

5th March 2014

Development Assessment Advisory Team
Review of Queensland's Development Assessment Fees – Consultation Regulatory Impact Statement
C/- Department of State Development, Infrastructure and Planning
PO Box 15009
City East Qld 4002

Submitted via email: sarafees@dsdip.qld.gov.au

To Development Assessment Advisory Team,

Re: Review of Queensland's Development Assessment Fees

On behalf of the Queensland business community, the Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide feedback to the Department of State Development, Infrastructure and Planning (DSDIP) on the review of Queensland's development assessment fees for state interests triggered under Schedules 6 and 7 of the *Sustainable Planning Regulation 2009* and for Brisbane core port land under Section 283ZP of the *Transport Infrastructure Act 1994*.

CCIQ is strongly opposed to any proposed increase in development fees for small and medium businesses in Queensland.

CCIQ sees one of the principal responsibilities of State Government as working to create a business-friendly operating environment. Accordingly, by fostering and promoting a strong and competitive business operating environment, Queensland businesses are free to grow and employ, ensuring our state becomes the best place to do business in Australasia. To this end, CCIQ believes any proposal to increase fees for developments will actively work to deter investment in Queensland and undermine the prosperity of particular industries, such as tourism, that are more exposed by the nature of their ventures, to government approval processes.

Further, CCIQ is of the view that the RIS goes far beyond the 'simplification in fee structures for cost-recovery purposes'. CCIQ supports the notion of full cost attribution but respectfully points out that SARA is already fully funded by the taxes, fees and charges provided to State Government's consolidated revenue.

Increased costs on business deters investment

Small and medium businesses in Queensland are currently exposed to a number of excessive cost pressures on their operating expenses. These include, but are not limited to, rising energy costs, the Fair Work system, a complex and inefficient taxation system and an unprecedented rise in insurance premiums. In light of this, CCIQ remains significantly opposed to any propositions by government to increase the cost of doing business in Queensland, particularly when it is at the expense of development opportunities and/or entrepreneurial investment prospects by increasing the costs for

development assessment and referral via an exorbitant user-pays system. Any proposal that increases the cost or complexity of the development assessment process will have a negative impact on investment in Queensland.

User-pays alternatives

In this case, CCIQ opposes a user pays approach to cost recovery, as it will dis-incentivise government agencies to strive for efficiencies, as any inefficiencies are easily passed onto the applicant. In challenging economic circumstances, governments must always be looking to tighten the gap between costs established and costs recovered, with the current proposal not encouraging closer scrutiny to occur. CCIQ is supportive of focus being placed on developing a more cost-effective development assessment process.

Undermines broader objectives of the Queensland Government

Lastly, CCIQ argues that the proposal leaves particular regions and industries exposed to making larger contributions to agency cost-recovery than others. For example, by nature, tourism development interacts with natural environments and infrastructure that are often 'matters of interest' to the government. Under the proposed scheme, any development initiatives with a tourism focus will be subject to a greater interaction with SARA. As a result, the tourism industry in Queensland is likely to be making a disproportionate contribution to the cost-recovery objectives of the agency over and above other industries and as a result, will be significantly disadvantaged.

With reference to the "*Liberal National Party's Tourism Strategy: The LNP's Plan for Returning Queensland's Tourism Industry to Number 1*", Queensland's tourism economy continues to face ongoing challenges. CCIQ believes any proposal to expose tourism developments to further incur costs in the start-up stages of their enterprise runs contrary to the government's commitment to make Queensland the nation's number one tourism destination and double annual overnight visitor expenditure to \$30 billion by 2020.

Conclusion

In summary, the proposal would result in significantly increased development costs for applicable projects, subsequently likely to decrease and discourage development investment in Queensland and place our state at a competitive disadvantage with others. CCIQ is simply unaware of any business that could increase prices by 873% (\$2.6 million to \$25.3 million). This proposal is at odds with the private sector and we are incredulous that it has been put forward for consideration.

If you have any questions regarding this correspondence, please contact me on (07) 3842 2279 or email nbehrens@cciq.com.au.

Yours Sincerely,



Nick Behrens
General Manager, Advocacy