

Comments related to the Productivity Commission Draft Research Report - *Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessments*

The Local Government Association of Queensland and the Council of Mayors (South East Queensland) welcome the opportunity to review the Draft Research Report - Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessments. This submission has been jointly prepared by both organisations. Please note that these comments have been provided in two sections. The first section relates to general observations of the report in its entirety. The second section has been associated with the headings in the report for ease of review. In both parts the comments generally relate to the Queensland planning system context.

## Part 1

### Document Format and Content

Throughout the report, leading practices have been identified, which are considered both sound and relevant, and would encourage all of our members to strive for as common practice.

The report outlines a myriad of differences and complexities in State and Territory planning systems. Whilst it is considered helpful to provide this overview of all jurisdictions, we recommend it is articulated that the report be utilised as a tool for the evaluation of each State and Territory's progress over time, rather than a comparison between the States and Territories. This is important due to the identified difficulties in collecting data and, in particular, data that is suitable for direct comparison.

A List of Figures and Tables as well as a Glossary would be an extremely helpful addition to the report.

### Distinction of Location Definitions

Throughout the report, information and data is highlighted for Brisbane City local government area, Gold Coast local government area, Sunshine Coast local government area and South East Queensland (SEQ), which incorporates Brisbane, Gold Coast, Ipswich, Lockyer Valley, Logan, Moreton Bay, Redland, Scenic Rim, Somerset, Sunshine Coast, and Toowoomba local government areas. It appears that *Brisbane* and *South East Queensland* are sometimes used interchangeably in the document.

In Table 2.6, Brisbane is identified to have an area of 17,859 km<sup>2</sup>, yet when looking at Table C.3 in the chapter *Comments from Jurisdictions*, the Brisbane total is actually a sum of Brisbane City, Logan, Redland, Moreton Bay, Ipswich, Lockyer Valley, Scenic Rim, and Somerset local government areas. This is not identified as SEQ in either table as it omits Gold Coast, Sunshine Coast and Toowoomba for comparison. We suggest that Brisbane, when in consideration of the broader areas outside the defined local government boundary, is annotated as such to avoid potential confusion and inappropriate comparisons.

## Part 2

### Regulatory Framework

On page 62 it is identified that the Queensland Government does not approve plan changes. The paragraph starts with a discussion of subdivision plans, however shifts in context and is assumed to make reference to local plans as *Planning Schemes*. If this is the case, there is a statutory role played by the Queensland Government in considering changes to a local plan, which is the planning scheme amendment process.

In relation to Table 3.9, and specifically notation d, we note that Queensland utilises both Code assess and Merit assess tracks as identified, called *Compliance Assessment* and *Code Assessment* respectively.

In relation to Table 3.10, the information provided is incorrect, with the timeframe relating to a Town Planning Certificate and not a Development Application. Additionally, both Compliance and Code assessment, as described in the paragraph above, have *deemed approval* provisions if Councils fail to comply with statutory timeframes. Only when Impact Assessment occurs are *deemed refusal* provisions applicable.

### Supply of Land

There is an indication in the report that the larger the number of 'zones' utilised in a local government area, the potentially more difficult for businesses to locate or re-locate. Logan is highlighted in the table as having 105 zones. It may be prudent to note that many local governments in Queensland have not yet been able to "merge" their zones into common types after 2008 local government amalgamations. Additionally, as part of planning reform in this State, the new Queensland Planning Provisions will limit the number of zones available for use and provide a standard format for all planning schemes in Queensland.

Table 4.12 identifies a general process and average timeframes to complete each stage of greenfield development. A rezoning of land / planning scheme amendment is not a necessary step in a Queensland planning context and it is unclear how the 13-38 days have been arrived at. Additionally, the Structure Plan Preparation step has been equated to preparing a Master Plan in the report, which is identified as applicable in SEQ. A Preliminary approval or Master Plan application is considered an appropriate greenfield development step, but not a necessary one in Queensland. Further, a draft report entitled *Development and Building Pipeline Discussion Paper March 2011*, which has been prepared jointly between LGAQ and Mackay Regional Council, suggests that from project inception (equated to the *Locate site and assemble land* step in this table) right through to habitation of a new dwelling takes an average of 182 weeks in Queensland, and for only during 36 of those weeks is the application with Council.

Similar comments are applicable to Figure B.1 as part of the *Stylised land supply process* in the chapter *Comments from Jurisdictions*.

It is noted that in Developer's responses, decisions on applications were identified as taking 3-6 months or 18-24 months. Despite no apparent reason for the dichotomy, it would be helpful to investigate this further.

Table 4.14 discusses rezoning of land specifically. Under the Queensland system, rezoning does not occur. It would be useful to more clearly articulate this. Additionally, a note has been provided that planning scheme amendments play a similar role to rezoning. However, scheme amendments traditionally occur after a development decision has been made, identifying within the plan that an inconsistent use was approved. It is typically a local government initiated and driven process, not a developer driven one.

Both LGAQ and COMSEQ found it interesting that on page 145 and 146, related to Figure 4.7, the stock of residential land in Queensland for a period of six months is comparable to that of twelve months supply throughout the other jurisdictions. It would be useful to investigate why this might be so.

### Infrastructure

Relevant to Table 5.8, it must be noted that in SEQ both water and sewerage infrastructure is not operated by a State Government Business Enterprise but rather are owned by Local Government Business Enterprises and independently operated.

The report summarises the potential reasons for increases in developer contributions, identifying that local governments may 'gold-plate' infrastructure. In the development of Priority Infrastructure Plans, the Queensland Competition Authority reviews the documents, scrutinising the financial feasibility of the proposed infrastructure charges and confirming that gold-plating has not occurred. Additionally, the Infrastructure Charges Taskforce, which is coordinated by the

Queensland Government and of which LGAQ is also a member, is working towards a standardised fee for infrastructure contributions, which will be applicable across Queensland. The proposal of a standardised infrastructure charge and policy reform by the Queensland Government represents a significant shift away from the principles outlined in Box 5.4. Additionally, there is no discussion of the rising cost of infrastructure delivery and maintenance, contributing to increasing infrastructure charges.

A full cost recovery approach to infrastructure charging is identified in South East Queensland, however this is considered incorrect. Some councils in SEQ subsidise infrastructure charges, for instance in Brisbane City up to 35 percent, and the State legislation (Sustainable Planning Act 2009) does not allow for total cost recovery.

#### **Compliance Costs**

In section 6.3 - Direct costs associated with planning approvals, it is stated that the costs associated with planning services are "typically imposed as a condition of development consent". This is not correct in Queensland. Development assessment fees are typically charged up front with lodgement of the application as a means for local government to recover a portion of the cost for carrying out the assessment.

LGAQ and COMSEQ support the referenced statement by Brisbane City Council on page 222 and further reiterated in the report on page 224.

Section 6.6 highlights electronic development assessment systems as leading practice. It may be beneficial to refer to the section in chapter 8 related to features expediting development assessment and potentially expand on the capacity and availability of these systems across jurisdictions.

#### **Competition**

Councils often utilise acceptable solutions such as hours of operation and expected business type in order to protect the amenity or character of an area. As the planning system in Queensland is performance based, a developer has the opportunity to justify why it may be appropriate for development to occur that uses alternative solutions to the ones identified in a planning scheme. We suggest that local government does not intentionally utilise these factors to restrict competition.

In Table 7.6 "possibly public notification" is identified in relation to a planning scheme amendment in Queensland. This is not correct. A planning scheme amendment, whether a minor or major amendment, requires public notification to occur.

#### **Comments from Jurisdictions**

It appears that Table B.3 has a problem with the column formatting and some local government areas are referenced as a Council and others not. It is suggested that consistency be achieved in naming the local council areas surveyed. Additionally, Brisbane is identified as well as Brisbane City Council, this is considered duplication. Further, it is not clear what is meant by *Other local council areas*.

Please see the comments in the *Supply of Land* section related to Figure B.1.

#### **Conclusion**

The Association and Council of Mayors welcome the opportunity to be further involved with this research report. Nonetheless, it is emphasised that we recommend this, and future benchmarking reports, be utilised as a tool for the evaluation of each State and Territory's progress over time, rather than a comparison between the States and Territories. Finally, it is requested that further surveying a research be conducted in order to provide greater reliability and potentially increase the Productivity Commissions' ability to make comparisons across jurisdictions.