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National Urban Policy Submission

Abundant Housing Network Australia | July 2024

WHO WE ARE

The Abundant Housing Network Australia is a national alliance of independent, grassroots campaigners working to build a new vision for housing and cities—one that's more sustainable, liveable and affordable for everyone.

Our members — Greater Brisbane, Greater Canberra, Sydney YIMBY and YIMBY Melbourne — came together in 2023 to forge a new urbanist politics that brings together renters, homeowners, planners, transport advocates and all lovers of cities.

We represent thousands of people across Australia who want to see their cities grow and mature, who want secure and affordable rentals and who want to live near their families, friends and communities — but who feel drowned out by a debate dominated by a few loud voices.

We believe housing abundance—**building more homes where people want to live**—is key to solving the housing crisis and building the kind of cities people love.

Abundance gives everyone greater choice in where they live, gives renters better bargaining power, encourages better use of public infrastructure, and is more environmentally sustainable than sprawl.

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ACKNOWLEDGEMENT OF COUNTRY

The Abundant Housing Network Australia acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land and community. We would like to pay our respects to their Elders, past and present.

A broken housing system hurts First Nations people more sharply than others and housing equity is a step on the path of justice and reconciliation we have failed to take.

We acknowledge that we are on stolen land and that sovereignty was never ceded.

This always was and always will be Aboriginal land.



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Executive Summary

This submission outlines 14 key recommendations that will assist the Commonwealth Government to serve all Australians through the policy outlined within the National Urban Policy.

The first section of our submission calls for the Policy to turn PERLS into PEARLS and adopt a sixth goal for the policy: 'Affordable'. We demonstrate that the best way to make a city affordable is to reduce housing costs, and that the best way to reduce housing costs is to make housing abundant.

The second section outlines key steps toward remedying the current measurement deficit within urban policymaking. We demonstrate the need for the Policy to create a hierarchy of policy focuses, and to measure the tradeoffs associated with action and inaction on each given area.

The third and final section of our submission demonstrates the key issues with current consultation processes that permeate our nation's planning systems. We demonstrate that decision making bodies must move away from hyper-local, opt-in consultation processes, and toward more democratically inclusive processes.

The Abundant Housing Network Australia recognises the immense opportunity the National Urban Policy represents. We look forward to seeing the Policy developed further, implemented, and iterated upon in years to come.



Recommendations

1 | A sixth goal for PEARLS: our nation's urban places should be Affordable

1. Adopt 'Affordable' as the sixth key goal of the policy, and include affordability in the shared vision for sustainable urban growth.
 - a. Recognise that a key way to make a city affordable is by enabling abundant housing to be built where people want to live.
2. Mandatory inclusionary zoning should not be considered as a means to achieve affordability. Governments should instead focus on implementing broad-based land taxes and building non-market housing themselves.

2 | Ensure clear, measurable outcomes for all urban policies

3. Make the National Urban Policy binding for all relevant and landholding Commonwealth departments and agencies.
4. Establish compact cities as the desired urban form outcome of the National Urban Policy.
5. Establish within the National Urban Policy a hierarchy of policy focuses that codifies explicit priorities and measurable outcomes. These measurables may include:
 - a. Rental vacancy rates
 - b. Labour market participation
 - c. Travel time between key locations, per transport mode
 - d. Air quality
6. Improve the use of data within urban planning by standardising the methodologies, definitions, and data formats used across all jurisdictions.
7. Provide nationally consistent definitions for key terms such as "affordable" and "social" housing.
8. Provide frameworks and clear best-practice cost-benefit analysis structures for land-use regulation and decision making.
 - a. Incentivise States and Territories to pursue the adoption of mandatory cost benefit analyses for all land use regulations in the vein of Section 32 of the Resource Management Act (RMA) from New Zealand.



3 | Consult representative populations: ensure consultation processes are not biased by self-selection

9. Measure and consider explicitly the opportunity costs of indecision and not acting.
10. Remove the focus on local contracting in the “sustainable procurement practices” section of the Policy.
11. Emphasise within Principle 1 of the Policy the importance of representative consultation with the broad community beyond incumbent local residents.
 - a. Any consultation of local communities should consider the needs of future residents and others who aren’t currently captured in hyper-localised consultation procedures.
12. Ensure consultation is representative, and underpinned by modern statistical and surveying techniques that empower the whole community to be heard, not just those with spare time or a vested interest.
 - a. The Commonwealth should build a ‘weight my consultation’ tool for councils and develop guidance for representative surveying.
13. Work with the National Cabinet to pursue the amalgamation of metropolitan local councils to create metropolitan-wide governments that govern the entirety of Australian cities, such as Brisbane City Council.
14. Fund the National Association of Renters Organisations (NARO) to empower them to represent tenants’ interests across the country.



1 | A sixth goal for PEARLS: our nation's urban places should be Affordable

A city cannot function if housing is not affordable. While high-skilled workers within our cities tend to earn an overall urban wage premium, this is increasingly not true for low-skilled workers. For the latter group, high inner-city housing costs outstrip the urban wage premium, resulting in an overall urban wage penalty.¹

This means that even though both a lawyer and a cleaner in the inner-city will each earn higher gross incomes than the equivalent workers in regional areas, after housing costs the cleaner is likely to effectively make less.

But low-skilled workers should still be able to reap the benefits of our cities. Indeed, if they cannot, then our cities will not function as well as they otherwise would. This is why it is imperative that the National Urban Policy add a sixth key goal, and codify within Australia's National Urban Policy that our urban places should be Affordable.

1.1 | The best way to make our cities affordable is to make housing abundant

It is now the policy consensus that an increase in housing supply is key to solving the current crisis. This consensus is correct. It is worth noting, however, that homes are not only physical structures, but also physical locations. A sudden influx of homes in regional Ararat will do little to reduce rent stress for young families in inner-city Melbourne. Therefore, it is important that we not only build more homes, but build more homes *where people want to live*.

The best way to begin providing homes where people want to live is to permit more homes to be built in established areas, and for our National Urban Policy to explicitly pursue the compact city as its desired urban form outcome.

Under current planning controls, however, the compact city cannot be achieved in most of Australia's urban places. From Brisbane to Ballarat to Hobart to Perth, restrictive zoning and planning controls stop dense housing being built across Australia's established inner-city areas. Removing these controls—in a process called upzoning—is one of the key ways to enable more homes to be delivered in our inner-cities.

¹ Hoxie, Philip G, Daniel Shoag and Stan Veuger, [Moving to Density: Half a Century of Housing Costs and Wage Premia from Queens to King Salmon](#) (AEI Economics Working Paper, American Enterprise Institute, April 2023)



The key example of this style of policy has been undertaken in Auckland, New Zealand. There, rents reduced significantly after more than three-quarters of its residential land was upzoned, highlighting how a surge in housing supply has significant positive effects, reducing rents in real terms.² Recent evidence suggests that due to upzoning Auckland's rents are 14-35% lower than they otherwise would have been.³ This outcome aligns with a large and convincing literature of cities from across the world, which overwhelmingly shows that less restrictive planning and more housing supply reduces housing costs at both a neighbourhood and regional level.^{4, 5, 6, 7}

1.1.1 | Reducing overcrowding and displacement

Building more homes where people want to live also provides a potent and simple solution to the overcrowding experienced in high-amenity suburbs.⁸

Because more people want to live in our inner and middle suburbs than current supply can handle, people—predominantly renters—are forced to either move away or overcrowd their housing in order to minimise costs. Under the current regime of housing scarcity, it is not uncommon for students and other renters to face the choice of either renting a sharehouse couch for \$400 a week, or travelling well over an hour to get to class each day.^{9 10 11}

By providing more diverse and dense housing across our urban places, more people will be able to live both near their work and within their communities. These housing options will enable children to remain near their parents when they move out, international and interstate migrants to live near their existing community networks, and empty-nesters to downsize while maintaining connections to the neighbours they've known for years.

² Committee for Melbourne, [Benchmarking Melbourne 2023](#) (2 March 2023)

³ Greenaway-McGrevy, Ryan, [Can Zoning Reform Reduce Housing Costs? Evidence from Rents in Auckland](#) (WORKING PAPER No 016, University of Auckland, May 2023)

⁴ Phillips, Shane, Michael Manville and Michael Lens, [The Effect of Market-Rate Development on Neighborhood Rents](#) (UCLA, February 2021)

⁵ Horowitz, Alex and Ryan Canavan, [More Flexible Zoning Helps Contain Rising Rents](#) (17 April 2023)

⁶ Saunders, Trent and Peter Tulip, [A Model of the Australian Housing Market](#) (March 2019) *Research Discussion Papers*

⁷ Albouy, David, Gabriel Ehrlich and Yingyi Liu, [Housing Demand, Cost-of-Living Inequality, and the Affordability Crisis](#) [2016] *National Bureau of Economic Research*

⁸ Herath, Shanaka and Rebecca Bentley, [Crowding, Housing and Health: An Exploratory Study of Australian Cities](#) [2018] *SOAC 2017*

⁹ Burgess, Annika and Kelly Wu, [Facing Housing Horrors, International Students Say They Were Misled about the Cost of Living in Australia](#), *ABC News* (online, 18 May 2023)

¹⁰ [Zoe Paid \\$300 per Week to Sleep in This Tent as International Students Caught up in Housing Crisis](#), *ABC News* (online, 3 April 2023)

¹¹ Grace, Natassia Chrysanthos, Robyn, [Vina Spends Five Hours Commuting to University. New Study Hubs Could Help](#), *The Sydney Morning Herald* (17 July 2023)

More homes where people want to live will reduce the number of tradeoffs people have to make when choosing their home, and enable everyone from large families to single renters to find housing that suits their wants and needs.¹²

1.1.2 | Mitigating the effects of gentrification

Another important beneficiary of abundant housing are low-income renters, who face the highest risk of displacement.^{13 14}

The common perception that high development volumes cause displacement is misguided. Development only occurs at scale when an area has already become desirable, and prices have already begun to rise as a result. Empirical evidence overwhelmingly shows that in gentrifying areas where new construction takes place, rents remain lower than in equivalent gentrifying areas where new construction is blocked.¹⁵ Furthermore, despite ongoing suggestions to the contrary, numerous independent studies have failed to identify an increased rate of displacement as a result of gentrifying neighbourhoods.¹⁶

In simple terms: displacement is caused by rising prices, and not the other way around. The best way to combat displacement is to build more homes where people want to live.

1.1.3 | Freeing up the costs of car dependency

Focusing the construction of new housing within established urban areas reduces the cost of living for more Australians by offering abundant housing in areas with a diversity of active and public transit options.¹⁷ This enables more people to reduce reliance on their cars, cutting down on fuel expenditure and enabling car ownership to be an optional rather than necessary part of living in the city.

The removal of car parking minimums across planning schemes nation-wide would also serve to reduce housing costs for those who do not wish to pay for an empty parking

¹² Gilbert, Catherine et al, '[Urban Regulation and Diverse Housing Supply: An Investigative Panel](#)' [2020] (349) *AHURI Final Report*

¹³ Pennington, Kate, '[Does Building New Housing Cause Displacement?: The Supply and Demand Effects of Construction in San Francisco](#)' (SSRN Scholarly Paper, 15 June 2021)

¹⁴ Weller, Sally and Andrew Van Hulst, '[Gentrification and Displacement: The Effects of a Housing Crisis on Melbourne's Low-Income Residents](#)' (2012) 30(1) *Urban Policy and Research* 25

¹⁵ Pennington, Kate, '[Does Building New Housing Cause Displacement?: The Supply and Demand Effects of Construction in San Francisco](#)' (SSRN Scholarly Paper, 15 June 2021)

¹⁶ '[In Praise of Gentrification](#)' *The Economist*

¹⁷ World Bank Group, "[Transforming the Urban Space Through Transit-Oriented Development: The 3V Approach](#)" (Website), World Bank

space. Each parking space included in an infill project increases the cost of an apartment by upwards of \$56,000.^{18, 19}

Under many Australian planning schemes one- and two-bedroom departments require one car park each, whereas three-bedroom apartments require two car parks—meaning that family-sized apartments are an estimated \$112,000 more expensive due to parking minimums, which are applied regardless of whether the family owns even one car.²⁰ This unnecessary cost is being borne by families all across all of Australia, with RMIT researchers estimating in 2018 that up to 40% of inner-city residential parking spaces are empty.²¹

Here we echo Infrastructure Victoria and others, who have highlighted previously how the removal of car parking minimums will incentivise the development of more family apartments.²² Making family apartments both abundant and affordable is a key part of making apartment living aspirational for Australians at different stages of life, and unlocking housing choices for all.

1.1.4 | Reducing homelessness by building more homes & shelter

Housing is considered a fundamental human right, and to experience homelessness is to experience the loss of the grounding and security that should be universal in a wealthy society like Australia. While an episode of homelessness may occur for someone in any socioeconomic bracket, within a functioning society every one of these episodes should be "brief, rare, and non-recurring".²³

Where homelessness is not brief, it is inextricably tied to housing supply and affordability. To state the obvious, the best way to conclude a person's experience of homelessness is for them to have a home. But where market housing is scarce and expensive, and community and public housing is under-provisioned as a proportion of total stock, a given episode of homelessness may end up extended where, if housing were available, it otherwise would not.

In their 2022 book *Homelessness is a Housing Problem* Colburn & Aldern analyse cities and counties across the United States to demonstrate the significantly lower rates of

¹⁸ [Moreland Parking Implementation Plan 2019](#) (Moreland City Council, 25 February 2019)

¹⁹ [Employee Earnings, August 2022 | Australian Bureau of Statistics](#) (14 December 2022)

²⁰ [Planning and Environment Act 1987 - Clause 52.06](#)

²¹ Jacks, Timna, '[Dead Space in the City: The True Scale of Vacant Car Parking Revealed](#)', *The Age* (26 June 2018)

²² [Our Home Choices: How More Housing Options Can Make Better Use of Victoria's Infrastructure](#) (Infrastructure Victoria, March 2023)

²³ [Impact Measure 1 – Analysis – Launch Housing](#)

homelessness in areas with greater housing supply and affordability.²⁴ These lower rates, they show, occur because a reduction in housing choices for those facing crisis, illness, domestic violence, or another precipitating event, makes it more likely that their homelessness will become an entrenched, rather than transient, experience.

By housing more people who have experienced or are at higher risk of experiencing homelessness in amenity-rich areas, we can create a system of support that enables those most in need to remain secure in their housing tenure, and for any episode of homelessness to be as it should be: brief and non-recurring.

1.2 | Affordability does not mean mandatory inclusionary zoning

Mandatory inclusionary zoning (MIZ) is a policy that requires a stated percentage of dwellings in new apartments to be set aside as below-market rate. While well intentioned, the policies often contribute to worse overall housing supply and affordability outcomes by reducing new housing construction while simultaneously creating little to no additional affordable or community housing.

A commonly held belief is that developers are able to absorb large amounts of price-controlled housing. However, the bulk of the existing evidence suggests that MIZ substantially restricts new housing supply, making housing affordability worse.^{25,26,27,28}

While we acknowledge that there are one or two small-scale examples of successful MIZ programs in Australia, these typically involve small affordability requirements in otherwise extremely expensive locations such as the renewal precinct, Pyrmont, which is 2km from the Sydney CBD. Overall, modelling by SGS Economics and Planning has indicated that inclusionary zoning, as applied to Australia, would likely have a negative impact on overall housing affordability.²⁹

Another key issue with MIZ is that it places the burden of providing affordable and social housing predominantly on those building new housing, rather than on society as a whole.

²⁴ Colburn, Gregg and Clayton Page Aldern, *Homelessness Is a Housing Problem: How Structural Factors Explain U.S. Patterns* (University of California Press, 2022)

²⁵ Mock, R., Willis-Jackson, M., Wang, B., de Benedictis-Kessner, J., Bilmes, L. & Iammartino, B. (2023) [Can Inclusionary Zoning Be an Effective Housing Policy in Greater Boston? Evidence from Lynn and Revere](#), HKS Working Paper No. RWP23-006

²⁶ Bento, A., Lowe, S., Knapp, G.J. & Chakraborty, A. (2009). [Housing Market Effects of Inclusionary Zoning](#). Vol. 11, No. 2, Regulatory Innovation and Affordable Housing (2009), pp. 7-26

²⁷ Means, T. & Peter Stringham, E. (2012). [Unintended or Intended Consequences? The Effect of Below-Market Housing Mandates on Housing Markets in California](#). Journal of Public Finance and Public Choice, 30(1-3): 39-64.

²⁸ Schuetz, J., Meltzer, R. & Been, V. (2010). [Silver Bullet or Trojan Horse? The Effects of Inclusionary Zoning on Local Housing Markets in the United States](#). Urban Studies, 48(2), 297-329.

²⁹ [Revisiting the Economics of Inclusionary Zoning](#) (SGS Economics and Planning, April 2015)

In essence, inclusionary zoning is a tax on new housing. Generally speaking, it is bad policymaking to tax something you want more of.

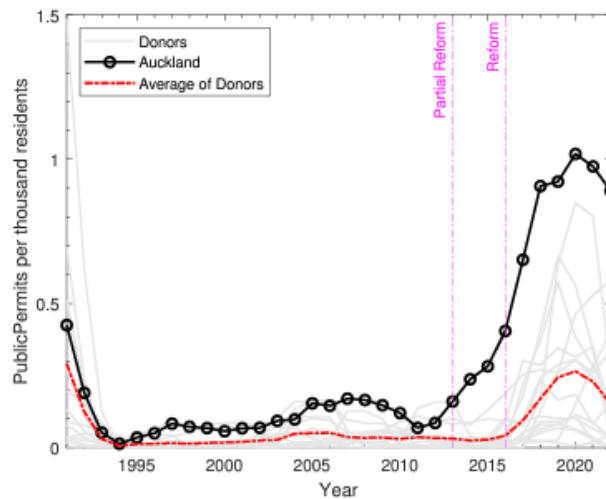
Instead, Governments need to build more well-located social housing without shifting both responsibility and costs to private developers and new homeowners in order to meet current shortfalls.

These costs should be covered not through a tax on new housing, but through broader and more progressive taxation, such as a land value tax paid by all landowners.

1.2.1 | Upzoning increases delivery of non-market housing

The Abundant Housing Network Australia, as per the name, advocates for housing affordability via abundance. The same restrictions that make it more expensive and time consuming to build market-rate housing apply equally to non-market housing, and relaxing these restrictions on housing development will also make social and affordable housing more abundant.

This conclusion is backed by academic research. In Auckland, researchers found that government-built housing starts tripled following significant planning reforms.³⁰ In contrast to how it is typically presented, planning reform does not constitute a 'market-led' approach. Rather, it constitutes a 'housing-led' approach, helping to facilitate all types of construction for all types of people.

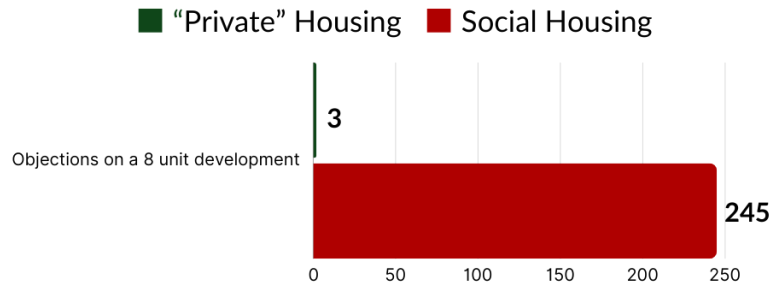


Publicly-built housing permits in Auckland. Source: [Greenaway-McGrevy \(2024\)](#)

³⁰ Greenaway-McGrevy, R. (2024) [Zoning Reform and State-Developed Housing in Auckland](#). Economic Policy Centre Working Paper No. 19

1.2.1.1 | Example: Randwick Council & social housing

It is worth noting that current planning restrictions and processes lead to worse outcomes for social housing in particular. For example, in Randwick Council, there were two roughly equivalent planning applications, both for eight units. The market-rate housing application received approximately three objections, but the social housing application received 245 objections. Making it easier to build more homes means making it easier to build more social and affordable homes for those who need them most.



Objections to private housing vs social housing in Randwick Council. Source: [AHURI](#)

Recommendations 1 & 2

Adopt 'Affordable' as the sixth key goal of the policy, and include affordability in the shared vision for sustainable urban growth.

- a. Recognise that a key way to make a city affordable is by enabling abundant housing to be built where people want to live.

Mandatory inclusionary zoning should not be considered as a means to achieve affordability. Governments should instead focus on implementing broad-based land taxes and building non-market housing themselves.

2 | Ensure clear, measurable outcomes for all urban policies

2.1 | Modernise urban policy: move from urban planning to urban management

Cities are by their nature dynamic places. Across the world, they represent the centres of culture, economy, and innovation. Indeed, it is in our key cities where more people, more firms, and more ideas come together than anywhere else in our society.

And yet the way we make policy for cities is fundamentally at odds with this reality.

Policymaking for cities has over recent decades been colonised by the narrow methods of a single field: urban planning. Urban planners make plans—it's in the job title. Often, these plans are written by private consultants, rather than by the very public departments or teams tasked with the actual implementation. These plans usually have decades-long horizons, and are rarely revisited or revised.

Indeed, while our cities change constantly, the policies that govern them do not.

In order for our cities to thrive, Australia has to move from the stagnant, prescriptive practice of urban planning and toward a more dynamic practice of urban management. This more contemporary practice should leverage contemporary access to data measurement and analysis tools to measure the effective implementation of policy goals. It should involve capacity-building within public sector urban management teams, and replace a reliance on external consultants with a reliance on strong internal data.

Measurements, definitions, and goals should be standardised across all cities, and underpinned by scientific measurement. Where one city is failing and others succeeding, then that city can alter policy to align with its more successful equivalents. Where all cities are failing, it may be that the policy itself needs altering.

In order to execute policy in this way, cities and urban management departments will need to be equipped and incentivised to implement flexible controls that they can alter and implement quickly, and be provided with frameworks that welcome change rather than resist it. These tools and incentives should also be used by other relevant Commonwealth agencies and landowners, for whom the National Urban Policy should be binding.

This section of our submission covers recommendations that will enable better urban policymaking in all spaces, with a particular focus on setting the conditions to enable housing abundance, and building more homes where people want to live.



2.2 | The National Urban Policy needs clear, codified priorities

The draft National Urban Policy has no fewer than 33 areas of focus. This makes sense: cities are complex systems, and by their very nature comprise a large number of stakeholders, each with competing interests and priorities. With that said, should the NUP be set up to treat all of these areas of focus equally, then it will almost certainly fail.

Without a clear set of priorities, the policy will lack the unifying goal required to orient the activities of its many stakeholders. This risks perpetuating one of the largest problems that currently permeates Australian urban planning systems: the lack of accountability stemming from the treatment of all goals either on equal footing or in silos.

As a tangible example of this, in Victoria both housing affordability and local heritage concerns are considered to be of equal importance within planning policy frameworks. So when a new heritage overlay is being proposed, and evidence regarding housing affordability impacts are heard by a Planning Panel, responses such as this are the norm:

The Planning and Environment Act 1987 contains a comprehensive set of objectives that seek to facilitate development in Victoria. These objectives include the conservation of places which are of historical interest but also to facilitate the provision of affordable housing...

In isolation these directions may seem to be in conflict however, when considered as a broad policy platform, a balance is required to ensure the objectives for planning in Victoria are met in favour of net community benefit.³¹

So how exactly will the NUP strike this required balance?

Different stakeholders will have different opinions regarding the exact hierarchy of priorities within the National Urban Policy. We have ours, and will expand on them shortly. But what is absolutely clear is this: a successful, measurable policy cannot be neutral about its desired outcomes. In the absence of clear policy priorities, the loudest—or most senior—voice will always win, regardless of whether the outcome is best aligned with the public good or desired policy outcomes. Therefore, more important to us than the Policy agreeing with our exact proposed hierarchy is that a hierarchy exists within the policy in the first place.

³¹ [Maroondah Planning Scheme Amendment C148maro Maroondah Heritage Study Review 2023](#) (Planning Panels Victoria, 7 February 2024)

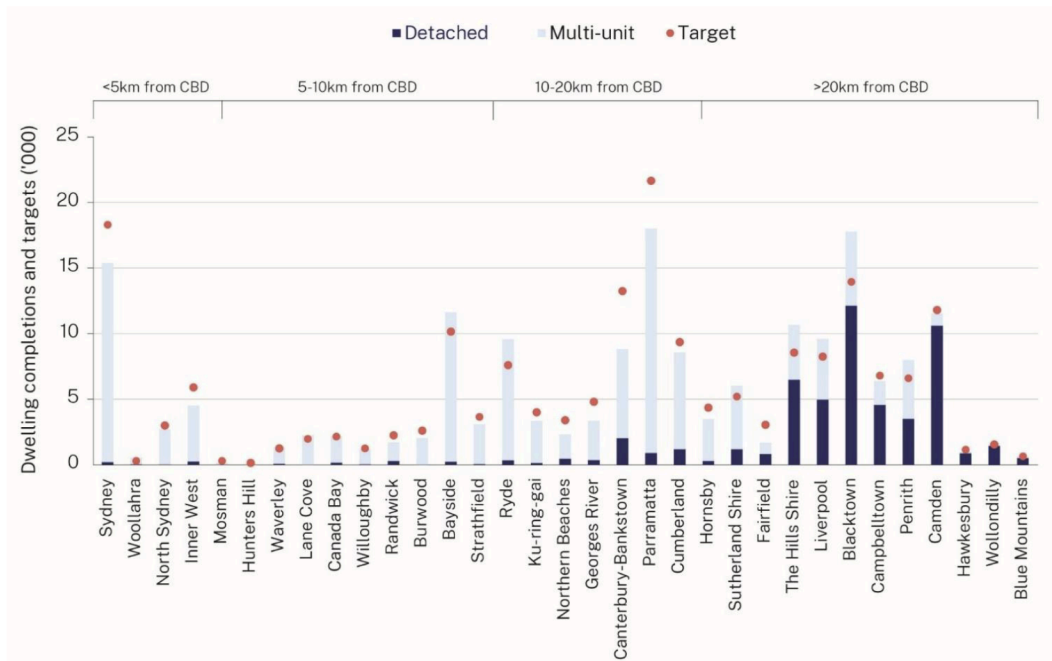


2.2.1 | The Policy should prescribe compact cities as the desired urban form outcome

For too long, Australian cities have grown out, rather than up. For instance, since 2016, less than 20% of all new housing in Sydney has been delivered within 10km of the CBD—despite this being the most wealthy, amenity-rich, and accessible area in the country.³² Instead, we have relied on delivering new housing on the suburban fringe simply because it is politically easier to deliver housing where privileged people are not. Not only does this deny future residents good access to jobs, amenities and transport, it locks in a low-density development pattern that is environmentally and financially unsustainable.

Figure 11: Sydney’s inner ring has added very little housing

Completions by LGA from 2016-21 as compared to Local Council Targets, ordered by distance from CBD



Note: Net dwelling completions from 2016-17 to 2020-21.
Source: DPE; Greater Cities Commission; NSW Productivity Commission

Housing completions in Sydney by LGA. Source: [NSW Productivity Commission](#).

2.2.1.1 | Compact cities are more environmentally sustainable

The urban policy status quo favours urban sprawl, and puts new housing in direct conflict with our most important ecosystems. In Sydney, sensitive koala habitats are coming into increasing conflict with new housing developments, and in Melbourne and Brisbane in the desperate search for well-located land without onerous planning restrictions, more and

³² [Building more homes where people want to live](#) (NSW Productivity Commission, 2023)

more are built in flood prone areas.^{33, 34, 35} Densifying key inner-city areas, on the other hand, carries none of these environmental externalities, with the only barrier being current land use and planning restrictions.

Transport represents 20% of total carbon emissions in Australia, with private car use representing a large majority of this total.³⁶ Sprawl and low-density development necessitates driving long distances for daily needs, adding to tailpipe emissions. As our energy grid continues to decarbonise, the share of emissions attributable to private car use will likely increase. This is already the case in the ACT, which relies heavily on renewables for energy and is developed mostly as a low-density suburbia. As a result, almost 65% of the territory's emissions are transport-related.³⁷ In more compact cities, a greater share of trips can be made by public or active transport, and driving distances can be reduced. To successfully achieve Australia's net zero targets, Australians will need to live in cities that require less driving—an outcome best achieved by developing more compact cities.

2.2.1.2 | Compact cities are more financially sustainable

As well as contributing to environmental sustainability, compact cities are more financially sustainable. This is because a greater density of development allows for infrastructure costs to be shared among more residents, lowering the per-resident cost of providing quality services.

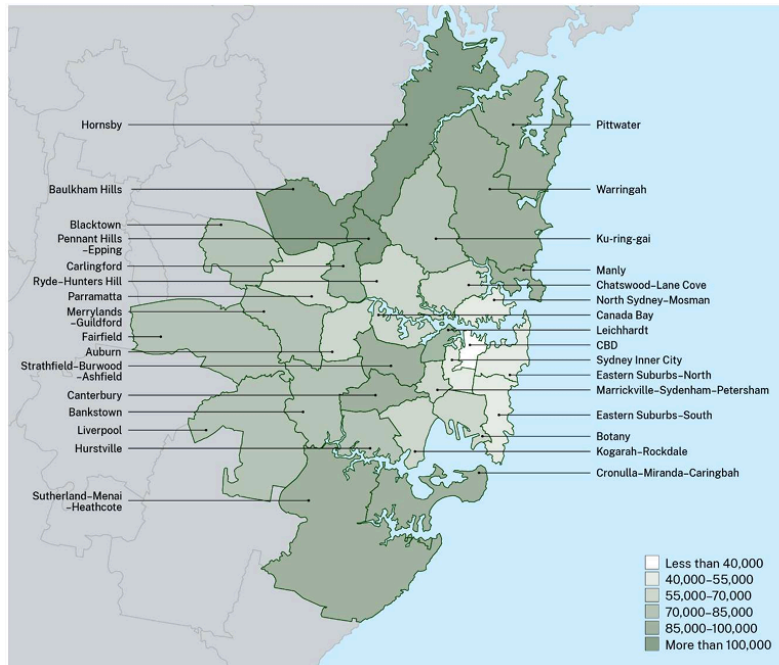
³³ Nick McLaren and Tim Fernandez, '[Court Ruling to Allow Housing Development Will Doom Sydney's Koalas, Critics Say](#)', *ABC News* (28 September 2021).

³⁴ Sophie Aubrey, '[Hundreds of homes suddenly deemed flood-prone in inner-city estate](#)', *The Age* (19 May 2024)

³⁵ Alicia Nally and Lucy Stone, '[Building in floodplains is still not prohibited, Bulimba Barracks approved by Brisbane City Council](#)', *ABC News* (9 November 2022)

³⁶ *Australian Infrastructure and Transport Statistics - Yearbook 2023* (Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 2023).

³⁷ *ACT Greenhouse Gas Inventory 2022-23* (Environment, Planning and Sustainable Development Directorate, 30 September 2023)



Infrastructure costs per additional household, by Sydney SA3. Source: [NSW Productivity Commission \(2023\)](#)

In 2023, the NSW Productivity Commission estimated that it costs up to \$75,000 less to provide infrastructure for one new dwelling in an established area, compared to one new dwelling on the city's fringe.³⁸ Many of Australia's inner suburbs have spare infrastructure capacity that can be accessed at effectively no cost to governments, with predictable per-dwelling costs for any additional needed capacity. As Infrastructure Victoria highlights, even where capacity does not exist in established suburbs, total infrastructure capital costs are unlikely to be more expensive than in greenfield areas, even before factoring in the broader environmental and social costs of sprawl.³⁹

Compact cities enable us to provide higher quality infrastructure, at lower cost. At a time when government budgets across the country are stretched significantly, this should be a central consideration for our National Urban Policy.

³⁸ [Building more homes where infrastructure costs less](#) (NSW Productivity Commission, 2023)

³⁹ [Infrastructure Provision in Different Development Settings](#) (Infrastructure Victoria, April 2019)

Recommendations 3 & 4

Make the National Urban Policy binding for all relevant and landholding Commonwealth departments and agencies.

Establish compact cities as the desired urban form outcome of the National Urban Policy.

2.2.2 | Priority outcomes should be tangible and measurable

Embedded in the complex systems of cities are select key data points that should guide policy making. While not an exhaustive list, for the purposes of this discussion, we have selected four key measurable outcomes for consideration within the Policy:

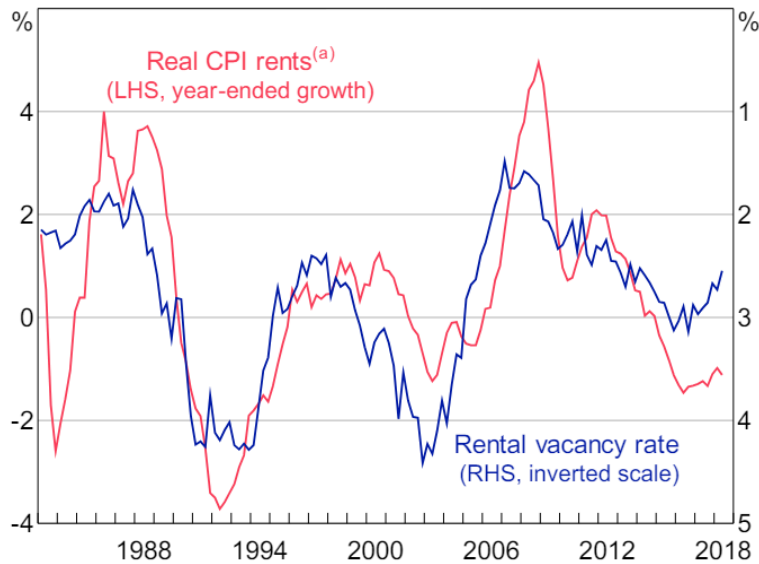
- Rental vacancy rates
- Labour market participation
- Travel time between key locations, per transport mode
- Air quality

These are important and robust figures. They are measurable without self-report, and can be standardised for analysis at the level of the individual, as well as across geographies and demographics. They are also key indicators of any given city's success. We discuss each one separately below.



2.2.2.1 | Rental vacancy rates

Figure 10: Real CPI Rent Growth and the Rental Vacancy Rate



Rent CPI rent growth and the rental vacancy rate. Source: [Reserve Bank of Australia](#)

As discussed earlier, great cities should be affordable. This means providing abundant housing where people want to live, maintaining a 3–5% rental vacancy rate at the level of both the neighbourhood and the city, ensuring that the majority of inhabitants do not experience rent stress.

A 3% level of vacancy gives renters greater bargaining power in the market, and enables mobility for individuals and families looking to move across the entire city.⁴⁰ As per Saunders & Tulip's 2018 *A Model of the Australian Housing Market*, "the dominant influence on real rents is the vacancy rate".⁴¹ On the other end of the spectrum, low vacancy rates and high absolute rents are the strongest predictors of homelessness.⁴²

For the sake of all those living in our cities, we must ensure our most productive places remain affordable, so that everyone can benefit from our economic centres. Measuring rental vacancy rates as an indicator of urban policy success will be a key part of enabling that to happen.

⁴⁰ [Budget Paper No. 1, 2024–25 Budget](#) (Australian Treasury, 2024)

⁴¹ Saunders, Trent and Peter Tulip, '[A Model of the Australian Housing Market](#)' (Economic Research Department, Reserve Bank of Australia, 2019)

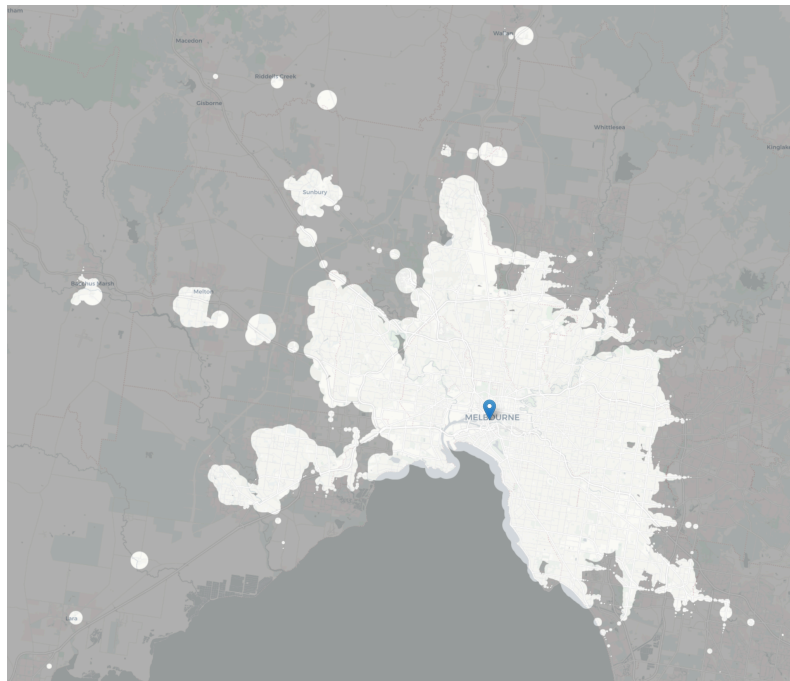
⁴² Colburn, Gregg, 1972- and Clayton Page Aldern, *Homelessness Is a Housing Problem: How Structural Factors Explain U.S. Patterns*. Oakland, California, University of California Press, 2022.

2.2.2.2 | Labour market participation

Cities are, at their essential core, labour markets. The reason cities have emerged throughout history without the need for central planning is that they offer labour markets in which large numbers of people are able to find competitive advantage.

Alain Bertaud dedicates the full second chapter of his work *Order without Design* to this topic.⁴³ From a review of the literature, Bertaud uses the working definition of labour market participation as access to jobs within 60 minutes' travel, with the effective size of a city's labour market being "the average number of jobs per worker accessible in a 1-hour commute".^{44,45}

It is worth noting that effective labour market size is not just about measuring transit times to a given city's CBD. Rather, it is about measuring the transit time of all workers to all jobs. While quantifying effective labour market size is outside the scope of this submission, we can use a quick geographic example from Melbourne.



Access to Melbourne's CBD within 60 minutes via public transport. Source: [Mapnificent](#)

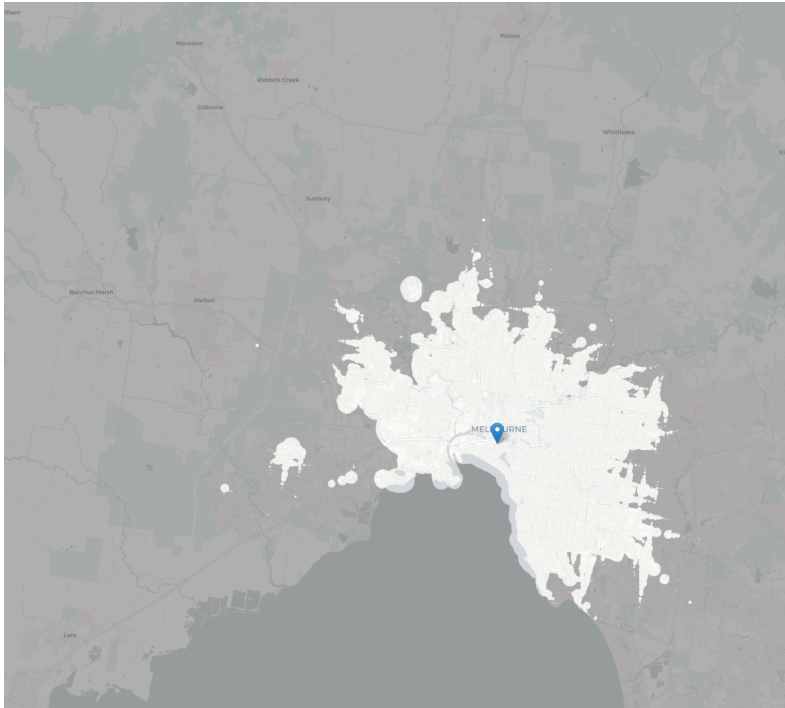
Due to the radial design of Melbourne's public transport network, access to the CBD within 60 minutes via public transport extends across much of the city. But most people

⁴³ Alain Bertaud, *Order without Design: How Markets Shape Cities* (Mit Press, 2018)

⁴⁴ Rémy Prud'homme and Chang-Woon Lee, "Size, Sprawl, Speed and the Efficiency of Cities," (Observatoire de l'Économie et des Institutions Locales, Université de Paris, 1998)

⁴⁵ Patricia Melo, Daniel Graham, David Levinson, and Sarah Aarabi, "Agglomeration, Accessibility, and Productivity: Evidence for Urbanized Areas in the US," paper submitted to the Transportation Research Board, Washington, DC, 2013.

do not work right above Flinders Street Station. Move the destination to South Melbourne, one kilometre south of the CBD, and you get a very different impression.



Access to South Melbourne within 60 minutes via public transport. Source: [Mapnificent](#)

The area of the city with effective access to jobs even in South Melbourne is significantly smaller than access to jobs in the CBD. Move the destination even further from the city centre and you see even larger changes.



Access to Collingwood, Brunswick, and Cremorne within 60 minutes via public transport. Source: [Mapnificent](#)

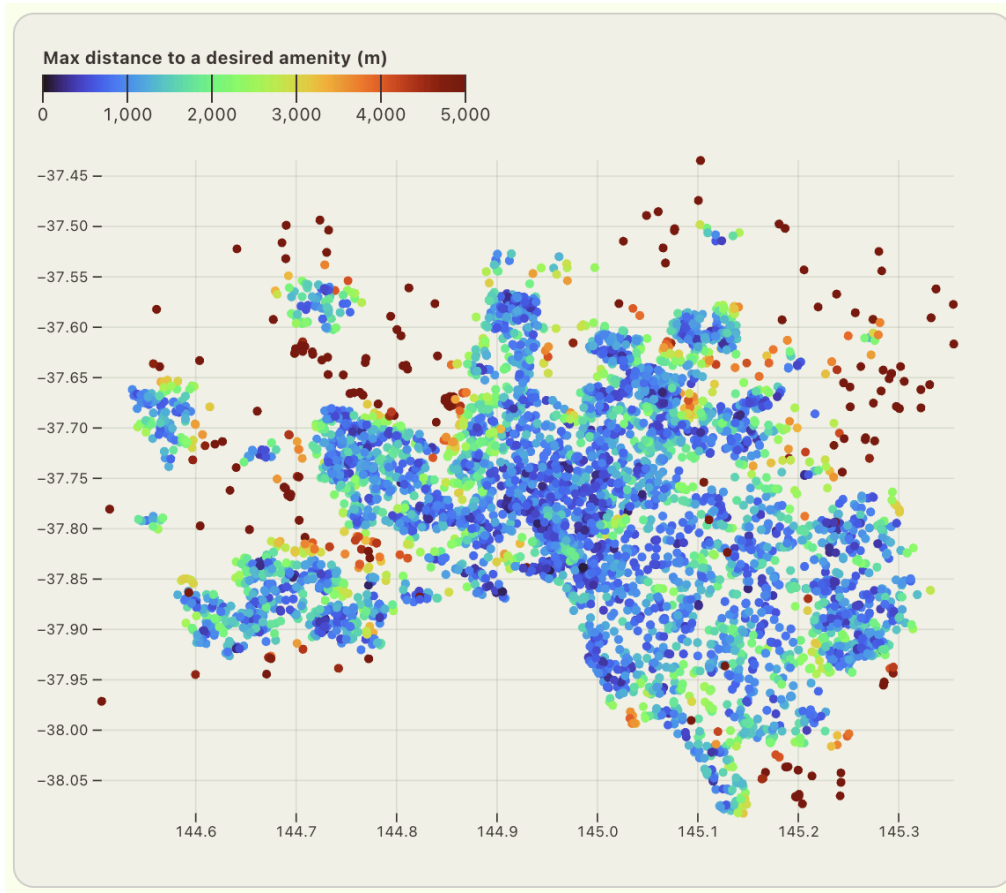
Cities should aim to maximise labour market participation, and this level of participation should be a metric of policy success. Cities across Australia will likely find that the easiest way to meet this policy goal will be to allow homes to be built in areas with already strong access to the majority of the city's jobs. This also offers another reason to embrace the compact city as a goal of the National Urban Policy.

2.2.2.3 | Travel time

As above, labour market participation is measured in part by understanding travel time. However, to and from work is not the only travel a given individual will undertake within a city. A successful city should also measure travel time to other key amenities and infrastructure, such as grocery stores and green space.

This travel time should be measured by various modes of transport, and should be measured from each individual lot in a city. Modern open data, such as OpenStreetMap,⁴⁶ makes this sort of analysis simple.

Take for example YIMBY Melbourne's work-in-progress Walkability Index.⁴⁷ This tool, built entirely from public data, measures the walkability of every single lot in Melbourne to key amenities, including grocery stores, libraries, parks, and schools. Performance can be measured at the level of an individual lot, or across an entire city.



Travel distance to the closest park and school from each individual lot in Melbourne, aggregated. Source: [YIMBY Melbourne](#)

⁴⁶ [API](#), OpenStreetMap

⁴⁷ [Walkability Index \(WIP\)](#), YIMBY Melbourne

This sort of data should be collected and measured as part of the policy goal of ensuring equitable access to amenity—a goal which can be maximised by densifying around existing infrastructure, and building more homes where people want to live.

2.2.2.4 | Air quality

As discussed throughout this submission, densification is a broadly positive process, with enormous benefits for the city and its inhabitants. As such, this submission focuses mostly on reforms which enable urban places to maximise their beneficial traits.

However, one key externality of living in cities is exposure to increased air pollution.

Under current planning configurations, the bulk of new homes are built on main roads—our cities' most polluted corridors. These homes are subject to greater exposure to pollution, with negative health impacts for those living there.^{48,49} These planning decisions seem to be underpinned by the political power of wealthy landowners, rather than by empirical evidence and a desire for equitable outcomes. Indeed, corridor density typologies represent contemporary urban planning at its worst.

It is key, then, that air quality is measured across our cities, and that we prioritise building homes in areas with less exposure to main road pollution, while fitting new builds with infrastructure such as energy recovery ventilators (ERVs) to ensure better energy efficiency and better air quality in inner-city homes.⁵⁰

2.2.2.5 | Other priority outcomes

The National Urban Policy may also want to consider other indicators of success beyond those listed above. All additional indicators of policy success should also meet the same standard of measurability as those examples given above.

2.2.2.6 | Handling urban planning intangibles

Status-quo-inclined urban planners may attempt to convince those crafting this policy that it should ensure to prioritise any number of intangible, subjective outcomes. These planning intangibles may include, for instance, the preservation of so-called neighbourhood character and heritage.

The costs of these intangibles should be adequately quantified by their advocates, including the opportunity costs of preservation and the costs of any subjective design preferences codified within urban plans.

⁴⁸ Xiong, Jing et al, '[Associations of Bedroom Temperature and Ventilation with Sleep Quality](#)' (2020) 26(9) *Science and Technology for the Built Environment*

⁴⁹ Sekhar, Chandra et al, '[Bedroom Ventilation: Review of Existing Evidence and Current Standards](#)' [2020] *Building and Environment*

⁵⁰ Jonathan Nolan, '[Designing bedrooms in cities for a better night's sleep](#)' (2023)



These costs should be weighed up within the NUP against measurable, material priority outcomes, so as to ensure that material benefits for the majority of people are not being sacrificed for the unquantified and subjective preferences of a small but powerful minority.

Recommendation 5

Establish within the National Urban Policy a hierarchy of policy focuses that codifies explicit priorities and measurable outcomes. These measurables may include:

- b. Rental vacancy rates
- c. Labour market participation
- d. Travel time between key locations, per transport mode
- e. Air quality

2.3 | Policy must be underpinned by strong and standardised data aggregation

In order to move from the archaic tea-leaf reading practices of urban planners, and toward the data-informed future of urban management, we must recognise the elements that are key to creating good data-informed decisions.

While much is being said in 2024 about artificial intelligence and machine learning—it is worth noting that the actual analytic powers of these sorts of tools as they would be applied to urban management or related fields are not meaningfully better than they were five years ago. This is because the key limiting factor is not the strength of a given analytic model—but the quality of the data which it analyses. Put simply: garbage in, garbage out.

One major challenge faced by the member organisations of the Abundant Housing Network Australia is that different government departments, states, and councils all use different urban data formats and definitions. This makes aggregating data for analysis very difficult, and comparing across states near-impossible.

In order for the National Urban Policy to be successfully implemented, monitored, and iterated upon, it must establish a clear set of data dictionaries, formats, and reporting intervals for all stakeholders. This will enable policymakers to monitor the impacts of their decisions, and to make more rapid changes to urban policy in order to create the best possible outcomes for our cities.



2.3.1 | Example: the fuzzy definitions of "social" and "affordable" housing

It is essential that all government agencies, states, councils, and private stakeholders share the same definitions as they work to implement and comply with policy. Currently, this is not easily achieved within the Australian housing sector.

Indeed, a large problem facing housing delivery across Australia is the ambiguity of many terms used within the sector. For instance, while "social housing" is a common term used to talk about both public and community housing, the Abundant Housing Network Australia has adopted "non-market housing" as the term for this broad category.

The reason we have made this decision is that "social housing" is inherently ambiguous as to whether it refers to both public and community housing, or just community housing, and this ambiguity is cynically used by political groups to obfuscate their housing promises and decisions. "Non-market housing" also captures a broader ecosystem of innovative housing models like cooperative or mutual housing, community land trusts, and shared equity schemes.

Broadly, we define non-market housing as housing with an owner not subject to market logic and profit motive. Within this there are different classifications by owner type: "public", meaning government owned, "community", meaning owned by not-for-profit housing providers, or "commons", meaning owned by democratically-organised groups like cooperatives or mutuals. Within each of these ownership structures are variations of tenure types—whether the resident owns, rents long-term or rents short-term—what form of price-control it uses,⁵¹ and how democratic the control over the asset is.

Adopting a similar structure nationally would improve the housing debate's tractability to the public and provide regulatory surety to new entrants.

We avoid using the term "affordable housing" for the same reason of ambiguity.⁵² While the public's understanding of what affordable housing means is housing that most people can afford, most governments use it as innuendo for subsidised housing, where—either through direct subsidies or indirectly via uplift or tax credits—for-profit entities rent the property to an at-need group at below-market rates or through a community housing provider. But unlike public or community housing, these schemes do not transfer ownership of the asset, letting for-profit entities receive both capital gains and the subsidies.

⁵¹ See typologies in Alice Pittini, Dara Turnbull and Diana Yordanova, '[Cost-based social rental housing in Europe](#)' (Housing Europe, December 2021); and Hanna Wheatley, Sarah Arnold and Joe Beswick, '[Getting Rents Under Control](#)' (New Economics Foundation, July 2019)

⁵² Australian Housing and Urban Research Institute Limited, '[What is the difference between social housing and affordable housing - and why do they matter?](#)' (AHURI Briefs, 28 February 2023)

Non-specific terminology in non-market housing has two key negative effects: first, it makes the collection and comparison of data difficult and, second, it cultivates public distrust in the sector and the policies which govern it.

Recommendations 6 & 7

Improve the use of data within urban planning by standardising the methodologies, definitions, and data formats used across all jurisdictions.

Provide nationally consistent definitions for key terms such as "affordable" and "social" housing.



2.4 | Assist stakeholders in measuring policy impacts

Council policy should be aimed at ensuring the best outcomes for those who use their services. However, key urban policy implementing bodies such as local councils have little guidance or capacity to run robust cost-benefit analyses (CBAs) prior to the implementation of their policies.

Ad hoc policy justification and implementation leads to inconsistency between and lack of accountability within councils. This should not be the case, however, as all councils deliver policy and services within the same broad categories, and should be guided by best practices to ensure congruence and interoperability of policies and services across Australia.

The Commonwealth Government should provide best practice frameworks for analysing and justifying the implementation of new policy instruments, to ensure that impacts and externalities are correctly costed and accounted for.

2.4.1 | Example: the Grattan Institute's Road Manager Survey

For an example of bad outcomes caused by council inconsistency, we can consider the Grattan Institute's Road Manager Survey. One shocking figure demonstrated that a full quarter of Victoria's councils do not know how many bridges they manage.⁵³ Many councils, especially remote councils, rely on rules of thumb to determine whether they ought to grant access to a bridge or road instead of undertaking an engineering assessment. This is indicative of how the lack of clear frameworks leaves local governments to rely on informal or inadequate procedures in order to manage infrastructure and services. All councils should know how many bridges they have, and should know about them in the same way through a consistent framework provided by the state government.

While this survey is restricted to the management of council roads, it illustrates a point that is more broadly applicable. Councils do not have the resources to measure, let alone maintain, their assets that the community uses and relies upon every day. This is the result of every council being required to manage their own individual frameworks, rather than relying on shared best practice that would enable them to operate more efficiently and in concert with each other.

In order for local government bodies to be more efficient, more well resourced levels of government must create the appropriate context for that efficiency. Better funding, more support from the Commonwealth Government to produce and guide CBAs, and larger councils, would all enable local governments to provide better services at lower costs.

⁵³ Marion Terrill, Natasha Bradshaw, and Dominic Jones, '[Potholes and pitfalls: How to fix local roads](#)' (2023) Grattan Institute

Many of the considerations included when determining policy are similar or the same between different councils. Each council has limited resources to devote to developing policy, creating a great deal of unnecessary repeated efforts between councils. The Commonwealth Government could reduce this by creating best practice policy assessment frameworks for councils to use, laying out common considerations and how best to measure them. This would also enable policy to be more consistent between councils where considerations are similar, simplifying the process for entities that interact with many different councils, such as community housing providers.

2.4.2 | Example: Merri-bek's Brunswick Activity Centre Structure Plan

An example of local governments struggling to undertake appropriate CBAs can be found in Victoria in the form of Merri-bek council's recent Brunswick Activity Centre Structure Plan. The Plan requires large proportions of developments within the Activity Centre to be mandatorily allocated to commercial uses.⁵⁴ The policy deviates from those of other similar councils and activity centres, and the costs of this policy—say, to housing developments and new residences—are not clearly measured anywhere within the policy documents. This makes it unclear whether this policy will actually lead to better outcomes in Brunswick, or whether placing this onerous requirement upon housing developers will simply increase costs and make housing less affordable within Brunswick's densest areas.

2.4.3 | Example: Active Transport Economic Appraisal Tool

A key example of strong cost-benefit analysis tooling comes from the Queensland Department of Transport and Main Roads. To help with the rapid and cheap assessment of the merits of active transport projects, the Department developed an interactive tool for use by councils and other practitioners.⁵⁵ This tool enables any staff member with appropriate data and information to complete a cost-benefit analysis in around 30 minutes, compared to the several hours, days, or weeks it would otherwise take to assess a project from scratch.

With council staff often embodying multiple roles and lacking specialist knowledge, time-saving tools and guidance can be a powerful way of empowering staff to make better-informed decisions across all Australia's cities.

2.4.4 | International precedent

The New Zealand government, when faced with similar challenges from their local governments in the greater Auckland area, amended Section 32 of the Resource Management Act (RMA) with new rules that forced the assessment of the costs and

⁵⁴ ['Vibrant Brunswick Brunswick Activity Centre Structure Plan'](#), Merr-bek City Council (2024)

⁵⁵ ['Active Travel Economic Appraisal Tool'](#), Queensland Department of Transport and Main Roads

benefits of new provisions. Whilst the Commonwealth Government does not have the power to make such a move, they can help develop an extensive CBA framework to assist local governments in complying with such a provision. Such tools would help improve the quality of the local government decision making even without the States or Territory Governments implementing rules akin to Section 32 of the RMA.

Recommendation 8

Provide frameworks and clear best-practice cost-benefit analysis structures for land-use regulation and decision making.

- f. Incentivise States and Territories to pursue the adoption of mandatory cost benefit analyses for all land use regulations in the vein of Section 32 of the Resource Management Act (RMA) from New Zealand.

2.5 | Policy frameworks must quantify opportunity costs

The response from the Planning Institute of Australia to both the NSW Government's Transport Oriented Development Program and the Victorian Government's Draft Housing Targets demonstrates that the urban planning sector often fails to consider the opportunity cost of their decision making.^{56 57} The risks of change are just assumed to be greater than the failures of the status quo.

While the draft NUP does recognise that the business-as-usual is not tenable, there needs to be the explicit declaration that inaction itself has costs—the current and ongoing housing crisis is proof of that. This is why it is vital to quantify the cost of fulfilling each of the policy's core principles. Without this quantification, we cannot make informed decisions. To effectively weigh up the tradeoffs the scope of the NUP demands, policymakers must quantify and measure the costs of both action and inaction on each of the policy's principles and objectives. Otherwise, the Policy will impose gridlock upon itself.

2.5.1 | Example: National Urban Policy proposed Principle 1

An example of where measuring costs is important can be found in the National Urban Policy under the *Principle 1* section, subtitled *City planning and governance must be*

⁵⁶ ['PIA VIC Briefing: PIA VIC Housing Targets Position Paper'](#) Planning Institute of Australia (2024)

⁵⁷ ['PIA NSW Submission Inquiry Into The Development Of The Transport Oriented Development \(TOD\) Program'](#) Planning Institute of Australia (2024)

collaborative and adaptive. Much is said in this section about how strategic urban planning should be co-designed to be reflective of the local culture and character. Little is said, however, about how this principle should be balanced against its costs.

In practice, many of Australia’s urban planning systems preserve local character by restricting any meaningful change to the prevailing urban form. While this does indeed maintain the local character of a given area, this comes at a large cost. Namely, the cost of restricting new housing and businesses, and thereby excluding residents and families not lucky enough to already live there. This is not a viable approach to planning the successful Australian cities of the future.

2.5.2 | Local suppliers should not come at the expense of outcomes

Diversification of supply chains cannot come at the expense of providing better urban outcomes. The assumption within the Policy that “sustainable procurement practices” are linked to “contracting locally first” is not well-founded, and risks reinforcing current government failures that have worked against achieving housing affordability.

In response to the 2024 Commonwealth Budget, the Abundant Housing Network Australia noted that the focus on locally training new tradies via TAFE without also fast-tracking migrants with construction skills, meant that pressures on the construction industry would not be eased in the short-to-medium term.⁵⁸

Outsized reliance on domestic solutions for which there is not the requisite capacity may be good politics, but it is bad policy. We recommend that this statement be removed from the Policy.

Recommendations 9 & 10

Measure and consider explicitly the opportunity costs of indecision and not acting.

Remove the focus on local contracting in the “sustainable procurement practices” section of the Policy.

⁵⁸ Michael Bleby [‘Imported tradies need to live somewhere too’](#) (2024) *Australian Financial Review*

3 | Consult representative populations: ensure consultation processes are not biased by self-selection

At the heart of Australia's housing crisis lies the problem of diffuse benefits versus concentrated costs. While the benefits of new housing are shared by many, the perceived costs of development, such as disruption and changes to the urban form, are borne by the few. A practical example of this is the extensive community consultation non-market housing developments are put through in order to appease incumbent local homeowners. These consultations often cause these projects to be reduced in scope in order to placate these homeowners. The main outcome of this dominant mode of "consultation" is fewer homes for fewer people.

It will come as no surprise that mounting evidence suggests these sorts of community consultations and optional democracy initiatives, particularly in the hyperlocal forms that permeate our planning system, are unrepresentative.^{59, 60} Our bureaucratic and overly technical planning system privileges the voices of older homeowners with the prerequisite civic skills and networks needed to navigate it.⁶¹ This comes at the expense of renters, young families and aspirational residents who by chance of fate or privilege happen to not already live in wealthy, desirable areas. In essence, those who would benefit the most from more housing are left out of current decision making processes.

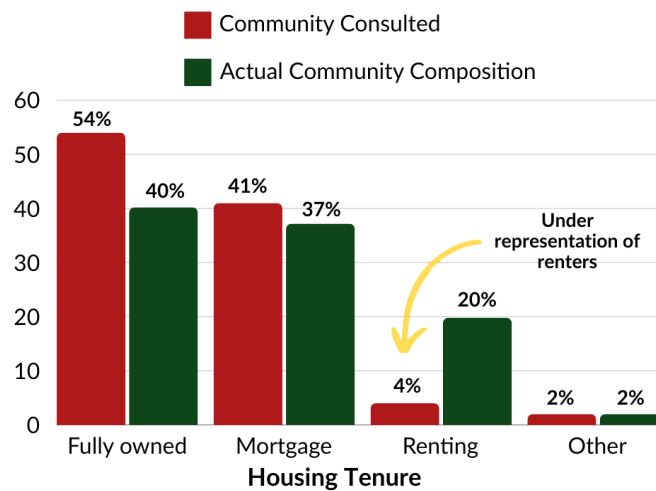
3.1 | Example: Ku-Ring-Gai Council feedback self-selection bias

A recent example of these exclusionary consultation practices comes from Ku-Ring-Gai Council in NSW when they attempted to engage with the community for feedback regarding the NSW Government's newly announced housing policies.

⁵⁹ Andersen, Michael, ['When Cities Switch to One-Winner Council Districts, Housing Growth Plummet'](#), *Sightline Institute* (22 September 2022)

⁶⁰ Dan Fumano, ['Massive Jericho project inches ahead as polls show vastly different views'](#), *Vancouver Sun* (19 January 2024)

⁶¹ Cook, Nicole T et al, ['Resident Third Party Objections and Appeals against Planning Applications: Implications for Higher Density and Social Housing'](#) [2012] (145) *AHURI Final Report Series*
Taylor, Elizabeth Jean, ['Do House Values Influence Resistance to Development?—a Spatial Analysis of Planning Objection and Appeals in Melbourne'](#) (2013) 31(1) *Urban Policy and Research*
Einstein, Katherine Levine, Maxwell Palmer and David M Glick, ['Who Participates in Local Government? Evidence from Meeting Minutes'](#) (2018) 17(1) *Perspectives on Politics*



Source: [Changes to NSW Housing Policy 2024 Community Engagement report](#)

The self-selected respondent demographics were stark. While 77% of Ku-Ring-Gai residents are homeowners, they made up a whopping 95% of the respondents. On the other hand, renters make up 20% of the local community—but only 4% of respondents. This is just one of the many examples of how the community consultation process can be dominated by homeowners at the expense of renters.

It is important to recognise that despite the dire need for more housing in places where people want to live, it is often these neighbourhoods that contain the demographics most hostile to denser housing in both its market and non-market forms. This can be seen in research from Victoria that found that the volume of objections and third-party appeals was directly correlated with an area's socioeconomic advantage. Because wealthier areas tend to be closer to the city centre, where land is most valuable, the result of this arrangement is that Australia's prevailing planning systems systemically lock poorer people out of our inner-cities.⁶²

3.2 | Example: Victorian residents don't mind new housing once it's built

It is important that the National Urban Policy inquires strongly into the supposed benefits of current systems. From the evidence, it is not clear that blocking new housing actually has serious material benefits.

For instance, in Victoria, interview-surveys of residents living near recently completed controversial affordable housing proposals found that 78 percent of the respondents

⁶² Cook, Nicole T et al, '[Resident Third Party Objections and Appeals against Planning Applications: Implications for Higher Density and Social Housing](#)' [2012] (145) *AHURI Final Report Series*

found little or no effect from the development.⁶³ This is critical to underlining why short-term localised backlash should not be prioritised above the needs of the broader community — these sorts of findings suggest that objections are often rooted in fear of difference of tenants or fear of change. However, with the current system these perceptions are increasingly threatened to be bought into reality as self-fulfilling prophecies.

3.3 | Example: representative citizens panels in Hutt City Council

Yet again we point to our sister nation, New Zealand, for a case study in good representative consultation processes. Hutt City Council has been engaging in a representative citizens panel to complement their traditional opt-in consultation processes.

When engaging with the community about council-wide upzoning their findings were consistent with the existing literature on self-selection bias with opt-in processes. The representative panel had 69% support for medium-density zones whilst the opt-in submissions found 44% support.⁶⁴

Representative consultation must be the default going forward. As part of National Urban Policy implementation, the Commonwealth should work with the States and Territories to standardise the widespread use of modern statistical techniques to ensure that all of the community is heard, not just those with spare time or a vested interest.

Recommendations 11 & 12

Emphasise within Principle 1 of the Policy the importance of representative consultation with the broad community beyond incumbent local residents.

- g. Any consultation of local communities should consider the needs of future residents and others who aren't currently captured in hyper-localised consultation procedures.

⁶³ Davison, Gethin et al, '[Understanding and addressing community opposition to affordable housing development](#)' [2013] (211) *AHURI Final Report Series*

⁶⁴ Maltman, Matthew and Ryan Greenaway-McGrevy, '[Going It Alone: The Impact of Upzoning on Housing Construction in Lower Hutt](#)' (Economic Policy Centre, University of Auckland, 2024)

Ensure consultation is representative, and underpinned by modern statistical and surveying techniques that empower the whole community to be heard, not just those with spare time or a vested interest.

- h. The Commonwealth should build a 'weight my consultation' tool for councils and develop guidance for representative surveying.

3.4 | Highly localised institutions should not be key decision makers

The city is understood intuitively by most people as the metropolitan boundaries, most easily defined as the urban growth boundary. However, in most of our nation's cities, no elected decisionmakers represent that metropolis.

Australian urbanists have coined the term metropolitan disenfranchisement to describe how geographically small councils, particularly those that no longer represent a clear community of interest, systematically and often unconsciously privilege existing residents over future or aspirational ones.⁶⁵

In fact, councillors in the proper execution of their duties currently have no scope to represent future or aspirational residents.

This results in a situation where economic pressures like rising rents or house prices can displace a person from the inner-city, and then leave that person with no political influence over the jurisdiction they were forced to leave. This creates an absence of political pressure on our institutions to take any meaningful steps to avoid similar displacement happening to others, or to facilitate changes that would allow the displaced person to return.

For example, a young family in the outer suburbs wanting to move closer to work in the city has no way to influence an inner urban council to facilitate more affordable housing for them. Nor can a renter from the inner city who is forced further from the city, their work, and their community influence their local council to permit changes to their urban fabric that would prevent their friends being forced out too.

Currently, most Australians elect state representatives concerned with very large areas, or local councillors concerned with very small areas. This creates local councils that reflect historic communities of interest, rather than current residents. Research from the United States has shown that moving from at-large or multi-member districts on councils

⁶⁵ *Australia's Metropolitan Imperative : A Reform Agenda* (CSIRO Publishing, 2018)

to single-member districts suppresses housing construction by as much as 25 per cent—even more so for apartment developments, an effect exacerbated in districts with higher proportions of homeowners.⁶⁶

This is indicative of the institutional power that homeowners have over the local institutions that are often the decision makers on new housing projects

The Commonwealth Government should therefore be wary of assuming that the views espoused by local governments are representative of their communities. These institutions, as demonstrated above, are captured by a privileged class that seeks to maintain the status quo over all else.

It's imperative to overcome these systematic issues. We believe the state and territory governments need to radically reconceptualise how our councils are designed, and the scope of their powers, in order to improve representation for currently-alienated groups like renters and young families.

In this instance, we echo recent proposals by the Municipal Association of Victoria and the Planning Institute of Australia to replace our existing structures of atomised and unfit-for-purpose local councils with single city-wide governments, or systemically amalgamated smaller councils.⁶⁷ This model is already at work in Brisbane, and is common around the world in many major cities like London, Barcelona, New York, and Auckland.

The Commonwealth Government could help lead this reform by bringing it to the National Cabinet and providing pathways and funding to help state and territory governments make the transition from fragmented local councils to metropolitan-wide governments.

Recommendation 13

Work with the National Cabinet to pursue the amalgamation of metropolitan local councils to create metropolitan-wide governments that govern the entirety of Australian cities, such as Brisbane City Council.

⁶⁶ Evan Mast, '[Warding Off Development: Local Control, Housing Supply, and NIMBYs](#)' (2020) *The Center for Growth and Opportunity*

⁶⁷ Royce Millar, '[Councils ready to give up some planning powers – if the state does the same](#)' (2023) *The Age*

3.5 | Empower renters within democratic processes

We've previously called for a national renters' voice and want to reiterate this call. This voice should be an ombudsman, a regulator and a reform commissioner all in one. This scope of powers is necessary for the simple reason that renters face material barriers in undertaking effective advocacy on their own behalf. When renters take steps to enforce their own rights, the reward they receive is mere compliance—while the risks they face are rent rises, evictions, or blacklisting.⁶⁸

As discussed earlier in this submission, renters are often systematically excluded from decision-making spaces, whether those are government boards and advisory bodies, roundtables, consultations and surveys or indeed consultation on a National Urban Policy. We note that all the in-person NUP consultation events were held during the week during working hours, which, in essence, limited the scope of people that were consulted to those representing organisations, professionals in the field or retirees.

A critical way to ensure renters have a seat at the table throughout the processes that affect them would be to provide funding to the National Association of Renter's Organisations (NARO). NARO is an unfunded federation of State and Territory-based Tenants' Unions and Tenant Advice Services across Australia, and comprises Tenants Queensland, the Tenants' Union ACT, the Tenants' Union of New South Wales, the Tenants' Union of Tasmania, the Tenants' Union of Victoria, Tenancy WA, the Darwin Community Legal Service, and Shelter South Australia.

Remedying the disenfranchisement of renters from our larger democratic systems will be a long journey but these recommendations offer a pathway to its restoration—any National Urban Policy framework that does not seek to resolve these issues will lack democratic legitimacy.

Recommendation 14

Fund the National Association of Renters Organisations (NARO) to empower them to represent tenants' interests across the country.

⁶⁸ Abundant Housing Network Australia, [Submission No. 64 to the Senate Standing Committee on Community Affairs](#) 2023 5-7 and 21-24

Conclusion

We conclude this submission by acknowledging that the National Urban Policy is of deep importance to the future of Australia. As a highly urbanised nation, the policy governing our cities will acutely impact each and every person living in this country now and into the future.

It is therefore essential that this policy is clear and prescriptive, that it champions affordable urban places and a compact urban form, that it is pro-growth and future-focused, that it is directed and accountable, and that it is governed by outcomes-oriented processes that ensure representation for everyone, with limited opportunities for regulatory capture by small groups of incumbents.

This will require strong, bold actions. The Abundant Housing Network Australia has laid out within this submission the key frameworks required to undertake those required actions. While by no means exhaustive, the examples and principles expounded in this document, when applied to the National Urban Policy framework, will provide a strong foundation for a bigger, better Australia, with strong access to infrastructure and abundant housing for all.



National Urban Policy Submission

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