

## National Office

---

PO Box 5427  
Kingston ACT 2604  
Telephone: (02) 6262 5933  
Facsimile: (02) 6262 9970  
Email: [ea@planning.org.au](mailto:ea@planning.org.au)  
Web: [www.planning.org.au](http://www.planning.org.au)

A.B.N. 11 802 63 785

26 August 2010

Regulation Benchmarking Study: Planning, Zoning and Development Assessments  
Productivity Commission  
GPO Box 1428 Canberra City  
ACT 2601

By email: [planning@pc.gov.au](mailto:planning@pc.gov.au)

Dear Productivity Commission,

**Performance Benchmarking of Australian Business Regulation: Planning,  
Zoning and Development Assessments - Productivity Commission Issues  
Paper**

Thank you for the opportunity to review and respond to the Issues Paper on the Performance Benchmarking of Australian Business Regulation, produced by the Productivity Commission. As the peak body representing almost 5000 members of the planning profession, the Planning Institute of Australia (PIA) is interested in the outcomes of the benchmarking program.

PIA has a number of concerns regarding the benchmarking program and would like to take this opportunity to raise them with the Productivity Commission as follows. PIA considers that the terms of reference and issues paper have taken a very narrow view of planning and believes that the Productivity Commission needs to establish a more holistic understanding of the various components of the planning system if it is to make recommendations as to its efficiency and effectiveness.

PIA acknowledges that the effectiveness of the planning system could be improved to make land and property markets more efficient. However, it is important to note that these improvements should not be pursued at the expense of social and environmental objectives. While the inquiry process provides an important opportunity to identify the particular procedural requirements in planning systems that cause delays, uncertainty, or additional expense to developers and potentially to provide a way of benchmarking planning systems that support economic investment, a far deeper study would be needed to extend this inquiry to the broader question of the "efficiency and effectiveness of the functioning of cities". This latter question must

be framed within a far more holistic set of criteria than the way in which planning systems impact on "competition".

PIA is concerned that COAG and the Productivity Commission have fundamentally misconceived planning as a drag on the economy, rather than a contributor to securing high quality development in appropriate places. Planning supports a range of environmental, social and economic goals that the market alone could not achieve. The economic benefits of the planning system include the allocation of land for economic activity, the provision of housing and infrastructure, certainty, the creation of a level playing field for developers, the correction of market failures and externalities and the creation of attractive environments in which to live and do business (RTPI, 2004, p. 5).

Planning also assists to create secure investment environments and has the ability to shape, stimulate, and regulate markets and create a capacity for change. In addition, planning plays a role in evening out distortions that can be created by vested interests. If left unattended, these can have the potential for a range of unintended consequences, including distortions in the market. Furthermore, the absence of planning would reduce certainty, particularly for infrastructure provision, which may act as a barrier to development. Land and property markets operate efficiently only within a properly regulated framework. Hence, if we wish to make land and property markets more efficient, we need to improve the effectiveness of the regulatory framework, not deregulate the market.

The Australian economy is substantially dependent on efficient and sustainable cities for positive economic development. For the Australian cities to drive national prosperity, they will need to successfully embrace a globally focussed role as well as their traditional functions. Clearly, planning will play an important role in delivering the conditions required for investment and economic growth in our cities.

PIA considers that centres policy is not anti-competitive. An effective centres hierarchy is an important planning tool that enables government to plan services such as provision of roads, public transport nodes, community services and facilities so that they are accessible to the surrounding community. Restriction of competition is not a planning issue but rather, is a business contractual issue.

PIA demonstrates in this submission that the issue is not so much that planning per se is inconsistent with competition or with the conditions that support development confidence and success, but rather that poorly functioning planning systems can make new development more expensive and risky. As such, PIA considers that the Productivity Commission should be investigating the ways that poorly functioning planning systems can make new development more expensive and risky, rather than looking at the planning system as a whole as a barrier to competition.

There are a variety of initiatives and enhancements that could be undertaken to improve the functioning of planning and zoning systems in Australia. Efficient settlement patterns, better resource management and improved institutional arrangements for development assessment and infrastructure provision will lead to significantly higher rates of economic growth and taxation receipts.

This submission provides only an outline of the matters; however we would be willing to provide further information on any or all of these matters, as appropriate.

We look forward to submitting a more detailed submission once the draft report has been released for public comment.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Kelly', with a stylized flourish at the end.

Kirsty Kelly MPiA



**Acting Chief Executive Officer**

## Introduction

PIA considers that the terms of reference and issues paper have taken a very narrow view of planning and believes that the Productivity Commission needs to establish a more holistic understanding of the various components of the planning system if it is to make recommendations as to its efficiency and effectiveness.

It must be understood that planning is not a drag on the economy or a barrier to competition but rather, planning is essential for Australia to achieve significant economic growth and development.

PIA acknowledges that the effectiveness of the planning system could be improved to make land and property markets more efficient. However, it is important to note that these improvements should not be pursued at the expense of social and environmental objectives.

This submission focuses on the scope of the benchmarking study, highlights the importance and economic benefits of planning and finishes with some general feedback relating to the focus areas for the study.

## Terms of Reference

PIA wishes to express concern over the narrow terms of reference for the benchmarking program. The terms of reference (and indeed, the issues paper) are short sighted and appear to position 'competition' as an overarching 'good' that should be pursued at the expense of other objectives. However, neither the terms of reference nor the issues paper outline why competition is considered an overarching 'good'. Furthermore, there is no explanation as to why the planning system should support competition at the expense of other objectives.

Both the terms of reference and the issues paper fail to explain how competition relates to managing processes of urban or regional change. The Productivity Commission needs to establish how competition fits with other planning objectives such as social and environmental goals before assessing the efficacy of the planning system. Furthermore, in conducting the benchmarking program, the Productivity Commission needs to consider to what extent planning should moderate the achievement of economic growth in order to achieve the social and environmental elements of sustainability (RTPI, 2004, p. 8).

There is no explanation in either the terms of reference or issues paper as to how or why planning functions can undermine 'competition'. Rather, the discussion paper describes the way that the planning system intervenes in the private market (which it must do by definition) and the ways in which poorly functioning planning systems may slow or obstruct development.

The terms of reference state that the Commission should report on planning and zoning laws and practices that *unjustifiably restrict competition*. How this is ascertained needs to be clarified and used as a filter for all aspects of the proposed work.

PIA considers that the scope of the benchmarking study outlined in the issues paper is far too broad. The issues paper raises a very long list of questions that compact very complex issues, which are not properly explained and appear well beyond the scope of the Business Regulation and Competition Working Group's main focus. While the inquiry process provides an important opportunity to identify the particular procedural requirements in planning systems that cause delays, uncertainty, or additional expense to developers and potentially to provide a way of benchmarking planning systems that support economic investment, a far deeper study would be needed to extend this inquiry to the broader question of the "efficiency and effectiveness of the functioning of cities". This later question must be framed within a far more holistic set of criteria than the way in which planning systems impact on "competition".

### Premise for the Study

PIA would like to draw the Productivity Commission's attention to some similar studies that were conducted in the UK to investigate planning within the context of competitiveness and productivity. In particular:

- The House of Commons Select Inquiry into Planning Competitiveness and Productivity;
- The Barker Review of Planning and the Economic System; and
- The Transport, Local Government and the Regions Committee inquiry into the 2001 Planning Green Paper.

All of the studies concluded that planning is not a drag on the economy and that the sole role of planning is not to maximise competitiveness but rather, to balance often conflicting objectives.

Research commissioned for the House of Commons Select Inquiry into Planning Competitiveness and Productivity found that;

*"... it is not the sole objective of land-use planning to maximise competitiveness, or wealth creation. Rather, planning is a referee, aiming to strike a balance between different objectives, which at times will conflict. It is important to bear this in mind when considering the impact of planning on competitiveness. If planning does have some adverse effects on competitiveness, this is not necessarily a bad thing; these may be offset by positive effects on distribution, the environment or the welfare of future generations."*

(Roger Tym and Partners, cited in RTPI, 2004, p. 7).

The Office of the Deputy Prime minister (ODPM) Select Committee in the United Kingdom came to a similar conclusion after undertaking a long and in-depth inquiry into *Planning, Competitiveness and Productivity*. The committee concluded that:

*"It is not possible to derive a balance sheet of the costs and benefits of planning. The implication of this is not for 'more research' to add up the costs and benefits of planning, but rather to be more discerning in our approach to the relationship between planning and business – what can*

*planning do for business? On the implementation and delivery side, how can improvements be made to planning practice and effectiveness, without losing the benefits that planning brings?"* (ODPM, cited in RTPI, 2004, p. 5).

PIA urges the Productivity Commission to consider the above conclusions and apply the same principles to the benchmarking program. PIA is of the view that planning and zoning systems per se are in fact consistent with competition and with the conditions that support development confidence and success. The Productivity Commission needs to recognise this important role of planning when undertaking the benchmarking study. As such, PIA believes that the Productivity Commission should not be investigating 'planning' as a barrier to competition, but rather should investigate the ways in which poorly functioning planning systems can make new development more expensive and risky.

## Competition

The issues paper fundamentally misconceives planning as a barrier to competition, particularly, in terms of centres policies. Centres hierarchy policies have in the past been criticised for being anti-competitive. However, competition and centres hierarchy policies serve different purposes (Maiorano, 2010, p. 7). Competition policy is focussed on economic efficiency and deregulation, whereas centres hierarchy policy exists to regulate land uses to promote economic growth in targeted locations to maximise investment and sustainable outcomes (Maiorano, 2010, p. 7). Centres hierarchy policies have been an important management tool to achieve retail objectives. The policies assist to provide certainty to commercial investors about where to invest, to coordinate the provision of infrastructure and to provide certainty to communities that the amenity of their residential area will not be impacted upon by negative noise and traffic impacts caused by retail and commercial developments (Maiorano, 2010, p. 3).

An Environment Resources and Development Court (South Australia) determination highlights the importance of centres;

*"...it is a fundamental tenet of good town planning that centres should provide the full range of retail, commercial, administrative and community facilities required by the population they serve. This allows all those services to be accessed by public transport, minimises the need for car travel and promotes a lively, pedestrian oriented centre. We have observed, in the past, significant impacts on established town centres being created by decisions to allow major new services or facilities, such as supermarkets, to locate well away from those centres, rather than being used to reinforced and enrich them. That experience reinforces the well-established planning wisdom of co-locating retail, administrative, commercial and community facilities within a compact, accessible town centre, which wisdom finds voice in a number of relevant provisions of the Development Plan."*

(Bowen vs Development Assessment Commission & the Barossa Council Environment Resources and Development – 19<sup>th</sup> September 2003)

This quote illustrates the need to protect existing centres. The deterioration of centres can be a significant issue for surrounding communities who rely on these services. Examples include the elderly, young, disabled and unemployed who rely on conveniently located and accessible facilities. The deterioration of these facilities becomes an issue for the Government and community, not only the land owners and developers. In addition, the health and sustainability policies of Governments at all levels is recognising the need to encourage walking and cycling and reduction in reliance upon cars. This requires that strong consideration is given to maintaining centres and other facilities such as schools in local communities where market forces might suggest otherwise.

PIA considers that new centres should be established if they can be supported by evidence that indicates they will have an acceptable level of impact on existing centres (Maiorano, 2010, p. 12). It is also important that new centre zones are created when required. As such, the planning industry needs to be properly resourced to enable planning policy to be updated to efficiently and effectively respond to retail pressure (Maiorano, 2010, p. 7).

PIA considers that centres policy is not anti-competitive. An effective centres hierarchy is an important planning tool that enables government to plan services such as provision of roads, public transport nodes, community services and facilities so that they are accessible to the surrounding community.

Restriction of competition is not a planning issue but rather, is a business contractual issue. A major concern in centres is the single ownership of core retail areas that are developed as internalised mall developments. Furthermore, larger developments tend to favour certain retailers as anchor tenants, which prevents the entry of new retailers. So the concern is not so much the hierarchy and zoning, but allowing single or very limited ownership to occur within various centres zones. Planning can assist to facilitate the entrance of new retailers into the market, which will ensure that the strongest industry or market player does not dominate. Main street forms of development in particular offer the potential to overcome some of these concerns.

Planning also plays a role in evening out distortions that can be created by vested interests. If left unattended, these can have the potential for a range of unintended consequences, including distortions in the market.

### **The Need for Planning**

Both the terms of reference and the issues paper fail to explain how competition relates to managing processes of urban or regional change. The Productivity Commission needs to establish how competition fits with other planning objectives such as social and environmental goals before assessing the efficacy of the planning system. Furthermore, in conducting the benchmarking program, the Productivity Commission needs to consider to what extent planning should moderate the achievement of economic growth in order to achieve the social and environmental elements of sustainability (RTPI, 2004, p. 8).

The issues paper recognises that the reasons for intervening in the private development process through planning relate to a variety of social and environmental goals. Planning assists to raise productivity, foster safe, fair, prosperous and attractive communities, protect natural resources and heritage and achieve balanced and sustainable development and growth (Chancellor of the Exchequer, cited in RTPI, 2004, p. 1). However, the issues paper is not sufficiently clear on the ways in which planning, as opposed to other forms of intervention or the free market, is able to achieve these goals, aside from the primary function of minimising the spill over of negative impacts or 'externalities' arising from private development.

PIA considers that for the Productivity Commission to effectively investigate how planning and zoning impacts on competition, it must understand and explain how planning achieves such social and environmental goals.

Long term planning for cities and towns including housing, infrastructure, employment, and social services is central to effective Urban Growth Management (UGM) and essential for establishing attractive, affordable, sustainable, well serviced communities with access to employment opportunities. Without planning, development may go ahead without adequate account taken of social and environmental impacts. Furthermore, the absence of planning would reduce certainty, particularly for infrastructure provision, which may act as a barrier to development (RTPI, 2004, p. 5). Neighbourhoods developed without due consideration to jobs and training access can trap successive generations of households in welfare dependency. Similarly, cities and neighbourhoods which have missed opportunities to maximise active transport may be storing the potential for heavier per capita health care costs (PIA, 2004, p. 9).

### **Economic benefits of planning**

In addition to a number of social and environmental goals, planning fulfils several other important functions that directly support economic growth and prosperity. A successful economy requires competition but also a secure investment environment (RTPI, 2004, p. 8). Planning assists to create secure investment environments. It also has the ability to shape, stimulate, and regulate markets and create a capacity for change (Allmendinger and Dunse, cited in RTPI, 2004, p. 4). Planning supports economic growth and development by:

- Seeking to maximise the positive benefits or "good externalities" that can arise from the development process;
- Seeking to deliver long term sustainable development, having regard to the social, environmental and economic needs of current and future generations (RTPI, 2004, p. 3);
- Providing a way of overcoming monopolies that could restrict the supply of land (through powers of land categorisation and compulsory acquisition, and by replicating conditions that support demand in alternative locations);
- Enabling development through planned regeneration and land assembly in areas that the market would normally ignore;



- Providing the information and certainty needed for orderly development and investment confidence;
- Coordinating the appropriate and timely provision of shared and essential infrastructure on which private development depends;
- Increasing both real and perceived value through planning and coordinating the provision of public amenities such as green space and community facilities (RTPI, 2004, p. 3);
- Enhancing the long term attractiveness and economic competitiveness of places through raising the quality of developments (RTPI, 2004, p. 3);
- Conserving non-renewable economic resources such as good quality rural land, mineral deposits and environments of ecological quality (RTPI, 2004, p. 3);
- Promoting development that ensures efficient use of public infrastructure and minimises the wasteful use of resources; and
- Facilitating the availability of the workforce through the allocation of land for housing and other uses around centres of employment (RTPI, 2004, p. 3).

In addition to these economic goals, which directly support business development, planning also promotes important social and environmental goals, including the achievement of healthy, safe, and aesthetically pleasing built environments, and the protection of important social goods that the market might otherwise under-provide or over-consume. These social and environmental goals indirectly contribute to economic growth, as well-planned land uses create a favourable climate for investment. Furthermore, attractive and well planned cities are often the most prosperous (HoC, 2002, p. 37). The Transport, Local Government and the Regions Committee in the United Kingdom held an inquiry into the 2001 Planning Green Paper and found that,

*“Whilst obtaining planning permission is a chore for the business community, they see high quality development and surroundings as very important at the same time. This can only be secured through an effective planning system” (HoC, 2002, p.23).*

Planning has the ability to compensate for market failure. Planning offsets the market’s short-term focus and its failure to treat land and environmental features as unique and irreplaceable resources (RTPI, 2004, p. 4). Planning also stimulates and supports the property market by protecting investment value, encouraging the efficient use of infrastructure and by releasing land to the market (RTPI, 2004, p. 4).

There is a significant productivity dividend from the spatial planning of cities and regions. When observed at the spatial level, more opportunities to create a competitive edge become evident in the economy. For example, modelling work undertaken by the National Institute for Economic and Industry in around 2004 showed that improved structuring of the Sydney metropolitan region would have enabled the NSW economy to be \$1.4 billion larger than it otherwise would have been in 15 years time and the Australian GDP would have been boosted by \$1.7 billion.

There would have been 20,000 more jobs in NSW and 24,000 more jobs across Australia (PIA, 2004, p. 8).

It is important to understand that land and property markets operate in a characteristically different manner from capital and labour markets (see RTPI, 2004, p. 10). Deregulation tends to make capital and labour markets more efficient, whereas land and property markets operate efficiently only within a properly regulated framework (RTPI, 2004, p. 10). Hence, if we wish to make land and property markets more efficient, we need to improve the effectiveness of the regulatory framework (RTPI, 2004, p. 10).

### **Development Assessment**

DA is often the public face of planning, deciding how land is to be used and developed. DA's 'gatekeeper' role of ensuring suitably located and designed development, in conjunction with comprehensive strategic planning, is critical to the successful functioning of our planning systems and increasingly recognised as a significant contributor to positive economic outcomes.

DA that is streamlined and integrated is crucial to achieve:

- Development proposals that deliver the economic, social and environmental outcomes that communities seek from planning systems;
- Good quality decisions at reasonable cost (in terms of both the nature of the approved development and the speed of the decision); and
- Public confidence in the planning system.

Planning systems have been placed under pressure and scrutiny through community expectations that DA should be increasingly refined and sensitive in considering matters such as climate change, affordable housing, energy and water efficiency, mixed use developments, noise, soil contamination, protection of native vegetation, stormwater management, water sensitive urban design, bushfire mitigation, crime prevention, urban design, heritage, character and the public realm.

Examples of other current factors impacting upon DA include:

- A robust economy driving investment in infrastructure and commercial development.
- Changing household structures, housing preferences and affordability, coupled with compact city strategies and 'peak-oil' concerns, driving medium to high density development.
- Increased densities bringing people physically closer together, creating great opportunities for vibrant communities as well as potential for increased conflict.

- On the fringes of urban areas, pressures for rural living bring conflict with adjoining primary producers due to the impacts of residential development and the noise, smells and other impacts of primary production.
- Changing rural trends associated with drought and globalisation.

DA relies on up-to-date planning policy against which development applications can be assessed that clearly reflects state/territory and local strategies. Frequently there is insufficient emphasis placed by Governments on strategic planning and keeping policy up-to-date.

In some jurisdictions DA planners are over occupied by legislative requirements that require planners to assess minor development matters often at the expense of focussing on more important development, strategy and policy issues.

In summary, a range of pressures are impacting on DA and planning systems:

- High community expectations for good quality sustainable development
- High levels of development activity fuelled by a strong economy
- Expectations, particularly from the development industry, for streamlined development assessment
- Difficulty in recruiting and retaining DA planners (partly associated with workplace stresses, particularly in local government) and a national shortage in the availability of planners
- The need for up to date and clear policy upon which to base DA decisions
- Excessive focus in some jurisdictions on minor development matters.

The Productivity Commission needs to take these factors into account when considering the effectiveness of existing planning systems.

### **Efficiency and Effectiveness of the Functioning of Cities**

PIA considers that the scope of the benchmarking study outlined in the issues paper is far too broad. The issues paper raises a very long list of questions that compact very complex issues, which are not properly explained and appear well beyond the scope of the Business Regulation and Competition Working Group's main focus. While the inquiry process provides an important opportunity to identify the particular procedural requirements in planning systems that cause delays, uncertainty, or additional expense to developers and potentially to provide a way of benchmarking planning systems that support economic investment, a far deeper study would be needed to extend this inquiry to the broader question of the "efficiency and effectiveness of the functioning of cities". This later question must be framed within a far more holistic set of criteria than the way in which planning systems impact on "competition".

PIA wishes to reiterate that 'liveable' cities contribute to significant economic gain and that planning is essential to create 'liveable' cities. PIA has collaborated with the Australian Local Government Association, the National Heart Foundation of Australia and the Australian Government Department of Health and Ageing to develop the Healthy Spaces and Places project, which has put forward its own submission. The Healthy Spaces and Places submission highlights that planning and design principles for healthy living are integral to the livability of Australian cities and as such, should be considered in the Productivity Commission's benchmarking work.

Healthy and sustainable communities are those that are well designed and safe, with local facilities (including school, corner store, childcare facilities, medical practice, recreation facilities, community services); streets designed for active transport, walking and cycling; with parks and public spaces for people to meet and interact; places for people to experience art and culture; and with cycle facilities and public transport.

PIA together with the Property Council of Australia, the Planning Officials Group and the Australian Institute of Architects have agreed to a national program to improve the economic, social and environmental performance of Australia's major urban areas. Sustainable Communities – a National Action Plan for Urban Australia highlights the importance of our cities for economic growth;

*"To be successful Australia's cities and towns need to be diverse, vibrant and inclusive communities. Our cities are global portals and vital for engagement with the international economy, generating some 80% of GDP. This is an urban nation that relies on its cities and sophisticated and knowledge exports to sustain national prosperity. If our cities are not efficient attractors of such capital and capable of retaining people with high level skills and capabilities we will not have a sustainable economy.*

*Our cities also need to be inclusive, healthy environments that are rich culturally and socially. They must be vibrant, exciting, accessible and safe places in which to live where our heritage is respected and we can build social capital and reduce poverty. Creating sustainable cities requires planned action."*

This statement highlights the substantial dependence of the Australian economy on efficient and sustainable cities for positive economic development. PIA's 2001 Policy on Liveable Communities illustrates that for the cities to drive national prosperity, they will need to successfully embrace a globally focussed role as well as their traditional functions. They will improve the dynamism of their locales by enhancing the effectiveness of knowledge development and diffusion and by ensuring a high quality of life for knowledge workers (PIA, 2001). Particular urban policies can be used to develop this economic driver role of the cities. For example, the Property Council of Australia and the Council of Capital City Lord Mayors (1999) (cited in PIA, 2001) has argued that national policy should focus on 4 themes (see Box 1).

**Box 1 Property Council of Australia and the Council of Capital City Lord Mayors  
Themes for National Urban Policy**

**Commercial connectivity;** This relates to the international gateway role of Australia's cities, that is, their capacity to link the nation to the rapidly growing trade in knowledge based goods and services. Specific policies here will relate to airport investment, national and international freight transport and telecommunications.

**Cost competitiveness;** How cities are managed with respect to settlement pattern, density, distribution of activity centres, public and private transportation systems and environmental quality will have a profound effect on the cost of doing business. This impacts not only on the physical production and delivery of goods and services but also on the capacity to attract and retain knowledge workers.

**Innovation;** While cost control is important to competitiveness, the capacity for innovation distinguishes superior performance in the new economy. Innovation is more likely to be nurtured in a well resourced and well managed city environment that offers a depth of cultural experiences. The quality of urban life is, again critical to the capacity to attract and retain knowledge workers. Key policies here will relate to facilitating business clusters and improved business - R&D interaction, urban design, the creation of distinct neighbourhoods in our big cities and access to lifestyle regions in rural and regional Australia.

**Cultural tourism;** Cities can be looked on as an internationally traded product in their own right. Cultural or urban tourism is a 'superior good', the appetite for which has expanded and will continue to do so as a global living standards rise. Those cities which can develop a distinctive cultural address will ride this wave to the benefit of their resident populations.

(Property Council of Australia and the Council of Capital City Lord Mayors (1999), cited in PIA, 2001)

Our ability to attract investment will largely depend on our capacity to offer an attractive living and working environment, to provide a stable and equitable setting which fosters innovation and entrepreneurial endeavour (Spiller, 1999, cited in PIA 2001, p. xxi). Clearly, planning will play an important role in delivering the conditions required for investment and economic growth in our cities.

### **Recommendations for More Effective Delivery**

PIA acknowledges that the effectiveness of the planning system could be improved to make land and property markets more efficient. However, it is important to note that these improvements should not be pursued at the expense of social and environmental objectives.

There are a variety of initiatives and enhancements that could be undertaken to improve the functioning of planning and zoning systems in Australia. Efficient settlement patterns, better resource management and improved institutional arrangements for development assessment and infrastructure provision will lead to significantly higher rates of economic growth and taxation receipts (PIA, 2004, p. 3).

PIA has responded to the most relevant of those issues raised in the issues paper below.

### ***Government Coordination and Cooperation***

PIA considers that there is a need for improved Government coordination on a wide range of matters in planning, zoning and Development Assessment, particularly at a strategic planning level. Markets operate on a range of spatial levels which normally cut administrative boundaries, within which planning has to work. This can be a major constraint on the planning system (RTPI, 2004, p. 12). A lack of coordination between all levels of Government leads to inadequate consideration to the cumulative flow on effects of planning decisions. This is particularly evident with the lack of integration between land use and transport planning.

There has been substantial comment on the needs, advantages and opportunities presented by integrating land use and transport planning. Decisions regarding transport investment, mode and location have had a huge impact upon the development of Australia's regions and cities. Yet in many instances land use planning and decision making has occurred with little or no regard for resultant impacts on transport and movement, funding or investment. Additionally, transport planning and investment decisions continue to occur with an inadequate understanding of the land use and development consequences of such decision making. For example, while one decision to approve higher density housing in a particular area may have minimal impact on that area, the overall impact of many similar decisions can have a substantial affect on arterial roads. The impact of these decisions is not consistently modelled and therefore not predicted. The budgeting for road improvements is therefore often ad hoc and subject to political processes rather than logical planning.

There are frequently matters where there are issues of inadequate infrastructure provision in outer/fringe metropolitan areas for example. Public transport is a good example of where governments often lag many years behind in servicing areas when there is a need to ensure that these services are provided for new residents from the start of residential development. Governments often push for land releases without providing adequate services to the development area.

In PIA's National Policy on Urban Growth Management (UGM), PIA calls for all jurisdictions to adopt coordinated approaches to UGM that include the following features:

1. Establishing clear visions for the development of cities and towns with sustainability indicators and incorporation of community engagement that may include approaches such as scenario planning.

2. Adoption of a set of guiding principles (such as those outlined above) to include consideration of the following:

- Integration of transport and especially public transport
- Sustainable economic development and employment
- Access to affordable housing, choice of housing and sustainable design
- Impacts of changes in demographics
- Greater focus on coordinated inner and middle suburban redevelopment
- Minimisation of the need for expansion of urban areas through better use of land in existing urban areas and at the urban fringe
- Improved use of natural resources and reduction of the ecological footprint
- Developing vibrant mixed use communities
- Coordination of development and sequencing of land release with social and physical infrastructure delivery
- Spatial design and land use mix to minimise greenhouse gas emissions
- Addressing the impacts of climate change on urban development

Ensuring the availability, coordination and effectiveness of a set of UGM tools include elements such as:

- Effective strategic and spatial planning process embodied in legislation
- Urban containment boundaries to reinforces the need for careful consideration of urban expansion
- Effective connection between strategic planning process and implementation mechanisms such as zoning and land use policy
- Mechanisms enabling the coordination and sequencing of land release wit social and physical infrastructure delivery (possibly including growth area authorities)
- Land banking and land assembly mechanisms (i.e. government or private sector land ownership in key areas to improve growth management)

- Integrated land use and transport planning

### ***Zoning and Centres Policy***

PIA has highlighted earlier in this submission that keeping new entrants out of the market is a business contractual issue, not a planning issue. Additionally, a major concern in centres is the single ownership of core retail areas, which tends to favour large or dominant market players. PIA recommends the promotion of main street forms of development to overcome some of these concerns.

It is also important that new centre zones are created when required. As such, the planning industry needs to be properly resourced to enable planning policy to be updated to efficiently and effectively respond to retail pressure (Maiorano, 2010, p. 7).

### ***State Planning Policy***

Part of the Productivity Commission's considerations when undertaking the benchmarking study could be to look at the effect of specific policy at a state level that affects the preparation of all planning schemes within the jurisdiction.

In Queensland, State Planning Policy has resulted in certain developments being rendered inconsistent. For example, a hazardous material activity such as those required for road construction (asphalt production and the related chemical storage) has the potential in Queensland to require such an extensive buffer zone to sensitive receivers (residential or commercial users) that it is not possible to locate these facilities, even on a temporary basis in a community that is experiencing high growth. This is causing significant issues in rural communities that are the location for new mining operations, which results in demand for extensive land subdivision and other development to support the mining operations. The effects of mining approvals on demand for residential development were not considered when the scheme was written.

The Productivity Commission should look at broad resource industry impacts, and environmental and social policy positions within each jurisdiction to assess whether these isolated policy positions could have a negative effect on both land development costs and the DA system itself.

### ***Anti-competitive Practices***

#### ***Major Developments or Projects***

The concept of a 'Major Development' or 'Major Project', where a Minister can call-in a development proposal at his or her discretion could be construed as anti-competitive. In South Australia, actions taken pursuant to Section 46 of the South Australian *Development Act 1993* have generated some debate in the community and amongst the planning profession as to whether this mechanism is being used appropriately and/or applied to the 'right' types of development proposals. In South Australia, the decision on whether to approve the proposed development, approve it with conditions or refuse the proposal, lies with the Governor. No rights



of appeal are available to any party, nor can any proceedings for judicial review or challenge be brought against a decision or any discretionary act or matter taken in processing the proposal.

PIA believes that it is appropriate for State Governments to facilitate and guide certain projects that are clearly of State importance and that there is a legitimate place for a major development assessment process within the planning system. However, PIA's position is that this should not occur in an ad hoc or random fashion. The ability to call in a proposal as a 'Major Development' or 'Major Project' offers a powerful tool to the Minister and the exercise of discretionary power inherent in declaring a 'Major Development' can undermine the community's confidence if it is seen to be primarily a 'political' process. It is vital, then, that the Minister's decision is based on sound, clearly articulated planning criteria and made in an entirely open and transparent manner so that the community fully understands why a particular proposal has attained 'Major Development' status.

### *Gaming of Appeals*

PIA is of the opinion that 'gaming of appeals' does not occur frequently and is not a major barrier to competition. However, anecdotal evidence suggests that there are some examples where developers deliberately act to delay the development approval process through submissions based on competition issues. This is usually in relation to centres or shopping issues.

One way to prevent the 'gaming of appeals' is to limit appeal rights. In the South Australian development assessment system, there is an increase in appeal rights and level of notification the less a development conforms to what would be expected in a particular zone. This is through a system of categories of notification. For example a shop in a shopping zone would not require notification under most circumstances and therefore there would be no appeal rights.

### **Compliance Costs**

PIA acknowledges that the planning system does impose costs on business. The costs can come from two sources: effectiveness (the system may get the allocation of land wrong) and efficiency (the system may impose costs if it is slow or lacks transparency) (Frontier Economics, cited in RTPI, 2004, p. 5).

Although, PIA considers that the short term costs of planning are far outweighed by the longer term benefits. As the Royal Town Planning Institute (2004, p. 1) states, "the short term costs of planning to business are outweighed by the longer term financial benefit as well as the overall economic, social and environmental benefits accruing to the locality and to the nation that are derived from spatial planning."

### **Development Assessment**

The main sources of upfront costs to business are experienced through the Development Assessment (DA) system. There are varying systems of development assessment in the different jurisdictions throughout Australia and there is the need for each of the States and

Territories to share knowledge regarding innovations, successes and failures in the various systems.

PIA endorses the Development Assessment Forum (DAF) Ten Leading Practices identified by 'A Leading Practice Model for Development Assessment in Australia' March 2005 as a basis for reform of development assessment systems and legislation in Australia. The DAF provides an important national focus for improvements to DA systems.

**In PIA's National Policy on Development Assessment, PIA calls for the following action to support a robust development assessment system in Australia:**

1. Implementation by all states and territories of the Leading Practice Model for Development Assessment; including the establishment of development assessment panels (DAPs) for professional determination of applications; a single point of assessment; and, the implementation of track-based assessment that corresponds with the level of assessment required to make an appropriately informed decision, recognising the different levels of application complexity.
2. An increased emphasis and commensurate resources for strategic planning and policy planning as a platform for sound development assessment decision making.
3. There should be clarity and transparency of decision making powers, with development decisions being made by the appropriate level of government. Other than for state/territory significant projects, all decisions should be made by local or regional level DAPs or under delegated authority by planning DA staff.
4. Measuring the performance of development assessment systems, provided that measures and benchmarks are developed to deal with qualitative issues related to outcomes for the community, rather than focusing solely on matters of speed in decision making on development applications. Reviews should include the quality and conformity after construction, with feedback into the improvement of development policies.
5. The introduction of measures and processes to minimise the incidence of corruption.
6. Ongoing investigation of the opportunities for technology to assist within improving the quality and efficiency of development assessment, including electronic lodgement.

A wide range of initiatives in addition to those above should be considered to assist in the refinement of DA processes such as:

- Improving the 'front end' of development assessment processes through better and more consistent / standardised guidance to applicants and electronic 'self service' application systems.
- Annually refined / reviewed and where appropriate, expanded, delegated authority to planning staff and DAPs to make decisions regarding development applications. An application's scale, complexity and potential impacts should reflect the level at which decisions are made.

- Alignment of public notification and third-party appeal rights with planning policy, so that those applications which comply or meet desired development standards are granted lower levels of notification than those which are significantly at variance or contrary to development policies (with a graduated increase in notification in between).
- Reducing the number of referrals and referral times to Government agencies through maximising integration of appropriate policies in planning instruments / ordinances / development plans.
- Introduction of private planning certification only for matters where assessment can be made against clear, measurable technical standards without professional judgement being exercised.
- Greater education and training in the development system for the housing and development industry to improve the inputs in the development assessment process.

### ***Community Engagement***

Considerable effort usually goes into public consultation on zoning changes. However, it is far more difficult to get the community interested in planning issues at the rezoning stage as opposed to at the development assessment level, which is more tangible and has more of a direct and immediate impact.

The trend has been to reduce engagement at the development assessment level with the justification that these issues should be resolved at the strategic and zoning levels. This approach has some logic but with the difficulties previously mentioned.

### ***Public-Private Partnerships***

PIA considers that joint venturing between developers and government frequently provides the best examples of urban development including coordination of various levels of government. These developments have often led the way for new and innovative forms of development and housing.

A further benefit is that uplift in land value through zoning changes can be captured at least in part for community benefit and as a contribution to infrastructure costs of government.

There is a concern in South Australia that the Government is moving away from Government acquisition of land through the Land Management Corporation, particularly at the fringe and therefore losing this advantage and losing the potential to positively influence land supply (particularly residential land supply).

PIA does not consider that all land should be developed in this way, but there is certainly a strong argument that Government should have a role.

### ***Control of Land Supply***

Government owned land banks ensures that economic and efficient development occurs in a way that prevents inappropriate land releases with lack of community services and amenities.

If Government did not intervene in the land market, we would be experiencing significant urban sprawl, with no containment and a raft of resulting environmental, social and economic impacts.

The role of LMC as a major land holder and hence, releaser, has ensured that the growth of Adelaide has been managed appropriately (together with the introduction of the urban growth boundary).

PIA supports the use of a Government owned land bank to assist in planning for strategic urban growth. This will require the continued purchase of significant land parcels to ensure the co-ordinated delivery of services and the establishment of balanced and sustainable residential and business communities.

## **Conclusion**

PIA has demonstrated in this submission that the issue is not so much that planning per se is inconsistent with competition or with the conditions that support development confidence and success, but rather that poorly functioning planning systems can make new development more expensive and risky. As such, PIA considers that the Productivity Commission should be investigating the ways that poorly functioning planning systems can make new development more expensive and risky, rather than looking at the planning system as a whole as a barrier to competition.

PIA is concerned that COAG and the Productivity Commission have fundamentally misconceived planning as a drag on the economy, rather than a contributor to securing high quality development in appropriate places (HoC, 2002, p. 42). Planning supports a range of environmental, social and economic goals that the market alone could not achieve. The economic benefits of the planning system include the allocation of land for economic activity, the provision of housing and infrastructure, certainty, the creation of a level playing field for developers, the correction of market failures and externalities and the creation of attractive environments in which to live and do business (RTPI, 2004, p. 5).

PIA acknowledges that there are some costs imposed on business when planning systems operate inefficiently. PIA is supportive of the Productivity Commission's program to identify those inefficiencies. However, the program must be conducted in light of the important role of planning, which is to strike a balance between often competing social, environmental and economic objectives.

## Reference List

Development Assessment Forum (2005), 'A Leading Practice Model for Development Assessment in Australia', March

House of Commons (2002), 'Transport, Local Government and the Regions', Planning Green Paper, Thirteenth Report of Session 2001-2002, *Volume 1: Report and Proceedings of the Committee*, The Stationary Office Limited, London

Maiorano, G (2010), 'Retail Planning, Centres and Competition Policy', URPS Client Briefing Paper, May

PIA (2001), 'Liveable Communities', Planning Institute of Australia's National Policy on Liveable Communities

PIA (2004), 'Liveable Communities: how the Commonwealth can foster sustainable cities and regions', a National Policy Statement by the Planning Institute of Australia, February

PIA (2007), 'Integrated Use and Transport Planning, National Planning Institute of Australia Position Statement, May

PIA (2007), 'Urban Growth Management, National Planning Institute of Australia Position Statement, December

PIA (2010), 'Major Developments or Projects Position Statement', South Australian Planning Institute of Australia Draft Position Statement, June

PIA (2009), 'Development Assessment Position Statement', National Planning Institute of Australia Position Statement, September

Royal Town Planning Institute (RTPI) (2004), 'Planning & Economic Growth', The RTPI Evidence to the Barker Review of Land Use Planning

17/09/09

## PIA POSITION

Development assessment (DA) is the assessment of development proposals against the relevant codes or ordinances in accordance with the legislative processes and requirements of the relevant State or Territory.

DA that is streamlined and integrated is crucial to achieve:

- development proposals that deliver the economic, social and environmental outcomes that communities seek from planning systems
- good quality decisions at reasonable cost (in terms of both the nature of the approved development and the speed of the decision)
- public confidence in the planning system.

PIA endorses the Development Assessment Forum (DAF) Ten Leading Practices identified by 'A Leading Practice Model for Development Assessment in Australia' March 2005 as a basis for reform of development assessment systems and legislation in Australia. The DAF provides an important national focus for improvements to DA systems.

## PIA calls for the following action to support a robust development assessment system in Australia:

1. Implementation by all states and territories of the Leading Practice Model for Development Assessment; including the establishment of development assessment panels (DAPs) for professional determination of applications; a single point of assessment; and, the implementation of track-based assessment that corresponds with the level of assessment required to make an appropriately informed decision, recognising the different levels of application complexity.
2. An increased emphasis and commensurate resources for strategic planning and policy planning as a platform for sound development assessment decision making.
3. There should be clarity and transparency of decision making powers, with development decisions being made by the appropriate level of government. Other than for state/territory significant projects, all decisions should be made by local or regional level DAPs or under delegated authority by planning DA staff.
4. Measuring the performance of development assessment systems, provided that measures and benchmarks are developed to deal with qualitative issues related to outcomes for the community, rather than focusing solely on matters of speed in decision making on development applications. Reviews should include the quality and conformity after construction, with feedback into the improvement of development policies.
5. The introduction of measures and processes to minimise the incidence of corruption.
6. Ongoing investigation of the opportunities for technology to assist within improving the quality and efficiency of development assessment, including electronic lodgement.

## POLICY PRINCIPLES

DA is often the public face of planning, deciding how land is to be used and developed. DA's 'gatekeeper' role of ensuring suitably located and designed development, in conjunction with comprehensive strategic planning, is critical to the successful functioning of our planning systems and increasingly recognised as a significant contributor to positive economic outcomes.

Planning systems have been placed under pressure and scrutiny through community expectations that DA should be increasingly refined and sensitive in considering matters such as climate change, affordable housing, energy and water efficiency, mixed use developments, noise, soil contamination, protection of native vegetation, stormwater management, water sensitive urban design, bushfire mitigation, crime prevention, urban design, heritage, character and the public realm.

Examples of other current factors impacting upon DA include:

- A robust economy driving investment in infrastructure and commercial development.
- Changing household structures, housing preferences and affordability, coupled with compact city strategies and 'peak-oil' concerns, driving medium to high density development.
- Increased densities bringing people physically closer together, creating great opportunities for vibrant communities as well as potential for increased conflict.
- On the fringes of urban areas, pressures for rural living bring conflict with adjoining primary producers due to the impacts of residential development and the noise, smells and other impacts of primary production.
- Changing rural trends associated with drought and globalisation.

17/09/09

DA relies on up-to-date planning policy against which development applications can be assessed that clearly reflects state/territory and local strategies. Frequently there is insufficient emphasis placed by Governments on strategic planning and keeping policy up-to-date.

In some jurisdictions DA planners are over occupied by legislative requirements that require planners to assess minor development matters often at the expense of focussing on more important development, strategy and policy issues.

A wide range of initiatives in addition to those above should be considered to assist in the refinement of DA processes such as:

- Improving the 'front end' of development assessment processes through better and more consistent / standardised guidance to applicants and electronic 'self service' application systems.
- Annually refined / reviewed and where appropriate, expanded, delegated authority to planning staff and DAPs to make decisions regarding development applications. An application's scale, complexity and potential impacts should reflect the level at which decisions are made.
- Alignment of public notification and third-party appeal rights with planning policy, so that those applications which comply or meet desired development standards are granted lower levels of notification than those which are significantly at variance or contrary to development policies (with a graduated increase in notification in between).
- Reducing the number of referrals and referral times to Government agencies through maximising integration of appropriate policies in planning instruments / ordinances / development plans.
- Introduction of private planning certification only for matters where assessment can be made against clear, measurable technical standards without professional judgement being exercised.
- Greater education and training in the development system for the housing and development industry to improve the inputs in the development assessment process.

In summary, a range of pressures are impacting on DA and planning systems:

- High community expectations for good quality sustainable development
- High levels of development activity fuelled by a strong economy
- Expectations, particularly from the development industry, for streamlined development assessment
- Difficulty in recruiting and retaining DA planners (partly associated with workplace stresses, particularly in local government) and a national shortage in the availability of planners
- The need for up to date and clear policy upon which to base DA decisions
- Excessive focus in some jurisdictions on minor development matters.

There are varying systems of development assessment in the different jurisdictions throughout Australia and there is the need for each of the States and Territories to share knowledge regarding innovations, successes and failures in the various systems.

## PIA ACTION

PIA will lobby all levels of government to achieve a more robust development assessment system through submissions, advocacy forums, and membership of relevant national and state/territory committees, such as the National Housing Supply Council, Development Assessment Forum, ACIF, ASBEC and the COAG planning taskforce.

## THIS POSITION STATEMENT DERIVES FROM:

Development Assessment Forum (DAF) 'A Leading Practice Model for Development Assessment in Australia', March 2005

PIA (SA) 'Policy Statement on Streamlined Development Assessment', October 2008

## RELATED REFERENCES

PIA National Planning Report Card 'Planners telling it like it is' 2007

PIA (SA) 'Development Assessment – The Inside View', December 2007 with the support of the Local Government Research and Development Scheme (SA Local Government Association).

01/05/07

## PIA POSITION

There has been substantial comment on the needs, advantages and opportunities presented by integrating land use and transport planning. Decisions regarding transport investment, mode and location have had a huge impact upon the development of Australia's regions and cities. Yet in many instances land use planning and decision making has occurred with little or no regard for resultant impacts on transport and movement, funding or investment. Additionally, transport planning and investment decisions continue to occur with an inadequate understanding of the land use and development consequences of such decision making.

PIA supports integrated land use and transport planning which acknowledges that transport and development are not two separate things but two facets of the same challenge (i.e. transport is land use planning). Fundamentally, PIA supports an integrated planning and decision making framework where land use planning processes fully account for the transport implications and requirements of our towns, cities and regions. PIA supports transport planning and decision making that has due regard to the land use and development implications of these activities. PIA supports an integrated planning and decision making framework that considers cost effective and efficient and sustainable movement of people and freight, and a focus to reduce car dependency and subsequent emissions.

PIA calls for the following actions:

- The promotion and development of cooperative, comprehensive, and on-going transport planning processes, fully integrated with the land use planning process, which are coordinated, innovative and have financial commitments from all levels of government and stakeholders.
- Development and implementation of procedures that strengthen links between the planning and programming processes and ensure that transport projects are clearly designed, prioritized and implemented to enhance the defined long term planning goals of our cities and metropolitan regions.
- Federal and state legislation that defines and embraces transport planning requirements as part of broader land use planning and development assessment.
- Commonwealth and state funded comprehensive, multimodal transport planning, integrated with desired land use outcomes that forms the basis of investment decisions.
- The development of integrated multimodal transport systems that serve individual, local, regional, state, national, and global needs. The transport and movement systems must be designed and delivered to enhance travel choice, mobility, access, sustainable development, and economic efficiency.
- Sharing of responsibility for and interest in transport decisions amongst all levels of Government.
- National, State, regional and local Land Use and Transport plans and programs should be developed and implemented through processes in which the responsibility and authority for planning and decision-making are shared among all levels of Government.
- Transport investments that deliver significant public benefits in the form of improved mobility, efficiency of distribution, environmental quality, growth management, land use, housing affordability, social equity, historic preservation, urban design and economic development.
- Greater Commonwealth assistance in the funding of metropolitan and interurban public transport improvements and research into innovative transport modes and alternative fuels.
- Commonwealth and state collaboration in the development of alternative funding mechanisms for the provision of urban transport infrastructure which where appropriate can leverage private sector funding.
- Increased Commonwealth and State Government funding of research and data collection to improve planning and the integration of research results into the planning process at regional and local levels.
- Improved structure and concept planning for new land development areas by both the public and private sectors, reflecting best practice in integrated land use and transport planning.



01/05/07

## POLICY PRINCIPLES AND CONSIDERATIONS

The National Charter of Integrated Land Use and Transport Planning was endorsed by the Transport Ministers at a meeting of the Australian Transport Council on 23 May 2003 and by the Council of Local Government and Planning Ministers Meeting in July 2003. The endorsement of the Charter by both Councils establishes a national commitment to an agreed set of good planning practices and to working together to achieve better land use and transport outcomes across Australia.

Subsequently, in April of 2006, the three spheres of government agreed on a framework within which services are to be funded and delivered to the community at the local level. The inter-governmental agreement seeks to provide the overall framework for developing further agreements between local government and the other spheres of government. The inter-governmental agreement reaffirms the commitment to the 2003 Charter.

PIA notes that all States, Territories, and the Commonwealth Government have collaborated to develop the Charter. The Charter is designed to support existing and future planning mechanisms by providing a national commitment to a framework for sustainable, responsive planning, consistent decision making, and good design and management. The Local Government and Planning Ministers Meeting noted that responsibility for its implementation now rests with each State, Territory and the Commonwealth governments and that local governments will play a central role in land use and transport planning for local areas.

PIA supports an audit process of the Charter to determine how implementation of the Charter's principles has progressed, identify successes upon which to build and to identify policy or institutional barriers that need to be addressed to enhance the successful implementation of the Charter.

## PIA ACTION

PIA will continue to lobby Commonwealth, State and Local Governments and Industry to ensure that processes are implemented to bring about greater land use and transport integration with consequent environmental benefits, for the betterment of Australia's Cities, Towns and Regions.

## THIS POLICY DERIVES FROM

PIA Sustainable Communities Policy 2006

## RELATED REFERENCES

National Charter of Integrated Land use and Transport Planning 2003

01/12/07

## PIA POSITION

Long term planning for cities and towns including housing, infrastructure, employment, and social services is central to effective Urban Growth Management (UGM) and essential for establishing attractive, affordable, sustainable, well serviced communities with access to employment opportunities.

*UGM is the application of planning tools in a coordinated manner to guide development of cities and towns towards desired patterns of growth.*

There is a need for wide consideration in the relevant jurisdictions of the whole process and the tools of UGM to ensure that all necessary components are in place to deliver effective UGM and the resultant liveable, sustainable towns and cities.

The PIA is concerned that there is not a robust and coordinated Federal Government engagement in urban development issues to facilitate better UGM outcomes throughout Australia. This is of particular significance given the substantial dependence of the Australian economy on efficient and sustainable cities for positive economic development and the increasing recognition of the potential environmental impacts of urban development.

Governments need to be clear about the full range of planning tools and how they operate and interact to manage growth or urban areas. There also needs to be articulation of how these tools will be used in the future. The tools should be used in conjunction with a vision or clear picture of the desired outcomes, with a publicly available set of guiding principles.

The planning tools will be likely to include many of the following: planning strategies (for example Melbourne 2030, South East Queensland Regional Plan and the Planning Strategy for Metropolitan Adelaide); urban containment boundaries; planning ordinances / zoning; land banking; sequencing of land release; delivery of infrastructure such as public transport and community facilities; transport planning; and collaborative strategic planning and, master planning (for districts and local areas).

## PIA ADVOCATES THE FOLLOWING ACTION ON UGM:

Federal Government recognition of the importance of cities to economic and community well-being including through providing greater leadership and support for UGM and in particular promotion of successful UGM models.

All jurisdictions to adopt coordinated approaches to UGM that include the following features:

1. Establishing clear visions for the development of cities and towns with sustainability indicators and incorporation of community engagement that may include approaches such as scenario planning.
2. Adoption of a set of guiding principles (such as those outlined above) to include consideration of the following:
  - Integration of transport and especially public transport
  - Sustainable economic development and employment
  - Access to affordable housing, choice of housing and sustainable design
  - Impacts of changes in demographics
  - Greater focus on coordinated inner and middle suburban redevelopment
  - Minimisation of the need for expansion of urban areas through better use of land in existing urban areas and at the urban fringe
  - Improved use of natural resources and reduction of the ecological footprint
  - Developing vibrant mixed use communities
  - Coordination of development and sequencing of land release with social and physical infrastructure delivery
  - Spatial design and land use mix to minimise greenhouse gas emissions
  - Addressing the impacts of climate change on urban development

Ensuring the availability, coordination and effectiveness of a set of UGM tools include elements such as:

- Effective strategic and spatial planning process embodied in legislation
- Urban containment boundaries to reinforce the need for careful consideration of urban expansion
- Effective connection between strategic planning process and implementation mechanisms such as zoning and land use policy
- Mechanisms enabling the coordination and sequencing of land release with social and physical infrastructure delivery (possibly including growth area authorities)
- Land banking and land assembly mechanisms (i.e. government or private sector land ownership in key areas to improve growth management)
- Integrated land use and transport planning

01/12/07

3. More empirical research on UGM including urban regeneration and related planning matters.
4. Improved dissemination of research and community information to aid better understanding of UGM issues.

## POLICY PRINCIPLES

Any pattern of urban growth has social, economic, and environmental implications that need to be considered and balanced in deciding the most desirable urban growth solution.

It is important to underpin UGM and the use of the planning tools with a series of integrated principles. The following are considered to be a useful starting point:

- Minimising the environmental footprint of urban areas through careful site selection, minimising land area and the environmental impact of development within the urban area.
- Aligning transport systems (and in particular maximising integration of public transport) and land use to optimise accessibility in a well connected network, reduce car dependency and promote alternative travel modes (walking and cycling).
- Considering housing affordability in ensuring adequate land supply, sequencing of development, and availability and choice of various forms of housing.
- Ensuring availability of accessible employment and potential for new employment opportunities in establishing new urban development.
- Providing opportunities for compact and mixed forms of development in existing urban areas to ensure good use to, and improving economic viability of public transport.
- Ensuring that the provision of key infrastructure and community services is coordinated with the delivery and sequencing of land release, particularly at the urban fringe.
- Considering the potential role of land-banking on the urban fringe or in growth areas, and land assembly in inner and middle suburbs, to ensure an adequate supply of available land in appropriate locations that can sequentially be made available for development.
- Ensuring public benefit from changes in zoning that enable development at the fringe and through enabling more intense development in established areas.
- Avoiding development on land that is suitable for agricultural use, by giving greater weight to the need for retention of such land in close proximity to cities and towns.
- Considering carefully, in the context of metropolitan cities, and appropriate, mix between compact infill / regeneration and development at the fringe or growth corridors where appropriate, or alternatively development in other locations.
- Ensuring clear policies are in place to promote quality buildings and urban spaces.
- Ensuring measurement tools are in place, including regular review and reporting mechanisms.

## THIS POSITION STATEMENT DERIVES FROM:

PIA SA Draft Urban Growth Management Policy, 2007  
 PIA Sustainable Communities Policy, 2006  
 PIA National Report Card, 2006 & 2007  
 PIA QLD Draft Policy Position on Urban Consolidation, 2007