



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PLANNING AND URBAN RENEWAL
Ms Caroline Le Couteur MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair)
Mr Mark Parton MLA

Submission Cover Sheet

Draft Variation 350 - Changes to the definition of 'single dwelling block'

Submission Number: 002 - MBA

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The Committee Secretary
Standing Committee on Planning and Urban Renewal, Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

By email only: LACommitteePUR@parliament.act.gov.au

Dear Committee Secretary

Inquiry into Draft Variation No 350: Changes to the definition of 'single dwelling block'

Thank you for allowing Master Builders ACT (Master Builders) the opportunity to make a submission regarding the Inquiry into Draft Variation No 350 to the Territory Plan.

As you would be aware, Master Builders is the peak industry body representing Canberra's building and construction industry. Our members are predominantly small businesses and collectively employ around 14,000 Canberrans.

DV350

We note that a previous discussion paper published by the Environment, Planning and Sustainable Development Directorate stated that the broader community has little to no desire for high-rise multi-unit developments to feature in some of our older and more established suburbs, such as Aranda. Whilst the implementation of DV350 (with interim effect) may provide further legislative instruments to prevent these multi-unit developments from being approved in established suburbs, Master Builders is of the view that sufficient planning laws and height restrictions are already in place that prevent this from occurring.

In our experience, the development applications that are lodged for the established suburbs are not for high-rise developments (which we consider would be excluded already under the Territory Plan requirements) but are typically for the development of medium scale 3 to 5 townhouses. The developers in these instances are very unlikely to be national corporations and are usually everyday people in the ACT attempting to get ahead, whether it be to invest personally or perhaps establish a self-managed superannuation fund.

Master Builders is concerned about the impact of the implementation of DV350 (with interim effect) on these people and the broader ACT economy. Our concerns can be summarized as follows:

- The interim effect provisions do not consider those people who may have been investing heavily in designs and plans for a significant period, only to find that they will no doubt have to start the process again or significantly modify the existing plans, to comply with the new requirements.
- The changes proposed by DV350 have pre-empted the outcome of the Housing Choices consultation. This has resulted in a mixed message being sent to the community and industry about the government's housing policy and support, or otherwise, for alternate forms of housing (such as townhouses) in residential areas.
- Whilst we understand that the ACT Government wished to avoid a situation where they announced their intended changes and then experienced a rush of development applications to avoid being covered by the new requirements, we believe that public and industry stakeholder consultation should have occurred prior to any variations being implemented. This would prevent existing Owners from having to recommence the design and planning process, which occurs at a significant cost to the Owner.
- **Master Builders calls for a "transition" period, where Owners who can establish that they have been working towards lodging a development application prior to 25 May 2018, would have their development application assessed based on the pre-DV350 requirements.**
- The implementation of DV350 and the essentially retrospective application may be considered to be a denial of natural justice and procedural fairness to a number of applicants who are working towards the pre-DV350 requirements. In that vein, we urged EPSDD to exercise discretion when assessing development applications for those Owners who can clearly demonstrate that they have been working towards the lodgment of a development application.
- We are also interested in whether EPSDD have considered the flow-on consequences if several development applications are refused due to the implementation of DV350, and additional review applications are made to ACAT. **Does the ACAT have the resources to adequately respond to an increased number of reviews?**

Consequences and Examples

The implementation of DV350 does not prevent high-rise multi-unit developments from being built in established suburbs, as this is already prevented by current planning laws.

For example, a couple in their mid-50s purchased an 900m² block in Aranda. The block is zoned RZ2. The couple intended to build four reasonably-sized townhouses, which could have been 146.25m² in size (allowing for 65% plot ratio requirements). Under the DV350 requirements, they are now able to build either four townhouses of 112.5m² each (which is closer to the size of an apartment), or only build three townhouses at 150m² each. This will have a significant financial impact on the couple as either they need to build smaller townhouses or build one less.

The implementation of DV350 provides a disincentive to residents in the ACT to innovate and build. Take another example, where a young builder in his 30s has purchased a block of land of 800m². Prior to DV350, he was able to build townhouses up to the total area of 520m². This could have been three large townhouses of 173m² each, or perhaps four medium-sized townhouses of 130m² each. Following the implementation of DV350, the builder is now only able to build up to a total area of 400m². After looking at his likely costs and profit for building less (or smaller) townhouses, the builder decides to build a luxury home close to 400m² as he considers this is the only way to ensure a profit is made.

Master Builders has had a number of members approach us providing examples not dissimilar to those outlined above. Not only do those examples highlight the consequences for the individuals that own the affected blocks, but also the key issue of housing affordability in the Territory that needs to be addressed.

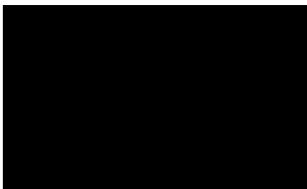
Recommendations

To address the concerns raised in this submission, and to balance the need to provide affordable and diverse forms of housing with the desire of the community to avoid over-development in residential areas, we recommend the following:

- A six month transition period be provided, which allows for Owners who have already committed to development proposals (and can provide evidence of such commitment) to lodge and have their development application assessed under the pre-DV350 planning rules and requirements.
- Government not proceed with DV350, or any other isolated Territory Plan Variations that affect housing policy, until the outcome of the Housing Choices policy is finalized. This would allow a suite of Territory Plan amendments that implement the Housing Choices policy to be progressed in an orderly and planned manner, supported by a communication strategy for community and industry.

We would welcome the opportunity to discuss our submission directly with the Committee.

Yours sincerely,



Michael Hopkins
Master Builders ACT