



Brisbane City Council ABN 72 002 765 795

Office of the Lord Mayor and Chief Executive Officer
Chief Executive's Office
Level 23, 266 George Street Brisbane Qld 4000
GPO Box 1434 Brisbane Qld 4001
T 07 3403 8888 F 07 3334 0043
www.brisbane.qld.gov.au

Dedicated to a better Brisbane

1 February 2016

Dr Bill Pender
Inquiry Secretary
Standing Committee on Infrastructure, Transport and Cities
Parliament of Australia – House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600

Email: itc.reps@aph.gov.au

Dear Dr Pender

I refer to your letter of 11 December 2015 inviting comment on the inquiry into transport connectivity by the House of Representatives Standing Committee on Infrastructure, Transport and Cities.

Brisbane City Council (Council) notes that the Standing Committee is inquiring into the role of transport connectivity in stimulating development and economic activity both in major urban areas and in regional Australia. Council recognises the importance of transport connectivity to delivering economic benefits to Brisbane's growing community and changing economy. It ensures people can connect with jobs, goods and services, and markets and residents can access opportunities to support their wellbeing.

The greatest challenge facing Brisbane is managing projected growth and funding the infrastructure necessary to meet the future needs and expectations of the region. Council has developed a suite of instruments to manage and plan for our city's growth and development, and has prioritised significant funds to deliver infrastructure projects.

Notwithstanding this, meeting the future transport infrastructure challenges cannot be achieved by local government alone. In recent years local governments have seen funding through grants and subsidies reduced, while weak consumption of goods and services has affected revenue raised through normal government mechanisms. Alternative equitable and sustainable funding and financing opportunities, such as the 'earn back' funding model, need to be considered to deliver much needed infrastructure and services.

Sustainable cities and regions can only be achieved through all levels of government and other stakeholders collaborating and contributing to the planning, funding and delivery of infrastructure. Council looks forward to continuing to work with the Australian Government in these efforts.

- 2 -

Thank you for the opportunity to comment on the inquiry. Specific comments and feedback in response to the inquiry are provided in Attachment A. If you wish to clarify any of the matters raised in Council's submission, please contact Mr Brett Turville, Manager, Transport Planning and Strategy, Brisbane Infrastructure on 07 3403 6785.

Yours sincerely

Colin Jensen
CHIEF EXECUTIVE OFFICER

Att.

ATTACHMENT A

Brisbane City Council's submission to the Parliament of Australia House of Representatives Standing Committee on Infrastructure, Transport and Cities inquiry into transport connectivity

Funding challenge

- In recent years local governments have seen funding through grants and subsidies reduced, while weak consumption of goods and services has affected revenue raised through normal government mechanisms. This has particularly affected larger local governments that provide major transport infrastructure.
- This is exacerbated in Queensland by the inability for local governments to link future taxation and stamp duty revenues to up-front infrastructure investments, compromising local governments' ability to fund catalyst infrastructure in areas which will generate the greatest economic growth and maximise public benefit.

Alternative funding and financing opportunities

- Council supports seeking alternative equitable and sustainable funding and financing opportunities to deliver infrastructure and services.
- The Brisbane 2022 New World City Action Plan recommends that the Brisbane Region 'earn back' funding model, based on economic growth, be activated to allow councils in the region to work with other levels of government to jointly plan, fund and deliver critical infrastructure.
- Potential value capture models have also been investigated by the Council of Mayors South East Queensland (SEQ) (of which Council is a member), in collaboration with the Property Council of Australia and the Queensland Government Department of Infrastructure, Local Government and Planning. This work has yielded the definition of an Economic Growth Partnership Model (EGPM) which is an Australian version of the United Kingdom's City Deal Model. More information regarding this model can be obtained from the Council of Mayors South East Queensland (SEQ) website at <http://seqmayors.qld.gov.au/wp-content/uploads/2015/10/EGPM-Final-Report.pdf>.
- In addition to value-capture models, it is recommended that the Australian Government also consider the impediments to public private partnerships, the feasibility of government-led debt facilities and other methods to attract private-sector investment in infrastructure.
- However, all methods should ensure that equitable and affordable access to infrastructure is maintained for all users.

Access to key economic resources and activity generators

- Improved transport connectivity can reduce the travel time for people and businesses to access key economic resources and activity generators. This generates many immediate and sustained regional economic development benefits including:
 - Access to work: Improving the transport connectivity of a metropolitan area increases the range of employment opportunities people can access within a suitable travel time. This improves the employment choices for people and households. Improving the access to more potentially higher paying employment opportunities can reduce the unemployment rate of metropolitan fringe areas and reduce income inequality across a region.
 - Access to skilled labour: Similarly to above, improving the transport connectivity of a region increases the pool of skilled labour that businesses and industry can recruit from. This increases the likelihood of businesses recruiting the best skilled workforce. By recruiting the most skilled workforce, businesses improve their productivity and output. This makes the businesses and industries more competitive from their location.

ATTACHMENT A

- Intra-regional economic activity: Businesses trade their goods and services to a catchment which is determined by the travel time required to access their businesses. Improving the transport connectivity of a region often increases the size of catchments businesses can trade their goods and services to. As a result, competitive businesses can increase their economic activity.
- Economic clustering: Improving the connectivity between economic precincts strengthens the network of business and industry groups. Research has demonstrated that improved connectivity between clusters of high technology industries (e.g. universities, CBDs, tertiary medical facilities etc.) increases their economic output. Increased connectivity between these clusters increases their opportunity to collaborate.

Population growth challenge

- South East Queensland's (SEQ) population is currently around 3.3 million, while the population of the Brisbane metropolitan area is 2.2 million.
- Current forecasts indicate that over the next two decades an additional 1.1 million people are expected to settle in the metropolitan Brisbane region. Of these 290,000 will settle within the Brisbane Local Government Area (LGA) bringing the population to 1.4 million.
- It is anticipated there will be 443,000 extra jobs in metropolitan Brisbane in the 20 year period from 2011.

Planning instruments

- Council's instrument for managing and planning for growth and development in the city is the *Brisbane City Plan 2014* (City Plan) supported by its Local Government Infrastructure Plan. These can be viewed on Council's website via <http://www.brisbane.qld.gov.au/planning-building/planning-guidelines-tools/brisbane-city-plan-2014>.
- Brisbane's CityShape, the Strategic Framework of City Plan, sets the strategic direction for the urban form and structure of future development in Brisbane to be based on Selected Transport Corridors and Growth nodes. This can be viewed on Council's website via http://www.brisbane.qld.gov.au/sites/default/files/201406_sfm-003_selected_transport_corridors_and_growth_nodes_strategic_framework_map.pdf.
- This approach provides for growth in dwellings and jobs to be more highly concentrated within specific centres and along transport corridor nodes.
- The CityShape theme further recognises that the transport corridors are not only important for development which is located directly on the corridor, but they are also important for other areas for employment (such as industry and warehousing) which require access to the corridors.

Transport-orientated development

- Analysis of development approvals over the last five years has shown that nearly 80 per cent of all new approved unit and apartment stock in Brisbane has been located within the centres and Selected Transport Corridors. Of the new retail, commercial, arts and recreation developments, nearly 80 per cent are also specifically located in the centres and Selected Transport Corridors.
- An indicator of the economic development benefits from improved transport connectivity is change in land values of properties that directly benefit.
- The South Eastern Busway, a significant piece of public transport infrastructure built by the Queensland Government, is a Brisbane case study that demonstrates the positive relationship between transport connectivity and improved land values.

ATTACHMENT A

- Evidence suggests that since it was completed in 2001, the busway has had a positive impact on property values in the suburbs of Mt Gravatt, Eight Mile Plains and Holland Park West. Further information regarding this project can be obtained from the Queensland Department of Transport and Main Roads.

