

10 February 2022

Dr Steven Miles MP
Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning
and Minister Assisting the Premier on Olympics Infrastructure
State Member for Murrumbidgee
PO Box 15009
City East Qld 4002

Via email: deputy.premier@ministerial.qld.gov.au

CC: alyssa.vanbutzelaar@ministerial.qld.gov.au

Dear Deputy Premier,

Gold Coast Planning Scheme Amendments 2 & 3

Thank you for the opportunity to provide input into Amendments Package 2 & 3 to the Gold Coast planning scheme.

We thank you and your teams ongoing engagement with the Property Council, and we were pleased to meet with Alyssa Van Butzelaar last week, to outline the Property Council's concerns with the latest local planning scheme amendments proposed by the City of the Gold Coast to the State Government.

Amendments 2 & 3 were first proposed in 2018 and during that time there has been considerable feedback from industry and community alike, further there have been significant changes to the original amendments over this period. During this lengthy review period The Property Council has remained committed to highlighting the ramifications that some of the amendments will have on the ability to achieve the dwelling targets outlined by your government under *ShapingSEQ*.

Of primary concern are the proposed amendments that would reduce the densities envisioned along the Light Rail Corridor. The State Government's own significant investment in this project is underpinned by the understanding that the urban corridor associated with the light rail would be instrumental in allowing the Gold Coast to achieve the population targets outlined in *ShapingSEQ*.

As such, the Property Council would like to draw to your attention to the site cover and setback provisions in Major Amendment Package 2 & 3 that will significantly compromise the Gold Coast's ability to sustainably absorb population growth along the corridor.

The Property Council has actively sought to engage in good faith with the City of Gold Coast over the passage of the proposed amendments to date. Over the course of that engagement, the Property Council was advised that the deliberate shift in policy settings which underpin the proposed amendments are to drive development urban renewal development along the light rail corridor back to the historic development typology of larger apartment buildings in a landscape setting on larger sites. Whilst the Property Council appreciates that there was a time in the city -

decades ago, where this typology was delivered, the reality is that insufficient sites of that larger scale (2,000 sqm – 3,000 sqm) remain available to accommodate the development this growing city now requires to accommodate recent and forecast population growth. This necessary shift in typology is not unique to the Gold Coast. It is a phase of maturity and change that is common to all growing cities and is a challenge that the property industry is keen to work with Council to address.

Conversely, if enacted, these provisions will directly prevent a range of sites being developed towards their highest and best use. Many parcels of land within these areas are not large enough to support taller buildings (or are otherwise financially unviable and impractical to develop) while addressing the proposed site cover and setback restrictions.

It is therefore likely that many sites will remain under-utilized until site cover and setback restrictions are relaxed, so they can be developed towards their highest and best use. The consequential impacts on housing supply, mix and affordability will only intensify the increasingly acute housing challenges on the Gold Coast. Depicted below in Figure 1.

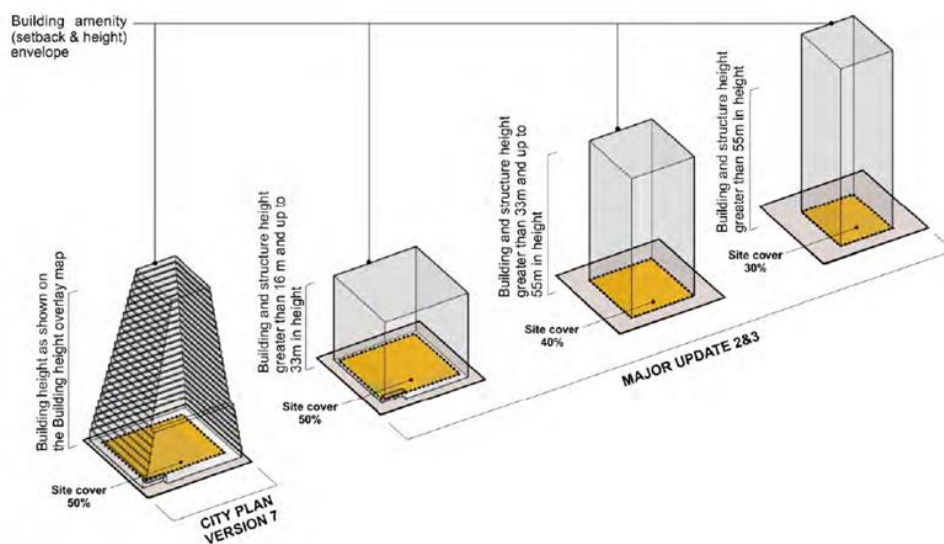


Figure 1: illustration showing the change in setbacks from Version 7 of City Plan to Major Update 2 and 3

Gold Coast City Plan Study – Setbacks and Site Cover in the Medium and High Density Residential Zone

We draw your attention to a report that Gold Coast Council commissioned Urbis to undertake in 2017. The *Gold Coast City Plan Study – Setbacks and Site Cover in the Medium and High Density Residential Zone* (a copy of which is attached) was a comprehensive piece of work that drew on both case study examples and best practice research from around Australia to make recommendations as to appropriate site cover and set back ratios for the Gold Coast.

This report was accepted by Council officers and listed as supporting information for the Major Amendment 2 & 3 package on Council's *Our City and Our Plan* website. Furthermore, Council has subsequently prepared the *Council Report – Built Form and Urban Design Outcomes in City Plan* which was also included in the supporting information for the Major Amendment 2 & 3 package. Section 5.5 of that report states:

"It is proposed to update City Plan setbacks and site cover provisions to reflect the outcomes of this work (the Urbis Site Cover and Setbacks study), as outlined in the zone updates identified in section 5.6.3 below.

Despite this, the proposed amendments that have been provided to the State Government ignore the advice provided in the report. The Property Council is unclear as to why Council has moved away from the refined approach to setbacks and site cover outlined in the *Gold Coast City Plan Study – Setbacks and Site Cover in the Medium and High Density Residential Zone* report as there is no evidence to contradict the findings of the report.

Strata termination threshold

Given the geographical constraints of the Gold Coast, and the unrelenting demand to live in the region, it appears that the only way to achieve dwelling targets while aligning with Council's proposed site cover and set back amendments would be for to landowners to compulsory acquire neighbouring lots to achieve building sites of sufficient size.

Compounding this issue, is the constrained supply of large, freehold parcels on the Gold Coast which is directly related to Queensland's current unanimous strata termination threshold. The Gold Coast is home to the largest proportion of strata titled properties in Queensland, with many likely to reach the end of their economic life in the next 10 to 20 years.

Under the Body Corporate and Community Management Act 1997 unanimous approval from all lot owners to terminate a community title scheme is required. Meaning a single dissenting resident can prevent the overwhelming majority of residents from winding up the strata scheme and selling the site for redevelopment. This results in lot owners being locked into older buildings, and in many cases without the appropriate financial balances in sinking funds, resulting in significant financial liability for lot owners, as well as being a public health and safety hazard.

Despite recommendations from QUT in the 2017 Property Law Review to overhaul this section of the Act, termination still requires unanimous approval.

We have raised our concerns on numerous occasions with both the Gold Coast Council and the State Government, along with providing industry input into the ongoing review. The Property Council has long advocated for a reduced termination threshold for strata schemes on the basis that it would help facilitate urban renewal on the Gold Coast and enable the city to better adapt to emerging dwelling supply issues.

It is the view of the Property Council and its members that an overhaul of the unanimous strata termination threshold will be crucial in managing population growth on the Gold Coast and throughout Queensland.

While this will be imperative in relieving pressure on the supply of freehold land over the longer term, the Property Council understands that amending this threshold can only be done with significant consultation and it will take time for the reduced threshold to alleviate population pressure.

As the site cover and setback amendments proposed as part of Amendment Package 2 & 3 will have an immediate adverse impact, the Property Council suggests that the appropriate course of action would be to remove the proposed site cover and setback amendments from the Major Update 2 and 3 package and instead defer these matters for further consideration, analysis and engagement with industry.

This will prevent the relevant amendments exacerbating well documented localized housing availability and allow some relief to the unrelenting demand in the short term.

Once again, the Property Council values the willingness shown by you and your team to engage on with us on this issue and would welcome the opportunity to provide further input on all amendments proposed to the Gold Coast City Plan.

If you would like to discuss this further, please don't hesitate to contact me on 0448 432 936 or jwilliams@propertycouncil.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jen W'.

Jen Williams
Queensland Executive Director