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Environment, Planning and Sustainable Development Directorate

**Via Email: [EPSDDComms@act.gov.au](mailto:EPSDDComms@act.gov.au)**

## **SUBMISSION TO DRAFT ACT TERRITORY PLAN**

Thank you for the opportunity to make this submission to the draft Territory Plan (**the draft Plan**).

The draft Plan is being developed as part of a broader review of the ACT Planning System including a new Planning Bill and District Strategies. The ACT Planning Review and Reform Project is arguably the most important reform impacting the local building and construction industry proposed in this term of the Legislative Assembly. All members of the Master Builders Association are impacted by the reform project, in particular the details of the Plan and its implementation.

The operation of the ACT planning system directly impacts approximately 20,000 people working in the local industry and helps deliver \$4.5 billion worth of building and construction work completed each year. In turn, this helps generate approximately \$1 billion in taxes paid to the ACT Government alone.

Unfortunately, key components of the reform project have been released separately with all components not yet publicly released. This approach makes it extremely difficult to assess the combined impact of each document. As we stated in our submission to the draft Planning Bill, we believe it is important that all aspects of the planning review (the Bill, the Territory Plan, Technical Specifications, and the operational arrangements) be considered in a wholistic way before the planning review is finalised.

We expect the time required to review the draft Technical Specifications and Guidelines will be much greater than the draft Bill and draft Plan.

We request consideration be given to extending the consultation period for the draft Territory Plan until all components of the Reform project are available for review. It is particularly important to consider the Technical Specifications in the context of the broader Reform project. As we have suggested in various consultation forums, it is important that Directorate staff run workshops to the industry, demonstrating how common forms of development would progress through the new planning system and any differences between the current standards and proposed new standards be highlighted.

## Areas of Support

We support the principles of the Reform project and introduction of an outcomes-focused planning system. We support a number of changes from the existing planning rules, namely:

- Allowing a block in RZ2 to RZ5 zones to be subdivided without being required to construct the new dwellings first (as long as it can be demonstrated that the blocks created can accommodate dwellings that meet the planning requirements).
- Increasing the number of dwellings permitted in a multi-unit development in the RZ2 zone.
- Allowing multi unit developments in RZ2 dwellings to be in the form of an apartment (which would enable a dwelling to be on a single level and easier for the resident to age in place).
- Amending vehicle parking requirements to encourage and support active travel.

The concept of District Strategies is supported, provided that the district strategy policy is incorporated into the draft Plan to provide statutory effect. The District Strategies should be expanded over time, as follows:

- Incorporating new infrastructure plans that form part of the ACT's long-term infrastructure plan (when developed).
- Include information about growth staging, showing how infrastructure will be provided to support growth, and by when.
- Updated to reflect the latest population estimates.

## Key Issues

There are three key areas for improvements we would like to highlight below.

We believe it is important that each of these issues are addressed fully and a wholistic response be provided to industry and community for review before the Reform project is finalised.

### ***Issue #1: Lack of Housing to Meet Future Need***

There is a lack of housing analysis prepared by Government to support the housing policies contained in the draft Plan.

The ACT has been undersupplied for land and housing for several years, leading to price increases for ACT housing higher than almost every other capital city.

According to the Missing Middle Canberra's Statement on the draft Territory Plan, *Canberra is in a housing crisis*. The Statement says:

*Over the past five years, Canberra rents have increased by 17%, faster than any other capital city besides Hobart, and Canberra is now tied with Sydney as Australia's most expensive city for renters. Low rental vacancy rates and a persistent housing shortage have pushed up rents and housing costs, while reducing Canberrans discretionary incomes and the competitiveness of local businesses.*

Such a fundamental reform of the ACT planning system, faced with such a failing of past housing policy, should have provided evidence of how the draft Plan will address this important policy issue.

No such analysis has been provided.

According to analysis by MBA Australia, the ACT is likely to fall short of delivering its share of the National Housing Accord's 1 million homes over five years.

This national target will be harder to achieve given the impact of rising interest rates on the ACT market, past housing shortfall, slow land release policies, and the ACT's additional population growth between 2016 and 2021.

Master Builders ACT believes the most effective way to accelerate our supply of new housing is through a combination of accelerating new land release and amendments to the Territory Plan to allow additional housing options in the residential zones, specifically the RZ1 zone.

The proposed changes to residential policies as outlined in the draft Plan are vastly insufficient to increase the supply of affordable and appropriate housing to serve the needs of the current and future ACT community.

We call for the following policies to be adopted in the draft Plan:

- Legalise more private, public, and community-owned duplexes, terrace-houses, and townhouses by upzoning current RZ1 areas to the RZ2 standard and allowing this low-impact housing to be subject to similar streamlined development approval requirements as existing detached homes.
- Rejuvenate local centres and allow for more terrace-housing and low-rise apartment buildings, by upzoning current RZ2 areas to the RZ3 standard.
- Reform the CZ4 local centre zone to more easily allow for apartments above local shops, increasing the height limit to allow at least three storey buildings, while reserving ground floor space for commercial use.
- Enable more sustainable housing designs and reduced housing costs for the increasing number of Canberra families who don't own a car, or only own one car, by reducing mandatory parking requirements to 1 car space per home, across all residential zones.
- Remove the number of storeys limitation for residential uses and replace this limit with an overall height limit (in metres). Note, that this change would alleviate the need to regulate the height of basements.
- Remove all third-party appeal rights for residential uses proposed in residential zones.
- Increase the proposed 50% plot ratio limitation in the RZ1 and RZ2 zones to allow scarce land with this zoning to achieve optimal residential yield.

### ***Issue #2: Lack of Supporting Infrastructure Plan***

If the ACT is to accommodate close to 800,000 people and 100,000 new dwellings by 2050, as forecast by the ACT Government, then a substantial investment in infrastructure will be needed to support this growth.

Investment in new major infrastructure, such as light rail, the stadium, and other major transport infrastructure, presents an opportunity to accommodate additional growth in proximity to this

infrastructure.

Similarly, new planned growth, such as in town centres and the city centre, will require new infrastructure to support it.

There is a strong nexus between land use planning and infrastructure.

However, despite the long-term land use planning proposed in the draft Plan, no such long-term infrastructure plan is presented to the ACT community. Such a long-term infrastructure plan would demonstrate to the community how new growth will be supported by new infrastructure.

Without a long-term infrastructure plan it is understandable that there will be local opposition to new growth until an infrastructure plan is prepared.

While the draft Planning Bill does not explicitly require an accompanying infrastructure plan, the ACT Government has an existing high level infrastructure plan and has announced a commitment to review the current plan (despite an earlier commitment to an annual review).

As part of the broader ACT Planning Reform project, a long-term infrastructure plan should be developed and released for public comment. We recommend the Government release such a plan as part of the wholistic planning reform project and release the infrastructure plan together with the finalised Planning Bill, draft Plan, Technical Specifications and District Strategies, so that all documents can be considered together before these plans are finalised.

### ***Issue #3: Lack of an Implementation Plan***

The draft Plan proposes a significant shift in approach from a prescriptive 'rules based' planning system to an 'outcomes-focused approach. According to the consultation material provided by Government *this is a contemporary approach to planning that encourages better design solutions and innovation while ensuring compliance.*

Master Builders ACT strongly supports the outcomes-focused approach.

However, this approach is unlikely to be successful without development of an implementation plan to support such a fundamental shift in approach.

At the very minimum, additional resources will be needed to be provided within the Directorate (and Design Review Panel and referral agencies) to support the implementation of a new planning system.

However, much more will be needed to be considered in an implementation plan, including:

- Providing design expertise within the Planning Authority who can assess and analyse outcomes-based development proposals, and discuss and negotiate outcomes with development proponents.
- Supporting reforms to the ACT Design Review Panel so that the Panel can assess outcomes-based proposals and provide comments to the Planning Authority.
- Training for ACT Government staff, community and industry members on the new outcomes-based approach.
- Modified administrative arrangements between the Planning Authority and referral agencies, utility providers, the National Capital Authority, and the Design Review Panel

to support the new planning system.

There is also no assessment of the capacity of the ACT's Civil and Administrative Tribunal (ACAT) to assess appeals in an outcomes-focused planning system. Consultation with ACAT about training and resourcing should occur prior to implementation of the new planning system.

## Comment on Dual Occupancy Developments

Government has specifically requested comment on whether more single residential homes should be built within our existing suburbs through increasing dual occupancy developments.

As discussed above, we believe far more ambitious housing policies should be pursued through the draft Plan to allow more housing to be built in our established suburbs, especially in the RZ1 zone.

To achieve this, at the very minimum the dual occupancy arrangements implemented for blocks purchased through the Asbestos Buyback Scheme should be implemented, noting that these reforms allowed dual occupancies to be constructed without paying additional Lease Variation Charges.

We support dual occupancies in RZ1 zones being separately titled.

## Comment on Zone Policies & Technical Specifications

Various amendments are proposed in the Zone Policies and Technical Specifications which impact a wide range of uses, especially residential uses. These changes include:

- Changes to plot ratio and site cover
- Removing restrictions on a basement under two storeys
- Solar envelope changes
- Reducing the maximum height of a lower floor level from 1.8m to 1.0m
- New buffer requirements
- Living infrastructure and urban heat provisions (for commercial and community facility zoned land)
- Bushfire and floor risk mitigation provisions
- Electric vehicle requirements
- End of trip facilities
- Subdivision requirements

It is impossible to provide meaningful feedback on these changes without more information and analysis being provided by the Government, and without all Technical Specifications and Guidelines being available.

The proposed changes have the potential to have great impact on new development proposals. As such, Government should provide a detailed analysis explaining how these changes will impact development design, including providing examples and comparisons of how development would be impacted by the current and proposed changes.

## Transition

We note the draft Planning Bill contains transitional provisions to address the change over from the current to new planning system, allowing development applications lodged before the commencement of the new Act to be assessed under the current regime. We also note that an application to amend a development approval issued under the current system can only be made within 6 months after the commencement of the new regime. Given that amendments to development approvals are sometime triggered during the construction phase, or in fact any time before the completion of the project, the six month timeframe is too short.

The two key dates, being the commencement of the new regime and the expiration of the 6 month date for making amendments to development approvals, have the potential to trigger a spike in applications being made just prior to these dates. Consideration should be given to the following measures to aid the transition process:

- Extending the six month development approval amendment transition arrangements,
- Risk assessing current applications in the system for potential issues, early engagement with proponents to discuss areas of potential concern,
- Adding additional resources in the development assessment team to cover any additional workload triggered by the transition arrangements, and
- Clear communication with industry about the key transition dates and transition arrangements.

## Recommendations

We recommend the following recommendations:

1. That a Regulatory Impact Statement be prepared for the draft Plan and entire Reform Project.
2. The additional development assessment resources be provided to manage the transition from the current to new planning systems.
3. That clear communication occur with industry about the transition arrangements and impact on current projects (both being assessed and in the construction phase).
4. That a long-term Infrastructure Plan be prepared and released which supports the growth plans contained in the draft Territory Plan.
5. The District Strategies are updated based on 2021 ABS statistics and the latest ACT Government population projections. Critically, the District Strategies should demonstrate compliance with the new National Housing Accord showing how the ACT will accommodate its share of 1 million homes over five years.
6. That a detailed housing analysis be prepared and released demonstrate how, where and when new housing will be provided to meet the needs of the current and future ACT community.

7. That an Implementation Plan be developed to support the implementation of the new planning system. Such a Plan should include a review of the operational requirements to implement the new planning system, including:
  - a. The administrative and operational arrangements between the Planning Authority, referral agencies, the National Capital Authority and Design Review panel be reviewed.
  - b. That sufficient resources be provided within the Planning Authority and all agencies responsible for implementing the planning system.
  - c. That government funded training be provided for ACT Government staff, industry and community members on the new planning system.
  
8. That Government commit to review the draft Plan after submissions to the draft Technical Specifications are reviewed in case submissions identify issues which require addressing in the Bill.

## Conclusion

If you would like to discuss any element of our submission, please contact our office on (02) 6175 5900 or [mhopkins@mba.org.au](mailto:mhopkins@mba.org.au).

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Michael Hopkins', with a long horizontal flourish extending to the right.

Michael Hopkins  
Chief Executive Officer