

Productivity Commission focus on cities raises concerns about inflexible planning systems

Monday, 30 October 2017

The Productivity Commission's 5 year productivity review raises significant issues about inflexible planning systems that are impacting on the nation's productivity, says the Urban Taskforce.

"The 5 year review of Australia's productivity has a clear focus on the nation's cities which are the key to the country's output," says Urban Taskforce CEO, Chris Johnson. "The key focus is on the productive potential of urban land and the need for planning reform to ensure efficient use. The Productivity Commission is critical of the failure of the proposed planning reforms in NSW in 2013 and encourages the government's more recent reform proposals. The report however does express concern that the original proposals to simplify the 'overly restrictive zoning regulations' are not part of the current package."

"The Urban Taskforce supports the Productivity Commission's concerns about the excessive number of zones in the NSW planning system at a time when many uses are able to be located together. The Commission refers to the eight types of business zone categories with their narrow definitions of uses that need to be simplified. The commission also calls for a ban on regulation that favours particular operators and sets proximity restrictions."

"A common theme from the Productivity Commission over recent years has been the streamlining of development assessment systems and this is a feature of their latest report. The Commission points out that large-scale projects in Melbourne are assessed by the Minister for Planning and that the large scale of Brisbane City council lead to more efficient approval processes than through local councils. Code assessment is supported in the report although it acknowledges that NSW has rejected this path."

"Stamp Duty is seen by the Productivity Commission as a discouragement to people to downsize to a smaller home or to move closer to preferred jobs and has proposed that Stamp Duty be phased out and replaced by a broad based land tax. The report outlines that the ACT is going through this process and recommends that all State and Territory Governments should move from stamp duties on residential and commercial properties to a broad-based land tax on the unimproved value of land. The urban Taskforce has championed the same policy for some years."

"The Urban Taskforce strongly supports the Productivity Commissions 5 year review and its focus on the need to reform planning systems as they effect the productivity of Australia's cities. Urgent reform of state planning systems is needed as the current systems are holding back economic productivity and impacting on housing affordability."

The Urban Taskforce is a property development industry group, representing Australia's most prominent property developers and equity financiers.

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