



Australian Institute of Architects

2013 BUILT ENVIRONMENT MEETS PARLIAMENT QUEENSLAND

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Address by Shane Thompson

THE DESIGN DIVIDEND / THE VALUE OF GOOD DESIGN

In making this talk today, I am fully aware that there is still a large body of opinion, particularly in these tougher economic times, that good design is not an essential requirement for public works; that good design is somehow something “frilly”, or it’s about aesthetics, and I have even heard the term that it’s about “gold plating”.

This is a ridiculous and ill-informed view. There is more than sufficient evidence to illustrate that good design more than ever before is good business and good government.

We are faced with an environment, here in Queensland, where every dollar counts and has to work harder than it has before.

Our investment in public infrastructure needs to be regared to create platforms for more efficient delivery of public sector services and infrastructure. We cannot achieve significant quality of life, better education, public sector productivity and efficiency gains if we continue to adopt the same old public infrastructure platforms and procurement processes of the past.

We can no longer afford not to invest in good design.

Good design is not only about the aesthetic quality of our environment, it is also as much about improved quality of life, equality of opportunity and economic growth.

If we want to be a successful and ultimately a sustainable society, we have to overcome our ignorance about the importance of design. We need to depart from our culturally ingrained notion that a poor quality environment is the norm, and that ordinariness, is all we can expect from builders, developers, planners and especially from government.

The smart corporations throughout the world understand this. The investment in new and better models of commercial, retail and industrial buildings in particular is a powerful indicator of how much things have changed, even in the last few years.

The public expectation of high quality public spaces and high quality workplaces has never been higher.

In the next few years we will have limited available public and private sector funds to spend. Therefore we have to be a lot wiser than in the past. And, you, the government, will expect more “bang for your buck”. And so you should.

If we realise the value of good design, we will have a legacy of civic places, buildings and public infrastructure that will deliver rich rewards for our community now and in the future. If we don't recognise the value of good design, we will have dysfunctional, underutilised, unloved buildings and places in every part of this state.

The stakes are high, but we can and will succeed, if we abide by three key principals;

1. Good design does not cost more when measured across the lifetime of the building or place;
2. Good design flows from the employment of skilled and multidisciplinary design teams;
3. The starting point of good design is client commitment, and in this case that is government commitment.

Key research from the UK, Europe and the US, particularly that by Frank Becker of Cornell University in the US, shows that investment in good design generates significant economic and social value and actually saves money.

Collectively the studies provide evidence of the value of good design in the areas of;

- Healthcare. A well designed hospital will help patients get better more quickly.
- Education Environments. A well designed school will improve the educational achievement of its pupils.
- Housing,
- Crime Prevention. A well designed neighbourhood will benefit from lower crime and higher house values.
- Business. Good design will significantly increase a business' bottom line including their productivity and innovation.

We cannot afford not to invest in good design.

I'd like to talk specifically about real world examples and evidence of where investment in good design creates real value, saves money and provides a higher dividend for public dollars.

THE VALUE OF DESIGN IN HEALTH CARE

- A study by Sheffield University in the UK for NHS Estates compared patient outcomes in the newly refurbished Orthopaedic Unit at Poole Hospital with those in a 1960's conventional ward. The study found that patients treated on the refurbished ward required less analgesic medication than those on the other ward. Patients not undergoing operations were discharged significantly quicker from the newer ward – after 6.4 days, compared with 8.1 days. So let's do that calculation, 2.7 days at a modest estimate of \$1,000 per day equals a saving of \$2,700 per patient. Not only that, but by better design and more efficient treatment of patients, the size of the facility can be reduced.

THE VALUE OF GOOD DESIGN IN EDUCATION ENVIRONMENTS

- A French study of 2 new school building projects in Marseille and Paris, found that education environments designed to integrate information and communication technology were more conducive to learning. After the completion of the Marseille Project, the repeat rate amongst 6th grade students was only 2.5%, compared to the national rate of 9.8%. Furthermore, the rate of progression from 6th to 10th grade was 71.5% compared to the national norm of 64.5%. And the incidents of vandalism declined dramatically despite the large size of the campus.

THE VALUE OF GOOD DESIGN IN PUBLIC HOUSING

A study for the Royal Institute of Chartered Surveyors in the UK, estimated as much as 2 billion pound per year is spent on treating illness arising from poor housing conditions that is spent by local authorities on their own housing stock.

National annual estimates of the increased costs associated with the 7.6% of public sector homes considered unfit for habitation, are 3 billion pound due to poor health. 1.8 billion pound is due to increased crime and 120 million pound for the cost of fire services. Although these are not definitive figures, they do show the extent of the problem and how investment in good design inevitably brings significant reward.

THE VALUE OF GOOD DESIGN FOR BUSINESS

- The leading authority on workplace design in the world today, Architect Frank Duffy of London, sights the case of Anderson World Wide, whose design investment in

their new Chicago office achieved a reduction of 30% of the space that would have been used for conventional design layouts. The overall savings on rent and occupancy levels paid for the initial capital outlay within 4 years. Further, there have been notable improvements in productivity and the company's culture with lower levels of absenteeism, longer recorded hours in the office and major increases in productivity and innovation in new business practice.

- Here in Australia, the Property Council established a score card for measuring the financial performance of commercial urban developments. By looking at 16 developments in detail, they found significant evidence of a real "design dividend" which can be measured in financial terms.

THE VALUE OF GOOD DESIGN IN CRIME PREVENTION

- A comprehensive redesign program of a 1970's housing estate in Edinburgh which includes fundamental changes in the estate layout as well as individual units, reduced house breaking by 65% and vandalism incidents by 59% with the total number of incidences being lowered overall.

A NEW STANDARD IN "PUBLIC" SPACE

For me, perhaps one of the more powerful signs of changing public perceptions, particularly with regards to expectations for quality public space and what that means in our ability to create community, has been the significant investment by the Westfield Group in the development of new and the upgrade of existing shopping centres globally, including throughout Australia.

To experience the change, one only has to visit their new CBD centre in Sydney, or even closer to home, the significant refurbishment of the Carindale Shopping Centre. Both have high quality materials and finishes and a level of contemporary design previously only reserved for 5 star hotels and lobbies of premium office towers. This is now the everyday experience for Queenslanders.

Similarly, you can travel to Mackay, where Lend Lease has recently invested in the major upgrade of the Canelands Shopping Centre. Superior finishes, sophisticated contemporary design, integrated public artwork, and well managed secure environments are now an everyday part of a Queenslanders' life.

These are the new public spaces, these are the benchmarks, but not for a minute do I suggest that it is merely about aesthetics or the commodification of public infrastructure.

The key principal here is that these large global corporations now understand that investment in good design is essential to serve our contemporary communities. They don't

do it out of the goodness of their heart or for any need to build monuments for themselves. They do it because investment in good design is underwritten by a strong business case.

My contention and my recommendation to government here today is that there is a need for a significant shift in procurement to understand and see good design as a critical difference in maximising the value of limited dollars available. Indeed, government has an obligation to do so.

Good design is good business, and good design is good government.

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