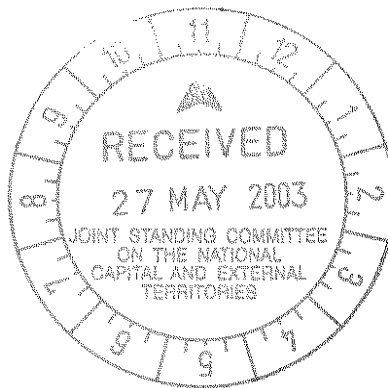


SUBMISSION 21

22 May 2003



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Attention: Mr Quinton Clements
Secretariat
Joint Standing Committee on National Capital and External Territories
Suite R1-119
Commonwealth Parliament
Parliament House
CANBERRA ACT 2600

Dear Mr Clements

Re: Inquiry and Report on the Role of the National Capital Authority

The Housing Industry Association (HIA) welcomes the Federal Parliament's National Capital Committee's initiative to conduct an inquiry into the National Capital Authority (NCA), and therefore the HIA has prepared a submission for the Committee. The submission is attached.

The HIA would be pleased to further discuss its comments and proposals with Committee at its convenience.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Michael Pyers'.

Michael Pyers
Executive Director
ACT/Southern NSW



Submission by the
Housing Industry Association

**Federal Parliament's National
Capital Committee Inquiry into the
National Capital Authority**

Date: 23 May 2003

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1. Executive Summary

The Housing Industry Association (HIA) welcomes the Federal Parliament's National Capital Committee's initiative to conduct an inquiry into the National Capital Authority (NCA).

The HIA supports the existing system of two planning authorities for the Australian Capital Territory (ACT), and their broadly respective responsibilities. However, greater clarity of the respective roles and the jurisdiction of such bodies should be laid down so as to ensure that the ideals of predicability, affordability and flexibility are achieved. The HIA believes that the ACT presents a unique opportunity to deliver a planning system that achieves these ideals; however it is substantially at risk of being squandered by the turf battles for the control of Canberra's future planning.

To ensure that the distinctive characteristics of the Territory's plan and the strong viability of Canberra and its surrounding Region, the HIA calls on the NCA and the Territory planning agency to develop an improved and professionally co-operative relationship.

2. Introduction

It is a critical but opportune time for setting the future direction for the ACT and its surrounding Region.

It is about 14 years since the establishment of self-government for the ACT. At that time, the management and administration of Canberra's planning was a critical issue to be resolved. Now planning issues are again high on the agenda for community discussion. However, this time the discussions centre on the future planning of the City, the Territory and the Region. The strategic issues of the economy, transport, spatial planning and social planning are being closely reviewed by the Territory Government with enthusiastic input from industry and the community. The HIA believes that a professionally co-operative relationship between the NCA and the ACT planning agency is very important for the viable future of the Territory.

Canberra's unique design reflects its location and the historic context of its planning and development. The City now faces a number of critical issues for its future viability. Simply, the City has to sustainably grow to provide employment for its citizens while, as Australia's largest inland City, Canberra has an important role in the resolution of the environmental crisis facing the Murray- Darling Basin.

3. About HIA

HIA is Australia's peak residential building industry organisation. HIA is a lobbying and service organisation, firmly focused on the needs of its members. HIA's mission is:

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

HIA is Australia's largest and only national building industry association, with a diverse membership comprising residential, commercial and industrial builders, building designers, developers, trade contractors, large and small product manufacturers, and professional services. HIA maintains offices in every State and Territory.

4. HIA in ACT/Southern NSW

The HIA ACT/Southern NSW Region services approximately 1200 members in the Australian Capital Territory, Queanbeyan, and the surrounding region. Areas in Southern New South Wales served by the region include: Goulburn, and Yass; The Riverina including Wagga Wagga and Griffith; Cooma and Jindabyne; The New South Wales South Coast South of Ulladulla to Bega and the Victorian Border.

5. The Housing Industry

5.1 Housing - a \$35 billion+ a year industry

Housing is the engine of the Australian economy. In 2000/01, Australians spent directly \$35 billion dollars on building new homes and renovating existing homes, equivalent to 3.5 per cent of GDP. Not only does the housing industry contribute more jobs and more to GDP than either the mining or agricultural industry, but also industry activity levels lead the economy out of and into recession.

Independent small businesses prevail in the housing industry. The flexibility and efficiency of the trade contracting system has made Australia's housing industry one of the most cost-effective and innovative industries in the world.

5.2 Building Jobs & Small Businesses

Small business proliferate in the housing industry. Indeed, one in five Australian small businesses operates within the industry. In addition, small business abounds in downstream industries that supply building products and fittings to the industry. More than ninety percent of the industry's companies are small businesses. All of these businesses provide jobs for almost 370,000 Australians.

5.3 Building Regions

The distribution of activity in the housing industry matches the distribution of population in Australia. It is one of the few industries where activity is not concentrated in a few major urban centres. Many of the industry's varied materials are locally produced. The localisation of the industry has been reinforced by the industry's extensive use of the trade contracting system. Australia's home builders work in the communities where they live.

Housing activity has a critical flow-on effect; every building job in rural and regional Australia creates a new job in local supply industries. This regional activity generates income and jobs in sectors such as financial services, retailing and sales and marketing. The industry's activities, as well as the activity it indirectly generates, are widely dispersed throughout Australia's regions.

5.4 Planning for Housing

Australia's disparate planning approval systems are under pressure. They are causing uncertainty, higher costs and piecemeal development. Communities, governments and the industry that houses these communities are dissatisfied with outcomes of the planning approval system.

The HIA is advocating that a new approach to planning is urgently needed based on the cohering of best practice approaches to planning approvals from across Australia's 700 planning jurisdictions and from innovative planning developments overseas. This new approach provides both a goal and a challenge to provide all Australians with better living environments.

The objective of this new approach is to deliver more responsive and cost-effective planning systems. To achieve this aim requires our planning systems to deliver three key components:

- **Predictability:** Model planning legislation would provide for more timely strategic planning at both the regional and neighbourhood levels to give communities and the development industry a more predictable environment in which to operate.
- **Affordability:** A greater transparency and accountability for the levying and application of fees and charges on new developments will contain cost increases.
- **Flexibility:** Innovation, competition and productivity improvements have enabled Australia's housing industry to deliver more affordable homes.

The utility of Australia's built environment has a profound effect on economic and social activity. If we are to be successful internationally and preserve Australia's reputation as a desirable place to live, then we need significantly more efficient systems for managing development and growth. As all pillars of government, industry and the community have a stake in the outcomes, it is an enormous challenge to tackle the delivery of more efficient planning. HIA believes that through the initiatives proposed for better living environments, and by focussing on the predictability, affordability and flexibility of our planning systems, we can make a difference for the benefit of all the stakeholders.

6. RESPONSE

The HIA's response to the particular considerations of the inquiry as set out by the Committee is as follows:

6.1 The role of the NCA as set out in the *Australian Capital Territory (Planning and Land Management) Act 1988*

The Authority has a number of functions it is required to deliver under the Act, and one of the specific requirements is to foster an awareness of Canberra as the National Capital.

The HIA believes that the Federal Government should play a much greater role in urban renewal programmes and sustainable planning and transport policies. The NCA's role in promoting the National seat of Government provides an ideal framework to promote such policies as they are developed and delivered in the ACT.

The HIA believes that the results of the awareness raising programmes for Australians to better know and understand their National Capital over recent years have been beneficial for the Territory. The large influx of tourists and students has had a positive impact on the economy. The HIA recommends that the NCA's programmes be maintained and extended. It is important for the NCA to develop closer links with the Territory tourism bodies and to be properly resourced to achieve this recommendation.

The HIA also recommends that the programme be extended and tailored to Canberra and the Region so that the immediate community is better aware of the significant planning principles and policies affecting the City.

6.2 The NCA's overall management of the National Capital Plan

The ACT Government is currently addressing a number of planning policies such as residential densification and sustainable transport. The HIA believes that as these principles are determined, they should be incorporated into the National Capital Plan to ensure their delivery.

6.3 Management issues relating to designated land under the National Capital Plan

The Development Approval requirements by the NCA are focused on the National areas of the city and include a number of significant Avenues whose future development will have a critical role in the ACT's development. To ensure the most effective outcomes, the HIA calls on the NCA to prepare more detailed and consistent Development Control Plans in their areas of responsibility.

The process of applying for development approval in areas of the City that are the responsibility of the Commonwealth are generally well managed by the NCA, and should be retained. The NCA's negotiated and timely process of approval is a model that should be used by other planning approval agencies in Australia. The HIA believes that in many parts of Australia the level of community input into development proposals, along with objection rights, causes excessive and expensive uncertainty and delays. A process whereby parties directly responsible for the outcomes are able to professionally discuss and resolve matters is a far more efficient system than the confrontation approach of formal objections and appeals.

6.4 The relationship between the NCA and the Territory planning authorities.

Local members of the HIA, who work in both the ACT and NSW, regularly experience the frustration and cost of different regulations and practices which continue to occur in different jurisdictions. Un-cooperative demarcations between the Commonwealth and Territory Governments only create uncertainty for people wishing to invest in the City's future. Uncertainty over planning and development matters can adversely affect innovation and affordability.

The HIA believes that it is critical for the two systems to work very co-operatively. The close co-operation by the Territory and the Commonwealth will give certainty and effectiveness to planning matters. The recent process of the proposed extension to Gungahlin Drive demonstrated the cost and frustration caused by extensive delays. These delays appeared to result from an inability of opposing views from the Territory and Commonwealth Governments to be co-operatively resolved.

The HIA regards the relationship between the NCA and the Territory planning authorities as the most important part of the Committee's inquiry that affects its members. The strategic issues of the economy, transport, spatial planning and social planning are currently being addressed in the ACT, due to a number of changes being faced by the Territory. These are matters, which are the responsibility of the ACT, and directly affect the community which lives, works and recreates in the City and its surrounding Region. The changes affecting the area include the following:

- The progressing demographics of Canberra which will see within 8 years, one in four Canberrans being over 50 years of age. This will have direct affect upon the economy and living environments. For example, retirees will likely require more accessible accommodation, need more health services but have less disposable income.
- An increasing and natural progression of the ACT's important role and responsibility in the South East Region:
The ACT will maintain its importance as an employment and service provider for the Region. Its regional influence may expand further with the development of the Hume corridor due to the growth problems facing Sydney.
- The increasing awareness for the sustainability of the environment:
This matter has been further highlighted for many in the community by the restrictions on water supply and the recent destructive bushfires.
- Housing affordability:
As greenfield land availability is restrained. The Canberra Spatial Plan will have to address the trade-off between the use of underutilised and vacant suburban land, and outward expansion which could possibly occur, in part, in NSW.
- The neighbourhood planning principles applied to all Canberra's suburbs are unlikely to be able to efficiently adapt to the commercial and demographic changes occurring in the City. The generally low density of the City is not sustainable, and contains a large and aging housing stock, which is not suitably designed and located for both the young and aged childless households.

To ensure that the solutions to these issues are well resolved and are efficiently delivered, the HIA has considered a number of proposals, which it believes will lead to more co-operative arrangements between the NCA and the Territory planning agency. They are as follows:

- The respective planning organisations for both the Territory and Commonwealth develop a set of operational guidelines/protocols to cover both strategic planning and development approval issues, which are publicly available.
- The NCA be fully involved with the preparation of the Canberra Plan, currently being developed by the ACT Government. The certainty, which will be given to a sustainable and viable development of the Territory and the Region, can not be delayed by a staged process when the NCA is only involved at the end of the process. Although the National Capital Plan is the eminent planning document for the Territory, it is the Territory which is ultimately responsible to its community for the direction and growth of the ACT and in part, the Region.
- The National Capital Plan be able to be readily amended and altered as alternative opportunities for changes to the growth and development of the Territory will occur.

7. CONCLUSION

The HIA recognises the uniqueness of Canberra's planning. The City commenced as a very large scale development plan by the Commonwealth Government to establish its National Capital. Australia now has a highly regarded planned City, which is also home for about 300,000 citizens. As a result of the establishment of self-government a dual planning system now exists. This is supported by the HIA.

Although the two planning bodies represent different constituents and have different responsibilities, their ability to work closely and co-operatively is important for the continuing success of the City and its Region. The ACT and its Region are now addressing a number of critical planning issues which can only be successfully resolved and delivered by close co-operation of the Authority and the Territory planning authorities.