



## CCIQ SUBMISSION

- ▶ **Deputy Premier, Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment**

*Call in notice for the proposed West Village development*

CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND

18 August 2016

## Overview

1. CCIQ is Queensland's peak industry organisation for small and medium businesses. We represent over 25,000 businesses on the local, state, and federal issues that matter to them.
2. Our guiding focus is to develop and advocate policies that are in the best interests of Queensland businesses, the Queensland economy, and the Queensland community.
3. CCIQ welcomes the opportunity to provide feedback to the Deputy Premier, Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment on the call in notice for the proposed West Village development at the Absoe site in West and South Brisbane (Brisbane City Council).
4. This call in notice of a major development on Brisbane's Southside is occurring in the context of a challenging economic environment for Queensland businesses. Indeed, Queensland's economic position is fragile, with softening labour market and employment conditions.
5. CCIQ's recent Pulse survey showed business confidence for the Queensland economy falling with businesses citing concerns in relation to the duration of the federal election, the composition of the Senate, minority government at the state level, and a lack of state government investment in infrastructure. Many businesses are also facing difficult trading conditions due to rising operating costs and dampened consumer confidence.
6. Given the challenges facing Queensland's economy at this time, it is important the Queensland Government ensure they fully consider the negative impact that the calling in of a major development has on business confidence.
7. The aim of this submission is to specifically canvass the undeniable community and economic benefits that the West Village development will bring to Brisbane's Southside, as well as discuss the importance of ongoing job creation, certainty and confidence for businesses through greater commitment to development across Brisbane and Queensland.
8. This submission will also briefly touch upon the interaction between state and local planning instruments, and comment on the importance of information flow and trust between the two in order to achieve consistent and predictable planning outcomes.
9. CCIQ provides its full support for the West Village development to go ahead and will provide reasons for our support of this important project.

## Job creation, certainty, and confidence

10. CCIQ notes that the potential impact of the development on West End's local economy is substantial, with the proposal anticipated to be an \$800 million development, generating about 450 jobs per year during construction with net employment on-site and ongoing employment resulting from the retail sector expected to be around 430 FTE net jobs. From these figures, the West Village development clearly provides a significant economic contribution to the local economy and South East Queensland more broadly.

11. Economic impact assessments in relation to the West Village project also note that additional new residents to the South Side as a result of this project will generate a total increase of \$82 million in household expenditure year on year. As a result, local small businesses including formal representations made by West End traders have pledged their strong support for the project to go ahead.
12. Any decision to call the project in will have serious repercussions for this project directly, and other major projects more broadly, across Queensland. Overturning years of planning work and deliberations by the Brisbane City Council and the developer will only add to the groundswell of uncertainty for major developments and projects and will, of necessity, impact on the capacity of the Government to meet its targets for growing jobs and growing business investment in Queensland.
13. Put simply, without a development approval process that provides a modicum of certainty for stakeholders, investment will simply move interstate or overseas. The Chamber has received feedback that the willingness to invest in Queensland is being constrained by a lack of certainty in the assessment process and proponents are actively seeking investment opportunities elsewhere.
14. Further, the West Village application process was made properly, and followed all relevant application processes as dictated by Brisbane City Council's planning and development requirements. Therefore, West Village's application had been assessed on its merits by the Brisbane City Council and both the local community and the State Government have had their opportunity to submit objections and/or supportive statements as part of the consultation process.
15. A decision by the Deputy Premier to override this decision-making process at the Council level will result in proper processes being undermined, sending the wrong signal to investors and developers looking to create jobs and generate economic activity at a time when unemployment in Queensland is of serious concern.
16. A call-in by the Deputy Premier will risk the 2,400 construction jobs, long term jobs that local businesses in the West Village will supply, and well as compromise the broader economic flow on from the project.
17. Accordingly, the Chamber strongly urges the Deputy Premier to refuse a calling in of the West Village development as any call in would have serious repercussions, undermining certainty and business decision making in relation to investment and employment.

## **Overall benefits of medium-high density development in inner-city Brisbane**

18. It is important to note that there is a broader public policy debate taking place with the increased density of inner-city dwellings in recent years in the Brisbane property market. The discussion is one that is focused on the economic costs of urban sprawl versus the benefits of increased urbanisation.

19. Sprawl is an unsustainable way of living in a growing population. At some point urban consolidation has to occur so that we use our resources in a controlled manner. Urban sprawl also costs the State more than high density urban development due to greater urban land consumption and increased transport networks.
20. The added costs include extra infrastructure such as power, water and transport, as well as higher greenhouse gas emissions.
21. A report commissioned by the Victorian State Department of Planning cited that "for every 1000 dwellings, the cost for infill development (in existing suburbs) is \$309 million and the cost of fringe developments is \$653 million".
22. A great majority of our tax dollars go towards the endless building of roads and highways, with little left for valuable things like education, civic buildings, quality architecture and public spaces, or the building of new modern train systems.
23. Highway and airport gridlock is strangling our national and regional economies as more and more time is wasted stuck in traffic. This greatly reduces Queensland's productivity while raising the cost of doing business for everyone.
24. On the other hand, urban density (which is what the West Village development is trying to achieve) provides "economies of agglomeration", meaning the fixed costs of infrastructure are spread over more businesses and households.
25. Living and working closer together also has labour benefits. With more potential workers to choose from, businesses get better choice of employees and higher labour productivity, and employees benefit from more choices of work.
26. Urban density also makes it easier for firms to access suppliers, customers, and specialized knowledge. All communities benefit from knowledge share that occurs within sectors and between sectors when businesses and people work closely together.
27. Lastly, in macro-economic terms, additional supply of residences will inevitably result in a rent prices drop, thereby increasing the affordability of inner-city dwellings.
28. This point is illuminated in the table below (Table 1) which outlines new houses and new other residential buildings in greater Brisbane compared with the Inner West.
29. The table highlights that there are historically high levels of new dwelling constructions in Brisbane (most of which are units predominantly in inner city suburbs) and a slowing growth in population is creating a lower overall demand for housing, which is driving down rental prices.

**Table 1**

Region	New houses	New other residential building	Total dwellings
Brisbane - East	-18.70%	-3.80%	-13.20%
Brisbane - North	12.10%	5.60%	7.40%
Brisbane - South	21.90%	-0.60%	4.60%
Brisbane - West	18.10%	13.30%	15.00%
Brisbane Inner City	3.60%	1.90%	1.90%
Brisbane Inner	3.60%	1.90%	1.90%
Rest of Brisbane	4.30%	2.40%	3.00%
Brisbane	4.20%	2.10%	2.50%
West End	0.00%	102.90%	101.70%

Source: 8731.0 Building Approvals, Annual Change (%), Brisbane, 2014/15 vs 2015/16

30. In other words, citing concerns from local community groups that density and oversupply have detrimental outcomes for existing residents of the locale, the data suggests that rent prices are eased when medium and high density dwellings form part of broader planning processes, thereby achieving better outcomes for affordability in inner city suburbs.

## State and local government planning

31. Under the *Sustainable Planning Act 2009* (SPA), “if the minister decides to call in a development application, this means that the minister becomes the assessment manager for the development application. This allows the minister to undertake an assessment or a re-assessment of the application against the identified state interests, or on planning merit against the relevant planning instruments”.
32. It is critical to note that the Brisbane City Council’s decision to approve West Village was made in accordance with the State Government’s planning laws.
33. Both Council and the State Government have a commitment to urban renewal and density close to the city. Both the Brisbane City Plan 2014 and the South Brisbane Riverside Neighbourhood Plan allow for high density, mixed use development on the West Village site in order to curtail urban sprawl.
34. The West Village project has been assessed on its merits under all relevant planning instruments, adequately complies with the relevant consultation provisions, and is appropriately zoned to revitalize under-utilised land in favour of greater economic and community outcomes.

## Conclusion

35. Throughout this submission, CCIQ has sought to highlight the economic and community benefits of the West Village proposal in West End.
36. Overall, the West Village project ticks the right boxes for consideration to green and public spaces, consideration to public transport, close proximity to CBD to minimise urban sprawl and revitalises what was unsuitable commercial industrial land in West End.
37. It is for these reasons that CCIQ opposes any calling in of the development, and urges the State Government to rule out placating a vocal minority and make a decision that will deliver on the benefits that urban development brings to a community.