

5 March 2014

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Development Assessment Advisory Team
Review of Queensland's Development Assessment Fees
Department of State Development, Infrastructure and Planning
PO Box 15009
City East, Qld 4002



CC: Office of Best Practice Regulation



Dear Sir/Madam



Review of Queensland's Development Assessment Fees

Thank you for the opportunity to provide feedback on the Queensland Government's *Review of Queensland's Development Assessment Fees- Consultation Regulatory Impact Statement* (RIS).



The Property Council has previously lodged a submission on this topic with the Department of State Development, Infrastructure and Planning (DSDIP), which is attached for your information.



As noted in the earlier submission, the Property Council is concerned the Government's proposed cost recovery proposal will see the property industry lumped with additional fees in the order of \$23 million per annum, with no resultant benefits.



While some of these concerns have been addressed through the RIS, others remain an issue.



Departmental efficiencies

The State Assessment and Referral Agency (SARA) is a relatively new addition to DSDIP. Since its initial implementation, significant changes have occurred in both SARA's scope and its day-to-day operations.



DSDIP has developed a rolling program of updates to SARA, which are anticipated to deliver further efficiencies for both Government and the industry, including through the removal or amendment of development assessment triggers.



While SARA may have committed to further trigger reviews, it can be expected that technical agencies will be reluctant to implement or contribute ideas leading to further reforms that will limit their fee-generating capacity.

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There is no incentive for technical agencies to reduce the scope or number of triggers that contribute to the development assessment fees they are required to collect.

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Any fee schedule introduced by the Government needs to promote the introduction of further efficiencies, rather than inhibit them.

Scope of review

It is understood that a number of development assessment fees are issued by agencies outside the jurisdiction of SARA, and for that reason have not been included in the RIS.

This limitation means only part of the total fees being charged for development assessment have been examined for their impact on Government and the property industry.

A whole-of-government approach to the consideration of development assessment fees, including the role of agencies such as water distributor-retailers, Energex, Ergon and local governments, would provide a greater indication of the impact of fees being charged and collected.

The Property Council encourages the Queensland Government to consider undertaking a wide-ranging review of fees across all State agencies to ensure the adoption of consistent charging regimes.

Discounts for multiple triggers

In our earlier submission, the Property Council recommended DSDIP introduce discounts for applications where multiple triggers apply.

Particularly where multiple triggers are being assessed by the same technical agency, it is expected there will be efficiencies gained, requiring fewer departmental resources and thereby costing the agency less money to assess.

This option has not been provided for under the Consultation RIS, however the Property Council is keen to work with DSDIP to see a framework introduced for discounts for multiple triggers.

Low risk framework

The Consultation RIS notes that DSDIP is in the process of reviewing SARA business practices and developing a risk management framework.

As noted in our earlier submission, the Property Council is keen to see fee discounts introduced for applications identified as 'low-risk'.

Again, this would reflect the lower cost and resource requirements of assessing this type of application, while aligning with the Government's 'cost recovery' requirement.



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Basic administrative referral

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It is unclear from the RIS whether or not a fee will be charged in situations where a change to an approval has been requested, and where the change has no technical relevance to the agency to which it is required to be referred.

The Property Council does not support the introduction of a fee for basic administrative referrals where the technical agency is not required to provide an assessment.

Preferred option

While the Property Council does not support the introduction of additional fees that are not matched by a resultant benefit, Option 4 of the Consultation RIS is our preferred option.

This option provides a true 'cost recovery' approach, as it recognises the different levels of work required to assess different types of applications, and the calculation of fees is directly correlated.

Option 4 provides the flexibility to introduce discounts for low-risk applications and those subject to multiple triggers.

It also introduces a degree of accountability into the technical agencies, as fees can be compared against timeframes, costs and number of assessment. As noted above, however, this accountability could also stifle innovation and efficiencies, as each agency seeks to achieve its target revenue.

The Property Council supports DSDIP's decision to provide pre-lodgement services at no cost, as well as the decision to reduce costs for religious, charitable and sporting organisations. These decisions are aligned with community expectations regarding the role and responsibilities of the Government.

The Property Council would also like to see the introduction of the ability for a manager within SARA to agree an alternative fee on a case-by-case basis. This will be particularly important in the early stages of the new structure where inconsistencies in the determination of fees are yet to be identified.

Conclusion

Thank you once again for the opportunity to provide feedback on the RIS.

The Property Council is keen to continue our work with DSDIP and the Office of Best Practice Regulation to ensure the introduction of a fair and reasonable fee schedule for development assessment in Queensland.

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If you have any questions regarding the Property Council or this submission, please do not hesitate to contact me on 07 3225 3000 or kmacdermott@propertyoz.com.au.

Yours sincerely,



Kathy Mac Dermott
Executive Director