

14 December 2021

Ms Melva Hobson  
President  
Organisation of Sunshine Coast Association of Residents (OSCAR)  
(and on behalf of Maroolia Community Group,  
Seaside Shores Community Association,  
Sunshine Coast Environment Council)

Email: [mail@oscar.org.au](mailto:mail@oscar.org.au)

Dear Ms Hobson

**Re: Sunshine Coast Airport - Designation as a Priority Development Area (PDA)**

I refer to your letter dated 6 November 2021 written on behalf of a number of community organisations, in relation to the proposal considered at the Special Meeting held on 8 November 2021, to support an application to Economic Development Queensland for the Sunshine Coast Airport (SCA) site to be declared a Priority Development Area (PDA) under Section 37(1) of the *Economic Development Act 2012*.

As you would be aware, Council supported this proposal at the aforementioned Special Meeting and during the course of the meeting, many of the questions posed in your letter were addressed. That said, I would like to provide a brief response to each of the matters which you raised.

- 1. Why is there such a rush to put this proposal to Council and only allowing a few days for the community to make any response to the proposal? In effect members of the community have had 2 working days to review the proposal, seek responses from members, let alone discuss the issue with Councillors. Similarly, Councillors have had no time to consult with their communities.*

Response

The proposal that the SCA should be declared a PDA was not rushed. In fact, the Airport has been requesting planning certainty to facilitate diversification for some time. The SCA is a key contributor to the regional economy, but the impacts of the COVID-19 pandemic on the tourism industry and airport operations has emphasised the importance of SCA Pty Ltd being able to pursue additional and alternative revenue streams consistent with its Master Plan and aligned with Palisade Investment Partners' investment plans.

Councillors received extensive information in relation to this proposal prior to its consideration in order to inform the decision they ultimately made. The Special Meeting Agenda for the 8 November 2021 meeting including the Council Report and associated

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attachments were published on Monday 1 November 2021 at 4.51pm. It is not correct therefore, to suggest that the community had less than two working days to review the proposal, seek responses and discuss with Councillors.

2. *Given the information in Figure 1. Possible Landuse Planning Options (Agenda document page 26 of 39), and if speedy action is required on economic grounds, then why hasn't Council considered using a Temporary Local Planning Instrument (TLPI) for the Gateway and Aerospace areas? Is it the fact that there are NO Third Party appeal rights under a PDA that is attractive to Palisade investment Partners and Council?*

#### Response

For a Temporary Local Planning Instrument (TLPI) to have the desired effect of enabling development to proceed immediately in the Gateway and Aerospace Precincts, the TLPI would have to make the intended land uses in those precincts subject to code assessment, which effectively would remove the requirement for public notification of any proposed development application and remove third party or submitter appeal rights.

Accordingly, from the perspective of notification of development applications and submitter appeal rights, there would be no substantive difference between the statutory impact of either a TLPI or a Development Scheme made under the *Economic Development Act 2012*

However, because Council would be both the landowner and the proponent of the TLPI, its role in proposing and making a TLPI and then subsequently being the decision maker on any development applications, could represent a potential conflict of interest – a conflict that is better mitigated by the declaration of the site as a PDA.

3. *The Sunshine Coast Airport is a community asset and we ask why Sunshine Coast Regional Council (SCRC) wants to lose control of this asset and particularly without ANY community consultation on the proposal to do so (Meeting Agenda p11 of 39). We remind the Council that the land and current infrastructure is owned by the community and entrusted to the non-elected bureaucracy and elected councillors to manage on their behalf.*

#### Response

It should be noted that much of the land on which the SCA is situated was originally State-owned land. That land was transferred to Council between 2014 and 2016 in freehold tenure to facilitate the Airport expansion project and better position the asset for private investment. In supporting the declaration of the SCA site as a PDA, Council is continuing the act in a manner that is consistent with the intent of the land transfer arrangements put in place some years ago. The declaration of the site as a PDA does not change the freehold nature of the site or ownership of the site in any way. Council still retains ownership of the Airport land.

Once the PDA is declared, Council would continue to maintain its role as landowner of the site and would be an advice agency in the context of both the preparation and consideration of the development scheme (and any amendment to the development scheme) and in the context of any development applications made under the approved development scheme.

As landowner, Council's consent for any application over the site must also be obtained, hence this provides a key lever for Council in the context of any development proposal that may be considered to be incompatible with the Airport objectives and/or the approved development scheme for the site. In this regard, Council oversight continues to exist.

4. *Council is in the process of developing a new Planning Scheme by 2024. Given the process and timeframes of a development scheme under the Economic Development Act 2012, wouldn't developing a Master Plan or refining the current 2040 Airport Master Plan (AMP) developed in 2019 within the Planning Scheme process in effect see a faster "turn round" than working through the Economic Development Act? What are the benefits of a PDA process versus managing the AMP 2040 under the existing Planning Scheme or the PS 2024?*

#### Response

The *Economic Development Act 2012* was established to facilitate economic development and development for community purposes in Queensland. The *Economic Development Act 2012* provides a mechanism that would afford clearer separation between the respective roles and interests of Council, through the declaration of the SCA site as a PDA. As a PDA, the planning and development assessment approval authorities would reside with Economic Development Queensland – not Council.

Should the State declare the SCA site as a PDA, a development scheme (akin to a site-specific planning scheme) would be developed within approximately 12 months. At the time of declaration, an Interim Land Use Plan is put in place against which all development at the site would be assessed before the development scheme is made. The PDA process is a more timely and expeditious process than developing a new land use Master Plan for the SCA site and then seeking to incorporate the Master Plan into the existing planning scheme through a scheme amendment process. Pursuing the development of a new Master Plan and then progressing a scheme amendment does not mitigate the impacts of the potential conflict of interest for Council, unlike would be the case with a PDA managed by Economic Development Queensland.

The *Sunshine Coast Planning Scheme 2014* was put in place prior to the current model of ownership for the SCA being determined and prior to the development of the SCA Master Plan 2040. For the SCA to achieve the outcomes that have always been envisaged for that asset and with a reasonable level of certainty associated with the scale of intended investment, an appropriate land use planning regime needs to apply to the site.

The current planning regime (i.e. through the *Sunshine Coast Planning Scheme 2014*):

- is a significant impediment to future SCA development and will be difficult and time consuming to modify and respond to the needs of a contemporary airport; and
- is not a responsive instrument that affords sufficient certainty for the necessary investment in the site to be realised.

Specifically, in terms of SCA Pty Ltd's proposed Gateway Precinct development (which is part of the first phase of implementation of the SCA Master Plan 2040), dealing with this development under the *Sunshine Coast Planning Scheme 2014* offers little certainty that all requisite approvals would be in place in a timely manner to facilitate investment and enable

construction in the near future. In this context, Council and the region's ratepayers could also be exposed to the cost and time impacts of submitter appeals that would:

- Frustrate the timely delivery of the freight and logistics facility, potentially delaying development of the site for some years while any third-party appeals are resolved
  - Unnecessarily delay and potentially inhibit the realisation of important economic benefits for the region associated with the proposed circular advanced food and beverage manufacturing hub to be co-located with the freight and logistics facility, which would capitalise on and add value to the region's strong and growing agribusiness industry and facilitate its associated export growth potential and
  - Result in significant and (unnecessary) financial implications for Council in terms of participation in any appeal processes (planning and/or judicial review), with the latter being a potential scenario given Council's ongoing conflict of interest.
5. *By developing/refining the existing Master Plan as part of the PS 2024 wouldn't such still allow SCRC to achieve its objectives for the Airport as listed on page 11 of 39 of the Agenda document, while retaining the community asset, allowing the community to have input into the plan? We remind Councillors that the report to Council (page 7 of 39) confirms that SCRC has NOT endorsed the Master Plan and only indicated that it met the contractual requirements of the airport lease agreement: In the case of the SCA, and Airport Master Plan was prepared and in October 2019, it was acknowledged by Council that it met the contractual requirements under the terms of the 99 year commercial lease agreement that came into effect on 1 December 2017.*

*It should be noted that the SCA Master Plan (AMP) was contentious with significant opposition/concern regarding some elements of the Master Plan and the lack of detail/paucity of relevant information. Further, it was referenced multiple times in the AMP and in commentary during the tender process (and when 'awarded' to Palisade) there would be additional assessments and applications that would need to be undertaken which would involve consultation opportunities for the community - and through the SCPS. It was also consistently reinforced the SCA is a significant community asset. We suggest that there are many within the community, particularly north of the Maroochy River, where OSCAR and 5 other community groups have been in correspondence/meetings for over 2 years with Economic Development Queensland (EDQ) regarding a proposal for an intense residential development and wave pool at Coolum West. Still there has been no meaningful response by EDQ.*

#### Response

Please see the response to Question 4. Council is not able to comment on the nature and timing of responses which OSCAR may or may not have received from Economic Development Queensland on other matters.

6. *The Report to Council makes reference to the 406 submissions made in response to the Draft Airport Master Plan consultation process in 2019. What will Council do with the information gathered from the first round of consultation on the Master Plan? Will this information now be deemed redundant? Why can't SCRC use those submissions in the development of a final Master Plan as opposed to leaving such development to EDQ, where there is no guarantee, despite 30 days community consultation that EDQ will take notice of the community views?*

*The report states that in terms of assessment and SCRC conflicts that, "Legal advice obtained on this matter suggests Council could implement alternative governance and probity arrangements which could address any potential conflict between its position as owner of the SCA and its role as the assessment manager for the development of the SCA land under the Planning Act 2016." Why doesn't SCRC use this process and why is it not outlined in detail in the report? It is our understanding that such a process with an external consultant was used in the assessment of the Brisbane Road carpark. This is an example of a large project where the planning consultant worked with council planners for a good outcome on council-owned land.*

### Response

Of the 406 submissions made to the SCA on the draft SCA Master Plan in 2019, more than half (51%) were from the Noosa Shire and as such, are not a consideration in the context of the proposal to support the declaration of a PDA over the SCA site.

Of the submissions received in 2019, 25% related to flight paths and the closure of the former Runway 18/36 and a further 12.5% related to the imposition of a curfew on the operations of the SCA. Both matters have no relevance to the declaration of the SCA site as a PDA as a PDA governs land use, not aircraft movements.

Council acknowledges that in 2019, there were submissions on the draft SCA Master Plan regarding traffic impacts on David Low Way and changes were made to the Master Plan, at that time, to reflect a staged approach to freight, the location of freight distribution to the Gateway Precinct and to examine options for an internal road access to the Northern Precinct. In any event, traffic and road impacts would need to be considered as part of the development of a Development Scheme if the SCA site is declared a PDA and in addition, any development applications lodged with Economic Development Queensland as the assessment authority, would require consideration and justification of any traffic impacts and road changes proposed.

It is important to note that the SCA Master Plan 2040 is not a traditional land use plan. The proposed land uses, and precinct planning proposed in the SCA Master Plan 2040 will need to be supported by detailed technical studies before being incorporated within a planning instrument (whether that be an Interim Land Use Plan or Development Scheme). The Development Scheme is also subject to public notification requirements, so the final Development Scheme may be amended in response to community feedback.

Regardless of the external consultant assessment option highlighted in the legal advice and referred to in the Council report, the issue of Council's conflict of interest remains. Council owns the land and any plan-making or development assessment decisions made in relation to that land will impact the land value and potentially the return generated for Council from Airport operations.

The comparison with the Brisbane Road Car Park site is not a valid one. In the case of the Brisbane Road Car Park site, Council always retained the discretion not to proceed with the development of that site and in doing so, did not need to consider the interests of any related party. In the case of the SCA, there is a related party – SCA Pty Ltd owned by Palisade Investment Partners – and as indicated in the report considered by Council on 8 November 2021, Council is party to a commercial agreement and lease with SCA Pty Ltd and has an



ongoing interest in ensuring the Airport is operated and developed in accordance with the Airport Objectives. As indicated in the Council report, the Airport Objectives include:

1. to maximise the economic benefit to the parties and the Sunshine Coast region in accordance with Good Business Practice
2. to maximise revenue opportunities for the Airport in accordance with Good Business Practice.

The conflict of interest for Council in relation to planning and development assessment matters associated with the SCA site is real and is not directly comparable to other commercial assets held by Council, with the exception of the Maroochydore City Centre land which, as you are aware, is also a PDA.

7. *SCRC suggests that its conflict as a profit sharer in the airport is only removed by the declaration of a PDA for the airport. However, recommendation "D" (p 10 of 39 Agenda report) states that: note, that Council as landowner must provide consent to any development application made over the site, which provides a key lever for Council in the context of any development proposal that may be considered to be incompatible with the Airport objectives and/or the approved development scheme for the area. The question then is, is SCRC being hypocritical in maintaining that a PDA will remove the profit-sharing conflict? Has Council considered using a probity "auditor" type of arrangement, overseeing the assessment process and reporting publicly on the impartiality of the assessment process? Such processes have been used in other Local Government Areas and not related to financial transactions. It could be said that by moving planning and assessment to EDQ for whatever reason, Council, if they accept this motion, is effectively showing bias exactly as they are professing to avoid?*

### Response

With respect, I don't believe this question demonstrates a fulsome consideration of how conflicts of interest of this nature are best managed. Transferring decision-making responsibility for a matter in which the current decision-maker (in this case, Council) is acknowledging the existence of a conflict of interest is:

- accepted good governance practice
- consistent with advocating greater transparency in decision-making and
- ensuring that decisions made by the new decision-maker (in this case, Economic Development Queensland) are not perceived to be influenced by other considerations (ie. less likelihood of the perception of bias).

As indicated above, the potential declaration of the SCA site as a PDA is not inconsistent with the approach which Council has taken since 2013 with the Maroochydore City Centre. This approach was similarly taken to avoid the potential conflict of interest that exists for Council in maximising the commercial performance of that development which could conflict with the discharge of the planning and development assessment responsibilities.

By having the State discharge the review, approval and oversight functions afforded under the *Economic Development Act 2012* in relation to the plan making and development assessment functions for the SCA site, Council will avoid any suggestion that SCA related planning decisions were influenced by either Council's commercial or community interests.

It would also potentially mitigate the prospect of such decisions being subject to legal challenge and review – which may likely be the case if Council retained responsibility for such decisions.

Thank you again for taking the time to raise these matters on behalf of your members. Should you wish to further discuss this project, please contact Debra Robinson, Director Major Projects and Strategic Property on mobile 0408 001 276 or via email at [debra.robinson@sunshinecoast.qld.gov.au](mailto:debra.robinson@sunshinecoast.qld.gov.au).

Yours sincerely



**EMMA THOMAS**  
**CHIEF EXECUTIVE OFFICER**

cc: Mayor Mark Jamieson – Sunshine Coast Council  
All Councillors – Sunshine Coast Council