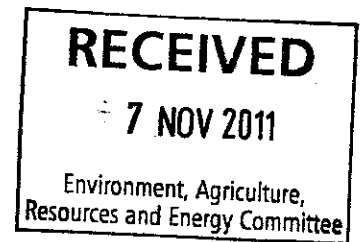


4 November 2011



2011 CORPORATE PARTNERS



The Research Director
Environment, Agriculture, Resources and Energy Committee
Parliament House
George Street
BRISBANE QLD 4000



Dear Committee Members,



Inquiry into the Strategic Cropping Land Bill 2011



Thank you for the opportunity to provide a submission on the review of the *Strategic Cropping Land Bill 2011*.



The Property Council of Australia lodged a formal submission on the Strategic Cropping Land draft State Planning Policy (SPP) during the public consultation period in September this year.



In this submission (attached), we raised concerns regarding:



- the impact SPPs are having on the Queensland property industry
- the erosion of regional plans by SPPs
- overlap between the draft SPP and *SPP1/92: Development and Conservation of Agricultural Land*
- the uncertainty created by the trigger mapping and guidelines associated with the draft SPP
- application and assessment fees incurred as a result of the draft SPP
- the unclear parameters as to what will be considered an 'over-riding public need' and what will constitute 'mitigation'



SPPs Eroding Industry Confidence

In Queensland the property industry is the biggest private sector contributor to the State's economy, generating \$30.9 billion (12.6%) of Queensland's Gross State Product (GSP).



The industry also directly employs over 280,000 Queenslanders. If you add the indirect jobs generated by the property industry, this figure grows to 584,000 (30.1%) of total employment in Queensland.

**Property Council of Australia
Queensland Division**
Level 3, 232 Adelaide Street,
Brisbane QLD 4000

Each week in Australia over \$113 million flows into the property sector from super funds, and it is vital to our long-term economic growth that Queensland secures its fair share of this national investment pool.

GPO Box 113
Brisbane QLD 4001

P: +61 (7) 3225 3000
F: +61 (7) 3229 9160
ABN 13 008 474 422

E: qld@propertyoz.com.au
www.propertyoz.com.au

2011 CORPORATE PARTNERS



Unfortunately, confidence in Queensland's property sector is at historic lows. The Property Council/ANZ October 2011 Property Industry Confidence Survey (PICS) showed industry sentiment below the national average and well behind Australia's other resource state – Western Australia.

This lack of confidence is not only being felt by large national investors who are choosing to invest their mobile capital interstate, but by individual 'mum and dad' home owners.

The industry has applauded the Government's decision to introduce the Queensland Building Boost as an initiative to restart residential construction in particular. Similarly, the introduction of the Major Projects Office is a positive initiative that will help drive greater confidence across the property industry.

Unfortunately, the introduction of a series of SPPs in Queensland over recent years - and the planned rollout of further SPPs in the coming months - has undermined these positive initiatives.

The Building Revival Forum held earlier this year provided a great opportunity for the Government to hear feedback directly from the industry.

Feedback voiced at the Forum indicated that there should be a moratorium on State Planning Policies to allow local governments and industry time to adopt and adapt to current SPPs.

The significant amount of change imposed by SPPs is eroding confidence and industry continues to call for a moratorium on new SPPs.

SPPs Eroding the Urban Footprint

Of major concern to the property industry is the way in which State Government SPPs are dramatically eroding urban footprints identified in regional plans. A series of SPPs have been produced by the State without any analysis of this issue.

In correspondence from the Minister for Environment received by the Property Council on 21 June in regard to the Queensland Coastal Plan SPP the Minister advised the Property Council that:

"...six to seven percent of larger freehold properties (greater than 1,000m²) within south east Queensland region urban footprint are located in or partially within the high risk coastal hazard area."

This is a significant proportion of the urban footprint affected by this SPP with no subsequent analysis of the need to expand/amend the urban footprint to cope with this impact.

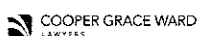
**Property Council of Australia
Queensland Division**
Level 3, 232 Adelaide Street,
Brisbane QLD 4000

GPO Box 113
Brisbane QLD 4001

P: +61 (7) 3225 3000
F: +61 (7) 3229 9160
ABN 13 008 474 422

E: qld@propertyoz.com.au
www.propertyoz.com.au

2011 CORPORATE PARTNERS



With additional SPPs including the Strategic Cropping Land also potentially impacting the urban footprint, it is clear that a failure to holistically analyse the impact of additional SPPs on the urban footprint must now be seen as a significant policy failure.

Consultation and compliance with the Legislative Standards Act 1992

While the Property Council maintains its support for the intent of the policy, the fast-tracked timeframes for its implementation have not allowed for adequate consideration of the issues highlighted during public consultation.

We understand that one of the roles of the Committee is to examine the Bill's conformance with the fundamental legislative principles of the *Legislative Standards Act 1992*.

The Property Council is concerned that not only has there been inadequate time for the new Act to address community concerns raised during consultation; it also does not adequately address s.4, 3k) of the fundamental legislative principles.

The new Bill does not have '...sufficient regard to rights and liberties of individuals...' as it is not, as required in s.4, 3k), 'unambiguous and drafted in a sufficiently clear and precise way'.

The Property Council's submission of 30 September highlights that the policy and associated trigger mapping lacks the detail required by landholders to determine whether or not their land is classified as 'strategic cropping land'.

Ambiguity in the policy means that extreme fees and onerous consultancy work must be paid for by individual landholders- a cost burden regardless of whether the land is ultimately determined to be 'strategic cropping land'.

As raised in our submission, ambiguity remains as to what is classified as an 'over-riding public need' and what will constitute 'mitigation'.

The Property Council is particularly concerned that this Bill has entered Parliament so soon after the close of the public consultation period. We do not believe that there has been adequate time to review, consider and incorporate feedback prior to the Bill entering Parliament.

The economic impacts this Bill will have on landholders, particularly on the fringe of urban areas such as Ayr, need to be further assessed prior to finalising the Bill's implementation.

**Property Council of Australia
Queensland Division**
Level 3, 232 Adelaide Street,
Brisbane QLD 4000

GPO Box 113
Brisbane QLD 4001

P: +61 (7) 3225 3000
F: +61 (7) 3229 9160
ABN 13 008 474 422

E: qld@propertyoz.com.au
www.propertyoz.com.au

2011 CORPORATE PARTNERS



We welcome the opportunity to be involved in the further refinement and review of the new Bill, particularly the SPP and codes. If you would like to discuss the details of this submission further, please do not hesitate to contact Jen Williams on 07 3225 3000, or jwilliams@propertyoz.com.au.

Yours sincerely

Chris Mountford
Deputy Executive Director

Enc.
Submission on Strategic Cropping Land draft State Planning Policy
Property Council of Australia
30 September 2011

**Property Council of Australia
Queensland Division**
Level 3, 232 Adelaide Street,
Brisbane QLD 4000

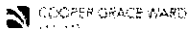
GPO Box 113
Brisbane QLD 4001

P: +61 (7) 3225 3000
F: +61 (7) 3229 9160
ABN 13 008 474 422

E: qld@propertyoz.com.au
www.propertyoz.com.au

30 September 2011

2011 CORPORATE PARTNERS



Property Council of Australia
Queensland Division
Level 3, 232 Adelaide Street,
Brisbane QLD 4000

GPO Box 113
Brisbane QLD 4001

P: +61 (7) 3225 3000
F: +61 (7) 3229 9160
ABN 13 008 474 422

E: qld@propertyoz.com.au
www.propertyoz.com.au

Hon Vicky Darling MP
Minister for Environment
Land and Indigenous Services
Department of Environment and Resource Management
GPO Box 2454
BRISBANE, Qld 4001

Dear Minister,

Strategic Cropping Land draft State Planning Policy

Thank you for the opportunity to comment on the Queensland Government's *Strategic Cropping Land draft State Planning Policy* (SPP).

The property industry is the biggest private sector contributor to Queensland's economy. We generate \$30.9 billion which equates to 12.6% of the State's Gross State Product. Over 280,000 Queenslanders are directly employed in the sector, making it the State's largest direct employer.

With development lands already affected by many complex and often contradictory maps and planning legislation, we seek reassurance that this SPP will not further erode areas designated for urban development under existing, or future, regional plans.

There appears to be considerable overlap between the draft SPP and SPP 1/92: Development and the Conservation of Agricultural Land, as this policy also provides for the protection of 'good quality agricultural land'.

At the *Building Revival Forum* in April of this year, there was consensus amongst industry delegates that there should be a moratorium on SPPs to allow both the industry and local governments the opportunity to 'catch up' on those recently implemented.

Developing an additional SPP rather than amending the current SPP 1/92 will impose another layer of complexity to an already onerous planning and development system in Queensland.

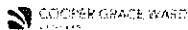
While additional trigger mapping and guidelines for application have been developed as part of the draft SPP, there is still considerable uncertainty as to which parcels of land will or will not be classified as 'strategic cropping land' (SCL).

Application and consultant fees will be incurred in the determination of whether sites classify as SCL or not. Where sites are determined not to be SCL, there is still a significant time and financial impost on the applicant in demonstrating this.

THE **VOICE** OF LEADERSHIP

In instances where it has been determined that sites are not SCL, consideration could be given to refunding application fees. Applicants would still be required to pay relevant consultants' fees, however this will go a small way to reducing the policy's cost impost on wrongly triggered land.

2011 CORPORATE PARTNERS



The development assessment fees for land determined to be SCL will add an additional \$27,000 to \$46,000 to each application. This amount does not include the holding costs or consultants' fees that will also be incurred.

The industry cannot continue to absorb these exorbitant fees. Costs will be passed on to the end user, further contributing to the housing affordability crisis Queensland is currently facing.

Under the SPP, those sites within the 'Strategic Cropping Management Area' will be required to avoid or minimise impacts on SCL by demonstrating that there is an 'over-riding public need', and no 'alternative site' exists.

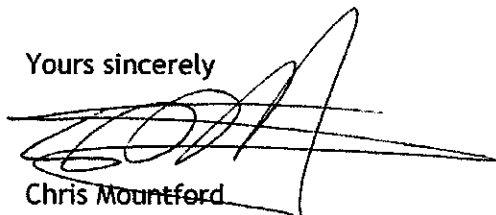
The parameters for what constitutes an 'over-riding public need' or an 'alternative site' are not adequately outlined in the policy. While property ownership and business needs are not considerations, practicality and feasibility still need to be taken into account to ensure proposals are fairly assessed.

Additionally, while the objectives for the 'mitigation' of impacts of development on these lands is clear, the cost of doing so has not been determined.

While the Property Council is supportive of the intent of the draft SPP, we are concerned about the additional time, cost and complexity it creates. We are also concerned that it further erodes regional plans across the state.

We would welcome the opportunity to be involved in the further refinement of this policy to ensure the best outcome for all stakeholders. If you would like to discuss the Property Council's proposal, please feel free to contact me on (07) 3225 3000.

Yours sincerely



Chris Mountford
Deputy Executive Director -Qld Division

Property Council of Australia
Queensland Division
Level 3, 232 Adelaide Street,
Brisbane QLD 4000

GPO Box 113
Brisbane QLD 4001

P: +61 (7) 3225 3000
F: +61 (7) 3229 9160
ABN 13 008 474 422

E: qld@propertyoz.com.au
www.propertyoz.com.au