

SUBMISSION TO THE DRAFT SOUTH EAST QUEENSLAND REGIONAL PLAN REVIEW

Introduction

Regional Development Australia (RDA) Brisbane welcomes the opportunity to make this submission in response to *ShapingSEQ*, the draft South East Queensland Regional Plan (SEQRP).

RDA is national network of committees, funded by the Australian Government, which foster regional economic development. RDA Brisbane is one of 55 committees around Australia including 12 in Queensland. We collaborate with the three levels of government, business and the community to identify priority activities that drive regional economic development.¹

RDA Brisbane's members are drawn from business, government and community sectors, bringing together a variety of views, interests and expertise to work with a shared sense of purpose to improve the economic prosperity of the region. The Committee is supported by a small, professional staff team.

The RDA Brisbane region aligns with the Brisbane local government area but we play a key role in coordinating with six other RDA committees in South East Queensland² for the purpose of driving wider cross-regional and national economic development outcomes.

Our four regional priorities to 2020 have been developed by drawing from the economic and industry growth priorities of the three levels of government together with research, data, analysis and ongoing engagement with our stakeholders; they are:

1. A more globally focused and sustainable economic profile
2. Projects and infrastructure to drive economic development
3. Business and talent attraction and retention
4. A stronger cross-regionally connected economy

These priorities are unpacked under *Vision & Scope* below.

In line with our mandate of economic development, this submission has a central focus on the draft plan's second key theme '*prosper*'. Nevertheless our feedback is relevant to and cuts across all five themes as we cannot capitalise on the region's competitive and comparative advantages to achieve

¹ For more information about Regional Development Australia see <https://rda.gov.au/> For more information about RDA Brisbane see <http://www.rdabrisbane.org.au/index.php/about-rda-brisbane/our-role>

² Gold Coast, Logan Redlands, Sunshine Coast, Moreton Bay, Ipswich and West Moreton, Darling Downs and South West.

the aspirations of the 'prosper' theme unless we have liveable, connected, sustainable communities.

Our submission focuses on the following key issues which are significant to RDA Brisbane's mandate:

- The vision and scope of the SEQRP and economic development priorities
- Strengthening economic development in the 'prosper' theme
- The importance of clusters in the SEQRP
- Critical roles for the three levels of government in the SEQRP
- Absence of infrastructure planning integration
- Meaningful affordable housing measures are missing.

Vision & Scope of the SEQRP

The Queensland Government is to be congratulated for its vision to deliver a world class regional planning framework within which to facilitate and manage growth over the coming decades. The regional planning framework, achieved and refined in this plan, is an aspiration in many other countries. For example, elements of SEQRP are reforms proposed to be introduced in England to support its housing reforms.³

The major economic development issues affecting Brisbane are documented in RDA Brisbane's triennial Regional Roadmap. Our research indicates that the future economic prosperity of Brisbane depends on creating:

A more Globally focused and sustainable economic profile

- High value industry growth sectors that collaborate locally to compete globally
- Innovation through new ideas, products and services relevant to global markets
- Businesses and startups that are entrepreneurial

Projects and Infrastructure to drive Economic Development

- Industry and workforce capability to capitalise on opportunities provided by major infrastructure projects, such as the Queen's Wharf project
- Delivery of productive local projects and infrastructure

Business and Talent Attraction and Retention

- Investment attraction and innovative major projects, to encourage businesses to set up or relocate to Brisbane
- An enviable lifestyle to attract skills and retain our best and brightest

A stronger, cross-regionally connected economy

- A Brisbane-led approach to building a stronger, interconnected regional economy

³ Department for Communities and Local Government (2017) Fixing our broken housing market, accessed 3 March 2017 at <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>

- A ‘whole of region’ collaborative approach in delivering business development initiatives⁴

We note that many of these themes are woven into the SEQRP.

Strengthening economic development in the ‘prosper’ theme

RDA Brisbane has an interest in the interplay between the SEQRP and the economic development of Brisbane and its surrounding region.

The economic development outcomes are outlined in SEQRP’s section on *prosper*. RDA Brisbane agrees that these outcomes would ensure the maintenance and continued building of prosperity in South East Queensland.

However, the economic development rationale that underpins the seven Elements in ‘prosper’ appears to be a somewhat dated model of economic development.

Successful modern economies are moving away from traditional economic development strategies to a new model of economic growth that can lead to long-term prosperity. This is driven by competitive firms that are productive and innovative. In the modern age, nimble firms require a nimble planning framework that is open to all possibilities; a framework that focuses on enhancing existing market assets and capabilities to boost trade, increase the value of advanced industries, and create incomes and opportunities for workers, no matter where they live in the region.

We recommend that Element 1 should have as its focus high-performing competitive and innovative firms. We support strategies to help businesses:

- adapt effectively to new digital technologies
- enhance globalisation capabilities, and
- build capacity through collaboration, access to assistance/advice and clustering (further views on clustering are below).

Element 2 deals with the strategies to allow firms and land uses that are compatible and potentially mutually beneficial to concentrate, and to isolate firms and land uses that are damaging to other firms and citizens. RDA Brisbane supports the continued protection of important infrastructure and transport corridors.

With respect to the strategies in Element 2, RDA Brisbane supports 2 and 5. With respect to strategies 1, 3 and 4, the outcomes from these strategies will be largely be delivered by the private sector and government-owned corporations.

We recommend that strategies 1, 3 and 4 be rephrased to clarify the role of government in the achievement of these strategies.

⁴ RDA Brisbane (2016) RDA Brisbane Regional Roadmap 2020 update synopsis, accessed 22 February 2017 at http://www.rdabrisbane.org.au/images/Documents/RDA_Brisbane_Regional_Priorities.pdf

The importance of clusters to the SEQRP

Throughout the SEQRP the terms “precincts”, “technical park” and “clusters” are used synonymously. Fundamentally these terms describe spatial areas where firms co-locate because of mutually beneficial outcomes (although clusters are not always spatially defined).

RDA Brisbane suggests that one term be used consistently throughout the SEQRP, and recommends the use of term “clusters”.

Cluster development is recognised by RDA Brisbane as a key enabler of economic development and is included in strategies in its Regional Roadmap for the economic development of Brisbane and the broader region. Clusters are now widely recognised as important tools of policy by governments around the world as they have proved to effectively facilitate regional economic development. Evidence demonstrates that strong, innovative regional clusters lead to business retention, expansion and attraction through:

- New product development;
- New business start-ups;
- Attraction of private and public investments;
- Productivity improvements;
- Increased competitiveness and
- Export growth.

While clusters are a natural occurrence, the development of clusters is being accelerated in many countries through interventions that more closely align the triple helix actors of business, governments and academic institutions around common agendas, addressing both opportunities and impediments to industry growth for regional development.

“As globalisation accelerates, clusters strengthen the collaboration required for increased innovation and connectivity, crucial for upgrading the competitiveness of companies, regions and nations”. (Dr Christian Ketels, Institute of Strategy and Competitiveness, Harvard Business School and President of TCI-Network, the international network for cluster practitioners, Adelaide, June 2016.)⁵

RDA Brisbane has hosted the TCI-Network’s Oceania chapter since 2014 and delivers the chapter’s annual cluster conference. This close association with the world’s preeminent cluster organisation is a potential attribute for the SEQ region and could be further exploited to transfer cluster development know-how to the region.

RDA Brisbane would welcome the opportunity to collaborate with the Queensland Government to reorientate the strategies in Element 2 to be compatible with best practice in cluster development.

⁵ TCI-Network Recent news/Best of 2016: Development of innovation clusters for competitiveness at TCI Oceania Conference, accessed 3 March 2017 at <http://www.tci-network.org/news/1158>

Critical roles for the three levels of government in the SEQRP

An important precondition for economic growth is access to capital – whether it be to grow existing businesses or through the choices of firms to locate in SEQ because of the opportunities on offer. Attracting investment requires certainty - certainty that growth is sustainable not temporary and certainty that the rules will be applied consistently.

In this regard, it is very important for investors to know that the three levels of government talk with each other, coordinate activities, and do not work at cross purposes.

The SEQRP, as an instrument for facilitating economic development, should be very clear about how each of the three levels of government in SEQ will be involved in the regional plan. For such a large economic area and major contributor to the Australian economy, RDA Brisbane recommends that the Queensland Government seeks an accord with Commonwealth and local governments on implementing the SEQRP.

Absence of Infrastructure Planning Integration

Both the City of Brisbane and other spatially expansive SEQ local authorities face the same challenges associated with dormitory suburbs attempting to establish their own local business development in order to achieve a degree of self-containment.

Inadequate infrastructure often plays a significant role in limiting the potential of such places to ever become complete communities and instead confines their residents to long commuting times and diminished economic potential.

RDA Brisbane believes that such barriers to economic growth and liveability stem in major part from the fact that the SEQRP continues to sit isolated from an integrated SEQ Infrastructure Plan.

Continuation of the current situation which sees SEQ's infrastructure planning delivered through a single State Infrastructure Plan (SIP) cannot continue if the SEQRP is to achieve the aspirations of its five themes. Differences in scale and planning horizons between the SEQRP and the SIP make the planning and coordination of infrastructure delivery difficult, if not impossible.

RDA Brisbane recommends that the draft Plan include a more detailed set of infrastructure commitments, and that the final Regional Plan should be integrated with a SEQ Infrastructure Plan.

Meaningful Affordable Housing Measures are missing

Affordable housing is a major economic and social issue that affects the growth of cities and has mainly been targeted using rental subsidies such as Commonwealth Rental Assistance Program and the National Rental Affordability Scheme (NRAS). Other organisations such as the Brisbane Housing Company have been established to develop affordable housing for rent. The problem with the existing policy, from RDA Brisbane's perspective, is that these schemes provide housing assistance at the cost of locking low and lower middle income households out of home ownership. Affordable housing support should be neutral between ownership and rental.

The other issue to consider is that, notwithstanding the support to households through rental assistance, the measured affordability is declining in SEQ. Not everyone living and working in SEQ

in the future will be a high income worker. Ten-year employment projections prepared for RDA Brisbane in 2011, updated in 2013⁶ are confirmed by employment forecasts in the Department of Infrastructure, Local Government and Planning's *ShapingSEQ Background paper 2: prosper*, indicating that health care and social assistance will account for a large proportion of future jobs. But as the city grows within its defined boundaries, the price of land and therefore housing will rise pushing low income workers to the fringes and potentially a long way from where they work.

RDA Brisbane believes that affordable housing will overtake infrastructure provision and congestion as the two major issues impacting on the lives of people in SEQ. It is an issue of both national and international prominence.

RDA Brisbane recommends that the issue of housing affordability be given greater prominence in the SEQRP and recognised as an important driver of the well-being of SEQ residents.

Affordable housing (as one key element of liveability) also acts as a lever to support economic development helping to attract businesses to the region and helping existing and new businesses to attract and retain talented staff.

To this end, RDA Brisbane recommends that implementation of the SEQRP reports specifically on how the region is performing in delivering affordable and sustainable housing.

RDA Brisbane would support annual reporting on the number and type of dwellings constructed, how sustainable they are for the region's climate and energy and water resources, and the number of properties affordable for low and medium income earners to buy or rent. To measure this RDA Brisbane suggests the bottom 40% of the distribution of regional income by household income would be the appropriate group to measure.

Conclusion

RDA Brisbane congratulates the Queensland Government on the vision and scope of the SEQRP.

This submission represents a collaborative effort from the RDA Brisbane Committee members and staff, from which a dedicated working group was formed to more closely examine the draft SEQRP. We have made a number of recommendations which we believe will strengthen the capacity of the plan to deliver on its vision and objectives.

We reiterate our willingness to work collaboratively with the Queensland Government in relation to any of our recommendations and look forward to seeing the final version of the plan.

Shane Fracchia
Chair
on behalf of the RDA Brisbane Committee

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⁶ RDA Brisbane Skills Shortages in the Greater Brisbane Labour Market 2012-2021 – 2013 Update, accessed 3 March 2017 at <http://www.rdabrisbane.org.au/index.php/latest-news/87-skill-shortages-update-available-now>