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Via email: [bestplanning@dsmip.qld.gov.au](mailto:bestplanning@dsmip.qld.gov.au)

Dear Hon Cameron Dick,

Re: Planning Initiatives to Support Economic Recovery

New home building and renovation is a significant economic driver and employer across metropolitan and regional Queensland. According to government figures approximately 200,000 people are directly employed in the residential construction industry in Queensland and that doesn't include the tens of thousands of people who work in businesses that rely on the industry who provide engineering, architectural, town planning, surveying and certification services, as well as those who work in the manufacturing and supply businesses to provide all the materials and products needed to build and fit out a home. The residential building industry is a cornerstone of the Queensland economy.

Moreover, access to appropriate and affordable housing is a fundamental desire that provides economic security, independence and privacy for individuals and families and is the foundation for healthy, thriving communities.

Housing is not a simple product or service: it is delivered in a complex regulatory and policy environment and is acquired for both the provision of shelter and as an investment. In this way housing affordability outcomes are driven by a wide range of factors however there are many aspects of the housing delivery environment over which State Government intervention can influence affordability conditions.

The planning system can do much to facilitate these objectives if it is sufficiently flexible to accommodate changing housing needs, is transparent to users of the system, and is efficient in delivering good outcomes cost-effectively.

How state government agencies and local governments respond to the opportunities the legislative framework provides is crucial to the system's performance. There is ample evidence of this with the operation of the Planning Act where some planning schemes and development assessment processes in some local governments provide much of the flexibility, transparency and cost-efficiency that the industry seeks, while other agencies operating within the same legislative framework have produced complex, opaque and costly outcomes.

The home building industry's experience with the Queensland planning system overall is that it does not deliver effectively on flexibility, transparency or cost. This failure compromises the capacity of the industry to deliver for individual Queenslanders and the broader Queensland economy.

The complexity and resultant uncertainty of planning regulation is proving to be a genuine barrier for the industry and is discouraging the delivery of housing mix and innovation. The ultimate result is reduced consumer choice and a price premium for innovation.

With an ageing demographic and well documented changes in household size and makeup, HIA is disappointed that the Queensland planning system does little to actively facilitate the overall variety of housing options to cater for changing needs, for example

- More people are living in blended households. A decade long study by the Australian Institute of Family Studies show that 43% of children under 13 are living in households that are not consistent with the traditional nuclear family model of mum, dad and 1 or 2 brothers and sisters. Some live with single parents, some with grandparents and many in blended families.
- The proportion of people living alone or as a couple over 60 years of age is expected to increase, especially women over 60 years; sadly, most with limited financial means.
- Commentators are predicting less full time work with many more people working a range of casual or part-time jobs. The service sector is predicted to be the growth sector for jobs, however these jobs traditionally don't pay high wages. So in combination we are seeing two forces at work, more part-time work and less high paying jobs.
- As overall household income stagnates, to help make ends meet many more households will take in a tenant or live with other family members to help make funds go further. Housing that facilitates sharing is already growing in demand.
- Many people will also want to live closer to the things that matter, like work, so we will have to fit in more homes within certain geographic confines. If you are working several different shifts and for several different employers, you want to live close to where you work most of the time. Travel times and their costs matter.

In response the industry will need to deliver more compact affordable housing because the prediction is home buyers may not be able to continue to afford all the traditional spaces that once made up our homes. The planning regime will need to adapt to facilitate the required outcomes.

Sadly, the current definitions of household, dwelling house, and dual occupancy when combined are resulting in a series of perverse outcomes that ultimately mean many families are currently occupying housing in an illegal matter. Of equal concern is the inconsistency in the interpretation and application of these definitions between local governments, and the not insignificant political interference in how the definitions are being interpreted and enforced. The immense confusion this creates for all parties is not a conducive environment to addressing the community's housing needs.

Figures released in the last week by a well-known Queensland based property analyst indicate a 45% drop in the number of new lots approved across South East Queensland over the last five years. Given the economic challenges created by Covid-19 it is difficult to imagine a significant reversal of this trend in the near future. This in combination with the growing trend towards opposing anything larger than a house being built on a parcel of land does not bode well for the ability of the industry to meet the housing needs of Queenslanders into the future. More needs to be done and the State Government needs to lead.

From the perspective of the average participant in the residential construction industry the single biggest issue with the current legislative framework is the ability for Councils to duplicate what are essentially building matters within planning schemes, triggering the need for additional unnecessary planning approvals. Anecdotal advice provided to HIA indicates half of all new homes built are now triggering the need to gain additional council approvals of one form or another.

What many in local government fail to understand is that the (apparent) simple duplication of assessment processes triggered by incorporating building matters in planning schemes adds significant cost and delays and adds no value to the outcome. The costs for the home owner are material. There are application fees, typically expert consultant reports and the delay to project commencement. Thousands of dollars (sometimes more than the value of the proposed works) and months of delay can be added to minor projects with no discernible change in the development outcomes from going through the process. Contrary to the view often espoused by local government staff, a speedy approval process does not justify the requirement for the application nor negate the costs associated with having to make the application in the first place.

The additional costs incurred are in effect a tax on housing paid for by consumers....a planning tax. HIA has conservatively estimated the lost productivity created by the complexity and duplication of processes in the planning system exceeds \$170 million per year.

Significantly, advice to HIA indicates that confusion surrounding building matters in planning schemes is responsible for approximately half of the complaints lodged with the Queensland Building and Construction Commission regarding Building Certifiers and approximately a third of the appeals to the Dispute Resolution Committee. These dispute processes are costly to both industry and government.

In principle, HIA would argue that building work should not be regarded as an MCU where it is intended to undertake construction in accordance with uses permitted under the zoning. What constitutes a "material change of use" should be derived from the attributes of the land and the activity proposed. For example if land is zoned for residential purposes, has been subdivided for these purposes or is currently used for these purposes, then the construction of a residence on that land does not materially change the "use" of the land.

The capture by many councils of building work as an MCU has resulted in a host of minor work ranging from house extensions to carports, patios, enclosing balconies, and building in underneath existing houses triggering the need to gain planning approval. Surely this is not what the planning system should be trying to manage particularly when provisions dealing with these issues already exist within the building legislation. The recent release of the Integrating

Building Work in Planning Schemes guidance for local governments guideline is welcome but frustratingly is a reminder of the many examples of non-compliance contained within planning schemes.

HIA would contend that further work needs to be undertaken to better define these definitions to assist in interpretation and implementation including enforcing the relevant provisions within the Planning Act (section 43) and the Regulation (section 16 and schedule 6) . There is clear evidence to indicate that councils routinely adjust their interpretation of MCU in accordance with their desire to trigger a planning application (and infrastructure charges) rather than whether or not the works actually constitute an MCU. The recent court decision in Queensland (GERHARDT v BRISBANE CITY COUNCIL QPELR 1067) appears to be in contradiction to the Planning Act guidance notes and has only served to further muddy the water with some councils of the belief the court decision gives them permission to trigger planning applications for a range of relatively minor housing projects.

#### Recommendations

1. Councils to be advised and planning schemes to be amended to comply with the requirements of the Planning Act (section 43) and the Regulation (section 16 and schedule 6). Guidance material to be provided to the industry confirming non-compliant requirements cannot be enforced.
2. Remove the opt-in provisions in Schedule 6 of the Regulation Part 2 (3) (ii).
3. Update the siting requirements of the Queensland Development Code and mandate their adoption within planning schemes.
4. Adopt a low rise housing diversity code similar to the code produced by the NSW State Government.
5. Change the provisions that require minor additions and renovations to multiple dwellings (eg enclosing a balcony, roofing a patio) to be assessed as a modification application. The current onerous and costly provisions are simply encouraging illegal behaviour and substandard outcomes.

HIA is more than happy to expand upon any of the issues raised above.

Yours sincerely



Michael Roberts  
Executive Director