

# SHOPPING CENTRE

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## COUNCIL OF AUSTRALIA

12 February 2007

Ms Jeanette Radcliffe  
Committee Secretary  
Senate Standing Committee on Rural and Regional Affairs and Transport  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Ms Radcliffe,

### **Inquiry into Airports Amendment Bill 2006**

I would be grateful if you could provide the Committee with this response to two questions which were taken on notice by Milton Cockburn, Executive Director, the Shopping Centre Council of Australia, at the hearing on 30 January 2007.

#### **Question 1 - Senator McEwen**

**For a shopping centre complex built off airport land, what would be the percentage of the costs allocated for development contributions? (Hansard reference - page 35.)**

As I indicated at the hearing, the level of developer contributions varies from state to state and between local councils but, as an example, we provided the following figures in our submission on the Sydney Airport Major Development Plans (MDPs) for retail development:

"Perhaps one of the greatest shortcomings in the Airports Act is the absence of any obligation on airport lessees to meet the infrastructure costs of their developments. Airport lessees can develop large retail centres that generate substantial extra traffic but, unlike any other developer, they cannot be forced to meet the cost of any necessary road upgrades - tax payers and rate payers must foot the bill. This is highlighted in the assumptions on which Sydney Airport has based its major retail development which include that "adequate external infrastructure within the city and the region *will be provided by the relevant authorities* to ensure that passengers, freight, staff and visitors can access the airport" (MDP p.9).

This is clearly not in the public interest and is a matter of great concern to members of the SCCA because it delivers a windfall advantage to airport lessees over other developers who are required to pay developer contributions. As an example, if the developments proposed in the draft Aviation and Retail Precinct MDP were subject to local planning laws such as Rockdale LEP, they could, as a starting point, have to pay section 94 (developer) contributions of over \$14 million, as follows:

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Leaders in Shopping Centre Advocacy

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MDP Proposals	Contribution Rate	Contributions Payable
Supermarket - 4,000 sqm	\$330.69 per sqm	\$1,322,760
Bulky Goods - 24,000 sqm	\$165.35 per sqm	\$3,968,400
All Other Retail - 34,390 sqm	\$236.21 per sqm	\$8,123,262
<b>Total Contributions Payable</b>		<b>\$13,414,422</b>

1. *Rockdale Section 94 Contributions Plan 2004, Table 2.1, p.22 - contributions for an equivalent area with minimal existing infrastructure (Wolli Creek).*

### Question 2 - Senator Sterle

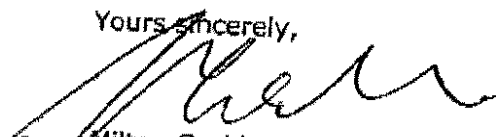
**What is the financial difference between one shopping centre having to pay the rates et cetera and the other centre on the airport land? (Hansard reference - page 35.)**

I have sought information on the rates paid by Belmont Forum shopping centre and will provide the figures to the Committee as soon as I have received them. I am sure that many of the local councils which appeared before the Committee could also provide estimates of the rates that would be payable in their local government area by commercial developments such as shopping centres.

### Other Matters

I would also like to take this opportunity to respond to a comment made to the Committee by Mr Willey of Brisbane Airport Corporation. Mr Willey made much of the fact that no submissions were made on several draft MDPs recently released by Brisbane Airport (page 51). It would be interesting to ask how Brisbane Airport advertised these draft MDPs. The SCCA would contend that the lack of submissions probably reflected a lack of public awareness of the draft MDPs rather than any lack of concern with the MDP proposals, given that the Airports Act only requires a small advertisement in the back pages of a local paper and no requirement for notification on websites etc. It has been our experience that it is often very difficult to find out information on draft major development plans. When Brisbane Airport, for example, sought public comment in September 2003 on what it described as a 'minor' variation to its 1998 Master Plan, it announced this in an advertisement, measuring 3 cm by 5 cm, buried in the classified advertising section of *The Courier-Mail* newspaper on 2 September 2003. It was criticised for this by the then Acting Lord Mayor of Brisbane, Cr Maureen Hayes, who brought the advertisement to the attention of the public and others in a media statement on 1 October 2003, nearly one month later. This rendered shallow Brisbane Airport's boast in its 2003 Draft Master Plan: "Since acquiring Brisbane Airport from the Federal Government in July 1997, BAC has demonstrated its commitment to open and transparent communication."

Yours sincerely,



Milton Cockburn  
Executive Director

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Further to my earlier letter today, I have now received the information from Belmont Forum Shopping Centre enabling me to more fully respond to Senator Sterle's question to me at the hearing on 30 January 2007 (page 35).

In 2006-07 Belmont Forum will pay \$1,249,852 in council rates and \$432,370 in land tax. I understand that neither of these would have had to be paid if the shopping centre was located on airport land.

Yours sincerely



Milton Cockburn  
**Executive Director**

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