

30 March 2011



**MASTER BUILDERS**  
A U S T R A L I A

Business Regulation Benchmarking  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601

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

Dear Sir/Madam

**RE: Productivity Commission Draft Research Report: *Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessments*.**

Master Builders welcomes the Productivity Commission's Draft Report into Performance Benchmarking of Australian Business Regulation: *Planning, Zoning and Development Assessments*. Once finalised, the Report will be very timely and relevant as the Government attempts to deal with what has become a major economic and social problem for the Australian community.

The Draft Report provides the basis for what should prove to be a valuable starting point for necessary reform. Improved planning systems designed to ensure more transparent and efficient, long-term development of the nation's housing and community infrastructure requirements will be critical if Australia is to meet its economic and demographic imperatives.

Master Builders notes that the Terms of Reference for this study limited the Productivity Commission in terms of making detailed recommendations for improvements to the current systems going forward. Notwithstanding this, Master Builders supports many of the leading practices identified in the Report.

Master Builders believes that an open, transparent and more efficient formal monitoring process should be designed with appropriate industry involvement. Regular benchmarking would encourage continuous improvement, given that rigorous monitoring and reporting of public sector performance would be in the public domain.

In this context, it is important to note that the Henry Tax Review's recent and comprehensive analysis of Australia's housing affordability challenge came up with two key recommendations; to free up zoning and planning and to set appropriate infrastructure/developer charges. The major recommendation of the Review, in terms of housing affordability, was that reform pursued through COAG must be a priority for government.

Master Builders believes that the Henry Tax Review got it right - Australia's planning, zoning and development assessment systems and procedures are not working efficiently and effectively. Urgent action is needed to solve one of Australia's most pressing economic, social and political problems.

As you are aware, Master Builders' submission to the Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessments study included recommendations for improvements to address what we believe to be serious inadequacies in the current systems, in areas such as:

- housing supply and affordability;
- land supply;
- levies, taxes and charges (including thirteen recommendations for reform of developer charges);
- best practice development assessments;
- consistency in planning, zoning and development assessments; and
- removal of stamp duties.

The family home has increasingly become unattainable as a confluence of circumstances have mitigated against an average Australian household realising the goal of affordable home ownership. Master Builders will be urging the Government to further engage the Productivity Commission to help instigate reform and address current policy failings.

Should it be appropriate for this or any future study, Master Builders would welcome the opportunity to discuss our concerns with you.

Yours sincerely

**Wilhelm Harnisch**  
**Chief Executive Officer**