



HOUSING INDUSTRY ASSOCIATION



Housing Australians



Reforming Building & Planning Laws

Submission to the
Department of Planning & Environment
Draft Riverina Murray Regional Plan

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ABOUT THE HOUSING INDUSTRY ASSOCIATION

The Housing Industry Association (HIA) is Australia's only national industry association representing the interests of the residential building industry, including new home builders, renovators, trade contractors, land developers, related building professionals, and suppliers and manufacturers of building products.

As the voice of the industry, HIA represents some 40,000 member businesses throughout Australia. The residential building industry includes land development, detached home construction, home renovations, low/medium-density housing, high-rise apartment buildings and building product manufacturing.

HIA members comprise a diversity of residential builders, including the Housing 100 volume builders, small to medium builders and renovators, residential developers, trade contractors, major building product manufacturers and suppliers and consultants to the industry. HIA members construct over 85 per cent of the nation's new building stock.

HIA exists to service the businesses it represents, lobby for the best possible business environment for the building industry and to encourage a responsible and quality driven, affordable residential building development industry. HIA's mission is to:

"promote policies and provide services which enhance our members' business practices, products and profitability, consistent with the highest standards of professional and commercial conduct."

The residential building industry is one of Australia's most dynamic, innovative and efficient service industries and is a key driver of the Australian economy. The residential building industry has a wide reach into manufacturing, supply, and retail sectors.

The aggregate residential industry contribution to the Australian economy is over \$150 billion per annum, with over one million employees in building and construction, tens of thousands of small businesses, and over 200,000 sub-contractors reliant on the industry for their livelihood.

HIA develops and advocates policy on behalf of members to further advance new home building and renovating, enabling members to provide affordable and appropriate housing to the growing Australian population. New policy is generated through a grassroots process that starts with local and regional committees before progressing to the National Policy Congress by which time it has passed through almost 1,000 sets of hands.

Policy development is supported by an ongoing process of collecting and analysing data, forecasting, and providing industry data and insights for members, the general public and on a contract basis.

The association operates offices in 23 centres around the nation providing a wide range of advocacy, business support including services and products to members, technical and compliance advice, training services, contracts and stationary, industry awards for excellence, and member only discounts on goods and services.

1.0 INTRODUCTION

HIA welcomes the release of the *Draft Riverina-Murray Regional Plan* for public comment. The Riverina-Murray Region an important area covering much of southern NSW and establishing a clear plan to manage its growth over the next 20 years is essential for existing and future residents of the Region.

The Draft Plan addresses a range of matters that go beyond housing supply in the Region. This submission responds primarily to the Directions and Actions that impact on housing supply over the next 20 years.

1.1 POPULATION AND HOUSING PROJECTIONS

Based on HIA's assessment of the boundaries for the Region, it would appear that the current population figure of 116,550 and the projected 2036 population of 133,500 are incorrect. Our research based on current Australian Bureau of Statistics (ABS) data indicates that the current population is of nearly 276,000, almost twice that predicted for the region at 2036 which is a significant error.

With respect to the population growth rate, based on aggregating up the individual areas, the Plan seems there is an implied population growth rate for the region of 0.7 per cent per annum over the next 20 years. The annual rate has historically been 0.9 per cent and some slow down seems reasonable.

HIA's data also shows that over the last 15 years the region has started over 1,300 homes a year. Therefore predicting that only 7,650 homes over the next 20 years are required implies that only 383 homes a year will be constructed which is significantly less than both current supply and future requirements.

The variation in both figures may be the result of different boundary definitions for the Region. However at this time, HIA is of a view that the figures for both population and housing demand require careful revision.

The changing composition of residents in the Riverina is being seen in many other regions across NSW. The recognition of this change in demographics the Draft Plan, whilst not unexpected, is appropriate. However, at a strategic level, the focus on delivery of housing of all types in all locations should be the priority, to meet market demand. The changing composition will also have an impact on the predicted housing demand forecasts and should be reviewed as part of the revisions outlined above.

HIA would be pleased to assist the Department in clarifying the likely population and housing demand for the Region.

Despite the population and housing supply forecasts being incorrect, the Plan is still an important part of providing clear direction for local government and the community on the future of the Region. The Plan appears to support an approach which will assist in ensuring that the community's expectations to achieve a balance in housing supply in a timely manner, along with growth in employment, services, health and education, and the delivery of essential infrastructure, can be met over the next 20 years.

1.2 BALANCING COMPETING NEEDS

The Draft Plan addresses the significant rural and environmental interface across the region, including the need to manage competing needs for urban development, agriculture, mining and other activities (see Actions 1.3.3, 2.2.1, 2.2.2, 3.2.1, 3.2.2 and Goal 4).

Whilst HIA does not seek to comment on how these issues should be managed, HIA has a clear position in relation to how the Plan should establish a clearly defined footprint for urban development to support future housing supply.

Future zoning of land should seek to achieve a result which delivers ‘truth in zoning’. In this regard, areas zoned now or into the future for residential and urban purposes, should only be done on the basis that they are free from any future environmental constraint or limitation. Urban land should only be created where environmental constraints can be acceptably managed through commonly accepted construction techniques. This approach helps to remove the red tape and delays associated with studies and investigations that should be undertaken at the time of zoning and not carried over to individual allotments.

This approach also supports a high level approach by State and local government to ‘balance’ competing needs early and give clarity to land owners on the future potential of their land.

1.3 IMPLEMENTATION OF THE PLAN

With respect to the delivery of the Plan, the establishment of a Monitoring Committee to oversee implementation is supported. However the current structure appears to be focused on government input. There is a clear role for an industry and government forum which allows sectors such as the local housing industry, to assist in the monitoring of progress of growth. HIA would be pleased to participate in such a forum and can provide a range of experts to assist.

2.0 GOALS, DIRECTIONS AND ACTIONS

2.1 GOAL 3 – STRONG REGIONAL CITIES SUPPORTED BY A NETWORK OF LIVEABLE TOWNS AND VILLAGES THAT MEET THE COMMUNITY’S CHANGING NEEDS

The Plan notes that an additional 16,550 people will make up the population of 133,100 over the next 20 years requiring up to 7,650 new dwellings by 2036. As outlined above, HIA believes these figures are incorrect.

Direction 3.4 identifies the need to *provide a continuous supply of appropriate housing to suit the different lifestyles and needs of the region’s population*. HIA supports the intention of this Direction.

Action 3.4.1 refers to ensuring planning controls are in place that facilitates an increased range of housing options. In regional cities and towns where historical lot sizes have been large, and where rural lifestyles are highly valued, changing the nature of housing supply can be extremely difficult. Yet the historical footprint of these cities offers significant opportunity to increase densities near services.

The Regional Plan should offer a way for local governments and industry to identify the drivers of change in housing stock through the provision of accurate population and demographic information, along with guidance on how the State government expects these cities will grow through increased, or decreased, employment and business development over the next 20 years.

The recommendations that the State government will work with councils to monitor residential land and review planning controls to increase housing opportunities are supported. Whilst there is competing demand for housing from long term and short term residents in the Region, this does not necessarily mean that the type of housing sought is uniquely different. The Regional Plan, local plan and housing codes should aim to facilitate a range of housing types on the appropriately zoned land across the Region. The tenure of that housing is much harder to control and focus on this may only serve to confuse the outcome rather than support improved supply.

Whilst the reference to specific strategies for aged housing is appropriate, it is unclear what impediments exist to the take up of Seniors Living housing in the Region, along with low and medium density housing developments, including granny flats. It would be appropriate to investigate the cause, if any, of the low use of these policies before moving to create new codes or guidelines that may similarly not be used.

Action 3.4.5 refers to facilitating the delivery of more affordable housing options through improved planning policies. Affordable housing in the true sense is subsidised housing and planning codes and policies should not have a role in facilitating this type of outcome. The housing industry’s role is to deliver housing of all types in all locations in a cost effective way. The addition of numerous rules and codes only serves to increase the price of housing products, not make them more affordable. Homes across NSW are already required meet a level of technical construction under the national building code, along with meeting design controls for their external appearance that have an impact on construction costs. This should not be amplified through a Regional Plan.

Floor space bonus ratios, charges and levies and other mechanisms to mandate ‘affordable housing’ defeat their own purpose by making all other housing in a development more expensive. And without appropriate management controls, do little to add guaranteed stock into the market that will be rented or purchased by those in need.

The suggestion to use zonings to promote housing types, including caravan parks, is a more practical and most likely more effective approach.

2.2 GOAL 4 – A PROTECTED ENVIRONMENT AND A COMMUNITY RESILIENT TO NATURAL HAZARDS AND CLIMATE CHANGE

HIA recognises the need to achieve an appropriate balance between urban development and environmental protection, including Aboriginal and historic heritage and landscapes.

The Regional Plan sets out a framework that seeks to identify each environmental constraint and allow those areas of high value to be protected. This approach is supported.

HIA believes that the planning process, commencing at the regional planning phase, must identify high value or high risk areas and ensure these are appropriately zoned for protection before any development occurs. By undertaking appropriate planning at the regional level, land owners can avoid confusion and conflict at later stages of the development process.

The zoning of land should then lead to a situation where residential land is only created in areas of low or no value or risk. This outcome, which HIA refers to as ‘truth in zoning’ helps to manage the expectation of all property owners and removes doubt in relation to building rights on land.

Taking this approach should also be focused on removing any high value areas from residential zones completely. High risk areas, such as land affected by bushfire hazard and coastal protection, should be managed to ensure that the land available for residential purposes is effectively low risk, allowing the hazard to be managed through construction techniques, rather than sterilising the land completely.

The proposed Actions under this Goal appear to appropriately address each issue and set a framework that can deliver truth in zoning if implemented well. Therefore the general intent is supported.

3.0 CONCLUSION

The Draft Riverina-Murray Regional Plan builds on the existing framework of plans and infrastructure strategies which is important in providing an ongoing level of certainty for all stakeholders in the Region.

Current planning reforms such as the Inland Housing Code and changes to permit medium density housing as complying development will serve to assist in the increase in housing supply, particularly for infill areas. However the rezoning process and subdivision process are still fundamental to new land supply and efforts to ensure these occur in a timely manner are also critical.

HIA looks forward to working with the Department to finalise the Plan for the Region and we would seek to be part of any formal industry consultation and liaison processes that may be established in the future to support delivery of the Plan.