

Impact Analysis Statement template

Summary IAS

Details

Lead department	Department of State Development, Infrastructure and Planning (DSDIP)
Name of the proposal	Supporting the proposed amendments to the <i>Planning Act 2016</i> through the <i>Planning (Social Impact and Community Benefit) and Other Legislation Amendment Bill 2025</i>
Submission type (<i>Summary IAS / Consultation IAS / Decision IAS</i>)	Summary IAS
Title of related legislative or regulatory instrument	<i>Planning (Social Impact and Community Benefit) and Other Legislation Amendment Bill 2025</i> <i>Planning Act 2016</i>
Date of issue	June 2025

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

Problem identification

Under the existing Queensland planning framework, solar farms are regulated by Local Governments through their planning schemes under the land use term 'renewable energy facility'. Solar farm, unlike wind farm, is not currently defined in the Planning Regulation 2017 (Planning Regulation), and is not regulated via a specific code in the State Development Assessment Provisions.

It is proposed that the Planning Regulation will define solar farm, categorise development for solar farms as impact assessable, prescribe the chief executive as the assessment manager for large scale solar farms, and establish a new state code for large scale solar farm development. This will provide consistency across Queensland regarding the assessment of solar farms, and will provide certainty to local governments that may not be familiar or experienced with solar farm development.

Making SARA the assessment manager for large scale solar farm developments will shift a regulatory obligation onto the state government. Solar farms were previously assessed by the relevant local government as part of their planning functions meaning that the State's involvement, if any, was limited to impacts on state interests.

Under Queensland's planning framework, a fee is generally required to be paid by applicants as part of the process of lodging a development application. These fees help offset the costs incurred by the assessment manager in the process of assessing the development on a user-pays basis.

Currently, the Planning Regulation includes a fee for the assessment of wind farm applications and most, if not all, local governments charge an assessment fee for solar farm applications. There is no existing fee for the assessment of solar farm development in the Planning Regulation as SARA has not previously been involved as the assessment manager.

Impact assessable developments require consideration of a broad range of factors, are publicly notifiable, and can be appealed by members of the public. An impact assessment regime generally entails a significant

demand for pre-lodgement advice from proponents, and a greater need for analysis, modelling, and verification of technical details.

The shift of regulatory obligation onto the state government from making SARA the assessment manager for large scale solar farm developments imposes an additional resource requirement on Planning Group. This additional resourcing burden cannot be reasonably absorbed solely by the redistribution of existing resources within Planning Group.

The methodology for determining SARA assessment fees was established through a Decision Regulatory Impact Assessment undertaken in 2014 to support planning framework reforms. These are calculated by a standard assessment unit (SAU) which is the average number of hours a trigger takes to assess, with the 100% fee being equivalent to 36 hours of assessment time. These assessment fees are currently intentionally less than full cost recovery. Assessment fees can be prescribed based on increments of 25%, 50%, 100%, 200% and 400% of the SAU fee.

The cost to Planning Group (calculated for the 2024/25 Financial Year) for carrying out assessment of applications is expected to be:

- \$29,350 per assessment for large-scale solar farms. Each impact assessable solar farm development is expected to require 107 hours of labour. This is approximately 300% of the SAU. The labour cost to Planning Group is calculated to be approximately \$9,350 per assessment. The costs incurred by Planning Group for the services of external consultants is expected to be approximately \$20,000 per assessment.

Based on existing development application data, the new solar farm assessment function for SARA is estimated to result in a gradual additional anticipated 25 impact assessment development applications to SARA for assessment per annum, by the 2028-29 financial year.

The maximum fee permissible under the Planning Regulation is 400% SAU, which for the 2024/25 Financial Year is \$14,538. All fees and labour costs in the below table are indexed at 3.4% per annum to account for the government indexation rate.

	25/26	26/27	27/28	28/29	30/31
Expected number of assessments	12	15	25	25	25
Associated cost to Planning Group	352,200	455,219	784,493	811,166	838,746
Revenue from max fee	180,388	233,151	401,797	415,458	429,583
Shortfall if fee imposed	-171,812	-222,068	-382,697	-395,708	-409,162
Shortfall if fee NOT imposed	-352,200	-455,219	-784,493	-811,166	-838,746

Local governments are responsible for setting their existing assessment fees. These vary greatly based on a range of factors including what is required for an application, and is subsequently assessed. Therefore, the existing assessment fees levied by local governments range from approximately \$2,000 to \$30,000. The existing fee levied by SARA for assessment of wind farms is \$14,538 (FY 2024/25). The proposed maximum fee, anticipated to be \$15,032 in the 2025/26 Financial Year, is commensurate with the average existing fees levied by local governments for impact assessable development, and by SARA for assessment of wind farm developments.

Impact assessable developments require consideration of a broad range of factors, are publicly notifiable, and can be appealed by members of the public. In comparison, code assessments are limited to consideration of the provisions within the relevant code, are not subject to public notification, and do not have third party appeal rights. An impact assessment regime generally entails a more significant demand for pre-lodgement advice from proponents, and a greater need for analysis, modelling, and verification of technical details. Therefore, considerations of the fees currently levied by local governments for the assessment of solar farms is limited to their applicable fees for impact assessable solar farms.

Of the 77 Queensland Local Governments, only seven have existing fees that are lower than the proposed fee. Therefore, approximately 91% of Local Governments levy fees that are commensurate with the proposed fee, are above the proposed fee, or do not specify a fee for this type of development.

Objectives of Government Action

The objective of government action is to provide for a degree of cost recovery for the assessment of development applications for solar farms which is a new regulatory obligation of the State. This will allow the government to deliver on the objectives of government action proposed by the related *Planning (Social Impact and Community Benefit) and Other Legislation Amendment Bill 2025* (the Bill).

What options were considered?

Option 1: No action - not introduce a new fee for the assessment of large scale solar farms

This option would not introduce a fee associated with the assessment of large scale solar farms.

Not introducing a fee in the Planning Regulation to allow Planning Group to recoup costs associated with assessment of large scale solar farms would restrict the allocation of resources Planning Group would reasonably be able to dedicate to fulfilling these assessment functions.

This would require reallocation of funds away from other functions of Planning Group, and would likely be detrimental to the ability of Planning Group to satisfactorily perform all their usual functions.

This option may also result in the regulatory and Bill amendments, which are currently being considered by the Parliamentary Committee and undergoing public consultation, being unable to proceed.

Option 2: Introduce the maximum fee for the assessment of large scale solar farms by SARA

This option would allow the introduction of the maximum fee (highest fee able to be charged according to the current methodology for determining assessment fees) for the assessment of large scale solar farm development applications.

The maximum fee is lower than the expected costs incurred by Planning Group for each assessment, though it does represent some level of cost recovery.

This proposed fee is consistent with the existing fee for the assessment of wind farms by SARA and is understood to be commensurate with, or less than, existing fees charged by local governments for the assessment of impact assessable solar farms.

Option 3: Introduce a lower fee for the assessment of large scale solar farms by SARA

This option would allow the introduction of a fee (lower than the maximum permissible fee) for the assessment of large scale solar farm development applications.

While this option would allow Planning Group to recoup some costs for the assessment of impact assessable large scale solar farms, the maximum fee currently able to be charged would not even achieve full cost recovery. Therefore, lowering the amount to be charged for these impact assessable development applications would exacerbate the fiscal deficit incurred by Planning Group as a result of implementing the Bill.

While to a lesser extent than Option 1, this option would still restrict the allocation of resources Planning Group would reasonably be able to dedicate to fulfilling these assessment functions. This would require the reallocation of funds away from other functions of Planning Group, and would likely be detrimental to the ability of Planning Group to satisfactorily perform all their usual functions.

This option may also result in the regulatory and Bill amendments, which are currently being considered by the Parliamentary Committee and undergoing public consultation, being unable to proceed.

What are the impacts?

Option 1: No action – not introduce a new fee for the assessment of large scale solar farms

Costs

- *Assessment responsibilities without assessment fees* – the Bill increases the assessment responsibilities of the State, without the proposed changes to fees levied, the State would not receive fees associated with this work.
- *Under resourced assessment responsibilities* – this would restrict the allocation of resources Planning Group would reasonably be able to dedicate to fulfilling these assessment functions.
- *Flow-on impacts* – absorbing additional responsibilities without some revenue offset would require the redistribution of Planning Group resources, which would have flow-on impacts associated with under-resourcing for the other responsibilities of Planning Group.
- *Accumulative impacts* – each assessment of a development application would be run at a substantial cost to Planning Group. The fiscal impact of this might be manageable if the quantity of applications remains low. However, there is a substantial risk regarding the ability of Planning Group to absorb these costs if the quantity of applications were to exceed expectations. Each new application would exasperate the operational deficit.
- *Risks making delivering the policy untenable* – given the cost impost where there is no revenue offset, the Bill may not be able to proceed with implementation of the policy as intended.

Benefits

- *Reduced costs for proponents* – there would be no direct cost impost on proponents, which is a reduction compared to existing costs levied by local governments. Noting that small scale solar farms assessed by local governments would likely still incur an assessment fee payable to the local government.

Option 2: Introduce the maximum fee for the assessment of large scale solar farms by SARA

Costs

- *Cost impost for proponents* – this option would result in a cost impost on proponents. Though, as assessment fees for solar farms are currently paid to local governments, and the proposed maximum fee is commensurate with these existing fees, this is considered to not be a new cost impost on proponents, rather a change in who the fee is paid to. Additionally, under the *Planning Act 2016*, the assessment manager may waive all or part of a development assessment fee where appropriate. This allows for the fee to be reduced where an extensive assessment may not be required.

Benefits

- *The highest-level of cost recovery* – this option would result in the greatest amount of revenue received by Planning Group, though this would still be below full cost-recovery.
- *Lowest impact on the other responsibilities of Planning Group* – this option would not require significant redistribution of existing Planning Group resources. While there would still be an operational deficit associated with each assessment of large scale solar farms, this option would have the least negative impact on the ability of Planning Group to fulfil their other functions under the *Planning Act 2016* and subordinate legislation.
- *Effective operationalisation of the policy* – sufficient ongoing resources would facilitate an operational environment conducive to achieving the policy intent.

Option 3: Introduce a lower fee for the assessment of large scale solar farms by SARA

Costs

- *Cost impost for proponents* – this option would result in a cost impost on proponents. Though, as assessment fees for solar farms are currently paid to local governments, and the proposed maximum fee is commensurate with these existing fees, this is considered to be a reduction in costs for proponents. This option also provides for less costs to proponents than Option 2.
- *Under resourced assessment responsibilities* – while to a lesser extent than Option 1, this would restrict the allocation of resources Planning Group would reasonably be able to dedicate to fulfilling these assessment functions.

- *Flow-on impacts* – while to a lesser extent than Option 1, absorbing these additional responsibilities at a substantial operational deficit would require the redistribution of Planning Group resources, which would have flow-on impacts associated with under-resourcing for the other responsibilities of Planning Group.
- *Risks making delivering the policy untenable* – given the cost impost where there is little revenue offset, the Bill may not be able to proceed with implementation of the policy as intended.

Benefits

- *Moderate cost recovery* – this option would result in a moderate amount of revenue received by Planning Group, though this would still be far from full cost-recovery.
- *Moderate impact on the other responsibilities of Planning Group* – this option would require a moderate level of redistribution of existing Planning Group resources. While there would still be an operational deficit associated with each assessment of large scale solar farms, this option would have a less severe negative impact than Option 1. Therefore, there would be a moderate impact on the ability of Planning Group to fulfil their other functions under the Planning Regulation

Who was consulted?

Consultation on the draft Regulation provided opportunity to capture feedback relating to the assessment process and the intention to include an associated assessment fee, though an indicative amount of the fee was not included. This included briefing sessions with key stakeholders, and an online submissions portal where members of the public could submit feedback regarding any part of the draft Regulation, including intent to impose assessment fees.

What is the recommended option and why?

Option 2 is the preferred and recommended option.

Given the importance of the renewable energy sector to Queensland's continued development, the timely and effective assessment of large scale solar farms is paramount. Providing for no or a limited assessment fee where the chief executive (SARA) is the assessment manager would result in:

- the allocation of resources Planning Group would reasonably be able to dedicate to fulfilling these functions would be insufficient for the timely and effective assessment of large scale solar farms
- other functions of Planning Group would be negatively impacted by the extent existing resources would need to be shifted to the new functions.

Further, a potential risk of these options is the inability to proceed with delivery of the policy. This is an extreme but real risk as the significant shortfall in resourcing might make it infeasible to deliver the policy as intended.

Option 2: Introduce the maximum fee for the assessment of large scale solar farms by SARA (preferred option)

The proposed option for the maximum fee to be payable to Planning Group to support the additional assessment functions resulting from regulatory amendments, is considered to be the appropriate course of action for achieving the policy intent.

This would contribute to providing Planning Group with the resources necessary for implementing the regulatory changes. While this fee is solely for assessment functions, it has an indirect effect on the ability of Planning Group to fulfil other functions associated with delivering the policy. Without introduction of this fee, resources would need to be diverted away from other functions, including compliance and complaints, appeals, enforcement, and mediation.

The assessment of large scale solar farms is a new function for Planning Group proposed through regulatory amendments. This option would help to streamline processes, ensure consistent and high-quality assessments, and allow for specialised expertise to address the unique challenges of renewable energy projects. Further, solar farm application material will be accompanied by technical reports by consultants

such as engineering, acoustics and traffic which will require the procurement of technical experts to assist in the assessment process.

Fees for the assessment of development applications, where the chief executive (SARA) is the assessment manager, are calculated using a standard assessment unit, which is the average number of hours a trigger takes to assess.

The proposed (maximum) assessment fee is necessary for Planning Group to be able to effectively fulfil these assessment functions.

Given that regulatory amendments propose to make the chief executive (SARA) the assessment manager for large scale solar farms, it is considered to be appropriate to introduce a fee for undertaking the associated development assessment functions.

The level and type of implications that are likely to be realised by the proposal are not considered significant given:

- currently, proponents are required to pay a fee, where development is assessable, to the local governments and therefore this fee does not represent a new fee, but a change in who the fee is payable to
- the proposed fee (being the maximum amount permissible) is lower than that charged by most Local Governments as while seven have existing fees that are lower than the proposed fee, approximately 91% of Local Governments currently levy fees that are commensurate with the proposed fee, are above the proposed fee, or do not specify a fee for this type of development.
- the proposed fee is calculated using the pre-existing fees calculator, that was established through a previous Regulatory Impact Assessment, which has a capped amount.

Impact assessment

All proposals – complete [do not delete]:

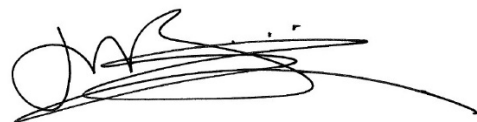
	First full year	First 5 years**
Direct costs – Compliance costs*	Up to an additional \$151,142 total (up to an additional \$12,595 per assessment)	Up to an additional \$1,032,374 total (up to an additional \$11,600 per assessment)
Direct costs – Government costs	Up to an additional \$352,200 total (up to an additional \$29,350 per assessment)	Up to an additional \$3,241,823 total (up to an additional \$31,415 per assessment)

* The direct costs calculator tool (available at gpc.qld.gov.au/best-practice-regulation) should be used to calculate direct costs of regulatory burden. If the proposal has no costs, report as zero. **Agency to note where a longer or different timeframe may be more appropriate.

Signed



John Sosso
Director General
Department of State Development, Infrastructure and Planning
20 / 06 / 2025



Jarrod Bleijie
Deputy Premier
Minister for State Development, Infrastructure and Planning and Minister for Industrial Relations
20 / 06 / 2025