

Impact Analysis Statement template

A Summary Impact Analysis Statement (IAS) must be completed for all regulatory proposals. A Full IAS (see Box 1) must also be completed and attached for proposals that have significant impacts. Once completed, the IAS must be published.

Summary IAS

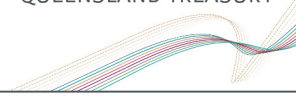
Details

Lead department	Department of State Development and Infrastructure
Name of the proposal	Economic Development Act and Other Legislation Amendment Bill 2024
Submission type (<i>Summary IAS / Consultation IAS / Decision IAS</i>)	Summary IAS
Title of related legislative or regulatory instrument	<i>Economic Development Act 2012, Planning Act 2016, State Penalties Enforcement Act 1999 (State Penalties Enforcement Regulation 2014)</i>
Date of issue	March 2024

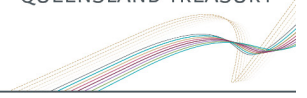
Minor or Machinery Proposals

The following proposals are considered minor or machinery in nature and therefore do not require regulatory impact analysis (RIA).

Proposal type	Details
1. Corporate Structure – Application to department under the <i>Economic Development Act 2012</i>	<p>The proposed change to remove Minister for Economic Development Queensland (MEDQ) from the department and make it a non-departmental Corporation Sole aligns with the following factors that may exclude it from a full impact analysis under the Better Regulation Policy:</p> <ol style="list-style-type: none"> 1. It is a transitional change to adjust the legal and administrative status of MEDQ. 2. The primary purpose is to enable the application of the <i>Financial Accountability Act 2009</i>, which is an internal procedural matter. 3. It doesn't introduce new policy changes but rather reorganises the department's structure. <p>Considering these factors, this change is considered a regulatory proposal for the internal management of the public sector to facilitate the restructure of the organisation and its primary impact is on internal government operations.</p> <p>It is a regulatory proposal for the internal management of the public sector and is not subject to the RIA requirements under the Better Regulation Policy.</p>



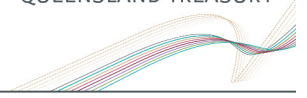
<p>2. Corporate Structure – Independent Fund management and accounting</p>	<p>The proposed change to remove fund administration from the department and transition it to MEDQ aligns with several factors that may exempt it from a full impact analysis under the Better Regulation Policy:</p> <ol style="list-style-type: none"> 1. It is a machinery change to facilitate the administrative transition. 2. It doesn't involve policy changes but rather adjustments to the administrative structure. 3. The impact is primarily on the department's internal processes and accounts. <p>As such, this change is not subject to the RIA requirements under the Better Regulation Policy.</p>
<p>3. Corporate Structure – Establishment of a Trust structure</p>	<p>The proposal includes a provision within the <i>Economic Development Act 2012</i> (ED Act) for a new function of the MEDQ to undertake investment activities in property assets, to facilitate economic development and development for community purposes. This provision signals the MEDQ's intention to undertake investment activities to enable the long-term ownership and management of a property asset portfolio across a range of asset classes but in a manner that does not fetter the Treasurer's powers under the <i>Statutory Bodies Financial Arrangements Act 1982</i> (SBFA). This may include housing, commercial and industrial assets and these arrangements would be for projects both within and outside a priority development area (PDA) and which align with Government priorities.</p> <p>MEDQ, with appropriate approvals under the SFBA, will be able to form investment vehicles, with each investment structure varying depending on its purpose but will be subject to the main purpose of ED Act. Assets (or returns from the investment) may be recycled back into the investment vehicle or transferred to the Economic Development Fund.</p> <p>Under this proposal, assets could be held, with entities like Community Housing Providers (CHPs) participating an investment vehicle. This arrangement would allow Economic Development Queensland (EDQ) to retain ownership of assets over the long term while simultaneously achieving the desired housing outcomes.</p> <p>As this such, this change is not subject to the RIA requirements under the Better Regulation Policy.</p>
<p>4. Corporate Structure – Staff are part of the Department</p>	<p>The proposed change regarding staffing arrangements for MEDQ falls into the category of "Regulatory proposals that are minor and machinery in nature (that is, with no or negligible costs)."</p> <p>This change primarily concerns administrative and organisational adjustments related to staffing. It doesn't involve significant costs or substantive regulatory or policy shifts as existing and new staff will continue to be employed under the <i>Public Section Act 2022</i>, retaining all their rights and entitlements. Continuity of employment and benefits will be assured and disruption to employees will be minimised.</p> <p>As such, this change is not subject to the RIA requirements under the Better Regulation Policy.</p>



<p>5. Housing Supply, Affordability and Diversity Amendments – Expand the purpose of the Act to expressly refer to the intention for the MEDQ to supply, fund, facilitate or deliver housing including social housing, affordable housing and housing affordability and diversity</p>	<p>The bill amends the main purpose of the Act to explicitly include diverse housing, including social and affordable housing as a purpose in the ED Act. The existing Act focuses on economic and community development but doesn't specifically address housing-related issues. A further amendment has been made to also include the provision of premises for commercial or industrial uses which recognises another key aspect of EDQ's role.</p> <p>The modification to the Act's purpose, by itself, does not initiate any immediate effects; it merely establishes the framework for the Act's purpose. The substantive authority for the Act's purpose is vested in the additional proposed amendments, which will be evaluated as part of the overall modifications. In isolation, this particular change does not generate any direct consequences; its influence is contingent upon the concurrent changes under consideration.</p> <p>Social Housing has been defined in the legislation and Affordable Housing will be defined by regulation to provide flexibility and in recognition of the on-going work being done across Australian jurisdictions on defining affordable housing.</p> <p>As such, this change is not subject to the RIA requirements under the Better Regulation Policy.</p>
<p>6. Housing Supply, Affordability and Diversity Amendments – Introducing more prominent cultural heritage and sustainability outcomes into the ED Act</p>	<p>The proposed change, despite introducing references to the protection of cultural heritage and ecological sustainability outcomes, does not significantly alter the Act's core framework or objectives. It aims to bring the Act in line with government priorities and best practices, rather than introducing entirely new regulatory mechanisms or substantial changes in policy.</p> <p>The proposed references to cultural heritage and ecological sustainability are consistent with broader housing and development objectives and do not create an entirely new regulatory framework. This provision aims to enhance consideration for cultural heritage and ecologically sustainability outcomes within the Act without compromising or diminishing existing or emerging standards.</p> <p>Therefore, the change falls under the category of "Regulatory proposals that are minor and machinery in nature" and that it would not be subject to the RIA requirements under the Better Regulation Policy.</p>
<p>7. Housing Supply, Affordability and Diversity Amendments – New head of power to enter into Housing Agreements in PDAs</p>	<p>The proposed change aligns with the category of "Regulatory proposals that are minor and machinery in nature." It aims to expand the powers of the MEDQ to enter into voluntary Housing Agreements with developers, allowing for the provision of social, affordable, or affordable-by-design housing in Queensland.</p> <p>This adjustment does not introduce a new regulatory requirement but rather offers an alternative approach to discharging a developers obligations set through PDA development approvals. The Housing Agreement is structured to function similarly to an infrastructure agreement, specifically addressing the provision of housing within the PDA and its approval boundaries. The application of this mechanism will be relevant only in cases where mutual agreement has been reached by both parties.</p> <p>As such, it is providing greater flexibility for developers where they voluntarily choose to use the agreement in lieu of complying with one or more development approval conditions. Developers will not be required to use the</p>



	<p>agreements but can choose to enter into an agreement where they see a benefit in doing so.</p> <p>This amendment is not considered to be subject to RIA requirements under the Better Regulation Policy.</p>
<p>8. Housing Supply, Affordability and Diversity Amendments – Ability for the MEDQ to enter into funding arrangement with external housing providers, particularly Community Housing Providers for the purpose of delivering affordable and social housing outcomes.</p>	<p>The proposed changes are largely administrative in nature and align with the category of "Regulatory proposals that are minor and machinery in nature." They aim to expand funding options for the MEDQ to support affordable housing, fostering collaboration between economic development initiatives and housing providers. The amendments primarily focus on streamlining the funding process to enable MEDQ to administer funding to CHPs or CHP-led consortia for housing delivery.</p> <p>These changes do not introduce policy shifts but rather offer greater flexibility in funding arrangements, promoting affordable housing initiatives in Queensland. Consequently, it is not considered to be subject to RIA requirements under the Better Regulation Policy.</p>
<p>9. Strengthening EDQ (Act Amendments) – Ability for MEDQ to extend an ILUP beyond its expiry date</p>	<p>The proposed change is essentially a machinery change to the legislation, falling under the category of "Regulatory proposals that are minor and machinery in nature." It does not introduce substantive policy alterations but rather provides a practical and administrative adjustment by allowing the extension of the expiry date for an Interim Land Use Plan (ILUP). This extension power aims to provide greater flexibility and efficiency in managing ILUPs and does not significantly impact policy or regulatory burdens, justifying its exemption from an RIA.</p>
<p>10. Strengthening EDQ (Act Amendments) – Ability for MEDQ to make minor administrative amendments to an ILUP</p>	<p>The proposed change aligns with the category of "Regulatory proposals that are minor and machinery in nature." It aims to enable the MEDQ to make minor administrative amendments to an ILUP that is already in effect, which falls in line with the existing practice for provisional land use plans or development schemes. This amendment streamlines the administrative process without introducing substantive policy changes, justifying its exemption from an RIA.</p>



Proposals with Some Impacts

The following proposals have been assessed to have some (but not significant) impacts and therefore require a summary IAS.

What is the nature, size and scope of the problem? What are the objectives of government action?
<p>11. Land acquisition powers for infrastructure</p> <p>There are currently no provisions within the ED Act for compulsory acquisition of land essential for infrastructure to support PDA development and PDA-associated development. The MEDQ is responsible for facilitating the delivery of key infrastructure to support development in a PDA, Provisional Priority Development Area (PPDA), and on PDA-associated land. This infrastructure can be on land inside and outside a PDA/PPDA. In some instances, it is necessary to acquire land held in private ownership to enable the delivery of necessary infrastructure.</p> <p>Key Objectives</p> <p>The ED Act currently lacks provisions for MEDQ to compulsory acquire land essential for infrastructure supporting PDA/PPDA and PDA-associated development. The proposed change aims to empower MEDQ with the authority to acquire such land when negotiations with landowners do not yield agreement, ensuring timely project delivery.</p>
What options were considered?
<p>Regulatory:</p> <p>The amendments introduce a new Division 3A titled "Acquisition of land" within Chapter 2, Part 3 of the ED Act. The proposed sections 20A and 20B outline the circumstances under which MEDQ may take land and the power to take easements and other interests.</p> <p><i>Section 20A - When MEDQ may take land:</i> MEDQ may take land for providing infrastructure for the benefit of a PDA or to give effect to a place renewal framework within a place renewal area (land acquisition powers relating to place renewal areas is further addressed under the place renewal section of this summary IAS). The power to take land is subject to necessity and the <i>Acquisition of Land Act 1967</i> is referenced for the process of taking land and compensation payments.</p> <p><i>Section 20B - Power to take easements and other interests:</i> This section grants MEDQ the power to take easements or other interests in land, including leases of State land. The <i>Acquisition of Land Act 1967</i> is applicable, with necessary modifications, for the process of taking easements or other interests.</p> <p><i>Section 20C – Relationship with native title legislation:</i> This section of the bill stipulates the relationship with native title legislation.</p> <p>Alternative Options Considered:</p> <p>Non-regulatory options were explored, but given the unique nature of land acquisition powers, a non-regulatory alternative was not feasible. Maintaining the status quo, where MEDQ relies on the Coordinator General, was considered, but the proposed changes aim to streamline the process and enhance control over resource allocation.</p>



What are the impacts?

Stakeholders:

Landowner:

- **Impact:** Land acquisition.
- **Concerns:** Loss of property rights, disagreement on compensation terms.
- **Benefits:** Financial compensation for land at fair market value and potential benefits due to the access to new infrastructure (i.e. increase in land value).

Easement Holder:

- **Impact:** New easement or the relocation of existing easement.
- **Concerns:** Disruption of existing rights, need for negotiation or compensation.
- **Benefits:** Compensation and potential benefits due to the access to new infrastructure (i.e. increase in land value).

Native Title Holder:

- **Impact:** Recognition of native title rights.
- **Concerns:** Impact on native title, need for consent or compensation.
- **Benefits:** Potential recognition of native title rights, negotiation for compensation. The process must align with the *Native Title (Queensland) Act 1993* and the *Native Title Act 1993 (Cwlth)*, introducing additional considerations for Native Title Holders.

Developer:

- **Impact:** MEDQ can expedite development projects by resuming land when developers face challenges or delays, ensuring that critical infrastructure is built promptly.
- **Concerns:** When acquisition involves a developer's site, the positioning of infrastructure may influence the site's design plans.

MEDQ:

- MEDQ will have greater control over the allocation of resources to an acquisition process and therefore could adapt or quickly respond where there is some urgency for the land. As EDQ has no influence on the Coordinator-General's resourcing, there may not be the opportunity to influence the speed of an acquisition process which is run through the Coordinator-General's office.
- Embedding these processes within EDQ enables EDQ to have greater control of the financial impacts of this process thereby supporting financial sustainability of the organisation;
- It is a simpler and clearer process for landowners and proponents as they are dealing with one government entity instead of two.

The benefits and concerns for each stakeholder can vary based on the specifics of the situation, negotiation outcomes, and the extent to which their interests are affected by the compulsory land acquisition.

These acquisition powers are intended to be reserved for specific circumstances, to be invoked only when all other reasonable measures have proven unsuccessful. Their impact is anticipated to be minimal, affecting a very small number of individuals. This expectation is drawn from EDQ's track record, where we have pursued only two acquisitions over the past ten years, emphasising the selective and measured application of this reserve power.



Despite only being used in targeted circumstances, without access to land acquisition powers the MEDQ is limited in its ability to facilitate infrastructure delivery outcome for PDAs where there is a resistant landowner.

Local governments currently have these powers under section 263 of the *Planning Act 2017* to take or purchase land for a planning purpose and the proposed amendment provides the MEDQ with equivalent powers, where the MEDQ is undertaking an equivalent role of regulator.

Additionally, it is proposed to use the processes and requirements established under the *Acquisition of Land Act 1967* to acquire land for infrastructure thereby ensuring a fulsome process and fair compensation to landowners where their land is impacted.

Who was consulted?

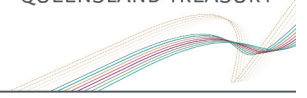
EDQ has engaged in a comprehensive consultation initiative to ensure the proposed amendments to the ED Act and related legislation received diverse perspectives and expert insights. The consultation was aimed at gathering feedback from both governmental departments and key stakeholders to enhance the overall quality and effectiveness of the proposed changes.

Government Departments Consulted:

- Department of the Premier and Cabinet
- Queensland Treasury
- Department of Housing, Local Government, Planning and Public Works
- Department of Resources
- Department of Tourism and Sport
- Office of Industrial Relations
- Queensland Reconstruction Authority
- Department of Agriculture and Fisheries
- Department of Child Safety, Seniors and Disability Services
- Department of Employment, Small Business, and Training
- Department of Energy and Climate
- Queensland Fire and Emergency Service
- Queensland Health
- Department of State Development and Infrastructure
- Department of Corrective Services
- Department of Education
- Queensland Police Service
- Department of Regional Development, Manufacturing, and Water
- Department of Youth Justice
- Trade and Investment Queensland

Key Stakeholders and Peak Bodies Consulted:

- Urban Development Institute of Australia
- Property Council Australia
- Planning Institute of Australia
- Q Shelter
- Community Housing Industry Association
- Local Government Association of Queensland
- Real Estate Institute of Queensland
- SEQ Council of Mayors



- Unity Water
- Urban Utilities
- Infrastructure Association Queensland
- Together Queensland

During the consultation process, the policy intent and an overview of the legislative amendments were presented to the stakeholders and they were invited to provide feedback on its content. The input received has provided EDQ an understanding of the alignment with the interests and concerns of all relevant parties. EDQ has committed to maintaining engagement throughout the legislative process and will consult further with stakeholders through the operationalisation of these amendments. The collaborative effort with government departments and key stakeholders underscores MEDQ's commitment to transparency, inclusivity, and the effective implementation of the proposed legislative changes.

What is the recommended option and why?

The recommended option is to empower MEDQ with the authority to acquire land for infrastructure to service PDA development through the proposed amendments of the ED Act. This option is chosen for its strategic alignment with the overarching objective of ensuring timely and efficient infrastructure delivery to support the development goals within PDAs.

The proposed modification will directly affect a limited number of landowners. However, its inclusion will facilitate the removal of potential obstacles, expediting the development of land for housing in Queensland. Adequate compensation will be provided to the affected landowners, and the overall benefits far outweigh the impacts on this small group of individuals.

Rationale:

1. **Addressing Process Inefficiencies:**
 - The recommended option addresses existing process inefficiencies by allowing MEDQ to independently acquire land, reducing dependency on the Coordinator General. This shift enhances control over resource allocation and expedites the land acquisition process.
2. **Fair Compensation and Alternative Arrangements:**
 - The proposal emphasises a commitment to fair compensation for affected landowners and provides flexibility for alternative arrangements. The inclusion of these provisions ensures that stakeholders are treated equitably during the land acquisition process.
3. **Positive Impact on Economic Development:**
 - The development industry stands to benefit from the expedited project delivery facilitated by the proposed amendments. This acceleration positively contributes to economic development, fostering growth and investment in the region.
4. **Controlled and Limited Application:**
 - The recommended option is designed for controlled and limited application, to be invoked only in rare circumstances.
5. **Parallel Function with Coordinator General's Powers:**
 - The proposed modifications operate in parallel with existing Coordinator General powers, reinforcing their efficiency and practicality. This parallel function provides that the acquisition process remains robust and aligned with broader development objectives.

Impacts on Stakeholders:

While the proposed modification is anticipated to directly impact a limited number of landowners, the controlled and selective application ensures that these impacts are mitigated through fair compensation and alternative arrangements. The benefits of expedited infrastructure development, improved resource allocation, and streamlined processes significantly outweigh the impacts on this small number of individuals.

**Conclusion:**

In conclusion, empowering the MEDQ with the authority to acquire freehold land for infrastructure development represents a strategic and necessary step to enhance the efficiency of the land acquisition process within PDAs. The recommended option strikes a balance between expediting critical infrastructure projects and safeguarding the interests of affected stakeholders through fair compensation and controlled application.



What is the nature, size and scope of the problem? What are the objectives of government action?

12. Express powers to condition in relation to affordable and social housing.

The ED Act lacks explicit provisions enabling MEDQ to mandate the provision of land for social housing and affordable housing through development approval conditions. The absence of clarity regarding conditioning authority weakens EDQ’s capacity to guarantee a developer’s compliance with the mandated delivery of affordable or social housing, as outlined in a PDA development instrument (i.e. development scheme, interim land use plan or provisional land use plan). These amendments will provide clarity that EDQ’s can compel a developer to fulfill these obligations.

Key Objectives:

The primary objective of the proposed Act amendment is to empower the MEDQ with explicit legal authority to impose PDA development approval conditions that necessitate the provision of social housing and affordable housing.

The scope of the change to the ED Act includes:

- *Social housing* means housing provided to an individual for residential use based on eligibility requirements relating to the individual, including, for example, the income and assets of the individual; and includes public housing under the *Housing Act 2003*, and crisis accommodation. The definition for social housing does not include affordable housing; and
- *Affordable housing* means housing that is affordable to particular types of households under criteria prescribed by regulation for the particular type of household.
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What options were considered?

Regulatory:

MEDQ is seeking express powers to impose conditions that require the delivery of social housing and affordable housing where a relevant development instrument includes requirement relating to the provision of social and affordable housing.

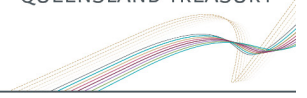
Alternative Options Considered:

Non-regulatory:

A non-regulatory alternative considered involves the further refinement of EDQ guidelines to offer a more comprehensive framework on how to achieve affordable housing through housing diversity and design performance. However, this approach encounters two primary challenges. Firstly, there is no ‘one-size-fits-all’ solution in housing diversity and design, and the guidelines must maintain flexibility to accommodate varying circumstances. Secondly, while guidelines serve as valuable tools for facilitating discussions with developers, they lack enforceability, making them unsuitable for ensuring compliance with affordable housing mandates.

Status-quo:

An alternative approach is to retain the current system. Currently the MEDQ sets affordable and social housing targets within development instruments. These targets are set for PDAs where delivery of affordable and social housing has been determined to be one of the priorities for that PDA. As such, some development instruments include social and affordable housing targets while others do not but have a focus on other outcomes (i.e. development of a business centre).



Developers engage in discussions with EDQ to outline their strategies for achieving market affordability and diversity objectives and identifying social housing sites. While EDQ can assess and approve these plans, enforcement issues arise in relation to the execution, schedule, or other aspects of the designated sites. The existing system has proven ineffective in addressing non-compliance with development instrument obligations.

What are the impacts?

Stakeholders:

The primary stakeholders impacted by this change will be developers and community.

Developer:

The impacts on developers remain consistent with the existing framework, as they are already well-informed about the obligation for affordable and social housing specified in the relevant development instrument.

The introduction of conditioning powers does not alter the developer's responsibility but grants MEDQ the authority to enforce the provision of social and affordable housing as a binding condition through enforcement actions under the Act. Under the current regime, MEDQ lacks the means to secure this development outcome and relies on developers' voluntary compliance with the obligation. Non-compliance with a condition by a developer carries the consequence of enabling MEDQ to initiate enforcement measures, albeit considered an ultimate and stringent step. As an alternative, MEDQ is also seeking authority to impose charges in lieu of, or in conjunction with, the conditions for social or affordable housing. Housing agreements, similar to Infrastructure Agreements (IAs), serve as contractual mechanisms that offer MEDQ the option to negotiate these outcomes with developers.

In the event that the developer does not adhere to the enforcement action, MEDQ retains the option to pursue legal action in court to enforce this provision. The addition of alternative mechanisms within this Bill, such as the option to levy a housing payment or enter into a housing agreement, provides developers with the opportunity to seek a modification to their approval in pursuit of compliance with a different method than initially conditioned.

The ability to condition for affordable or social housing is unlikely to affect a developer's willingness to operate or undertake development within a PDA, as the obligations regarding the provision of affordable or social housing are required to be included in the relevant development instrument. Where a development instrument does not contemplate the delivery of social or affordable housing, the conditioning ability would not be applicable. Consequently, it is not considered that this power would create an unintended deterrent for developers to operate within PDAs.

The proposed change offers mutual benefits for both MEDQ and developers by providing a clear and predictable framework for the obligations included as part of the conditions. In conjunction with other proposed amendments to the ED Act, such as the housing agreement and the authority to levy a charge for social and affordable housing, developers are granted multiple mechanisms and a heightened degree of certainty regarding how they can fulfill their obligations.

Consequently, the effect of these powers is regarded as minor, as it does not alter the developer's existing obligations. Instead, it primarily enhances EDQ's capacity to enforce these obligations as stipulated in the pertinent development instrument.



Community

The introduction of the authority for MEDQ to condition the provision of affordable or social housing results in a more precise timeline for the delivery of affordable or social housing outcomes. This represents a significant benefit to the community, particularly given the ongoing housing crisis.

Who was consulted?

MEDQ has engaged in a comprehensive consultation initiative to ensure the proposed amendments to the ED Act and related legislation received diverse perspectives and expert insights. The consultation was aimed at gathering feedback from both governmental departments and key stakeholders to enhance the overall quality and effectiveness of the proposed changes.

Government Departments Consulted:

- Department of the Premier and Cabinet
- Queensland Treasury
- Department of Housing, Local Government, Planning and Public Works
- Department of Resources
- Department of Tourism and Sport
- Office of Industrial Relations
- Queensland Reconstruction Authority
- Department of Agriculture and Fisheries
- Department of Child Safety, Seniors and Disability Services
- Department of Employment, Small Business, and Training
- Department of Energy and Climate
- Queensland Fire and Emergency Service
- Queensland Health
- Department of State Development and Infrastructure
- Department of Corrective Services
- Department of Education
- Queensland Police Service
- Department of Regional Development, Manufacturing, and Water
- Department of Youth Justice
- Trade and Investment Queensland

Key Stakeholders and Peak Bodies Consulted:

- Urban Development Institute of Australia
- Property Council Australia
- Planning Institute of Australia
- Q Shelter
- Community Housing Industry Association
- Local Government Association of Queensland
- Real Estate Institute of Queensland
- SEQ Council of Mayors
- Unity Water
- Urban Utilities
- Infrastructure Association Queensland
- Together Queensland.



During this consultation process, the policy intent and an overview of the legislative amendments were presented to the stakeholders, and they were invited to provide feedback on its content. The input received from these consultations has provided EDQ an understanding of the alignment with the interests and concerns of all relevant parties. EDQ has committed to maintaining engagement throughout the legislative process and will consult further with stakeholders through the operationalisation of these amendments. The collaborative effort with government departments and key stakeholders underscores MEDQ's commitment to transparency, inclusivity, and the effective implementation of the proposed legislative changes.

What is the recommended option and why?

The recommended option is to grant the MEDQ explicit legal authority to impose development approval conditions that require the provision of social housing and affordable housing. This option aligns with the broader policy priorities and objectives of the government and is essential in addressing the ongoing housing crisis. It benefits the community by providing a more predictable timeline for the delivery of affordable and social housing, which is particularly critical given the housing crisis.

Additionally, it benefits developers by providing a clear and enforceable framework for fulfilling their obligations related to social and affordable housing, enhancing predictability and certainty. The alternative options, such as refining guidelines, lack enforceability, and maintaining the status quo would not provide the necessary legal authority to ensure compliance with affordable housing mandates.



What is the nature, size and scope of the problem? What are the objectives of government action?

13. Power to levy a charge for affordable/social housing

Currently the ED Act does not explicitly grant MEDQ the authority to levy charges in lieu of the provision of social or affordable housing as a component of development approval (note: this is only applicable to where the requirement for the provision of social or affordable housing is stated within a development scheme). The existing provisions in the Act empower MEDQ to require payment for infrastructure charges, whether as a condition attached to a PDA development approval (s85(4)) or as a special rate or charge (s115). Historically, these charges have primarily pertained to essential trunk infrastructure networks such as roads, stormwater management, water supply, sewerage, parks, and other community facilities, including state infrastructure.

Key Objective:

The key objective of this regulatory change is to empower the MEDQ to impose charges or levies within development approvals, explicitly for the purpose of funding social and affordable housing initiatives, in order to address evolving housing needs and promote equitable and inclusive development within PDAs.

This mechanism is not intended to be the first choice, as its implementation would introduce additional steps to facilitate this type of housing. Instead, the charging of a levy is considered in situations where providing the product is impractical due to factors such as the scale, location, or type of development occurring.

What options were considered?

Regulation:

In light of the evolving housing needs and the growing importance of social and affordable housing options, MEDQ seeks to establish a clear framework for its ability to impose a charge or levy through development approvals to fund such housing initiatives. The proposed changes to section 88(f)(iii) enables the MEDQ to condition for a payment in lieu of the supply of affordable or social housing.

The charge shall be established in a development instrument, such as a development scheme or interim land use plan. This fee will be allocated towards projects focused on affordable or social housing. Furthermore, the funds will be utilised within the corresponding local government area where they are collected, albeit not strictly confined to the boundaries of the PDA.

Non-regulatory:

Non-regulatory alternatives are unavailable in this context, as this new provision allows developers to opt for paying charges or entering into a housing agreement instead of including social or affordable housing as part of their development permit.

Status quo:

Without implementing the proposed regulatory change, the status quo would persist, whereby the existing provisions of the Act do not explicitly grant the MEDQ the authority to impose charges or levies for social and affordable housing as part of PDA development approvals. Consequently, MEDQ would continue to lack the clear legal framework needed to address the evolving housing needs and fund essential housing initiatives within PDAs, potentially hindering the achievement of equitable and inclusive development objectives in these areas.



What are the impacts?

Stakeholders:

Economic Development Queensland:

As the primary entity responsible for facilitating development within PDAs, the MEDQ would experience an impact, as this change grants them new authority and responsibility for imposing charges or levies to fund social or affordable housing initiatives.

Property Developers and Landowners:

Developers and landowners operating within PDAs would be directly affected by this regulatory change, as they may be subject to new charges or levies associated with social and affordable housing, potentially influencing the cost and feasibility of their development projects, however the financial burden associated with these charges would be counterbalanced by the obligation to physically deliver the housing products, effectively balancing the cost.

Moreover, this regulatory adjustment would also provide developers with a new mechanism to fulfill their obligations (when required in the relevant development scheme) related to social or affordable housing, representing a notable benefit within the framework. This method offers an added advantage of operating within a PDA in that the PDA is master planned, and infrastructure costs are shared. The implementation of a levy would enable the pooling of funds, fostering a coordinated approach to the provision of social and affordable housing, thereby enhancing the effectiveness of such initiatives.

Community Housing Providers and housing organisations:

Organisations focused on social and affordable housing would be interested stakeholders, as this regulatory change directly influences the availability and funding of such housing within PDAs.

General Public:

Prospective and current residents within PDAs stand to experience indirect benefits, anticipating a potential enhancement in the availability and affordability of housing options. The proposed regulatory amendments, if implemented, may lead to an increase in the quantity of affordable and social housing within PDAs, positively influencing the overall liveability and accessibility of these areas.

Who was consulted?

MEDQ has engaged in a consultation initiative to ensure the proposed amendments to the ED Act and related legislation received diverse perspectives and expert insights. The consultation was aimed at gathering feedback from both governmental departments and key stakeholders to enhance the overall quality and effectiveness of the proposed changes.

Government Departments Consulted:

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- Department of Child Safety, Seniors and Disability Services
- Department of Employment, Small Business, and Training (DESBT)
- Department of Energy and Climate
- Queensland Fire and Emergency Service
- Queensland Health
- Department of State Development and Infrastructure
- Department of Corrective Services
- Department of Education
- Queensland Police Service
- Department of Regional Development, Manufacturing, and Water
- Department of Youth Justice
- Trade and Investment Queensland

Key Stakeholders and Peak Bodies Consulted:

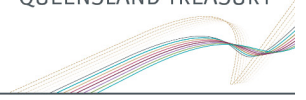
- Urban Development Institute of Australia
- Property Council Australia
- Planning Institute of Australia
- Q Shelter
- Community Housing Industry Association
- Local Government Association of Queensland
- Real Estate Institute of Queensland
- SEQ Council of Mayors
- Unity Water
- Urban Utilities
- Infrastructure Association Queensland
- Together Queensland.

During this consultation process, the policy intent and an overview of the legislative amendments were presented to the stakeholders, and they were invited to provide feedback on its content. The input received from these consultations has provided EDQ an understanding of the alignment with the interests and concerns of all relevant parties. EDQ has committed to maintaining engagement throughout the legislative process and will consult further with stakeholders through the operationalisation of these amendments. The collaborative effort with government departments and key stakeholders underscores MEDQ's commitment to transparency, inclusivity, and the effective implementation of the proposed legislative changes.

What is the recommended option and why?

The regulatory option to grant the MEDQ the authority to levy charges for affordable and social housing within development approvals is the most suitable course of action. The current Act lacks provisions for imposing such charges, focusing primarily on infrastructure-related payments. The key objective of this regulatory change is to enable MEDQ to provide an additional mechanism to enable developers to provide funding where appropriate for the provision of social, affordable, and diverse housing initiatives to meet evolving housing needs and promote equitable development in PDAs.

Among the considered options, this regulatory change offers the most comprehensive and legally clear approach to address the issue. Non-regulatory alternatives are not feasible for this particular matter, as it involves a mandatory framework for social and affordable housing within development permits. In the absence of this regulatory change, the status quo would prevail, leaving MEDQ without the necessary authority to address housing needs effectively within PDAs.



What is the nature, size and scope of the problem? What are the objectives of government action?

14. Place Renewal Area

There is an emerging need for more efficient and coordinated processes in promoting place-based renewal within key PDAs to assist with the alignment of government priorities and key state interests.

Summary of Proposed Regulation:

The proposed regulatory change introduces a new framework within the ED Act to enable the declaration of place renewal areas and the development of place renewal frameworks. This framework aims to promote place-based renewal, aligning with government priorities and key state interests along with place coordination and development facilitation. The framework provides for more efficient processes in line with the EDQ's role in leadership and coordination of place-based renewal. Frameworks will be place renewal area specific and will be developed in consultation with state agencies, local governments and other stakeholders.

The development and adoption of a place renewal area will also involve considering contemporary cultural heritage outcomes through meaningful engagement with the First Nations community.

The proposed ED Act amendments for the place renewal area will enable the MEDQ to:

- have the authority declare a place renewal area within a PDA (but not in a PPDA) or on PDA-associated land.
- make a place renewal framework document which outlines an approach for strategic leadership and coordination of place renewal for a place renewal area and will include the vision, objectives and outcomes for a place renewal area. Once made, a place renewal framework becomes a relevant consideration for the MEDQ when making a decision on a PDA development application and for a designator when making a designation under section 36 of the Planning Act within the relevant place renewal area.
- acquire land which is required to achieve the vision, objectives and outcomes for the place renewal area (note that this pertains to land designated for urban renewal purposes, distinct from land intended for infrastructure purposes as sought under other acquisition powers as part of the amendments).
- compel government entities, local government and distributor-retailers (DRs) to engage and participate in the place renewal area governance arrangements and share comprehensive advice and information relevant to stakeholders/members on their respective organisation's projects, knowledge, interests and responsibilities.

The amendments, outlined in Chapter 3, Part 4A define terms such as place renewal areas, place renewal frameworks, and the relevant local government. Notices of place renewal area declarations and place renewal frameworks must be published on MEDQ's website and in gazette notices. Local governments are notified, and newspaper publications ensure broader community awareness.

What options were considered?

Alternative Options Considered:

Non-regulatory:

One of the primary objectives of this proposed change is to empower the MEDQ to take a leading role in coordinated and integrated renewal through place coordination and development facilitation. Given that this responsibility involves assuming a leading position among various departments and agencies local



governments and DRs, it is imperative that this leadership role is mandated by regulation and cannot be effectively realised through non-regulatory alternatives.

The non-regulatory option, characterised by administrative governance arrangements, lacks the necessary enforcement as it is non-binding and not legally mandated. In contrast, the establishment of a place renewal framework and its associated governance framework guarantees the active participation of all agencies and entities in shaping the renewal area.

What are the impacts?

Stakeholders:

The inclusion of the new place renewal area provisions within the ED Act would impact various stakeholders in different ways. Here is a summary of the key stakeholders and how they would be impacted:

Economic Development Queensland:

EDQ gains enhanced authority and responsibilities to lead and coordinate place-based renewal projects. This aligns with its mission of promoting economic development in key precincts.

EDQ may face increased workload and resource requirements to effectively lead and coordinate place renewal activities. There would have a cost impost and funding mechanism are to be considered. Funding implications have been considered by EDQ and EDQ has committed to establish it as a self-funded program by the end of 2026.

State Agencies, Local Government and Distributor-retailers:

The State would benefit from better alignment of place-based renewal initiatives with its priorities, leading to more efficient investments and coordinated development. A place renewal area declaration is not intended to replace accountabilities, funding or parties' responsibility for the delivery of individual projects or disrupt existing commercial agreements. It is intended that parties remain accountable for the delivery of their individual projects while ensuring they align with the place renewal vision.

It is not anticipated the proposed amendment will have an impact on resourcing across the state, as state agencies will continue to deliver on their projects, but there will be better alignment of resources due to the place renewal area declaration and subsequent activities.

It is acknowledged that there may be an impact on infrastructure providers who may need to align their projects with the place renewal framework. This could include adjustments in planning and development strategies to contribute to the overall objectives.

Built Environment Specialists:

Built environment specialists, including architects, urban planners, engineers, and other experts, will play a critical role in the successful implementation of the place renewal framework. EDQ's experience has shown that there remains a strong interest from the development industry to actively participate in government projects. The development and formulation of the place renewal framework for a place renewal area is anticipated to generate increased demand for the expertise and services of various planning and design professionals. This heightened demand is expected to create new project opportunities, and specialists will continue to be available to provide their expertise and guidance.

Business Community

Businesses operating within these areas could experience various effects, including potential opportunities for economic growth, increased foot traffic, and shifts in market dynamics due to the revitalisation and development initiatives. Additionally, businesses may benefit from enhanced infrastructure, improved amenities, and a more vibrant local environment, potentially leading to increased



customer engagement and business expansion opportunities. However, they may also face challenges such as adjusting to new regulations or development plans, navigating changes in consumer behaviour, and adapting to potential disruptions during the renewal process.

Landholders:

A very small number of landholders situated within the PDAs governed by the place renewal framework may experience impacts due to the implementation of the new acquisition powers.

These acquisition powers are intended to be invoked only in exceptional circumstances and are projected to have a limited impact on a very small number of individuals. The processes and requirements outlined under the *Acquisition of Land Act 1967* will be utilised for the acquisition of land for urban development purposes. This approach ensures a comprehensive process and guarantees fair compensation to landowners whose properties are affected.

Additionally, landholders will likely benefit from the renewal activity through increase land values and improved amenity.

Who was consulted?

MEDQ has engaged in a consultation initiative to ensure the proposed amendments to the ED Act and related legislation received diverse perspectives and expert insights. The consultation was aimed at gathering feedback from both governmental departments and key stakeholders to enhance the overall quality and effectiveness of the proposed changes.

Government Departments Consulted:

- Department of the Premier and Cabinet
- Queensland Treasury
- Department of Housing, Local Government, Planning and Public Works
- Department of Resources
- Department of Tourism and Sport
- Office of Industrial Relations
- Queensland Reconstruction Authority
- Department of Agriculture and Fisheries
- Department of Child Safety, Seniors and Disability Services
- Department of Employment, Small Business, and Training (DESBT)
- Department of Energy and Climate
- Queensland Fire and Emergency Service
- Queensland Health
- Department of State Development and Infrastructure
- Department of Corrective Services
- Department of Education
- Queensland Police Service
- Department of Regional Development, Manufacturing, and Water
- Department of Youth Justice
- Trade and Investment Queensland

Key Stakeholders and Peak Bodies Consulted:

- Urban Development Institute of Australia
- Property Council Australia
- Planning Institute of Australia



- Q Shelter
- Community Housing Industry Association
- Local Government Association of Queensland
- Real Estate Institute of Queensland
- SEQ Council of Mayors
- Unity Water
- Urban Utilities
- Infrastructure Association Queensland
- Together Queensland.

During this consultation process, the policy intent and an overview of the legislative amendments were presented to the stakeholders, and they were invited to provide feedback on its content. The input received from these consultations has provided EDQ an understanding of the alignment with the interests and concerns of all relevant parties. EDQ has committed to maintaining engagement throughout the legislative process and will consult further with stakeholders through the operationalisation of these amendments. The collaborative effort with government departments and key stakeholders underscores MEDQ's commitment to transparency, inclusivity, and the effective implementation of the proposed legislative changes.

What is the recommended option and why?

The recommended option is to introduce the proposed regulatory change that establishes a framework for place renewal areas and place renewal frameworks within the ED Act. This recommendation aligns with the key objectives, which include enhancing government priorities, facilitating coordinated development, optimising government investment, promoting design excellence, and engaging with the First Nations community, among others. The proposed framework provides a structured approach to place-based renewal, ensuring efficient coordination and governance, and reducing risks related to development and infrastructure projects in priority areas.

While various stakeholders would experience mixed impacts, the overall benefit of improved governance, alignment with government priorities, and more effective place-based renewal justifies the adoption of this framework. The non-regulatory alternative is considered less effective in ensuring the leadership and coordination role of EDQ, which is crucial for the success of place-based renewal initiatives.



What is the nature, size and scope of the problem? What are the objectives of government action?

15. Refinement of existing powers to direct water and sewer distributor-retailers to plan and deliver critical infrastructure for MEDQ development

There is a need for more efficient and timely provision of water and sewer infrastructure within Priority Development Areas (PDAs) and Priority PDA (PPDAs), particularly due to the separation of DRs from local governments, necessitating the inclusion of DRs within the authority of Sections 127 and 128 of the ED Act.

There have been a number of instances where EDQ has been unable to obtain consent from DRs to either take ownership of assets or provide infrastructure required for development in a timely manner including the recycled reticulation network in Fitzgibbon and Lucas Creek trunk sewer in Ripley Valley PDA.

Where there is a delay in the provision of infrastructure to service a PDA, this is a significant impediment to the delivery of housing supply in the PDA.

Where a DR will not accept infrastructure in a timely manner, there can be an impact on EDQ's financial sustainability given EDQ is not set up to maintain infrastructure networks and not able to access funding sources (i.e. rates) to do so.

Key Objective:

The key objective of the proposed change is to amend the legislation to clarify that section 127 and 128 apply to DRs in the same way as they presently do for local governments. This adjustment is crucial to ensuring a streamlined and efficient process for infrastructure planning and delivery, thereby fostering housing and economic growth within PDAs.

What options were considered?

Regulation:

The proposed Act amendment confirms MEDQ's ability to use Sections 127 and 128 of the Act to direct DRs (water and sewer providers), which are owned by local governments, in the same way as MEDQ can currently direct local governments.

This amendment is aimed at addressing a crucial challenge in the timely provision of water and sewer infrastructure within PDAs and PPDAs. By confirming the MEDQ's authority to include DRs in infrastructure planning and delivery, the regulation aims to expedite the critical infrastructure development required to support and unlock development in these areas, thus fostering housing and economic growth.

Non-regulatory:

No non-regulatory options were considered as the proposed amendment aims to address a specific and crucial challenge in infrastructure provision. A regulatory approach is deemed necessary to ensure timely resolution.

Status quo:

The current arrangements are not entirely clear. This disconnect in the regulatory framework may hinder development facilitation if DRs are not encompassed within the same statutory provisions as government



entities. Such a scenario could potentially result in significant project delays, necessitating an efficient mechanism to address such rare instances in a timely manner.

What are the impacts?

Key Stakeholders:

Distributor-Retailers:

The inclusion of DRs in sections 127 and 128 is primarily intended to clarify their status under these sections. The existing language of the section left some ambiguity regarding whether DRs were covered. This amendment serves to remove any uncertainty and aligns with the original policy intent, rather than introducing new powers.

It's worth noting that DRs may be required to provide infrastructure in a different order and allocate budget resources differently. There is also the possibility of financial burdens arising from the responsibility to maintain infrastructure, however it's important to emphasise that, since this is a clarifying amendment, it may not introduce any new impacts.

However, it is unlikely that a direction would be provided to a DR without significant negotiations and consultation beforehand. The existing powers under sections 127 and 128, currently applicable to government entities and local government, have only been invoked once since 2012. Nonetheless, they serve as a valuable recourse, encouraging continued active collaboration with the MEDQ to facilitate essential development.

Developers:

Incorporating DRs into Sections 127 and 128 would provide greater certainty for developers within PDAs. This in turn supports the delivery of housing helping to address the current housing crisis in Queensland.

Who was consulted?

MEDQ has engaged in a consultation initiative to ensure the proposed amendments to the ED Act and related legislation received diverse perspectives and expert insights. The consultation was aimed at gathering feedback from both governmental departments and key stakeholders to enhance the overall quality and effectiveness of the proposed changes.

Government Departments Consulted:

- Department of the Premier and Cabinet
- Queensland Treasury
- Department of Housing, Local Government, Planning and Public Works
- Department of Resources
- Department of Tourism and Sport
- Office of Industrial Relations
- Queensland Reconstruction Authority
- Department of Agriculture and Fisheries
- Department of Child Safety, Seniors and Disability Services
- Department of Employment, Small Business, and Training (DESBT)
- Department of Energy and Climate
- Queensland Fire and Emergency Service
- Queensland Health
- Department of State Development and Infrastructure
- Department of Corrective Services
- Department of Education



- Queensland Police Service
- Department of Regional Development, Manufacturing, and Water
- Department of Youth Justice
- Trade and Investment Queensland

Key Stakeholders and Peak Bodies Consulted:

- Urban Development Institute of Australia
- Property Council Australia
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- Q Shelter
- Community Housing Industry Association
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- SEQ Council of Mayors
- Unity Water
- Urban Utilities
- Infrastructure Association Queensland
- Together Queensland.

During this consultation process, the policy intent and an overview of the legislative amendments were presented to the stakeholders, and they were invited to provide feedback on its content. The input received from these consultations has provided EDQ an understanding of the alignment with the interests and concerns of all relevant parties. EDQ has committed to maintaining engagement throughout the legislative process and will consult further with stakeholders through the operationalisation of these amendments. The collaborative effort with government departments and key stakeholders underscores MEDQ's commitment to transparency, inclusivity, and the effective implementation of the proposed legislative changes.

What is the recommended option and why?

The refinement of existing powers to direct DRs to plan and deliver critical infrastructure for MEDQ development is the best option to address the pressing need for more efficient and timely provision of water and sewer infrastructure within PDAs and PPDAs. The separation of DRs from local governments necessitates the inclusion of DRs within the authority of Sections 127 and 128 of the ED Act.

By extending the MEDQ's authority to include DRs in infrastructure planning and delivery, this regulatory change is poised to expedite the critical infrastructure development required to support and unlock development in these areas, thereby fostering housing and economic growth. In contrast, non-regulatory options are not applicable in this context, and the status quo's lack of provisions for directing DRs could result in significant project delays. In terms of impacts, this regulatory change may require DRs to adapt their infrastructure planning and budget allocation, while providing greater certainty for developers within PDAs, ultimately helping to address the housing crisis in Queensland.



What is the nature, size and scope of the problem? What are the objectives of government action?

16. New power to direct local governments and distributor-retailers to provide infrastructure charges collected in PDAs to the MEDQ.

An issue arises when a PDA is declared, as the responsibility for the planning and delivery of PDA outcomes, including infrastructure planning within the PDA, transitions to MEDQ. However, developments approved given under the Planning Act and the South East Queensland Water (Distribution and Retailer Restructuring) Act and given after a PDA declaration may have obligations to pay infrastructure charges. This leads to a scenario where local governments and DRs continue to collect charges for development within a PDA, while MEDQ assumes responsibility for planning and delivering PDA outcomes, including infrastructure planning, necessitating control of funds to facilitate this transition.

For instance, in the case of the Brisbane Local Government Area (LGA), Brisbane City Council collects infrastructure charges and pools them into a central fund. These charges are subsequently allocated to projects across the local government area, and there isn't a specific allocation based on the area where the infrastructure charges are collected.

Key Objective:

The outcome sought is to enable the MEDQ to direct a local government or DR to provide infrastructure charges collected from development located within a PDA to the MEDQ.

The proposed direction pertains specifically to infrastructure charges collected after the declaration of a PDA. This direction is envisaged to be invoked in instances where agreements between the MEDQ and infrastructure providers cannot be reached. It emphasises the temporal scope of the direction, focusing on approvals granted post-PDA declaration and excluding minor changes from its applicability.

The power will enable the MEDQ to facilitate development within a PDA through the timely provision of infrastructure.

What options were considered?

Regulatory:

The ED Act amendment aims to establish a mechanism (directions power) whereby infrastructure charges paid to a local government or DR for development within a PDA/PPDA, post-declaration of a PDA, are to be provided to the MEDQ. This is to fund the delivery of essential infrastructure within or for PDAs/PPDAs, aligning with the MEDQ's responsibility for infrastructure provision in these areas.

The intention is to work cooperatively with the local governments and DRs to reach an agreement on how they can continue to utilise the funds. This authority would only be exercised in cases where an agreement between EDQ and local governments or DRs cannot be achieved.

Alternative options considered:

Non-regulatory:

Consider entering into an agreement with DRs and/or local governments to voluntarily transfer collected infrastructure charges to the MEDQ. This arrangement would not carry statutory weight, meaning the MEDQ wouldn't have the authority to compel the transfer of collected charges. Consequently, there may be insufficient funding available to provide the necessary infrastructure and as such is not seen as a practical or preferred choice.



Status quo:

Currently, the MEDQ lacks the authority to instruct DRs or local governments to transfer collected infrastructure charges to the MEDQ for the purpose of infrastructure provision. Our current approach depends on DRs and local governments to independently deliver infrastructure for transfer charges to the MEDQ, which is unlikely to occur. Maintaining the status quo is not seen as a practical or preferred choice.

What are the impacts?

Stakeholders:

Distributor-retailers:

Currently, where a PDA is declared, any existing development applications in place at the time of declaration will continue to be assessed and approved by the local government and DR. Accordingly, infrastructure charges for these approvals (once issued) will be collected by the local government and DRs even though the development will occur in the PDA. MEDQ is responsible for the planning and delivery of necessary infrastructure in the PDA. This amendment will ensure those charges are paid to MEDQ instead to allow MEDQ to provide infrastructure that responds to that development as well as development that is approved by MEDQ post declaration of the PDA for which MEDQ will receive these infrastructure charges. This allows MEDQ to work with local governments and DRs to ensure the necessary infrastructure is supplied to the PDA in response to all approvals that take effect post declaration.

It is intended that this new power would be a reserve power for the MEDQ and assessment of its application will occur on a case-by case basis. It is anticipated that the MEDQ would consider any impacts on the DRs revenue prior to making a directions for the relevant funds and as noted, above, MEDQ can work with DRs to fund the supply of infrastructure for the PDA.

Local Governments:

The proposed amendment will impact on local governments, as outlined above., it is intended that this new power would be a reserve power for the MEDQ and assessment of its application will occur on a case-by case basis. It is anticipated that the MEDQ would consider any impacts on the local government's revenue prior to making a direction for the relevant funds and as noted, above, MEDQ can work with the local government to fund the supply of infrastructure for the PDA.

It is noteworthy that the funds subject to this amendment are associated with approvals where funds would not have been collected at the time of declaration. Therefore, the revenue to be collected has not been earmarked for any specific projects, and, accordingly, its absence from Local Government allocations is not regarded as an omission.

Developers:

The proposed amendment would provide certainty to developer's that infrastructure charges paid by developers to other entities would be used to fund infrastructure within the PDA and provide benefit to their development, rather than being used to deliver infrastructure elsewhere.

Economic Development Queensland:

The proposed amendment will provide the MEDQ with a funding stream the MEDQ can use to deliver infrastructure to support development in or for a PDA. The funds will enable the MEDQ to deliver the development outcomes identified for the PDA.



Who was consulted?

MEDQ has engaged in a consultation initiative to ensure the proposed amendments to the ED Act and related legislation received diverse perspectives and expert insights. The consultation was aimed at gathering feedback from both governmental departments and key stakeholders to enhance the overall quality and effectiveness of the proposed changes.

Government Departments Consulted:

- Department of the Premier and Cabinet
- Queensland Treasury
- Department of Housing, Local Government, Planning and Public Works
- Department of Resources
- Department of Tourism and Sport
- Office of Industrial Relations
- Queensland Reconstruction Authority
- Department of Agriculture and Fisheries
- Department of Child Safety, Seniors and Disability Services
- Department of Employment, Small Business, and Training (DESBT)
- Department of Energy and Climate
- Queensland Fire and Emergency Service
- Queensland Health
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Key Stakeholders and Peak Bodies Consulted:

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- Together Queensland.

During this consultation process, the policy intent and an overview of the legislative amendments were presented to the stakeholders, and they were invited to provide feedback on its content. The input received from these consultations has provided EDQ an understanding of the alignment with the interests and concerns of all relevant parties. EDQ has committed to maintaining engagement throughout the legislative process and will consult further with stakeholders through the operationalisation of these amendments. The collaborative effort with government departments and key stakeholders underscores MEDQ's commitment to transparency, inclusivity, and the effective implementation of the proposed legislative changes.

**What is the recommended option and why?**

The recommended option is to introduce the proposed regulation amendment that grants the MEDQ the power to direct local governments and DRs to provide infrastructure charges collected in PDAs to the MEDQ. This option aligns with the key objective of enabling the timely provision of essential infrastructure within or for PDAs, addressing the MEDQ's responsibility for infrastructure delivery in these areas. The alternative non-regulatory option, relying on voluntary agreements, lacks the statutory authority to compel the transfer of infrastructure charges, potentially leading to insufficient funding for necessary infrastructure. Maintaining the status quo, where the MEDQ lacks the authority to direct DRs or local governments, may not consistently align with infrastructure needs in PDAs. The recommended option ensures a direct and controlled funding stream for infrastructure delivery, benefiting both developers and the MEDQ's ability to support development in or for a PDA, even if it has the potential to impact DRs and local governments' revenue sources.



What is the nature, size and scope of the problem? What are the objectives of government action?

17. New power to direct an infrastructure provider (government entity, local government and distributor-retailer) to provide information required for prudent planning of a PDA/PPDA

The Act does not contain provisions mandating government entities, local governments, or DRs to furnish requisite information for the purpose of facilitating planning of a PPDA or PDA. EDQ is constrained in its planning efforts by its reliance on relationships with agencies, which at times proves to be inefficient, given that certain agencies may be slow to respond or fail to furnish the requested information, thereby impeding the planning process.

Key Objective:

The key objective of the proposed regulation is to enhance the MEDQs capacity to coordinate and facilitate the funding and delivery of infrastructure vital for the development and support of PDAs. This is primarily achieved by enabling the MEDQ to direct state entities, local governments, and DRs to provide essential planning information promptly, thus ensuring effective planning and infrastructure development within PDAs and PPDAs.

What options were considered?

Regulation:

This proposed Act amendment aims to address the current limitation, which does not allow for the direction of state entities, local governments, or DRs to provide vital planning information in a timely manner for effective planning and infrastructure development within PDAs and PPDAs. Such a directive may only be issued if MEDQ is satisfied that the information is necessary for the proper and orderly planning, development, and management of a PDA or PDA-associated land.

Non-regulatory:

While the MEDQ could potentially explore the option of establishing a Memorandum of Understanding (MOU) between agencies to facilitate the exchange of information, this is deemed an impractical approach due to the significant challenges involved. Creating such an MOU among multiple agencies is a complex and resource-intensive undertaking, and there is no guarantee of unanimous agreement or compliance given the non-binding nature of an MOU. Therefore, this option is not considered a viable or effective solution.

Status quo:

The existing arrangements do not contain provisions that grant the MEDQ the authority to direct DRs or government entities to furnish the necessary information. This gap in the regulatory framework has the potential to impede the facilitation of development, particularly if these agencies are unwilling to provide the requested information to the EDQ. Such a situation could potentially lead to notable project delays, underscoring the need for an effective mechanism to promptly address such infrequent occurrences.

What are the impacts?

Key Stakeholders

Government Entities, Local Governments and Distributor Retailers:

Government entities, Local Government and DRs will bear an administrative burden along with associated costs in preparing the required information and promptly responding to the MEDQ. The quantum of administrative burden associated with the new legislation enabling MEDQ to direct a DR to provide information is currently unknown but is expected to be reasonable. The information requested will be



targeted and is typically already in existence, residing within the DR's records. Therefore, the effort required for DRs to provide this information to MEDQ is not likely to be unduly burdensome, as the primary challenge lies in the coordination and communication process rather than the creation of entirely new data or documentation. MEDQ will work to ensure that only the information necessary to effectively fulfill its responsibilities is requested, aligning with its role in promoting efficient development and infrastructure planning.

Developers:

Developers operating within PDAs and PPDAs will experience a more streamlined development process. The MEDQ's enhanced role in infrastructure planning and coordination, along with the provision of necessary information, could result in a more efficient and timely development approval process. Developers may gain a greater degree of certainty regarding infrastructure provision.

Who was consulted?

MEDQ has engaged in a consultation initiative to ensure the proposed amendments to the ED Act and related legislation received diverse perspectives and expert insights. The consultation was aimed at gathering feedback from both governmental departments and key stakeholders to enhance the overall quality and effectiveness of the proposed changes.

Government Departments Consulted:

- Department of the Premier and Cabinet
- Queensland Treasury
- Department of Housing, Local Government, Planning and Public Works
- Department of Resources
- Department of Tourism and Sport
- Office of Industrial Relations
- Queensland Reconstruction Authority
- Department of Agriculture and Fisheries
- Department of Child Safety, Seniors and Disability Services
- Department of Employment, Small Business, and Training (DESBT)
- Department of Energy and Climate
- Queensland Fire and Emergency Service
- Queensland Health
- Department of State Development and Infrastructure
- Department of Corrective Services
- Department of Education
- Queensland Police Service
- Department of Regional Development, Manufacturing, and Water
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Key Stakeholders and Peak Bodies Consulted:

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- Real Estate Institute of Queensland

- SEQ Council of Mayors
- Unity Water
- Urban Utilities
- Infrastructure Association Queensland
- Together Queensland.

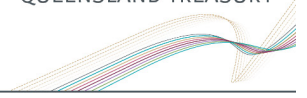
During this consultation process, the policy intent and an overview of the legislative amendments were presented to the stakeholders, and they were invited to provide feedback on its content. The input received from these consultations has provided EDQ an understanding of the alignment with the interests and concerns of all relevant parties. EDQ has committed to maintaining engagement throughout the legislative process and will consult further with stakeholders through the operationalisation of these amendments. The collaborative effort with government departments and key stakeholders underscores MEDQ's commitment to transparency, inclusivity, and the effective implementation of the proposed legislative changes.

What is the recommended option and why?

The regulatory option for granting new powers to direct infrastructure providers, including government entities, local governments, and DRs, to provide essential planning information is the preferred method due to its potential to significantly improve infrastructure planning and coordination within PDAs and PPDAs.

The existing lack of provisions mandating the provision of such information has hindered efficient planning, as it relies on agencies' voluntary cooperation, which can often be inefficient or delayed. The proposed regulation's key objective is to enhance the MEDQ's capacity to coordinate and facilitate the funding and delivery of vital infrastructure for PDA development. This option is favoured over non-regulatory alternatives, like MOUs, which are complex and non-binding, and the status quo, which lacks authority to direct agencies.

The impacts on government entities, local governments, and DRs are expected to be reasonable, as the requested information typically exists and is readily accessible, while developers stand to benefit from a more streamlined development process.



What is the nature, size and scope of the problem? What are the objectives of government action?

Clarification of interaction between ED Act and SEQ Water Act

An ongoing concern relates to the lack of clarity between the ED Act and the SEQ Water Act. At present, applicants are required to obtain a PDA development approval under the ED Act and a water approval under the SEQ Water Act for the same works (delivery of water and sewer infrastructure within PDAs. This has, on certain occasions, resulted in disparate approvals for the corresponding water and sewer infrastructure. Currently, no guidance is provided to determine which approval takes precedence.

Key Objectives

The objective of the amendment is to provide clarification and more certainty to a developer that, by complying with the conditions of a PDA development approval in relation to the delivery of water and sewer infrastructure, will enable them to be connected to the network.

What options were considered?

Regulatory:

The proposed amendment provides for the MEDQ to direct for a water connection.

Summary of Alternatives Options

Non-regulatory:

An alternative non-regulatory measure involves the establishment of a MOU among relevant parties to delineate the course of action in the event of conflicts or disputes. This option may serve as a less authoritative yet viable alternative to the proposed regulatory change, especially if there is a lack of willingness to pursue regulatory modifications, however it should be noted that this option is not the favored course of action due to the previous unsuccessful attempts at negotiations between the MEDQ and the DR.

Status quo:

Rely on existing processes for negotiating outcomes between developers and DRs to resolve areas of conflict between a PDA development approval and a Water Approval. This creates uncertainty for the developer in the ability to release development which is undesirable particularly in relation to releasing housing developments to the market.

What are the impacts?

Stakeholder Impacts

Distributor retailers (DR):

There is potential for an inconsistency between the MEDQ with the DR's connection policy. For instance, a DR may choose not to issue an approval for water and sewerage connection due to reasons such as technical feasibility, potential interference with supply to other customers, or other relevant considerations. This change in legislation could impact DRs by requiring them to navigate potential conflicts between their existing connection policies and the new regulatory requirements, potentially leading to adjustments in their policies and procedures to ensure alignment with the new rules.



Developers:

The proposed amendment would provide certainty that the delivery of development and particularly housing development, would not be delayed through lack of water and sewer connection when compliance with a PDA development approval is established.

Who was consulted?

MEDQ has engaged in a consultation initiative to ensure the proposed amendments to the ED Act and related legislation received diverse perspectives and expert insights. The consultation was aimed at gathering feedback from both governmental departments and key stakeholders to enhance the overall quality and effectiveness of the proposed changes.

Government Departments Consulted:

- Department of the Premier and Cabinet
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- Queensland Reconstruction Authority
- Department of Agriculture and Fisheries
- Child Safety, Seniors & Disability Services
- Department of Employment, Small Business, and Training Department of Energy and Climate
- Queensland Fire and Emergency Service
- Queensland Health
- Department of State Development and Infrastructure
- Department of Corrective Services
- Department of Education
- Queensland Police Service
- Department of Regional Development, Manufacturing, and Water
- Department of Youth Justice
- Trade and Investment Queensland

Key Stakeholders and Peak Bodies Consulted:

- Urban Development Institute of Australia
- Property Council Australia
- Planning Institute of Australia
- Q Shelter
- Community Housing Industry Association
- Local Government Association of Queensland
- Real Estate Institute of Queensland
- SEQ Council of Mayors
- Unity Water
- Urban Utilities
- Infrastructure Association Queensland
- Together Queensland.

During this consultation process, the policy intent and an overview of the legislative amendments were presented to the stakeholders, and they were invited to provide feedback on its content. The input received from these consultations has provided EDQ an understanding of the alignment with the interests and



concerns of all relevant parties. EDQ has committed to maintaining engagement throughout the legislative process and will consult further with stakeholders through the operationalisation of these amendments. The collaborative effort with government departments and key stakeholders underscores MEDQ's commitment to transparency, inclusivity, and the effective implementation of the proposed legislative changes.

What is the recommended option and why?

Where a PDA Development Approval regulates through conditions the water supply and sewerage requirements to facilitate connection to the water supply and sewer network, then the premises are entitled to be connected. Satisfactory evidence must be provided to the DR that the conditions of the PDA Development Approval have been met in order for the entitlement to the connection to arise.

In the alternative or additionally, MEDQ could be granted a power under the ED Act to direct the DR to permit connection to the network where the conditions of the PDA Development Approval have been complied with.



What is the nature, size and scope of the problem? What are the objectives of government action?

18. Urgent planning and development assessment instrument for PDAs

MEDQ does not have a mechanism in the Act to prepare a planning instrument, similar to that of a Temporary Local Planning Instrument (TLPI) to respond to changing and emerging planning issues.

Key Objectives

The proposed amendment is to enable the MEDQ to respond more efficiently and effectively to urgent and emergent issues within a PDA by being able to prepare a planning instrument that addresses a specific issue or circumstance.

This is considered to only have minor impacts for the following reasons:

- **Temporary application:** It is intended that the instrument would only be in effect until the ordinary process for amending a development scheme has been undertaken. The temporary instrument will have the same role as a development scheme.
- **Specific circumstances:** The instrument would only be used where there are urgent and emergent circumstances in a PDA necessitating an urgent response to initially address the issue.
- **Administrative efficiency:** enables the MEDQ to respond to a specific circumstance prior to undertaking a lengthy scheme amendment process, noting that the temporary planning instrument can impact on the operation of existing instruments without amending or repealing them.

What options were considered?

Regulatory:

The proposed amendment is to include a new provision into the Act that enables the MEDQ to make a planning instrument, within a PDA or PPDA, to manage the impacts of an urgent or emergent issue within the PDA, until such time as an amendment to the development scheme has occurred.

Similar powers exist under s23 of the *Planning Act 2016* that enables local governments to make a TLPI.

Instances necessitating the use of TLPI type power could include:

Event Hosting:

Cities hosting major events, such as the Olympics or large festivals, may implement TLPIs to facilitate temporary changes in land use, traffic management, and infrastructure to accommodate the influx of visitors and ensure the smooth conduct of the event.

Pandemic Response:

In response to a public health crisis, such as a pandemic, a TLPI power could be enacted to enable changes in land use for healthcare facilities, temporary housing, or alterations to commercial spaces to support social distancing measures.

Innovation and Technology Hubs:

To encourage the development of innovation and technology hubs, a TLPI power may be employed to provide flexibility in zoning or land use regulations, allowing for the temporary establishment of co-working spaces, research facilities, or technology incubators.



Climate Change Adaptation:

In response to climate change impacts, such as sea-level rise or extreme weather events, a TLPI power could be utilised to adjust development controls or prohibit certain types of development in vulnerable areas on a temporary basis.

Trial Implementation of New Policies:

To assess the impact of new planning policies or regulations, a temporary planning instrument power might be enacted for a specific period, allowing EDQ to evaluate the effectiveness of the changes before deciding whether to make them permanent.

Alternative Options

Non-regulatory:

There are no viable non-regulatory options that effectively meet the intended objective.

Status quo:

EDQ is limited in its regulating of development to the provisions in the development scheme. The development scheme is a static document and amendments require compliance with a statutory process. The ability to create an instrument that deals with new issues will improve EDQs ability to regulate development in a PDA.

What are the impacts?

Stakeholders

Economic Development Queensland:

The ability to make a temporary planning instrument enables MEDQ to efficiently and effectively respond to an urgent or emerging issue in a PDA until such time as the matter can be more thoroughly addressed through a development scheme amendment.

General Public:

The community stands to benefit from the introduction of a temporary planning instrument, which enables a rapid response to specific circumstances within a Priority Development Area (PDA), particularly when addressing urgent issues such as flood prevention. This proactive approach helps safeguard against potential damages and hazards, ultimately contributing to the well-being of the community.

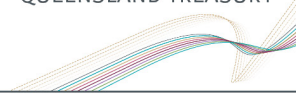
Conversely a landowner may experience a loss in term of how their land can be developed if the temporary instrument acts to delay development on land until a development scheme amendment is in place.

Who was consulted?

As part of the ATI consultation process, MEDQ has engaged in a consultation initiative to ensure the proposed amendments to the ED Act and related legislation received diverse perspectives and expert insights. The consultation was aimed at gathering feedback from both governmental departments and key stakeholders to enhance the overall quality and effectiveness of the proposed changes.

Government Departments Consulted:

- Department of the Premier and Cabinet
- Queensland Treasury
- Department of Housing, Local Government, Planning and Public Works



- Department of Resources
- Department of Tourism and Sport
- Office of Industrial Relations
- Queensland Reconstruction Authority
- Department of Agriculture and Fisheries
- Department of Child Safety, Seniors and Disability Services
- Department of Employment, Small Business, and Training (DESBT)
- Department of Energy and Climate
- Queensland Fire and Emergency Service
- Queensland Health
- Department of State Development and Infrastructure
- Department of Corrective Services
- Department of Education
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- Infrastructure Association Queensland
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During this consultation process, the policy intent and an overview of the legislative amendments were presented to the stakeholders, and they were invited to provide feedback on its content. The input received from these consultations has provided EDQ an understanding of the alignment with the interests and concerns of all relevant parties. EDQ has committed to maintaining engagement throughout the legislative process and will consult further with stakeholders through the operationalisation of these amendments. The collaborative effort with government departments and key stakeholders underscores MEDQ’s commitment to transparency, inclusivity, and the effective implementation of the proposed legislative changes.

What is the recommended option and why?

The regulatory option is the preferred method for implementing an Urgent Planning and Development Assessment Instrument for PDAs as it provides the MEDQ with a vital mechanism to respond efficiently and effectively to urgent and emergent planning issues within a Priority Development Area (PDA). This option aligns with the concept of Temporary Local Planning Instruments (TLPis) and enables the creation of a planning instrument tailored to address specific circumstances. It offers significant administrative efficiency, allowing for timely responses to urgent issues before a lengthy scheme amendment process is undertaken.



The proposed temporary instrument is intended to be in effect until the ordinary process for amending a development scheme is completed, ensuring that it serves a temporary and targeted purpose. Non-regulatory options are not practical in achieving the same objective, while the status quo limits the MEDQ's ability to address new issues in a PDA effectively. The impacts vary, with landowners potentially benefiting from increased land value or facing delays, MEDQ gaining efficient response tools, and the community benefiting from rapid and tailored issue management within a PDA.



What is the nature, size and scope of the problem? What are the objectives of government action?

19. Ability to recover reasonable costs beyond those currently identified in the ED Act (i.e., beyond the development scheme and development assessment to include costs such as PDA monitoring and implementation costs)

MEDQ has limited ability to recover costs for services beyond those currently specified in the ED Act. These services include pre-development application work, post-approval compliance, and implementation efforts, which are essential for achieving the vision of a Development Scheme and the ongoing effectiveness of Priority Development Areas (PDAs), particularly as PDAs are maturing and the demand for a broader range of services grows.

Summary of Proposed Regulation:

The MEDQ has a multitude of roles including to ensure the vision of a Development Scheme is achieved. Some of these roles encompass continuous implementation measures, which are not explicitly designated as leviable under the Act. To ensure the MEDQ is financially sustainable, the ability to recover costs for all services provided by the MEDQ is necessary.

Key Objectives:

The key objective is to empower the MEDQ to recover reasonable costs for a broader range of services provided as part of its role, with a particular focus on pre-development application work and post-approval compliance and implementation work.

The regulatory change aims to broaden or confirm the ability of MEDQ to impose charges or levies for various services, including those related to pre-lodgement meetings, policy considerations, declaration processes, monitoring of Development Schemes, and other activities associated with plan sealing and ongoing development scheme effectiveness. The overarching goal is to enhance the financial sustainability of MEDQ by allowing cost recovery for a more extensive set of services provided to support the achievement of Development Scheme objectives and ongoing PDA implementation.

The process for determining the fee will be considered through an operational mechanism. A cost analysis will be considered, ensuring that fees remain relative to the fee being provided. Any legislative requirements or guidelines related to fee-setting will be considered. Regular reviews and adjustments will be part of the ongoing practice to ensure that fees remain up-to-date and reflective of the cost of service delivery.

What options were considered?

Regulatory:

Changes are required to the Act to enable MEDQ to continue to carry out its roles which are not covered by the existing provisions within the Act.

Currently, the MEDQ recovers some costs for providing the following services:

- 1) Development Assessment
- 2) Draft of Development Schemes

However, the ongoing monitoring and implementation of the PDAs has traditionally not been funded through charges or levies on landowners or developers. As the MEDQ moves to the new strengthened model, there is a need to recover further costs for services provided.



Alternative Options Considered:

Non-regulatory:

EDQ is limited to only be able to charge as per what is in the Act under section 129, which only captures fees to recover costs for providing the following services:

- 1) Development Assessment
- 2) Drafting of Development Schemes.

Considering the extensive scope of this provision, there is a potential to increase the fees applied for development assessment provisions. However, it's essential to note that any fee adjustments can only serve the purpose of cost recovery for the specific functions they cover and would not enable MEDQ to defray the costs associated with functions not addressed by these provisions. Presently, MEDQ has the authority to charge a 'reasonable component to recover MEDQ's cost of making or amending the relevant development instrument.' This framework allows for the potential expansion of charges to encompass various matters that are currently not included in the fee structure. These additional charges would be applied as a separate fee, known as the Part B fee, when an applicant seeks approval for a specific use. While this practice is already in place, there is potential for a significant increase in the associated costs to encompass a broader range of matters.

However, a significant limitation of this approach is that it primarily addresses additional costs incurred at the initiation of the PDA and fails to account for comprehensive cost recovery related to the ongoing management of the PDA. It does not provide a sustainable mechanism to recoup expenses linked to the expanding role of EDQ staff in handling inquiries and other matters that extend beyond the current scope.

Moreover, the existing framework lacks provision for PDA revocations. Without a viable financial intervention, the burden of PDA revocations may fall on both EDQ and the relevant Council, potentially jeopardizing the effective utilization or success of the revocation process.

Status-quo:

Under the current system, MEDQ lacks the capability for cost recovery, and it does not establish a 'beneficiary pays' system. Given the growth and maturation of PDAs and the increasing number of PDAs in existence, it is imperative that MEDQ is equipped with the authority to impose charges for the services it provides.

What are the impacts?

Stakeholders:

Economic Development Queensland:

The introduction of charges for select functions could serve to mitigate the volume of recurring inquiries, where members of the general public rely on EDQ's planning staff to resolve planning or design issues, instead of engaging a private consultant for similar services. This potential reduction in inquiry volume not only streamlines EDQ's services but also has the prospect of generating revenue for more complex matters where EDQ's involvement is specifically requested.

The additional revenue generated by this function presents a notable benefit as it has the potential to serve a specific purpose, such as bolstering resources dedicated to handling these inquiries. This, in turn, could enhance customer service by enabling EDQ to address queries more efficiently and comprehensively, reducing the reliance on existing planning staff to handle inquiries that extend beyond their core business functions.



General Public:

The general public would be subject to charges for accessing information that EDQ currently provides at no cost, or for receiving advice that falls outside the scope of any development assessment function. For instance, requests may include seeking written confirmation that a proposed use or design complies with self-assessable provisions of an approval, or obtaining copies of planning approvals via email that are readily available on the Department's website. As a PDA evolves and matures, there is an observable increase in general inquiries, which subsequently extends the response time for EDQ to address queries and furnish written advice.

Developers:

Developers would benefit from more efficient and well-funded services, particularly in areas like PDA declarations, ILUP drafting, and state interest reviews. This could expedite the development process and lead to more predictable timelines.

Developers will likely face increased project costs if charges are imposed for these services, impacting the overall project budget. The outcome of this approach could potentially lead to an expectation of quicker turnaround times or a service level.

There may also be an unintended consequence wherein developers might opt not to engage within a PDA but the probability of this is considered low as:

- EDQ's existing fees are substantially lower than those imposed by local Councils for comparable application types.
- when considering the scale of development activities within PDAs, the upfront costs associated with an application represent only a negligible fraction of the overall development expenses.

Development Industry:

Charging for these services is intended to result in improved service quality, as MEDQ will have the ability to resource these services.

The introduction of charges for specific services may help reduce the frequent enquiries from development professionals. While the information is often readily available, industry professionals turn to EDQ for quick and convenient advice, sparing them the research effort. This potential decrease in enquiry volume not only streamlines the efficiency of EDQ's services but also offers an opportunity for revenue generation, especially in cases where EDQ's direct involvement is explicitly requested for more complex matters.

At this point, the specific services or information subject to charges, particularly those exclusive to EDQ, have not been finalised.

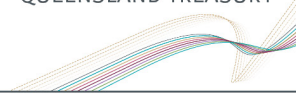
As MEDQ transitions out of the department, it is imperative that the costs associated with providing these services are integrated and financed by the users who directly benefit from them.

Who was consulted?

As part of the ATI consultation process, MEDQ has engaged in a consultation initiative to ensure the proposed amendments to the ED Act and related legislation received diverse perspectives and expert insights. The consultation was aimed at gathering feedback from both governmental departments and key stakeholders to enhance the overall quality and effectiveness of the proposed changes.

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What is the recommended option and why?

The recommended option is to proceed with the proposed amendment, granting the MEDQ the authority to recover costs for a broader range of services related to PDA development, with a specific focus on pre-development application work and post-approval compliance and implementation work.

This change enhances the financial sustainability of MEDQ by allowing cost recovery for a more comprehensive set of services that support the achievement of Development Scheme objectives and



ongoing PDA implementation. While there may be impacts on stakeholders, such as developers, the development industry, and the general public, the benefits of more efficient services and the financial sustainability of MEDQ outweigh the potential increased project costs.

Alternative options are not practical, as they fail to address the full spectrum of expenses associated with the expanding role of EDQ staff in handling inquiries and matters beyond the current scope. The "status quo" approach lacks the ability for cost recovery and does not establish a "beneficiary pays" system, making it unsuitable for the evolving needs of PDAs and the MEDQ.

Impact assessment

All proposals – complete:

	First full year	First 10 years
Direct costs – Compliance costs	\$597,600	\$4,491,103
Direct costs – Government costs	N/A	N/A

Costing was developed from the incremental cost to third parties. Categories of costs are:

- Compliance Cost Recovery**

This category includes costs for third parties to undertake activities which are currently provided at no cost by EDQ. (i.e., PDA enquiry and administration).

 - The incremental third-party labour cost relating to technical input to assist with formation of applications. EDQ require applicants to prepare and lodge applications, assistance with certain application advice is done for free now.
 - Third-party additional costs pertaining to purchasing of professional advice (written confirmation etc), which can include but are not limited to existing applications and approvals, interpretation of planning instruments and written confirmation. These costs relate to EDQ services that are free at this point in time.
- Place Renewal Area - External Compliance Costs**

Costs related to additional work for activities within a PRA, noting an individual or business will already require a planning consultant, so the additional and incremental cost in time for the PRA assessment is minimal.

 - Costing incorporates third-party labour costs to undertake enhanced coordination and integration with other projects to align with the design provisions contained within a PRA.
 - EDQ require applicants to prepare and lodge applications, assistance with certain application advice which is done for free now. Costs include the incremental third-party labour cost relating to technical input to assist with formation of applications.

Graham Fraine
 Director-General
 Department of State Development and
 Infrastructure
 Date: 5/03/2024

The Honourable Grace Grace MP
 Minister for State Development and Infrastructure
 Minister for Industrial Relations and
 Minister for Racing
 Date: 5/03/2024