

Economic Development and Other Legislation Amendment Bill 2024

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Your ref: WR24/8025

29 April 2024

Mr Tim Horne
Committee Secretary
Cost of Living and Economics Committee
Parliament House
George Street
BRISBANE QLD 4000
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Dear Mr Horne

Further to my letter of 11 April 2024, I am writing to you regarding the *Economic Development and Other Legislation Amendment Bill 2024* (the Bill), which was recently introduced to Queensland Parliament. Council has now considered the proposed amendments and raises several matters in relation to the Bill.

The Bill was introduced into the Queensland Parliament on 20 March, with submissions closing approximately three weeks later. Council was unable to provide comment within the timeframe as the local government elections were still being contested and the need to adhere to the relevant local government caretaker period and associated election period provisions. It is incredibly disappointing that given the significance of this Bill and potential impact on local governments, who are immediately responsible for land use planning and development assessment, detailed engagement and consultation was not provided. Council understands the Local Government Association of Queensland (LGAQ) has made a submission. Council supports the recommendations LGAQ has proposed.

It is concerning that Economic Development Queensland (EDQ) seeks to use these powers to declare further Priority Development Areas (PDAs). Further declarations of PDAs within the Brisbane City Council area are not supported without prior agreement with Council.

Social and Affordable Housing

The supporting material for the Bill provides for social and/or affordable housing to be delivered outside of a PDA. Any impacts associated with these outcomes should be appropriately managed and be required to give consideration to the *Brisbane City Plan 2014*. These outcomes should be subject to a development application process for which Council is the assessment authority. Council seeks clarity on the intended processes and Council's role in such outcomes located outside of a PDA.

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Place Renewal Areas

Whilst Council supports the component within the Bill requiring that local governments are consulted regarding the declaration of a Place Renewal Area (PRA), Council's view is that any declaration should be preceded by meaningful input from Council, with agreement reached on infrastructure upgrades including the costs and funding arrangements.

Council is concerned that the PRAs will impact on Council as an infrastructure owner and maintainer, and that higher levels of spending on infrastructure, e.g. non-standard streetscape and public realm outcomes, will transfer a higher ongoing and long-term cost to the Brisbane community. Further information is required on what the governance structure will be for the delivery and maintenance of upgrades and non-standard assets within PRAs, with the inclusion of local government within the governance models being critical. Where it is identified that an infrastructure outcome entails an unreasonable cost burden, Council requests suitable alternative mechanisms be implemented, such as maintenance agreements with developers/third parties. It is noted that this issue is common to PDAs in general, however, the creation of the PRAs may result in an increased amount of non-standard assets.

Existing Collaborative Processes

It is noted Council and EDQ currently collaborate on plan-making, development assessment, and the handover of contributed assets under the framework of the Memorandum of Understanding (MOU) between the two parties. Council notes the stated intention of setting up a coordinated and collaborative approach for project delivery, for example, in PRAs. While it is acknowledged there may be improvements to the MOU processes, it is unclear to what degree the Bill is intended to interact with (or improve) these processes established under the MOU. Given EDQ will be operating outside governmental processes, a mechanism for these arrangements should be included in any legislation.

Connected Precincts

Council would like to further understand how the PRA framework will relate to other initiatives in the *South East Queensland Regional Plan (ShapingSEQ 2023)*. For example, clarification is requested on what role EDQ will play in relation to the delivery of the Connected Precincts initiative and whether the PRA framework is intended to provide the governance structure for delivery of any infrastructure required for Connected Precincts where it spans both PDAs and the Brisbane LGA jurisdiction.

Transfer of Infrastructure Charges

Council has significant concerns with the components of the Bill which allow for the transfer of infrastructure charges associated with Council development approvals issued after the declaration of PDAs. Further information is requested, including whether all Brisbane PDAs will be subject to this process, the time period of charges considered relevant, the process that is intended to be employed and what information will be requested regarding these charges.

In this regard, and as an ongoing concern for Council with PDAs, the charges Council collects are based on infrastructure planning within network catchments that extend beyond the boundaries of PDAs. As such, any funds transferred will then create a further shortfall in funding for the infrastructure Council needs to deliver outside of PDAs (often in support of development within the PDA) and create a cost burden for the residents of Brisbane. Much like Council's recent upgrade of Kingsford Smith Drive.

A further concern to highlight is the potential for a situation to arise in which Council has expended significant effort and resources in the preparation of an Infrastructure Agreement in association with a development approval. A direction to transfer charges in this situation will undermine the agreement reached and pose a significant financial risk to Council.

Infrastructure Funding Gap

Council acknowledges the difficulties faced by planning and infrastructure authorities to deliver and prioritise infrastructure within a constrained funding framework. Over the past four years Council's trunk infrastructure delivery expenditure has averaged \$297 million per annum, while recovering an average of only \$74 million per annum from infrastructure charges that remain capped under the *Planning Act 2016*. This equates to only 25% of Council's trunk infrastructure being funded from infrastructure charges revenue, and results in trunk infrastructure – provided to support new development - being largely funded from alternative sources, such as rates revenue.

In proposing to introduce provisions that embed powers for EDQ to require remittance of infrastructure charges in certain circumstances, Council requests the State Government acknowledge that Council faces similar funding challenges, and that the amendments consider:

- Alternative revenue options are available for the State Government, and unlike local governments, EDQ is not bound by the charging framework of the *Planning Act 2016*. It is suggested this would be a more feasible funding alternative than further degrading a local government's ability to support citywide growth and fund new prioritised trunk infrastructure.
- If EDQ prefers to remain generally consistent with the charging framework of the *Planning Act 2016*, then Council recommends further engagement within the State Government to highlight the challenges faced by both EDQ and local governments, and the need to undertake reform of the *Planning Act 2016* trunk conditioning and charging framework.
- It is requested that no new burden be placed on councils regarding infrastructure charges revenue reporting.
- Council expends the infrastructure charges revenue it collects each year on trunk infrastructure and should not be required to retain these charges in anticipation of a potential claim by EDQ. If the amendments proceed generally as drafted, a limitation for the time period for which charges can be required to be remitted should be applied.

Direction Powers

Council notes direction powers introduced in the Bill in relation to the provision of information from local government need to be managed so that they do not present a conflict with commercial-in-confidence matters or may not allow for sufficient legal protection for Council in releasing its data and information. Council requests that details are provided, outlining how these matters can be addressed.

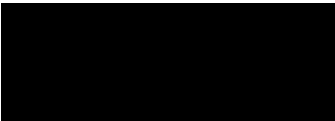
Given it is proposed for the EDQ to operate entirely outside government processes, local governments need to ensure EDQ is required to not disclose nor inappropriately use the information they have obtained from local government.

EDQ Fees

Council is concerned with the proposed changes to the EDQ Regulatory Service Fee Schedule and the intended move to a full cost recovery model. It is also highlighted that Council invests significant time into PDA related processes and that the fees which are collected under the MOU arrangement do not reflect the actual time and resources Council spends in providing this input. Given it is proposed that the EDQ operate outside government processes, local government should not be expected to provide assistance to EDQ free of charge. The Queensland Government undertakes assessment of development applications as State Assessment Referral Agency (SARA) which attracts a fee as outlined in Part 4, Division 5 and Schedule 10 of the *Planning Regulation 2017*. These fees are paid by the applicant to SARA to cover the costs of their assessment of the referral. Council seeks further discussion on the ability to collect fees relating to the necessary Council advice provided within PDAs.

Should you wish to discuss this further, please contact Mr Martin Reason, General Manager, City Planning and Economic Development, City Planning and Sustainability on [REDACTED]

Yours sincerely



Tim Wright
A/CHIEF EXECUTIVE OFFICER

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