



9 November 2012

Dr Kathy Munro
The Research Director
State Development, Infrastructure and Industry Committee
Parliament House
George Street
BRISBANE QLD 4000

Dear Dr Munro

The Council of Mayors (SEQ) was established in 2005 as an independent advocacy organisation to represent the interests of Australia's fastest growing region - South East Queensland (SEQ). The Council of Mayors (SEQ) proactively seeks cooperation of the State Government to ensure the long term sustainability and liveability of SEQ communities.

Over the past two years the Council of Mayors (SEQ) in collaboration with the Local Government Association of Queensland (LGAQ) has initiated a series of planning reforms targeted towards bringing large developments to market quickly.

The Development Assessment Process Reform - Operational Works and Large Subdivisions (DAPR-OWLS) project streamlines the residential development assessment process to significantly reduce council decision timeframes. Initial funding for the DAPR-OWLS project was provided by the Queensland Government.

The Development Partnership Process created through the DAPR-OWLS project allows councils and developers to collaborate during the application drafting stage to resolve key issues that may impact the proposed development or neighbouring communities.

Prior to this project, the average assessment timeframe for a large subdivision among the participating councils was around 360 business days. Under this project, a pilot development has just been assessed in less than 50 business days, a saving of approximately \$2 million through a reduction in holding costs. Significant cost savings are also achieved from the adoption of a risk-based assessment model for operational works.

The Council of Mayors (SEQ) would welcome continued collaboration with the State to deliver further planning reforms. A response to the Economic Development Bill follows.

Introduction

1. On 1 November 2012, the Hon. Jeff Seeney MP, Deputy Premier, Minister for State Development, Infrastructure and Planning, introduced the Economic Development Bill 2012 (the Bill). The Bill has now been provided to the State Development, Infrastructure and Industry Committee for consideration with a reporting deadline of 22 November 2012.
2. The Council of Mayors (SEQ) understands the main changes introduced by the Bill are to:
 - create the “Minister for Economic Development Queensland” (MEDQ) as a corporation sole with planning responsibility for priority development areas;
 - repeal the *Urban Land Development Act 2007* (ULDA Act) the Industrial Development Act 1963 (Industrial Development Act);
 - establish the Commonwealth Games Infrastructure Authority for the planning and development of the Commonwealth Games village and other venues;
 - provide for the transition of planning powers from the South Bank Corporation to Brisbane City Council;
 - make amendments to the Environment Protection Act 1994 (EP Act), the Environment Protection (Greentape Reduction) and other Legislation Amendment Act 2012 (Greentape Act); and State Development and Public Works Organisation Act 1971 (SDPWO Act).
3. The Council of Mayors (SEQ) welcomes the opportunity to provide feedback to the State Development, Infrastructure and Industry Committee in response to the Bill. However, the Council of Mayors (SEQ) does highlight a fundamental concern in relation to the expedited process and limited consultation period associated with the Bill.

Creation of the Minister for Economic Development Queensland (MEDQ)

Relationship to election commitments and existing policy

1. The Council of Mayors (SEQ) supports, in principle, the creation of the MEDQ to facilitate economic development and development for community purposes in Queensland.
2. The Council of Mayors (SEQ) however would like to highlight the inconsistency with the LNP Empowering Queensland Local Government Policy with regards to the following statements:

5.1 The LNP aims to empower Queensland communities with the responsibility for planning and development at the local level, through decision making by local governments that are transparent and ultimately accountable to local people, and

5.4 We will, in full consultation with Local Government, fix the Sustainable Planning Act, wind back the Urban Land Development Authority, and work to mainstream identified appropriate planning powers back to Local Councils.

3. The Economic Development Bill expands the scope of the ULDA Act and the Industrial Development Act that it replaces. It would appear that the ULDA has been re-constituted with a broader mandate inconsistent with the government's "Empowering Queensland Local Government Policy".

Impacts on powers of SEQ Councils

1. There are no specific definitions of "economic development" and "development for community purposes" meaning they may be interpreted broadly in line with their ordinary meaning. As a result there is the possibility that developments currently assessed under the Sustainable Planning Act will be "called in" under the Economic Development Act.
2. Consequently, there are two issues of particular importance to SEQ Councils:
 - The engagement of local councils prior to the declaration of a Priority Development Area (PDA) and engagement during the planning and development stage of the Priority Development Area and;
 - The terms and conditions of approving a PDA and their implications, particularly financial, for councils when responsibility for the area is handed back to councils.
3. These two issues have been at the centre of the more contentious Urban Development Areas under the operation of the ULDA, aspects of which are still to be satisfactorily resolved.
4. SEQ Councils are committed to working with the State Government to facilitate and support improvements to the State's planning and development legislation and have welcomed the consultation and outcomes to date on the ongoing review of the Sustainable Planning Act. However, satisfactorily addressing the issues identified above are of vital concern. Councils seek a meaningful engagement in the determination of PDAs and an equitable infrastructure funding framework which does not include cost shifting to the community and ratepayers.

Priority Development Areas

1. It is understood that the purpose of Provisional Priority Development Areas (PDAs) is to assist development being brought forward to the market quickly where the development is consistent with community expectations as expressed in the local government's planning scheme.
2. It is also understood that Provisional PDAs need to be supported by provisional land use plans that must be consistent with the relevant local government's planning scheme. The Council of Mayors (SEQ) seeks further clarity whether this consistency also extends to the timing, delivery and cost of infrastructure identified in the local government priority infrastructure plan and the relevant council's Adopted Infrastructure Charges Resolution.
3. The Council of Mayors (SEQ) does not support planning processes that circumvent council infrastructure planning and funding frameworks and further

shift costs on local government and its communities. As per existing conditions, the abolition of the State Government capital subsidy program, capping of infrastructure charges and limiting income from the water businesses have had significant financial impacts to SEQ councils.

4. The Council of Mayors (SEQ) seeks clarity regarding the underlying purpose of Provisional PDAs and assurance from the State Government on how and in what instances they will be used.

Allocation of Infrastructure Cost

1. The MEDQ has the power to set and levy infrastructure charges in a PDA. However, the Bill appears to be silent about how infrastructure charging arrangements will be determined where an infrastructure agreement is not entered into. Further information is requested in relation to the State's intended infrastructure charging arrangements, particularly regarding the role of a council's existing infrastructure charging arrangements (i.e. Adopted Infrastructure Charges Framework).
2. As stated above, the Council of Mayors (SEQ) supports infrastructure charging mechanisms for new development that do not shift the cost burden onto councils and the community.
3. It is noted that the MEDQ must consult with any entities likely to take over land from a ceased PDA prior to entering into an infrastructure agreement. However, there is no indication that such an entity has the discretion to refuse (or require amendments) to such an agreement.
4. Given the significance of the ongoing funding liability to the superseded entity and issues experienced in existing Urban Development Areas, the Council of Mayors (SEQ) proposes that such an entity must consent to the infrastructure agreement it will subsequently be party to.
5. The Council of Mayors (SEQ) seeks clarity regarding how special rates and charges may be applied to a PDA and whether local councils will be consulted in their determination. Based on recent issues in existing Urban Development Areas, legal advice has indicated that councils cannot lawfully apply an additional "special charge" on a development site under the ULDA Act to recover infrastructure cost shortfalls.
6. In the instance where councils are not rightfully allowed to be party to the determination of the initial special rate or charge that could be applied to a PDA, the Council of Mayors (SEQ) requests advice as to whether further legislative amendments are to be included to allow additional "special rates or charges". The Council of Mayors (SEQ) does not support infrastructure funding mechanisms that shift the cost burden onto councils and the broader community.
7. The MEDQ may give a written direction to a local government to provide or maintain infrastructure in, or relating to a stated PDA. The Council of Mayors (SEQ) only supports this provision on the condition that council is fully consulted and is in agreement with any related PDA infrastructure contributions, infrastructure agreements, special rates and charges, and plans for infrastructure.

The potential impacts of these arrangements on a council's asset management obligations, rating arrangements and long term financial sustainability are such that they must be consulted and agreement reached on these key elements of a PDA.

Conclusion

Council of Mayors (SEQ) thanks the Committee for its consideration of this submission in response to the Economic Development Bill 2012. Should you require any clarification please contact myself or Mr Scott Smith, Manager – Planning Reform Team, Council of Mayors (SEQ) by phone (07) 3040 3460 or by email scott.smith@seqmayors.qld.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Brent', with a large, sweeping flourish extending downwards and to the left.

Cr John Brent
DEPUTY CHAIRMAN