.g. universities) consider provision of support for development.	• Market will dictate whether investment proceeds.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Precincting Encourage/support development of emerging precincts within Cairns City Centre.	There are some precinct areas in the Cairns City Centre but they have developed on an ad hoc/organic basis.	• Communicate location and nature of emerging precincts to real estate agents, public etc. • Facilitate and encourage trader engagement and collaboration (City Centre Place Manager). • When considering streetscape and other infrastructure upgrades, ensure these support precincting	• Landlords and real estate agents – consider precinct alignment when tenanting (should ultimately benefit them). • City Centre Traders – potential collaborations within precinct areas.	• Certain level of precinct development can be expected to continue to develop organically.
Support education anchors Encourage/support university retention/expansion in the Cairns City Centre.	University presence within Cairns City Centre is a positive but retention/expansion critical.	• Consider provision of incentives for university expansion within the Cairns City Centre. • Advocate (at a Federal and State level) for funding and support for university expansion/ development in the Cairns City Centre.	• Universities – consider opportunities for expanded presence within the Cairns City Centre.	• A strong university presence in the Cairns City Centre has activation, passive safety and other benefits as well as encouraging ancillary investment such as student accommodation.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Tourist & leisure attractions Encourage/support development of major attractions in the Cairns City Centre.	Lack of major attractions in Cairns City Centre with most located on the fringe or further afield e.g. Cairns Performing Arts Centre (CPAC), Munro Martin Parklands (MMP), Aquarium, Casino, Esplanade Parklands, Cairns Central, Pier Shopping Centre, Reef Fleet/Cruise terminals etc.	• Consider provision of incentives and support for appropriate development and brief real estate agents and other stakeholders. • Continue to advocate for State and Federal funding to enable the Cairns Gallery Precinct project to proceed.	• Provision of State and Federal commitments and support for the proposed City Deal projects including the City Centre Master Plan and Cairns Gallery Precinct projects. • Real estate agent and developers – identify/ investigate opportunities.	• Market will dictate whether investment proceeds. • Cairns Regional Council has committed to the Cairns Gallery Precinct project subject to securing equivalent capital funding commitments from the State and Federal Governments. • Cairns City Deal proposal has been submitted to the Federal and State Governments but as yet, no commitments have been made.
Soft Activation Continued implementation of 'soft' activation activities.	Lack of 'soft' attractions drawing residents and visitors to the City Centre (this observation is pre 'Sunday on Shields').	• Coordinate soft activation activities. • Consider other innovative soft activation activities that may support increased visitation and circulation • Consider support for events that have significant activation benefits	• City Centre Traders, universities, others – participate/sponsor soft activation activities.	• Cost/benefit of activation initiatives should be monitored on an ongoing basis.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Linkages and connectivity Various actions that support connectivity.	Connectivity between Cairns City Centre and key attractions on city fringe could be improved.	• Continue with Florence Street Link project connecting the Esplanade Parklands with the Precinct (CPAC and MMP). • Continue to progress the Esplanade Dining Precinct and Shields Street Stage 3 Council projects. • Continue with planned 'City Streets' upgrades as identified in the City Centre Master Plan. • Continue to advocate for the Cairns Gallery Precinct project as an important link between the Esplanade Parklands & Cairns City Centre. • Undertake wayfinding review and implement recommendations to provide increasing signage, and a more accessible/attractive pathway connections.	• City Centre Traders - develop connections and relationships with key attractions and investigate opportunities for cross referral. • Queensland Government – ensure connectivity with the Cairns City Centre is considered in the planning and implementation of the Trinity Wharf Cairns and Cairns Convention Centre Refurbishment and expansion projects.	

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Activate vacant shopfronts Landlords to 'meet the market' to rent vacant premises. Visual amenity of vacant premises to be improved in the interim.	High vacancy rates and unrealistic rental return expectations.	• Seek to activate vacant premises through Urban Spaces.	• Landlords and real estate agents 'meet the market' to lease vacant premises. • Landlords and real estate agents - support Council's Urban Spaces program.	• Landlord reluctance to 'meet the market' may be influenced by valuation implications and/or individual landlord preferences and financial position. • Note: To date Council's attempts to 'relaunch' the Urban Spaces program has met with ambivalence from agents.
Increase City Centre workforce Encourage major business to take up space and support commercial office development in the Cairns City Centre.	Lack of major white collar employers in the Cairns City Centre with most located on the city fringe or further afield.	• Consider provision of incentives/support for appropriate development and brief real estate agents.	• Promote Local, State and Federal Governments to take office space in the Cairns City Centre for future expansion. • Real estate agents and developers identify and investigate opportunities.	• Demand for A Grade commercial office space is high but development will depend on commercial realities of individual projects including access to finance.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Increase residential density Encourage and support development of residential accommodation in the Cairns City Centre.	Low residential population density (people living) in the Cairns City Centre.	• Consider provision of incentives and support for appropriate development • Brief real estate agents.	• Real estate agents and developers – identify and investigate opportunities. • Financial institutions provision of finance to support residential development.	• It is noted that whilst provision of incentives to encourage new high and medium density residential development may provide some assistance, market factors such as the price (cost) of alternatives (house and land, existing unit and apartment stock etc.), availability of finance and high underlying land values are key factors influencing the commercial viability of new projects. Incentive alone may not be enough to see projects proceed.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Ongoing parking review Ongoing consideration of parking related matters.	Public perceptions of high parking cost and low parking availability	• Continue to communicate and explain rationale for current Council policy on parking charges and regulation in the Cairns City Centre to public and City Centre traders. • Maintain an awareness of approaches taken to parking in other city centres (including emerging technology) and consider outcomes/results for application locally. • Continued promotion of active transport options for commuting and leisure travel (walking, cycling etc.).	• Queensland Government – investigation (e.g. Cairns Metro/Airport Link proposal), provision and promotion of public transport options.	• Council has already undertaken significant analysis of parking charges and regulation in arriving at the current position. • It is noted that public perceptions contradict each other to some extent. • Promotion will assist in the contradicting public perceptions noted.

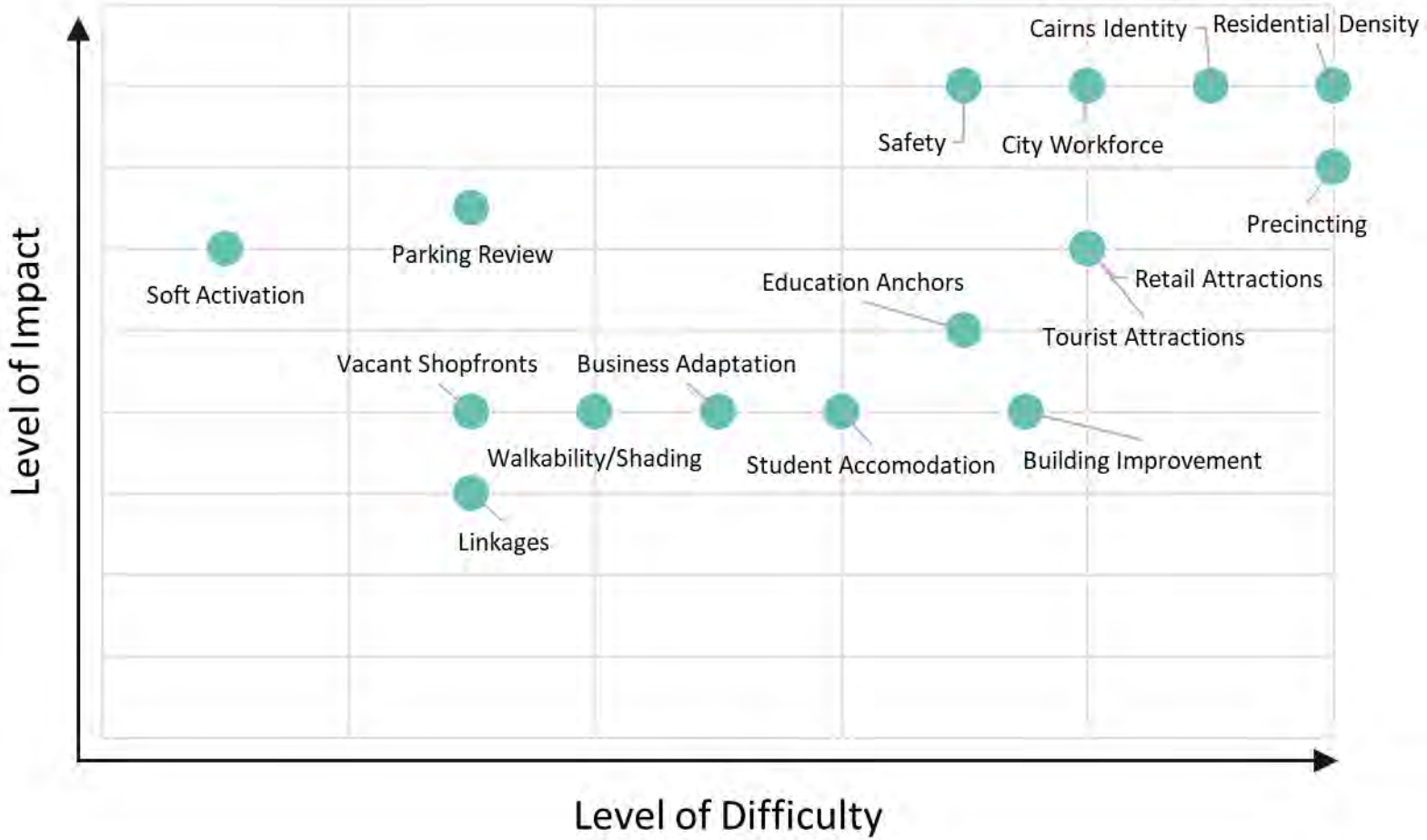
STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Establish and promote the Cairns identity Variety of activities that support continued population and visitor growth.	Large physical area of the Cairns City Centre when compared to resident and visitor populations.	• Continue to advocate for Cairns City Deal and other Federal and State priorities that support economic, population and visitor growth. • Provision of continued financial support for TTNQ aimed at securing increased visitation and visitor expenditure. • Continue to advocate for a visitor levy aimed at delivering a step change in tourism industry investment and market share. • Continue Council initiatives aimed at attracting inbound private investment to Cairns (including City Centre). • Encourage (and support) formation of City Centre Traders Association aimed at improving city centre identity and promotion.	• Queensland Government - legislative change to enable the introduction of visitor levy. • Federal and Queensland Government commitment to a City Deal for Cairns. • TTNQ – continued destination marketing and industry development activities aimed at delivering increased visitation, visitor expenditure and market share. • Stakeholder organisations and agencies involved in economic development (e.g. Cairns Chamber of Commerce, TIQ, Advance Cairns) – support for investment attraction initiatives.	• Ability to 'reduce' or redefine the physical area of the Cairns City Centre is limited so initiative should focus on population and visitor growth.

STRATEGIC INTERVENTIONS AND RECOMMENDATIONS (CONTINUED)

Recommended action	Issue impacting City Centre activity & trading	Role of Council	Role of Others	Comment/s
Walkability and heat mitigation Heat mitigation and improved shading in relevant areas.	Lack of shade in some parts of the Cairns City Centre.	• Investigate, including in conjunction with universities, urban landscape consultants. where appropriate, potential for shade and other heat mitigation measures as part of planned 'City Streets' upgrades in the Cairns City Centre.		• Investigations should consider cost/benefit of shade and heat mitigation measures adopted in other tropical cities such as Darwin. • Link with connectivity recommendations.
Safety Continue to address levels of crime and anti – social behaviour.	Adverse perceptions regarding personal safety.	• Continued engagement with and support/ assistance for Queensland Police Service (QPS) initiatives and initiatives of other relevant State agencies.	• QPS - physical presence/visibility and continued dedication of resources to address crime and antisocial behaviour. • Other State Agencies – implementation of initiatives aimed at addressing the root causes of crime and antisocial behaviour. • Local media – assist with addressing perceptions	• It is important that both actual personal safety and the perceptions of personal safety need to be considered.

RECOMMENDATION PRIORITISATION



CASE STUDIES

CASE STUDY OVERVIEW

The three case studies selected are relevant to the Cairns experience and provide insights into interventions that have been used in similar environments. The purpose of these case studies is to understand how cities with similar characteristics, issues and features have utilised different interventions to revitalise their city centres.

The examples used for this case study overview, and their reasoning is detailed below:

Darwin, NT, Australia

'mitigating the challenges of walkability, seasonality and population density'

Newcastle, NSW, Australia

'tackling the move away from the traditional city centre shopping destination'

Queenstown, New Zealand

'balancing the needs of locals and visitors'

DARWIN, NT, AUSTRALIA

MITIGATING THE CHALLENGES OF WALKABILITY, SEASONALITY AND POPULATION DENSITY

CONTEXT

- Low and transient population and declining population growth.
- Isolated location - Australia's most northern city and close proximity to Asia.
- Hot climate impacting on liveability and walkability, especially in hot and humid wet season.

PROBLEM

- High commercial vacancies impacting local businesses.
- Absence of a strong population making it hard to sustain a diverse economy.
- Lack of climate-appropriate urban design as a challenge to liveability and a barrier to attracting more residents and visitors.
- A boom and bust economy reliant on the resource sector making it difficult to attract residents for the long term. This is evident with the current wind-down of a major resource project.

INTERVENTIONS

- A 10yr City Deal, to realise the vision of a vibrant, connected, tropical and attractive Darwin.
- It aims to revitalise Darwin's city centre by supporting catalyst projects including:
    - an iconic education and civic precinct
    - upgrade and revitalisation of State Square
    - a new Art Gallery
    - a cool and green the city initiative, and
    - future developments to unlock the potential of the foreshore.
- Aspires to boost the population, help unlock investment in Darwin, grow the visitor economy and support increased business activity.
- This is a joint initiative between the federal, state/territory and local government.
- Extensive community engagement was undertaken early in the City Deal process.
- The City Deal implementation is still being formulated and these projects have not yet been rolled out.

APPLICATION TO CAIRNS

- Education and civic precinct: activating the city centre by increasing the number of people working, living and studying there. It will integrate community spaces, retail and commercial activities and provide a boost for local retailers and opportunities for small business.
- Revitalising State Square: creating a vibrant, safe and attractive space in the city centre, encouraging connectivity through the city's streets and outdoor spaces and encouraging events and festivals.
- Innovations to cool and green the city: along with climate-appropriate design will transform Darwin into a best-practice example of tropical urban living, making the city more appealing for visitors and residents.
- World-class tourist attractions: e.g. the proposed Larakia Cultural Centre and iconic Art gallery, will reflect Darwin's culture and encourage visitors and locals to spend more time in the city centre.
- It will also provide retail opportunities for business and local artists.

More information: https://www.darwin.nt.gov.au/sites/default/files/uploads/files/darwin_city_deal.pdf
Image Credit: https://c.wallhere.com/

DARWIN, NT, AUSTRALIA

MITIGATING THE CHALLENGES OF WALKABILITY, SEASONALITY AND POPULATION DENSITY

The **Darwin City Deal** is the catalytic intervention assisting to transform the Darwin CBD. Walkability, seasonality and population density were noted as the key challenges for Darwin, and mitigating these factors was considered the key to unlocking a vibrant and activated city.

Similarly, these factors were identified as key challenges within the Cairns City Centre public and trader surveys.

In response to these issues impacting the success and activation of the Darwin CBD, several key initiatives were determined as part of the Darwin City Deal:

- A new education and civic precinct;
- Redevelopment, street scaping and climate-appropriate design to cool down the city;
- Support and pay homage to the Larrakia people, traditional owners of Darwin; and
- A land use study to determine underutilised sites for greater activation .

Funded through Local, Territory and Federal government funding, the City Deal commitments are intended to act as major attractors driving increased visitation and stimulating economic activity. Further, public funding through all tiers of government, coupled with 'City Deal' branding allows the project to benefit from national prominence

As noted in the *Strategic Intervention and Recommendations* section of this report, City Deals offer an opportunity to establish and promote the city's identify through a variety of activities that support continued population and visitor growth.

More information: https://www.darwin.nt.gov.au/sites/default/files/uploads/files/darwin_city_deal.pdf
Image Credit: https://c.wallhere.com/

NEWCASTLE, NSW, AUSTRALIA

TACKLING THE MOVE AWAY FROM THE TRADITIONAL CITY CENTRE SHOPPING DESTINATION

CONTEXT

- Struggling economy due to multiple events e.g. 1991 recession and closure of large-scale employer BHP in 1999.
- High levels of unemployment (higher than the national average).
- Concurrent impacts of changing environment e.g. declining shopping in the CBD retail centre as shopping centres appeared in the suburbs, rise in car ownership and deindustrialisation.
- There are/have been more than 40 Australian and international locations operating a Renew-style campaign based on the success of Newcastle

PROBLEM

- Deterioration and decline of Newcastle's CBD
- A large number of commercial vacancies in the city centre
- The neglected and derelict buildings resulted in vandalism, street crime and violence.
- This created a lack of appeal to visit the CBD and led to community concerns about safety

INTERVENTIONS

- 'Renew Newcastle', formed in 2008, was a city revitalisation strategy to creatively use empty space in the CBD. This involved opening the vacant spaces in the CBD to local creative and cultural projects and start-ups at little to no cost.
- The aim was to incentivise people to visit the CBD, utilise the empty building spaces and simultaneously revitalise the buildings and streets to make it more appealing for businesses and people.
- Subsequently, the Newcastle Urban Renewal Strategy (2012), included the Renew Newcastle approach as part of a more comprehensive city strategy.

APPLICATION TO CAIRNS

- Utilising and filling vacant spaces by connecting people with shopfronts.
- Supporting the creative and entrepreneurial community who add interest, life and activity into under utilised neighbourhoods.
- Many people or businesses who started out supported by Renew Newcastle have since transformed into commercial tenants and created opportunities for employment in Newcastle and beyond.
- Reducing crime rates, such as graffiti and vandalism.
- Boosting the local social and economic value of the area and has attracted business and residential interest in the city.
- The rate of occupancy has increased immensely in the CBD which has built more confidence into businesses and the community.
- The creative arts scene in Newcastle has thrived, making artist-run spaces a great appeal for visiting Newcastle. This has attracted increasing numbers of tourists.

More information: https://www.planning.nsw.gov.au/-/media/Files/DPE/Strategy-documents/newcastle-urban-renewal-strategy-2014-update-2014.pdf?la=en
Image Credit: Shannon Hartigan

NEWCASTLE, NSW, AUSTRALIA

TACKLING THE MOVE AWAY FROM THE TRADITIONAL CITY CENTRE SHOPPING DESTINATION

Renew Newcastle has acted as a model for empty space revitalisation schemes across Australia. Similar to the current conditions of the Cairns City Centre, Newcastle was facing high commercial vacancy rates. As noted, the aim of Renew Newcastle was to incentivise people to visit the CBD, utilise the empty building spaces and simultaneously revitalise the buildings and streets to make it more appealing for businesses and people. This was done through three primary actions:

- Supporting start-ups and creative entrepreneurs to **generate interest, visitation and activity within underutilised or vacant spaces**.
- Creating a licensing agreement which **allows entrepreneurs to operate whilst providing property owners confidence** to lease their properties while they were vacant.
- **Creating a shared vision** and buy in whilst bringing like-minded partners and participants together to bring the program to life.

Projects were selected by Renew Newcastle through an application process, and an assessment panel reviewed the application based on a number of criteria including availability or suitable properties, applicant resources and availability, and face-to-face business meetings.

Once approved, applicants operated on a rolling 30-day basis. Property owners had the right to terminate contracts with 30 days notice. Costs were variable, however significantly less than commercial rental rates.

The intention of the Renew Newcastle model was to encourage and grow operators and businesses until a point where they can support operations to pay commercial rental rates.

The success of Renew Newcastle has catalysed similar programs in Adelaide, Townsville, Geelong and Parramatta, each unique to its location. A website has been established to assist cities to learn more about the program and become involved. Renew Australia was also established as a direct result of the Renew Newcastle case study.

Further, the Renew Newcastle website provides online resources for future locations to become involved, these resources include Empty Spaces, an online information platform, and a Toolkit and Licence Agreement sample documents.

Cairns Regional Council currently has one Empty Spaces project operating within the City Centre. Urban Spaces is facilitated and managed by Council, with the intention to match start-up businesses, social-enterprises and creative industry professionals with vacant commercial premises across the Cairns region.

Increasing and promoting the Empty Spaces program in Cairns could assist with greater activation in the Cairns City Centre. Partnering with local schools, universities, technical colleges and galleries could also assist with raising the profile of the program.

Renew Newcastle has catalysed activation and promoted the arts in Newcastle and broadly across Australia. With what were similar vacancy rates and activation issues within its CBD, the Newcastle case study offers value insights and practical online tools to assist Cairns to implement and promote the Empty Spaces program.

More information: https://renewnewcastle.org/about/
Image Credit: Shannon Hartigan

QUEENSTOWN, NEW ZEALAND

BALANCING THE NEEDS OF LOCALS AND VISITORS

CONTEXT

- Queenstown is a premier tourist destination in New Zealand, second to Auckland.
- It delivers significant economic value for New Zealand,
- Serious pressures on infrastructure and capacity constraints due to the high rates of tourism and residential growth,
- Implications for the experience of visitors and locals, constraints on the possibility of future growth

PROBLEM

- **Growth:** an imbalance between ratepayers and visitors, affecting funding for required infrastructure upgrades.
- **Access:** congested, main access roads, lack of public transport, carparking at capacity.
- **Fading appeal:** streetscapes and public amenities not up to standard. Growing disconnection between the town centre and local residents.
- **Authentic experience:** perception town centre is for tourists, not locals
- **Environmental impacts:** increasing visitation impacting ecosystems, air and water quality.
- **A constrained CBD:** centre unable to grow due to busy road constraints.

INTERVENTIONS

- The Queenstown Town Centre Masterplan (2018) was developed to shape the future of the town centre and respond to the key challenges.
- To be implemented over 10 years in four stages, from 2019 to 2028.

- The masterplan objectives are:
  - Improved town centre access
  - Prioritising local enjoyment and the environment in combination with increased commercial activity
  - An authentic, liveable and thriving town centre symbolic of New Zealand
  - People enjoy spending time in town because the built environment complements the natural environment, referencing local history and culture

APPLICATION TO CAIRNS

Key priority areas of the Masterplan are applicable to Cairns:

- **Accessible:** greater emphasis on alternative modes of transport and better parking coordination to improve access.
- **Compact**: prioritising the town centre as the cultural heart, for residents and locals.
- **Diverse:** ensuring a diverse mix of retail, entertainment, and cultural experiences.
- **Walkable:** ensuring the town centre caters for easy movement and connectivity including walking and cycling.
- **Authentic:** offering appealing attractions for locals and tourists to maintain its unique character and authenticity.
- **Magnetic:** enhancing the quality of the town centre experience and protecting the unique environmental landscape, for tourism and locals.
- **Place:** providing greater attraction for locals to ensure the town retains its authenticity and character and improved cultural and community facilities.
- **Sustainable:** ensuring the environmental quality and sustainability of the town centre.
- **Smart:** implementing world-leading technology and innovation to improve experiences for locals and tourists.
- **Human scale:** supporting diverse, affordable, intensification

More information: https://www.qldc.govt.nz/assets/Uploads/QLDC-Town-Centre-Proposal-Story-Booklet-Nov18-WEB.pdf
Image Credit: Alpha Coders

QUEENSTOWN, NEW ZEALAND

BALANCING THE NEEDS OF LOCALS AND VISITORS

The Queenstown Centre Masterplan is the Queenstown Lakes District Council long-term strategic planning document guiding the direction of development in the Queenstown district. Tourism is a major industry in Queenstown, it generates approximately **$1.3 - $1.6 billion** to New Zealand's overall GDP and generated **9,600 – 11,629 jobs** on the South Island.

The objectives of the Queenstown master plan align closely with key outcomes sought for Cairns. These include:

- **Improved access** to the town centre;
- **Increased commercial activity** without negative impacts on the environment or local employment;
- A **liveable, thriving and authentically New Zealand** town centre;
- People enjoy spending time in town because the **built environment complements the natural environment, reflecting local history and culture.**

Though Queenstown is activated all year round and is seen as a popular tourist destination globally, this was not always the case. The tourism industry only started to gain traction in the late 1980's when a local entrepreneur capitalised on the natural landscape and assets on offer.

The Queenstown Masterplan provides a staged approach to manage development until 2020 and acknowledges the importance and interconnection between key projects and the overall impact on the town. The Masterplan also acknowledges the ambitious nature of the project and highlights a number of key challenges including funding and resourcing which will be addressed through ongoing planning.

Similar to Cairns, Queenstown is surrounded by a number of natural tourist assets. The Queenstown Masterplan captures these features, specifically investigating 'smart city' opportunities to create better infrastructure links such as:

- **Gondola** from the airport to the town centre;
- **Light rail** from the Remarkables park to the town centre;
- Rapid and **high-frequency water ferries** that build on a network of planned infrastructure; and
- An **electric vehicle zone** within the town centre.

Cairns Regional Council has a number of major projects planned which have the potential to provide significant benefit to the community. However, the city could potentially benefit from the establishment of a district masterplan focusing on interconnectivity, access and technology.

More information: https://www.qldc.govt.nz/assets/Uploads/QLDC-Town-Centre-Proposal-Story-Booklet-Nov18-WEB.pdf , https://www.southerndiscoveries.co.nz/blog/a-brief-history-of-queenstown/
Image Credit: Alpha Coders

ANNEXURES

ANZSIC CODES

Australian and New Zealand Standard Industrial Classification (ANZSIC) was jointly developed by the Australian Bureau of Statistics and Statistics New Zealand in order to make it easier to compare industry statistics between the two countries and with the rest of the world. It is arranged into 19 broad industry divisions and 96 industry subdivisions There are two more detailed levels called Groups and Classes. Given the uses present within the Cairns city centre, the Accommodation and Food Services, as well as the Retail Trade classes are listed for reference.

Level 1 – All Divisions
Agriculture, Forestry and Fishing
Mining
Manufacturing
Electricity, Gas, Water and Waste Services
Construction
Wholesale Trade
Retail Trade
Accommodation and Food Services
Transport, Postal and Warehousing
Information Media and Telecommunications
Financial and Insurance Services
Rental, Hiring and Real Estate Services
Professional, Scientific and Technical Services
Administrative and Support Services
Public Administration and Safety
Education and Training
Health Care and Social Assistance
Arts and Recreation Services
Other Services

For a full list of the Subdivisions, Groups and Classes, refer to the Australian Bureau of Statistics: https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/1292.02006%20(Revision%202.0)?OpenDocument

Level 4 – Accommodation and Food Services Classes
Cafes and Restaurants
Takeaway Food Services
Catering Services
Pubs, Taverns and Bars
Clubs (Hospitality)
Accommodation

Level 4 – Retail Trade Classes
Supermarket and Grocery Stores
Fresh Meat, Fish and Poultry Retailing
Fruit and Vegetable Retailing
Liquor Retailing
Other Specialised Food Retailing
Furniture Retailing
Floor Coverings Retailing
Houseware Retailing
Manchester and Other Textile Goods Retailing
Electrical, Electronic and Gas Appliance Retailing
Computer and Computer Peripheral Retailing
Other Electrical and Electronic Goods Retailing
Sport and Camping Equipment Retailing
Entertainment Media Retailing
Toy and Game Retailing
Newspaper and Book Retailing
Marine Equipment Retailing
Clothing Retailing
Footwear Retailing
Watch and Jewellery Retailing
Other Personal Accessory Retailing
Department Stores
Pharmaceutical, Cosmetic and Toiletry Goods Retailing
Stationery Goods Retailing
Antique and Used Goods Retailing
Flower Retailing
Other Store-Based Retailing (not elsewhere classified)

BUSINESS AUDIT METHODOLOGY

- The business audit was undertaken during the week of the 9th to 13th September 2019. In order to gain information on the businesses, the following methodology was undertaken.
  - Utilise Urbis GIS service to conduct a 'google scrape' for a number of keywords such as *restaurant, take away, store, accountant, lawyer* and *travel agency*. This provided a base layer of businesses.
  - Ground truth the base layer via primary work, cross referencing the above to the physical business, with the inclusion of additional businesses, changed businesses or vacancies.
  - Categorize each of the businesses as per the ANZSIC codes, as listed on previous page.
  - During the ground truthing component, several variables have been ranked from 1-5 (1 being the worst and 5 being the best). These are as follows:
    - **Weather Coverage** – the level of screening or shading whether fixed or temporary
      - 1-2: Minimal coverage
      - 3: Fixed awning to the kerbside
      - 4-5: Fixed awning with the addition of vertical screening and/or planting
    - **Activation** – the provision or set up of the business to encourage visitors
      - 1-2: Minimal Activation
      - 3: Some form of Activation (open to the street and/or a small outdoor table)
      - 4: Fully open to the street, larger outdoor dining, blend of indoor/outdoor
    - **Signage** – the provision of business information, visible to visitors from the street
      - 1-2: Minimal signage
      - 3-4: A combination of business name, hours of operation and any details
      - 5: Full signage of all business details
    - **Windows** – the level of display within business windows to entice interest from visitors
      - 1: Covered windows
      - 2-3: Open to business, some small displays
      - 4-5: Large displays, provides ability to window shop

STAKEHOLDER ORGANISATION INTERVIEWS

Stakeholder interviews informed this review by providing context, background information, opinions on both the challenges and opportunities facing the Cairns City Centre, and personal experiences.

Name	Organisation
Scott Green Property Management / Leasing Agent	Ray White Commercial
Jodie Duignan-George Associate Vice-Chancellor	Central Queensland University
Pip Close Chief Executive Officer	Tourism Tropical North Queensland
Nick Loukas President	Cairns Chamber of Commerce
Gary Hunter - Senior Sergeant and Duane Amos - Acting Inspector CBD Operations	Queensland Police – Cairns City Beat
Jamie Gray Managing Director	Clarendon Property Group
Greg Wood Partner	Knight Frank
Danny Betros Managing Director	CBRE

Name	Organisation
Jay Beattie Commercial Sales & Leasing	Colliers
Carol Doyle President	Study Cairns
Rhiannon Simcocks CYC Committee Chair	Young Chamber of Commerce
Kevin Malone General Manager Commercial	Ports North
Jennifer Kalionis General Manager	Centre of Contemporary Art
Gavin King Editor	Tropic Now
David Craig Director, Cairns Campus	James Cook University

URBIS

BRISBANE
Level 7, 123 Albert Street
Brisbane QLD 4000
Australia
T +61 7 3007 3800

GOLD COAST
45 Nerang Street,
Southport QLD 4215
Australia
T +61 7 5600 4900

MELBOURNE
Level 12, 120 Collins Street
Melbourne VIC 3000
Australia
T +61 3 8663 4888

PERTH
Level 14, The Quadrant
1 William Street
Perth WA 6000
Australia
T +61 8 9346 0500

SYDNEY
Tower 2, Level 23, Darling Park
201 Sussex Street
Sydney NSW 2000
Australia
T +61 2 8233 9900

CISTRI – SINGAPORE
An Urbis Australia company
12 Marina View, Asia Square
Tower 2, #21 – 01
Singapore 018961
T +65 6653 3424
W cistri.com

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