

31 March 2011



Australian Institute of Architects

Ms Louise Sylvan  
Commissioner  
Performance Benchmarking of Australian Business Regulation:  
Planning, Zoning and Development Assessments  
GPO Box 1428  
Canberra City ACT 2601

Dear Ms Sylvan

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

The Australian Institute of Architects (the Institute) welcomes the further opportunity to make a submission to the Productivity Commission's inquiry into the performance benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessments.

As you are aware, last year the Institute responded to the Productivity Commission's Issues Paper on this topic. Recently, the Institute also made submissions to the Australian Government's *Our Cities- A National Urban Policy Discussion Paper* and the *Sustainable Population Strategy for Australia Issues Paper*. We draw on our comments made in those submissions in this response to the Productivity Commission's (the Commission) draft research report.

Firstly, the Commission's draft research report is an extensive summary of many of the key issues that have been raised over recent years in relation to planning and development assessment systems across the nation. The draft research report is quite comprehensive in outlining the issues and problems relating to Australia's planning and developing systems and in this submission we focus on the potential solutions which could address these concerns.

It is clear that our cities are rapidly reaching a critical point in history, where the imperative for solid leadership and action is now. Australia is one of the most highly urbanised nations on the planet. We face a growing population, one that is ageing, and we are witnessing many stresses on our cities from traffic congestion to climate change and environmental impacts, through to housing affordability and infrastructure decline.

The Institute reiterates its earlier recommendation to the Productivity Commission that the Development Assessment Forum (DAF) Leading Practice Model for Development Assessment in Australia needs to be adopted by the Local Government and Planning Ministers Council and in turn implemented by the State/Territory and Local Governments. We note the Productivity Commission's support for parts of the Development Assessment Forum's Model. While there are examples of planning processes that work reasonably well, overall the current development and assessment system is convoluted, inefficient and under resourced. As the Commission's own assessment shows, some States and Territories have introduced parts of the model, however we believe progress on implementation has been slow. The Institute believes that the DAF Leading Practice Model should be implemented as a priority.

The Institute also reiterates that national guidelines for planning approvals should be instigated to overcome the costs and delays incurred through inconsistency of regulation across States and Territories and across Local Government Areas. The Australian Government needs to take leadership in this area and utilise models such as the National Competition Policy to provide the necessary incentives for change.

#### A co-ordinated approach

The Institute welcomes the Australian Government's measures to address issues relating to the effective and efficient functioning of our cities, including the COAG criteria for the strategic planning of our cities, and the proposal to develop a National Urban Policy. However we believe this is only the first step and strategic documents such as these must be accompanied by a plan for implementation. We recommend that in conjunction with the National Urban Policy, a parallel document be developed to augment the strategic intentions, to set benchmarks and targets, and measure implementation of the policy.

A linked up, coordinated approach is needed to meet the challenges of managing population growth, improving quality and liveability, and transitioning to a low-carbon economy while maintaining wealth creation. The Institute supports the Australian Sustainable Built Environment Council's (ASBEC) recent call for a Minister for Cities, and a new Cities Department.

ASBEC has identified nearly 30 Australian government programs, strategies and initiatives which impact on the built environment. These traverse eight Ministers and their portfolio departments. A federal 'champion' is required to better connect urban built environment policies and programs across the Federal Government and in its interaction with the State/Territory and Local Governments<sup>1</sup>.

ASBEC's call for action includes:

- A Federal Minister for Cities
- A Cities Cabinet Committee – to include key federal ministers whose portfolios involve decisions or activities relating to urban areas
- A COAG Cities Ministerial Council – to involve representatives from all levels of Government
- A Cities Roundtable - with business and community representatives – enabling a direct voice to government on issues involving our cities.
- A Cities Department – the existing Major Cities Unit to transform into a Department tasked with coordinating policy involving urban outcomes. This can draw on the United States example where the Office of Sustainable Communities coordinates federal housing and transport investment with local land use decisions, to reduce transport costs for families, improve housing affordability, save energy and increase access to housing and employment opportunities.

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<sup>1</sup> ASBEC Call to Action March 2011

The Institute believes a coordinated and streamlined approach to government decision making and policy setting is critical to any attempt to tackle the issues facing our cities, now and for the future.

#### Australian Government leadership

The Institute supports the subsidiarity principle in regard to delivery 'on the ground'. We believe the role of the Australian Government is to take a principle based approach and provide their funding contribution based on the achievement of agreed outcomes.

The transformation of our cities and urban areas can only be achieved over the long term. This therefore requires governments to set long term policy priorities and commit to champion these long term decisions.

To facilitate this, we believe that a similar arrangement to the building code should be implemented for planning regulation through an intergovernmental agreement established under the Council of Australian Governments (COAG). The intergovernmental agreement should acknowledge the role and responsibilities of all levels of government and include funding arrangements conditional upon progress. To expedite planning reform, the Australian Government needs to utilise models such as the national competition policy to promote the necessary incentives for change.

We also believe that new State-based institutions are needed, tasked with the delivery of complex projects over a sustained period of time, as the current system which is characterised by a silo approach is not effective and is resistant to change.

In addition, more efficient delivery could be achieved through local government amalgamation or at a minimum through partnership across geographic areas that better represent environmental, social and economic considerations.

#### Urban Action Plans, Targets and Measures

In 2009, as one of the hosts of the Built Environment Meets Parliament (BEMP) we commissioned a draft report from the Allen Consulting Group titled '*Principles for Planning Sustainable Communities*'. The draft report suggests a process which the Institute believes would help overcome the dissonance between the long term needed to transform cities and the short term nature of the political electoral cycles.

The draft Allen Consulting Group report suggests the following mechanisms which we support:

- Urban Actions Plans would be developed for each city and urban regional area, and ideally would be developed by all three levels of government, with community input. These Action plans should reflect the objectives of the Australian Government's National Urban Policy and detail the activities and tasks necessary to address its objectives. The Action Plans would also set targets for performance and articulate the means for achieving those targets.
- A Sustainable Communities Commission be established to assess and accredit governments' urban action plans and their implementation progress. The Sustainable Communities Commission should be a statutory authority with responsibility to guide,

assess and report on progress both locally and nationally and report to COAG. It is not envisaged that the Sustainable Communities Commission would set policy or reform agendas.

- Australian Government funding be tied to Urban Action Plans and the independent review of progress would help determine the appropriate level of payment to States and Territories. The funding would support major infrastructure projects, offset transition costs, provide implementation payments to governments and help develop the local capacity to plan and implement projects.
- A series of indicators should be developed with expert advice, consisting of:
  - (i) Headline national indicators of community building and sustainability,
  - (ii) High level city plan indicators (aggregating information in order to view cities as a whole), and
  - (iii) Local city Plan indicators.

These indicators would need to reflect the objectives of the strategy set for the urban area and the needs of particular regions. Specific design outcomes should also be defined which are clear and measurable.

ASBEC is currently developing a set of indicators as part of its current 'cities' project examining the impact which changes to urban form, land use and transport will have on greenhouse gas emissions, economic outcomes and liveability.

#### Existing regulation

Another important consideration when examining the impact of business regulation on our planning, zoning and development assessment systems is the multitude of current regulation which impacts on the effective and efficient functioning of our cities. In setting objectives and policies for the design and planning of our urban areas, these regulatory settings need to be taken into account in terms of both the opportunities and the hurdles they present. Examples of regulation which impact on our urban environments include; strata laws which impact on redevelopment of established areas, liquor laws specifically late trading which affects the amenity of the immediate surroundings, taxation laws such as fringe benefit taxes which incentivise higher private vehicle use, pricing of and access to public transport, water usage, building codes and migration laws.

The Institute suggests that the Productivity Commission give consideration to how existing regulation in other policy areas, enables or impede the strategic objectives of planning regulation.

#### Research and Data

As the Productivity Commission's draft research report acknowledges in several places, there is a lack of comprehensive data and statistics to be able to measure progress of cities against various criteria. There is therefore, a need for greater collection and co-ordination of existing data on the physical and social characteristics of cities and towns. Access to comprehensive information on the physical characteristics of our major cities and towns is a fundamental basis for sound urban design and planning.

Urban design research provides data on the existing and past composition of cities and towns and evaluates processes of change in relation to increased sustainability. Governments at every level are in the best position to secure comprehensive research data to inform urban design.

The Institute recommends:

- a comprehensive national database of the physical characteristics of major cities and towns. The data should include three dimensional mapping of Aust cities and be coordinated with other non-physical data, for example census data. This data should be freely available at local government offices throughout Australia. This needs to be properly resourced to ensure adequate revisions are undertaken to reflect changes to the built environment as they occur.
- governments' invest in the development of spatial tools which allow interactive modelling and assessment of various development strategies and then test these against measured outcomes. This would help inform evidence based engagement with communities and policy, and funding decisions by governments. These tools developed with consistent metrics or parameters could also allow an assessment of the benefits or problems arising in specific locations which would enable modification of strategy if required.
- some local councils are investing in GIS and other spatial modelling however the application is inconsistent. One area of investment needed is to support the use of software and develop a nationally consistent database.
- research into place making and urban sustainability. Also more research is required into the nature of urban and spatial networking and connectivity and its contribution to successful place making
- government consideration be given to undertaking and applying agglomeration theory economics – the application of conventionally used economic theory in a more place based or spatially based situation. Agglomeration theory economics could provide insight into how urban activity centres and urban places, as opposed to the city wide level, work at an economic level.
- national co-ordination of planning and urban design terms and definitions used in legislation, local government policy and urban design plans to provide consistent, comprehensive policy and to assist community engagement with the development review process.

### Conclusion

The Productivity Commission's draft research report makes it clear that there is room for improvement in Australia's planning, zoning and development assessment regulations. The myriad of regulatory systems is inefficient and imposes unnecessary costs to doing business.

The Institute believes a more co-ordinated approach within the Australian Government and across the State/Territory and Local Governments is imperative to facilitating more liveable, sustainable and productive cities. This could be achieved by establishing a national 'champion' for planning and cities issues through implementing ASBEC's call to action including

establishing a Minister for Cities and developing an intergovernmental agreement between the three levels of government.

In addition, a more strategic process needs to be developed to guide planning. The Australian Government's proposed National Urban Policy is a step in the right direction however the Institute believes that this needs to be supported by additional mechanisms such as an Implementation Plan supporting the National Urban policy, as well as processes for developing strategic plans and measures and targets for cities with funding tied to meeting these plans' objectives. These processes, coupled with the oversight and support provided by an independent commission would, the Institute believes, help address the dissonance between the long term nature for the transformation of our cities, with the short term nature of political electoral cycles.

In relation to development assessment, the Institute advocates for the implementation of the DAF Leading Practice Model by States and Territories to address the current inefficiency of development assessment systems which result in unnecessary lengthy delays and additional compliance burden, adding to the cost of development eventually approved.

Finally, more focused effort and resources to facilitate research and data would help inform the planning processes to make our cities more liveable, sustainable and productive.

I am happy to clarify any aspect of our submission if needed.

Yours sincerely,

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David Parken, LFRAIA  
Chief Executive Officer