

## ***The role of precincts in innovation systems***

### ***There's no place like a precinct...an overview***

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*The true source of creativity in the economy is the ability to integrate across organizational, cultural, and intellectual boundaries – Richard Lester, MIT*

Precinct or corridor developments remain in vogue across Australia, although the impetus may range from urban renewal, investment attraction into industrial districts or clusters, to the promotion of research and innovation hubs.

At the most simple level the discussion or promotion of precincts reminds us that, despite all the rhetoric about 'virtual worlds' and the "death of geography"<sup>2</sup>, place still matters and, as the real estate agents keep saying, location is everything.

So a simple story line about precincts is that:

- Like minded people like to flock together as communities of interest;
- Urban developments or redevelopment requires planning, and strategic plans give stakeholders a framework within which to coordinate their activities and provide some certainties around investment;
- By default or design most places develop a distinctive character or personality with such 'branding' reflecting distinctive resolutions of the countervailing forces of specialisation and syncretism or "multiculturalism" – the creative tension between focus and diversity and between institutionalised *stocks* of capital and the knowledge and information *flows* embedded in social networks;
- In a services economy, the most talented and creative people will gravitate towards environments which fuel their intrinsic motivations and unleash their discretionary effort; so that
- Some places end up being better than others, at least for particular purposes and in the eyes of specific institutions, organisations, or groups of people.

If we wish to go a little deeper into the question of precincts then I believe the topic can be opened up by asking five deceptively simple questions:

- What objectives or challenges do interventions around precincts seek to address?
- What are precincts like, and not like?
- What would a successful precinct look like, and what might be points for potential failure?
- To what extent can precincts be designed, or is it a case of fine-tuning organic, self-organising systems?
- Who can make useful contributions to a discussion about precincts?

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<sup>2</sup> Frances Cairncross, *The Death of Distance*, Harvard Business School Press, 1997

After reflecting on what people have written about precinct development and examining concrete examples around Australia and the world, I would summarise possible responses to these questions through stating a series of propositions.

1. Most of the literature has been generated by people with an active interest or role in urban development, and there has been relatively little disinterested study of outcomes and lessons from experience (including projects that have failed – like Australia’s Multifunction Polis project from the 1980s - or stalled). Our understanding of precincts and urban developments would benefit from more creative cross-talk with people interested in social networks, innovation processes, and the spatial externalities and knowledge spillovers made possible by geographical propinquity<sup>3</sup>. In most arenas participants’ natural interest in differentiation will often mask general principles or objectives in common.

2. As is often the case, we need to cut through a lot of confused terminology and mangled jargon – some of which inevitably remains unavoidable. Precincts refer to a particular locus or hub of special activity which is bounded in some form, but which nonetheless forms and remains part of wider urban conurbations and socio-economic ecosystems.

Words and concepts which naturally group around precinct are: *Open networks, public spaces, forums, communities, associations, reciprocity, informal linkages, adaptability, multi-party relationships*

A precinct connotes something more than just co-location. Bi-lateral arrangements may of course develop naturally in the context of co-location, but the important point is that a successful precinct will be an open, dynamic eco-system with multiple participants, diverse and evolving relationships, and the capacity to change and evolve over time.

3. Ideally precinct developments based around innovation hubs should aim to address or at least be cognisant of some of the key trends and emerging challenges of the 21<sup>st</sup> century which will affect us all, on the ground, in one way or another. These include:

- The rise of the non-routine and complex in business and industrial practice.
- The increased competition between localities as multinational companies morph into global enterprises where the company’s ‘flag of convenience’ becomes less and less salient to its investment decisions and their location.
- The growing awareness of the importance of inter-disciplinary and transdisciplinary frameworks and capabilities for addressing “wicked problems” like design, population health, or climate change.
- Open innovation paradigms and practices, and the growing recognition of the importance of non-linear, market-facing innovation processes, often driven from the user interface; increasingly the challenge for companies and institutions is how best to access the 98% of knowledge and new thinking generated *outside* the individual organisation.
- The growing awareness of the value of “embedded practice” in research and industry interfaces, especially where tacit knowledge and team learning is at a premium.
- The increasing recourse to models of shared infrastructure (such as with the Australian Government’s National Collaborative Research Infrastructure Scheme).
- The fundamental importance of information and social networks (innovation *flows*) in mobilising and catalysing knowledge and innovation assets (*stocks*).

There is a growing recognition that no individual, no firm and no region can “do it alone”.

4. There is unlikely to be a “one size fits all” model or approach. The dynamics of a research and innovation precinct, an industrial zone, and a cultural or ethnic precinct are all likely to

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<sup>3</sup> Tudor Rickards, Mark Runco and Susan Moger (eds.), *The Routledge Companion to Creativity*, Routledge, London and New York, 2009 – many contributions to this book highlight the spatial dimension in fostering creativity.

be different to some degree. Key factors for sustainability and vitality may vary, although there are likely to be many characteristics common to any robust community.

A key requirement for any successful precinct development is clarity of strategic intent – what the precinct purports to address and what it does not – as well as a shared understanding and trust among all the participants about their respective roles and expected contribution, agreed rules of engagement (governance), and subscription to basic principles of operation or values. These are pre-requisites for the development of any successful culture of collaboration.

5. A successful precinct would be a localised eco-system which:

- Revolves around a clear core development proposition which can engage the sustained participation of multiple parties who have an expectation of and commitment to mutually beneficial interests
- Has a sound and sustainable funding model
- Develops a distinct identity
- Mobilises the supply of supportive infrastructure, facilities and resources
- Leverages individual participation and investment
- Delivers sustained impact and benefits
- Facilitates active collaborations and informal networking
- Operates with clear and transparent rules of engagement
- Involves global engagement and linkages

6. Potential points of failure in precinct development are:

- Path dependence and “lock in” to closed industrial or research paradigms
- Lack of strong foundational participants with a sustained financial and strategic commitment
- Inadequate scope or balance of participation
- Significant gaps in relevant and accessible skills or resources
- Internal inconsistencies and incompatible values
- Lack of a stable and predictable government planning and regulatory environment

Every planned precinct development will represent, to a greater or lesser degree, a socio-economic experiment. This is a good thing, as long as we recognise the importance of learning as we go along. We need to continue to explore and refine new development models, and to design development architectures which are adaptable and responsive to changing circumstances and demands.

Churchill wrote that “First we shape our buildings and thereafter they shape us”. We could easily substitute “precinct and “cities” for “buildings”.