

27 October 2023

Committee on Planning, Transport and City Services  
ACT Legislative Assembly,  
GPO Box 1020,  
Canberra ACT 2601

Sent via email: [LACommitteePTCS@parliament.act.gov.au](mailto:LACommitteePTCS@parliament.act.gov.au).

Dear Committee Members,

### **New inquiry into the Territory Plan**

The Property Council of Australia would welcome the opportunity to appear before the Committee on Planning, Transport and City Services to provide additional comments on the released Interim Territory Plan.

The Property Council champions an industry that employs 1.4 million Australians and shapes the future of our communities and cities. Property Council members invest in, design, build and manage places that matter to Australians: our homes, retirement villages, shopping centres, office buildings, industrial areas, education, research and health precincts, tourism and hospitality venues and more.

The ACT property sector is the second biggest industry in Canberra behind public and health services, employing 1 in 7 Canberrans – equating to nearly 40,000 direct and indirect jobs – which drives diversified economic growth and renewal across our city. Furthermore, our sector keeps the Budget healthy, contributing more than 60% of government revenue, more than any other industry, funding our schools, hospitals, municipal, community and government services.

We have consulted widely with our membership and Property Council members and are generally supportive of the Territory Plan. Although we still believe more needs to be done. Our view is that the Property Council can provide perspectives on the committee's terms of reference, and we have provided these at a high level below. We have provided further details in **Appendix 1**.

- a. What the policy goals are for the new system and whether the new system is able to meet these goals

The Property Council understands that there are numerous policy goals within the Interim Territory plan and have identified key challenges.

The current plan aims to be outcomes focussed. An outcomes focused plan should remove many of the site-specific requirements and inconsistencies from the current Territory Plan, if the move is to focus on planning and design outcomes. The plan has inconsistently adopted controls from some recent precinct codes but not others depending on the district or suburb.

The Interim Territory plan as a policy outcome seeks to achieve greater density and more housing for Canberra. The Property Council has concerns that what has been released does not go far enough. For example, the changes to RZ1 to allow the building of a secondary dwelling on blocks over 800sqm will not achieve adequate change. Additionally, the secondary dwelling is limited to 120 square metres, but must pay the lease variation charge.

Additionally, when we consider the Government's policy for urban density and infill it seems that the changes to site coverage for RZ4 and RX5 in the Interim Territory plan are at odds with this. There has been a removal of the 80% plot ratio for RZ4 sites. Instead, a development control has been introduced for a maximum coverage of 50%. This will significantly reduce the scale of the building if there are additional height limits for specific sites. There have not been any reductions to limitations in height for RZ4 and RZ5 sites.

- b. How Variation 369 and the ACT Government's commitments to living infrastructure targets are embedded in the Territory Plan, as per the Committee's earlier commitment to inquire into its implementation within 12-18 months of its commencement.

Variation 369 appears to be incorporated into the Interim Territory Plan through reducing site coverage on RZ3, RZ4 and RZ5. As discussed above the Property Council believes that this is an oversight as there are ways of achieving living infrastructure while not reducing density. For example, if the Interim Territory Plan will take the position that site coverage should be reduced then they should consider improvements in height to provide the same Gross Floor Area.

We thank you for your consideration of our Expression of Interest and we have appreciated the opportunity to participate in various briefing sessions and forums provided by EPSDD staff.

We look forward to these comments being considered during the review of public submissions.

Yours sincerely,

**Shane Martin**

ACT and Capital Region Executive Director  
Property Council of Australia



# **Appendix 1 - Submission to the ACT Government**

## **Interim Territory Plan**

**October 2023**



### Introduction

In addition to our EOI the Property Council is providing as an Appendix a detailed submission. The below is to be considered in conjunction with the Property Council submission made in March of this year.

The Property Council of Australia welcomes the ACT Government's commitment to planning reform and the release of the new Territory Plan and other supporting documents for consultation. The Property Council is supportive of the principles of the planning reforms and moving towards a performance-based planning system.

Key aspirations of the reforms, including sustainable neighbourhoods, ageing in place, urban consolidation, affordable housing and encouraging development along movement routes are acknowledged and welcomed. We see the opportunity to improve many of the frustrating provisions of the current territory plan through this process.

Our members have welcomed the various engagement opportunities provided by the Environment, Planning and Sustainable Development Directorate (EPSDD) including hosting workshops and other engagement events since the commencement of the exhibition in November 2022.

In response to the recent release of the Interim Territory Plan we have identified key recommendations for the Committee and the Government to consider in order to achieve a planning system that works for the Territory.

### Key Recommendations.

#### **Clarity over the transition period**

There are still further questions around how the transition period will work for the 27<sup>th</sup> of November. Currently it is described that all Development Applications (DA's) submitted before the 27<sup>th</sup> will be on the previous rules and planning system and those after the 27<sup>th</sup> on the new system. What is not clear however are the DA's that are submitted under the old planning system but require further information to EPSDD post the cutoff date post 6 months from the 27<sup>th</sup>. Seemingly these will be assessed under the new planning system and be non-compliant.

It is imperative that EPSDD make clear that DA's submitted before the 27<sup>th</sup> of November will continue to be assessed under the old planning system until a determination is provided.

#### **Further reform RZ1 to improve density**

In recent years, the cost of housing in Canberra has skyrocketed, making it increasingly difficult for housing choice, in particular with intergenerational access and first-time buyers and lower-income families within the property market.

Planning reform can address this issue by increasing the supply of housing and providing more choice in the market.

The Interim Territory plan as a policy outcome seeks to achieve greater density and more housing for Canberra. The Property Council has concerns that what has been released does not go far enough. For example, the changes to RZ1 to allow the building of a secondary dwelling on blocks over 800sqm will not achieve adequate change. Additionally, the secondary dwelling is limited to 120sqm, but must pay the full lease variation charge in schedule 2 of the LVC Determination.

All RZ1 zones are not created equally and there should be consideration that urban infill should be focussed around areas appropriate for densification and on the basis of proximity to services and adjacency to public transport and infrastructure.

Utilising the existing road hierarchy as designated by Transport Canberra and City Services and location to local centres, we should reform RZ1 for those properties to allow increased development rights for blocks over 700sqm similar to the Mr Fluffy blocks. The Government should also allow subdivision of RZ1 blocks greater than 950sqm to stimulate density and build the houses that we need.

### **Development Application (DA) Assessment Times**

A measure of success of the planning reforms will be assessment timeframes, the ease in which good outcome for the territory can be approved, the prevalence of ACAT cases and the cultural shift for EPSDD. There are concerns from industry that DA's will be delayed due to the below areas.

#### ACAT

The Property Council has long advocated for the reform of ACAT as third-party appeal rights will simply hinder our residential development and DA assessment times. For the planning system to work as intended and be outcomes focussed it is recommended that the Government work to change ACAT appeals to only those directly affected.

#### Resourcing

Resourcing within EPSDD to deal with the new planning system is a further concern of our members. Without the appropriate resourcing DA's assessment times will be unacceptably delayed further preventing development. The Government should have a surge of planning employees to deal with the increased workload.

#### Removal of concurrent Environmental Impact Statements (EIS) and DA's

Additionally, there are concerns relating to the removal of concurrent processes between EIS and DA's. Under the previous system you were able to start an EIS at the same time as lodging a DA. Now effectively you will have to wait for the EIS before you can start the DA. This will have the effect of extending wait times and stalling further development.

#### Removal of the public notification process

Under the previous system the proponent would be required to do community consultation and provide this to EPSDD. With the new system this process has been removed and is being brought 'in house' has the potential to delay development further. Now the process will be that EPSDD conduct consultation with the community, provide a report to the developer who will then need to provide a design change in line with consultation and will then have EPSDD provide that back to the community. Effectively this is creating extra steps in the process and has the potential for messaging and design to be ineffectually communicated to the community. It is recommended that this return to the old system.

#### **Supporting policies for gentle urbanism**

The ACT Government has called for gentle urbanism to be used within the planning system however the Interim Territory Plan does not have supporting policies to incentivise this.

The Government needs to employ greater incentivisation to drive missing middle and providing the right housing choices through tax concessions. By providing rates and land tax concessions for adaptive reuse within the city we can change our aging office stock into residential to improve housing supply.

#### **Documentation Errors**

There are still errors within the Territory Plan that include maps that have been mis labelled. For example, in the Distract Policy for Woden, in the assessment requirements the figures don't align with the land use table so it is unclear what is permitted where. This results in delays for planning outcomes. It is recommended that the ACT Government resolve these types of errors as soon as possible.

#### **Efficiencies through better utilisation of planning technology**

The Government should also consider new technology to speed up the Development time frames. One example of new planning technology is 'PlanTech' that is a geospatial systems in urban planning.

Technology like PlanTech could improve strategic planning (spatial intelligence), refine and streamline government revenue process (site intelligence), simplify and expedite approval processes, and radically simplify precinct level options analyses. Using the technology smartly, could facilitate significant to radical efficiency gains for the public and private sectors.