

Planning and Other Legislation (Make Developers Pay) Amendment Bill 2023

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Committee Secretary
State Development and Regional Industries Committee
Parliament House
George Street Brisbane Qld 4000
Via email: sdric@parliament.qld.gov.au

Dear Committee Secretary

**RE: COUNCIL OF MAYORS (SEQ) SUBMISSION – PLANNING AND OTHER LEGISLATION
(MAKE DEVELOPERS PAY) AMENDMENT BILL 2023**

Council of Mayors (SEQ) is committed to working collaboratively with the State Government to ensure a healthy and equitable infrastructure charging framework into the future, and we welcome the opportunity to provide feedback on the Planning and Other Legislation (Make Developers Pay) Amendment Bill 2023.

We understand the Bill seeks to give local governments the flexibility to charge developers for trunk infrastructure according to the cost of delivering that infrastructure.

South East Queensland (SEQ) is the fastest growing region in Australia and within 20 years, we'll grow to the same size as Greater Sydney and Greater Melbourne today. By 2046, the State Government ShapingSEQ Regional Plan will see the region home to another 2.2 million new residents or more than 6 million people.

Council of Mayors (SEQ) and SEQ Councils have highlighted the need for a review of the current capped infrastructure charging framework for Local Government, which is placing a significant and increasing cost burden on Councils and communities.

Infrastructure cost recovery (including whole-of-life costs of infrastructure) is a significant issue for the long-term sustainability of growth in the South East, as well as Local Government who are required to support it. However, the current capped charging framework has not kept pace with the actual increasing cost of infrastructure delivery, placing pressure on Councils and communities to fund this gap.

Since the introduction of the capped regime in 2011 there has been a significant increase in construction and infrastructure costs, estimated between 35% to 75%. However, the indexation of the maximum amount (the prescribed amount) that a council can charge for trunk infrastructure has only increased by 11% over the comparable period. This has led to a growing disparity which is placing an increasing financial burden on Councils and local ratepayers to fund infrastructure delivery needed to support population growth driven by State and Federal government policy.

ShapingSEQ 2023 regional plan is a long-term housing strategy, and it requires a strong infrastructure plan, as well as equitable funding framework to support it. It highlights by 2046, the region will need to accommodate another 900,000 homes for 2.2 million new people. To support long-term sustainability of this growth it is important the infrastructure funding framework is modernised to provide an equitable system which supports the long-term financial sustainability of growth for local government and local communities, while balancing economic and market considerations.

It should be emphasised that any amendment of the infrastructure charging framework alone is not sufficient to sustainably respond to the region's significant growth challenges identified in the ShapingSEQ 2023 regional plan.

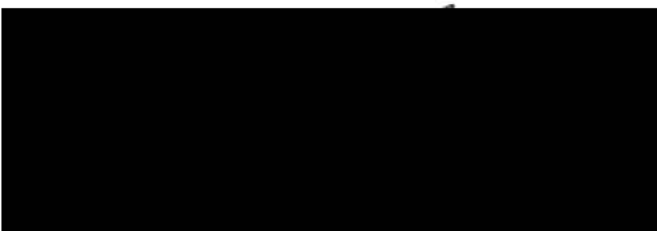
While this plan identifies the infrastructure the region needs to sustainably grow, it does not provide the funding, or a commitment to delivering catalytic infrastructure ahead of this growth. To support the immediate housing crisis and implementation of ShapingSEQ 2023 Update, it is critical the State and Federal government prioritise investment and delivery of catalytic growth infrastructure to support current and projected growth in the South East. In many cases, this infrastructure is needed to unlock future housing supply and diversity and protect the valued lifestyle of existing communities.

Council of Mayors (SEQ) believes there is a need to review and modernise the existing infrastructure charging and recovery framework to improve consistency, fairness and efficiency to better support councils and local communities and utilities while considering the impacts on State Government and the development industry. Accordingly, it is recommended:

- State Government commit to update the prescribed charge to realign with the QLD Road and Bridge Construction Index. This should include backdating increases to 2011, and annual adjustments into the future.
- State Government commit to working collaboratively with Councils to modernise Queensland's infrastructure charging framework. This should consider:
 - Streamlining conditioning powers associated with trunk infrastructure under the Planning Act to enable more efficient negotiation of Infrastructure Agreements.
 - Address uncertainty regarding the treatment and definition of trunk infrastructure.
 - Respond to the need to fund "community benefit" infrastructure, such as community facilities and amenities vital for safe, sustainable and thriving communities
 - Opportunities for streamlining statutory requirements to reduce costs for local government, such as simplifying planning scheme amendments and enhanced flexibility of LGIP updates.
 - Ensure equity within the charging system and remove disparities between various development jurisdictions, such as Priority Development Areas and Priority Infrastructure Areas.
- State Government support long-term funding for catalytic growth infrastructure to support current and projected population growth driven by ShapingSEQ 2023.

Accordingly, Council of Mayors (SEQ) seeks for these recommendations to be addressed as an immediate implementation action of the ShapingSEQ 2023 Plan, in collaboration with Local Government and other key stakeholders.

Kind regards,



Scott Smith
Chief Executive Officer
Council of Mayors (SEQ)