



HOUSING INDUSTRY ASSOCIATION



Housing Australians



Reforming Building & Planning Laws

Submission to the
Department of Planning & Environment

Draft South East and Tablelands Regional Plan

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Housing Industry Association contact:

Troy Loveday
Assistant Director,
Residential Development and Planning
Housing Industry Association
4 Byfield Street,
MACQUARIE PARK NSW 2113
Phone: 02 9978 3342
Email: t.loveday@hia.com.au

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. INTRODUCTION

HIA welcomes the release of the *Draft South East and Tablelands Regional Plan* (the Draft Plan) for public comment. The South East and Tablelands Region is a fast growing part of the State, including the strategic Sydney-Canberra corridor, which is why it is important to develop a plan to guide its growth over the next 20 years.

The projection for the region's population to grow by 44,300 over the next 20 years to almost 320,000 requires clear direction from both State and local government. The plan should aim to ensure 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 infrastructure, can be met.

The Draft Plan identifies locations for new infill development, including medium and higher density development, to deliver a range of housing types to cater for projected growth, changing demographics and market demand in the housing sector. Targeting this new growth to established centres is supported as these areas will be serviced by existing infrastructure and be in proximity to local employment.

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.

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 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. 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 constraints 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 rezoning 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.

This approach is relevant to Actions 2.1.1, 2.1.2, 2.2.1, 2.2.3, 2.2.4, 2.3.1, 3.2.2 and 3.3.3.

2. GOALS, DIRECTIONS AND ACTIONS

2.1 GOAL 1 – SUSTAINABLY MANAGE GROWTH OPPORTUNITIES ARISING FROM THE ACT

Direction 1.1 identifies the need to provide well-located and serviced land for housing in the Greater Capital to meet demand. HIA supports the intention of this Direction.

More than half of this Region's new dwellings required during the next 20 years will need to be located in proximity to the Australian Capital Territory (ACT). The Draft Plan indicates that this growth can be met from existing release areas in Googong, South Jerrabomberra, Yass, Murrumbateman and the cross-border development at Parkwood, which have capacity for almost 18,000 new dwellings. HIA's forecasts currently support this position, however it is essential that over the life of the plan that adequate monitoring of supply is undertaken to avoid any potential future undersupply.

Reference in this Direction to increased median house values and the impact on low and moderate income households is a real concern for affordability in the region. However the use of Murrumbateman as an example of the shift in prices over the last decade is misleading. Murrumbateman has experienced a significant increase in the release of rural residential allotments and that do not reflect normal lot sizes or prices.

Action 1.1.3 proposes the creation of a cross-border land monitoring program to enable better tracking and forecasting of housing and employment land release in the region. Over half of the projected demand for new housing in the region (about 14,750 dwellings) is expected to occur in the part of the region known as Greater Capital (includes the local government areas of Queanbeyan-Palerang Council and Yass Valley Council).

Effort is needed by the NSW Government to better manage the pressures on housing affordability being experienced in the border areas of New South Wales. HIA supports this action to better understand the consequences of growth in locations in proximity to the ACT, in particular the need to plan and fund infrastructure delivery.

Action 1.1.4 supports the development of local housing strategies in the Greater Capital area that will identify housing needs and planning for a range of housing types. It is noted that many councils in the region are developing or reviewing their housing strategies to respond to changing demand.

The Draft Plan states that there is pressure for new land release in areas outside those identified in existing strategies and these will require careful consideration. The focus of meeting the increasing demand for housing through community development and settlement expansion rather than isolated site release would appear to be sensible if the region has sufficient zoned land to meet demand over the next 20 years. The challenge will be to plan and fund the servicing of future land releases. The Draft Plan's intention to improve the coordination of that process is supported by HIA.

2.2 GOAL 2 – PROTECT AND ENHANCE THE REGION'S NATURAL ENVIRONMENT

This Goal addresses a number of the Region's unique environmental features and proposes a range of actions that will assist in managing the retention of sensitive areas. The Draft 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.

2.3 GOAL 4 – BUILD COMMUNITIES THAT ARE STRONG, HEALTHY AND WELL-CONNECTED

The Plan notes that an additional 44,300 people will make up the population of 319,450 over the next 20 years, requiring up to 27,750 new dwellings by 2036.

Direction 4.1 identifies the need to *provide sufficient housing to suit the changing demands of the region*. HIA supports the intention of this Direction.

Action 4.1.1 refers to planning for a range of housing types to cater for changing community needs and household choice. Planning controls should be developed to encourage the delivery of housing to meet community needs.

Requiring councils to start thinking about the mix of housing types that will be required to meet the future demands of communities is supported. The Draft Plan should offer a way for councils 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 towns/villages to grow through increased, or decreased, employment and business development over the next 20 years.

The recommendation that zoning and other planning controls will be used to maintain or increase capacity for housing is practical and effective approach. The intention to concentrate growth to specific centres (Bowral, Goulburn, Queanbeyan, Yass, Batemans Bay and Bega) is supported because of the capacity of these areas to absorb new housing development. The State government should coordinate councils and other State agencies within government to put in place additional resources to implement this aspect of the Draft Plan through timely amendments of local environmental plans and other development controls as well as the necessary augmentation of utility services such as water and electricity.

Direction 4.4 makes reference to establishing neighbourhood planning principles. The points suggested for inclusion cover a proportion of adaptable housing. This is not supported. HIA supports the voluntary adoption of the Livable Housing Australia guidelines for universal design. The requirements for adaptable housing are excessive and when applied in planning controls give no guarantee that persons in most need will have access to the housing that suits their need.

Action 4.4.1 indicates that a process will be established to work with councils, agencies and industry to review and update the Neighbourhood Principles. HIA would like to be part of that process.

3.0 CONCLUSION

The Draft South East and Tablelands 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.