



**National Office**  
Unit 16, Level 3  
Engineering House  
11 National Circuit  
BARTON ACT 2600

PO Box 5427 Kingston ACT 2604

A.B.N. 34 151 601 937

*Leading effective planning  
for people and places*

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Competition Policy Review Secretariat  
The Treasury  
Langton Crescent  
PARKES ACT 2600

**Via Email:** [jscna@aph.gov.au](mailto:jscna@aph.gov.au)

Dear Review Secretariat

## **COMPETITION POLICY REVIEW**

The Planning Institute of Australia (PIA) welcomes the opportunity to make a submission to the review of competition policy.

PIA is the peak professional body representing 5,000 urban and regional planners across Australia and overseas, who work to create more productive, sustainable and liveable communities. Planners work in all levels of government across multiple agencies, as well as an equally large contingent in the private sector working across all facets of the development industry.

The Planning Institute's views are not influenced by the interests of property, business or product owners. PIA's position statements reflect the general consensus of its members, which is based on advocating for the broader public interest in the development of the built environment for current and future generations. This "greater good" view is an important perspective to be considered in this review of competition policy.

Planning for the future is critical to Australia's productivity and liveability. Our cities and regions are a vital part of Australia's economy, and are essential to our success as a nation. The Planning Institute declares (refer Attachment A) that good planning is the best way to manage urban growth, secure necessary infrastructure investment, determine appropriate settlement patterns for our cities and towns, and generate economic development that contributes positively to the wellbeing of individuals and communities and the natural and built environments on which we rely. Planning is an important tool in effectively managing the numerous and rapid changes facing our communities.

Regulation is one of the tools used in the delivery of high quality urban and regional planning outcomes; although PIA contends that regulation in itself it not planning, nor is regulation the sole delivery agent for good built environment outcomes. Nonetheless, regulation plays an important role in the creation of equitable, accessible and cohesive communities.

### ***Urban planning manages externalities***

Planning, particularly the regulatory components, plays an important role in understanding the externalities of development and then managing them in a way that minimises adverse impacts and capitalises on opportunities. At its origins, the planning profession was borne out of the protection of public health in the industrial revolution, with the need to separate polluting land uses from the population.

Negative externalities that urban planning can address include traffic congestion, noise, light and other emissions that can impact on the health, safety and desired amenity of an area. In addition, urban planning seeks to prevent some of the less measurable externalities of development such as social isolation and disadvantage, which for example, can be created where new development and services are only accessible by private vehicle or where new development creates a physical barrier to access.

Some externalities can be positive and present opportunities to enhance the benefits for many stakeholders. In that instance the role urban planning plays is to assist in maximising the opportunity by guiding development in a way that takes advantage of the benefits. This can range from very local scale benefits to much broader benefits at a regional level. Examples of where there are positive benefits that planning capitalises upon are the creation of homemaker centres where the agglomeration of similar types of businesses attracts comparison shopping. When planned, these centres are able to manage the usual negative externalities such as car parking demand, and provide a more navigable retail environment for shoppers.

While competition can deliver productivity dividends, PIA contends that the externalities on the built environment must be managed for the public good, and that urban planning, through zoning and other planning instruments is an important process. The built environment impacts of unfettered development and competition could negatively impact on broader productivity through unmanaged externalities such as traffic congestion and public health decline.

PIA therefore asserts that urban planning and the use of instruments such as zoning and development controls play a vital role in supporting productivity through managing externalities.

### ***Urban planning provides investment certainty for government and industry***

Urban planning through instruments including zoning, acts to provide certainty for both public and private investment to occur in a way that delivers the best overall outcomes.

One of the roles urban planning plays is to direct development and investment into locations that will best serve the needs of the communities for which they are intended through the use of planning instruments. This includes government investment in infrastructure such as public transport, health and education facilities, civic services and the general investment in the public realm.

Businesses, whether they are retail, commercial, industrial or other types of emerging industries, are generators of employment and provide some form of goods and services for the market. Most businesses need some form of infrastructure to operate whether it is access to transport services, energy or high speed internet. Many require transport access for employees and customers. Many also rely upon connection to other businesses and services to procure and sell products, where often proximity is an important locational factor. Certainty around the locations designated for this activity enable the necessary investments to be made in those infrastructure services, often by government.

Urban planning and the designation of particular areas for commercial retail and industrial activity, including mixed use zones, provides certainty for businesses and investors for where business activity can be located, and where supporting infrastructure exists or is likely to be invested. Long term strategic planning and its eventual implementation through policy and regulatory tools provides greater certainty for business investment

and enables governments to focus their investments in targeted locations to maximise the productivity dividends.

### ***Reviewing planning policy alignment with changing productivity patterns***

In a rapidly changing world, urban planning must also monitor trends and keep pace with the needs of the broader community including the business world. Good planning needs to be guided by the community values, driven at all levels of government and delivered through the experience of the planning profession, through the investment of the private sector and government.

Planning systems around the country have review processes in place to review all levels of planning from the strategic plans through to the development control policies. It is in those review processes that emerging trends and needs from the business sector must be raised in order for the planning policy to be well informed. Ad hoc, business driven demands for changes to agreed plans cause a great deal of community angst and can result in out of sequence, poorly considered outcomes. Ensuring that business needs and predicted futures are well integrated in the engagement process on strategic and policy development consultation processes is critical.

A positive outcome from the review of competition policy would be Government commitment to development of a series of regular productivity communications that translate the emerging needs for business into guidance for urban planning policy makers. This simple and practical step would help to ensure that the needs of the business community are being considered in planning policy development in the many cases where those in the business community fail to adequately engage in the planning system consultation processes.

There are many positive examples of where planning policy and instruments are up to date and are facilitating greater productivity outcomes. This includes in the many mixed use zones around the country, where planning has recognised an emerging need and value of mixed land uses, and have in turn delivered flexible zoning to support a range of land uses over time. Other examples include the change in some country communities where attracting employment and services are considered a very high priority by the townsfolk, and have seen a change from prescriptive zoning for town centres and industry zones to more flexible township zoning arrangements that then rely upon detailed policy to manage externalities development by development. In each type of case the community expectations and the greater good for now and the future must be considered.

PIA acknowledges that there will be examples around the country of cases where implementation of planning through instruments such as zoning and development control could be improved to deliver better opportunities for increased productivity. We encourage the constructive and proactive identification of those opportunities and in turn the engagement by the business community in providing advice on the changes necessary to create built environments that enable productivity to flourish, while managing externalities for the greater good.

PIA cautions this competition policy review against recommending the removal of, or significant change to, planning policy instruments and processes with the sole purpose of removing “obstructions” to productivity. Good planning supports productivity. Through the implementation of sound planning systems and the involvement of the business community in the strategy and policy engagement processes, urban planning can and does support the delivery of enhance productivity.

### ***Planning systems that support productivity***

PIA advocates for the adoption of a set of planning system principles (refer Attachment B) across the country that would provide a clear framework for the effective operation of planning systems. A more consistent approach to planning systems nationally would enhance productivity and would create an operating environment that is more conducive to implementation of any necessary regulatory reform when required. The PIA position of Planning System Principles in the attachment was developed based on the work championed

by the previous Planning Officials Group. That group comprised the heads of each state and territory planning department, but ceased operation following the changes to the Ministerial Council structure.

PIA would argue that cross jurisdiction collaboration and information sharing across a range of issues is needed in order to help inform better urban and regional policy development and implementation. The area of productivity and the sharing of industry trends and results of pilot trials of new policies and programs would benefit greatly from great cross-jurisdiction collaboration, where the value of collaboration would far exceed the nominal costs of facilitating the interaction.

On that account PIA advocates that the Government should make a small investment in fostering the collaboration of State and Territory Planning Officials with a focus on projects and topics where collaborative activities can be developed and shared for the broader productivity dividends of the country. As the peak body representing the planning profession, PIA would gladly assist the Government in achieving this objective.

### ***Recognition of urban and regional planners***

Urban and Regional Planners are highly qualified professionals who have completed at least a 4 year undergraduate degree and/or a post-graduate qualification (typically Masters). PIA accredits 54 university Urban and Regional Planning courses at 22 universities across the country. To qualify as a professional member of the Planning Institute the professional must also agree to abide by of Code of Professional Conduct and complete continuing professional development annually.

Unlike our architecture and engineering counterparts however, urban and regional planners are not a registered profession. The result of this is that there are many inappropriately qualified (or even unqualified) individuals that are operating in both the private and public sector. We regularly receive code of conduct complaints against people who are not our members, and can therefore take no action to investigate or address the allegations.

PIA contends that the act of urban and regional planning has significant consequences on the productivity, liveability and sustainability of our communities and nation. Ensuring that the consumer (including government) gets the quality of professional advice that they expect when engaging a planner would be more greatly assured through the introduction of a form of registration for urban and regional planners. While PIA membership currently provides assurance for those that are PIA members, membership is voluntary and there are many more people operating as “planners” without any verification of their qualifications.

We ask that this matter be considered and that we have the opportunity to discuss this matter further with the appropriate personnel.

PIA contains a wealth of experienced practitioners across the country that would be willing to assist in this review, particularly in addressing any specific examples and proposals that may come forward on changes to land use planning policy and processes. We would be pleased to provide further advice and connection to practitioners to ensure the final recommendations put forward by the review are well considered.

For more information more information please do not hesitate to contact me at [Kirsty.kelly@planning.org.au](mailto:Kirsty.kelly@planning.org.au) or 0408 187 128.

Yours faithfully,



Kirsty Kelly MPIA CPP  
**Chief Executive Officer**

# What is good planning?

## PIA POLICY POSITION STATEMENT

### PIA POSITION

Planning for the future is critical to Australia's productivity and livability. Our cities and regions are a vital part of Australia's economy, and are essential to our success as a nation.

The Planning Institute of Australia (PIA) declares that good planning is the best way to:

1. Manage urban growth;
2. Secure necessary infrastructure investment; determine appropriate settlement patterns for our cities and towns; and
3. Generate economic development that contributes positively to the well-being of individuals and communities and the natural and built environments on which we rely.

Planning is an important tool in effectively managing the numerous and rapid changes facing our communities.

### GOOD PLANNING PRINCIPLES

PIA has adopted the following set of Planning Systems Principles to guide the planning activities of the planning profession that address the purpose of planning:

1. Improve urban form, legibility and coherence to balance and achieve social, economic and environmental outcomes;
2. Foster efficient and effective settlement patterns to promote prosperity, equitable distribution of resources and opportunities;
3. Predict, avoid and ameliorate the adverse economic, social and environmental consequences of human activities, promote intergenerational equity, prudent use of non-renewable resources, the sustainable use of renewable resources, and the precautionary principle; and
4. Reflect our distinctive national character, nurture vibrant

communities and contribute to our knowledge of ourselves and our built and natural environments.

### THE CORE ELEMENTS OF GOOD PLANNING

Good planning requires high quality, transparent and efficient planning practices and systems. To achieve the outcomes that advance the public interest requires the following core elements:

1. Opportunities for the community and key stakeholders to actively contribute to the planning process in a manner that is effective, inclusive, respectful of community values and genuine;
2. Strong leadership from both the industry and elected members that values and respects the need and benefits of effective planning;
3. A planning profession and workplace culture that delivers and embraces the value of planning;
4. Legislation and governance structures that facilitate integration of national, state, regional and local policies in a clear hierarchy, including spatial plans at both regional and local scales;
5. Evidence-based strategic planning at all levels of government, and a demonstrated commitment to implement plans aligned with infrastructure funding and delivery;
6. Planning instruments that are performance-based, responsive, equitable, legible and provide certainty around planned outcomes and milestones;
7. Advice and support from a range of disciplines such as urban design, engineering, transport planning, social planning, ecology, and/or a range of others, that inform and add value to the planning efforts; and
8. Planning rules and approval conditions that deliver positive environmental and social outcomes.

 *Planning is an important tool in effectively managing the numerous and rapid changes facing our communities* 

## GOOD PLANNING DELIVERS OUTCOMES

PIA believes that good planning delivers outcomes that can be measured against performance indicators that include the following:

1. Stronger communities and choices available for where and how people live and work – such as, shorter travel times to work; safe and walkable neighbourhoods; a range of choices and opportunities of places to live; and better education, healthcare and recreation opportunities that are respectful of cultural diversity;
2. Confidence in the return on both public and private sector investment in infrastructure, construction and property development, including improvement in Australia's GDP and infrastructure delivered in a timely manner;
3. Places of inherent value and opportunities for current and future generations, such as a reduction of health-related illnesses and providing interesting streets and places to visit;
4. Considered decisions that achieve balance between new development, essential services, protection of the environment and heritage, and which encourage innovation in terms of, for example, environmental sustainability and quality urban design outcomes; and
5. Resilient communities able to mitigate and adapt to the impact of climate change and natural hazards, including reduced recovery and reconstruction costs, and reduced loss of life, property and essential infrastructure.

## GOOD PLANNING INVOLVES THE ACTIVE PARTICIPATION OF ALL STAKEHOLDERS

Good planning is guided by community values, driven at all levels of government, and delivered through the experience of the planning profession through the investment of the private sector and government. Key stakeholders include:

1. Residents and communities - contributing knowledge and local context to shape the planning and design responses;
2. Federal Government - providing direction and guidance on the provision of infrastructure and protection of values of national significance, monitoring the performance of our cities, and delivering microeconomic reform to enable planning systems and processes to work effectively;
3. State government - delivering legislation and systems that support local governments and foster social, environmental, economic and cultural wellbeing;
4. Local government - empowered to implement planning solutions that are in the best interest of the broader community, and founded on policy and strategy that is informed by evidence and broad stakeholder consultation; and
5. Property development and construction industry - investing in our cities, towns, communities and infrastructure that supports liveable communities.

 *Good planning is guided by community values, driven at all levels of government, and delivered through the experience of the planning profession through the investment of the private sector and government* 

# Planning Systems Principles

## PLANNING INSTITUTE OF AUSTRALIA (PIA) POSITION STATEMENT

**Government – Federal, State and Territory - has come to better understand and use urban and regional planning practice to improve development outcomes, coordinate infrastructure, manage resources, protect the environment, improve quality of life, and enhance productivity.**

However, PIA believes there is significant room for improvement, particularly in following through on implementation.

The COAG review of city strategic planning systems broadened the understanding of planning beyond development control, through to its application as a strategic tool. This needs to be maintained, along with cultivating a greater appreciation by the nine governments that Australia's planning systems and any policies that have spatial and growth management implications, greatly influence the economic, social and environmental performance of the nation's major urban and regional centres.

PIA, on its own account and in collaboration with like-minded organisations, acknowledges there are significant risks of failing to properly appreciate, foster and action good planning outcomes

for Australia's cities and regions. It is essential to do this in the context of an all-inclusive planning system, not individual compartments that in isolation have the potential to result in sub-optimal outcomes.

### PLANNING SYSTEMS

The eight planning systems are highly sophisticated chains of decision-making that have much in common and generally operate in accordance with the framework shown in Figure 1 (attached).

The planning systems which exist in each jurisdiction involve broad-level visions informed by evidence-based strategies and policies. Investing in strategy and policy generates better planning outcomes. Despite its prominence in public debate, development control is simply the tool for implementation of these broader strategies and visions. Whilst an effective Development Control system is necessary, any changes to the outcomes of standards and delivery needs to be supported by the broader vision and policies.

### THE PRINCIPLES

PIA contends that the following three groups of principles should be better employed by

the states, territories and local government, and recognised by the Australian Government through the COAG process <sup>1</sup>. They are fundamental to enhancing national productivity and enhancing development control practice as part of any micro-economic reform agenda.

#### 1. PURPOSE PRINCIPLES

- Improve urban form, legibility and coherence to balance and achieve social, economic and environmental outcomes.
- Foster efficient and effective settlement patterns to promote prosperity, equitable distribution of resources and opportunities.
- Predict, avoid and ameliorate the adverse economic, social and environmental consequences of human activities, promote intergenerational equity, prudent use of non-renewable resources, the sustainable use of renewable resources, and the precautionary principle.
- Reflect our distinctive national character, nurture vibrant communities and contribute to our knowledge of ourselves and our built and natural environments.

## 3 TYPES OF PRINCIPLES

There are three types of Planning Systems Principles:

### PURPOSE PRINCIPLES

why we plan

### SYSTEMS PRINCIPLES

how we should plan

**ISSUES PRINCIPLES** which issues or problems should be addressed through planning

<sup>1</sup> Derived from unpublished National Planning Systems Principles developed by the Planning Officials Group, 2009

## 2. SYSTEMS PRINCIPLES

- Combine and rationalise governance structures, functions, policies and processes under a clear set of rules to produce a coherent and integrated outcome (i.e. subsidiarity principle).
- Make consistent the conditions under which development will proceed, the rate and scale at which it will take place and the way planning principles and mechanisms will be applied.
- Have the flexibility to respond to changing and unforeseen circumstances.
- Protection of personal rights and equitable access to appeal mechanisms (in-line with DAF leading Practice Model).
- Clear and appropriate accountability for decisions as described in legislative provisions and organisational structures.
- Promote community engagement, including consultation, participation and increased community understanding and support for planning processes.

## 3. ISSUES PRINCIPLES

- Design urban structures from the macro or regional scale, to the relationships

between individual built forms and the public realm; promote diversity and vitality.

- Integrate infrastructure provision with land use and development; link to funding arrangements.
- Promote social opportunity nationally and ameliorate social inequality.
- Protect and restore areas of environmental value as part of a 'triple bottom line' commitment.
- Deal with housing choice and affordability in an integrated way through the planning system.
- Foster resilient, healthy urban form through addressing land use hazards.
- Coordinate transport planning and investment along with improved mobility and accessibility, to promote alternative forms of movement.

### PIA ACTION

PIA will advocate that the Planning Systems Principles be adopted by COAG for improved national consistency and productivity in the development of future planning legislation.

PIA will advocate the Principles to state and territory planning ministers for the enhancement of current planning systems to better reflect the Principles.

PIA will advocate for the formal re-establishment of a Ministerial Council that deals with urban and regional planning as part of its agenda.

PIA will advocate for the implementation of the actions called for in 'A New Deal for Urban Australia', which includes a Minister and Department for Cities and Urban Development.

### RELATED REFERENCES

**National Planning Systems Principles**, Planning Officials Group 2009

**Planning Matters: Shaping the World Today for Tomorrow**, PIA 2013 ([www.planning.org.au/policy/planning-matters](http://www.planning.org.au/policy/planning-matters))

**Our Cities, Our Future**, A national urban policy for a productive, sustainable and liveable future, Australian Government, 2011 ([www.infrastructure.gov.au/infrastructure/mcu/urbanpolicy/index.aspx](http://www.infrastructure.gov.au/infrastructure/mcu/urbanpolicy/index.aspx))

**Sustainable Australia – Sustainable Communities, A Sustainable Population Strategy for Australia**, Australian Government 2011 ([www.environment.gov.au/sustainability/population/publications/pubs/population-strategy.pdf](http://www.environment.gov.au/sustainability/population/publications/pubs/population-strategy.pdf))

**Capital City Strategic Planning Systems**, COAG Reform Council, 2009 ([www.coagreformcouncil.gov.au/agenda/cities](http://www.coagreformcouncil.gov.au/agenda/cities))

**A Call to Action**, ASBEC 2013 ([www.asbec.asn.au/wordpress/wp-content/uploads/2013/07/130628-ASBEC-Policies-for-a-Sustainable-Built-Environment-Final.pdf](http://www.asbec.asn.au/wordpress/wp-content/uploads/2013/07/130628-ASBEC-Policies-for-a-Sustainable-Built-Environment-Final.pdf))

**A New Deal for Urban Australia**, The Urban Coalition, 2013 ([www.planning.org.au/policy/a-new-deal-for-urban-australia](http://www.planning.org.au/policy/a-new-deal-for-urban-australia))

## PIA ADVOCACY AGENDA

**PLANNING** Systems Principles are adopted by COAG

**STATE** and territory planning ministers enhance current planning systems to better reflect the Principles.

**RE-ESTABLISHING** a Ministerial Council that deals with urban and regional planning

**IMPLEMENTING** the actions called for in 'A New Deal for Urban Australia'



[www.planning.org.au](http://www.planning.org.au)  
 PO Box 5427, Kingston ACT 2604  
[policy@planning.org.au](mailto:policy@planning.org.au)  
[@pia\\_planning](mailto:@pia_planning)  
 CEO Kirsty Kelly



Figure 1. PLANNING FRAMEWORK

