



**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON ENVIRONMENT AND
PLANNING**

(Reference: [Inquiry into DPA-04 – Missing Middle Housing Reforms](#))

Members:

MS J CLAY (Chair)
MS F CARRICK (Deputy Chair)
MR P CAIN
MS C TOUGH

PROOF TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 10 FEBRUARY 2026

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Secretary to the committee:
Mr J Bunce (Ph: 620 50199)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

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Amended 20 May 2013

The committee met at 9.00 am

JOHNSTON, MR RICHARD, Deputy Chair, Inner South Canberra Community Council

McGLYNN, MR GENE, Member, North Canberra Community Council

ZEIL, MR JOCHEN, Public Officer, North Canberra Community Council

THE CHAIR: Good morning, and welcome to the first day of public hearings of the Standing Committee on Environment and Planning for our inquiry into draft major plan amendment 04—missing middle housing reforms. Today, we are hearing from a range of groups interested in the proposed reforms.

The committee wishes to acknowledge the traditional custodians of the lands we are meeting on, the Ngunnawal people. We wish to acknowledge and respect their continuing culture and the contribution they make to the life of the city and this region. We would like to acknowledge and welcome any other Aboriginal and Torres Strait Islander people who may be attending today's event or who may be watching from elsewhere.

This hearing is a legal proceeding of the Assembly. It has the same standing as proceedings of the Assembly itself. Today's evidence attracts parliamentary privilege. The giving of false or misleading evidence is a serious matter and may be considered contempt of the Assembly.

The proceedings are being recorded and transcribed by Hansard, and they will be published. We are also broadcasting and webstreaming live. If you take a question on notice—and we do not often expect our community witnesses to take questions on notice, so do not feel obliged to do so—say, “I will take that on notice.” That helps our secretariat to track down the answers.

I welcome Jochen Zeil and Gene McGlynn from North Canberra Community Council, and Richard Johnston from Inner South Canberra Community Council. Are there any brief opening statements?

Mr Zeil: Yes.

THE CHAIR: Jochen, please go ahead.

Mr Zeil: We have an urban densification problem, an affordable housing problem, a public, social and supported housing problem, and a housing choice problem. The expectations that the missing middle reform would provide more small, affordable and diverse housing are unrealistic because, first of all, suitable blocks become available in a slow process without guaranteeing that they will be used for subdivision. Second, no modelling, as far as we know, has been done to assess what contributions missing middle will make to the stated aims. Third, there are no incentives to build smaller houses or disincentives to build huge ones. For instance, a large proportion of recent knockdowns in Hackett have turned into large single houses.

The real solution to the above problems would be to provide public housing at scale, with much less contentious and much more efficient ways to provide small, affordable

and diverse housing—first of all, by quarantining land close to facilities for public housing; second, by reclaiming and rezoning land currently occupied by financially struggling gambling, wagering and golf clubs; and, thirdly, by making land available to public housing projects for free or significantly below market rates.

The real problem at the moment is that valuable and suitable land for public housing close to public transport and facilities is currently rapidly taken out of the potential pool by being sold off to investor-driven developers, such as along Northbourne Avenue, the Dame Pattie Menzies House development in Dickson and the Dickson Tradies development.

In conclusion, NCCC continues to insist that the missing middle housing reform, by facilitating investor-driven housing developments, will not contribute significantly, if at all, to solving the housing challenges Canberra faces. The missing middle housing reform is a distraction from what would really need to happen to tackle the housing crisis at scale.

The ACT government should reclaim land currently leased to struggling clubs which no longer require the land or have failing business models and a dwindling social licence. A large proportion of this land should be captured at low cost and provided to government and not-for-profit providers for the development of an affordable public housing choice aimed at essential workers, low income households and the vulnerable. In brief, the missing middle housing reform is a displacement activity.

THE CHAIR: Thank you, Jochen. Richard, do you have a brief opening statement?

Mr Johnston: I would like to talk briefly to the paper that I have already circulated. I have made the comment that these proposed reforms are a complete abdication of the government's responsibility to carefully plan for the development of the territory, particularly established residential areas. I have quoted from the government's own inner south district strategy. It talks about a gradual transformation. It notes the large residential blocks which contribute to the green network and the garden city character and features of the inner south. It says that most of the district has excellent tree cover, providing a cooling effect in hot weather.

We are very concerned about the development pressures that up-zoning of RZ1 will put on those areas, a lot of which are certainly covered in heritage precincts. But we do not have any confidence from recent experience that just classifying them as "heritage" necessarily protects them from development pressures. I have circulated a little map that I have done to illustrate the extent of what I have called "special character zones", which is a concept taken from the Auckland unitary plan, which other submitters have referred to glowingly as the model to follow.

The second point is that my understanding is that the proposed reforms are unprecedented in Australian planning practice. Certainly, with respect to the focus in Sydney and Melbourne, it is my belief that it is about having redevelopment around highly accessible locations—railway stations, commercial centres and that sort of thing. They have not attempted to roll out up-zoning across all residential areas, which is what missing middle is trying to do.

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I say that the proposed reforms are, at the very least, premature because the authority responded in their consultation report in several places that CED is currently undertaking further work which may inform future rezoning opportunities for well-located blocks, such as those in close proximity to commercial centres. As I said, they are doing that work, they are going to be doing the work, but they have left it in to say, “Let’s up-zone everything, anyway.” It does not make any sense.

The reforms are likely to be ineffective and a wasted opportunity. I have done papers previously about a very interesting book called *Greening the Greyfields*, by a number of Melbourne academics, including Professor Peter Newton, as well as Professor Peter Newman, who is from Western Australia and who has been very active in planning for better transportation outcomes over many years. They have been working with a number of Melbourne councils over many years to try and facilitate redevelopment of ageing, obsolescing residential areas.

They have demonstrated that it is pretty hard work. It takes time and effort to do this. But they have some interesting lessons in that book, which I highly recommend. They say that the focus on single-block redevelopment in particular achieves only small overall increases in dwelling numbers and typically results in the loss of private green space. They state that land assembly is a prerequisite, the “missing step in creating the missing middle”. I rather like that quote.

THE CHAIR: Thank you, Richard. We might move on to questions, if that is okay.

Mr Johnston: I have two other things that I would like to flag. The second email that I sent on Sunday drew attention to the late change that has occurred with the attempt, on the part of the authority or the minister, to remove the planning objectives, which is what I call them; they are called policy outcomes for each zone. I have an example in Kingston, where we have caught the authority out, in ignoring the objectives for the community facility zone, which basically say that you should provide community facilities, in approving a four-storey office building. That is the sort of thing they can do if you get rid of those policy objectives or outcomes. I think that is a very important issue that I had failed to pick up in our submission.

The other two examples in our submission relate to late changes. One is to remove the transitional height controls that apply to RZ5, the highest density zone at the moment. They require that, where you are adjacent to a lower density zone, the building heights have to step down. A late change after the consultation is to say, “We’re going to get rid of that.” Basically, they are saying, “We’ll just rely on that being sorted out at the development application stage.”

I am very concerned about the proposal to allow blocks to be subdivided without requiring the buildings to be constructed, because that would allow a subsequent building application to be put in under the exempt development provisions on each of the new blocks with, effectively, uncontrolled outcomes, because there would be no public consultation. I think that is a real problem.

THE CHAIR: Thank you. You have both said a lot there. I want to ask about something that has come up in both these submissions, regarding heat islands and climate adaptation. I am interested that the planting area has reduced from 35 per cent to 30 per

cent. The tree canopy targets increased under this, from 15 to 20 per cent. Of course, we have a Canberra target of 30 per cent tree canopy coverage. Meanwhile, I am sure you have all seen that our LiDAR detection has shown that our tree canopy has actually decreased in the last five years—not significantly, but it has dropped from 23 to 22 per cent; we are going in the wrong direction.

Do you have any concerns about the controls here reducing that private open space and reducing that planting area? Do you think that has the right balance or do you have some concerns that that might not be making sure that we have enough space for permeable surfaces and trees in a changing climate?

Mr Zeil: If you densify in this way, you probably have very little control over what happens locally. I think that the best you can do is to incentivise small houses. The other thing we have not seen yet is that the planners have promised examples of the houses they want to see in this missing middle ecosystem, and we have not seen that yet. They wanted to show us model housing types or whatever, and arrangements on subdivided blocks, and we have not seen that.

Mr Johnston: Yes, I have very serious concerns about any move to reduce the amount of private open space on a block. I recognise that there has been a marginal increase in the tree cover. It is still a long way short of the Living Infrastructure target of 30 per cent, which I think is generally regarded as a minimum elsewhere. I would note that the Auckland scheme, again, that people talk about, has a limit of a 60 per cent impervious area, which translates into a 40 per cent left-unbuilt-on area, and we are a long way short of that as a standard. Yes, it is a major problem.

Mr McGlynn: The issue is that if you cannot reach a 30 per cent target in RZ1, you are going to really struggle in other places, because they will just be denser. Already, the targets are too low. As well as the space requirements, because of the lower setbacks and the higher heights, the solar access will be much less, and the ability for trees to grow will be much reduced. That is a real problem.

MR CAIN: With respect to encouraging people to build smaller houses, isn't the incentive already there? They are much cheaper to build, maintain and look after. What else do you think needs to happen to encourage that?

Mr Zeil: Make rates exponentially dependent on volume of house.

MR CAIN: Rather than the unimproved value of the land? We are here to hear ideas, so thank you.

MS CARRICK: I want to ask about the affordability side of it. You mentioned that we have a problem with affordable housing. When we put in a lot of small one-bedroom apartments, thousands of them, presumably, they are more affordable. What are your views on the missing middle? When you put townhouses in well-located areas, they are not necessarily very affordable. What are your views about affordability in the context of the missing middle, as opposed to high-density, town-centre apartment living?

Mr Zeil: There is an example in Hackett that looks really nice. It is in Mills Street, just behind the Hackett shops. There are two large blocks, and they are building seven

houses there. They bought the blocks for about \$2.5 million. If you assume that each of these houses costs about a million dollars to construct, and they want to make a profit, they will have to sell them for \$1.5 million to \$1.8 million. Just putting more houses into old suburbs does not mean there is the provision of affordability.

The only thing that I think needs to happen at scale nationally is that governments should become involved again in the supply of housing. That has been neglected for decades. Compared to countries in Europe, the public supply of housing in Australia is minimal. That is a national problem, not only an ACT problem, and the ACT alone cannot solve that.

MS CARRICK: Does anybody else want to mention the affordability side?

Mr Johnston: I agree with Jochen. Ultimately, if you are serious about providing lots of affordable housing, the government has to get in the game, either through having some sort of redevelopment agency that can amalgamate land and then sell it off at favourable rates to developers or through doing the development itself. The government has a critical part to play, I think.

MS CARRICK: I want to follow up on amalgamating blocks, block consolidation. Can you provide further comment on block consolidation? You mentioned it a fair bit in your submission. It will increase supply, no doubt, but what about the affordability side, and co-housing opportunities?

Mr Zeil: Sure, go for it. If you have people who want to downscale and live in co-housing type constructions, make it easy for them. In north Canberra, in Ainslie, there is an example where these guys had to fight for 10 years to get their project off the ground. By all means, make that possible. In the end, the role of government is to make land available for free, basically, for public housing providers. That is something that came out of another committee inquiry some time ago—that Housing ACT has to pay market rents for land. I do not get why that should be so.

MS CARRICK: Just passing it from one arm of government to another arm of government.

THE CHAIR: Can I ask about block consolidation? This system has brought in size limits on block consolidation—2,000 and 3,000 metres squared. A lot of our submitters asked why we needed an arbitrary limit on how many blocks we could put together, because we might get more professional, better designed places. Do you think we need an arbitrary limit? If we do, do you think they have the right limits there?

Mr Johnston: Personally, I do not. To me, it is going in entirely the wrong direction. You should be encouraging block amalgamation, if you are serious about providing significant numbers of new houses. I do not think that that will necessarily solve the affordability problem. In terms of housing supply—and I refer again to the Melbourne experience—the only sensible way to do it is by block amalgamation. Probably, that does involve a role from the government. As Jochen said, these things take time, and they take effort. It is probably unfair to expect the private sector to carry the burden and the risk of negotiating to get an outcome with the community, maybe for anything up to 10 years. If we do not start, we will never get there.

MR CAIN: Jochen, I might explore this with you a bit later, in terms of your possible solution regarding increasing public housing. I am particularly interested in the whole-of-Canberra approach. I know you have your own focus, and that is very appropriate, but putting on your whole-of-Canberra planning mindset, and while respecting the character of our city, the bush capital and the garden city, how do you provide for a greater number of affordable, and a wider range of housing, across our city? That is a broad question. I might start with you, Richard.

Mr Johnston: It comes down to taking a careful and somewhat nuanced approach to planning, actually taking a planning approach, and looking at the characteristics of each and every area, particularly focusing on the more accessible areas within a reasonable distance of commercial centres and, obviously, public transport routes, and identifying opportunities. There will be areas which are starting to obsolesce.

This process happened in Kingston 30-odd years ago, where there was a lot of old housing and the NCDC at the time said, “Okay, we’ll set up some development guidelines.” They got very substantial redevelopment on very big blocks, which works very well, by and large, with perimeter block development, and with big communal open spaces in the middle, which are very well used by the residents. Certainly, that would be one model. That is a somewhat higher density model, obviously, than the missing middle is aiming at.

MR CAIN: What about the suburbs, though? What you have just said is probably something I could hear the minister for planning say. What about the suburbs?

Mr Johnston: There will be parts of the suburbs that are getting old; some of the housing is getting obsolete. That is the sort of area that I think the Planning Authority—not necessarily the current Planning Authority, a redevelopment agency, let’s say—would sensibly focus on and say, “Okay, there are opportunities there.” As I say, that should start in areas of relatively high accessibility—close enough to, within walking distance of, commercial centres. You would not do it at the far edge of suburbia.

MR CAIN: We have RZ2 options around local shops. Again, I am probably not hearing anything that I would not hear from the planning minister or current planning officials.

Mr Johnston: Except that what they are doing is abdicating, as I said, their planning responsibility. They are not looking for the opportunities. They are not thoroughly investigating what is happening on the ground in these higher accessible areas that I am talking about. They are not doing that work at all. Maybe it is not their job. As I say, there may need to be a separate agency set up to do it. There is the Suburban Land Agency, but that is not their function, either, so there is a gap in what the government is doing. It is just not doing the planning work.

Mr Zeil: There is something that I was really interested in; that is, the district strategies. That was the first time that I saw the spatial layout of opportunities, green spaces and whatever. But it is not a living document, and it is not being consulted on at the level you suggest, like with Watson, Hackett or Dickson, to look at what the opportunities are to densify around, for instance, the commercial centres. You would be surprised what comes out of the community, if you do that. But the district strategies, for the

planners, are done and dusted. They are not a living document.

MR CAIN: You would keep them alive by talking with the community?

Mr Zeil: Yes, and talking to the Environment and Planning Forum and so on.

MR CAIN: And urban planners, obviously. What I am searching for is: what is your housing reform for the ACT? If I were a planning official or minister, apart from talking to the community, which, obviously, I fully support, what are the concrete steps that you would come up with in order to say, “We’re going to provide more housing, more affordable, with a greater range”?

Mr Zeil: For instance, go to ACTmapi, the mapping tool, and look at Belconnen, Dickson and Gungahlin, and colour in all the surface car parks. You would be surprised how much land you would have for public housing close to facilities.

MR CAIN: Why public housing? How much of the ACT housing stock do you think should be public housing?

Mr Zeil: Ask the essential workers how difficult they find it to get into the housing market here in Canberra. Ask police, nurses, the people who care for our old people, and teachers.

Mr Johnston: In the inner south, we have lost most of our public housing. It has been redeveloped; it has been sold off to developers, and it has not been replaced.

Mr Zeil: Northbourne Avenue.

MS CARRICK: I want to ask about RZ2 areas in particular, because they are well located around the commercial hubs and public transport access. Is there any way that the government could provide incentives to the owners in RZ2 areas to help to allow that consolidation around those sorts of areas?

Mr Johnston: From my study of what happened in the Kingston redevelopment, back in the 1980s, primarily, it did not actually require financial incentives. It required some fairly clear guidelines from the NCDC. The primary one was that they would not consider any redevelopment on a site less than 0.4 of a hectare, an acre. There were a number of private developers, and the government did not do any of the land assembly in that case. They just said, “Okay, that’s our starting point.” They then had some quite sensible guidelines about providing private and communal open space and limiting density. There were actually fairly generous limits on density in that case.

Private developers came in, and the first development that was done was where the Kingston Tower is, on the corner of Jardine Street and Telopea Park. That was about a 1½ hectare site that a private developer put together. They did a very interesting development with one tower, three-storey terrace-type buildings and with a lot of open space in the centre. That was done without incentives as such. It was done with very clever, sensible planning controls.

MS CARRICK: If there were RZ2 guidelines, it could educate people in the RZ2 areas

about what the government's intentions are and what the opportunities are, because a lot of them probably have no idea that there are opportunities in RZ2 areas.

Mr Johnston: I would come back to the concept of some sort of government redevelopment agency that would be charged with doing consolidation and a lot of the up-front negotiation with affected landowners. We have been hammering the Planning Authority for some years about the lack of sensible development occurring in RZ2 areas, and they have been saying, "We're going to do a study on what's happening to inform our policy work." As far as I know, they have never actually done it. We have never seen the results of that. What has clearly been happening is that the height limits have been set too low. I am greatly in favour of at least allowing three-storey development in RZ2 areas. They have not been doing the work to investigate what has been going on and what they should do to fix it to really, as you say, incentivise and make sure that the intentions of that zone are carried out. It has not happened.

THE CHAIR: We have spoken a lot about affordability, which I appreciate, and we have a government agreement now to have inclusionary zoning, but we do not know what that is yet. We do not have any government agreement to provide cheap or discounted land for public or community housing. There has been no shift. They made a bit of a shift on LVC for community housing, but we are still getting—

Mr Zeil: What is that?

THE CHAIR: The lease variation charge. They made a shift there, but we are still getting details about what it means. In terms of building public housing, I have looked at the Labor government targets of 30,000 homes by 2030 and 5,000 of those being social and affordable homes. I did the calculations and it now looks like we are at less than six per cent of all housing stock, and, in 2030, if they deliver everything, it will still be less than six per cent. We used to have about 11 per cent. I would say there is some movement in the right direction, but it has not yet been delivered and there are a few glaring errors. Is it likely that we can address housing affordability if we do not have a lot more government development and government public housing? There are the current market settings. The missing middle will probably provide more homes, but it is not actually going to provide more affordable homes without changes to some of the other settings, is it?

Mr Zeil: To what extent has the ACT government tapped into the federal government's housing funding promises? Do you know?

MS CARRICK: They have had some rounds.

THE CHAIR: Yes, to some degree. They did not apply in the first round, they did apply in the second round, and the third round is on at the moment, so I cannot tell you. It is to a degree. I appreciate your statements that we actually need federal help on this federal problem. I think that is also true.

Mr McGlynn: I think the answer is no, the government is not doing enough. The other day, the Legislative Assembly declared a housing crisis—I think that is true right across the country—and that has taken 30 years. It will not be fixed in a couple of years. It will take a lot of effort, and it will take some of the serious things that both Jochen and

Richard have talked about. Fundamentally, it also means we have to plan, whereas I think that where the government has been heading is to leave it open to the market, which leads to dispersal, inefficiency, lack of focus and inappropriate development. Certainly, one of the messages from us is that there needs to be really good planning. That is what Canberra has been built on and that is what seems to be dissipated. Unless we do some serious planning, we are not going to solve that problem; we are going to create a lot of other problems.

MS CARRICK: I would like to change from affordability to the impact of missing middle housing on urban character. I want to know your views on the level of controls that we have now, given that a lot of them have moved into guidance. Building heights have been changed from metres to storeys in law, and the side boundary setbacks have been changed. You can have zero setback. You can have two storeys with unlimited height. That can be very high, because some people have five-metre levels. You can have well above 8½ metres and zero setback. What are your views on the controls when they are not in the law? How will people go to ACAT to fight it if it is not in the law, when there is a detrimental impact? I am not saying people would go to ACAT willy-nilly, but when there is a detrimental impact on privacy and overshadowing—that sort of thing.

Mr Johnston: As a former government planner, I have a fair bit of history in the development of planning controls. One overall observation is that, every time you muck around with the controls, you make the situation worse and more complicated. You tend to end up adding more detail on top of an already shambolic system. The rot set in on this around the beginning of this century, from my observation. The first time the Territory Plan and the legislation were comprehensively revamped, and that was under Simon Corbell and Neil Savery, the chief planner, who was brought in from Geelong as a change agent—and I had better not make the comment I was going to make; it was not—

THE CHAIR: Privilege comes with responsibilities, Richard!

Mr Johnston: I was going to say that I do not think he knew what he was doing. Anyway, that resulted in a lot of over-elaboration of controls, in my view, and it has not got any better. Sorry—what was the last point you made?

MS CARRICK: It was about the checks and balances when there are very limited controls now in the law.

Mr Johnston: I have had a fair bit of experience in going to ACAT. We have not had any direct experience yet under the new outcomes-focused system, which at least downgrades, if not does away with, a whole lot of the numerical rules that were there. I fear the worst because ACAT is not necessarily an expert body; it depends on representations made to it by the various parties, including the government.

MR CAIN: They place planners on the hearing bench.

Mr Johnston: Yes. On a serious planning matter, there is usually somebody with a planning background. That is right. That is one individual, and they may not be necessarily up to date with what is going on. The problem is that, if you are dependent

on these rather fuzzy outcomes statements, there is a huge amount of room for interpretation. I anticipate that the lawyers will have a field day in arguing the meaning of various words, and it will all be totally counterproductive. There is no serious substitute for clear rules. The way the system was set up under Simon Corbell and so on was okay in principle, because it was primarily informed by the COAG movement in the late 1990s. All the states got together, chaired by the federal government, and put together a model code.

One of the principles of that was that there should be rules, but they are not necessarily mandatory. In most cases, they should not be mandatory. They are fallback positions and they are clearly stated—a numerical standard. But you need things that they call assessment criteria. If somebody wants to depart from them, you then look at the statement of intention—what is this control trying to achieve? That is the basis of where the current passion for outcome statements comes from, but the problem is that they are essentially doing away with the rules—the basis of the system. I do not think they have the balance right with the new planning system. I have certainly made that comment before. I think it is going to be major problem in ACAT and it is going to provide a field day for the lawyers.

Mr McGlynn: This is a fundamental problem with the planning system and with missing middle reform. A lot of the time the answer is: “Any issues that come up will be handled through the design guide.” Well, the design guide is totally non-mandatory; it is just there.

THE CHAIR: It is a guide.

Mr McGlynn: In fact, the whole planning system is largely non-mandatory now. There is very little that you can actually enforce. So, when someone goes to ACAT, there is very little basis upon which the government can decline anything, because there is no strong legal basis upon which to do that. The lawyers might have their day, but, in the end, there is no law to fall back on. The government loses more control over the planning system and the developers can largely do what they want. It is not in this context, but we have seen 55-storey proposals which are well beyond what is in the Territory Plan. It is the same in Dickson. Development is well beyond that, and there is no way to say no to those, because they are vague, non-mandatory issues.

Mr Zeil: The other thing of concern is that the design guide is supposed to suggest solutions that are exempt, but the problems are in the local setting. If you have exempt developments, like there already are—it is an outsourcing instrument from planners—you do not have anything to say as neighbours. With the new planning change regarding missing middle housing, that problem will get worse. That is something that people feel seriously angry about.

MS CARRICK: The detrimental impact on the neighbours.

Mr Zeil: Yes.

MS CARRICK: Regarding urban character, there is a detrimental impact on the neighbours. Buildings are coming closer and front setbacks are smaller as well. When you have dual occupancies that sit in the middle of streets and sit well forward and high,

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what are your views about that? Street parking is an issue.

THE CHAIR: Parking has come up in a lot of submissions.

Mr Johnston: Parking needs to go underground.

MS CARRICK: Yes, but nobody wants to dig through rock anymore.

THE CHAIR: The lack of block consolidation is going to limit our ability to have underground car parking.

MS CARRICK: Yes.

THE CHAIR: It is easier to have underground car parking with the bigger developments.

Mr Zeil: The problem is that it makes things more expensive. One needs to find ways of somehow making this routine.

MR CAIN: And, I do not mind saying, with obvious long-term benefit.

MS CARRICK: Yes.

Mr Johnston: To me, there is an issue with the character argument. This comes back to the current intention to remove the objectives for a particular zone or the policy outcomes. The policy outcomes describe what the character of the zone is supposed to be. The next rank below it, the assessment outcomes, do not actually do that; they talk about issues around the margin. There is one classic case, and I think it is in an RZ1 zone, where there are a couple of things that quite strongly describe what you need to do in terms of the character of the RZ1 area that you are dealing in. The only related assessment outcome sitting under it refers back to the policy outcome. How does that work? You have already said you are not allowed to take account of the policy outcome in your development assessment, yet the assessment outcome is saying, "Have a look at the policy outcome and work with that." It does not work.

Mr McGlynn: Parking is one of the examples where the missing middle proposal has a problem with matching up with infrastructure. A lot of older suburbs have streets that were designed for onsite parking. Underground parking could fix that, but that raises costs. We certainly have examples in Dickson where what is essentially missing middle housing—six or eight units—have been developed. The parking along the street is now always full and mostly on both sides, which means there is really only room for one lane, which is a traffic problem. Also, rubbish trucks cannot get through there very easily. The drivers have to stop, get out of the truck and pull out the bins. That makes it incredibly inefficient. This is part of the issue. If you just leave it up to the private sector to decide where development happens, it is not clear that you can match up the infrastructure. Parking is one example, but there are lots of other examples as well.

THE CHAIR: I am afraid that brings us to the end of our session. On behalf of our committee, thank you so much for coming in, Richard, Gene and Jochen. We did not have any questions taken on notice. Thank you for your submissions and thank you for

your time.

Short suspension

EDWARDS, MS MARIA, Chief Executive Officer, Real Estate Institute of the ACT

THE CHAIR: We welcome Ms Maria Edwards from the Real Estate Institute of the ACT. As a witness, you are protected by parliamentary privilege and you are bound by its obligations. You must tell the truth. Giving false or misleading evidence will be treated as a serious matter and may be considered contempt of the Assembly. We have your submission and we like it. We also like its concise nature. Would you like to make an opening statement, Maria?

Ms Edwards: Sure. You have read my statement. At the Real Estate Institute, we support the principles behind missing middle housing reform. Increasing opportunities for medium-density housing, such as duplexes, townhouses and granny flats, in RZ2 areas is an important evolution. Our submission focuses on the implementation task. There are several issues. Housing choice is not just about creating more houses; it is also about creating the houses that people actually want. Supply and demand metrics only work if what we are supplying is actually what is being demanded.

In December 2025—I looked this up yesterday—PropTrack showed that, across Australia, there is a significant increase in demand, at 72 per cent, in buyers searching for single-storey accessible homes, and there is a 31 per cent increase in dual occupancy inquiries, suggesting there is a rise in demand for multi-generational living and freestanding homes. In Canberra—this was an interesting one—there was a 241 per cent surge in inquiries by people seeking a garden and a 62 per cent increase in inquiries by people looking for a courtyard. Parking is always highly sought after.

Firstly, the Missing Middle Housing Design Guide needs to provide some clear guidance so that these reforms deliver the kinds of homes that people actually want, not just the configurations that maximise yield. Secondly, planning certainty and clarity are critical. Agents, valuers and small developers rely on predictable and consistently applied rules to advise clients on price and to market properties. Agents are consistently coming under scrutiny for underpricing or overpricing properties, so, unless there are some clear guidelines around what is actually able to happen on a block, it will be difficult for them to do their job. We recommend clear explanatory material, consistent internal guidance, published benchmarks on assessment times and outcomes, and practical tools to help both practitioners and the community to understand what can and cannot be done on typical RZ1 and RZ2 blocks.

Thirdly, there are important valuation and taxation questions under the ACT's land value rating system. Any uplift in AUVs can translate into a higher rate of land tax, regardless of whether the owner has realised that value. While the government's work suggests that an average uplift may be modest, even moderate increases can affect investors' decisions in a highly taxed environment. I had another look last night. I saw a property in Deakin. It is a nice area. It is not the Inner North and it is not the Inner South. It is a nice family home. The rent was \$720 per week, and rates and land tax were \$371 per week. This is not a huge block. Once you take into account water, maintenance costs and improvements, the return on investment properties in the ACT is really tough. Automatically, because it is rezoned, rates and land tax go up further, and that is going to make it even more difficult for people to afford to hang on to investment properties in the ACT. Given the transitional nature of people coming in and out of the ACT for work, it is really important we have a strong investor market in

the ACT, as well as home owner-occupiers.

Finally, successful implementation will depend on education and engagement. Agents and property managers will be at the frontline to explain these reforms to buyers, sellers and tenants. Often, people will go to an agent before they go to a government department to ask questions about these things. We need to make sure that there is a lot of engagement and education.

In summary, REIACT supports reforms that broaden choice, increase supply and contribute to sustainable, liveable communities. We look forward to working with the government to do that.

THE CHAIR: Thank you very much. We will whip through our questions because we do not have a lot of time. Maria, there was a lot in your submission. I was interested in your comments about the need for infrastructure to keep up with density. Can you tell me a bit about that?

Ms Edwards: Regarding newer areas that are being developed—the outer suburbs—a lot of people will not invest in those areas unless the infrastructure is actually there: transport, schools, accessible shops et cetera. It is really important that you consider what is available in the whole suburb before approving lots of development.

THE CHAIR: We have just had a bit of movement from government on doing an audit of sports facilities. We have been asking for some forward-looking work for a long time. We are now getting backwards-looking work. Do you think the government needs to be a bit more proactive in planning public transport, planning schools and planning sports and recreational facilities?

Ms Edwards: One hundred per cent. People look at the price of properties and do not buy a place this week and then move in next week. They buy somewhere they want to live for a long time, so they look at the bigger picture: “I want to have a kid in a couple of years. Where is the local school? Where are they going to play sport?” People work long hours. They do not want to travel to the other side of Canberra to go to a basketball game or something like that. We really need to recognise that people want to want to create communities and live in communities. They want to establish roots, and that is really difficult to do if you do not have infrastructure such as sporting fields and things like that.

THE CHAIR: If the infrastructure is not there yet, would it help if government gave the community certainty about what they are going to get and when—forward planning?

Ms Edwards: One hundred per cent. That is right. As I said, buying a house or buying an apartment is a big decision. If you are an older person, you might not necessarily want sporting facilities but will want community facilities. If you are going to downsize your home and move to another area, you want to make sure that you have somewhere to go and that you live in a community. It is super important.

MS CARRICK: I would like to ask about your comments regarding industry observations that suggest a tendency for some apartment developments to favour one bedroom units due to yield maximisation, design efficiencies and guidance to balance

the bedroom mix. Do you think that, when we do the missing middle stuff such as townhouses, we will get small bedrooms as well? We are getting them in the apartments, in the towers, but will that translate through to missing middle housing or will they be more like McMansion townhouses?

Ms Edwards: I think there is demand for both. There is definitely demand from the older population who want to get out of their houses and downsize into a townhouse. They do not want tiny bedrooms or anything like that—absolutely not. I guess it depends on the parcel of land that you are working with. I noticed in the technical specifications that they were making the requirements for a second bedroom smaller, which is a bit of a concern, given what we talked about in the Woden inquiry—about bedrooms being too small to put normal sized beds in. It would be a mistake to allow tiny bedrooms, because that is not going to solve the problem. You may as well live in an apartment. There are thousands of them out there, but we already know that people are not moving into those properties. Any developer that is trying to build something that somebody wants to live in is going to build something that people actually want, and that is not going to have tiny bedrooms.

MS CARRICK: Regarding townhouse type things in well-located areas, we had a conversation about affordability. You mentioned rates earlier. When you can put more on a block, you get an increase in the value of the land. That is when the unimproved land value goes up and the lease variation charge is attracted. The whole value of it goes up. What are your views about the affordability of these missing middle places?

Ms Edwards: It needs to be taken in the context of what it is going to do for affordability generally. One of the issues that we have in the ACT is that we have few houses available for people who want downsize or upsize. They are not there. The price of freestanding housing is out of control, basically. Even though townhouses might be slightly more expensive at this point, if it is going to free up houses for people to move into, because someone can downsize into a property, I think that will affect affordability generally. That means that the price of those may moderate a bit in the areas where they are needed. Those of my generation who are looking to downsize could sell their house and buy a nice townhouse. It may even be a straight swap, but, at the same time, we are getting what we want for the same money and a house is then available for a family, which I do not think is a bad outcome.

MS CARRICK: Thank you.

MS TOUGH: Your submission talks about design controls to protect amenity and ensure transitions between the different types of dwellings, as well as further education for practitioners and how that happens. Could you elaborate on what you think would make successful design controls to address concerns about overshadowing and privacy? And how do we make sure practitioners are educated in order to help clients navigate that?

Ms Edwards: I do not have the answers, but what I do know is that, if you are going to have suburbs that look different—it used to be a few blocks here and there, and now it is going to be done wholesale—it is really important to get it right, regarding issues about overshadowing. You need to have some controls around that if you can. It is hard to know. I am not a technical specialist, but I do know that, when somebody is selling

a house, buying a house or renting a house, if their neighbour is looking straight into their house, it is obviously a deterrent for them. The outcome in the long run may be that, when people go to buy a house, they ask the question: “What is the block next door doing?” Is it a deterrent for them to move into a house if the block next door is about to be redeveloped or has the potential for it? There needs to be some really clear information and education about what is potentially available on these blocks so that it can be shared with people.

Our industry, despite what people think, really wants to be transparent about what people are getting themselves into, because your reputation stands on what you have told somebody. Transparency around these things is more important than whether it is good news or bad news—“I just need to be told.” Education for agents and for practitioners can come through organisations like REIACT. If we have some clear guidelines, clear paperwork, webinars, and those sorts of things, our people will listen. At the moment I would say that, if you spoke to the average real estate agent and talked to them about a DA, the only answer you will get is that it takes forever, it is too expensive, and it is not good. What we need is some changes in conversation about what is possible. We also need to change the narrative, but it will only come through education. It needs to come through some really good guidelines around that as well.

MS TOUGH: Guidelines from government to organisations such as yours to be able to train them—

Ms Edwards: One hundred per cent. That is right. Our members are the people talking to people at the table, so we need to be able to be transparent.

MS CARRICK: You talk about guidelines for privacy, overshadowing, and those sort of things. Are guidelines strong enough or should there be stronger controls?

Ms Edwards: I would love to see more controls. As was said previously, it is very much open to interpretation. We find that, generally, if you go to ACAT about things, it is not necessarily over these sorts of issues but other issues. It is very much about the interpretation of the person behind the desk. If there are controls, it takes away a lot of the guesswork for people. As I said, people in our industry who are trying to educate and advise the general public need to know, black and white, as much as they can.

MR CAIN: One of your recommendations is to monitor valuation and taxation impacts. Does the institute have a view on how rates should be calculated—currently it is on the unapproved value of the land—and also how the LVC should be administered?

Ms Edwards: That is a tricky one. I guess it comes down to that two-speed market that we have at the moment and talking about what could happen and what is actually happening in the ACT. In the ACT we have a two-speed market: we have apartments and we have houses. Apartments are really difficult to sell. If people sell them now, they sell them at a loss. They still have high holding costs. People do not necessarily want to buy them at the moment, whereas houses are easier to sell. They are sought after. If we have a wholesale change, that something is able to be developed or something may not be developed, is that going to make a change in the value of these properties and what people actually want to buy—the potential for properties and things like that?

I do not have a particular answer for you, but I think it needs to be looked at in the context of what is already happening in the market. The holding costs for any property in the ACT are really high, and they have gone up a lot for apartments. That is one of the reasons that people are choosing to stretch themselves a bit further and get a house if they can. Tax is something that we probably need to have a much longer discussion about.

MR CAIN: The Property Council and developers thoughts about the LVC range from “It’s a really bad idea” to “It should be done differently.”

Ms Edwards: You want to get properties out of the ground. We are hearing that the LVC is stopping people from getting properties out of the ground in the first place, so obviously it should be looked at—whether it is potentially replaced down the track with a different type of tax or something like that. If you take the feedback that we get from people about why they are not developing properties, it is about the up-front charges, the time it takes and the uncertainty around it. If those are the three blockers, you can have all of the planning that you want to have and all the changes in zoning et cetera, but, if people cannot afford to get them out of the ground, then we are not going to get what is needed.

THE CHAIR: Are you aware of any local research on the impact of these settings on rent?

Ms Edwards: Obviously, we have a difficult time in the ACT because we have rent caps, so it does not matter how much—

THE CHAIR: Sorry about that.

Ms Edwards: That is okay. It does not matter how much your rates and land tax go up; you cannot actually increase your rent. Well, you can, but it is a much longer mechanism. That is definitely an issue. That is a huge issue for us.

MS CARRICK: What is the view of the Real Estate Institute and real estate companies on the ground about parking? It is a major issue.

Ms Edwards: It is a huge issue. When people are looking for properties, parking is always in the top five of what people are looking for. Over 90 per cent of people have a car and over 37 per cent have a second car, so it is a huge issue. You see apartment blocks being built now with no parking included in them. They are almost impossible to sell or rent. It would be a huge mistake to ignore. One of the benefits of living in Canberra is that people go to the coast, they go to Sydney and they go to Melbourne, and they drive there, so we have to accommodate the fact that people are going to have a car in the ACT. Sure, you can get public transport to work, but people leave every Easter and every Christmas. People go down the coast. We need to accommodate the cars—absolutely. It is something that is highly sought after when somebody is looking for a property.

MS CARRICK: What do you think about underground parking? Do people like that?

Ms Edwards: They do not mind. I mean, it is better than not having parking. There are issues around security. That has been an ongoing issue in apartment blocks. Underground parking, absolutely. As long as you have somewhere to park your car and it does not cost you an extra \$10 or \$15 a day, then absolutely.

THE CHAIR: Do you think there is any role for government to do a bit of troubleshooting with residents in areas that are having trouble with parking, to work out where they can park? I have had a series of complaints to my office regarding people parking in what they considered to be reasonable places and getting tickets.

Ms Edwards: Yes; for sure.

THE CHAIR: My approach to that was: wouldn't it be great if the government could have a chat to these people, look at the areas and work out how to do this?

Ms Edwards: I would even say, "Come to us and talk to us." We have agents that work in the area and sell properties in all the different suburbs, so they could actually tell you what everybody is saying—not just one person who lives in a house but a broader section of community. They could say, "This is the feedback we are consistently getting in that area." We would have a role to play as well.

MR CAIN: Regarding apartments in particular, do you have an idea of the vacancy rate? If it is vacant, it is meant to be declared for land tax, but anecdotally I get owners corporations saying how many apartments are not occupied.

Ms Edwards: It is a tricky one because we do not get the data on that easily. We would love to get more data from the government in relation to that. That could be done, as I think was mentioned before, through utilities and things like that, to actually find out what is happening in apartments.

MR CAIN: Do you have a ballpark percentage of unoccupied apartments?

Ms Edwards: The vacancy rate in the ACT at the moment is 1.6 per cent. I reckon apartments would be—

MR CAIN: That is the declared percentage—if it is declared.

Ms Edwards: That is right. Maybe 15 per cent? If you talk about properties that are sold off the plan, for example, in the past they would sell 80 per cent of them by the time they are completed. Now they are selling 60 per cent of them, so 40 per cent of them are sitting empty because they are trying to sell them. If you count those as being vacant, that is a fair whack, isn't it?

MR CAIN: It is kind of temporary, but some people land bank apartments.

Ms Edwards: Yes. With the holding costs these days, land banking is hard.

MS CARRICK: In postcode 2606 it is three per cent. That is Phillip, Lyons and Chifley.

Ms Edwards: I would suggest it is actually higher than that. Agents are consistently

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reporting that they have empty apartments. It is about supply and demand. In the ACT we have to also be very conscious of the fact that people work from home, so they need a second bedroom. A one-bedroom apartment is not necessarily what somebody wants if they are going to work from home. People work interstate. They are not going to leave their comfortable interstate home or living with their parents or living in a two-bedroom apartment somewhere else to move into a one-bedroom apartment in the ACT. If we want to encourage more people to move here and we want to encourage people to stay here, we need to have the housing that they want. The point that we really need to take out of all this missing middle stuff is that we need to build what people actually want.

THE CHAIR: I am afraid that has brought us to the end of our time. Thank you so much, Maria. Thank you for your time. Thank you for your expertise. We did not have any questions taken on notice. We thank you for your attendance.

Ms Edwards: Thank you.

Short suspension

ALBURY-COLLESS, MS MARIANNE, President, Reid Residents Association
BOLLARD, MR JEFFREY, President, Tuggeranong Community Council
TRESIDDER, DR JULIA, Vice-President, Curtin Residents Association

THE CHAIR: I welcome representatives of the Reid Residents Association, the Curtin Residents Association and Tuggeranong Community Council. As witnesses, you are protected by parliamentary privilege and bound by its obligations. You must tell the truth. Giving false or misleading evidence is a serious matter and may be considered contempt of the Assembly. Do we have brief opening statements? Go ahead, Jeff.

Mr Bollard: Thank you for the opportunity to come and talk with you this morning. As identified, the Tuggeranong Community Council, of which I am president, is the peak voluntary body representing the residents of the Tuggeranong Valley.

Basically, the Tuggeranong Community Council supports the increase in the supply of housing and the principles of the missing middle housing. Our submission, which was done through YourSay rather than directly to this committee, is not in any way in opposition to the reform. It is about the implementation, affordability, infrastructure and local character.

Tuggeranong's suburban form, traffic patterns and infrastructure capacity differ from the inner Canberra area, so we are different, and we are further away. Tuggeranong residents place a high value on the green environment, access to open space and proximity to nature. The valley outlooks, particularly the views towards the Brindabellas, form part of the district's identity and livability. Thoughtful planning is needed to ensure that increased density does not unintentionally erode these qualities that attract people to live in Tuggeranong.

Market-led infill alone may not be reliable in delivering the required dwellings. The TCC suggests that complementary urban infill would target government-led missing middle developments near the urban hubs.

Affordability and feasibility are important issues in this whole program. Missing middle housing must be affordable for both buyers and developers. Individual home owners may struggle with financing and navigating the actual development approvals as we go through this process. To facilitate that, we support a pattern of design and assistance in navigating the development application process that could enable appropriate salt-and-pepper development by residence.

With respect to infrastructure and service, infill developments increase the cumulative pressure on roads, utilities, medical services, schools and community facilities. Infrastructure investment must occur in step with densification. Things like the electrification of homes and transitions away from fossil fuels will increase the demand on the electricity network. The solar generation and household energy schemes will require efficient grid capacity and planning support. Parts of the Tuggeranong power infrastructure are ageing and will require upgrading.

Part of that energy aspect is about finding the balance between trees and canopies and block size. Transport and parking are another issue that is of great concern. Tuggeranong remains a car-dependent residential area and will do so for decades. The

actual layout of Tuggeranong, with the separate suburbs, cul-de-sacs and long travel distances, make public transport and active transport more difficult.

Reduced parking requirements shift parking pressure on to the urban streets, and we are seeing it already within Tuggeranong. With multiple residents living in the same places, the verges are becoming car parks. With urban infill, adequate parking must be provided.

Basically, we support the missing middle as part of the solution. We are asking for managed implementation that protects affordability, infrastructure capacity, district character and environmental qualities.

THE CHAIR: Thank you, Jeff. I will ask the first question, and it has come up in a lot of people's submissions. In a changing climate, we are a bit concerned about heat islands and adaptation. The missing middle reforms that are before us have dropped the planting area from 35 per cent to 30 per cent. They have increased the canopy target up to 20 per cent. It is good that they have increased it, but I am not entirely sure how we will meet it, and that is still lower than our 30 per cent. During this time, we have had LiDAR satellite information that our canopy across Canberra has actually decreased. Do you think that the current settings in there will leave us with enough space to make sure that we have permeable and heat-island-reducing trees?

Dr Tresidder: We made a recommendation that we think this needs to be integrated more with an overall climate change policy for Canberra. We feel that addressing one block at a time is not the right way to develop our city. With this whole missing middle, while we support densification, we support it being done well.

With any work on climate change and climate action to make our city more livable and reduce heat islands, we have suggested that the technical specifications for all residential zones should have a minimum of 35 per cent tree canopy cover, a minimum of a 30 per cent deep-soil planting zone and a minimum 40 per cent permeable area.

From the Curtin Residents Association perspective, this weekend that has just passed is a great example of why we need more permeable infrastructure in the soil on blocks, because we just saw substantial flooding and destruction of the Curtin waterway. While we think that densification is a great idea, it has to be done well, and it has to be done in a way that does not make us more of a heat island. We do not feel that it would maintain the suburban nature of the areas, if we move to having too much cement.

THE CHAIR: Where did you get your figures from? Some other witnesses talked about the permeable and planting spaces in the Auckland system. They are different from the ones in here. In your figures, there would be more green space than is in here.

Dr Tresidder: I would have to take that on notice, because I did not write that part of the submission.

THE CHAIR: I will not make you take it on notice. If you come across that information, send it through, but you are not obliged to do so, from a parliamentary point of view.

Dr Tresidder: We are happy to send it through.

THE CHAIR: Jeff, do you have a comment to make on that?

Mr Bollard: I think it is a matter of finding that balance. If we are talking about increasing solar, that is counter to increasing tree coverage, because of the shading that goes onto the solar. With things like parking, people are parking on what is meant to be grass, permeable surfaces, and compacting that. It is killing off the trees. It is also compacting the soil, so that we are not getting penetration into the soil; we are getting run-off.

If you drive around Tuggeranong suburbs, you will find that, without densification, there are so many cars parked on lawns, or what was meant to be lawns, or on the verges. This needs to be managed within the plan. It is about finding that balance regarding the heat island effect, trees, and having permeable spaces which allow the water to go in locally, solar, and accommodating people's transport needs.

Ms Albury-Colless: My first recommendation is that we should possibly have another CSIRO report on urban heat banks in the whole of the ACT, which was first done in 2017. I think it is high time that it is repeated, because I think we could be quite alarmed. Reid has a 40 per cent permeable surface in the heritage precinct, and we would be appalled if it was reduced.

We have some substantial trees there. They have stood the test of time, including, would you believe, the *Cedrus atlantica* variety *Glauca* which is a magnificent tree and does have a decent canopy. I cannot understand why we are planting crepe myrtles, which are a very pretty little tree, but, in terms of canopy, where is it? It just is not there. Obviously, it has its right place in the right time, but it does not make sense to me at all.

Worldwide, there has been a report—sorry, I will not be able to pull it out of my head straightaway—that trees are suffering around the world, and there is a problem with water around the world. Presumably, what is happening here—I am not an arborist—is that the water table is dropping and the soil is heating, and that is not going to be particularly good for growing trees.

I would recommend anything that can be done to replant trees of the right sort. Oak trees, in particular—and, I hate to say it, plane trees, too—have fabulous canopies. Unfortunately, some of our fabulous gum trees do not, as much as we all love them, and they definitely have a place. With respect to maintaining those trees, particularly in their early growth spurt, they need water. Putting that onto the people who have had them planted just outside is probably too much to ask, because their water bills will be high enough, anyway. That requires tankers run by the government.

With compaction, I nearly tear my hair out. I have even had one of the white no-insignia-type vans and a chap saying, “No, we can't book the people who are parked on the verge there; they might be the owners of the house.” You think, “So what?” It is a problem in Reid. With the University of New South Wales coming up soon, we will have more parking issues there, too.

It is time that the parking restrictions were actually enforced. People have put great big lumps of wood on their verge to stop people parking. That is at the front of Boroondara Street. You might wonder why these enormous trunks of trees are displayed around the

verge: it is to stop people parking.

With the CMP that has just been done for the Reid Park sportsground, the SESL have said that the trees that were so beautifully planted, the Weston planting around the Reid Park sportsground, are suffering, not only from the environmental issues, but from people who come in and park, sometimes three-deep, and that will reduce the life span of those trees. To me, trees come first. You can park anywhere in Reid, particularly at the weekend, if you look at the signposts.

Basically, I would like to see real movement in making people much more aware that parking their car in the wrong place will incur a fine.

THE CHAIR: I guarantee that they are enforcing it in Belconnen.

MS CARRICK: I would like to ask about your views on local centres, local shops, and how to densify the RZ2 areas around the local shops. Is there a role for government in providing guidelines in order to incentivise or educate people that live in those areas, or to consolidate blocks in those areas, and get more public housing there? The question is: what is your view about the government's role in facilitating development around shops?

Dr Tresidder: For RZ2, and even in this case with the missing middle for RZ1 blocks, as I said before, our preference is to have consolidated blocks and proper planning. We feel that individual blocks will not deliver good outcomes. It will not deliver the infrastructure that Jeff was also speaking about. While we are not against densification, and we think it is great that it is being addressed in this bit of policy, we think it needs to be integrated better with other policy.

We have references to this in our submission, including on the urban canopy. It is reference 6 and 7. We think it needs to be done properly, with proper forethought, and it should be properly meshed with, say, the Curtin master plan or the Woden plan, which is being looked at, at the moment. There has been a lot of concurrent policy development, and I think that does not lead to good integration. We would like to see it better integrated. We think that block consolidation can better allow for planting, for canopy, for making sure that we have services in the urban space.

The other thing I would like to say about our area is that parking is definitely problematic, particularly for this missing middle development. For instance, I live in Dunstan Street in Curtin, and neighbours and people trying to use the street already complain if anyone parks on the street. We have parking on our block, but we have a lot of people who use the north Curtin oval. It is really well used, and we love the fact that it is well used, but a lot more could be done to accommodate parking, because people park everywhere, the same as in Reid. People park on the verges. It makes the street so narrow that residents can hardly get through to their houses. It is a mistake just to assume that those streets were built for street parking. Like my fellow citizens, we do not think parking should be addressed by people just parking everywhere, including on verges.

MS CARRICK: What are your views about the government's role in helping to consolidate blocks or densify in the RZ2?

Mr Bollard: In my opening comments, I said there was a need for the government to become involved. Certainly, the government or major developers could come in. An owner-occupier will not be capable of doing this, or of coming together to form a multiple block consolidation and build high-density housing within that. That also has the consequence of moving people from home ownership into leasing properties.

It also opens up a whole range of issues about how strata is managed within this territory. Once again, that is an important issue. These are the flow-on consequences. I can think about the Kambah shops area. There is a lot of what I would describe as low-cost developments in there that are probably seeing the end of their life, and it would be great to see them become modernised and the density increased within that area. But individual owners will not be capable of doing it. It has to be done by someone, either a major developer or by way of a government-led initiative, to do that consolidation, while understanding the consequences of home ownership and not imposing strata management on them.

MS TOUGH: This might be more Tuggeranong-specific, but it probably happens across Canberra. I know that, in Tuggeranong in particular, we have a lot of multigenerational households, with adult parents who are nearing retirement and adult children—often two, three or four adult children—living in the house in which they have grown up, because they cannot afford to move out. It leads to the parking situation that we have throughout Tuggeranong, where four adult children with cars, plus parents with a car each, are trying to fit on one block.

How important is it to have missing middle and these kinds of changes so that the adult children can move out of home, but still live in the community in which they have grown up? Often, by the time they can afford to buy a house, they are moving well away from Tuggeranong, because there is not the type of housing that they are looking for. There is no housing available that is smaller, for starting off a family or becoming independent for the first time.

Mr Bollard: That comes back to people's ability to fund things. Can I suggest that it is probably more appropriate for the parents to move out into a smaller but comfortable place, because they do not need the rooms? Obviously, there will be family quarrels over—

MS TOUGH: Who is keeping the house.

Mr Bollard: who, out of the four kids, will get the main house as their family home in the future. There are some great intergenerational things there, with respect to remaining connected, along those lines, in being able to care for each other at various stages of life. Whether it is grandparents caring for kids or the other way around, that works.

Once again, it is a matter of: who has the money? If people are paying off a mortgage, and say, "Let's go and remortgage the house to develop a second living unit on that block," it will come down to affordability.

Dr Tresidder: We have said in our submission quite clearly that we do not think the

government should leave it to the market. We think that the government should require, for both infill and new developments, some sort of incentive or requirement for developers to deliver an increase in the mix of dwelling sizes and diversity of dwelling types.

In Curtin, we have some build-to-rent developments coming online, and our one disappointment with that is that parking has not been adequately considered for one of those developments, and that will be a burden on the older people in Curtin who want to park at the shops, because it is already very hard to park there.

When people talk about parking, you really have to think about people with a disability, and their ability to get to their local shops. They might not be able to walk or catch the bus. I certainly have one person in my household who cannot do that, so we really need to be thinking, “We’re not Sydney.” We don’t have public transport going every five minutes down the middle of our suburban streets. We need to make sure that people who need to drive can do so, and that they can park when they get there.

Ms Albury-Colless: I agree with all the things that are being said. I would like to add that both lots of people and lots of cars are a problem. Public transport should be made as cheap as possible and as flexible as possible. In particular, it should concentrate on electric buses, not on a whopping great tram out to Woden that will cost an absolute fortune. The problem with a lot of people having to rely on their own transport would then be alleviated. It would not be completely solved—I am not that silly—because people do like to have a car to shoot out to Yass, up to the snow or down to the beach. To me, it is a wicked problem, number one, in policy terms and, if we had much better, flexible, very affordable public transport, with these wonderful electric buses that could be rerouted at any particular point in time, and in looking at what is on at the weekend with various festivals, football, cricket matches and all those sorts of things, I think that would really help to alleviate the need to have so many cars per family.

It would not completely solve it. There will always be a need; I can understand that. But I do think that electric buses could be disported much more extravagantly, and sensibly, around the whole of the ACT. Every time you have to allocate space for a car, that is space that, possibly, from an environmental point of view, is not a particularly good idea. The whole business of changing cars every year, with inbuilt obsolescence, is an absolute nightmare, but that is way beyond the capacity of this committee and us.

I think that cars are a problem, and the way people handle them is another problem, but it is part of the life of Australians. You would have to ask the car drivers. Young people, particularly, seem to be quite keen to hop on a bus, if it is there.

MS TOUGH: We have a lot of people, particularly in Tuggeranong, who are tradies or working in shifts at places where there is no public transport, and probably it would be impossible to send public transport to some places by seven in the morning—

Ms Albury-Colless: Exactly.

MS TOUGH: so there is still that need for cars and parking.

Ms Albury-Colless: I think that could be put back onto the developers, too, to see how

well they could get their tradies to and from the development that is going on.

MS TOUGH: By tradies, I mean people whose occupation is a tradie, so they have a ute; they have to live somewhere with all those materials.

Ms Albury-Colless: With what I was saying about developers, I know that, with the development that was going on along Northbourne at one stage, I was thinking, “How are the tradies going to find a park in that area?” I thought that the developer should be able to think about a car space that could be allocated to them somewhere, then they could be picked up from there and taken to the development itself. I think it should be put back onto the developer to actually have that space.

Dr Tresidder: I think that is a great idea, but a lot of the tradies that I know who are younger have very heavy tools in the back of their ute; they might not be able to be picked up. There is also sport. The sport infrastructure in Canberra is fabulous. My adult children have left the ACT, but they both wanted and had cars because they participated in sport, and they could be playing anywhere from Lanyon to Gungahlin. Realistically, public transport could not have got them to their sporting events on time.

MS TOUGH: Particularly with all the sporting gear and everything else that you—

Dr Tresidder: Even without the sporting gear, the public transport that we have would not be early or late enough. It would certainly take you two or three hours to get there, which is a problem.

Ms Albury-Colless: With school buses, it is the same sort of thing. Particularly with the private schools around the place, who seem to have rather a lot of money to spend, some of them do have buses, but they could also be deployed to pick up people and take away some of the congestion that occurs at the end point, which is usually at the school, and you end up with complete congestion, with lots of cars parked all over the place, which is quite dangerous. A lot of the schools should be thinking about making sure they can pick up their students.

MR CAIN: In bullet-point form, from each of you—and I will start with Julia—what two or three things would you do if you were in government to increase the supply of residences and improve the affordability of them?

Dr Tresidder: Could you just repeat that? Affordability of what?

MR CAIN: To increase the supply of residential land and improve affordability.

Dr Tresidder: We say, in our submission, that we would look at block integration and proper planning that made sure that the tree canopy, the planting, services infrastructure and open space were all provided.

MR CAIN: That is one. Do you have another?

Dr Tresidder: I combined a few there. The other thing that we are really concerned about is that we need to respect the heritage areas. In Curtin, there is the Radburn area, and we think a block-by-block proposal for the missing middle may interfere with the

heritage—

MR CAIN: That will not touch on what I am actually asking about, which is increasing supply and improving affordability. Thank you; I will go to Jeff.

Mr Bollard: That is a very difficult question to respond to. One of the things I would say is that, in looking at planning for new developments, they should be looked at from the point of planning to support public transport and active transport. Tuggeranong has been designed as a car environment and, unless you are going to go out there and bulldoze Tuggeranong and re-section it, there is no real way to address it.

There is possibly the ability to take back large swathes, bulldoze them and redevelop those areas, particularly around the urban centres, the local shopping centres, so that it is more suited, and it is not developed. Once again, that is government action, and I will leave it at that.

MR CAIN: Thank you. Marianne?

Ms Albury-Colless: Increased supply?

MR CAIN: Yes.

Ms Albury-Colless: That goes in with affordability in the first place. The two things are very connected. I would suggest that the ACT takes a real leap into the future, which is probably using things like engineered wood in construction, instead of concrete, concrete, concrete, which, to me, is constantly being populated by people. More concrete is absolutely a disaster in terms of water supply.

I would tend to think that the ACT should develop the capacity—it does not have much, in terms of light industries or heavy industries—to make portable houses that are easily constructable.

THE CHAIR: Prefab.

Ms Albury-Colless: Prefab houses. It is about having careful design that lasts. I am in a suburb that is clocking up over a century. This year is 2026; it is exactly a hundred years since most of the houses in Reid were built, and they are a hundred years old. What are we building these days that will be as sustainable? I do not think that is happening, and I think that is one of the things that needs to be thought about. Things like engineered wood do last for a very long time, and it is cheaper and much more environmentally friendly.

THE CHAIR: Thank you, team. Thank you for your time today. That brings us to the end of our questions. We have not had any questions taken on notice.

BERRY, MS ASHLEE, ACT and Capital Region Executive Director, Property Council of Australia
SERVICE, MR JAMES, ACT and Capital Region President, Property Council of Australia

THE CHAIR: Welcome, Ashlee and James. Thank you for joining us today. As witnesses, you are protected by parliamentary privilege, and you are bound by its obligations. You must tell the truth. Giving false or misleading evidence is a serious matter and may be treated as contempt of the Assembly. We have limited time. If you have a brief opening statement, I would ask you to make it, but we have read your submission.

Mr Service: We do not need to make an opening statement, do we?

Ms Berry: No.

THE CHAIR: Good on you.

Mr Service: We will leave the committee as much time as they need.

THE CHAIR: Thank you. I am going to start with an issue that has come up across the board from lots of different witnesses, who do not always agree, about block consolidation—whether the limits in our current reforms before us are correct. We have got these 2,000 and 3,000 square metre limitations on that. You had a bit to say about block consolidation and limitations. Can you tell me what you think about whether these are the right settings?

Ms Berry: Absolutely. We do not think that they are the right settings, because they are holding back genuine precinct development—smaller precinct development, but precinct development, nonetheless. A 2,000-metre block really could lend itself to, maybe, let's say, five or six townhouses, but then you have your boundaries, that you cannot build in. Whereas, if you are able to consolidate at, say, 6,000, 8,000 or more, or have unlimited scope to do that, then you are not dealing with setbacks on every single townhouse, and you are able to create a better outcome for the community. You are able to include better parking. I think that is where it allows a developer and a planner and a designer that flexibility to create a genuine precinct, rather than needing to be constrained by setbacks.

Mr Service: That is not to say that there should be an unlimited height restriction. Managing heights in the consolidated blocks in residential precincts is still an important part of getting the right outcome in fixing the missing middle. The concept that if you consolidate 5,000 square metres and everyone can have six storeys does not work, because it does not create a good precinct. Balancing out the scale and then height is quite important, and the urban open-space precincts around those.

THE CHAIR: I would say we have had similar evidence from ISCCC, and quite a lot of our planning and architect-type submitters, on block consolidation. Do you know where the current settings came from—the 2,000 and 3,000? We will be speaking to cabinet later on.

Ms Berry: I am not sure. It may have been discussed in the initial consultation that the City and Environment Directorate did 18 months to two years ago, but there is no rationale from our perspective as to how they got that.

THE CHAIR: It is going to be only about two or three blocks that you would be combining under those settings, isn't it?

Ms Berry: Correct.

Mr Service: Pretty much. The answer is flexibility. In whatever decision the committee makes, and the recommendation it makes, we would say that providing flexibility in key opportunities to make decisions is a really good outcome. By having hard and fast restrictions on consolidation or height or anything else, it then constrains opportunities for people to be cleverer and for them to be innovative about design—to think about access to public transport, to cycling, to motor vehicles and all those things.

THE CHAIR: Do you think bigger block consolidation with development by people who maybe are not individual mum-and-dad developers would be probably likely to attract a different level of development? If we had development on bigger blocks that are consolidated, would we be able to have more space for shared gardens, for green space and for trees? We would be using less of that setback and area, so we would have more area, while still having the built environment.

Mr Service: I think that is right. I think the other thing it does is that by being flexible with consolidation it does encourage the mum and dads, as we call them, to be participants—that is, it gives them an incentive to actually want to be part of it, either with their two or three neighbours, or to partner with someone that has got a good reputation and to then create the sort of outcomes that missing middle ought to.

THE CHAIR: Do you think our current height limits are right in these reforms for RZ1?

Ms Berry: For RZ1, yes. We have recommended that RZ2 needs to be reviewed and could be reviewed—that this is an opportunity for RZ2 to be higher.

THE CHAIR: What would you put it to?

Ms Berry: It would not need to go up to the same limits in RZ3, but four storeys would be appropriate in RZ2.

Mr Service: Remember, you can, of course, have step development, too. Say, a percentage of the block might have a maximum height of four, and the other portion might only permit two. Planners and designers are much smarter than me about these things. I do not profess to be a designer or a planner. If you look at some office buildings, both here and other places, when you get to a certain height, then they start to step the facade back because it gives a more interesting design, it helps with natural light and all those sorts of things. It comes back to my original point: flexibility in whatever the committee recommends and whatever government decides to set will be one of the best outcomes this process can have.

THE CHAIR: Thank you.

MS CARRICK: With RZ2, there are probably missed opportunities around RZ2 areas. There is still a lot of room for development there. Do you think there is a role for government to step in and help create those opportunities to densify and to consolidate around our shopping precincts?

Ms Berry: Absolutely. There needs to be, particularly when a lot of these blocks may have individual owners, and there is not a known consortium; there is not a known group. Absolutely, we should be looking at all of the avenues to increase density, particularly in these areas where there are already amenities. There is probably public transport, or at least a hub, and known bus routes and things like that. We are losing out if we are not making the most of those opportunities and densifying, particularly around local shops. It also helps the local shops.

Mr Service: It does.

Ms Berry: And we have seen that when there are people around those local shopping precincts, that is when they thrive, because they are being used not just on a weekend, but they are being used before work and during work. That is really important to get that mix right for both the local community and those business owners.

Mr Service: If you think about the Woolworths announcement yesterday, and you think—

THE CHAIR: Dunlop?

Mr Service: Dunlop. I do not know anything about why Woolworths said that, and I must admit, I do not know much about Dunlop itself, but it is an ideal opportunity. We have seen over the years, various processes to try and re-develop shopping centres where the planning process has taken years and years. There has been some imbalance about the community's views, and the developer views and the retailer views.

The more we can encourage and have greater density around shopping centres—yes, that means changing height, and, yes, some in the community will say, “No, we don't want four storeys above the shops,” but if you want to maintain the shopping precinct, and you want to see that improve, and you want good reasons for government to then invest in community facilities, you have got to have more activity, so you have got to have more investment.

MS CARRICK: Do you think that it is the government's role, in this densification process, to do some place planning to ensure that we have got the right community outcomes? There is a playground, and it is connected to the shops, and it is visible. There is a range of things that community will need, so do you think that they should be doing place plans for our local shops as they densify?

Mr Service: Yes, I think so because—

MS CARRICK: Being hands on?

Mr Service: it then provides clarity. If you are then asking proponents to come and look at how you lift the density and lift the presentation and lift the facilities, people approach it with certainty. The great delay in planning and development in this city has been—and I have been doing this stuff for 40 years—a lack of certainty. We said in our submission that the thing that will help make this process go ahead is the committee making recommendations, which government can choose to adopt or not, and then giving them a fair trial to actually see how they work.

Government, through any process, can review whatever it likes, whenever it likes, but we have got to start off with some certainty and say, “Yes, this might seem larger than parts of the community want, but we have to trial it,” because we will not get people to come and look at different ways of how we improve these precincts. The old plan as Canberra developed was every suburb had a little shopping centre. Those are gone. But the group centres have stayed and thrived, and they need the next piece of investment. They need the next capacity to get bigger, and it is not about outcomes for the developers, because the balance has to be outcomes for investment but also outcomes for the community.

MS CARRICK: We talk about our group centres and the apartment sizes that go around them. We see in our town centres a lot of very small apartments and a lot are empty now. Do we want to see around our group centres a better housing mix in terms of number of bedrooms and bedroom sizes for downsizers who do not want the 50 square metre apartment?

Mr Service: It is an underlying change—about where you put the right size apartments. The market is generally the core. Yes, there are some very large developments that perhaps have some vacancies. Those vacancies will eventually be taken up. Do you prescribe and say, “You must have a minimum number of two-bedroom apartments”? I am not sure that is the answer. Again, coming back to my earlier comment about flexibility, I do think that saying, “Within this precinct the planning outcome is a proportional mix of one, two and three bedrooms, where one bedroom might never exceed”—I am not prescribing a number, but I think you can be a bit more prescriptive at the bottom end, that is the smaller end, and a bit less prescriptive at the larger end, if that makes sense.

MS CARRICK: If we do not do it, are we at risk of the market looking for yield for investment purposes as opposed to families?

Mr Service: I think you have to have a balance of investment and families. Often there is still a greater proportion of the community that need to rent because that is their capacity, so we do, as a city, have to accept that investment is a key part of filling the housing. Just building a certain size or a certain price bracket still does not necessarily get everybody into a house. I think that is just the reality.

MS CARRICK: It is the balance.

Mr Service: I think that is just the reality. I think that is exactly right: it is a balance. And when the interest rates go up and down, and the cycle of funding and stuff, it changes on a regular basis. I think one of the things that has to be understood is that investment is a key part of providing housing at whatever level you have it.

MS TOUGH: In your submission, you talk about third-party appeals, and the interaction they might have in the future with missing middle developments. You have put through a few suggestions on how that could be possibly mitigated through the use of the pattern book or other ways. Can you expand on what risks there are with third-party appeals going forward for this kind of development?

Ms Berry: We have seen that whilst the missing middle has been, I would say, predominantly supported by the community, there are still some groups who have concerns, and I know they are airing their concerns throughout this inquiry process. One of the risks is that some people in established suburbs are concerned about the density that will come as a result of the missing middle reforms. We have heard concerns around accessibility, around parking, around height, around tree canopy cover and any impact that it would have on the existing field, essentially, of those suburbs.

So if we are starting to develop in these existing suburbs, with neighbours, then there is a high degree of likelihood that there will be some ACAT appeals. They will not be satisfied with the outcomes, and they will lodge an appeal, because we know that it is very easy to lodge an appeal; the barrier to doing that is a small fee, and in a lot of circumstances that can be waived.

What that does, as we have spoken about, is it reduces certainty, and that is something that we cannot have happen, because that stifles investment. It is about providing certainty for not just mums and dads, who might be participants as part of the missing middle development, but across the board. We need that certainty.

Mr Service: It kills decision-making. It is not in any sense to say there should not be a proper process for directly affected participants that have some investment. But what the system is, at the moment, in various cases is that completely unaffected people, unaffected residents or owners, can appeal. Secondly, if government decides from this committee's outcome to make policy decisions and permit planning, it needs to not only make the decision to permit the planning; it needs to permit the process to proceed. If we do not get the third-party appeal process right, the committee's recommendation might well be exactly what is needed and government decision-making might well be what is needed, but if it misses the fact that at every juncture you can be stopped for the wrong reasons, then part of the time, the effort, and the cost to the community getting to this process is lost.

Ms Berry: It is the time, as well, that a third-party appeal can often take. We are not talking about a month or even two months; it can be six to 12 months. So, from a development feasibility perspective, that just absolutely kills it. Introducing something like a pattern book, which I know the minister has spoken about, and the directorate has been speaking about establishing, I think is part of the solution, but, again, it is not the whole solution. We still need that flexibility, because the pattern book may not be appropriate for each and every site around Canberra, and we are talking about all of the RZ1 blocks being ripe for this type of development. It is going to be very difficult to have pattern book designs that are suitable to every single block, so there needs to be some flexibility there.

MS TOUGH: Yes. It is ensuring there is certainty in process, while making sure there

is still some kind of appeal and rights when there are affected people and problems but reducing the risk of uncertainty and things being stopped where everything—

Ms Berry: And the timeframes.

MS TOUGH: And the timeframes, yes.

Mr Service: If you are a mum and dad, or you are a developer, and you go to the effort of saying, “I am going to buy that block. These are the planning rules I have got to work within. I will do the design. I will do the documentation. I will spend the money,” and you have complied with every single thing, yet you have a system where at the last hurdle, you can be stopped, that is where the uncertainty lies. If you do that work and you go outside the process or you go outside the planning guidelines, then you should expect to be challenged; that is entirely reasonable. It is where you follow the rules and you can still be challenged that is the greater risk in this process.

MS CARRICK: I just want to be clear about your views on where the checks and balances are. If you have got zero setbacks—you have got two storeys and there is no metre setback anymore, so they can be higher than 8½—and you have got people overlooking straight into your windows, and it is a material detriment to the existing neighbour, do they have any rights at all?

Mr Service: Again, I will go back: if the work of the committee goes back to the government, and the government makes decisions on policy and sets the planning rules in concrete, then you cannot have those things you just described. As a developer and a designer, you cannot go out of that process. In whatever rules the government sets in policy, you should not be able to design a building that does that. And if you do—

MS CARRICK: But things slip through the cracks.

Mr Service: But if you do, then you should be subject to appeal processes. That was my point before to Ms Tough: if you do that, then you should rightly be subject to appeal, but if you follow the guidelines and the planning rules as they are, then you should be permitted to proceed. The first bit of getting the rules right is a matter for government, at the end of the day. If you get that right, and you do that, then you should be entitled to proceed. If you stuff it up, excuse my French, you should be subject to appeal, and I think that is entirely reasonable.

MS CARRICK: Thank you.

MR CAIN: Zoning in on developer licensing—sorry, bad pun! You have noted that the compulsory registration kicks in later in the year. You have said that maybe this inquiry is not about developer licensing, but this inquiry will cover anything that affects the missing middle reform. Have you had any signals from developers who would normally welcome opportunities to work in the territory that they are maybe going to withdraw once this scheme kicks in later in the year?

Ms Berry: There are two parts to that. It is not so much that people are saying that they will withdraw, at this stage; it is that there are so many frustrations, from an industry perspective, in just obtaining a licence in the first place. It is the added cost. It is the

added administrative burden, and it is the inability of the territory to attract new participants. There are many longstanding Canberran developers who will obtain their licence because they are here; they will comply, and they are not intending to go anywhere, and they are well-respected developers here in the community.

The challenge will be that they alone cannot build enough homes to provide homes for future Canberrans. So it is about, “How do we get new entrants into the market?” When faced with developing either here in the ACT or across the border in the capital region, and they are faced with two different legislative requirements, they are likely to choose over the border. It is the process that you need to go through to get a licence. It is the ratings report, which there are still some issues around—that there is only one provider that can actually do that.

There is also the issue that there is no ability for an individual to obtain a developer licence, and that will have a direct impact on the missing middle development because there are likely to be lots of individuals—mums and dads—who own a block, and the current legislation says that the landowner must have a licence. As a mum and dad, if you decide that you want to partake in this, you are doing three dwellings, which makes you need to have the developer licence, and you actually cannot apply for one at this moment unless you have an ABN and unless you go and get a ratings report. So that is a huge challenge. Not yet have we seen people saying that they will leave, but to be honest, most people are starting the process, and we do not know yet how the ratings report and that process will play out. We have got some real concerns, given that there is only one provider, about the cost, and we expect that it will just relate to housing being more expensive.

MR CAIN: On that point, which I had not thought of, what is the cost of going through the registration and ticking all the boxes, roughly?

Ms Berry: To get a ratings report, it is a minimum of \$3,300. Then there is an application fee, which is \$1,000. There is an annual fee, also, of \$1,000, and then there is a per dwelling fee, which is \$500 per dwelling.

MR CAIN: That is probably more significant than most people would think.

Mr Service: I think there is another thing to add to what Ashlee said about participants. As the city grows, and every jurisdiction in Australia is facing the same problem, the number of houses that are needed is falling well short of the number of houses being approved or even applied for. In a competitive environment, where we want in Canberra the best product we can, our existing property developers, as good as they are, will not be able to answer that demand. If we are looking to provide competition and get more participants in, and if we have a system which is detrimental, as opposed to Queensland, Victoria, New South Wales, it is harder to attract that competition.

As the city goes from 465,000 to 485,000 to 500,000 or whatever, and each year we have got to produce 2,000, 3,000, 4,000 houses or units, we are going to need more developers. Quite apart from needing more trades, we are going to need more developers. It is balancing out a system where we look for ways to remain competitive. We have said, “What’s the asset?” We are completely supportive of a system which delivers better quality—that is, provides less risk for buyers and owners and investors—

but not a system which, in fact, makes competition more difficult.

MR CAIN: Say there is a new developer, who might be looking here, who then looks across the border in New South Wales. What is going to go through their mind for them to say, “I am not going to do it here,” or “I am going to do it here”? What is going to really determine which place they pick to develop and whether it is Queanbeyan or Canberra?

Mr Service: If they are a corporate, it is going to be the directors, because the directors are on the hook, and the directors do not want to be on the hook for 10 years for something they have no control over. If you are a mum and dad, it is going to come down to, “Do I want to put \$5,000 out the door at the very beginning, with no certainty of outcome?” They will say, “Well, I won’t put my block into a consolidation. I will not be part of the missing middle. It’s all too hard. I will either stay here until I need to move into the next stage of my living, or I will sell.”

Ms Berry: Or we will see people doing more and more dual occupancies—

Mr Service: Yes. We will just end up with “dual occies” everywhere.

Ms Berry: because that, at the moment, does not require a licence. This would be a really poor outcome. As much as dual occupancies can be great developments, on some of these blocks, it is such a waste. It is a waste of space. We do not want a situation where all we have is dual occupancies and single homes. We need to be having that five and six townhouse development.

Mr Service: So all the work, at every level of government, that has gone into this process to get to today, if you like, then becomes a high-risk outcome, because dual occies become the answer because they are easier and they are simpler, but we miss the density opportunity.

MS CARRICK: So should it be lifted—that number? Instead of dual and three for the developer licensing, do you recommend it be lifted, and what to?

Ms Berry: We have said that it needs to be lifted. It could be lifted to five and up, so if you are building four, you do not require a licence.

Mr Service: If you have two 650 or 700 square metre blocks in the Woden suburbs, that you want to consolidate, you could probably do four. You should not need a licence. If you want to do five or six or seven, sure; that is consistent with the process of better-quality outcomes and better responsibility.

THE CHAIR: I understand that any administration will probably seem eternal for some people, although re-developing homes is probably also quite a lot of work, I imagine. You mentioned that getting an ABN is tricky; you just apply online, and it arrives in your email. And you mentioned that a \$5,000 fee was a big disincentive. I would have thought, in the scale of building a three-dwelling property development, \$5,000 would be a fraction of a tiny percentage of your overall costs, wouldn’t it? It seems like not a huge fee.

Ms Berry: Correct. You are spending hundreds of thousands of dollars when you build, but every little administrative fee that is added impacts feasibility. In terms of the ABN, it just depends on how they own these blocks, which is the challenge. Yes, applying for an ABN itself is a simple process, but some of these blocks can be held in trusts, or they can be held in joint ownership, so that is the challenge—that there is no flexibility and you must have an ABN now to be able to build any more than three. That is what we are concerned about. There needs to be some flexibility. The feedback from the directorate, when this has been raised, is that because you need a licence, there needs to be a financial assessment, so therefore they want to see financial accounts and things, and that is why they put the requirement there for an ABN.

THE CHAIR: Awesome. I might get us back to the missing middle. You made some recommendations about RZ2 and targeted upzoning. Can you tell me a little bit about that in about a minute so we can hand over to one of my colleagues?

Ms Berry: Absolutely. If you look at RZ1, it is about 80 per cent of our residential land. We have carried out some research in the past that looked at certain sized blocks in a certain proximity to local shops and to public transport that could be upzoned to RZ2, and that is what we are recommending. Government would need to undertake a targeted analysis of every block in Canberra with a specific set of criteria, and those blocks would then go from RZ1 to RZ2, which then would allow greater development rights.

THE CHAIR: And you would probably expect that work to be done in addition to the work now, rather than hold up the work now, I would imagine, from the commentary you have made.

Ms Berry: Absolutely, correct.

Mr Service: Yes, definitely.

Ms Berry: Correct. That would be an extensive exercise. The framework could be announced now. You would not want people to start developing thinking that their block is an RZ1 only to find out in six months time that their block could have been an RZ2.

THE CHAIR: But if we tell them, we might not get any RZ1 development until we finish the next phase. I don't know.

Ms Berry: And so it is—

MS CARRICK: And you really want some of the RZ2—

THE CHAIR: It is tricky.

Ms Berry: But it needs to happen. There is an opportunity there to upzone from RZ1 to RZ2 to really incentivise that development in the right places.

THE CHAIR: Yes. I am going to hand over to Fiona.

MS CARRICK: You mentioned that the criteria for upzoning should be carefully

considered to strike the right balance between increasing housing supply and preserving Canberra's urban character. Aside from more RZ2, have you got any other criteria that should be considered to make sure we get the balance right?

Ms Berry: Probably not more criteria as such; it is more around going from RZ1 to RZ2 and looking at block size, proximity to public transport, to schools and to local shops. They would be the main ones, to be honest, that should be considered as part of that upzoning.

MS CARRICK: Yes, okay. Thanks.

THE CHAIR: Peter?

MR CAIN: A really quick question on LVC. What should it look like?

Ms Berry: We have got one minute! There needs to be a moratorium on LVC to really stimulate and get this missing middle development happening. Without that, we have got some serious concerns that this will be a great policy that will never actually get off the ground. When you are paying a minimum of roughly \$50,000 per additional dwelling on these blocks, that is a huge hit to not just a developer's bottom line but to housing affordability, because that amount just gets put on top of the construction costs, and the end user, the home buyer, is paying for it. There needs to be a moratorium for two years.

MR CAIN: Okay, thank you. Touching on the same topic: RZ2 is already allowed around shops, et cetera, so why isn't it happening?

Ms Berry: Because, at the moment, the restrictions from—

MR CAIN: Yes, even without the missing middle, we have had this longstanding opportunity. Why isn't it happening?

Ms Berry: The height restrictions, or the height limits, and the planning requirements, at the moment, just do not allow for proper feasibility.

Mr Service: Yes.

Ms Berry: That is the challenge. There are dwelling limits; there are height limits, and they are not at the right amount to get that development happening. Things need to stack up financially in order for it to proceed.

Mr Service: And around shopping centres you need density because you need more people. That is why Woolworths do not stay in Dunlop, and that is why some supermarkets may go to other places—not enough density. These stores trade so much longer now. They want people to be able to walk, because it is much easier to walk and it then balances out the car parking demand.

MR CAIN: Okay. Thank you.

THE CHAIR: Awesome, thanks.

PROOF

Ms Berry: Thank you.

Mr Service: Thank you for hearing us. Thank you for having us.

THE CHAIR: No worries. Thank you for coming in.

Mr Service: Much appreciated, thank you.

MR CAIN: And we might all talk again in our own capacity, who knows?

THE CHAIR: I think we did not have any questions on notice, so thank you.

Short suspension

COPLAND, DR SIMON, Executive Director, Conservation Council ACT Region

THE CHAIR: I welcome Dr Simon Copland, from the Conservation Council. As a witness, you are protected by parliamentary privilege, and you are bound by its obligations. You must tell the truth. Giving false or misleading evidence is a serious matter and may be considered contempt of the Assembly.

Simon, do you have a brief opening statement that you want to make? We have your submission, and we have read it.

Dr Copland: Given that you have the submission, I am very happy to go straight to questions.

THE CHAIR: We have heard from a lot of different witnesses some concerns about the reduction in private open space, green space and permeable surfaces. That is coming in the context of the recent LiDAR satellite detection that has shown our tree canopy coverage has dropped from 23 per cent to 22 per cent. You have a bit of information about this in your submission. Can you tell me your concerns about whether the settings in here are right, in terms of deep planting space, permeable surface and green space?

Dr Copland: I can start by saying that we are broadly supportive of the missing middle policy. We think that, in terms of further growth for the ACT, which is something that is happening, going denser will have less of an impact on our environment than further spread, particularly when we are talking about spread to areas like the western edge, which would be the next cab off the rank, I guess, regarding future suburban development. If we want to keep our bush capital, we want to not continue destroying mass areas of bush, which is what further suburban development does.

In saying that, while we are supportive of this approach, we think it needs to be done well. One of the concerns that we would have is about ensuring that we maintain biodiversity-sensitive urban design, water-sensitive urban design, and that we maintain that tree canopy. There have been examples of this; we see it in some parts of our town centres—for example, in Woden, Belconnen, and even in the city—where densification is not done well, and it results in a loss of trees and the loss of green space. That can be damaging for both the environment and the people who live in those areas. We thrive better when we are in green open spaces.

We would like to see this policy go forward, but with it being done in a way that makes sense, that is connected to our environment and still maintains the bush capital feel of the ACT.

I think that there are some concerns there, but it is not an inherent concern with the policy itself. It is about how we do it and how we can provide medium density townhouses and apartment blocks, for example, that still have those green spaces, that do not just result in huge buildings with no trees.

If we look at where else this is done, in Europe in particular, we can see where this is done well. Blocks are set back from the verge; often apartments have courtyards that allow for that private green space, and the trees and playgrounds that exist within those courtyards.

I live in a townhouse complex that I think does it relatively well, but it still has huge slabs of concrete down the middle that could have better design and greater permeability. There are opportunities here, but we have to make sure that we do it right.

THE CHAIR: It is great to get that context, too, of the need to do density well. That is really good grounding. Specifically, in these reforms, private open space will be dropping from 30 per cent to 20 per cent. I am interested in whether the Conservation Council thinks these reforms that are before us have set the right balance or whether you think there need to be different settings of minimum standards. We have had a number of witnesses raise concerns about there simply not being enough space in these settings for tree canopy and green space, if we reduce that and if we drop our site restriction coverage.

Dr Copland: I would have to look at it. I do not know about the specifics. I am not enough of an urban designer to tell you specifically whether 20 per cent or 30 per cent is the right number. We need to ensure that, whatever it is and whatever the committee looks at in the investigation, we can maintain our tree canopy in particular. If the evidence suggests that the drop from 30 per cent to 20 per cent does not allow for that tree canopy and those permeable spaces to be maintained, I suggest that the settings may be wrong, and we would need to investigate that. I am not enough of an urban designer to be able to tell you what the right setting is. We need to ensure that we can maintain that tree canopy and that permeable space canopy and, if we cannot do that, we should be looking at better settings.

MR CAIN: Particularly on the permeable surfaces issue, in my own wanderings, particularly doorknocking in unit complexes, you see this massive slab of concrete—obviously, to accommodate people driving into their individual areas. What are some practical ways in which you could have an opportunity for the rainwater to go into the ground? You talked about some things in Europe. Practically, what could be done? People still need to drive in and park next to their residence; how could we improve the uptake of groundwater?

Dr Copland: That is a good question. Again, I am not an urban designer, so I do not have all the skills and knowledge to be able to tell you the best way to design buildings. I think it would be best to talk to some architects about the best way to achieve that.

One of the things that I will note is that it is often cheaper and easier for developers to not do good urban design, because laying concrete is cheaper than planting trees or creating permeable services. It makes sense that developers will go down that path, given the current policy settings, where we have a biodiversity-sensitive urban design guide, but it is only a guide. There are no real, enforceable rules that exist within that. We are seeing this a lot in the ACT, where we have some great guides that we could be turning to as examples, but because they are only guides, it is easy for developers to get around them and to go for cheaper options.

MS CARRICK: I want to move to water. With all the concrete, it is all interrelated. There is the run-off. With the big storm on Saturday night, we saw the concrete stormwater drain, and the velocity of the water and the force behind it has broken railings on bridges, stripped the concrete lining and moved it right down the creek. You

have to see it to believe it. What are your views on how we manage our waterways, with the increasing use of concrete in the suburbs, and the damage being done by water building up and ploughing through houses? It is something to be seen. What is your view about how the government should manage our water?

Dr Copland: It is a really good question and an important one, in the context of this policy shift. One of the concerns we have about this policy shift towards the missing middle—again, we broadly support it—is that it has to be met with real investment in the areas that will be densified. There are already target areas for the government. We know that the southern gateway will be one of those. It has the creek that you were talking about, Fiona, on it; as well as the northern gateway and Thoroughbred Park, which are two areas where there have already been proposed planning changes. Thoroughbred Park, for example, has Sullivans Creek in it. There are important parts there.

Our concern with both of those, as well as with the broader missing middle approach, is that the government is looking at planning changes and zoning changes, but are we investing in the infrastructure to maintain those areas and make them places that are livable?

I will get to water in a second, but we have concerns about, for example, transport infrastructure. In the northern gateway, we are building what looks like potentially big apartment blocks along Northbourne Avenue and the Federal Highway, but there are still not strong active travel links that will connect those people into the city, which means people will inevitably get into cars, because that will be what they consider to be safer and easier to do.

When it comes to water, the government has quietly backed away from investment in the re-naturalisation of our waterways and these water projects. If we are going to be building dense suburbs in these areas around these waterways, we need to be looking at investment in re-naturalising those waterways, because that is really important for safety. With a naturalised creek, the water flows much less fast because it has the natural barriers there to do it, if it gets absorbed by permeable surfaces, as we were talking about before.

It is important for climate adaptation because we will see further extreme events like we saw on the weekend. If we have re-naturalised creeks, it will help to stop that flow and stop the impact of those extreme events. It is also important for biodiversity in the city. Those concrete drains were a huge mistake when they were put in years ago, and they reduced the biodiversity of the city. Nothing lives in those concrete drains—no birds, no animals, no fish life and no frog life. Re-naturalising that will be really important.

We would be saying to the government that, if they have committed to this reform, they cannot just change zoning rules and hope that everything will be okay. They need to put in the infrastructure, and something like proper water infrastructure will be core to that; otherwise, with the people living next to these drains, in the next big event, it will not just be the bridge that gets knocked over, which is what I saw on the footage—and I have seen that happen at Sullivans Creek as well—but their houses will get flooded and people's lives will be impacted. If we are not investing properly, we will see denser

suburbs but with fewer services, and that is not ideal.

MS CARRICK: With the zoning, the southern gateway and the densification, it is all about densifying the transport corridor. Sadly, with Yarralumla Creek, it is all in one corridor—the creek, the transport corridor. It is all in there, together. Ivy, a 16-storey apartment building right next to the creek, got flooded. Five lift shafts were flooded and out of action. Last night, when I went past, they were still out of action. Unless all these people can walk down 16 flights of stairs, they have been stuck in their apartments for days. Should we be considering our floodways, our flood zones, and making sure that we allow some space for our creeks to thrive, and not put housing too close to our creeks?

Dr Copland: That is a really worthwhile question, and we should be investigating that. We can either not be building in flood zones or we should be looking at the re-naturalisation of those spaces, to reduce the impacts of big events. If Yarralumla Creek was a natural creek, that would have much less of an impact. That is something that the government should be investing in.

MS TOUGH: I want to pick up on one of the water issues in your submission. You talked about rainwater tanks and, going forward, developments having rainwater tanks. Do you have any information on how many people around Canberra have rainwater tanks at the moment? Is that something that people are putting in off their own bat or is it something that people are not really doing, so we would need to have a mandate or strong incentives to do so?

Dr Copland: That is a good question. I do not have the answer to that. I can try to find out the actual numbers for you.

MS TOUGH: Yes, if you can. I do not want to make it too hard for you to find out, but that would be interesting.

Dr Copland: I would be interested in that, too. On these kinds of questions, there is often a balance between what people want to do and what incentives there are to do them, and what the areas are where we have to mandate. The big difference with the missing middle approach is that we are not looking at individual houses; we are looking at developers who will be developing townhouses and apartment blocks. From an individual perspective, they will have less incentive to be doing this work, because often they will want to build the cheapest thing, to be able to sell off those houses. If we want to have good biodiversity-sensitive and water-sensitive urban design, there may be some areas where we have to mandate things because the developers are less likely to be inclined to do so off their own bat.

MS TOUGH: Yes, we heard from the Real Estate Institute that a lot of people these days are looking for places with gardens and courtyards. If people have their own water tanks, they can have their own garden and increase biodiversity and permeable spaces, potentially, that way in these kinds of developments.

Dr Copland: Yes, absolutely. It is possible to have good townhouses with good courtyards, for example, and with gardens. As I said, I live in one of those, and it is actually a much more manageable space than the garden with the big house in Melba,

when I was growing up. It still provides a lot of amenity. I think there is an opportunity, for example, to be using water tanks to be able to support people, but we should be looking at the best incentives or mandates to make that happen.

MR CAIN: There might be some critics of the Conservation Council that would say, “How are you going to make homes more affordable, increase the supply of them, within our footprint?” From, perhaps, a broader, whole-of-government perspective, how do you deal with the undersupply of affordable housing in the territory?

Dr Copland: Thanks for the question. The first thing to say is that we are not a housing organisation. In order to look at specific housing affordability, it is best to talk to those housing organisations. But we can say a couple of things. First of all, Canberra is geographically the size of metropolitan London, yet it has a significantly lower population. We are an extremely spread-out city, and further sprawl to areas like the western edge, for example, would be not only extremely environmentally disruptive, but also it would not create affordable suburban houses. People would be reliant on cars; they could not use public transport. It is extremely expensive for governments as well.

We are in a budget crunch here. Building new suburbs is extremely expensive because you have to put in the sewerage lines, electrical lines, the roads, and all the infrastructure. Building up, densifying, is far more sustainable for the environment, for people, because they can live closer to their services, and for the government.

We have a culture here in the ACT, that we think we need to challenge, of assuming that everybody will have a house with a big backyard. I do not think that is sustainable in the long run, and we cannot keep doing it. We need to be looking at something different. I think that this missing middle approach is a good approach to be able to achieve that, and that is why we support it.

We will need to look to the housing specialists to understand how we can increase affordability. I would argue that this should be mixed. A core part of it is that it should also be matched with increased investment from government in public housing, so that people can have access to affordable houses. It is something that is really integral. Again, that is outside our expertise here at the Conservation Council.

MR CAIN: If the missing middle is implemented as it currently stands, what do you think the deficiencies will be?

Dr Copland: From our perspective, the policy proposal is a good one. The issue is: is it being matched with other supporting investment from the ACT government? I think that there are two elements here. The first thing to say on the policy proposal itself is that we should be looking at ensuring that the design of these missing middle projects—townhouses, small apartment buildings—is done well, so that they work with our environment and with the infrastructure that we have.

There are opportunities to do that in the future. We know that the government is talking about a pattern book of good designs. We will be interested in that, to ensure that those kinds of designs are aligned with our environment and have strong design principles. We should be looking at how we can ensure that the biodiversity-sensitive urban design

guide is actually implemented rather than just being a document that sits on a website that nobody pays attention to. That is the component where we need to ensure that this is implemented well.

The bigger deficiency, and I have already pointed to this, is that, if we are going to be doing this, and if there are going to be particular areas where there is increased densification, it needs to come with matching investment in the infrastructure. Again, I point to the northern gateway and Thoroughbred Park, where we are seeing changes to zoning that will increase the density significantly, but we are not seeing the government follow through with increased investment in infrastructure—for example, cycling infrastructure or water infrastructure, which are both integral to creating good suburbs and good suburban design.

THE CHAIR: I might continue with that one. A number of witnesses have been concerned about whether government infrastructure and planning are keeping pace with density. I would say that we have less concerns with density itself now, and where the government is actually keeping pace. You have also noted that there are no new funded Healthy Waterways projects coming. We do not have a clear idea about schools in areas like Lyneham, near Thoroughbred Park. We have schools that are at capacity and a major plan variation with more housing going in, but no more schools. We do not have a commitment on whether or when we will get our school in the Belconnen CBD.

We are having trouble getting bike paths, footpaths and buses. In Belconnen, we have just lost both our rapid bus services. I think that, in a lot of areas, people are worried that they are seeing cuts in some of the core services that they would need to support the density. Is Cons Council also noticing that trend?

Dr Copland: Yes, we certainly are. We are very concerned, for example, about the cuts or the lack of investment in transport, as one example of this. Transport is integral, both for creating good, livable suburbs and for future climate action. Over 70 per cent of our emissions are now from transport, and that is primarily private vehicles. The ACT government has acknowledged that we cannot get to net zero just through transitioning from private vehicles to electric vehicles. We need a greater uptake of public and active transport.

When it comes to investment, we are going backwards. Buses are being cut. Cycling infrastructure is very slowly being rolled out, despite being an extremely cheap and affordable way to reduce reliance on private vehicles. The light rail is just taking forever to be built, and it certainly will not be ready by 2045, which is the time in which we are supposed to get to net zero. And by that, I mean the whole network.

If we want to have a denser city, we have to invest in the areas that are going to be densified, and we are just not seeing that at the moment. We have the potential here of lots of people moving into particular areas and finding that they do not have the services they need to be able to live in those areas and have a healthy, happy lifestyle in those areas. That is a worry.

THE CHAIR: We can stick to transport; it is an excellent one, particularly from an emissions point of view. Noting that we do not have the active travel and public transport network that we need to reduce car dependency, do you think it would help if

government could give some forward plans or commitments about when we would get those things—maybe some milestones and timings?

Dr Copland: Yes, I think so. That is one thing that we have been calling for, for quite a while. For example, I note my previous history, working at Pedal Power, which had an active interest in this. There was the release of an active travel plan, which had a lot of really nice statements in it, but it never had an implementation plan and never had any forward planning. The ACT government produced a map of potential future active travel links, but it did not ever tell us when those things were going to be built, and it still has not. We are now seeing a real slowdown of announcements like that.

Before the last election, we saw the construction of the first stage of the garden city cycle route, which has proved to be very popular, but it has now stopped. I have not heard a single thing about when it is going to be continued, when that future investment will happen.

If we talk about, for example, the northern gateway, the garden city cycle route would end at the northern gateway—where the northern gateway is, under the proposed route—but we have had no discussion about when that will happen. That is a great example: when you are announcing greater densification of the northern gateway, which is along the Federal Highway, in the Watson-Downer area, it should be matched with, “Okay, we’re putting thousands of people here, what is the infrastructure going to be?” That is low-hanging fruit for getting people out of cars and getting people into more active transport. You cannot just announce a zoning change and hope that everything will be fine. You have to announce a zoning change and have a forward plan for how the infrastructure will match that.

What we are often seeing with the ACT government is that they will develop new areas—this could be either new dense areas or new suburbs, and we have seen this in new suburbs as well—and the infrastructure will come later—the buses, the cycling infrastructure, all this type of stuff, and it is often too late. People will get into the habit of driving their cars. They have already bought their second car. They have already bought into those things. You should have the infrastructure when the area is being developed.

When they are doing things like Thoroughbred Park, the northern gateway and the southern gateway, the infrastructure plan has to be matched with it. The infrastructure has to be built at the time that these things are being rolled out. These are clear, low-hanging fruits: if you are going to have a dense area, these are the people who you could get onto their bikes, walking to locations or onto public transport, for example.

THE CHAIR: I did get parliamentary agreement to get the costings on building the rest of the cycle network, but we have not yet got them, so we will wait and see.

Dr Copland: There you go. That will be good to see.

MS CARRICK: I make the comment that there is still no decent bikeway connecting the north and the south, between the city and Woden.

Dr Copland: That is a really good point.

MS CARRICK: It is really important to connect the north and the south. I would like to ask about transport. Have you done any work around mode shift? You were talking about when a suburb is built, and people forming the habit of being in cars. How do we get people out of their cars and onto public transport? Have you looked at the services we get on our rapids, and when the tram comes? For example, if you are coming out of Tuggeranong, Weston Creek or Molonglo, how many times do you have to change modes to get to the city, to where your jobs are? Is it conducive to getting people out of their cars, if they have to change multiple times to go in the same direction?

Dr Copland: Generally, no, it is not. What we know about getting people out of their cars and onto public transport and active transport is that those options need to be safe, reliable and as fast as possible. Interchange modes add a whole bunch of friction, because if one bus is late, you might miss the next connection, and you end up waiting around at a bus stop. It adds an amount of time and energy.

I am really lucky; for example, I live in Gungahlin, along the light rail line. It is super easy for me because I just have one mode that is fast and reliable. It is not impacted by traffic, for example, which is often what happens if you are on a bus. Investment in proper, reliable and safe infrastructure is key, and we are not seeing that with our bus network in particular at the moment. People have to change buses a lot, it is often very slow and it is going backwards. We are seeing that it is going backwards. I have heard anecdotal evidence from people who say, “I used to get a bus and now I just can’t, so I end up being in a car.”

That ends up causing the problem that the government is trying to solve, which is more congestion on the roads. You can see more people in cars, which creates more congestion. They will then say, “Nobody is taking the bus, so that’s why we need you to do this.” The government seems to not even believe in its own system and seems to be consistently undermining its own system, which will cause real, long-term impacts.

MS CARRICK: Do you think that the government should invest in looking at what sort of public transport network would attract mode shift—attract people to it? For example, will cutting the R2 and the R3 at Belconnen attract people to use it, by having that extra change? Should we have more seamless services out to the suburbs and back in, like we used to have pre network 19, or should we have multiple changes on the way in to jobs? Have we done enough to look at what services attract people to them?

Dr Copland: We know that, when it comes to mode shift, and getting people into public and active transport, it requires a global experience, and it requires leadership from those in government. First of all, how do we achieve that? How do we achieve such a mode shift? I do not think we are seeing that in the ACT. The government says that it likes the idea of mode shift, but it is never really serious about saying to the community, “We need to really think about how we can change the way we can get around the city,” and put in both the incentives and disincentives to achieve that.

Instead, we see public transport and active transport come second-best to road infrastructure. Whenever there is an opportunity, whenever there is the trade-off that has been put out there, the public transport system always comes second-best and always gets cut, which always has an impact against it. I do not believe that the

government are really thinking about how we can actually get people to shift their modes. They are thinking about, “What if I get some backlash from some motorists because they’re stuck on the bridge?” Therefore the public transport system gets hit.

That is a shift in the way that the government needs to be thinking about this that is not happening. The shift to the missing middle will be a really integral part of making that happen, because we will have more people in denser areas. Those people will need to have good public and active transport options.

THE CHAIR: Thank you for your time today. On behalf of the committee, we thank you. Did you take a question on notice? I think there might have been one question.

MS TOUGH: Yes, one from me.

Dr Copland: About the water tanks.

MS TOUGH: Yes.

THE CHAIR: Yes, about the water tanks. Our secretary will get in touch with you, if that is okay?

Dr Copland: No worries.

THE CHAIR: Thank you.

LEARNIHAN, MR VINCENT, Senior Research Specialist and Manager, Visual and Decision Analytics Lab, University of Canberra

THE CHAIR: Welcome. Thank you for joining us. Vincent, you are protected by parliamentary privilege as a witness here and you are bound by its obligations. You must tell the truth. Giving false or misleading evidence is a serious matter and may be considered contempt of the Assembly. Vincent, I will start with the first question, but, before I do that, do you have an opening statement that you would like to make?

Mr Learnihan: Yes. I have a brief statement of about five minutes. Chair and members of the committee, thank you for the invitation to appear today. The remarks I make today are on behalf of the Health Research Institute at the University of Canberra. They focus specifically on the public health implications of DPA-04 and are informed by established public health and urban planning evidence, including some Canberra-specific analysis.

I would like to begin by stating clearly that I support the intent of the missing middle housing reforms. Canberra needs greater housing diversity and more efficient use of residential land. My evidence today is not about whether density should increase but how and where it increases. I refer to how these reforms can be strengthened to ensure they support rather than undermine long-term population health and wellbeing.

From a public health perspective, residential density alone does not deliver better outcomes. Density becomes beneficial only when it is paired with access to local destinations such as shops and services, regular public transport, community facilities, and pedestrian and cycling infrastructure that enables daily living without car dependence. There is now strong and consistent evidence showing that neighbourhoods with good destination accessibility support higher levels of physical activity, lower risk of chronic disease, better mental health and stronger social connection. Conversely, neighbourhoods characterised by low density and poor access to local destinations—often referred to as obesogenic environments—are associated with physical inactivity, social isolation and increased long-term health system costs.

Using Canberra-specific spatial data, our analysis examined how DPA-04 would interact with existing neighbourhood conditions, specifically across the RZ1 suburban zone. This is particularly important as RZ1 land accounts for almost 80 per cent of Canberra's residential area. We found that approximately 70 per cent of RZ1 blocks currently have low access to local destinations—defined as less than four shops or services within an 800-metre walking distance. Under DPA-04, as currently proposed, the majority of these low-access areas would become eligible for increased residential density.

This raises a key concern for the committee. Without additional safeguards, DPA-04 risks increasing the number of people living in neighbourhoods that do not support walking, active travel, social interaction or healthy ageing. Based on current population estimates, this already affects approximately more than 260,000 Canberrans, and that number continues to grow. If additional density is delivered in areas without adequate local access, we risk embedding avoidable public health harms into Canberra's urban structure for decades to come. This is not an argument against missing middle housing; rather, it is an argument for targeted and sequenced reform.

My submission makes two key recommendations for the committee's consideration. First, I recommend that increases in residential density in RZ1 areas be limited to locations that already have at least a medium level of destination accessibility—defined as a minimum of four local destination types within 800 metres. This approach would still enable meaningful housing supply while minimising exposure to environments that discourage healthy behaviours, such as active transport. Second, I recommend a more strategic, transparent and equitable approach to local infrastructure investment, including pedestrian and cycling infrastructure. Over time, this would allow currently low-access areas to improve their access to shops, services and community facilities and become suitable for increased density in future stages of reform.

These recommendations align closely with existing ACT government policy objectives, including the Active Travel Plan and the Healthy Canberra: ACT Preventive Health Plan. They also complement major transport investments, such as light rail, which improve regional access but cannot replace the need for walkable local urban environments. Canberra already performs well in some areas—for example, access to public open space—but parks alone do not meet daily living needs. People also require nearby destinations that support independence, social participation and community connection.

In closing, I encourage the committee to consider public health as a core outcome of planning reform under DPA-04. Done well, missing middle housing can improve housing supply while also strengthening health, equity and liveability. Done without sufficient attention to local access, it risks locking in long-term social and health costs.

THE CHAIR: Thank you. Vincent, I was wondering if you could help us. You have some really good information in your submission about measuring success, such as metrics. I cannot see that government has set any metrics for how they will measure whether this is working: how they will measure public health, social cohesion and some of those probably harder-to-measure things. With whatever reforms are passed, do you have any suggestions for how government can measure them to see what they are doing?

Mr Learnihan: Yes; absolutely. Some of these are already well-established in planning and transport specifically. Regarding the measures that we used to look at accessibility for RZ1, we looked at distance to local facilities. For each RZ1 block, the analysis that we conducted looked at the individual block level and whether the different types of facilities—and there is a list of 12 different facilities—were in walking distance. It is a relatively simple analysis. The issue of indicators and monitoring progress over time is critical. That is one of the challenging things. Within some of the policies, measurable outcomes are key. Information early in the policy talks about the goals of health and sustainability, but how are we measuring them over time? Often we are encouraging the setting of ambitious goals, but we measure over time. If the intervention that we are doing, such as the major intervention of missing middle housing, is not working, then we can shift rapidly to try something that might help it work more effectively.

THE CHAIR: Are there measures for public health or is it more about walking to destinations and allowing people to be active?

Mr Learnihan: On the research side of things, we can measure physical activity. We can also measure density and the proportion of people located there. It links census data for various indicators. In parts of my submission are a range of indicators, such as street

connectivity to encourage accessibility—measuring whether sidewalks are on both sides, one side or not at all. Destination is important, but pedestrian infrastructure, protected cycle lanes and those types of things are critical.

THE CHAIR: Thank you.

MS CARRICK: I would like to ask about the government's role in place plans around our local shops—if we are going to densify our RZ2 and RZ1 areas, the government's role in ensuring that the walkable destination has a playground, and whether some of the closed schools should be opened again when kids have to walk four kilometres to get to their closest primary school. Should the government be looking at the facilities that are at the local shops and have a plan to slowly improve those over time?

Mr Learnihan: I think so. With this policy, particularly RZ1 is the area where, ideally, you will get a lot of bang for your buck, such as increasing density, because there are so many RZ1 areas. But the risk is the unintended consequence—that, if you are allowing anywhere across the territory to be converted from RZ1 and are increasing density, the facilities are not around to support it. The structure of a lot of ACT neighbourhoods—particularly in the inner areas, but not completely—is very suitable for walking. We would encourage more investment in that area. There are areas across the capital which we have identified are RZ1 areas and they still have medium access to facilities. That is where I think the policy should focus, rather than areas that do not have that access.

MS CARRICK: So the inner areas might have better walkable access to local shops. For example, there are places like Whitlam. It is a very big suburb. It is growing rapidly, but there are still no local shops.

Mr Learnihan: Yes. Timing is one of the critical issues. If you are not improving the infrastructure when people move in, the evidence shows that their habits will probably remain similar to where they came from. They will get back in the car. Population growth presents the opportunity for people to change their behaviours if the infrastructure and the environment can support it.

MS CARRICK: Yes. I am surprised that in that particular suburb—and it is a big one—the primary school, which I think is under construction, and the shops, which have not been started yet, are not in the middle of the suburb; they are to the side. They are on the John Gorton Drive side. It is not really walkable from most of the suburb, I would think. It is a bit of a shocker.

Mr Learnihan: A similar case happened—I think it was in Wright—where the infrastructure went in very late, so the opportunity for behaviour change was lost, but not completely. We can retrofit some of these communities that were not initially planned as well as they could have been for active travel. There is an opportunity for the government to look at areas which will meet the criteria for medium-access destinations and look at developing there, and, in areas which do not meet the criteria that I am proposing, to look at the local infrastructure. How can we improve it? Can we extend the community paths? Can we look at public transport for people to get further when walking is not an option in the current business-as-usual kind of place?

MS CARRICK: So should we focus on areas that are closer to the shops for densification as opposed to the ones that are well over a kilometre from local shops?

Mr Learnihan: Yes, if they are zoned RZ1. The opportunity already exists in a lot of neighbourhoods. Areas closer to the shops are upzoned already.

MS CARRICK: Yes. They are RZ2 areas.

Mr Learnihan: If you are only making small changes—going from RZ1 to RZ2. RZ1 areas are typically at the edges of the neighbourhoods, and in some cases they are really far from the destinations. In other cases, in our research we have identified that they are actually quite walkable, so that would be a good place to upzone or increase the number of apartments and townhouses, as proposed.

MS TOUGH: I am interested in some of the long-term health outcomes—whether we continue with the greenfield-first type expansion model instead of missing middle housing, or whether missing middle housing is done but misses some opportunities to really have a positive benefit. What are some of the long-term negative outcomes we could be looking at?

Mr Learnihan: Physical inactivity is one. Physical inactivity can lead to cardiovascular health complications. A lot of evidence in literature is coming to light around social cohesion and social capital. We have indices to measure social isolation now as well. We want people of all ages to be able access community facilities and the like and not be restricted. The health impacts of those are diverse, but, also, adding to the impact or the burden of disease is the cost. We have done some research that shows that areas that have a high level of density combined with mix use and connected grow networks actually reduce the number of hospitalisations. We have shown that here in the ACT. That is critical when we know that our budget, and particularly the health budget, is a major problem. It is because we are not doing things at the preventive end, and the preventive end is housing. Key areas are where people live and where they drive to work. Can we reduce congestion and can we get people out and about exercising, socialising and living a healthy lifestyle?

MS TOUGH: If done well, it hopefully has the flow-on effect of reducing health costs into the future.

Mr Learnihan: That is right.

MR CAIN: I think you have given us the most complex chart that I have ever seen in a committee hearing. It compares LVC. Is that if it is a two-dwelling variation only?

Mr Learnihan: That is right—only.

MR CAIN: And it compares that with the local living index and where each of the suburbs land. What are your conclusions?

Mr Learnihan: Firstly, I will explain why I chose to create this graph. The lease variation charge is a significant factor in why developers, but also mum-and-dad developers in the case of this policy, will choose to develop, because there is a cost

involved. Regarding increasing cost, we would suggest that developers may not want to proceed on blocks that do not stack up. We looked at the lease variation charge, which is charged based on a suburb level. The LVC is applied differently to different suburbs. We measured suburbs by what we call a local living index—essentially, the distance to a variety of destinations. Areas like Kingston and Braddon have very good access to local facilities. They are dense. But to develop there it is also costly with the LVC charge. We have really high density in those environments. But what we see at the other end of the scale is areas that have a much lower LVC charge, and they do not have very good accessibility.

Virtually every suburb in our analysis has access to a bus stop within walking distance of 800 metres. The problem is the frequency of the service. This is a real concern because 70 per cent of RZ1 blocks are in areas that are not what we would call walkable. If developers look at these suburbs and think they are right for development because of a low LVC charge, the unintended consequence is that we could have development going on in these areas without supporting infrastructure for the people, and that is a public health risk.

MS CARRICK: Which means they drive too.

Mr Learnihan: Congestion. There are a lot of other unintended consequences. Regarding destinations around where people live, in our analysis no ACT suburb has over eight destinations out of a possible 12, so we have a lot of work to do all over the capital. But we think the concern is places with fewer than four—nothing to walk to. If development is going on in those areas, you have congestion and you have a range of accessibility problems, and then the health impact could be social isolation increasing in those areas as well.

MS CARRICK: Can we have that list?

Mr Learnihan: I have provided the chart and I have provided the list of destinations. I can provide the list of the suburbs—their score.

MS CARRICK: How they stack up.

Mr Learnihan: Yes.

MR CAIN: I am assuming the diagonal line from left to right is an averaging indicator.

Mr Learnihan: That is the line of fit. Essentially, you can see that is slightly sloped. You can see that, as the LVC increases, so does the local living index. You can imagine that suburbs like Griffith, Braddon, Kingston and Gungahlin have, on average, higher LVC charges—

MR CAIN: Not so much Gungahlin, though.

Mr Learnihan: Yes. Sorry—the ones above the line: Braddon, Griffith, Kingston and Barton. Those are areas which we know have higher density and a higher proportion of destinations within walking distance. Essentially, what we are seeing is that there is demand for those destinations. People want to live in those destinations and they are

prepared to pay for it. The ACT government has recognised that and charges more through the LVC. I do not want to speculate too much as to what developers might do.

MR CAIN: The LVC is also very much related to the unimproved value of the land. There is the variation. The LVC is currently used to propose enhanced use. That is a valuation exercise. I would be interested in looking at your correlation with LLI and unimproved land value, which is obviously a significant extra cost on dwellers as well. Anyway, that is a comment.

Mr Learnihan: I am not a statutory urban planner, but, as part of this process—

THE CHAIR: Do not worry. Vincent, thank you. This is really interesting. You have noted better social cohesion, better physical health and better mental health in denser areas that have lots of destinations that are walkable. You have great evidence behind that. Probably most people would accept the statement on its base—that there is really good evidence. I am now sharing your concerns that, if we are incentivising a whole lot of density in places that do not have walkable areas, we are building in bad health outcomes. There are two ways around that. We could densify. Maybe when there are more people there, some of the destinations might pop up. You might get more businesses. The local shops might do a bit better. You might have more walkable destinations. But government could intentionally create some destinations. Some of those destinations would be parks, playgrounds, medical facilities and non-commercial destinations. They would be things that government could do. Broadly speaking, are those the two ways you could avoid that problem?

Mr Learnihan: Yes. You are right: you can increase density and hope that, because of the higher density, demand for services around where those people live will pop up, or the reverse. Especially in the case of public facilities and community facilities, I would advocate for looking at where those are being built. Schools are an obvious one. The timing is key. In terms of behaviours—and active travel is a key one, as an ACT government policy, the Active Travel Plan—it is about trying to increase the number of people walking, cycling and scooting to school. Timing is the issue. I do not think building it and hoping they will come is the best approach, given the deficit in the budgetary area at the moment. We need to think strategically and long-term. The true end health implications will not come until decades down the track.

THE CHAIR: They are long-term decisions. My recollection is that plenty of constituents moved to Strathnairn when the school was meant to be up and running by 2023. I might be wrong on that. It is now there. Anecdotally, most of the people moved in when their kid was three years old. Then they were four years old and needed to go to school. People picked a private school somewhere else, and now all three of their children are going elsewhere. That delay of a few years on people's life planning factored in an entire generation of people living there who are not going to use the local school now.

Mr Learnihan: These are real problems for real people. With the built environment, we cannot solve them overnight, and missing middle housing is not going to solve them overnight. What we are proposing is not opening it up everywhere, when we are unsure about unintended consequences. If we do it in a staged approach in RZ1 areas that have very poor access to facilities, we can look at those areas and see what we can do. I

mentioned before that 87 per cent of Canberrans have good access to public open space. That is fantastic. But there are facilities such as pedestrian infrastructure and cycling infrastructure. There might be things we can do in different neighbourhoods that still encourage people to walk, cycle and catch public transport.

MS CARRICK: Did you look at RZ2 at all? RZ2 areas are around the shops. Are there any incentives—not necessarily financial incentives but guidelines with certainty around how the government might be able to help with faster progress in the densification of the RZ2 areas?

Mr Learnihan: As part of the analysis that I presented, we did not look at RZ2. We could well do that. With RZ2, the approach remains the same, but I guess questions remain about why RZ2 hasn't happened already. Why haven't we got that yet?

MS CARRICK: And what opportunities are there?

Mr Learnihan: Yes. My response to that is the potential to streamline it to make it easier for RZ2—for single dwelling blocks and RZ2 to actually increase. I think it also comes back to targeting specific areas across the ACT. If developers know the areas that can be developed and other areas are restricted, there will be a more intense focus on those areas. That could happen quite rapidly, depending on the other economic conditions.

MS CARRICK: There was quite a conversation about consolidating blocks this morning, ideally in RZ2 areas, where you can get more density and more co-housing closer to the shops. Would you have a view about that?

Mr Learnihan: Sorry—could you say that again?

MS CARRICK: Where you can consolidate three or four blocks so that you can fit more density on those blocks, because you have less setback to deal with.

Mr Learnihan: Yes, within the missing middle policy already, as long as it aligns with a bunch of other sustainability criteria and the character of the neighbourhood—that type of thing—absolutely. If we were to do this chart again with just RZ2, you would find that accessibility to RZ2 would be higher. Maybe demand for people to purchase houses in those areas would be higher as well.

THE CHAIR: Vincent, on behalf of our committee, thank you so much for coming in. Thank you for presenting some actual evidence. That was refreshing.

Mr Learnihan: Thank you. Was there a follow-up on a list?

THE CHAIR: Yes. James will help you.

Mr Learnihan: Thank you.

Hearing suspended from 12.20 to 1.21 pm.

DONNELLAN, MR ANDREW, Secretary, Greater Canberra
MACLEAN, MR HOWARD, Convenor, Greater Canberra
TADMORE, MR ADAM, Committee Member, Greater Canberra

THE CHAIR: Welcome. Thank you very much for coming in, Andrew Donnellan, Howard Maclean and Adam Tadmore. Please note that, as witnesses you are protected by parliamentary privilege and you are obliged to follow the rules with that. Anything you say must be true. Giving false or misleading evidence will be considered a serious matter and may be considered contempt of the Assembly. Do you have a short opening statement, noting that we have read your submission already?

Mr Maclean: Noting the shortness of time, we thought that we would give the committee the maximum amount of time to be able to ask us questions. We covered a lot of ground within our submission, and we wanted to best assist the committee with any questions that they might have.

THE CHAIR: Excellent. We have had a lot of evidence about affordability and missing middle supply will not necessarily give us any more affordability. You covered this in your submission quite a bit too. Do you think we need inclusionary zoning or some other kinds of planning tools to make sure we are actually getting social and public housing and not just more missing middle housing?

Mr Maclean: We absolutely think that we need more social and public housing. There is a question about the best way to finance that. Our own preference is that the evidence is that giving social and public housing funding directly out of consolidated revenue is the most efficient way to do it. We already have a mechanism to capture the windfall gains in the increase of value of land due to upselling with the lease variation charge. One area in which we would advise caution is that, when you layer the lease variation charge and inclusionary zoning on top of each other, they are effectively taxing the same thing. We think that giving ACT Housing the maximum amount of flexibility to build the public housing that it needs, where it needs it to be built, through just giving them money is probably the best way to do it, rather than forcing developers who do not want to build public housing and are going to find as many ways to stiff the government and also public housing tenants and social housing tenants as possible.

So, one, we absolutely think that the government and the ACT on a whole need to make strong investments in public housing and social housing. We think the best way to do it is by simply funding those agencies appropriately. We think drawing money from the lease variation charge to be able to fund that is potentially a good route, although we would prefer that it was part of consolidated revenue rather than an earmarked levy for administrative simplicity.

THE CHAIR: Sure.

Mr Donnellan: We would also add that we support any other regulatory reforms that would assist in delivering public and social housing in a cheaper and more economical manner, and that includes the Planning (Territory Priority Project) Amendment Bill 2025, which has passed. We were very proud to support that.

THE CHAIR: So you are actually now out of step with all of the parties in this building,

I think. Labor has a policy for inclusionary zoning, the Greens have a policy for inclusionary zoning and so do the Canberra Liberals. So I think Greater Canberra is probably out on their own saying that you do not want inclusionary zoning.

The risk I see in not having any kind of planning tool to make sure that you get some public and community housing everywhere is that, if it is just purely done by financial incentives, you have no guarantee that you will get some everywhere. You might just end up with an estate tower somewhere out in the middle of nowhere; whereas, inclusionary zoning means that you have a great ability to distribute it right through Canberra.

Mr Maclean: In terms of this particular reform for missing middle, one of the problems that we potentially have with inclusionary zoning is how exactly you attach an inclusionary zoning mandate to a four-dwelling development. Within the scope of that, that is part of our concern. Most of our approach here is dictated by the fact that we think that, for most of what Housing ACT need to be able to deliver, what they need is a combination of permission. DPA-04 gives Housing ACT, on the land that they own, greatly increased permission to build additional social housing. Then we think that they need money.

THE CHAIR: I cannot argue with that.

Mr Maclean: I suppose, on our priority list, when we look at what we actually need to solve the public and social housing crisis in Canberra, we think that priority one is simply just funding these entities appropriately—and that should be the high priority.

THE CHAIR: That is perfectly reasonable.

MS CARRICK: I want to follow up on the conversation that we had before lunch, which was from the UC. I do not know if you heard that. It was very interesting about being able to walk to amenity—and RZ1 and RZ2 are, I guess, generally within that area. What is your view about UC's focus on those areas, even RZ1 areas, that are within walking distance to shops and schools and community halls and all that sort of thing? I think his point was that, when you are more than a kilometre away and not really walking distance to the amenity, when you densify that, people end up in their cars.

Mr Maclean: DPA-04 does have a graduated zoning. RZ2 is around those local shops and those walkable catchments increased to the maximum upzoning in those areas is much greater than RZ1. Our view is that we should not ban housing if it is not within a certain walkable catchment, because then we would actually be banning most of the housing in Canberra.

In addition to that, over time, communities will change, effectively. As DPA-04 is implemented, we get more missing middle housing and the density of suburbs increase. This will enable changes within those suburbs to increase walkability. In essence, a future suburb, 50 years down the line after these reforms, will not have the same distribution and services and the same distribution infrastructure to ones that currently exist, and that in itself will increase walkability.

Mr Tadmore: Just quickly, the great thing about missing middle and tighter reforms is that it creates a lot of flexibility and adaptability over time. There might be areas of RZ1 with this upzoning that will not be built, because people do not want to live there and so it does not make sense to build it there. But, as Canberra's population changes and maybe the types of infrastructure people want changes and more people want to live there, development happens, the neighbourhood becomes denser and then it becomes walkable as people do shops et cetera. So, having that flexibility, rather than every time something happens having to go back to the drawing board—

MS CARRICK: I just wanted to ask about affordability. There has been a lot of conversation about affordability this morning. My take on what the conversation was this morning was that increasing supply can help with affordability—that is great; I have three boys and I want increased supply and better affordability—but it is just about where it happens. For a lot of the missing middle in the inner suburbs, the townhouses, anecdotal evidence will be that they have high unimproved land values already and then you increase what you can put on them and that just increases the unimproved land value even higher. So those townhouses in those areas end up being very expensive—like \$1.5 million and \$1.8 million. What is your view about affordability?

Mr Maclean: We stepped through in our submission that there is very strong academic evidence from Auckland and from elsewhere that the overall aggregate impact upon a housing market is that affordability increases, in terms of rents go down and price growth slows. In terms of the individual examples you are talking about, if you take an ex-govie that is incredibly old and unrenovated and you knock it down and replace it with two or three incredibly new high-quality townhouses, those individual townhouses probably will be worth more than that decrepit old ex-govie. What we see, though, is that the housing market is actually a game of musical chairs. By creating more chairs at the top end, even if those chairs are nicer than the previously existing chairs, we reduce the demand for chairs at the low end—if that makes sense.

When you view it as a system, the overall rents decrease. Even if we end up creating more individually expensive new housing, which is always going to be nicer and usually more expensive than the average home, because it is newer and it is built to a higher standard, that pushes demand down for older homes, effectively. It is the process known as filtering. We can provide more academic evidence on the expense.

MS CARRICK: So the more affordable ones may end up being the older homes. If somebody downsizes, they might downsize into a beautiful new townhouse in an inner area, and where they came from is available then and might be more affordable.

Mr Maclean: But missing middle will occur throughout the city. Hypothetically, if we do have that redevelopment on a given street where there are now three new, more expensive, homes potentially than the average for that street, that will actually decrease the median rents and house prices for all the other homes on that street. So it is not a case of we are going to end up with segregated communities; it is going to be the case of it will be happening throughout the city, in effect.

MS CARRICK: So, if you have three new ones, it will not increase the street; it will decrease it? Is that what you are saying?

Mr Maclean: Upzoning does increase the value of land, because it enables more things that you can do with land, but it decreases the value of housing. Let's say we take a particular block. We have redeveloped it and it now has three houses on it rather than one. The per square metre value of that block is going to be higher, because it now has three homes on it, but the total value of those individual parcels is probably going to be lower than the original much larger block. So you will end up in a position where more people have access to housing at a lower price—because the entire core of this reform is to enable more people to like to enable high density—which means that, even if the total value of land goes up across the entire suburb, which we think also has other benefits in terms of the ACT's tax revenue, the individual amount of money that people need to pay in order to get that housing goes down.

MS CARRICK: I am concerned about young people getting into the market, having three young fellas. With the missing middle, what will be their opportunities?

Mr Maclean: If they are in a position kind of similar to me—I was 30 years old last year—where they have outgrown an apartment but they have not quite got the family zones, where they want a four-bedroom, full quarter acre block, and they want to stay closer to potentially where their employment is and where their existing community is, inner Canberra or any other suburb where they are currently established, this will give them an intermediary step. It will enable two- and three-bedroom townhouses with a backyard—maybe not as large a backyard as a full-size suburban house—but missing middle does create that missing middle. It enables more options for young people to be able to move into housing which is between a one- or two-bedroom apartment and a full-size suburban home.

MS CARRICK: Thank you.

MS TOUGH: In your submission, Greater Canberra recommends specific definitions for medium and high density and then potentially the change of a low-density definition. How would you define those? By having that set definition, how does that then help with the flow-on effects for people building?

Mr Maclean: Ninety per cent of the reason that we want that definition is mostly because currently all these projects are challengeable at ACAT as third-party appeal. When you have something which is medium density or high density but the legislation and the tech specs do not provide any guidance as to what those words actually mean, then every single time there is a potential challenge to a housing development we end up going around in circles arguing over what those terms mean. We are not particularly attached to what level the Assembly actually defines those terms as. We just think the main thing is that it would be a good idea if they did

On the targets originally included within the tech specs, the architects, I imagine, will present evidence that they thought that those were excessively low. On the whole, we think that the appropriate density of a development mostly should follow the typology. We have limits set for like 45 per cent of site coverage ratio—two storeys. If you can fit reasonably sized homes within those constraints, we think that you should do it. So I think mostly it is about the envelope rather than an arbitrary we need x number of homes per square kilometre.

MS TOUGH: So that is helping with that third-party appeal process?

Mr Maclean: Yes. We really want to make sure that there is as much clarity for the community, the ACAT and also the developers and consumers to be able to make sure that everyone knows what their rights are.

MS TOUGH: Just on that, you also talk about a definition on what is appropriately located. Can you explain why that also needs a definition?

Mr Maclean: Yes; for the same reason: what does appropriately located mean? Do we know? The answer is that, at the moment, it is a matter for judgement. We do not think it is actually a problem if it is a matter of judgement, if there is one person who is accountable to the Assembly who is making those judgements. Part of the problem with ACAT is that you draw a different member of ACAT out of the hat every time that you go. This means that there is no guarantee of consistency between different ACAT members. We really want to make sure that the Assembly is speaking with a clear voice to both ACAT and also to the community about what they mean when they use these terms.

MS TOUGH: Thank you.

MR CAIN: What examples do you have in mind for holding up medium density, I guess, missing middle housing under the third-party regime?

Mr Maclean: Our submission goes into this in detail. We actually ended up building a software tool to find all the cases of missing middle litigation. There were quite a few. Over the years, there has been quite a substantial number. Going off the top of my head—and I can take this on notice and provide additional details, but—

MR CAIN: Sure; anything you expand on your concerns.

Mr Maclean: A really good fairly recent example—and I am going to butcher how to pronounce this—was Calwell.

THE CHAIR: Calwell?

Mr Maclean: It was a dispute over one of the more recent RZ1 reforms, like the halfway reform we did, where we enabled a 120 square metre unit titled house. There was a dispute over whether that meant the technical requirements over solar access. The ACAT and ACTPLA had different interpretations. Those interpretations were highly technical, but it still held up the entire project for a number of years. So, effectively, what we are saying is that, at the moment, at quite high frequency we see a lot of potential developments being brought to ACAT, and then there is a high degree of ambiguity about whether ACTPLA's interpretation of the rules will actually be upheld.

Mr Donnellan: The research that we included in the submission states that since 2018 we identified at least 72 public ACAT matters, and 30 of them involved some kind of missing middle typology housing.

MR CAIN: Is it Greater Canberra's view that most of those third-party appeals were

PROOF

on unmeritorious grounds or minor technical grounds?

Mr Maclean: We think that the system itself at the moment makes it very difficult to tell, because there is no consistency. ACTPLA and ACAT disagree with each other nearly all the time. We have seen disagreements over whether, for instance, trees count as blocking solar access. We have seen disagreements over interpretation of parking rules. The big problem that we have with the system is not whether they are meritorious or not; it is about whether this is the most efficient way to clarify how planning laws are meant to operate.

MR CAIN: On the inconsistency, from your point of view, are you saying that is squarely with ACAT or also with ACTPLA?

Mr Maclean: We think it is with the Assembly.

MR CAIN: Sorry, when you say “the Assembly”, what do you mean by that?

Mr Maclean: I mean that the ACT Legislative Assembly and the government have created a system, through the Planning Act, that mean that these kinds of disputes over—

MR CAIN: The Assembly does not administer planning decisions. ACTPLA does so, and obviously ACAT has an opportunity to review those. So where is the inconsistency? Is it just with ACAT or is it with ACTPLA as well?

Mr Maclean: Currently, what we are aware of is that ACTPLA takes a very urban planning approach to the interpretation of legislative rules. ACAT has a very lawyer focus. At least one member on every ACAT panel is a presidential member. They have quite a legislation lawyer legal approach to interpretation of rules. That seems to be the stem of a lot of disputes and interpretation over what words mean. Our primary recommendation is that we think that the entire system currently does not work.

Mr Donnellan: I would also note that the Planning Authority has internal mechanisms, such as internal committees that are involved in the decision-making process when there are complicated DAs or complex matters that have raised a number of rejections or complex issues. They have those internal mechanisms that can allow them to enforce consistency within the authority’s decision-making. That functions is quite differently from how ACAT would make those.

MR CAIN: So your evaluation of ACAT is that it is stuck on the legal side. Yet the ACT, as you would know, is a merits review tribunal.

Mr Maclean: It is, and our argument here is that the new Planning Act created an outcomes-based system designed to give discretion. It created a series of client flexible principles that the decision-maker was meant to keep in mind. What we have now is a system where, quite reasonably, two different decision-makers, in the same position, whether they come from a different institution or professional backgrounds, take different interpretations over extremely minute and highly technical procedures.

In effect, when I was saying earlier that the problem in many ways aligns with the

Assembly, what I was saying is that we have created a system that means that we are always going to end up with this high degree of uncertainty and litigation risk over any development that exposed to third-party ACAT review.

THE CHAIR: There were 72 matters since 2018. That is like eight or nine in a year. Is that a high degree of litigation risk in a town that wants to be building 5,000 homes in a year but is maybe in actual fact building only 3,000?

Mr Maclean: Of those 72, I believe 30 are related to missing middle. We highlight in our submission that missing middle typologies are uniquely exposed to ACAT. You cannot sue an apartment development in a town centre. It is exempt. You cannot sue a knock-down rebuild. It is exempt development. It does not even have a DA. So, when you take that much narrow subset of housing, we think it is a much more substantial risk. But it is also—

THE CHAIR: But wouldn't these reforms reduce that litigation? I am still not convinced that I am hearing what I would assume a high litigation risk from those numbers. But wouldn't these reforms further reduce that risk?

Mr Maclean: If we go through with the pattern book, which the government has signalled an intent to do, we think it would. However, the problem we believe is systemic to the way that the current Planning Act works. We think that the design guide provides much more concrete guidance for both the directorate and to ACAT about what they are intending to do in this space. But we are still in a position where ACTPLA and ACAT disagree with each other all of the time over what rules mean.

Mr Donnellan: I would also note that the number of cases is not in itself an accurate representation of risk to DAs. From conversations with architects and planners, we know that working out the risk of a potential appeal forms part of the decision-making process as to whether a DA is launched to begin with. It can mean that a planner or an architect needs to advise their client that, if they try and use the rules to the maximum degree that the rules were intended to enable, they run an increased risk that they need to model in their finances.

THE CHAIR: Sure. It is a difficult thing, though, isn't it? If there were matters being lodged in ACAT and ACAT were not upholding any of them, we would say it was vexatious and if there were matters being lodged in lodged in ACAT and ACAT is upholding them, we are saying that that system is not working. It is hard to gauge whether the system is doing what it should or not.

MS CARRICK: Just on that matter of ACAT, it is not a perfect world. When we are densifying and we have minimal setbacks and we have moved from metres to storeys, which can be higher, sometimes things slip through the cracks. Where there is material detriment to a neighbour through this process, what checks and balances would you recommend if there is no recourse to ACAT to help where there is a really poor outcome?

Mr Maclean: We think that there should a more robust internal mechanism. Our point here is not that there should not be some system to make sure that Canberrans are getting the highest quality and most consistent planning decisions. We think that is important

for building community confidence. Our issue with third-party ACAT appeal is that we do not think it is a particularly good mechanism to do that. That is a view that has been reflected to us by all participants in the system.

Our view is more that we are currently in a system that pretty much everyone agrees is not working particularly well. There is also any number of neighbours which have gone to ACAT alleging a planning violation and spent a whole load of time and money and effort and then not been successful on appeal. We are in a position as well where we think that this kind of quasi-judicial litigation heavy dispute resolution mechanism to planning matters is just simply inappropriate for the kinds of challenges that we face, and we could have a system which does not work on this kind of adversarial line.

Another element here, of course, is that very few people have the money, resources, and time to be able to pursue these kinds of matters. We attempted to follow one of them by turning up as a witness to someone who might be able to attend these matters, and we realised that, as an organisation, we simply did not have the annual leave to turn up to the number of hearing days. This is a very expensive and therefore kind of exclusive mechanism that locks a lot of people out that might have legitimate grievances but they work fulltime and so they cannot bring this matter.

MS CARRICK: Would it be worth looking at ACAT and streamlining their processes so that there is a check and balance there that is external to the directorate or the Planning Authority?

Mr Maclean: Again, we think that the fundamental nature of ACAT as a quasi-court, which has an adversarial legal system, which fundamentally takes what is a public decision-making process—which is: how should our city be shaped?—and instead transforms it to a private litigation matter between one person and the government, inherently locks the rest of the community out.

If there is a proposal to build, let us say, a public housing development in a suburb like Ainslie or a social housing development in a suburb like Ainslie—and I am not being particularly subtle about which one I am referring to here—and there is an ACAT litigation by one or two members of that community against that social housing development, the whole rest of Ainslie or the rest of the city cannot be party to that ongoing litigation; it moves behind closed doors. So we think that it is not just a problem of efficiency; we think that, fundamentally, the nature of the forum for the kinds of matters it is considering is inappropriate.

MS CARRICK: Thank you.

MR CAIN: What evidence do you think there is within this planning variation that will make housing more affordable?

Mr Maclean: I am happy to kick off here and then I might pass to Adam to talk through some more of the academic evidence. Mostly, what we have referred to previously and our evidence here today, in terms of the various studies done by the RBA and also by the University of Auckland and elsewhere internationally has been on how broad general upzoning to this nature has increased affordability in terms of leading to reduce rents and increased home ownership. Adam, do you have anything further to add?

Mr Tadmor: Yes. There are a lot of examples around, but probably the most relevant ones are the New Zealand upzonings. There is a number of peer reviewed studies on the broad Auckland rezoning, which is about three quarters of their residential land, as well as the lower height upzoning, which upzoned about eight per cent of their residential land. In Auckland, they have found that rents were about 28 per cent lower than they would have been otherwise. You can see in the graphs in the submission the rate rise. When you compare it to the other cities in New Zealand, and it is pretty clear that it is not going on the same trajectory.

Also, there have been significant increases in development. Over six ago, Auckland had about a nine per cent increase in development applications relevant for the existing housing stock. It simply comes back to the fact that what would happen to house prices. I live in New Acton in an apartment. If we got rid of all those apartments, it would be more expensive. This comes back to that basic phenomenon of a supply and demand. If you have more choice, you do not have to put up with worse and you can get cheaper.

Mr Maclean: And then there is the reverse option—like following the LA wildfires that destroyed a whole lot of housing stock in the city and caused rates to surge. When it happens in reverse, the consequences are immediate and really obvious to everyone. And they go, “Of course, 3,000 homes burnt down, and all those families need housing within the city and then of course we have a rental crisis.” Our contention is that the reverse does the opposite thing.

THE CHAIR: We had some evidence earlier today—and I have not had a chance to check it out yet—that, based on the Auckland upzoning experience, apparently, they had higher levels of greenspace tree canopy. They were more restrictive in site coverage than the current reforms. Do you think the Auckland level of upzoning got the right balance on greenspace site coverage?

Mr Tadmor: I cannot talk to the exact specifics of the canopy requirements in Auckland, because the way that the canopy requirements interact with other requirements, whether it be—sorry, I can’t remember the exact technical term, but we talk about it in the submission—the amount of grass needed on the land, setbacks and the site coverage interact together to limit what can be built. I imagine New Zealand and Auckland have, on those other fronts, different things. It also depends on where you can put the trees. We talk about what counts as canopy shading cover, for example. One of our recommendations from an internal government review is to allow trees from outside the property that shade over to count as part of the canopy cover, which our report found does meaningfully increase the percentage. So it is hard to say without doing a proper comparison.

THE CHAIR: I would not ask you to do a proper analysis. I am just wondering if in any of the missing middle type upzoning exercises around the world, there are any that you have looked and you have said, “They got great outcomes in terms of permeability, greenspace and open space.” This is one of the concerns that we have, because the current system has taken us backwards at a time when our tree canopy has also gone backwards.

Mr Maclean: Canberra is leading here to an extent. We think that the current balance

struck by DPA-04, where there a was real intent to make sure that we were not sacrificing greenspace in terms of the site coverage requirements, which generally reflected that of the greenspace RZ1 areas, in most cases is appropriate.

THE CHAIR: But it reduced the—

Mr Maclean: I believe that there was a very marginal tweaking. When you refer to a reduction, what are you referring to here?

THE CHAIR: It has gone from 30 per cent to 20 per cent for some of the units. It has gone down across the board. The canopy target has gone up, but the actual planting space has been reduced on previous settings.

Mr Maclean: We think that that change is mostly marginal, and we think that the canopy coverage is what matters most in terms of the greenspace preservation. The site coverage ratio has remained consistent with RZ1. So the amount of actual built form area is still at 45 per cent. We think, on balance, the current balance struck by DPA-04 between housing and greenspace is mostly pretty good and that the change from the current built form to the new built form is quite marginal. We are not actually increasing the size of the built areas in RZ1 in particular. We are just saying that rather than having a single enormous, big mansion, you can just have multiple townhouses within the same building envelope.

Mr Tadmore: The way that people experience canopy cover and leafy suburbs when they are walking around the suburb is not due to canopy cover over the private properties. It is the street trees, local parks et cetera, which are obviously not affected by this.

THE CHAIR: Absolutely, yes. I think we are just concerned because we have seen LiDAR satellite imagery tell us that our canopy coverage has gone backwards across Canberra. It is measurably reduced.

I am so sorry, but we are the end of our time. That was a fascinating hearing. Thank you so much for your time today.

Mr Maclean: We do have a document to table actually, which is like—

THE CHAIR: To table, yes, of course.

Mr Maclean: It came up earlier today. We did not exactly get to parking. But, for the committee, we do have the data on hand from the 2021 census in terms of the number of households relative to the number of cars. Roughly, 45 per cent of Canberra households have either zero cars or one car. We think that is relevant to these considerations, where a lot of people are very concerned that, if we have more townhouses, the amount of parking on the streets will expand.

THE CHAIR: Thank you.

HAAS, MR DAMIEN, Committee Member, Public Transport Association of Canberra.

HEMSLEY, MR RYAN, Deputy Chair, Public Transport Association of Canberra.

THE CHAIR: We welcome Ryan Hemsley and Damien Haas from the Public Transport Association of Canberra. Thank you for joining us. We are covered here by parliamentary privilege. Witnesses are required to tell the truth. Giving false or misleading evidence will be considered a serious matter and may be treated as contempt of the Assembly. On that happy note, we will get started. Ryan and Damien, do you have a short opening statement or do you want us to just rely on your submission?

Mr Haas: Let's get stuck in.

THE CHAIR: Excellent. I was very interested in you linking missing middle reforms to supporting bus frequency. I am particularly concerned about this in Belconnen at the moment. We do not necessarily see increases in bus frequency going with increases in density. Do you have any tips? Is there a magic amount of density that we need to be able to operate a really good bus service or should government just be operating a really good bus service?

Mr Hemsley: Our approach to all of this—and it is evidenced in our five-point plan to improve public transport in Canberra—is that there is a baseline level of frequency that the government should be delivering, regardless of where you live in the ACT. We know that all the major parties at the last ACT election committed to improve the frequency of local bus routes to at least every 20 minutes. Obviously, there have been some hiccups on the journey to that as a result of the bridge construction work happening on Commonwealth Avenue, but we have been given assurances that that is still the intention.

This is a long-running proposition. Missing middle housing is a design plan that will result in incremental change that is spread across the city over a number of decades. It is not going to be a hard swap: “You have a local bus route, but now this development has been approved and we are going to upgrade you to a rapid route.” There will be demographic change in suburbs as more missing middle developments are constructed and there will be various changes to the network to incorporate changes to frequency in response to population that is arising from missing middle developments.

In the context of areas where there has been a mode shift from a local bus route to a rapid bus route, I would use Molonglo as an example, probably at the more extreme end. When Molonglo was first being built, especially through Coombs and Wright, there was just a local bus service. Indeed, the old 181 service, as I believe it was, did not even run on weekends. That obviously had service impacts for people who resided there. As more and more buildings were constructed adjacent to the bus stops along John Gorton Drive, it reached the point where it made sense to deliver it as a rapid bus service. While it is certainly towards the lower end of patronised services, it is increasingly getting busier as more buildings come up along that route. It is the virtuous cycle of more development resulting in more people using the bus service and improvements to service frequency being introduced as well.

Mr Haas: In our submission we refer to DPA-04, on its own, not being a solution to

increasing housing density, increased bus patronage or light rail patronage. We believe that an all-of-government approach is required, and this is just one mechanism to bring that about. For example, if you take one quarter-acre, standalone house in any suburb and replace it with two or three missing middle typology residential homes, you have to make sure that the entire suburb is supported by high-quality footpaths, high-quality share paths and better-quality sheltered bus stops. People would prefer that they do not have just a pole on the side of the road as their bus stop. If you want to go to work in the morning and it is raining and you know you have a sheltered bus stop, you are more likely to walk 100 metres between showers instead of just getting in your car. There are a whole range of mechanisms outside this planning amendment that can lead to increased usage of public transport.

THE CHAIR: Thank you. We have certainly heard a lot of concerns from a lot of witnesses that infrastructure and services are maybe not keeping pace with the government's desire for density. It sounds similar.

MS CARRICK: There was a discussion this morning around local hubs and densification around our local shops, and whether the government should facilitate block consolidation and facilitate place plans for local shops so they are more walkable and people stay local because they have local amenity. What are your views about both block consolidation and the government helping by doing place plans for local shops so that people walk to them more and stay local?

Mr Hemsley: We support government investment in public realm infrastructure. It is fair to say that one of the key considerations of people being able to access any given bus route is: "What is the connection like from where I am to where the bus is, and subsequently from when I get off the bus to the destination I want to go?" As part of our five-point plan, we are also very supportive of investment in active travel infrastructure. Around local shops are areas where you see more types of active travel usage, not just to bus stops but also to facilities in the areas.

With respect to block consolidation, it is not something we have a firm position on. Obviously, we want the outcome that produces the less negative urban design outcome that can often be associated with having just a bunch of driveways, which can be quite harsh if you are pedestrian traversing the area. If that were a mechanism by which that outcome could be avoided, sure, but it is not something that we have given too much consideration to as part of our submission to DPA-04.

MS CARRICK: Fair enough. Thank you.

MS TOUGH: We have heard a lot today about parking minimums: whether there is enough parking; not having enough parking; how some suburbs have multigenerational households with a lot of cars on blocks. In your submission, you support reduced parking minimums. Could you talk more about how reduced parking minimums link with public transport—that it might not be as bad as people think—and how you see that playing out?

Mr Hemsley: Ultimately, all sorts of conversations take place over parking minimums. I just want to make it abundantly clear for those listening to this particular submission that there is no plan as part of DPA-04 to abolish parking minimums. They are slightly

reduced to account for the fact that they want to provide maximum flexibility for the new missing middle typologies and incorporate a range of other amenities. People may choose to have more green space as opposed to a larger garage or, indeed, more living space as opposed to a larger garage. There is always going to be a demand for homes that have more parking, and this amendment does nothing to stop that.

We think it is reasonable that people want to make the choice. Indeed, in the inner parts of Canberra, where we are likely to see more of these missing middle homes being built, that is a trade-off that more people might be willing to make, as the facilities there, in terms of public transport and active travel, are largely better than in more outer-lying areas of Canberra. We think that is an appropriate trade-off and an opportunity to provide potential purchases of missing middle homes.

Mr Haas: It is about providing people the opportunity—for example, if they want to buy two car spaces and it has been mandated that two car spaces are required per dwelling, or whatever the mandated number would be. If you want to talk about housing affordability, the easy way to increase housing affordability is not to force people to pay for parking that they may or may not use. If you are a family that requires two cars and two car parking spaces, let's increase the ability of public transport to service your requirements. You may then decide to sell a car and become a one-car family. What has happened right along the first light rail line, from Gungahlin to Civic, is increasingly obvious. Many people got rid of a car and are down to one car.

I would hope that, with DPA-04, there is no mandated parking minimum—to leave it up to the people deciding to build or to buy new housing developed as a result of this draft planning amendment. We would prefer they use public transport when it suits them.

MS TOUGH: Giving the people who are building and buying the choice: “Am I maximising green space or living space?” or “Am I building this because I am going to need two or three car spots?”

Mr Hemsley: Exactly. On a Facebook post some time ago, there was an apartment block in, I think, Downer. I looked at the floor plan of the small apartments and the garages. The double garages were larger than the living area in those apartments. Honestly, if you were buying an apartment there and you did not own a car, what does a cement-floored garage do for you when that could be another living space, another bedroom, a study or a conversation pit?

Mr Haas: Or, indeed, having a cheaper dwelling.

Mr Hemsley: Or, indeed, having a cheaper dwelling—yes. Take five of those double garages and you have another dwelling and you will have lowered the cost for the entire block.

MS TOUGH: Thank you.

MR CAIN: Some interesting things have come up today. One is an emphasis on underground parking in developments that happen in our city and within the footprint, to leave more of the ground-level land for other uses, whether it be for green spaces,

accessibility, easier access for active travel or pedestrians. Do you have a view on the character of the parking that is provided as part of missing middle reform?

Mr Hemsley: We would say that the assessment requirement that looks at how parking is incorporated into a missing middle development, as outlined in DPA-04, does cover those considerations, with respect to views from the street and what have you. We do not have a strong preference as to whether the parking is provided at grade or whether it is provided underground. Obviously, there are cost considerations associated with putting every parking space underground. It is always a trade-off. If you put the parking at grade, that probably means it is cheaper because you are not required to dig out an expensive basement, but the space that is being sacrificed for a static motor vehicle and may or may not be occupied could otherwise be occupied by green space. There are always trade-offs with each development.

One thing that we would suggest is that that is ultimately going to be a decision for the developer and then, ultimately, who they expect would be in the market for any particular typology. We do not think it is necessary for the government to step out exactly how they deliver the parking. We think it is a good opportunity to look at the different ways to do it and provide mechanisms for different typologies that meet particular market segments.

MR CAIN: When it is being built, the developers want the lowest cost possible for maximum return, so they are not going to lean towards below-ground parking.

Mr Hemsley: There may be a premium attached to having more green space, for example. In some areas there might be a particular housing typology that meets a certain market segment that says, “Your parking is underground and you get a lovely garden.” That might appeal to a particular market segment.

MR CAIN: Sure, as a premium attraction.

Mr Hemsley: Indeed.

MR CAIN: From a government point of view, it is another level of facility for cars and other devices that people travel with, whatever they might be in 50 years. That would seem to be a pretty favourable policy direction—to leave the surface level more available for other options that may turn up over the years. You said you do not think the government has a role in that, but, from a long-term planning policy and, I guess, the shape of our city, is it possible the government could actually have a role in saying how much below-level parking there should be to create more opportunities for the surface?

Mr Hemsley: Possibly, but I do not think we would have—

MR CAIN: That is not a view of your organisation?

Mr Hemsley: I do not think we have a firm position on that.

Mr Haas: I do not think we have ever discussed the technology of parking and what is best for the future of Canberra. If you want to minimise the amount of square metres to

allow for a greater amount of parking, then you can get one of those expensive parking elevators that you drive into, and then it moves your car into some sort of arrangement. But I really do not think the people of Canberra would be prepared to cop the expense for that.

Mr Hemsley: Possibly outside of some very expensive blocks in Forrest.

THE CHAIR: We have some concern about parking. It is interesting. When there is great public transport, it is a good incentive to maybe have a one-car household, not a two- or a three-car household. As a regular member, constituents' concerns I get are about Belconnen, where we have just lost a couple of our rapids. The areas I am thinking about do not have what I would consider great public transports; they have regular local network buses, and they are not particularly frequent on weekends. These people are not living in places where you could say, "Great, you don't need a car. We've got you covered." Do you think government has a role to help people problem-solve about how this is actually going to work on the ground if it has not provided good public transport and has not provided good footpaths, and there aren't really any viable options?

Mr Hemsley: I am not sure I quite understand the question—sorry.

THE CHAIR: We have a lot of areas that do not have good public transport and do not have great footpaths or close destinations you can walk to, and people are telling us that they are running out of street parking. When I went there, I could see cars parked on both sides of the street and garbage trucks could not get through. Are we getting these settings right? Obviously it is for you, but I also think it is an excellent position to say, "We should have excellent public transport," but, if we do not have excellent public transport, what is the answer? Does the government need to upgrade our public transport so that we have a better system?

Mr Hemsley: One hundred per cent. To the point of missing middle housing providing the demand side of the equation, the government actually has to follow through on the supply side, with respect to active travel facilities and public transport as well. On the parking on the street matter, that is a matter that can be resolved with some "No parking" signs on one side of the street and some proper enforcement. That is an easily solvable problem that is not going to cost the earth.

On the matter of providing public transport services, we are a pro-public transport group. We are advocates in favour of increasing bus frequency across the city. We consider that, in tandem with that, is the provision of more housing choice for people to live closer to public transport—not necessarily in a tower, if that is not where they want to live. But, with regard to a variety of typologies that are within reasonable walking distance of frequent bus services, we are very supportive of that.

MS CARRICK: I will move on from parking. We want to get people onto public transport. Private transport is the biggest emitter of emissions in Canberra now, so we want mode shift onto public transport. Do you think the government has done enough work to understand what will get people onto public transport? If you are coming from Tuggeranong or Weston Creek, look at how many times you change buses—seamless changes—or whether you have to change; look at the network and see the best services that flow straight through, seamlessly from the suburbs, like pre-network 19. Now they

are cut at various interchanges. I am not talking about when you change direction but when you go in one direction.

Mr Haas: Are you talking about express services or are you talking about rapid services?

MS CARRICK: No. The buses used to all come out of Tuggeranong: 313, 314, 315 and 316. They would all flow into town and then flow back out again, like the R2 and the R3 do. They flowed into Tuggeranong; they did not cut at Belconnen. Now, when you go from Chisholm and catch a suburban bus to Erindale, you change onto the rapid and you go to Woden. When the tram comes, you would change onto that to go to the city. When we are trying to get mode shift, do you think the government have had a good enough look at the services that they are delivering to people to make sure that they are attracting people to public transport?

Mr Hemsley: There are two parts to that question. I will touch on the first part, which is: has the government undertaken research to investigate what would encourage more people onto public transport? They undertake a survey of both potential public transport users and users of public transport. That forms part of what used to be the TCCS annual report. That reports on satisfaction with Transport Canberra's bus operations. There was recently a copy of the most recent survey put up on the disclosure log of CED. It asked about the barriers to more frequent use of public transport. Overwhelmingly, service quality was among them, in terms of the frequency of service, the speed of the service et cetera. Those are obviously the key barriers to people using public transport. For what it is worth, I know people talk a lot about the cost of public transport and whether we can make it free for some people or maybe pick up the costs significantly for all people. It is not a huge barrier for people. It is consistently ranked very low on the list of reasons that people, specifically in Canberra, do not use public transport.

On the matter of transfers, it is worth noting that we have actual experience here in Canberra that Canberrans are happy to transfer between services if those transfers are made comfortable and those transfers are made reliable. The highest public transport usage rate in Canberra occurred in 1985. At that point, there were very few services that connected the suburbs to town and the corridors into the various town centres. The lion's share of journeys from the suburbs to the various town centres and the city centre occurred with at least one transfer, usually at a major interchange. The reason people were happy to make that transfer is that those transfers were timed. There was approximately four minutes wait between hopping off one service and hopping on another. Those transfers were made comfortable and convenient, so people were more than happy to make that compromise: "I don't get a direct bus, but I do get a bus that ensures that I make a timed connection, and it is a guaranteed connection." Indeed, the old 333 route, which ran between the town centres, was printed as a connection to all local bus services. From the prospective of a suburban bus user, the intertown route between, say, the Woden interchange, if you lived in Woden and wanted to go to work in Belconnen, was effectively part of the bus route you took. Obviously, that has not been the case for a very long time. But—and I keep coming back to the five-point plan—one of the key things we have been calling for consistently is a return to those timed transfers.

With MyWay+, in theory at least, we have the data that could enable those transfers to

take place with the introduction of an integrated technology system, so that you are able to make sure that the bus routes line up and, with the light tracking, make sure that, say, a local bus route is held up just a little bit to account for a late-running rapid route that might be carrying people who want to continue their journey into local suburbs.

To summarise, firstly, Canberrans want better public transport services and service quality. That matters in terms of their usage or not. Secondly, Canberrans are happy to transfer from bus service to bus service or, indeed most likely, from bus to light rail, but only if those transfers are made safe, comfortable and convenient.

MS CARRICK: Do you know when the last survey was done?

Mr Hemsley: Yes—last year.

MS CARRICK: Does it say anything about the number? If you are doing one journey—say, you are trying to get to town for work—are there diminishing returns if you have to do more than one transfer?

Mr Hemsley: I could not say. I cannot say that I have memorised the entire survey and each response, but I am happy to provide a link to that document, which is available on the CED disclosure log.

Mr Haas: To support one of Ryan's comments about frequency of service, if you look at the R1, the light rail service between Gungahlin and Civic, there are no published timetables. People know that, in peak hour, there is four-minute frequency. If you look at the Dickson interchange, where the rapid from the Belconnen terminal does not terminate—it continues—there is a rapid connection. There is a range of local bus connections at that interchange. You can catch your local bus from Downer, Dickson or any of the adjacent suburbs, such as Lyneham or O'Connor, to the Dickson interchange and then step off, walk across the road and get onto light rail, knowing that, as soon as you get off in peak hour, within four to five minutes there will be another light rail coming along.

Overwhelmingly, local and international academic evidence on why people use public transport shows they are looking for reliability, frequency and attractiveness. We certainly have a modern fleet of DDA-compliant buses, increasingly electrified and with low carbon emissions; we have a modern fleet of light rail vehicles which we are now expanding, and they are reliable, frequent and attractive. What we need to do as a city, and the Legislative Assembly needs to support this, is increase local bus support services—for example, better shelters, better access to bus stops and increased local route frequency. A Sunday local route service every two hours is unacceptable in a seven-day city.

MS CARRICK: Does journey time come into it at all?

Mr Haas: That has not been reflected in the research that I have looked at. Certainly, it may come into it with an individual's decision, but not overall.

MS CARRICK: Thank you.

MS TOUGH: I want to touch on frequency with densification, both missing middle and other densification expansion happening along the transport corridors to encourage people to use public transport with it being more frequent. What kinds of frequencies would you like to see as the city grows? Are there areas—probably not while the Commonwealth Avenue bridge work is going on—where, in the future, there should be more rapids and more services to encourage more use?

Mr Haas: Our five-point plan talks about a minimum 15-minute local route frequency, and I think that would be the minimal acceptable local route frequency we would like. If you are looking at increasing services and future rapids, I do not have any of that information to hand—though Ryan may. But if you look, for example, at expansions that are definitely on the cards for our urban footprint, the CSIRO field site in Ginninderra is listed for 20,000 homes and I am not sure how many residents. The Barton Highway is next to it and the suburb of Hall is right next to the Barton Highway. That has no public transport access. You really need to look at what you are going to do here for public transport—local and rapid—and plan it now before you say to the developers, “Here is a new suburb for you to go and build in. DPA-04 has now passed. We now have a missing middle typology. You are allowed to build this residential density in this percentage, in this area.” We really need to make sure that we have also got a minimum of 15-minute local bus and, if possible, a connection to the rapid bus that goes down Owen Dixon. We need to make sure these things are in place before we move to that expansion of the urban footprint.

Mr Hemsley: To Damien’s point, the five-point plan is specific that the bus frequency should be every 10 minutes or better for rapid routes and every 15 minutes or better for the local bus frequencies.

MS TOUGH: Thank you.

THE CHAIR: Peter?

MR CAIN: I am fine; thank you.

MS TOUGH: I think Ryan was about to say something.

THE CHAIR: Sorry.

Mr Hemsley: Sorry; was there a second part about the inclusion of the new rapid buses?

MS TOUGH: Yes; if there are any areas where—

Mr Hemsley: Just to build on Damien’s point, I think there is a few areas where the government has currently committed to introduce new rapid bus services. I understand there is one from Lanyon to the city that is in the works, a new rapid bus service for West Belconnen, as well as potentially up to two rapid bus routes for Molonglo. We are very pleased to see that one committed to. We look forward to learning more information about those rapids as further details are released.

MS TOUGH: Thank you.

MS CARRICK: With the new rapids, how can you ensure reliability if there is no dedicated bus lane?

Mr Hemsley: That is an excellent question. Again, you will have to forgive me for briefly wearing my Molonglo hat here, but something the PTC has always strongly supported is the inclusion of dedicated bus lanes on new inter-town corridors as they are constructed. We are a little bit concerned that the early concept plans for the new Molonglo suburb of Bandler, which will form part of the inter-town corridor from Molonglo town centre to the city and to Belconnen do not make a provision for dedicated bus lanes as part of that initial road build out. We would obviously like to see that take place, and we very much support the inclusion of bus priority measures on all our rapid corridors.

Mr Haas: We also want to see bus priority at traffic lights. If you could fit a device to every traffic light that would recognise that there is an Action bus waiting right there to have priority, that would be something that would not only free up road congestion but also increase the reliability and on-time running of rapid buses and local buses.

Mr Hemsley: I would note that more bus priority is also part of our five-point plan.

Mr Haas: We urge people to read the five-point plan.

THE CHAIR: You have touched on the timing of when we have services, and we have heard it from other witnesses. A lot of people have suggested that we actually need services like public transport and footpaths when people first move into a suburb, because otherwise they form their habits, buy a car and drive to their old suburb for the rest of their lives. What is your view on that? You have suggested that we need services before we have the high demand.

Mr Hemsley: We support increased local bus frequency at the earliest available opportunity—and that applies both on weekdays and weekends. We are certainly the most vocal association when it comes to advocating for an integrated frequent seven-day network, from Monday through to Sunday. Obviously, as Damien has alluded to already, the current two-hour waits on Sundays are unacceptable, no matter what time of day it is. We support a move to a more frequent network at the earliest available opportunity, with or without DPA-04, but we believe that DPA-04 is a useful demand lever to encourage the investment in those bus frequencies.

Mr Haas: I would also say that a really good example is the Strathnairn Ginninderry development. The developer, Riverview, leased two buses, two small DDA compliant buses, that ran on a loop from Strathnairn to Kippax seven days a week and they paid Transport Canberra to operate that service. They are now at the point where it should go to a rapid out of Strathnairn, joining up with the rest of the network. That is another inquiry we will come and talk to.

Certainly in terms of making missing middle and public transport a relatable thing to people, I did a quick calculation for this appearance and the maximum MyWay+ cost that an adult can pay is \$1,600 a year—\$1,650 a year. If you use public transport every day that is how much it will cost you. The annual car cost is between \$15,000 and \$26,000. If you are a two-car family and you want to buy a \$1 million house, you can

save \$260,000 over 10 years by having one car or \$520,000 by having no car. If you want to increase affordability and decrease costs, using public transport and reducing the amount of money you spend on cars is one way to put that into your housing.

MS CARRICK: Given that we have seen the bus lane along Commonwealth Avenue bridge is working very well for people heading north in the mornings, peak, as we go forward, in the longer term, would it be handy to keep that for people from Weston Creek, Tuggeranong, the inner south and Molonglo who are coming that way down the Cotter Road who will potentially be staying on their bus and not interchanging?

Mr Hemsley: I think that is outside the realm of our submission for DPA-04; sorry.

MS CARRICK: Okay.

THE CHAIR: Thank you very much for your time today, Ryan and Damien. We didn't have any questions taken on notice. We try not to give our community groups questions on notice. Thank you very much for your time here today.

MS CARRICK: There was just one—the link for the 2025 survey.

Mr Hemsley: Yes; the TCCS survey on satisfaction of bus users.

MS CARRICK: Yes.

THE CHAIR: Ryan can send it to you or you could question on notice the minister for it, given that it is his.

Mr Hemsley: Yes.

THE CHAIR: Two ways.

Mr Hemsley: Sounds good. I think there were some redacted sections. So it would be good to get the unredacted version.

THE CHAIR: Great. Thank you.

KRISHNAMURTHY, MR RAVI, President, Australian Multicultural Action Network

THE CHAIR: We welcome online Ravi Krishnamurthy, from the Australian Multicultural Action Network. Thank you for joining us, Ravi. As a witness, you are protected by parliamentary privilege and you are bound by its obligations. You must tell the truth. Giving false or misleading evidence is a serious matter and may be considered contempt of the Assembly. Ravi, do you have a short opening statement or should we go straight into questions?

Mr Krishnamurthy: I can make a short statement here. When we did the submission, we checked with a lot of our members, and I am happy to share some of the collected information. More homes in existing suburbs is always better. There is no problem with that at all. But having an endless sprawl at a city's edge and high-rise buildings needs to be given more consideration. That is one thing I would like to mention here, which is what I think we have written in our submission too.

Overall, we support more housing, but it must be well designed and there needs to be more consideration for a liveable and green condition, which is what we are advocating for. A one-size-fits-all type of structure of housing is not really good. It must be well designed for multi-generational families. As more and more of the children are trying to live with families these days because the cost-of-living increase and all that, I think this needs to be given a lot of consideration.

One final thing that I would like to mention here is CALD families. There is an aging population and we have elderly people living with us. On top of that, we know that Canberra is aging too. So, having an easily accessible living space would, I think, be most welcome.

These are all the key points that we have mentioned in our submission. Thank you.

THE CHAIR: Thank you, Ravi. Thank you for your submission. It was very well put together and made some really good points about housing choice and diversity. We have had quite a few people supportive of the missing middle reforms before us but worried about government infrastructure not keeping pace. There was a little bit of that in your submission too, but particularly the need for community meeting spaces, spaces for religious and cultural gatherings and making sure there are shared garden spaces. How important do you think those things are? Do you think those are in the reforms before us or do you think the government needs to work harder to deliver those?

Mr Krishnamurthy: We know that some of the community centres have been built over the suburbs, which is fine. But, as I mentioned, housing is not just buildings. This is about the community. People do need places to meet, connect and feel that belonging. That is very, very important, mainly in denser suburbs. More homes attract more people and we need more shared spaces for that as well. As the density is increasing, we need the public spaces—there is no doubt about that—and that needs to be given high importance in any of the redesign.

Mainly for the CALD group members, we always wish for multicultural centres and big halls where we can gather together and celebrate a lot of the events, including

weddings and different types of the celebration together. That is very important. Smaller rooms may be good for meetings and running some community language classes and things like that. But, having a gathering space is very important. There is no doubt about that. This mainly helps elders and other families to avoid isolation and loneliness. That helps a lot. Shared gardens, as you mentioned, are important, because the greener space the more good for the community. We have seen a lot of other countries where high-rise concrete buildings are going higher and higher, and it affects the climate too. These all need to be given high importance in any redesign. That is why we always mention that good planning must balance the density with the diversity and growth with the inclusion.

THE CHAIR: Yes, it is really, really important. We had a few witnesses talk about a limitation in the reforms that we are looking at. You can consolidate blocks but you can only consolidate up to 2,000 square or 3,000 square metre blocks. So you could probably put together two or three blocks, but you could not consolidate four, five or six blocks and do something bigger. A few people have suggested that, if we could consolidate a few more blocks than two or three, you would be able to get better planning on a block and you would be able to get more homes with lots more space around them. What do you think about that idea? Do you think that there needs to be that really strict limit on block consolidation, or do you think maybe that limit may not be right?

Mr Krishnamurthy: I think combining the blocks is a good idea. As we talk about middle housing planning, I think more homes in a spread-out area is more helpful. Affordability is one other question that I would like to mention here. A lot of migrant families do not have a very good financial literacy background. As they try to understand the system in a new place, you have to understand what ACTPLA is, what the land development agency is coming up with and all those plans. People need to understand all that before they come to a conclusion on what price they can afford to pay for a home. These all need a thorough understanding before any of this planning should go ahead.

The risk of plot-by-plot densification is a bit chaotic. If every single block is redeveloped separately, there is a chance of the overall neighbourhood losing its coherence. I think combining the plots is definitely good, but we do need to give consideration to what the pricing would be in that case. This is very important. I have seen in some of the suburbs the tree canopies being lost, and there is no garden space. So that needs to be given a bit of consideration as well.

The cumulative impact, based on the document that we have gone through, was not very well managed. Each individual development might look acceptable when it is given to the developers but, together, it is just a concrete jungle. There is no parking. There are some new suburbs where I have seen houses with one or two car parking bays when the house has been rented for four or five members. Others, do not have a place to park their car; they just put it on the street. The whole street in a residential area feels like a car parking spot. So these all need to be given a bit of consideration, I would say.

THE CHAIR: Thank you.

MS CARRICK: On the car parking, is it your view that they should mandate car

parking requirements or leave it up to the private sector to determine what the market wants?

Mr Krishnamurthy: Having more car parks even for visitors would be very helpful within the apartments, rather than pushing more of the visitors or even the people who are buying the apartment to park in the street. I would say that parking should be completely removed, but many Canberrans still rely on cars, especially families and seniors and people with disability. There are a lot of shift workers that we work with in our community, and they rely on car parking. So these are all very important.

We know that tram construction is on the way. Travelling around cities is a nightmare for anyone. For me, it takes about 20 minutes to reach my office. Usually, I can just walk within 25 minutes. That is the situation at the moment, but I am sure that within the next two to three years, once the tram is ready, things will improve.

MS CARRICK: You also mentioned the tree canopy. Do you think that, with the block sizes that we are getting in places like Molonglo and, I guess, Gungahlin and as we subdivide more, there is room for trees on these blocks?

Mr Krishnamurthy: Amaroo is one of the suburbs where, when you drive a car, the other car has to move to the side because there is no way two cars can drive in tandem. That is a classic example of what the impact is when a suburb is not really designed properly.

I would say that block size still matters, because we do need to live around a green space. It is good for health. It is good for our eye sight. There are some large blocks that cater for the planting of different trees and a nice environment. But smaller blocks is where we get into trouble. People want to put a four-bedroom house in a 200 or 300 square block and they just look at the document and then just maximise the building as much as you can and then just pave around. That is not really good for the environment.

For the new developments in Molonglo and Gungahlin, they should plant first and build second. Plant your trees and all the greeneries first before releasing the land for the builders and all that. That should be given a high priority. We should not try to squeeze all the trees at the end, because we cannot grow big trees, so we just put native grass. It is not the right thing. Backyards are very important for small families. We had two children ages ago and they enjoyed their backyard. I know Canberra is cold in winter, but we enjoy the sunlight that we have in six months time. I think having a good backyard, a decent space with good greenery, is really helpful. I would also mention that density should work with the nature. So we should not ignore that part. Good planning means balancing everything out. That is how I would like to put it.

MS CARRICK: Thank you.

MS TOUGH: Thank you, Ravi. In your submission you talked about the importance of housing for multigenerational households. Could you expand a bit more about the importance of DPA-04 creating the different types of housing so you can have multigenerational households on the same block or families living together in the same suburb where they might not have been able to afford to beforehand?

Mr Krishnamurthy: As I mentioned, we know that the cost of living is going really high and also people are getting older, including my own family. We have elders who are living with us on a day-to-day basis. Having my parents living with me and our own children and relatives visiting time to time from overseas is an important priority for me. I would say, from a CALD lens, I think that is very important. Housing rules should make it easier. It should not make it harder for families to live together across generations. That is very important. I would say a main house and a granny flat in the back or maybe a duplex where we can have a multigenerational family and we can live together at the same time with a bit of separation would be really good. It reduces the question of aged-care facilities and disability services, because we can look after our own parents and are happy to do that. As long as we can get that sort of facility where we can just look after our parents at home, I think that is highly preferred.

That points to a flexible housing design. Having parents living in the same suburb—different housing is okay but living close to us—is very, very important. If there is a family home where we can live together—as I mentioned, a granny flat and a house—that is fantastic, because that will help the seniors to age in the place next to their family, rather than us moving them into an aged-care facility. It also strengthens the community, because community connection is very important. If the planning and design team in any planning can come up community connection while maintaining the cultural tradition, I think these are all very, very important.

MS TOUGH: Thanks, Ravi.

MR CAIN: Thank you, Ravi, for your submission. I note under 3.4, Community Infrastructure and Social Cohesion, you are calling for recognition of cultural hubs, activity spaces and meeting halls. In a way, you hope that happens under the DPA-04, but it is certainly not a guarantee. Would you like some sort of stronger commitment from government about what it will actually provide if this variation to the Territory Plan goes ahead?

Mr Krishnamurthy: Thank you for the question. That is why I clearly mention it in the submission. Recognition in the paper is not just sufficient—it is not enough. Any of these reforms we talk about need a real capture of cultural spaces to be built where people are living together. I would not call this an optional feature; I would call it a mandatory obligation. Developers should be encouraged to provide the community space. They have to do that. I am not sure whether we can compel them, but I would say that that is mandatory.

At the moment, I think cultural spaces are treated as nice to have in the vicinity but not really essential. That is the first thing we need to discuss with different projects. When all these big companies try to build different facilities, that should be discussed with them first. As I mentioned before, put the trees first before building the house. That is the kind of thing to be considered for community space as well. That could be one of the reasons why sometimes the delivery is getting a bit of a mess. Without clear rules, with most of the new developments we end up with just the housing and very little community infrastructure, which is not really nice.

We also need publicly accessible space around the missing middle housing areas. I would say that is important as well. There are countries where it might be a seven-story

building, but you get up and it is like an oasis. It is full of trees and plants and there are some acupuncture tables on the ground. That sort of a thing can be considered. Maybe the planning team could have a look at other countries where there is restricted land but still they can live in a nice community. That should be given consideration. I think co-design with communities is essential.

MR CAIN: Thank you.

THE CHAIR: Ravi, thank you so much for your time and your evidence today.

MS CARRICK: Thank you.

MS TOUGH: Thanks, Ravi.

Mr Krishnamurthy: Thank you, everyone. Thanks for the opportunity.

MR CAIN: Thank you.

THE CHAIR: On behalf of the committee, I would like to thank all witnesses who assisted our committee through their experience and knowledge. Thank you, broadcasting and Hansard. If anyone wants to ask a question on notice, please upload it in the portal as soon as possible within five business days.

The committee adjourned at 2.44 pm