PIA POSITION

Many Australians aspire to home ownership and access to decent affordable housing. Therefore it is important that planners ensure that these important needs of the community are met. Planners enable diverse housing options through managing our urban development to adapt satisfactorily to changing lifestyles, an ageing population and shifts in the labour market.

PIA believes that housing outcomes in Australia’s cities and regions should be driven by an efficient housing market which responds rapidly to changing household needs and preferences. Furthermore, dwellings must be produced cost effectively, taking into account the full range of resources consumed, including environmental requirements.

The provision of affordable housing and support for social housing providers is an essential objective of the planning system. While the planning system can facilitate the provision of affordable housing, this is not a substitute for capital investment. PIA supports a social housing system primarily funded from national tax and transfer arrangements which;

- protects households in the bottom two quintiles of the income distribution from housing stress (that is, paying more than 30% of gross income in rent);
- supports a diversity of social housing providers, including the rapid development of not-for-profit housing associations;
- removes barriers to diverse and low cost forms of housing;
- maximises the housing yield from subsidy funds provided by the Australian, State and Territory governments; and
- in a regulatory planning sense, support the maintenance and/or creation of social mix as a vital ingredient in sustainable communities.

PIA calls for the following action to support fair and efficient housing markets in Australia:

1. All jurisdictions to regularly audit the efficiency of their housing markets based on the matters set out under Policy Principles and Considerations.

2. National guidelines to be developed to create strategies for more diverse and affordable housing, with actions and targets to be implemented through planning provisions. These can then be incorporated in the development of strategic and statutory planning documents.

3. Planning laws to be modernised in all jurisdictions to affirm that social and cultural attributes are legitimate ‘planning matters’ in the formulation of development control policies and assessment processes. This will enable a greater degree of certainty in the application of tools like Inclusionary Zoning\(^1\) for affordable housing.

4. The Federal Government to investigate tax incentives, the involvement of superannuation schemes, national affordable housing targets and other incentives to increase the availability of affordable housing and alleviate housing stress amongst lower income. National approaches should be developed to ensure that the planning systems support and complement these initiatives.

5. Alignment of government incentives and investment in housing – from taxation through to income assistance and direct capital expenditure – with urban planning policy and vice versa. This means:
   - avoiding demand side measures that are inflationary without also ensuring a matching flow of supply;
   - avoiding encouraging over consumption in housing when sustainability goals demand smaller, more energy efficient dwellings and urban form; and
   - matching incentives for housing investment in affordable housing supply, to planning goals and requirements for well located and affordable housing (so reducing the potential for socio-spatial polarization and ensuring that affordable housing developers are able to access well located sites without needing to compete on the open market).

6. The establishment of the National Housing Supply Council is supported to provide up to date information across Australia on the state of housing demand and supply.

\(^1\) Inclusionary zoning is defined as “a requirement that all identified development within the specified zone include a contribution towards affordable housing.”
POLICY PRINCIPLES AND CONSIDERATIONS

There are a number of policy elements to be considered that combine to create efficient housing markets including:

STATISTICS/INFORMATION

- The routine collection and publishing of quality information on supply and demand trends at the State/Territory, regional and local levels.

INFRASTRUCTURE

- The application of user pays systems for the extension or upgrade of urban infrastructure, where the cost is locationally differentiated.
- Consideration of the potential for public capture of a proportion of the land value increases created by rezonings, or similar planning changes that permit more intensive site use, through appropriate planning requirements and through public land development.

REGULATIONS

- Transparent assessment of the community net benefit from new planning, building and housing industry regulations (for example, through Regulatory Impact Statements).
- Clarity around the separate roles of policy making and development assessment in the planning system.
- Pricing, standards and regulatory provisions to make the environmental cost of different dwelling forms and neighbourhood designs (such as energy and water use and Greenhouse gas emissions) transparent and recoverable from the end user and to encourage more sustainable designs.
- Greater certainty of regulatory and developer contribution requirements.
- Consideration of Inclusionary zoning to require that all identified development within a specified zone includes a contribution towards affordable housing.

FINANCIAL

- Using demonstration projects and market information to facilitate innovation in private mortgage finance.
- Implementing programs to reduce housing market transaction costs.
- Using quasi public development corporations operating according to clear sustainability and affordability goals, to assemble and wholesale sites in key greenfield, brownfield and infill sites.
- Involving Government-backed insurance programs to spread the contamination remediation risk in brownfield sites.
- Delivery of home purchase assistance through income transfer, and funding and incentives for affordable housing models including low cost home ownership, rather than reducing existing local infrastructure charging requirements. It is important that public expenditure is maintained on regional infrastructure (for example those in the transportation, health and education sectors) to maintain affordable and desirable alternative housing markets in outer metropolitan areas and in regional centres. Funding of such major items can not be dependant on planning-imposed development contributions.
- Supporting the non-government and community housing sector in developing and implementing innovative models of affordable housing.

GOVERNANCE

- Using surplus government land to catalyse the achievement of adopted metropolitan policies relating to affordable housing and regional infrastructure provision.
- Developing training and recruitment programs to ensure security of skills supply for the housing industry.
- Discouraging the private sector from withholding land for suitable residential development through strategies such as ratings or charging signals that increase within two years of land being rezoned for residential development.

SOCIAL

- Considering homelessness and including provisions to address the needs of homeless people in planning strategies.
- Developing national policy to address and alleviate homelessness, including the provision of shelters.
- Ensuring that policy avoids the spatial segregation of communities that may result in disparities of opportunities and income. This can be achieved through measures such as:
  - mandatory inclusion of land for affordable housing, or requirements for developers to show how they are providing for housing of different tenures and price points (above a threshold development site, 10 dwellings is a typical benchmark internationally);
  - a presumption against gated estates; and
  - policies to ensure locational equity of access to services, transportation, education, employment and natural amenities.
• Planning regulations to support innovative housing designs that create additional housing opportunities for low-income groups, elderly households, indigenous households and others with special housing needs, including people with disabilities.

PIA ACTION

PIA will lobby all levels of government to achieve fairer and more efficient housing markets through submissions, advocacy forums, and membership of relevant national and state/territory committees, such as the National Housing Supply Council and the COAG planning taskforce.

In particular, PIA will:

• Lobby for the modernisation of planning laws in all jurisdictions to affirm that social and cultural attributes are legitimate ‘planning matters’ in the formulation of development control policies and assessment processes.
• Encourage planners to proactively plan for and support the establishment of housing choices to meet demand in their areas
• Support the development of national guidelines to create strategies for more diverse and affordable housing, and actions and targets to be implemented through planning provisions. These can then be incorporated in the development of strategic and statutory planning documents.
• Work with the Federal Government to develop national approaches to ensure that the planning system supports and complements a range of financial initiatives and incentives to increase the availability of affordable housing and alleviate housing stress amongst lower income groups.

THIS POSITION STATEMENT DERIVES FROM

PIA Liveable Communities (2004)
PIA Affordable Housing Position Statement (2007)
PIA submission to the Senate Inquiry into Affordable Housing (2007)

Refer also to PIA Housing Position Statement (2010)