

31 August 2010

Ms Rosalyn Bell  
Business Regulation Benchmarking -  
Planning Zoning and Development Assessments  
Productivity Commission  
PO Box 1428  
CANBERRA ACT 2601

Dear Ms Bell

The Council of Mayors (SEQ) is grateful for the opportunity to provide a strategic submission to the Productivity Commission on the *Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessment Issues Paper* (the Issues Paper).

This submission is complementary to the more detailed submissions made by the Australian Local Government Association (ALGA) and the Local Government Association of Queensland (LGAQ). In doing so, this strategic submission provides an understanding of the context in which South East Queensland (SEQ) Local Governments operate.

In the Final Report of the Productivity Commission, it is critically important that there be recognition that the role, function and approach of Local Governments across Australia to planning, zoning and development assessment varies significantly and consequently so does the potential impacts of regulation.

SEQ Local Governments are typically progressive in this respect, and this strategic submission will demonstrate the strengths of the Queensland planning model and summarise the commitments to continuous improvements by both the State and Local Governments.

#### **About the Council of Mayors (SEQ)**

The Council of Mayors (SEQ) was established in September 2005 as an independent political advocacy organisation to represent the interests of Australia's fastest growing region – SEQ. It proactively seeks cooperation of Commonwealth and State Governments to ensure the long-term sustainability and liveability of SEQ communities.

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The Council of Mayors (SEQ) represents a region that is home to three million people (1 in 7 Australians) and generates one quarter of Australia's population growth and one fifth of the nation's economic growth. SEQ is no longer just a series of disparate geographic areas but a region that, in practical terms, now functions as a single metropolitan area.

Unlike typical Local Government configurations of capital cities in Australia, there are only 11 Local Government Areas in SEQ. This is compared to 44 Local Governments in metropolitan Sydney, 31 Local Governments in metropolitan Melbourne, 30 Local Governments in metropolitan Perth and 18 Local Governments in metropolitan Adelaide.

Five of the six largest (population) Local Governments in Australia are located in SEQ, with Brisbane and Gold Coast Local Governments being the two largest Local Governments in Australia. Demonstrating the economic strength of these five Local Governments is a combined annual budget of over \$8 billion.

This means that the role of Local Government in SEQ is very different to that of Local Governments in other capital cities. Simply, the statutory and collaborative (non-statutory) approach to integrated planning and delivering infrastructure is based on an effective partnership that has developed between Local Governments and an empowered State Government through the SEQ Regional Plan and the SEQ Infrastructure Plan and Program.

### **The Role of Local Government**

The Council of Mayors (SEQ) support the articulated role of Local Government in planning and development assessment as stated in the ALGA submission. Local Government is an elected sphere of government, representative of and directly accountable to, local communities. This direct level of accountability to the community and concise geographic constituencies suggest that Local Government are best placed to engage with, understand, and represent the vision and needs of local communities.

It is for this reason that the Council of Mayors (SEQ) strongly argue that Local Governments must continue to be responsible for development assessment functions. Unlike planning panels, Local Governments are able to transparently represent a local community and through that partnership progress and achieve the desired objectives of the local planning vision – all within the statutory planning framework.

The Council of Mayors (SEQ) also recognises the need for strategic partnerships in planning across all three levels of government. This involves the Commonwealth Government's involvement in metropolitan urban planning (setting key policy outcomes) and a framework for infrastructure investment. The State Government works collaboratively with Local Government in building in delivering a regional planning framework. It is then for Local Governments to work in partnership with their communities to deliver local planning outcomes that will contribute to the broader achievement of the outcomes promoted by the regional planning framework.

## **The Role and Function of the Planning System**

The Issues Paper articulates the broad intent of a planning system being *concerned with guiding and shaping the way in which cities, towns and regions develop* (p. 6).

Whilst overtly simple, the depth of such intent is intricate and complex. Where considered in detail it becomes apparent the various objectives of a planning system (at times competing objectives), inputs, outputs, and an overarching accountability to a local community make for a complicated model. It is critical that the planning system is recognised as the framework for which a Local Government can facilitate development that will meet the present and future needs of the community whilst realising overarching strategic and spatial objectives.

There is concern that without an appreciation for the complete model, the robustness of any conclusions or recommendations could be compromised. This concern is reflected in the Issues Paper which does not demonstrate a full appreciation for the dynamic of planning policy and implementation in SEQ – that is, recognising the environmental, social and economic benefits as well as the approach to development planning which is documented in the Issues Paper.

However, it is understood that the detail of the Queensland/SEQ planning system has emerged through the detailed consultation that the Productivity Commission has had with the LGAQ as well as individual SEQ Local Governments (e.g. Gold Coast City Council, Logan City Council).

Whilst recognising that the focus of the Issues Paper and the Final Report is on business compliance costs and competition aspects of planning, there needs to be a much broader recognition that planning has many other functions rather than simply a regulatory role.

Most important is the local democratic engagement of Local Governments with local communities which cannot be delivered or replicated by panels of experts but delivered only by the level of Local Government which is closest to the local community.

But, Local Government should not be immune from the need to implement best practice. SEQ Local Governments have invested considerable resources into improving strategic planning and development assessment capability and capacity.

By way of further information, enclosed is a policy position of the Council of Mayors (SEQ) that was published as a contribution to the recent Queensland Growth Management Summit, convened by the Queensland State Government in March 2010.

As such, there needs to be consideration by the Productivity Commission of the planning system as a whole where contemplating any recommendations with respect to the review. Whilst the impacts on business compliance costs and, in some circumstances, competition are recognised as key considerations of any planning system, these are not the sole or most important element that singularly drive a planning system.

In supporting a 'whole of picture' analysis and further to the detailed consultation that the Productivity Commission has undertaken with ALGA, LGAQ and individual SEQ Local Governments, the Council of Mayors (SEQ) would like to offer the opportunity to provide a further detailed briefing on the planning framework in SEQ (as needed).

### **Strategic Planning and Development Assessment**

Whilst it is understood that the LGAQ and individual SEQ Local Governments have provided the Productivity Commission with an overview of plan making activities, it is considered important to emphasise several key points that characterise plan making in SEQ (and Queensland):

- A key component of plan making in SEQ (and Queensland) is preparing a strategic plan which is supported by a zoning plan. The zoning plan is generally prepared by undertaking modelling of anticipated demand for a particular land use or activity and rationalising this demand with the desired outcome for particular areas within a Local Government Area. This is then spatially represented to ensure that an appropriate developable area is provided within the zoning framework. There needs to be recognition that there are many competing demands for land (that is not always complimentary) and that there is a preferred urban form, amenity and structure such that invariably there will always be a level of competition for land in development.
- In SEQ (and Queensland) the underlying legislation (the *Sustainable Planning Act 2009*) allows for a flexible planning framework. That is, typically a wide array of land uses are preferred in any one zone and these uses are generally interchangeable without further development approval once a development has occurred (e.g. shop to office to restaurant in a centres zone). It also allows for low risk type developments to be exempt from development approval or requiring a level self assessment (e.g. a dwelling house) or only subject to a streamlined assessment process (e.g. a duplex). This is the benefit of a flexible zone based system with a risk management based approach to development assessment.

It is also worth noting that impact on competition is not typically a consideration for the assessment of a development application by Local Governments in SEQ other than a proposed development being consistent with a commercial structure and hierarchy set out in a Local Government strategic plan.

### **Continuous Improvement**

SEQ Local Governments (and the State Government) are committed to continuous improvement, particularly so with respect to the role of Local Government in strategic planning and development assessment.

Currently, SEQ Local Governments are involved in the preparation of new planning schemes (flexible land use zones, reduction of assessment levels) and application of risk based assessment frameworks (e.g. RiskSMART - [http://www.brisbane.qld.gov.au/BCC:BASE::pc=PC\\_2914](http://www.brisbane.qld.gov.au/BCC:BASE::pc=PC_2914)).

This is further to the current policy and process reform arising from the current Housing Affordability Fund Target 5 Days and the Next Generation Planning Projects.

In terms of continuous process reform, the Target 5 Days (T5) Project will:

- Reduce assessment timeframes for 95% of residential development applications;
- Establish a 75% reduction in approval timeframes for residential developments (including a five day turnaround for low-risk compliant applications); and
- Implementation of consistent development approval process for the nine participating SEQ Local Governments.

In terms of continuous policy reform, the Next Generation Planning Project is based on the implementation of a consistent policy framework towards the delivery of housing affordability codes and provisions within SEQ Local Governments.

This approach to continuous improvement, particularly the RiskSMART and Target 5 Days Project, delivers a reduction in business compliance costs through risk based assessment models which ensures the achievement of broader objectives of the planning system/approach are not compromised.

## **Benchmarking**

Whilst it is recognised that a key component of the work of the Productivity Commission is a proposed benchmarking exercise, caution is suggested as the benchmarking of particular cities is a very difficult exercise, particularly given that the planning systems across Australia vary significantly. Establishing a clear and applicable framework of criteria to undertake such benchmarking will be fundamental. The Council of Mayors (SEQ) requests the opportunity to be engaged with the Productivity Commission as they undertake benchmarking and in providing input to any recommendations that may arise.

## **Land Supply**

Land supply is a very complex issue and, as demonstrated through the approach outlined in the National Housing Supply Council reporting, is a matter that requires extensive research and collaboration to be able to make recommendations that will actually contribute to improving the land supply and development delivery challenges.

It should be noted that within the SEQ context, the State Department of Infrastructure and Planning have undertaken work based on the forecast dwelling demand (to 2031) that demonstrates that there is more than sufficient land within the urban footprint to satisfy such demand. This analysis informed the recent (2009) review of the SEQ Regional Plan.

Interestingly, recent work completed by the LGAQ demonstrated that the issues and challenges around land supply are not consistent across Australia and vary, particularly in SEQ. It is suggested that should the Productivity Commission consider in any detail land supply, reference should be made to the recent report by the LGAQ - An Econometric Analysis of the Determinants of SEQ Dwelling Prices, 2010 (prepared by AEC Economics).

## **Conclusion**

This strategic submission has been provided to the Productivity Commission with the intent to provide an understanding of the SEQ context for those matters raised within the Issues Paper. It should be read as complementary to the more detailed submissions of the ALGA and the LGAQ.

The Council of Mayors (SEQ) appreciate the opportunity to have strategic input in response to the Issues Paper and look forward to the opportunity for continued engagement with the Productivity Commission as the Final Report is prepared and finalised.

Yours sincerely

John Cherry  
**EXECUTIVE DIRECTOR**

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# Dealing with the challenges of growth

## Position Paper - April 2010



South East Queensland (SEQ) is one of the fastest growing regions in Australia. Home to three million residents (1 in 7 Australians), it is generating over one fifth of the nation's economic growth and over one quarter of the nation's population growth. Dealing with growth is the biggest challenge facing all levels of government in SEQ. The Council of Mayors (SEQ) believes that the challenges of growth need to be tackled by all levels of government working together.

This position paper was been prepared by the Council of Mayors (SEQ) as a contribution to the Queensland Growth Management Summit convened by the Queensland Government in March 2010.

An underlying theme of the paper is the importance of State and Local Governments working in partnership to ensure more effective planning for the region, while continuing to put pressure on the Federal Government on broader policy issues that impact on the region.

The Regional Planning Committee (RPC), which bring together representatives of Local, State and Federal Government, has a key role to play moving forward from the Growth Management Summit in ensuring more effective implementation of the SEQ Regional Plan and in confirming and deepening the partnership approach between all levels of Government.

### **Policy Considerations**

The Council of Mayors (SEQ) has identified several key policy challenges that must be considered at the Summit. It is considered that these are the challenges that we as a region directly face – and need to collectively debate on how the region can respond.

#### ***Population Policy must ease pressure on growth:***

Councils recognise that population policy is primarily a function of Federal Government policies, particularly in relation to immigration. SEQ Councils support easing the growth pressure on SEQ through a more effective Federal population policy. Part of that needs to be a clear justification for population growth based on a clear analysis of the ageing demographic profile (ageing population) and future economic, social and environmental needs, which should provided at the Summit. Having a clearer national picture on future population, the Federal Government then needs to accept some responsibility for the costs of its policies imposed on growth regions such as SEQ.

#### ***The community must have a say on where and how growth occurs:***

The level of government closest to the community is Local Government. State and Federal Governments, having set higher level policy and targets, should allow local governments, working with their local communities in developing their planning schemes, to articulate where and how the growth will be accommodated in their region.

#### ***Commit to the SEQ Regional Plan, urban footprint and infrastructure plan to support it:***

The Plan was developed as a partnership between State and Local Government and needs to be delivered more effectively. The RPC has a key role in this.

#### ***Develop a vision and a partnership approach to planning for growth and infrastructure, including public transport:***

Planning for growth needs to include the rollout of infrastructure to accommodate growth, preferably before the growth occurs. SEQIPP and the draft Connect SEQ 2031 Integrated Regional Transport Plan need to be linked more closely to the Regional Plan, with a clearer commitment on when infrastructure will be delivered. This obviously raises issues about how infrastructure will be funded. SEQ Councils are willing to engage in a frank and robust discussion with both the State and Federal Government on how infrastructure can be better planned, funded and delivered and to play our part in making that happen. It is worth noting that the total capital spend of SEQ Councils in 2009-10 was \$3.6 billion, greater than the State budget spend under SEQIPP (\$3bn) or the Commonwealth spend (\$2bn).



***Develop a better understanding of relationship between housing affordability and market choices:***

Government policies, including the SEQ Regional Plan, do have consequences for land availability and housing affordability. While many of the claims of the development industry are exaggerated (particularly in respect of the impact of infrastructure charges on housing costs), we need to be sensitive to ensure that the mix of Greenfield and infill targets is informed by the market. We also need to ensure that offerings by the development industry reflect the changing nature of the market (e.g. expectations of migrants, ageing population, more single person households).

***Promote regional, sub-regional and rural economic development and jobs:***

Reducing congestion pressure on current major SEQ business centres must involve policies of spreading the growth, both across the region and across the State. This should include removing barriers to growth (e.g. stamp duties on home purchases), increasing incentives, and implementing sophisticated industry policies and marketing campaigns that make moving to regional centres more attractive to both businesses and workers. Within our region, Federal, State and Local policies should be geared more towards developing economic development opportunities closer to where the workers live. We also need to acknowledge that the Regional Plan is 'underdone' in terms of developing economic opportunities in the rural parts of the region, which are eager to attract more jobs and residents. The moribund and unfunded Rural Futures Strategy needs to be rejuvenated as part of a broader commitment to the entire region.

***Acknowledge and promote successes in planning and commit to continuous improvement:***

State and Local Government need to inform the community more about the successes of more compact development, while also assuring residents that compact development in key suburbs (e.g. inner city or along established transit corridors) will allow 86% of the urban landscape to remain untouched. Part of influencing the market towards producing greater demand for compact development must be celebrating successes in urban planning more. State and Local Government need to also commit to policies of 'continuous improvement' particularly in the rollout of improved development assessment procedures and more user-friendly planning schemes. That work is already in-train through the joint COMSEQ/LGAQ/DIP Housing Affordability Fund projects which are focusing on electronic DA solutions, more user-friendly planning provisions, and 'cultural change' in the public and private sectors to encourage 'well made applications' that can then be dealt with quickly as 'low risk' propositions.

**Outcomes from the Summit**

The Council of Mayors (SEQ) recognises a number of outcomes as critical in terms of the success of the Summit and in terms of the broader issues and challenges around future planning for Queensland and particularly SEQ. Clearly, these outcomes provide continued support for the SEQ Regional Plan planning model.

***Population Policy***

A National Population Policy is clearly needed to set the parameters for growth. State and Local Governments should advocate strongly for this to be developed, building on a clearer understanding of the demographics of the State and the Region.

***Governance***

The governance model supporting the SEQ Regional Plan and the SEQ Infrastructure Plan and Program needs to be strengthened as a true representation of a partnership between State and Local Government, engaging with the Federal Government; enabling timely implementation and delivery on the SEQ Regional Plan and Infrastructure Plan and Program.

***Community Engagement***

Engagement with the community is a critical tool, and communication around the objectives and benefits of the SEQ Regional Plan is an immediate priority. Local Government has and will continue to be the primary interface with the community through sub-regional centres and neighbourhood planning activities. State Government must support Local Government in these activities, and recognise the role of Local Governments in implementing the SEQ Regional Plan.



**Partnerships to Planning**

The challenge of future planning for SEQ and Queensland is too great for any one level of government. Strong planning partnerships across Federal, State and Local Governments are fundamental to achieving desired outcomes, particularly for key growth areas. Key new policies such as Queensland Planning Provisions, the Smart Growth Code, and the rollout of electronic DA solutions need to proceed as full partnership projects to ensure their full workability and avoid some of the problems already encountered with the poor implementation of the Sustainable Planning Act due to unilateral action by DIP.

**Infrastructure Planning and Funding**

The SEQ Infrastructure Plan and Program is a key component of the planning framework. There is scope to affect changes to the structure and format that will result in improved integration with the SEQ Regional Plan and Local Governments' Planning Schemes, particularly links between infrastructures and planning outcomes, and State and Local Government investment priorities. A robust conversation is also needed around the issue of financing of infrastructure, including the role of the private sector and new revenue opportunities, and leverage opportunities through co-investment.

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The Council of Mayors (SEQ) represents a region that is home to three million people (1 in 7 Australians) and generates one quarter of Australia's population growth and one fifth of the nation's economic growth. SEQ is no longer just a series of disparate geographic areas but a region that, in practical terms, now functions as a single metropolitan area.

Five out of the six largest councils in Australia are in SEQ. The Council of Mayors (SEQ) welcomes the Council of Australian Governments' (COAG) commitment to developing a national policy framework to improve urban planning outcomes for our cities, including growth management, connectivity of people to jobs and businesses to markets and the integration of infrastructure investment with planning.

SEQ provides a very different approach to planning and delivering infrastructure compared with Sydney and Melbourne. An effective partnership in SEQ has developed between local governments, an empowered state infrastructure entity working within the South East Queensland Infrastructure Plan and Program (the Coordinator-General) and the State Planning Department, which administers the Statutory Regional Plan.