

Planning Institute of Australia (NSW Division)
Submission: Productivity Commission:
Performance Benchmarking of Australian Business
Regulation: Planning, Zoning and Development
Assessments

*The Planning Institute of Australia (PIA) is the peak body representing professionals involved in planning Australian cities, towns and regions. The Institute has around 4,500 members nationally and around 1,300 members in New South Wales. PIA NSW plays key roles in promoting and supporting the planning profession within NSW and advocating key planning and public policy issues. **This submission has been prepared on behalf of PIA NSW by Members of the Institute.***

Introduction

The Planning Institute of Australia (NSW) commends the Productivity Commission for its Issues Paper on 'Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessments'. The scope of the undertaking is significant, particularly as it has needed to address several jurisdictions across Australia and has had to have regard to the complexity of the planning and approvals processes in operation in each State. This study, if it meets its goal of providing independent benchmarking across the States, will facilitate constructive discussion and could be the catalyst for change to planning regulation.

Members of the NSW Division of the Institute have reviewed the Issues Paper and have provided a range of comments on Sections 2 and 3, as set out below.

Issues Paper Section 2: Planning Zoning and Development Assessment

The Institute would like to make the following comments and responses to Section 2 of the Issues Paper that deals with the planning, zoning and development assessments processes.

The Issues Paper identifies common themes in the legislative regimes that are in operation across Australia. The legislative regime sets the framework in which planning, zoning and development assessment may occur. Most planning legislation contains provisions for:

- The planning goals to be pursued through the legislation;
- The roles and division of responsibilities between State and Local Government and the private sector;

- Procedures for strategic planning that generally proceed hierarchically from State plans or policies to Local Government Plans and guidelines;
- A development assessment process that sets out what consent authorities are to do, what applicants are to do and how the assessment is to occur leading to a determination (they may include different procedures for the Crown, State significant, Local and special types of development);
- Opportunities for the private sector assuming some planning and certification functions (including panels and private certifiers);
- Mechanisms for public consultation depending on the nature of the development;
- Processes for coordination of input from stakeholder agencies to the assessment that may be simple referral or concurrence roles; and
- Processes for appeals (including some third party appeal rights).

The following comments specifically relate to the Institute's experience in New South Wales, however, many of the points are applicable to other jurisdictions.

1. The Institute is concerned with the apparent gaps in the Commission's terms of reference for the Study which tends to overlook, even dismiss, key functions of the planning system. The Study appears to be focussed on the economic implications to business of the planning system. Whilst this is a legitimate area of investigation, and we acknowledge that there is a need to reform the planning system to remove inefficient and any unnecessarily bureaucratic processes that are hindering business, any conclusions or recommendations arising from the Study must also acknowledge that planning performs other functions beyond economic development and wealth generation for business.
2. The opening statement of Section 2 of the Issues Paper defines "*planning for land use*" as being "*concerned with guiding and shaping the way in which cities, towns and regions develop*". The Institute urges caution in adopting such a narrow interpretation for the purposes of the Study. In particular, the Institute would submit that:
 - a) Effective plans can deliver important economic as well as social and environmental objectives to meet the needs and aspirations of communities. Good planning integrates activity in a cost effective and linked way.
 - b) Planning has a crucial role in acting as a catalyst for economic recovery during a time of recession.
 - c) Planning balances competing interests for the use of land, resolving conflicts between neighbours and addressing relationships between land use and the environment, natural resources, heritage and people.
 - d) It supports the economy by aligning infrastructure (such as energy supply and communications) with economic development in the most effective way and by providing certainty for investors, not just business investors but ordinary people buying their own homes.
 - e) It protects important natural environments and heritage features and it safeguards the landscapes and places we will value in the future.
 - f) Planning enables communities to identify, protect and enhance the assets that matter to them to retain the distinctiveness of their area.
 - g) Planning is technical and based on complex legislation and practice but it is done for people and the public good within a political environment. It requires highly skilled professionals who can understand public needs to deliver results effectively in a balanced and equitable manner.

- h) *"Good planning requires and delivers a vision; ultimately the activity is all about creating and sustaining places that are successful and enjoyable for their communities".* (Royal Town Planning Institute, Shaping the Future-Manifesto for Planning, 2010)
3. The Commission should not found the Benchmarking Study on the premise that the way planning is occurring in Australia generally, and in NSW in particular, is necessarily good planning that is hindering economic development. Our experience is that this is not the case and the Institute is arguing that the NSW legislation needs to be repealed and be replaced to reflect "good planning". At page 9 of the Issues Paper, it is stated that planning legislation *"provides a broad framework for coordinated, orderly, effective and / or strategic processes in the use and development of land"*. The Institute would put to the Commission that the Planning Legislation in NSW does not achieve those principles. There is ineffective and sometimes poor coordination between Government agencies, Councils and State Government. The complexity of the system and lack of strategic forward plans means that development is unable to proceed in an orderly manner; the approvals process is not effective because the outcomes envisioned by proposals are not being delivered; and there has been no comprehensive, proper strategic spatial or infrastructure planning in NSW for over 20 years.
4. The Issues Paper deals with the regulations for implementing the statutory planning and zoning provisions assuming that standardising procedures, interpretations and administrative processes will improve the system. Such a simplistic perspective sees planning as principally a mechanistic or administrative function that can be simply codified using checklists and rigid stages. The reality is that planning is inherently "political" in that it deals with winners and losers, it can be influenced by strong interest groups, it requires judgement on issues that can affect lives (bushfire, flooding, contamination etc) not just the profitability of a business and it involves the exercise of discretion. It is the Institute's opinion that it would not be a good outcome for the Commission to draw a conclusion that the way to improve the regulatory system to reduce costs for the business sector is to "fix" the process to make it more standardised, centralised and structured. The experience in NSW is that approach has failed. The Institute would argue that more fundamental changes in the way planning and development operate is necessary based on:
- **partnership rather than consultation** - so that the participants may understand and accept, however reluctantly, the decisions that need to be taken;
 - **compromise rather than sectoral zeal** - so that it is acknowledged that decisions sometimes involve a trade off between impacts and net community benefit and avoid a culture of litigation;
 - **collaboration rather than negotiation** -so that in terms of economic interests it is recognised that there are private sector interests that are in competition with each other where good results usually don't succeed just through positional bargaining; and
 - **longer term goals rather than just short term expediency** have to be given greater weight in guiding decisions - so that the time horizon of political elections does not undermine long term visions.
5. Although zoning for the purpose of regulating and prescribing order to development and societal outcomes has a long history in traditional planning legislation, it has developed into a very rigid and time-consuming exercise as an effective mechanism for development concept appraisal and preliminary viability analysis. The contemporary models employed particularly in assessing the early economic conditions for certain land-use and compatibility rely heavily on existing and emerging trends, change consequences, that traditional planning mechanisms cannot readily adapt to.

6. The capricious nature of contemporary industry and its relationship with other society requirements now sits at odds with the traditional planning tools. Therefore contemporary planning mechanisms need to be adaptable and flexible in nature. Today's 'change' is far more dynamic and short-term in its relevance and applicability. Under the traditional zone based legislation some zoning decisions are inconsistent and no longer appropriate for their intended purpose by the time the zoning legislation has been promulgated.
7. In relation to the emerging different roles of Governments, the material in Box 2 of the Paper (page 10) provides a good overview of the circumstances that have occurred in NSW. The failure of the Commonwealth Government and the State Government to identify a new location for the Second Sydney Airport is perhaps the single most important planning decision for the Sydney Metropolitan Area that will affect the future location of international and interstate business opportunity, freight movement, infrastructure provision, housing and utilities supply. The two levels of government and their agencies are holding back significant economic development because of the inability to establish a proper planning process to:
 - a) identify a site;
 - b) nominate appropriate zoning;
 - c) ensure that appropriate reservations and land use controls are established; and
 - d) determine a system that will allow the new airport and associated facilities to be delivered.
8. The Paper points out the trend toward commercialisation of State and Local Administration, greater use of private certification and greater use of planning panels for delegated approvals. The Institute's experience in NSW is that none of these trends are producing efficiencies in the process of planning and assessments and the outcomes are no better, if not worse. The Institute's position is that the current situation in NSW can be resolved by a shift away from a preoccupation with process reform to one focussing on better strategic planning first then faster decisions based on the adopted strategic plans. This means that the development controls, yield, marketability, siting, infrastructure provision, environmental analysis and community engagement happens first then an assessment and approval is only necessary by exception when a proposal goes outside the adopted plan. This reduces the need for complex processes for approvals and complicated regulatory regimes. By employing this approach the 'factors' influencing competitiveness and development assessment costs identified in the Issues Paper at Paragraph 2 on Page 14 can be overcome.

Responses to Issues raised within Section 2 (page 14)

"On what matters should the planning, zoning and DA related decisions and actions of governments be coordinated? How should performance on these matters be benchmarked?"

The key matters that require coordination are:

- a) matters that involve specialist areas of expertise (e.g. environmental science);
- b) matters of State significance involving cross regional impacts, natural resource management or having State infrastructure implications;
- c) matters of regional significance involving design and delivery of regional infrastructure (transport networks, freight services, waste disposal, water supply, etc); and
- d) matters of national significance including airport siting and non-airport commercial activities, impacts of immigration, climate change and national heritage protection.

All of the categories of activity requiring coordination should be specified in a State Plan that is endorsed by State Parliament and linked to, at least a memorandum of understanding, or better, a binding agreement, with the Commonwealth.

The performance on these matters can be benchmarked by:

- referral response times;
- quality and accuracy of response;
- ability of the regulatory authority to integrate advices into a robust decision; and
- success of the final outcome.

“Are there particular examples of where land development and development of other urban infrastructure (such as transport and schools) are or are not well coordinated?”

Examples of poor coordination in NSW are:

- Metropolitan transport and freight services;
- Water supply and distribution;
- Waste disposal and adoption of alternative waste technology;
- Consistency in requirements and standards for sustainable development;
- Electricity supply;
- Major housing infill projects and community services provision, especially where Local Government is required to fund the services without adequate funding and resources;
- Land release and funding of key physical infrastructure (roads, open space); and
- Rural subdivision and the conflicting requirements by government agencies for multiple studies.

Good examples of coordination are known to be:

- East Perth Redevelopment Authority in WA;
- Midland Redevelopment Authority in WA;
- Rouse Hill Town Centre project in NSW; and
- South East Regional Plan in Queensland.

“What costs (benefits) does poor (good) coordination between levels of government create for:

- ***property developers***
- ***businesses, aside from property developers***
- ***government agencies and local governments***
- ***residents?”***

	Costs of Poor Coordination	Benefits of good Coordination
Property Developers	Holding charges; access to finance; delayed release of product; inconsistent advice for decision making; excessive compliance / study costs.	Higher confidence; quicker approvals; greater certainty.
Businesses	Loss of trade due to delays; higher compliance costs.	Less red tape; opportunity to streamline business practises and business expansion; innovation and research through cost savings.
Government	Greater frustration; poor image.	Easier work environments; better environmental or development outcomes
Residents	Lack of confidence in system; disillusionment with processes, developers and governments; political reaction.	Confidence in outcomes; greater support for and trust in government.

Issues Paper Section 3: Focus for the Analysis in this Study

Impact on Competition

As stated in the Issues Paper, the fact that land use planning regulations restrict competition is a given. The focus of this analysis by the Productivity Commission should therefore be three-fold:

- Why and how do planning regulations restrict competition
- What are the benefits the planning regulations purport to bring
- Can greater competition be achieved without compromising the benefits of regulation

At the core of this question is the concern that the zoning process, a cornerstone of planning policy in the UK, Canada and Australia, is flawed. While the system is slow to respond to change, it is important to remember that land use plans take more than 20 years to reach maturity. While flexibility is essential, change must be accompanied by a transparent, agreed process. The Productivity Commission can contribute significantly to this debate by reviewing alternatives to the traditional zoning system that are more responsive to change than our current operation.

Planning regulations bring certainty for investors, businesses and communities. If they are applied by a regulator consistently then they bring confidence to the planning system and a level playing field for different land users. They may well restrict competition by new entrants by including mechanisms such as zoning and development standards. These are limits that would have had to have been met by the existing land uses. It would therefore arguably be uncompetitive to relax those same regulations for new entrants in order to facilitate their establishment, for example by upzoning lower value land nearby or by waiving development standards.

The role of the planning authority (a function that occurs prior to the involvement of the regulator) is to establish the optimal community allocations and land uses to meet the reasonable needs and expectations of an area. That should include planning for future expansion of land uses where growth is expected to cater for increased demand. This must be balanced by the planning authority in considering the likely impacts of the growth on the capacity of infrastructure (utilities and transport), on the availability of funding to upgrade facilities, on the amenity of adjoining properties, on the ability of community services to satisfy the growth and on assessment of the changing characteristics of an area (e.g. demographic change).

The Issues Paper makes reference to the consideration of “impact in competition” as part of the economic impact assessments submitted as part of rezoning and land release proposals. Generally most planning documents lend little weight to the consideration of economic impacts as it is considered to be typically self regulating (by the market) and therefore not needing identified attention as part of planning heads of consideration. What is probably more relevant is whether the preparation of master plans, regulations and planning policies consider the economic impact of a particular planning direction and whether it is economically rational. The consideration needs to be set at the policy level (when it is being set) rather than when the proposal is being assessed. Our experience is that consideration of the economic feasibility/impact of zoning at the plan making stage rarely occurs but there is little evidence of widespread or persistent occurrences of anti-competitive practices in DA processes in NSW.

The text suggests that regulations are often overly restrictive in favour of other heads of consideration (social, environmental etc) and therefore tailor an outcome towards one “deemed to be appropriate” outcome which could restrict competition. This is potentially symptomatic of setting policy without regard for economic realities. The economics of a proposal are often a second thought, secondary to social and environmental benefits/impacts and an assumption that any scale of development will be economically viable. The reality is there are many good

“best practice” planning policies that have no regard for economics and therefore never get implemented.

The allocation of uses for an optimal community benefit is an inherent role of the planning system and one that cannot be removed for the sake of assisting competition. What needs to be changed is the stage in the planning process where these considerations need to be given weight, i.e. in the setting of strategy and writing of the policy not in its implementation.

Discussion of Issues:

1. Competition is rarely intentionally restricted by regulators. It would typically only occur where a particular proposal or concept was enshrined in regulation (i.e. a master plan, a State Policy or a Local Environmental Plan). However this typically is only done when a particular land owner has approached a regulator with a scheme that needed policy change to eventuate. This is in effect the market directing policy and is only anti-competitive once the market potential of a site is improved outside of the open market. This is an international phenomenon and isn't something that can be easily overcome and it is debatable whether it should be overcome.
2. Other more general restrictions are when other competing heads of consideration are introduced into the assessment of a development. This may be the retention of affordable housing or dedication of land or restriction in development potential to maintain a public benefit. This can place a burden on the economics of a development rather than restricting competition. Nevertheless, these other restrictions are also legitimate considerations that are appropriate to the assessment of the “optimal community outcome”.
3. The government or agency with the greatest scale of redevelopment occurring is going to typically be the more restrictive where there is more competition within the market and they are able to ‘levy’ or artificially bolster ‘public benefit’, where the same restrictions may have less chance of being accommodated by the development industry in lower growth and gentrification areas. For example, an inner city council is more likely to successfully levy for an affordable housing contribution within a significant redevelopment than a council on the urban fringe. Regulatory requirements that restrict permissible land uses (e.g. no bulky goods retailers in commercial town centres) or provide bonus incentives for a particular use are quite effective at restricting development and competitiveness within the market place. The key to the equity of such restrictions is to ensure that a consistent approach is applied to all proponents and that the restrictions are economically feasible.
4. The pre development assessment process or the informal liaisons that occur between councils, agencies and the development industry means that the market demands of a particular group/developer maybe be understood and could steer (without benefit to the agency) a particular policy direction which may unintentionally support one development outcome and therefore be anti-competitive. An example would be large retail developers lobbying to place a supermarket in a particular region. A new town centre plan is being prepared and a floor space bonus for a supermarket is included in response to this lobbying in the planning controls. It isn't tailored to a particular supermarket retailer but it does provide an incentive for supermarket retailers and therefore has anti-competitive implications for smaller footprint retailers. This is common and is often supported by communities who want the supermarket. Leaving it to the market may mean the development will take longer to occur and may result in a different commercial reality for that town centre.
5. The potential benefits of competition are the fundamental drivers for rezoning land based on an assumption that the market will respond well to the up zoning and that

redevelopment will occur – the desired outcome being planned for. The local economy and community are often seen in a big picture sense i.e. the local community needs a supermarket. The various density and use options encapsulated in a policy being developed are rarely measured against economic viability, certainly not in the past 20 years though it is becoming increasingly more common to require a peer review of a particular planning policy by an economic consultant. Transparency in consulting on planning and zoning options is good at the assessment end but often less apparent in the initial stages of site selection and the reasons why a particular site is being selected. This is often because there is market privilege and there cannot be consultation on a cost benefit analysis.

6. Planning systems can be very effective at restricting some new industries, particularly where an area is seen as having a niche character which it is seen to be favourable to support, for instance boutique style development in an inner city location. Land use planning tables can become very restrictive to ensure these uses are preserved and can curtail some markets in those areas being “protected” by planning controls.
7. Anti-competitiveness can also be seen as providing balance in how smaller industries can survive and compete. Small boutique developments cannot hope to compete with larger corporations. Providing specific areas where these smaller uses only can compete is by definition interfering with the market but it does have desirable outcomes in ensuring the strongest industry or market player does not dominate. This situation is most applicable to the protection of small shopping strips where a new large shopping complex is seeking to be established. One example of this is the economic impact that the Bondi Junction Westfields complex promoting “black label” /top shelf brands had on the boutique niche markets of Oxford Street, Paddington and Double Bay.
8. In a free and unfettered capitalist environment normative markets will seek mechanisms to increase investment value. Land and property development is no exception. However, the continual “*harvesting*” of free-hold opportunity in creating ever smaller land parcels, particularly under mechanisms such as strata titling, decrease the re-development potential and leave a legacy of “*difficult sites*”. This in turn forces potential development to seek land opportunities dispersed from the defined commercial centre. This of course has repercussions for infrastructure and access provision. There needs to be a more efficient and timely mechanism to permit consolidation where this would benefit the over-all commercial viability of an existing functioning centre. The Institute has made representations to the State Government seeking amendment to the current strata title legislation in NSW to enable redevelopment of strata titled buildings with a lower (75%) threshold for owners’ agreement to redevelop than the existing 100% requirement. This will free up many sites across NSW for new competition that are currently stagnant or under developed due to the inability to redevelop.

Impact on Compliance Costs

The “loading of costs” on development is unavoidable however it needs to be directed appropriately and at the stages where those costs can be best and most justly accommodated. For example the COAG push towards consistency in the rules for low impact development (fast track approvals for low impact low cost development) is an example of providing a reduced burden on the homeowner in terms of providing a more cost effective approval process at the stage where the planning result is all but guaranteed, i.e. a dwelling house on an existing block of land.

A national Planning Act that would harmonise planning jurisdictions across Australia would be helpful in reducing inequitable compliance costs as they would be standardised and, being less

variable, would be less prone to being unnecessary and burdensome. Costs are generated through navigating a complex planning system and “getting around” obstacles – through compliance retrospectively or by factoring appeal costs in up front. This situation is most evident in NSW. A simplified system, i.e. a new Integrated Planning Act in NSW that removes the ambiguity and provides a response to these common areas of compliance or litigation would be cost effective.

Discussion of Issues

1. Complying development in NSW is a “development assessment system” that is cost effective. A 10 day approval is a significant cost saving. This has been recognised by COAG and the National Agenda has been set to provide a template for low impact, low cost approval processes across Australia in line with the NSW model. The savings have been quantified as being several thousand dollars per application.
2. Introduction of eDA processes are difficult to quantify as these processes are not wholly integrated into the entire process and therefore cost savings are difficult to quantify, especially this early on in their implementation.
3. Requirements in NSW do vary significantly from documentation through to timeframes which all add significantly to implementation compliance costs.
4. Costs associated with development application assessment times for straight forward applications though this matter is being addressed in line with the National Agenda for streamlining assessment and approval processes.
5. ‘Spot rezonings’ are also exceedingly costly which are reflective of a reactive planning system. A planning system more focused on strategic planning rather than development control would pre-empt market shifts and reduce the need for repeated ‘one-off’ spot rezonings a result of out of date land uses for a local government area.
6. A redevelopment proposal that is trying to align a current market proposal within a 20 year old local planning scheme will be costly. The costs are incurred at each step of the process at strategy, concept, design and assessment stages because at each stage additional resources are needed to justify the “discord” from the out of date planning regime, which is still in place because there are insufficient resources to undertake contemporary strategic planning.
7. The time it takes to rezone land is an issue in NSW because of the current Planning Act, which requires full gazettal of a rezoning and supporting studies and assessment. This could be relaxed through a better relationship between the legal standing of a lot’s zone and the process that needs to be followed. The policy bottlenecks in NSW are often reflective of a zone being a legislation amendment. Legislative amendments in NSW are not undertaken lightly or cheaply. A review of the Act and how land is rezoned could overcome some of these issues, potentially removing some legislative requirements and costs.
8. The timeliness of the assessment of development applications should depend on the scale of the matter being considered. This unfortunately is not the case currently and there are different degrees of consideration depending on the area and the political sensitivity of a proposal or a community or even a proponent. Standardising what should be considered and making it mandated through planning requirements is recommended.
9. Recent NSW initiatives such as the standardized Local Environmental Plan will have a measureable impact on what costs the regulatory system imposes on the development industry.

10. Third party appeals result in further uncertainty and delays within the planning system. There are limited third party appeal opportunities within the NSW planning system so this is not really an issue.

Impact on Efficiency and Effectiveness in the Functioning of Cities

This section deals with the less measureable and more qualitative areas of planning control. A significant body of work has recently been developed on the question of what makes a city grow and develop (Florida, 2004 and many others). What is the link between a city's attractiveness, its public policy initiatives, its creative population and economic activity? In many ways, our understanding of those issues will have greater impact on the economies and liveability of our cities than the short term concerns with the costs of development.

Consistent public policy is crucial. Land use outcomes are an accumulation of decades of public and private investment. If the ground rules keep changing or if decision making is not transparent then there is a loss of faith in the process. Some developers may benefit by short term changes in policy but all benefit from a system that is consistent and reliable.

One crucial factor is the issue of transparency of decision making. Recent decisions regarding the site for a Second Sydney Airport are a clear example of this. Decades of analysis and planning are abandoned with minimal explanation (Commonwealth Government Aviation White Paper, December 2009). While the millions of dollars wasted on studies, analysis and land purchase are of great concern, the loss of confidence in the public planning process is of even greater concern. This loss of confidence is particularly apparent in NSW where lobbying by the development industry behind closed doors now appears to be a common feature of the planning process. Long term public planning is sometimes seen as a hindrance to decision making. These perceptions, although in the overwhelming majority of cases are not correct, do have a significant impact on the ability of business to "do business" in NSW and in that respect affects the competitive position of NSW relative to other States.

The ease of navigating the planning system has a positive impact on the functioning of cities. The pace and nature of growth and the ability to seek planning approval to undertake development within a city is a key determinant of how that city functions. The role of planning in shaping, use and place-positioning of elements of cities has for many years now remained fairly conservative and traditional. Contemporary zone-based planning assumes that certain uses are mutually inclusive and others are mutually exclusive.

For example, the existing regulation and certification mechanisms still focus on the single dwelling maxim as the preferred dwelling form. These regulations need to change and accommodate a far more diverse dwelling form, including mixed use forms. Developers are finding it difficult to be flexible in meeting the change and making developments viable under regulation regimes that do not readily accept the varied dwelling forms and accommodation styles needed to permit the changing societal preferences.

Discussion of Issues

1. There will always be some tension between different levels of government in planning policy and implementation; planning is a complex political process. Similarly there is often tension between different government departments (i.e transport and planning) and between government and the development industry – the important thing is that there is an agreed, consistent, transparent process and a negotiating process.
2. Political decisions that are contrary to adopted policy and without transparency represent a significant problem in NSW and the public will lose trust in the system. This will have a greater impact on the productivity of business than any planning processes that may be seen to be anti- competitive. Examples of this in NSW are: a) the State

- Governments policy position supporting public transport but devotion of the greater majority of the State infrastructure budget to private vehicle road infrastructure;
- b) State Government policy to grow office employment in centres that have good public transport but then undermine the office potential by using special state legislation to approve key sites for residential developments.
3. A political system that doesn't trust long term agreed policy because it limits opportunity for flexibility is a problem. While any system needs flexibility it should be accompanied by transparency and clearly accountable decision` making.
 4. The key characteristics of a city that enhance liveability and ease of business are:
 - Quality of the public domain;
 - Good infrastructure (open space; utilities; community services)
 - A stable political / decision making framework that is transparent, consistent, collaborative and firmly based on strategic planning to inform decisions and anticipate future directions in land use demand;
 - Adequate funding mechanisms for infrastructure and maintenance;
 - Good access to public transport;
 - An approvals process that is appropriate to the level of complexity for the proposal for which consent is being sought;
 - A regulatory framework that minimises red tape and bureaucracy.
 5. Some measurable factors include the housing sale rates, rental vacancy rates, office and retail vacancy, population turnover in the city, quantity of open space, turnaround times for different complexity of DAs, availability of current, local strategic plans that have community and business endorsement.

Ensuring Adequate Supply of Land for Different Uses

It needs to be acknowledged, that zoned land whether development ready or land-banked should be subject to a rational and timely process of market commencement. Councils and land authorities have, over time developed differing strategies to encourage, or dissuade, land owners introducing certain land onto the market where such land was seen as either beneficial or undesirable for imminent development.

Some land authorities have well developed sequencing plans describing the form and defined areas of land that can come on stream and timing in respect to certain market and servicing provision. But this is rare. Evidence suggests however, that the process with many land authorities and Councils tends to be very *ad-hoc* in nature and it is not until a proposal is well developed that the question of time and supply of land is dealt with.

There needs to be a far greater emphasis on holistic strategic management of growth areas by land authorities such that all participants understand the "*rules*". The factors governing land supply and sequencing are well known, however their practice and standards of use are too varied across Councils. It is suggested that a best-practice model be developed such that all participants, particularly land authorities are required to legitimately assess the future appropriateness and availability of supply.

More independent analysis of the supply of land is essential. There are widely differing views on adequate levels of supply, costs associated with regulation of supply and costs associated with developing land for any given purpose. These assertions come from vested interests, both

within the development industry and Government both of whom only present one aspect of a complex system.

It is important to understand that much of the tighter regulation of land release in the 1980's came about because of a significant increase in the costs to Government of new residential areas. Community expectation of a high level of service in schools, roads, hospitals etc meant that the Government needed to establish a more efficient land release system to maximize their own investments.

Discussion of Issues

PIA would like to see an evaluation of costs across the States, including:

1. What analysis and pre-planning happens in each state (NSW has a Metropolitan Development Program which is a significant data and policy framework), what role does economic /cost efficiency play in this analysis, what role does this have in the final planning process i.e. is this information fully utilized?
2. What are the development cost breakdowns in each State? How much of the land development cost is attributed to government charges and processes, what are these charges across the States; are they value for money?
3. What is the Government investment in these release areas? What government investment goes into new residential development – water, sewerage, schools, hospitals etc? Much of the data quoted is costs to the development industry e.g. Urban Taskforce (2007). While Governments are seen to be a regulatory cost in the land development industry they are also a significant contributor in terms of services and infrastructure and their costs are a crucial part of the equation.
4. The social, environmental and economic reasons for controlling appropriately zoned sites for development include:
 - Affordable housing
 - Retention of rural land for supply of food
 - Environmentally sensitive land
 - Heritage
 - Planning for climate change
 - Preventing urban sprawl
 - Proximity of homes close to jobs
 - Reducing urban footprint etc
5. Release of land may be controlled by Government for a number of reasons for example to prevent urban sprawl; or to coordinate land release close to jobs, infrastructure, or away from environmentally sensitive lands. The timing of land release may also be controlled by the developer for example to wait for a change in planning policy or to wait for land values to rise. The market should generally determine the release of land at an appropriate cost unless the overarching reason will result in a better outcome for the community or the environment. This has been historically the case, especially in NSW.
6. The assessment of the suitability of land for development or redevelopment must not be an ad hoc process solely reliant on the market to determine the highest and best use of any particular land parcel. A proper strategic planning process must be proactive to ensure that the optimal community outcome is achieved. This can only occur by ensuring that the appropriate planning agencies are adequately funded and resourced to do their “homework” before zoning and DA decisions are made (see the South East Queensland Regional Plan 2009-2031)