



HIA Submission – National Urban Policy Consultation Paper

8 July 2024





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1. About HIA

The Housing Industry Association (HIA) is Australia's only national industry association representing the interests of the residential building industry.

As the voice of the residential building industry, HIA represents a membership of 60,000 across Australia. Our members are involved in delivering more than 170,000 new homes each year through the construction of new housing estates, detached homes, low & medium-density housing developments, apartment buildings and completing renovations on Australia's 9 million existing homes.

HIA members comprise a diverse mix of companies, including volume builders delivering thousands of new homes a year through to small and medium home builders delivering one or more custom built homes a year. From sole traders to multi-nationals, HIA members construct over 85 per cent of the nation's new building stock.

The residential building industry is one of Australia's most dynamic, innovative and efficient service industries and is a key driver of the Australian economy. The residential building industry has a wide reach into the manufacturing, supply and retail sectors.

Contributing over \$100 billion per annum and accounting for 5.8 per cent of Gross Domestic Product, the residential building industry employs over one million people, representing tens of thousands of small businesses and over 200,000 sub-contractors reliant on the industry for their livelihood.

HIA exists to service the businesses it represents, advocate for the best possible business environment for the building industry and to encourage a responsible and quality driven, affordable residential building development industry. HIA's mission is to:

“promote policies and provide services which enhance our members’ business practices, products and profitability, consistent with the highest standards of professional and commercial conduct.”

HIA develops and advocates policy on behalf of members to further advance new home building and renovating, enabling members to provide affordable and appropriate housing to the growing Australian population.

New policy is generated through a grassroots process that starts with local and regional committees before progressing to the National Policy Congress by which time it has passed through almost 1,000 sets of hands.

Policy development is supported by an ongoing process of collecting and analysing data, forecasting, and providing industry data and insights for members, the general public and on a contract basis.

The association operates offices in 22 centres around the nation providing a wide range of advocacy, business support services.



2. Executive Summary

Thank you for the opportunity for the Housing Industry Association (HIA) to provide a submission to the National Urban Policy – Consultation draft.

It is noted that the development of the National Urban Policy (the Policy) aims to outline the Australian Government's goals and objectives to enable our urban areas to be liveable, equitable, productive, sustainable and resilient.

HIA is broadly supportive of the development of a National Policy to guide the growth of our cities and for the Federal government, through National Planning Ministers, to engage of on and developing an overarching strategy to guide the necessary growth of our cities.

Over the last two decades the rate of home ownership in Australia has continued to decline and down to just 67%.

Furthermore, the rate for different age groups varies and paints an even more challenging landscape. The home ownership rate of 30–34 year is only 50% and for Australians aged 25–29, just 36%.

This all further reinforces that it has become increasingly difficult for those under 40 to get onto the property ladder.

In order to respond to the challenges facing our cities, a strong vision is needed to better coordinate urban policy across our nation, and better integrate and guide future decision-making, investment and policy.

Equally the need to better integrate an urban lens across all relevant areas of policy-making and to ensure cross-portfolio engagement on urban policy matters to address Australia's urgent housing challenges facing our cities and regional areas.

HIA has been encouraged by National Cabinet developing a National Planning Reform Blueprint, that seeks to:

- Updating state, regional, and local strategic plans to reflect housing supply targets.
- Promoting medium and high-density housing in well-located areas close to existing public transport connections, amenities and employment.
- Streamlining approval pathways.

These measures are critically important as it is well established that Australia's planning systems are overwhelmed and in need of significant reform to enable the delivery of not only the Governments 1.2 million new homes (Housing Accord) targets, but to meet Australia's long term demand for housing.

Critically important to this is improving information and data about Australian cities, population growth and housing demand forecasts, that have in past continually underestimated actual population growth and demand.

Poor data collection and housing and population forecasting has played a large role in Australia's current significant undersupply of housing in the data and resulting policies not adequately accounting for this housing demand.



Housing affordability

Housing affordability remains a major issue, especially in urban areas, due to a shortfall in diverse, well-located housing and demand outpacing supply.

Addressing these problems requires initiatives to increase housing supply, improve access to housing that is affordable, and invest in transport and social infrastructure.

Densification and infill development can play a key role in this, but this is where well intentioned policies often fall over at state and local level due to certain components of local community sentiment towards development and densification of existing urban areas.

Significant, strategic action is needed to alleviate Australia's housing pressures so more people can access secure, affordable and accessible housing.

Supporting the delivery of all forms of homes along the housing continuum must be a priority. If supply falls in any one sector it will directly affect the affordability of housing in each of the other sectors.

Housing supply underpins housing affordability and improving affordability will enable more households to own their own homes.

Housing preferences and the expectations that people have for their housing have changed in response to the scarcity of housing and rising costs, however the 'Australian Dream' of owning your own home remains.

Polling conducted for HIA by JWS Research found that 81 per cent of Australians believe that everyday Australians should be able to own their own home.

Furthermore, the research found that 92 per cent of renting households aspire to own their own home, yet only 49 per cent of these households feel that they will achieve this aspiration.

Ensuring housing supply can respond to changes in demand in a timely way should be the basis for all Government actions that influence the housing market.

New homes and developments highly sustainable & resilient

Australia has a diverse climate, and our buildings can be potentially subjected to a range of different natural hazards such as cyclones, bushfires, flooding, earthquakes, hailstorms and the like. Both our climate and our landscape are continuing to change as is Australia's built environment.

Ensuring that residential and commercial buildings are resilient to natural hazards is not a new concern and the planning and construction of safe and resilient housing in all forms across our cities requires an effective relationship between governments and the residential development and building industry.

In Australia building work is regulated through State and Territory building legislation and that legislation calls up the National Construction Code (NCC) for the technical design and construction requirements for buildings and other structures.

Within this context it is important to highlight that the NCC and through it the relevant referenced Australian Standards has for many decades contained requirements addressing most natural hazards. This includes:

- Bushfire risk
- High rainfall and hail
- Flooding
- Cyclones
- Heatwaves (through energy efficiency)
- Heat island affect (through energy efficiency)



The NCC, and the associated Australian Standards referenced by the NCC have continued to be updated and reviewed and Australia's current building codes & standards produce high performing sustainable and resilient buildings.

Australia's new houses and buildings have a sound track record in their ability to withstanding natural hazards where they occur and these standards also produce highly energy efficient buildings since 2004 with recent changes further increasing the energy performance and sustainability of new homes and apartments.

Often Australia's regulations and policies inform other countries standards regarding building performance and resilience to natural hazards.

Recent post incident assessment reports from past tropical cyclones Larry and Yasi as well as Wye River, Tathra and Black Summer bushfires have all shown that houses built to our current building codes and standards performed well and limited damage occurred in comparison to our existing housing stock that suffered greater damage.

This presents a significant challenge to the ongoing affordability and access to insurance for the 8-10 million existing homes in Australia built prior to our current and continually evolving and updating building codes and standards.

While new land releases and housing can be seemingly well managed to address natural disasters, the bigger challenge – how do we effectively and affordably mitigate the risks for the 8-10 million homes we already have.

HIA believes a greater focus is needed on government taking steps to mitigate the risk now and into the future as part of any future National Urban Policy.

Submission Focus

HIA's submission to the consultation paper focuses on the following key areas of the consultation paper with the associated goals and principles:

- No-one and No-place left behind
- Our urban areas are sustainable
- Our urban environments and communities promote health and wellbeing, and
- Our urban areas promote productivity.

HIA would welcome the opportunity to meet and discuss these matters as part of the further development of the National Urban Policy.

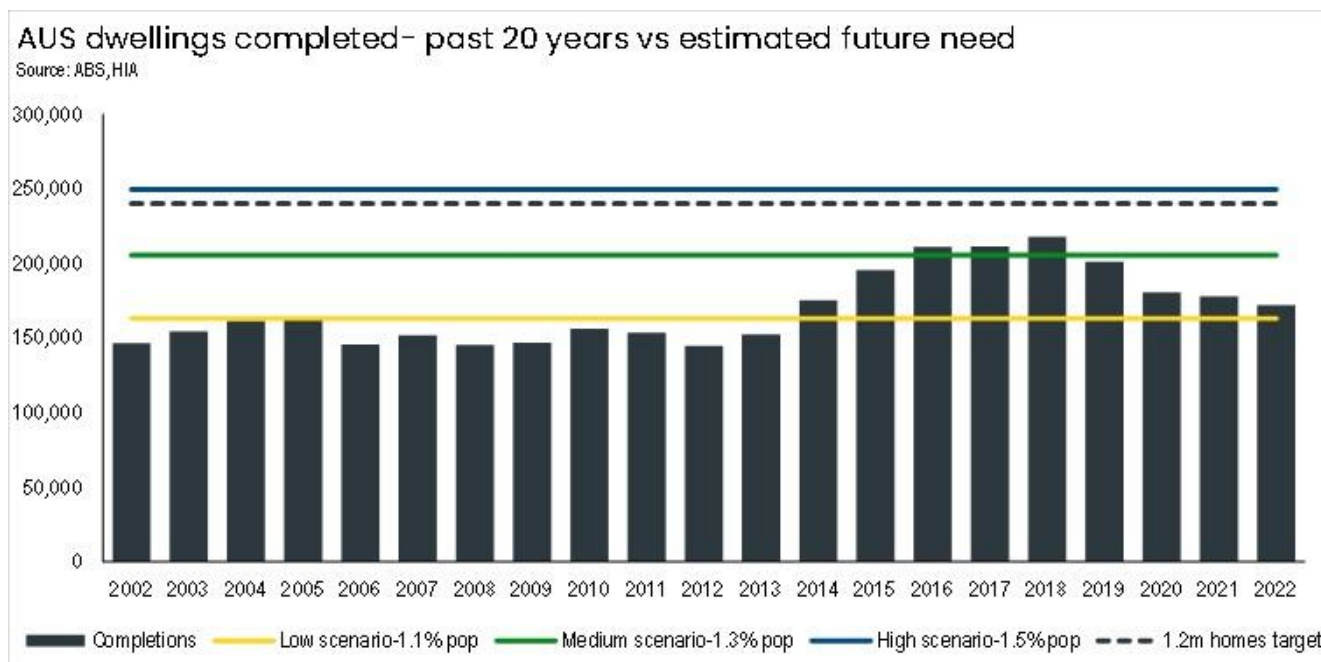


3. Housing Forecasts & National Housing Accord

Despite the well documented housing shortages and Australia needing to build well in excess of 220,000 homes each year going forward to meet pent up demand and population increases, HIA forecasts the number of new dwelling completions nationally will average at around 195,500 per annum over the next five years.

This is well short of National Cabinet’s ambition to build 1.2 million homes over 5 years from 1 July 2024 (average 240,000 p.a.).

This implies that the Australian Government will need to encourage states and territories to enact policies that will encourage new housing growth through policy levers available to them to build these much needed homes.



Source: HIA Economics

Builders and developers are facing a never-ending cascade of further regulations, complex building codes, expanding warranty obligations, taxation rules and business compliance obligations are all acting as significant barriers to the delivery of more homes.

These barriers are adding significant upfront costs which impact home buyers, already struggling to get into the housing market.

HIA calls on the Government to place a pause on any additional ‘red’ and ‘green’ tape regulatory burden (including but not limited to responding to the impacts of climate change) and let industry focus on building the National Housing Accord target of 1.2 million homes over the next 5 years.

1.2 million homes in 5 years

To build 1.2 million homes nationally over the next 5 years it will require a significant uptick in new housing to be delivered in each state and territory.

Equally it will mean that each state and territory have the appropriate provisions and tools in place to meet their share of the 1.2 million homes.



The breakdown of the state-by-state share of this is outlined in table 1.

Table 1: State-by-State Housing Delivery Targets to Build 1.2 million homes by 2029

| State/Territory | Share of homes to Average Annual Home Expressed as % | | |
|------------------------------|--|----------------|-------------|
| Australian Capital Territory | 21,059 | 4,212 | 2% |
| New South Wales | 376,436 | 75,288 | 31% |
| Northern Territory | 11,427 | 2,285 | 1% |
| Queensland | 245,740 | 49,148 | 20% |
| South Australia | 83,811 | 16,762 | 7% |
| Tasmania | 26,117 | 5,223 | 2% |
| Victoria | 306,324 | 61,265 | 26% |
| Western Australia | 129,086 | 25,817 | 11% |
| Total Australia | 1,200,000 | 240,000 | 100% |

Previous Housing Delivery

To put in comparison on the volume of housing delivery needed some examples from the previous 5 year period 2019-2023 are:

- NSW built 262,179 homes over the period, whereas to meet the housing accord target share they would be 114,257 homes short
- NT built 3,075 homes over the period, whereas to meet the housing accord target share they would be 8,352 homes short
- Queensland built 176,531 homes over the period, whereas to meet the housing accord target share they would be 69,209 homes short
- SA built 60,302 homes over the period, whereas to meet the housing accord target share they would be 23,509 homes short.
- Tasmanian built 16,483 homes over the period, whereas to meet the housing accord target share they would be 9,634 homes short.
- Western Australia built 87,306 homes over the period, whereas to meet the housing accord target share they would be 41,780 homes short.

All forms of Housing Needed - greenfield, infill and multi-dwelling housing

A key part of the delivery of this volume of new housing is to substantially streamline approval processes to fast track all forms of new housing including greenfield, infill and multi-dwelling housing.

Focusing on only one form of housing such as multi-dwelling housing or social and community housing, won't be sufficient. Rather all forms of new housing and in all locations is needed as are reforms necessary to enable their delivery in a timely manner.

Equally the delivery of this volume of new housing requires all areas and levels of government working together in a unified fashion and having housing delivery and driving cost of housing down as a key priority.

National Planning Reform Blueprint

The 10-point National Planning Reform Blueprint announced by National Cabinet in August last year included the following measures:



1. Updating state, regional and local strategic plans to reflect their share of housing supply targets.
2. Undertaking planning, zoning, land release and other reforms, such as increasing density, to meet their share of housing supply targets.
3. Streamlining approval pathways, including strengthened 'call in powers', and prioritising planning amendments to support diverse housing across a range of areas e.g., by addressing barriers to subdivision for appropriate medium density housing.
4. Promoting medium and high-density housing in well located areas close to existing public transport connections, amenities and employment.
5. Reforms to support the rapid delivery of social and affordable housing.
6. Reforms to address barriers to the timely issuing of development approvals.
7. Consideration of the phased introduction of inclusionary zoning and planning to support permanent affordable, social and specialist housing in ways that do not add to construction costs.
8. Rectifying gaps in housing design guidance and building certification to ensure the quality of new builds, particularly apartments.
9. Improving community consultation processes.
10. Adequately resourcing built environmental professionals, including planners, in local government.

The Blueprint responds, in part, to Ministers agreement to a progress a range of meaningful reforms to support a national approach to the growth of our cities, towns and suburbs, including:

- reinstate a vision to ensure growth in cities is sustainable in partnership with state and territory governments via the National Urban Policy.

The Blueprint enables the federal government to have greater oversight and coordination with state and territory and local governments in planning matters particularly as they relate to meeting the housing targets and funding measures as set out in the National Housing Accord.

It also signals a commitment by state and territory governments on the need for meaningful reform to support greater supply of housing in a timelier fashion.

Approval timeframes continue to take too long

Across the nation, for various reasons, it is taking far too long to get planning approval for a stand-alone house or an apartment.

Year on year this is severely compromising the nations required housing supply being achieved.

To achieve the National Housing Accord target of building 1.2 million homes by 2029 each state and territory must recognise the role they have to play and undertake true and meaningful planning reform to significantly reduce these approval timeframes.

For a stand-alone house it is not uncommon for a planning approval to take a minimum of 6 months and for an apartment 12 months plus has become an undesirable industry standard. These protracted timeframes have in most cases led to a gross undersupply of homes between 2019-2023.

The most common factors for the protracted timeframes for approval include:

- conservative local government decision making often requiring unnecessary consultation with neighbours and the broader community, through to inability to retain experienced planning staff



- strategic planning objectives and statutory implementation do not align leading to regulatory duplication and red tape
- private sector involvement in planning approvals is not being seriously entertained by government; and
- Many states and territories have a form a code-assess housing though those governments have not been prepared to take this to the next step by allowing it to form the basis of a private certification system to ease the burden on planning authorities and see improved performance of planning systems.

HIA Recommendations:

1. State and Territory Governments to implement the measures as outlined in the 10-point National Planning Blueprint as a matter of urgency.
2. State and Territory through National Cabinet to publish their housing share and where this housing will be delivered across their respective state/territories, and progress against delivery of the housing accord targets twice yearly over the National Housing Accord period.
3. Federal Government to place benchmarks and tying funding for state and territories against achieving their respective housing targets.
4. National Planning Ministers to convene an industry forum with key building industry groups to discuss key planning reforms needed ahead of the next Planning Ministers Meeting and these industry forums to become regular forums, similar to the Building Ministers Meetings - Industry roundtables <https://www.industry.gov.au/news/building-ministers-meeting>



4. Shared vision

The Federal government's housing agenda has multiple components. Most pertinent to this topic is National Cabinet releasing in August 2023 the National Planning Reform Blueprint and the ambitious target outlined in the National Housing Accord to build 1.2 million homes 2024-2029.

These two matters are intrinsically linked and will require input, collaboration and cooperation from all three tiers of government and associated government agencies.

All tiers of government have different roles to play from setting guiding principles, developing policy and statutory implementation. These roles will vary in terms of scope and measuring the success of the National Urban Policy framework (NUP) in meeting these objectives and housing targets and delivery of these much-needed homes.

It is important the NUP clearly define these roles and have measures in place to determine if the shared vision is being achieved. For this to occur milestones and targets must be set and actions and contingencies identified for the role each tier of government plays in delivering on the NUP.

Interaction and engagement with industry will also be a crucial component in aiming to achieve the 1.2 million homes target. Ongoing consultation with industry as part of the development of a NUP will help to ensure appropriate policy settings and regulatory systems are able to be created.

Settings and systems that prioritise:

- Bringing shovel ready land to market
- Promoting medium density and high-density housing in well located areas
- Initiating reforms to address barriers to timely issuing of development approvals
- Initiating reforms to support rapid delivery of social and affordable housing
- Prioritising planning amendments to support diverse housing across a range of areas
- Prioritising infrastructure by:
 - Government funding for state and territory and local government and private developers to kick start housing supply
 - Providing targeted activation payments for connecting essential services to support faster delivery of new housing developments

HIA Recommendations

A shared vision must include:

- An agreed Housing Affordability definition.
- A commitment to formulate a consistent national approach to planning approvals for residential land development – land and housing. This must include:
 - reducing unnecessary barriers to industry, such as approval delays, and thus improve the supply and delivery of housing to the market at an affordable price
 - creation of appropriate policy settings and regulatory systems
- Identifying means in which all tiers of government can ensure there are adequate land supplies for residential development across all urban settings: capital cities, major centres and regional locations.
- An outline of provision and construction obligations for key public urban infrastructure, that achieves both social and environmental savings for the whole community. This vision must include guidance on government spending and funding arrangements.



- Establishing what are the principles of a good planning systems - these could include: certainty, consistency, flexibility, transparency, simple clear processes, strategically led planning, independent merit-based decisions, accountability for decisions and outcome-oriented decisions.



5. Australian Government Goals

The five Goals as outlined in the Consultation Paper as part of forming the National Urban Policy (NUP) are important considerations and principles.

It is also acknowledged these goals are overarching and will require clarification as to how they can be applied in a practical and measured way as the NUP is developed.

At present the Goals seem to stand alone and lack any clear connection with the Principles. The NUP would benefit from establishing this connection, this would also assist in identifying what Goals (and Principles) are intended to apply to what stakeholder(s).

HIA Recommendations

- A connection between the Goals and Principles be established, and indicative relevant stakeholders identified for each Goal.
- Systems and criteria be developed to measure, monitor and report on these Goals to determine if they are being met. Also, if Goals (and Principles) are not being met what is the reason and what remedial actions can be taken.
- Explanation and guidance are required as to how regulations are intended to be applied that will support to the Goals being met. Regulations should concentrate on ensuring there is a high degree of national consistency and streamlining of approval processes to deliver outcomes in a timely manner.

In relation to each of the goals HIA has made individual recommendations as follows:

| Goal | HIA recommendations |
|-------------------|---|
| Liveable | <ol style="list-style-type: none"> 1. Greater clarity is needed on how terms such as “<i>within their means</i>” and “<i>suitable to their needs</i>” will be interpreted and applied. 2. The 10 factors outlined require detail as to how they may be reasonably applied and implemented and what they mean for individual houses and developments. |
| Equitable | <ol style="list-style-type: none"> 1. The goal of equitable & shared prosperity and access to facilities and infrastructure is well intentioned yet the reality of delivery of this differs greatly in regional vs urban housing. The cost of infrastructure delivery is often far greater in regional Australia, and this impacts its provision and practical delivery. 2. This should be better reflected in the goal with greater recognition of feasibility to delivery and equal level of services for all areas of Australia, otherwise policies built of this goal will be set to fail on its practical and reasonable delivery. |
| Productive | <ol style="list-style-type: none"> 1. Policies, particularly for regional areas, need to consider means to attract and retain young workers and younger residents and provide lively precincts, job opportunities, learning facilities with potential partnering arrangements with education institutions and activities for youths and under 25 year olds. 2. Too often, the lack of opportunities and facilities sees these individuals leave their communities post high school. When these |



| | |
|---------------------------|--|
| | <p>individuals are schooled and then move on from regional areas it provides a significant talent drain from local communities.</p> <p>There are various means in which performance of planning systems can be improved to achieve considerable productivity gains, such as genuine planning reform to streamline planning approval processes. This can be achieved in several ways:</p> <ul style="list-style-type: none"> • ensuring strategic and statutory planning are harmonised • reducing complexity for both policy and planning controls / instruments • avoiding procedural duplications • avoiding the need to submit the same information on several occasions to various departments and agencies for assessment • implementing modern means of lodgement and tracking such as e-lodgement and e-processing • Categorise non-complex applications and implement: <ul style="list-style-type: none"> ○ State led standardised conditions of approval ○ Processes and systems requiring only One Approval ○ Code-assess processes, that can seamlessly integrate with Delegated Development Assessment models ○ Substantially reduce the number statutory days to process a non-complex application • Introducing Delegated Development Assessment in planning, sometimes also referred to as Private Planning Certification, suitable models could include but not be limited to: <ul style="list-style-type: none"> ○ Pre Lodgement Endorsement ○ Assessment to Repot Stage, and ○ Full Approval Process |
| <p>Sustainable</p> | <ol style="list-style-type: none"> 1. Australia’s new building stock is high performing energy efficient and sustainable homes and cities, future policies should be focussing on measures to upgrade & retrofit our existing homes and commercial buildings 2. As the NUP is further developed it will need to be collaboratively identified with industry, the impact and time frame planning systems particularly around the net zero transition will require significant time and broad scale considerations. Policy makers will need to factor in significant transition periods to enable all stakeholders to respond and have the desired impact. |
| <p>Resilient</p> | <p>Australia’s new houses and buildings have a sound track record in their ability to withstanding natural hazards where they occur and these standards also produce highly energy efficient buildings since 2004 with recent changes further increasing the energy performance and sustainability of new homes and apartments.</p> <p>The NCC, and the associated Australian Standards referenced by the NCC have continued to be updated and reviewed and Australia’s current</p> |



building codes & standards produce high performing sustainable and resilient buildings.

Recent post incident assessment reports from past tropical cyclones Larry and Yasi as well as Wye River, Tathra and Black Summer bushfires have all shown that houses built to our current building codes and standards performed well and limited damage occurred in comparison to our existing housing stock that suffered greater damage.

This presents a significant challenge to the ongoing affordability and access to insurance for the 8-10 million existing homes in Australia built prior to our current and continually evolving and updating building codes and standards.

While new land releases and housing can be seemingly well managed to address natural disasters, the bigger challenge on effectively and affordably mitigate the risks for the 8-10 million homes we already have.

A greater focus is needed on government taking steps to mitigate the risk now and into the future as part of any future National Urban Policy.

Specific Planning measures that can assist with resilience are:

- The 'moving' of zones or boundaries on climatic maps for specific hazard areas shall be based off verifiable evidence and coordinated at a national or state level and supported by regulatory impact assessment and broad industry consultation to gauge the full impacts of the change.
- The core goal of the National Construction Code (NCC) and relevant Australian Standards should remain focused on life safety of occupants as opposed to asset or property protection. These core goals should not be undermined by state or local planning requirements that may seek to impose additional provisions on the design, siting and construction of buildings.
- Revisions or amendments to building and planning codes in respect to building resilience or mitigation measures, be based off verifiable evidence from post incident assessments and preparation of a regulatory impact assessment that demonstrates net benefits to society.
- Governments in collaboration with HIA should establish a central repository 'single source of truth' for relevant guidelines, tools, etc. for measures home owners and builders can use to make homes more resilient to natural hazards and post incident clean up and re-builds and repair work.
- Governments should develop simple and clear information to homeowners, insurance agencies and assessors and building inspectors, what is and isn't within limits of expected buildings design actions for buildings to natural disasters and that builders are not liable for weather damage to structures where they had built accordance with relevant building code and standards requirements.



6. No-one and No-place left behind

“To create equitable urban areas where everyone feels safe and secure, access to housing, infrastructure, education and jobs is essential. Housing affordability remains a major issue, especially in urban areas, due to a shortfall in diverse, well-located housing and demand outpacing supply.

Limited access to social services and transport, particularly in outer urban areas also contributes to inequity among communities. Addressing these problems requires initiatives to increase housing supply, improve access to housing that is affordable, and invest in transport and social infrastructure. Densification and infill development can also increase sustainability.”

Issues

Including the need to obtain planning approval, there are many other considerations that impact the provision of the range of housing our community requires. Some of these considerations include taxes, insurance, availability of skilled labour and other associated regulatory approvals such as building and environmental.

These considerations need to be contemplated in a holistic and integrated manner whilst ensuring at the same time planning does not become the default *grab bag* for all land development and housing approval matters.

Housing and associated infrastructure must be provided that is adequate and fit-for-purpose. This requires planning systems that are free from unnecessary red tape and other unnecessary barriers and constraints to facilitate housing that is affordable.

Implementing nationally consistent streamlined planning systems would go along to achieving this.

For reasons that are well understood by the industry, such as urban containment, at present the industry is very focussed on densification and infill development.

It is important this is closely monitored to ensure this focus is not to the detriment of other forms of housing being provided in locations that may be more suitable to particular cohorts such as on the urban fringe, peri-urban and regional towns.

It is imperative all tiers of government have consistent policies that support the supply of new housing in a range of typologies and locations that will assist to improve housing affordability.

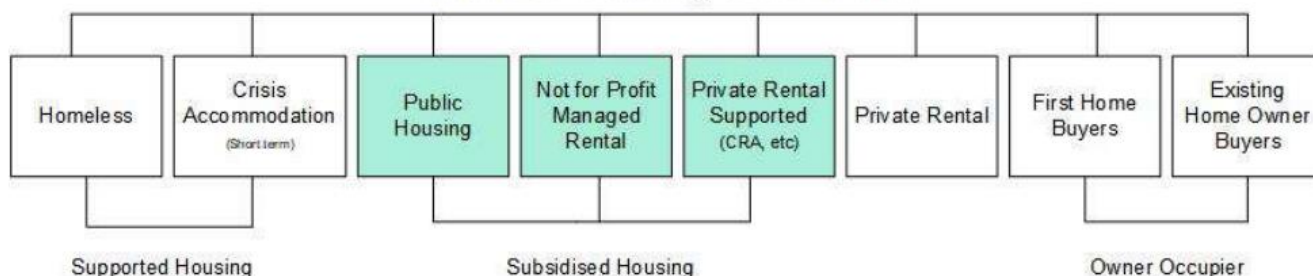
It is also important planning systems recognise and have a sufficient degree of flexibility that housing needs vary over time and therefore must be adaptable in catering for this.

HIAs ‘Housing Continuum’ describes the variety of housing that makes up the housing supply chain in Australia and sets out these housing types by tenure and delivery mechanisms (ie. government, not for profit, private).

Housing affordability is improved because of an adequate housing supply at an appropriate price for each cohort of the housing continuum.



The HIA Housing Continuum



August 2020

All governments must consider the range of measures that are available to increase the supply of affordable housing.

HIA Recommendations

- a. A consistent national approach to planning approval be developed with the aim to reduce unnecessary barriers to industry – such as approval delays. This will improve the supply and delivery of housing to the market at an affordable price.
- b. A *Truth in Zoning* approach be implemented across all planning systems – that being the zoning of land and identification of constraints on that land must be identified as early as possible in the planning process. Such an approach would help ensure that once land is zoned for residential purposes, that there are no further environmental constraints that have not been investigated adequately and that may potentially reduce lot yield after zoning.
- c. Governments consider an implement as appropriate a range of options to increase the delivery of subsidised affordable stock.
These could include:
 - a. Increase land supply for affordable housing
 - b. Voluntary supply of affordable housing in exchange for negotiated development bonuses
 - c. Innovative funding mechanisms, and
 - d. Increasing the opportunity for 'joint venture' partnerships
 - e. Provision of tax concessions for developers.
- d. Governments fulfil their nation building obligations and spend more on key public urban infrastructure items to achieve both social and environmental savings for the whole community.



7. Our Urban Areas are Sustainable

“Achieving net zero emissions by 2050 is a priority for cities, requiring emissions reduction in transport and buildings. A model shift to active and public transport and electric vehicles can significantly lower emissions and improve air quality. The transition to a circular economy can reduce waste and resource consumption.”

Issues

A national approach is required to guide a consistent set of policies and actions being taken by all levels of government to achieve their commitment to Australia reaching a goal of net zero emissions.

This national approach should be underpinned by an appropriate evidence base that verifies how the policy or action will directly achieve the intended outcome and deliver a net cost benefit to the home owner.

As governments develop policies and actions in response to climate change that impact on the supply of housing they must ensure they can be achieved in a practical manner and that they maintain an adequate level of affordability in the design and construction of new homes.

To drive a model shift to active and public transport for example it is important that policy encourage and incentivise this rather than to prescribe. This is due to the many factors that need to be considered on a case-by-case basis that will influence the design response which often requires an innovative design approach.

At present the topic of transitioning to a circular economy with the aim of reducing waste and resource consumption is being approached marginally different between the states and territories, with some states and territories more advanced than others.

Optimal benefit of such a transition can only be realised if there is national consistency. It will be important that the Federal government have oversight and provide clear guidance as to how best transitioning to a circular economy can be achieved.

HIA Recommendations

1. Government approaches to meeting their net zero commitments need to focus on a least cost economy wide emissions abatement approach.
2. Policies related to net zero need to be done in a holistic economy wide manner rather than the current piecemeal approach of ‘death by a thousand cuts’ reforms.
3. Governments need to recognise that buildings and, in particular residential buildings, have already done the heavy lifting over the past 20 years and any further changes and stringency increases directed at buildings will drive the price of housing up and result in less homes getting built.
4. Mandated regulations impose additional costs on new home building that is higher than abatement within the rest of the economy. This leads to inefficient and inequitable sharing of the burden of abatement.
5. Any future focus of governments on climate related measures relating to buildings needs to be directed at existing buildings where there are lower cost abatement options and the opportunity for significant emission reduction and energy bill savings.



6. HIA supports policies associated with net zero which support consumer choices of what features and inclusions can go into homes as opposed to those that would preference one technology type over another.
7. HIA supports innovation, government incentives and home owner education to drive adoption of future abatement options in homes.
8. Transition timeframes to achieve net zero emissions by 2050 and a circular economy must be negotiated with industry to ensure minimal disruption is caused that may lead to even greater protracted approval timeframes and cost increases.



8. Our Urban Environments and Communities Promote Health and Wellbeing

“Urban areas must support healthy, active lifestyles through access to green and blue spaces, high-quality housing, and active transport options. Integrating green and blue networks, ensuring equitable access to recreational areas, and prioritising high-quality housing can enhance the health and wellbeing of urban residents.”

Issues

Typically, public open space and green networks particularly in the broad-hectare development scenarios are significantly funded through infrastructure charges and levies on residential development, usually using mechanisms referred to as Infrastructure Contribution Plans (ICPs), Public Open Schemes (POS) or similar.

Though, it is also becoming increasingly common for inner city local governments to implement ICPs in infill areas or where densification is encouraged under the planning controls applying to the land.

These infill area ICPs are often justified on the basis that the infill or densification requires such significant upgrade of the infrastructure, which includes green and public open space, that the local government cannot fund this through rates and other revenue sources thereby requiring a specific scheme to be implemented for infrastructure upgrades.

Whilst it is understood the benefits green spaces, public open spaces etc. provide for an individual and to the community it is of concern the proliferation of the general acceptance that developers will close to fully fund these spaces in both broad-hectare and infill / densification settings.

The rate is often calculated on the area of developable land or per dwelling, the cost is then passed onto the first purchaser of the land or dwelling which makes a considerable percentage of the purchase price. This creates a significant impost on housing affordability.

Notwithstanding that good quality urban environments and communities promote health and wellbeing it appears as though local governments, with the support of their state government, now use ICP's or similar as a default means to fund this infrastructure without seriously entertaining other alternative funding mechanisms.

HIA Recommendations

- a. The costs of providing green spaces and public open space should be borne by the whole community and funded from general rates revenue, borrowings or alternative funding mechanisms.
- b. The Federal government should take a lead role in encouraging State and Local governments to stop defaulting to ICPs or similar to fund green spaces and public open space and require alternative mechanisms to be publicly and transparently explored and compared.



9. Our Urban Areas Promote Productivity

“Improving labour mobility and addressing income inequality are critical for enhancing economic equity and workforce participation. Efficient, reliable transport networks and equal access to digital infrastructure can connect people to jobs and services, therefore contributing to work-life balance.

Strategic urban freight and land use planning improves logistics and protects residential amenity. Embracing emerging technologies such as automated vehicles and intelligent transport systems offers potential for increased efficiency and sustainability.”

Issues

Policies, particularly for regional areas, need to consider means to attract and retain young workers and younger residents and provide lively precincts, job opportunities, learning facilities with potential partnering arrangements with education institutions and activities for youths and under 25 year olds.

Too often, the lack of opportunities and facilities sees these individuals leave their communities post high school. When these individuals are schooled and then move on from regional areas it provides a significant talent drain from local communities.

HIA Recommendations

1. Policies need to consider measures to attract and retain young workers and residents and provide lively communities and precincts that provide economic and job opportunities.
2. Flexible and innovative housing options and housing types need to be considered for regional and remote communities taking account of affordability concerns and access to skilled workers.



10. Principles

Issues

The six Principles outlined in the National Urban Policy consultation draft are both broad and ambitious. At present the Principles seem to stand alone, and lack any clear connection with the Goals. The NUP would benefit from establishing this connection, this would also assist in identifying what Principles and Goals are intended to apply to what stakeholder(s).

The purpose and intended outcome of these Principles will need to be articulated as the NUP is further developed, as well as outlining what guidance and mechanisms are intended to be put in place to support the Principles.

HIA Recommendations:

- a. A connection between the Principles and the Goals be established, and indicative relevant stakeholders identified for each Principle.
- b. Systems and criteria be developed to report on these Principles to determine if they are being met. Also, if Principles (and Goals) are not being met what is the reason and what remedial actions can be taken.
- c. Explanation and guidance are required as to how regulations are intended to be applied that will support to the Principles being met. Regulations should concentrate on ensuring there is a high degree of national consistency and streamlining of approval processes to deliver outcomes in a timely manner.