

Economic Development and Other Legislation Amendment Bill 2024

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11 April 2024

Committee Secretary
Cost of Living and Economics Committee
Parliament House
George Street
Brisbane Qld 4000

By email: colec@parliament.qld.gov.au

Dear Committee Secretary,

Re: PIA submission on Economic Development and Other Legislation Amendment Bill 2024

The Planning Institute of Australia (**PIA**) is the national body representing the planning profession, and planning more broadly, championing the role of good planning in shaping Australia's future. PIA facilitates this through strong leadership, advocacy and contemporary planning education.

PIA welcomes the opportunity to provide feedback on the recently released *Economic Development and Other Legislation Amendment Bill 2024* (the **Bill**) for consideration by the Cost of Living and Economics Committee.

Summary Statement

- PIA supports the intent of the Bill and has been advocating for EDQ to lead the market in innovative and diverse housing types.
- The Bill's changes which enable EDQ to work more collaboratively with local governments, developers, CHPs, other state agencies, and the community to deliver more diverse and affordable well-located homes in Queensland are supported.
- PIA's makes recommendations for changes to the Bill, which relate to:
 - Providing greater clarity and confidence in the Bill's powers,
 - Ensuring EDQ strengthens its co-operation with key stakeholders,
 - Enabling more streamlined place-based planning and outcomes.
- In addition, PIA believes EDQ could utilise its developer function to bring-forward targeted affordable and diverse housing projects, outside of PDA's, where in accordance with the intent of the local planning instrument (i.e. Planning Scheme), and where the private market is yet to invest and act.
- PIA looks forward to an opportunity to appear before the Cost of Living and Economics Committee to provide further information in relation to this Bill, where requested.

1. Background

1.1 PIA's positions to inform the Bill

In October 2022, ahead of the Queensland Housing Summit, PIA released an advocacy document titled "Delivering housing for all: 20 actions for the Queensland Housing Summit".

In this document, PIA advocated for the following changes to Economic Development Queensland (EDQ):

Restore and strengthen EDQ's focus on affordable and diverse housing for low to moderate income households, including:

- Reinstatement of the delivery of affordable and diverse housing as one of EDQ's statutory objectives (removed in 2012).
- Acquire land in strategic locations and actively utilise EDQ's powers to de-risk and fast-track delivery of housing, particularly social and affordable housing.
- Ensure EDQ is leading the market in innovative and diverse housing types, including in existing Priority Development Areas.

Source: PIA's October 2022 advocacy document - [Delivering housing for all](#)

Of relevance to the Bill, in this same advocacy document, PIA also advocated for:

- Legislative change to improve and simplify access to service easements; and
- Review of infrastructure charges and other funding arrangements to ensure sufficient funding for trunk and catalyst infrastructure, particularly in high growth areas.

In addition, when approached by EDQ after the Queensland Housing Summit, PIA provided the following feedback in May 2023:

EDQ (and previously Urban Land Development Authority) has been an innovator in Queensland's planning and development sphere - utilising flexibility offered by the ED Act.

EDQ is best when it works in a targeted and co-operative manner to fill gaps not being met by the private market. This is suggested to include:

- using EDQ powers to develop housing the community needs (diversity and affordability) in targeted locations on small and medium scales. This represents a shift from EDQ's focus to date which has largely been on major projects and large precinct developments.
- conceptualise and deliver innovative development, which showcases new typologies to the community and developers. Many privately funded developers are unable to trial innovative concepts, until a successful precedent has been established. In addition, local planning instruments facilitating innovative typologies can be challenging for a range of reasons. EDQ should continue to use the flexibility offered by the ED Act to

promote and showcase innovation in housing development, to catalyse broader change in the housing industry.

- work with LGAs who often have target areas for infill or know where capacity is needed and hot spots for development of homes that will help fill the gaps. In the regions where housing diversity and infill development is less feasible, this could involve establishing exemplar or demonstration projects.
- continue to test the roll out of inclusionary zoning frameworks in any new PDA's or where a Development Scheme is being amended.
- manage the release of the recently announced surplus government land for new housing, using similar models to the Logan Better Neighbourhoods Initiative. Some LGAs who have identified surplus land may also benefit from assistance in making this available to market, and EDQ could play a role.

Source: Extract from PIA correspondence to EDQ in May 2023

PIA continues to advocate for these outcomes, which represent good planning.

1.2 Consultation prior to the Bill

PIA has had some engagement with EDQ during the preparation of the Bill.

In May 2023, PIA met with senior members of the EDQ team to discuss how EDQ could help to deliver more affordable and diverse well-located homes in Queensland, and what corporate and operational changes may be required to facilitate this shift.

In February 2024, PIA met with senior members of the EDQ team and representatives of the EDQ advisory board to be briefed on the Bill's direction.

PIA's feedback provided verbally during this February 2024 meeting, which can be summarised as:

- the role of EDQ in advancing the public interest.
- that with enhanced powers for EDQ, there would also be enhanced responsibilities in the public interest.
- the need to consider 'diverse' forms of housing rather than solely 'affordable housing'.
- opportunities exist for greater collaboration with partners to enable more diverse and affordable housing.

2. PIA's comments on the Bill

2.1 General comments

PIA supports the intent of the Bill and has been advocating for EDQ to lead the market in innovative and diverse housing types. PIA believes EDQ is at its best when working collaboratively with local governments, developers, CHPs, other state agencies, and the community to deliver more diverse and affordable well-located homes in Queensland.

PIA's makes recommendations for changes to the Bill, which relate to:

- Providing greater clarity and confidence in the Bill's powers,
- Ensuring EDQ strengthens its co-operation with key stakeholders, and
- Enabling more streamlined place-based planning and outcomes.

2.1.1 Main Purpose of the Bill

PIA generally supports the Bill's amendments to the Main purpose of the *Economic Development Act 2012 (ED Act)*, which states:

- (1) The main purpose of this Act is to facilitate the following in the State—
- (a) economic development;
 - (b) development for community purposes;
 - (c) the provision of diverse housing, including, for example, social housing and affordable housing;
 - (d) the provision of premises for commercial or industrial uses.

Source: Extract from the Bill

In the above, PIA supports the inclusion of “the provision of diverse housing” and “the provision of premises for commercial and industrial uses”.

In addition, PIA recommends *Section 4* of the Bill be amended to add that the powers under the ED Act be exercised in a balanced manner which advance the public interest. (**Recommendation 1**)

2.1.2 De-risking of gentle density in well-located neighbourhoods

As stated in PIA's earlier advocacy, PIA believes there is an opportunity for EDQ to play a role in de-risking gentle density in well-located neighbourhoods. The *Shaping SEQ 2023* has a goal of facilitating increased gentle density across South-East Queensland (**SEQ**).

Currently EDQ only operates within its PDAs. PIA believes EDQ could work more closely with local governments to identify areas, outside of PDAs, which are appropriate for gentle density, but the market is yet to realise those opportunities. EDQ could then undertake a program of small to mid-scale, innovative housing demonstration projects. These demonstration projects should aim to de-risk these housing typologies and create the much-needed comparative sales data required by developers to undertake similar projects with innovative housing typologies in

different suburbs, as well as helping to build community confidence in these typologies within their neighbourhoods.

PIA believes the new corporate structure proposed by the Bill will help to enable this type of opportunity.

PIA believes EDQ could utilise its developer function to bring-forward targeted affordable and diverse housing projects, outside of PDA's, where in accordance with the intent of the local planning instrument (i.e. Planning Scheme), and where the private market is yet to invest and act.

2.2 Third parties agreements to deliver social and affordable housing projects

PIA supports this aspect of the Bill and believes it is an important step in ensuring Community Housing Providers can more easily partner with EDQ in the delivery of appropriately housing within PDAs.

PIA particularly supports:

- the need to get consent from the Chief Executive under the Housing Act 2003; and
- limiting the agreements to PDAs.

2.2.1 Affordable housing definition

The Bill states *"Affordable housing is housing that is affordable to particular types of households under criteria prescribed by regulation for the particular type of household."*

Factsheet 2 accompanying the Bill states: *"The Bill defines affordable housing in accordance with a definition under an Economic Development Regulation (which is yet to be finalised)."*

PIA is unable to provide more detailed comments or recommendations as the Regulation definition of affordable housing is not available. Given affordable housing is a central element of the proposed Bill, PIA recommends consultation occurs on the Regulation amendments, including the affordable housing definition, prior to the Bill being passed. (**Recommendation 2**)

2.3 Conditioning supply of social and affordable housing, and/or payment of a monetary contribution

Whilst PIA supports the intent of the conditioning powers for social and affordable housing, we recommend greater certainty is provided in relation to the conditioning for social housing.

As currently drafted, this new power could be used to shift government responsibility of social housing provision to the private sector and has the risk to create unintended consequences in relation to housing supply.

PIA has continually advocated that the delivery of social housing is a government responsibility and it is not appropriate for government to shift this responsibility to the private sector. Rather, PIA maintains that government must increase its investment into social housing to meet existing and future need.

PIA recommends that the Bill be amended so that the ability to condition social housing is limited to land owned by government or where the housing delivered is funded by government. **(Recommendation 3)**

In addition to the above, whilst certain development schemes include requirements for affordable housing, the practical way in which these provisions have been implemented to date mean that the Bill's change could have unintended consequences in relation to housing supply.

One of the key reasons for this concern is that unlike the *Planning Act 2016 (Planning Act)*, the ED Act does not protect landowners from adverse planning changes (*Economic Development Act*, section 67(3)).

PIA anticipates the Bill may trigger a range of amendments to PDA Development Schemes to embed social and affordable housing requirements. PIA recommends that transitional arrangements are introduced to protect existing landowners who have made investment decisions before the commencement of changes relating to the provision of affordable housing requirements. **(Recommendation 4)**

Without this transitional approach and protection, the Bill could result in the delivery of new housing within PDA's being stalled, due to unintended impacts on development feasibility. PIA recommends that an appropriate transitional framework be developed, which may involve providing rights to landowners similar to Superseded Planning Scheme Provisions under the Planning Act to ensure that future amendments to PDA Development Schemes do not result in unintended consequences.

In addition to the above, without the Bill's definition of affordable housing being available, it is difficult to fully understand how the conditioning and monetary contributions for affordable housing may work in practice. Again, PIA recommends consultation occurs on the Regulation amendments, including the affordable housing definition, prior to the Bill being passed.

2.4 Place Renewal Areas

PIA supports this aspect of the Bill and can envisage opportunities where Place Renewal Areas could be an effective tool to deliver good outcomes. However, to increase the potential for this power to effectively deliver on the opportunities and challenges which exist, changes to the Bill are recommended.

Whilst a strong planning process is important in establishing a shared vision and strategic plan for a precinct, precincts can fail when that plan cannot be executed effectively and efficiently.

PIA believes the potential for the Place Renewal Areas concept is that this mechanism can assist EDQ in executing the precinct plan (i.e. Development Scheme of a PDA) when done well and in co-operation with key stakeholders.

Principles that are key to the success of Place Renewal Frameworks include:

- **Place governance** – successful precincts require co-operation and shared decision-making amongst key stakeholders. Currently the Bill is drafted with powers for EDQ to bring all stakeholders to the table and compel them to act.

- PIA recommends that the Bill be amended in relation to Place Renewal Areas for the establishment of a place-based governance and decision-making framework, where all key stakeholders have appropriate levels of representation and decision-making power, based on their roles and responsibilities for each precinct through each stage. **(Recommendation 5)**
- **Place curation** – successful precincts invest in local place activation to make them attractive destinations. This is particularly critical when urban renewal is underway to ensure visitors are not deterred from spending time in the precinct and supporting the existing businesses.
 - PIA recommends the associated Regulations consider what local place activation models could be used in different PDAs and how these might be funded and delivered sustainably. **(Recommendation 6)**
- **Lifecycle of the precinct** – precincts are not static, they are ever-evolving and change to suit the needs of the city and its people. The Place Renewal Framework concept has the potential to consider each stakeholder’s involvement throughout the life of the precinct, including importantly how EDQ would transition a PDA back to a local government. Currently there are limited opportunities for EDQ to exit from PDA’s, and this is often due to unresolved or differing standards of delivery, service, and maintenance of assets.
 - Refer to **Recommendation 5**.

2.5 New corporate structure

PIA supports this aspect of the Bill. The new structure proposed appears to strike the balance between creating more autonomy for EDQ to help it deliver on the purpose of the ED Act, whilst maintaining appropriate Ministerial oversight and decision-making powers, particularly in relation to strategic planning decisions.

2.6 Operational changes within the Bill

Bill's change	PIA's response
Changing the process for existing Ministerial directions powers	PIA supports this aspect of the Bill.
Directions powers for water and sewer utility owners and operators	PIA supports this aspect of the Bill.
Directions powers to direct a relevant entity to provide information	PIA generally supports this aspect of the Bill, subject to it not being used to obtain information which is commercial in confidence or highly sensitive in nature. (Recommendation 7)
Temporary planning instruments	PIA generally supports this aspect of the Bill. However, PIA recommends that the Bill be amended so that the EDQ powers and usage requirements align more closely with that of a TLPI within the Planning Act. (Recommendation 8)
Non-compliance with a development approval	PIA supports this aspect of the Bill.
Amending the infrastructure charging and collection powers in PDAs.	<p>PIA understands the need for Infrastructure charges collected within a PDA to be spent on infrastructure directly impacted by development within the PDA.</p> <p>PIA has previously advocated for a review of infrastructure charges and other funding arrangements. However, PIA does not support all charges collected by a local government in a PDA to be handed over to EDQ. Development within a PDA will affect local trunk infrastructure outside the PDA, including regional scale parks, sewerage pumping stations, main transport connections etc.</p> <p>PIA recommends the Bill be amended to clarify that infrastructure charges collected within a PDA must be spent within the PDA and handed over to EDQ, or be spent on infrastructure outside the PDA but directly impacted by development within the PDA by the local government. (Recommendation 9)</p>
Powers to acquire land for the provision of infrastructure to benefit a PDA or to give effect to a Place Renewal Area	PIA supports this aspect of the Bill, subject to the process being as per the Land Acquisition Act. PIA has been advocating for the right powers to enable improved infrastructure planning and delivery for high growth locations.
Change an ILUP	PIA supports the ability to change an ILUP.

<p>Consultation for declaration of new PDA/PPDA</p>	<p>PIA supports the addition of consultation being required with the Planning Minister and having regard to State Planning Instruments, ahead of declaring a new PDA.</p> <p>PIA recommends this consultation be expanded to include local governments, to embed a more collaborative approach from the outset. (Recommendation 10)</p>
<p>Changes to regulatory service fees</p>	<p>PIA supports this aspect of the Bill and believes cost recovery is appropriate for EDQ, benchmarked off local governments.</p>

3. PIA's recommendations for Committee

PIA makes the following recommendations to the Cost of Living and Economics Committee:

1. PIA recommends, *Section 4* of the Bill be amended to add that the powers under the ED Act be exercised in a balanced manner which advance the public interest.
2. PIA recommends consultation occurs on the accompanying regulation amendments, including the affordable housing definition, prior to the Bill being passed.
3. PIA recommends that the Bill be amended so that the ability to condition social housing is limited to land owned by government or where the housing delivered is funded by government.
4. PIA recommends that transitional arrangements are introduced to protect existing landowners who have made investment decisions before the commencement of changes relating to the provision of social and affordable housing requirements. This may involve providing rights to landowners similar to Superseded Planning Scheme Provisions under the Planning Act to ensure that future amendments to PDA Development Schemes do not result in unintended consequences.
5. PIA recommends that the Bill be amended in relation to Place Renewal Areas to include a requirement for the establishment of a place-based governance and decision-making framework, where all key stakeholders have appropriate levels of representation and decision-making power, based on their roles and responsibilities for each precinct through each stage.
6. PIA recommends the associated regulations consider what local place activation models could be used in different PDAs and how these might be funded and delivered sustainably in relation to Place Renewal Areas.
7. PIA recommends the new direction powers are clarified to ensure they cannot be used inappropriately to obtain information which is commercial in confidence or highly sensitive in nature.
8. PIA recommends that the Bill be amended so that the EDQ powers and usage requirements of a Temporary Planning Instrument align more closely with that of a TLPI within the Planning Act.
9. PIA recommends the Bill be amended to clarify that infrastructure charges collected within a PDA must be spent within the PDA and handed over to EDQ, or be spent on infrastructure outside the PDA but directly impacted by development within the PDA by the local government.
10. PIA recommends the consultation for the declaration of new PDAs be expanded to include local governments, to embed a more collaborative approach from the outset.

4. Conclusion

PIA supports the intent of the Bill and has been advocating for EDQ to lead the market in innovative and diverse housing types.

The Bill's changes which enable EDQ to work more collaboratively with local governments, developers, CHPs, other state agencies, and the community to deliver more diverse and affordable well-located homes in Queensland are supported.

PIA has made recommendations to the Cost of Living and Economics Committee to improve the effectiveness and efficiency of the Bill and to help deliver on the Act's main purpose.

In addition to the Bill recommendations, PIA believes EDQ could utilise its developer function to bring-forward targeted affordable and diverse housing projects, outside of PDA's, where in accordance with the intent of the local planning instrument (i.e. Planning Scheme), and where the private market is yet to invest and act.

PIA looks forward to the opportunity to appear before the committee to further detail our positions.

Should you wish to discuss the above, contact Nicole Bennetts RPIA, Queensland State Manager on [REDACTED]

Yours sincerely,

[REDACTED]

Sean Cullen RPIA
President, Queensland