19 December 2014

Chief Executive Officer
(Proposed Planning Scheme)
Gladstone Regional Council
PO Box 29
Gladstone Qld 4680

Via email: info@gladstonerc.qld.gov.au

Dear Mr Randle,

URBAN DEVELOPMENT INSTITUTE OF AUSTRALIA QUEENSLAND (GLADSTONE BRANCH)
SUBMISSION TO THE GLADSTONE REGIONAL COUNCIL IN RELATION TO THE DRAFT GLADSTONE REGIONAL COUNCIL PLANNING SCHEME

The Urban Development Institute of Australia (Queensland) (the Institute) shares the Gladstone Regional Council’s (GRC) desire to see the region thrive. The new Draft Scheme is a key instrument in ensuring the region grows, allowing for the development of new communities, new business opportunities and the employment growth that flows from these outcomes.

The Institute considers the new Draft Scheme to be a critical determinant of the future health of the Gladstone development industry and, more importantly, the ability of the industry to provide strong communities, affordable housing, employment and recreation opportunities for our growing region.

Further, we consider it is essential for the community and relevant professions to work together with the GRC to ensure the new Draft Scheme meets the highest standards in planning demanded by a growing and diverse Gladstone community. Ultimately, this needs to be everybody’s Plan, for the simple reason that it will impact all aspects of community life in the Gladstone Region.

The Institute congratulates the GRC on presenting the new Draft Scheme to the community for consultation and debate. The Institute is delighted to acknowledge a number of positive aspects in the new Draft Scheme including:

- the document’s Strategic Framework, which is logical, easy to understand and sets out a vision which the Institute broadly supports;
- the GRC proactively commissioning third party background reports to inform the drafting of the new Scheme;
- the user friendly nature of the Draft Scheme;
- levels of assessment have been reduced in many instances – including for both residential and commercial uses; and
- A shift to performance based planning that should allow for greater innovation and better design outcomes.

The new Draft Scheme also contains areas where amendment is required. Our key issues include:

- the regulatory components of the Draft Scheme (codes, overlays, etc.) do not always align with the strategic intent and vision statements (for example facilitating intensification of existing urban areas);
- A lack of integration between infrastructure planning and land use planning;
- instances of ‘back-zoning’ that impact land owners existing use rights;
• some codes containing unnecessarily prescriptive and restrictive elements – particularly in relation to compact housing; and
• Onerous minimum car parking requirements.

These key issues are discussed in the attached submission.

On balance, it is our considered view that the new Draft Scheme is an improvement on the existing planning schemes, however, there is scope to improve the document to reduce the risks and expense of delivering new developments in the Gladstone Region. Some provisions of the new Draft Scheme will unnecessarily limit the supply and diversity of new housing by impacting on the commercial viability of developments. This significantly reduces the affordability for new home buyers.

Due to the sheer size and complexity of the Draft Scheme, it is difficult to predict how many parts will operate efficiently in practice, and what their impact will be on development activity. For this reason, where the Institute has been silent on particular provisions of the Draft Scheme, this should not be interpreted as being indicative of the Institute’s support.

In closing, please accept our thanks for this opportunity to provide feedback on the new Draft Scheme. The Institute welcomes this opportunity to work with Council in a professional and productive capacity to ensure the resultant Draft Scheme represents the optimal outcome that working together offers. We look forward to further discussion with yourself and your team and encourage you to contact Andrew Allen should you have any questions about our submission (attached).

Yours sincerely

[Signatures]

Marina Vit
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Key Issues

A1 Strategic Framework and accommodating future growth

Land Supply

The Strategic Framework sets out a vision for Gladstone which the Institute broadly supports.

The Institute acknowledges and welcomes the effort the Gladstone Regional Council (GRC) have made in commissioning third party studies to inform the Draft Scheme. We note that the background report ‘Residential land mapping and analysis’ concludes that there is sufficient land to satisfy projected housing demand until 2031 and that the GRC has made minimal changes to the existing urban footprint as a result.

A well-functioning market requires significantly more land to be available for urban development than what is projected to be needed based on anticipated household formation. ‘Over provision’ of land is prudent for the following reasons:

- Many areas identified for urban development may, for long periods of time, simply not be able to be feasibly developed or delivered at the densities assumed by the Scheme for a variety of reasons (e.g. fractured ownership of sites, high infrastructure charges, overly optimistic yield assumptions etc.);
- Competition amongst developers is desirable as it ensures that supply is more responsive to sudden changes in demand; and
- Consumers deserve to be provided with locational choice.

Whilst the Institute agrees that there is no pressing need for additional residential land to be identified in the Draft Scheme prior to adoption, we recommend that the GRC commit to ongoing annual reviews of land availability and the performance of the Draft Scheme in general. It is critical that the performance of the Draft Scheme be monitored with respect to whether it is delivering sufficient support to both greenfield and infill development consistent with maintaining housing affordability. To ensure that a well-functioning market is maintained, the Institute recommends that the GRC commit to regular amendment packages following adoption of the new Draft Scheme to ensure that the following rules of thumb are met:

- **Medium and Long term land supply:** That at any point in time there is sufficient zoned residential land sufficient to cater for 20 years of expected demand.
- **Short term land supply:** That at any time there is sufficient available and serviced zoned land that can be feasibly developed to cover five years average vacant land production.

Emerging Community Zone

The Institute notes that a significant amount of land is zoned Emerging Community in the Draft Scheme. As you would be aware, across Queensland structure planning processes have historically been cumbersome, slow, and uncoordinated, and frequently resulted in
areas that have been identified as suitable for long term growth taking at least ten years to resolve the planning process and get houses on the ground. For example, the Institute understands that it took more than eight years for the planning of Riverstone Rise to be completed and for the first approvals to be issued. To avoid such unfavourable outcomes in the future, the Institute recommends that the GRC develop and introduce a planning scheme policy that provides detailed guidelines for the structure planning process for land zoned emerging communities.

With such a considerable amount of land in the Emerging Community Zone, there is a risk that unanticipated sudden changes in demand in the future will not be able to be effectively accommodated.

Infrastructure Planning

The Institute has not reviewed in detail the growth assumptions in the Local Government Infrastructure Plan (LGIP). A brief analysis of the LGIP, however, suggests that it requires further work prior to adoption to ensure it achieves the primary purpose of integrating land use planning with future infrastructure planning. In particular, amendments are required to ensure that the boundaries of the Priority Infrastructure Area (PIA) align appropriately with the strategic vision and urban footprint of the Draft Scheme. For example, the following areas ought to be incorporated into the PIA:

- Riverstone Rise and The Sands Estate;
- Calliope (Emerging Community Zone); and
- Kirkwood Road Areas (Emerging Community Zone)

The figures below are extracted from Council mapping and highlight the lack of integration between the PIA and zoning in relation to the above three examples

*Figure 1: Riverstone Rise & The Sands Estate*
A2 – Zoning, Mapping and Existing Use Rights

Back zoning

There are elements of the Draft Scheme that impact on existing use rights in an unacceptable way. Whilst the Institute acknowledges that in some instances, cases of 'back zoning' may be accidental or unintended, it is nonetheless essential that zonings and tables of assessment be amended in the Draft Scheme prior to adoption to eliminate back zoning.

For example, new zonings impact on existing use rights in the Hanson Road Precinct. If a landlord loses a tenant in the precinct and a new tenant is sought, the range of uses allowable under the zoning in the Draft Scheme are narrower than under the existing Scheme. This will impact on land values and the future success of the precinct.
Mapping, Zoning and Existing Development Patterns

The Institute requests that the GRC thoroughly reviews its mapping and works closely with the development industry to improve the accuracy of mapping prior to the adoption of the Draft Scheme. For example, all overlay mapping must be tested against existing development approvals and cadastral boundaries prior to the Draft Scheme being finalised.

In addition, the Institute urges the GRC to further interrogate its residential zonings and test their appropriateness in light of existing approvals and developments. For example, in master planned estates that have minimal or no impacts on established neighborhoods, a Low-Medium Density zoning ought to be considered so as to provide increased support for more compact housing options.

Another specific example is in the case of the Sunrise @1770 estate at Agnes Waters where the Draft Scheme zoning of Character Residential, Zoning Code and associated overlays do not align and take into account the existing court approved preliminary approval and existing subdivision which has resulted. The Coastal Management overlay will have a significant impact on property owners as it captures many lots that were previously outside the erosion prone line. This may impact significantly the future development of these lots.

**A3 Regulation of residential development**

Throughout the residential zone codes and development codes, a number of provisions imposed are unnecessarily onerous and will reduce the supply, diversity and affordability of dwellings in Gladstone. Departures from these provisions generally trigger higher levels of assessment that unnecessarily add risk, time and cost. Some of the acceptable outcomes are arguably not in line with what is considered best practice. For example, the Next Generation Planning (NGP) handbook (a document highly regarded by planning professionals) details acceptable outcomes for a range of development types on pages 90 to 110 (see [http://www.dsdip.qld.gov.au/resources/guideline/ngp-handbook.pdf](http://www.dsdip.qld.gov.au/resources/guideline/ngp-handbook.pdf)). Whilst this document was produced by SEQ Council of Mayors, many of the acceptable outcomes are equally applicable in any growing urban area.

Many provisions in the Draft Scheme limit the delivery of compact housing. Compact housing may not be attractive to all segments of the community, but for others it is highly desirable lifestyle choice and, more importantly, allows for lower price points to be delivered so that a greater proportion of residents are able to purchase their own home or rent in the private market.

**Building Heights**

The Low Density Zone code and Low Medium Density zone code set a maximum building height at 8.5m and a maximum number of two stories. This represents a reduction in permissible height from the 9m allowed in much of the Gladstone Region under existing Schemes.

As you may be aware, other Councils in Queensland have recently decided to raise heights to 9.5m as a means of delivering less red tape, improved flood immunity, and to facilitate the
delivery of climatic responsive designs. The Institute recommends that the maximum building height for a detached dwelling house, townhouse or dual occupancy be raised to 9.5m. In a tropical climate such as in Gladstone, this extra height facilitates better built form outcomes, including storey heights that are greater than that governed by the Building Code of Australia.

A building height of 9.5m would allow for a raised double storey home in a flood prone area whilst still achieving good design outcomes in relation to storey heights and roof design. Enforcing maximum heights of 8.5m may encourage development that is of a lesser quality (in order to “tick the box” on the Acceptable Outcomes) such as minimal floor to floor levels, or lack of roof form articulation. Raising maximum heights to 9.5m is also important to allow for flood immunity particular given that the Draft Scheme increases flood level controls for habitable dwellings from 500mm to 1000mm above Q100 level.

The Medium Density Residential zone code sets a height limit of 15m and three storeys (except in some limited locations identified by the Building height and frontages overlay map). This seems low given the emphasis on delivering infill development in the Strategic Framework. It is recommend that the maximum height be raised to 20m (consistent with delivering well designed developments of up to five storeys). The additional yield afforded by the potential for 1 or 2 more levels may make sites that are currently unviable for development, viable. Whilst other Cities such as Townsville have also set a three storey limit in their medium density zone code, they have identified a significant number of precincts within that zone whereby five storey buildings are permitted.

Minimum lot sizes and the Reconfiguring a Lot code

The Institute is fundamentally of the view that minimum lot sizes and minimum frontages for dwelling houses and dual occupancy dwellings should never be imposed in residential zones and/or trigger impact assessment. This kind of development control appears to be borne out of a belief that it would lead to a surge in undesirable small residential blocks.

We believe this fear is unfounded because without minimum lot size controls, market forces would guide the delivery of a mixture of lot sizes to meet the varying demands and preferences of consumers. Some very small lot sizes may occur in the absence of planning controls, however this should be permitted as it provides the opportunity for the development industry to achieve lower price points and potentially open up the dream of home ownership to those who would otherwise be permanently priced out of the market.

In any case, a mixture of minimum setbacks, maximum site cover controls and private open space requirements will place a natural lower limit on lot sizes and dimensions.

Imposing minimum lot sizes not only potentially prices a section of the community out of owning their own dwelling, but can also impact on the lifestyle of existing residents. Take for example, an ‘empty nester’ couple who are long time owners of a home on a large block. This couple may wish to realise some of their asset to improve their lifestyle or renovate their home by subdividing their block and remaining in their own community.

The Institute therefore recommends that the Draft Scheme remove all minimum lot size and lot dimension controls in residential zones.
If removing such controls is not palatable for GRC, the Institute recommends lowering the lot size requirements in Table 9.3.6.3.2 as follows:

- Low Density Residential Zone minimum lot size to be reduced to 400sqm (rather than 600sqm or 800sqm). Gladstone requirements are more onerous than many other new Schemes across Queensland (for example, Townsville applies a minimum of 400sqm and Logan a minimum of 350sqm in most precincts, with no minimum size in its small lot precincts);
- Low to Medium Density and Medium Density residential zone minimum lot sizes to be reduced to 300sqm (rather than 400sqm). Small lot product below 400sqm is far more attractive for many purchasers and their financiers than similar priced duplexes or unit developments with body corporate costs;
- Low Density minimum frontages to be reduced to 10m (rather than 17m). Gladstone requirements are more onerous than many other new Schemes across Queensland (for example, Townsville applies a minimum frontage of 8m); and
- Low-Medium Density residential minimum frontages to be reduced to 8m (rather than 10m).

In addition to the revised lot sizes suggested above, we further suggest that in cases where a combined MCU and ROL are lodged (and where the MCU component will be constructed prior to titling), that no lot sizes be specified. The final lot sizes should be determined based on the built form outcome controlled by the MCU. An example of this would be a zero lot line terrace housing development with rear lane access. All the planning design outcomes such as private open space, building form and appearance, are determined through the MCU assessment process and the subdivision only provides a means to titling the final product to facilitate the sale. A scenario could quite easily arise where an application which would otherwise have been code assessable as a standalone MCU for terrace housing is triggered to impact assessable as a result of including an ROL component with lots sizes less than the minimum.

Dual Occupancy and Townhouses

The following acceptable outcomes in zone codes and development codes relating to dual occupancy are unnecessarily onerous:

- Site cover: A site cover limit of 40 per cent for dual occupancies in the Low Density Zone is unnecessarily onerous and less than provisions in many other planning schemes across Queensland. The Institute recommends a maximum site cover of 60 per cent for dual occupancy in line the Next Generation Planning (NGP) Handbook recommendations (See http://www.dsdip.qld.gov.au/resources/guideline/ngp-handbook.pdf page 97);
- Building heights: Building heights for dual occupancy are unnecessarily restrictive (see above);
- Minimum lot sizes: Imposition of an effective 800sqm minimum site area for dual occupancy in AO4.1b of the Low Density Zone code (one dwelling per 400m² where a dual occupancy) will limit the attractiveness and ability to deliver this important form of housing. The Institute sees no reason why good planning outcomes cannot be
achieved for dual occupancy on sites of 600sqm or less. Sites of 600sqm or less in Low Density Zones are considered acceptable outcomes in many new planning schemes across Queensland including in Rockhampton, Logan and others;

- Minimum lot sizes: Imposition of an effective 600sqm minimum site area and 20m minimum frontage for dual occupancy in the Low-Medium Density Zone code (one dwelling per 300sqm) will limit the attractiveness and ability to deliver this important form of housing. The Institute sees no reason why good planning outcomes in the Low-Medium Density Zone cannot be achieved for dual occupancy on sites of 500sqm or less;

- Private open space: The Institute recommends a minimum private open space of 30sqm with 4m minimum dimension in line with the Next Generation Planning (NGP) Handbook recommendations. (See [http://www.dsdip.qld.gov.au/resources/guideline/ngp-handbook.pdf page 97]. Requiring 50sqm with a minimum dimension of 5.0m in any direction is excessive;

- Setbacks: Some minimum setback requirements are more onerous than the NGP Handbook recommendations (See [http://www.dsdip.qld.gov.au/resources/guideline/ngp-handbook.pdf page 97]); and

- Other controls: Controls relating to matters such car parking areas (AO7 in the Low-Medium Density Zone code and AO5 in the low density zone code) are unnecessary and may limit the saleability of dual occupancies.

Dual occupancies ought to receive greater support from the Draft Scheme as they provide an affordable housing option and promote extended family scenarios. Further, dual occupancies are important for the provision of social housing given that the demand for future social housing stock will predominantly be one and two bedroom accommodation.

Similarly, the following acceptable outcomes relating to townhouses / terrace houses are unnecessarily onerous:

- Site cover: A site cover limit of 50 per cent for townhouses in the Low-Medium Density Zone is unnecessarily onerous and less than provisions in many other planning schemes across Queensland. The Institute recommends a maximum site cover of 70 per cent for townhouses in line with the NGP Handbook recommendations (See [http://www.dsdip.qld.gov.au/resources/guideline/ngp-handbook.pdf page 101]);

- Building heights: Building heights for townhouses are unnecessarily restrictive (see above);

- Dwelling size: Imposition of an effective 240sqm minimum footprint per dwelling in AO5.1 of the Low-Medium Density Zone code will limit the attractiveness of and ability to deliver this important form of housing. This minimum size is out of step with townhouse developments being delivered across Queensland that have proven to have a high level of consumer acceptance;

- Minimum lot sizes: Minimum lot sizes and frontages are unnecessary. Planning controls relating to site cover, setbacks and private open space are sufficient in controlling outcomes;

- Setbacks: Some minimum setback requirements are more onerous than the NGP Handbook recommendations (See [http://www.dsdip.qld.gov.au/resources/guideline/ngp-handbook.pdf page 101]); and
• Other controls: Controls relating to matters such as car parking areas (AO7 in the Low-Medium Density Zone code) are unnecessary and may limit the saleability of dual occupancies.

Multiple Dwellings

The following acceptable outcomes in zone codes and development codes relating to multiple dwellings are unnecessarilly onerous:

• Housing Mix: AO8 in the Low-Medium Density and Medium Density Zone code requires development of 15 or more dwellings to include 25 per cent one bedroom, 40 per cent two bedroom and 15 per cent three bedroom dwellings (with the remaining 20 per cent unrestricted). The Institute supports the GRC’s desire to deliver a diversity of housing supply, however diversity across the region need not require every individual development to have diversity within it. Developers will make commercial decisions on dwelling sizes within a development based on what produces a viable development in that location and the demand for product type that exists in that local area. Mandating mixes of dwelling sizes within a multi-unit dwelling is inappropriate, unnecessary and may impact on the commercial viability of individual developments. If there is market demand for one, two and three bedroom apartments across Gladstone, developers will deliver this mix, but not necessarily be able to viably deliver it within each and every single development; and

• Communal Open Space: AO6.1 and Figure 7 in the Medium Density Zone code require that a minimum communal open space of 20 per cent of the site area is provided and that it has a minimum dimension of 5m in any direction. The Institute does not believe that acceptable outcomes regarding communal open space provisions are necessary at all in the code and the Performance Outcome PO6 is sufficient in our view. In any case, minimum setbacks required in the code will necessarily result in the provision of communal open space.

Seniors Living

Relocatable home parks (Manufactured Home Parks) and retirement villages do not appear to be governed by development codes or specifically mentioned as an anticipated use in residential zone codes. The lack of a development code is not seen by the Institute as a problem per se, however we are concerned that any proposal by a developer to deliver a Manufactured Home Park or Retirement Village may default to being impact assessable. The Institute recommends that the GRC review the Draft Scheme to ensure that it facilitates code assessable Manufactured Home Parks or Retirement Villages in residential areas.

Residential Parking Provisions

The imposition of minimum car parking rates for dwellings can undermine the commercial viability of a site’s development and have a material bearing on affordability.

In relation to multiple dwellings, the cost involved in constructing a basement car park is approximately $50,000 per space and ground level parking $17,500 per space (including both direct construction costs and costs associated with additional construction time).
Planning Scheme Policy (PSP) SC6.6 (*Vehicle Parking Rates*), imposes minimum parking rates for residential development that are higher than necessary.

While we understand that the objective of the PSP is to improve local amenity, we believe that the GRC has not given sufficient regard to car ownership evidence or the broader public interest in facilitating affordable supply.

Developers will not always default to a minimum provision. Developers will balance cost and risk and in many cases will deliver more spaces than the minimum imposed in the PSP if this is demanded by its target market and where that target market is willing to meet the higher price points that additional parking necessitates.

The 2011 Census reveals that 32.9 per cent of Gladstone households own one car or less. The proportion of households that choose to live in a multiple dwelling that own one car or less is likely to be much higher than this. The Institute is therefore of the view that for residential development, Table SC6.6.2.1 ought to impose minimum parking rates of no more than 1 car per multiple dwelling in most circumstances. Our specific recommendations on parking rates for multiple dwellings can be found in the Table below.

<table>
<thead>
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<th>Multiple dwelling – 1 bedroom</th>
<th>PSP</th>
<th>UDIA (Qld) Recommendation</th>
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<tr>
<td>Multiple dwelling – 2 bedroom</td>
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<td>1</td>
</tr>
<tr>
<td>Multiple dwelling – 3+ bedroom</td>
<td>1.5</td>
<td>1.25</td>
</tr>
</tbody>
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Engineering Design Guidelines

The imposition of minimum infrastructure design standards by GRC can have a significant bearing on costs, project viability and housing affordability. These standards can also have a significant indirect impact on viability and affordability through the reduction of project yield (e.g. minimum road widths). It is therefore absolutely critical that design standards imposed do not exceed essential and ‘fit for purpose’ performance requirements.

The Institute notes that Planning Scheme Policy SC6.2 (Engineering Design) refers to the ‘Capricorn Municipal Development Guidelines (including Standard Drawings and Specifications, Construction Specifications and Procedures, Design Specifications and Purchase Specifications as they relate to Gladstone Regional Council).’ These guidelines, however, do not appear to be on public display. The Institute therefore recommends that these critical guidelines be publicly released and be the subject of a separate consultation process. This consultation process ought to involve a series of workshops with the development industry prior to adoption of the Draft Scheme. We note that GRC passed a resolution on the 16th of September adopting the guidelines and resolving to undertake consultation in the manner proposed above.