A Submission to the Senate Select Committee *Help to Buy* Scheme
By
Doug Murphy

The proposed *Help to Buy* scheme, a laudable initiative, will add to demand for dwellings, particularly at the low priced end. In Economics, a balanced Housing Policy will embody *equity* on the demand side – by converting ineffective demand into effective demand, and *efficiency* on the supply side.

Housing markets in Australia are in shortage situations where demand is greater than supply, forcing dwelling prices and rents, upwards. This is often referred to as 'a housing crisis'.
The *Help to Buy* initiative is designed to assist first time buyers in this market environment.

If implemented, the *Help to Buy* initiative will add to demand, and without any commensurate increase in supply, will add to the shortages and put further upwards pressure on prices. Adding demand to a present day shortage situation, will only create larger shortages and put more upwards pressure on prices.

The only lasting solution is to increase supply output of dwellings. How? This will involve lifting efficiency and expanding productive capacity across the entire supply chain. This can be done by implementing Indicative Planning (a form of industry planning). A complete set of recommendations and Strategy to Implement is contained in the attachments to this email, which also includes my *Curriculum Vitae.*

It is worth mentioning, that with a nationwide stock of some 11 million dwellings, and annual dwelling completions of less than 200,000, annual additions to the dwelling stock would be less than 2%, meaning adding to dwelling stock 'in a meaningful way', will take years (especially with continuing household demand coming from immigrants).

Indicative Planning was in operation in Australia in the 1980s and was a Commonwealth Government initiative. It was centrally controlled, being based in Canberra, and coordinated decentralised decision making at the State/Territory level. (at that time, I was the Queensland Master Builders' Association representative on the Queensland IPC meetings). I consider it would be relatively low cost and a very effective way of increasing supply of dwellings. The coordination process involves widening awareness of Underlying Housing Demand goals, identifying problems and finding solutions. Information flows vertical, up and down and horizontal, involving all stakeholders. This would involve the Commonwealth, State /Territory and local governments, utilities and private sector stakeholders, operating at the national down to local levels.

I think there is a lot of opportunity to lift efficiency in many parts of the supply chains, especially with town planning approval procedures. It will become feasible to compare procedures between states.

I commend these recommendations (and strategy to implement) for your consideration.

Doug Murphy.
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INDUSTRY PLANNING

Addressing

Demand, Supply and Affordability Policies

In the

Housing Industries of Australia

Recommendations and Strategy

By

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A TOTAL HOUSING POLICY, Based on principles of Economics will:

- Emphasise <u>equity</u> on the <u>Demand</u> side

- Emphasise <u>efficiency</u> on the <u>Supply</u> side

  As well,

- Be led by the central government, through an extensive contact and co-ordination process. This is Industry Planning

- The coordination process includes all stakeholders, national to local, involved in the local supply chains.

Supply side problems in particular, are numerous, diverse, opaque and dependent on other matters.

A Housing Policy would embody:

On the **<u>Demand</u>** side

- Reducing the number of Australian residential properties being sold to overseas buyers.
- Taxing overseas residents holding *vacant* Australian dwellings, vacant lots and potentially developable land.

<u>and</u>

- Assisting relatively low income households to participate in the market

On the **Supply** side, increasing supply by:

Lifting efficiency in production and expanding productive capacity in the:

- Land use planning and approval sectors
- Land development industries
- Residential building (detached houses, attached villas & town houses, apartments)
- Material supply & equipment industries
- Finance- availability and cost

How to Reduce Demand, for residential properties sold to overseas investors

- Tighten Foreign Investment Review Board Rules.
  As demand from overseas reduces, productive inputs will be absorbed to produce/build for domestic consumption.
  This will prioritise domestic demand ahead of overseas demand.

  In 2018-19, there were (as reported) 9,295 transactions purchases of Australian residential property, valued at $7.5B (Source FIRB)

  and

- Assist relatively low income households to participate in the market.
  This is a significant part of current government policy, with a wide raft of policy measures.

  SUPPLY SIDE

3

How to Lift Output Efficiency and Expand Productive Capacity

- Prepare and publish projections of Underlying Housing Demand Requirements (UHDR).
  These provide goals to aim for and are a reference point to measure success. UHDR is a prime requirement for planning. UHDR have been prepared in the past by ABS – they can be easily prepared and can be disaggregated by State/Territory.

- The important initiative is to establish an Indicative Planning (IP) Secretariat. This would be centralised in Canberra and would coordinate stakeholders at the National and State/Territory levels.
- *Also*

Reduce the stock of *vacant* residential 'products' using Differential Rating to encourage presentation onto markets.

OPERATION

INAUGURAL MEETING OF POLITICIANS

Organise a meeting/s with Commonwealth, State & Territory Planning & Housing Ministers.

- Present UHD projections
- Explain the Indicative Planning structure and operation proposals
- Ask for their co-operation and support
- Anticipated Results

This would be rather like a National Cabinet of Planning and Housing Ministers.

Departmental Heads and Representatives from Commonwealth Departments, Boards, Treasury, RBA, FIRB, IAC, etc.

To give this meeting gravitas, it could be opened by the Prime Minister.

At THE NATIONAL LEVEL

The First Working IP Meeting

A conference or summit bringing together all *national* stakeholders.

Purposes:

- Present UHD projections
- To explain the structure and operation of the I.P. proposals at Commonwealth and State/Territory levels.
- Commonwealth Secretariat to be based in Canberra with State (and Regional) IP meetings to be chaired by Commonwealth co-ordinators.

- From these meetings in each State & Territory, identify where efficiencies can be achieved and removing constraints to expanding productive capacity.

- Information to be gathered at meetings and by questionnaire.

- Stakeholders at the National level and at this meeting would include:
  Commonwealth officials, State Government department heads, industry associations, national associations representing

planners, developers, builders, associations representing industry material & equipment suppliers, bankers, financiers.

STRUCTURE AND OPERATION

The objective is to identify problems in the supply chain and after any necessary analysis, pass on as policy recommendations and suggestions to Commonwealth, States, local governments and to other stakeholders.

Based in Canberra, the Secretariat could be part of Housing Australia.

Below its top executive structure, there would be staff specialising in the following areas (or consultants could be engaged):

Regional planning and approval mechanisms, Land development, attached & detached housing, Apartments, Material & equipment suppliers, Finance availability and costs

As specialists, staff co-ordinators would visit states and Territories and convene Indicative Planning Committee meetings.

The meetings would identify bottlenecks in the supply chain and constraints to expanding productive capacity. Having identified the problems, the coordinators can then set about having them solved.

Coordinator referrals could be horizontal – between participants, as well as vertical, which could be up to the Commonwealth level or down to the local government level.

By visiting the different States, the coordinators could cross pollinate procedures, especially town plan provisions and approval mechanisms.

AT THE STATE/TERRORY LEVEL

Queensland as a Case Study

Indicative Planning (IP) meetings are organized through the Secretariat in Canberra, with coordinators visiting periodically.

The Indicative Planning coordinators would be supported by the appropriate State or Territory Department. Operation would be modelled on the National model. Ie,

An Inaugural meeting of politicians, heads of departments, utilities, Council of Mayors and LGAQ etc. would attend too. A whole of government approach is required, with Govt leading from the front, not trailing. In Queensland, the Premier's Dept becomes involved because one of it's roles is   " leading policy co ordination across government"

 The first Indicative Planning meeting of Stakeholders would follow. This would include representatives of associations, incl UDIA, PCA, QPI, HIA, MBA, unions, and trade unions and employer associations, hardware business reps, etc.

AT THE REGIONAL LEVEL

Regional Indicative Planning meetings would be modelled on the
        proposals for states and territories.

A HOUSING MARKET (DEMAND AND SUPPLY) POLICY

Doug Murphy

Background: The housing market, especially rental markets, have been in a benign situation for years. The Covid experience changed all that and became a turning point for the whole economy. During the Covid 19 Pandemic, housing activity dropped off and was suppressed and with the end of the Covid experience, demand for housing purchase and rental surged (commencing in about January 2022 surged. A case of latent demand being released. This latent demand was domestic and compounded with increased migrant arrivals, migrants who were implementing their visas. A notable part of the migration inflow were students.   As demand surged, the supply side did not/could not respond adequately with increased output (with it's relatively inelastic supply curve). With a sudden surge in demand and a supply side which can only slowly respond, prices had to surge. An increase in housing supply- measured by dwelling completions, cannot have a big impact on market prices because completions are a very small Part of the total dwelling stock, in round terms less than 200,000 annual completions in a dwelling stock context of around 11 million. A second reason is gestation times, for example, to build a house takes about six months, and if land development, approval and construction is involved, the gestation time stretches into years.
In rental markets, vacancies fell, putting upwards pressure on rents, which becomes a matter of political interest. With shortages in both markets - new dwellings for purchase and rental accommodation, and considering the nature of dwelling production, the current shortage of housing will extend into the long term. The shortages could conceivably worsen with:

- continuing high migration and

- The First Home Guarantee provided by the Commonwealth Government will stimulate demand from first time buyers and

- On the supply side, the National Housing Accord facility (funded by the Housing Australia Future Fund Facility) has a target of producing 40,000 new homes over the next five years.

The solution is obvious, increase supply (dwelling completions) through expanded productive capacity, lifting efficiency and reducing demand (which can be done through overseas demand for Australian property)

The most effective way to address these shortages, is for Government, the Commonwealth Government to take the lead with an industry planning approach (economics engineering) with a wide range of coordination. It can adopt **Indicative Planning** and apply it's principles to the housing industries, an industry frequently described 'as being in crisis'. Indicative Planning can be used to guide demand and supply- hence the adoption of a **Housing Market (Demand and Supply) Policy.** Such a policy needs to be led by Government, implemented at minimal cost, and predominantly financed and developed by the private sector. The private sector is needed to do 'the heavy lifting'. In this respect, the scale and magnitude of the present and future production shortfall is beyond the capacity of Govt to undertake by itself. A few of the initiatives sketched out below, already exist, but not within or as part of a guided framework and structure.

Key attributes of an Industry Planning approach to demand and supply, are equity or fairness on the demand side, and on the supply side, increased efficiency across all dwelling categories and market segments.is the thrust of the supply side.

Policy outcome 1 <u>**Develop a Housing Market (Demand and Supply) Policy**</u> which reduces demand for Australian residential property, including dwellings, vacant lots and developable land, by overseas buyers. This includes existing properties held vacant by overseas owners. On the supply side, initiatives should be put in place to stimulate housing production by lifting efficiency and expanding productive capacity.

On the *Demand* side

\+ Progressively reduce or ban the number of Australian residential properties being sold to overseas buyers by tightening Foreign Investment Review Board Rules. A targeted approach is required. Canada, by example recently extended it's ban on foreign ownership by two years.

> In addition, ban or reduce demand for Australian productive assets used to produce housing, this includes potentially developable land and vacant lots. Productive inputs will be available to be absorbed to produce/build for domestic consumption.
> This will prioritise domestic demand ahead of overseas demand. In 2018-19, there were (as reported) 9,295 transactions purchases of Australian residential property, valued at $7.5B (Source FIRB)

\+ Holdings by overseas investors of Australian dwellings, which are vacant, should attract a taxation levy, possibly through differential rates, at the local govt level.

According to Exfin International Pty Ltd <u>Australian Stamp Duty, Land Tax and Vacancy Fee for foreign Owners</u>, 2023, all States already have a Stamp Duty surcharge on property purchases as well as an Absentee Land Tax. It may be the problem is one of administration and enforcement, given the use
of nominee entities and trusts. This lack of transparency is the issue.

\+ Reduce the level of overseas migration. Government is working on it. Following the introduction of new qualifying measures for overseas students, the numbers of visas issued is falling significantly. (*The Weekend Australian* 10-11 February 2924). The target for net overseas migration this year is 375,000, with more than half this target figure reached already. *Op Cit*

\+ Assistance should be given to households with relatively lower levels of affordability to participate in the market. This is a significant part of existing government sponsored schemes, some of these are federal some state or territory. The First Home Guarantee provided by the Commonwealth Government will stimulate demand from first time buyers whilst the National Housing Accord is charged with supplying social and affordable housing over the next five years.

On the *Supply* side, increase supply by:

On the **Supply** side- the goal is increase output (dwelling completions) by removing constraints to lifting efficiency in production and to lift productive capacity.

Lifting efficiency in production and expanding productive capacity in the:-
- Land use planning and approval sectors
- Land development industries
- Residential building industries (detached houses, attached villas & town houses, apartments)
- Material supply & equipment industries

- Finance
-

In order to Implement Indicative Planning for the Housing Industries, the Commonwealth Govt has to take the leadership role.

A key first step is to prepare Underlying Housing Demand (UHD) projections for the Nation and which are subdivisible to state/territory level. UHD are projections, based on population, of the number of households which will require housing into the future. (It says nothing about prevailing or future economic conditions). *The purpose of UHD is to provide a goal to aim for in terms of production* (dwelling completions). The projected numbers are a basis to compare actual production and to measure achievement (or otherwise). UHD projections become a public good and are available to everyone.

The goal of lifting dwelling completion numbers can be best achieved by introducing Indicative Planning (IP), given the very wide range of inputs needed to create dwellings, the time taken, and constraints which could apply at the local, state and even national levels. The chain is as strong as it's weakest link; any constraint can only slow output and increase the probability of further delays.

Implementation can be achieved by establishing an Indicative Planning Secretariat within the Commonwealth Public Service. Its function is to coordinate meetings, at Commonwealth and State/Territory and perhaps sub state local levels, where key stakeholders are brought together to identify problems and make suggestions to lift efficiency. *The key element of Indicative Planning is two way, up and down, exchange and sharing of information among all stakeholders, from national to local level.* Information flows would be vertical and horizontal. Recommendations arising would be referred to the relevant tier of government for action. Recommendations would also go to utility suppliers and private sector firms. All stakeholders in fact.

From the Secretariat, a small coordination team would visit each State/Territory periodically and this would give horizontal coordination so problems best dealt with in one State, could be modelled in others. This is likely to be particularly applicable to town planning approval mechanisms.

Implementing Indicative Planning for the housing industries could start at the **national level** with an orientation and briefing meeting of relevant Federal and State/Territory Ministers. This could be followed by a national meet of industry stakeholders, including industry associations (like PIA, PCA, UDIA, HIA, MBA), general industry associations representing material suppliers, bankers and financiers, unions and local Govt associations.

Once these stakeholders are briefed, the periodic coordination visits to the **States/Territories** begin. At each periodic meet, local stakeholders are invited to participate. The next tier is **regional** Indicative Planning meets under State Govt appointed chairman. Many years ago, the Westen Australian Government appointed an urban coordinator whose job it was to sort out development approval problems before the dispute would go to an appeals court or tribunal. These is also the case to put a mediation requirement before a trial could commence.

Conclusions: The solution to the housing crisis is to increase Supply (dwelling completions) and this will need an expansion of productive capacity. The most efficient way of achieving this is industry planning with decentralised coordination of **all** stakeholders, from a central organising source.

The urgency of increasing supply will become more apparent as Government policy measures kick in with expanded social and community housing programs plus incentives being offered to first time buyers. These will add to the demand for productive inputs. If the private sector is not to be adversely affected, the cumulative impact is there is no alternative but to expand productive on productive capacity capacity.

Husing Policy 2 Focus on Expanding the Stock of Private sector Rental Housing.

1. ABS statistics show that in the private sector, a high percentage of rental stock is owned by family households with a small proportion owned by not-for profit institutions. The majority of households own just one property (68%). The corporate sector is not attracted to the residential rental sector because the Rates of Return (R of R)on funds employed (R of R) are below commercially acceptable levels.

2. Renting residential dwellings like other real estate investment, is based on expectations of future performance where the investment criteria is based on R of R. Rate of Return is the established criteria to determine whether to invest or not and to compare alternative investments.

3. The shortage of residential stock can be attributed to a decrease in supply and an increase in demand. The supply side of the market is the critical side requiring attention.

4. On the supply side, there are several reasons for the decrease in supply. These are:

a) interest rate increases. The R of R in renting residential property is currently around 3-4%. Mortgage interest rates are currently around 6%-8%. With the cost of finance above the R of R, it is not viable to rent, unless the gearing ratio is very low, or the property investment is ungeared (ie without any borrowings). In many most/situations, it is not possible to raise the rent sufficiently to cover the cost of mortgage finance, the only option, to avoid loss, for a moderately or highly geared property, is to dispose of it.
b) Investing in real estate has been/is flouted as a good form of investment, " just let the tenant pay for it for you" These days are gone. Financial advisers, for example would steer potential investors towards alternative investments, like equities, bonds or other financial alternatives.
c) Anecdotal evidence suggests that real property prices are cyclical, with relatively long periods of stable or slow rising prices followed by periodic and strong upwards surges. The big surge in prices has happened fairly recently, so for some rental property investors, it's timely to dispose of the property.
d) The R of R on investment property has two components, current returns, ie rental collections, and capital returns. Commonly, only the current R of R is considered as the investment criteria, the actual rate can be much, much higher when the capital component is brought to account. The timing of the wave carrying property prices quickly upwards is a consideration, residential renting may have to be longer term to catch this wave.
e) Owning one property does not allow economies of scale to kick in. Owning just one property can create negative expectations when tenants complain or new legislation is brought in. Legislation which increases tenant rights, reduces landlord rights, is a disincentive to invest in property.

f) Whilst gross rates of return are relatively low, nett rates are even lower after deducting all costs from the rent collection, and this should be the focus of the investment. By way of interest, the Queensland Government levies land tax on my property investment, which is equivalent to two weeks rent collection or 4% of gross rents. In order to try and lift the rate of return, 'Air BnB" renting is an alternative use of properties diverting demand away from longer term rental.

g) Housing supply has to be in locations where households prefer to live and for the majority, this is in metropolitan areas, not at the urban fringe where land development and new lower density housing occurs. So this puts attention on 'brownfields', higher density multiple dwelling activity. The principles outlined above, about rates of return, apply to all property types (apartments, town house, duplexes and detached houses). So stimulating multiple dwelling construction will increase housing supply with a trickle down into residential rental. Stimulating multiple dwelling construction should be a continuing long term objective, especially given the substantial in migration expected in the next few years.

Future prospects for private rental housing seem bleak. Whilst some landlords have left the industry – perhaps cashing in on the big surge in prices, it will be hard to attract 'new' landlords into the rental industry. Confronted by
high property prices and relatively low rates of return on funds employed and high cost of capital, there is little incentive to enter this industry. What to do policy wise? The most likely reason to become a landlord is to protect the capital value of one's asset. Govt could, with appropriate conditions, grant a capital gains exemption or discount CG liability. In addition and at a lower level, States might exempt rental property when calculating land tax liability. (In Qld, rental properties I manage, attract land tax payments equal to about 4% of gross rents).

Some Forecasts The rate of inflation now appears to be on a downwards path and Interest rates will progressively decline (as inflationary expectations are damped). At this time point, my forecast is mortgage interest rates will reduce to around 4%- 6% once the inflation rate reaches down to the RBA's target range of 2% - 3%. *The key point is the cost of capital is likely to continue to be higher than the R of R – with the continuing disincentive to invest-rent residential real estate, and for existing investors to exit the industry.* This creates an intractable problem. So what policy alternatives are there? Government can expand (and is expanding) it's social housing program and this will benefit the needy, households least able to afford market rent levels. Given the sums involved to produce new housing (to acceptable standards), the capacity of government to spend on housing is limited. Production of social housing should be used as part of future counter cyclical policy, (just like past programs with expenditure on roof insulation or school building programs).

Policy Measures
The corporate sector is unlikely to step up and contribute to an increased supply. This then leaves only the household sector and the not for profit sectors to increase production. The household sector needs to be incentivised in a positive way, not deincentivised with land tax and expansion of tenant rights .One way is to retain negative gearing, another is maybe find taxation concessions. A cap on rents would be a serious policy error, reducing the incentive to invest in residential rental property when it should be to stimulate increasing it.

There may be merit with policy measures diverting demand away from itinerant occupation from housing stock that could be used by longer term households.
Stimulating multiple dwelling construction to increase total housing supply , it would be expected some part will flow to residential rental. This will also tend to moderate prices in any market area.

Diverting funds from the Futures Fund would reduce the level of benefits to investors and should not be done. The Future Fund was never intended to be used for any social purposes, including housing.

On other matters, there have been a lot of lessons learned from the past. One is to disperse socially provided dwellings and not go for least cost building solutions, like the high rise towers in Sydney and more particularly Melbourne. The so called 'salt and pepper effect' where resident of social housing are dispersed throughout society rather than being clustered, still applies.

Federal and State Governments should be aware of NIMBY pressures on local government politicians and indirect moves by some Councils to increase development requirements and standards. For example, under the guise of improving architectural merit, some councils want to reduce site coverage and height limitations., where the real underlying purpose is to precent the emergence and growth of multiple dwellings. NIMBY pressures come from existing residents, to whom elected councillors or aspiring councillors want to please – a basis to be re elected.

Conclusions: Increasing *total* supply of dwellings would have a trickle down effect to increase dwellings available for rental, but this would be a slow and long term program. In the shorter term, landlords and potential landlords should be incentivised, not deincentivied.

Housing Policy 3 Expanding total production of social Housing .

Govt is proposing, through the *Housing Australia Future Fund* Facility and the *National Housing Accord* Facility, "to improve outcomes for Australians and collectively support the delivery of 20,000 new social and 20,000 new affordable homes across Australia over five years". Refer the Program Fact Sheet reference below.
The shortage of social (and community) housing seems to be so wide that government will not be able to adequately close the gap using public finance. The private sector has to be engaged, and ideally after productive capacity has been enlarged.
Minimising building costs, all other things constant, for any given budget, will maximise the number of dwellings available for social housing. Experiences, especially in Melbourne and Sydney, shows that with high rise buildings, the building method technique that minimizes costs per dwelling, created social problems. Suburban Inala in Brisbane, a suburb with a high proportion of social housing- this time detached dwellings, still attracted social stigma. To avoid social problems, what is required is social mix where social housing is sprinkled throughout society and not centralized. Social housing is needed on a large scale in Australia with small building complexes in diverse locations. This enables households to be located near employment locations. This is particularly a problem in inner city areas. This will also enable different dwelling types to be built in areas where different households are clustered, eg housing the aged, or families.

A suggested Social Housing Policy would begin with State/Territory Governments taking the initiative and engaging with churches, universities, long established businesses with diverse land holdings in various locations plus Governments of all tiers, seeking obsolete land and land they plan to dispose of, requesting to purchase it. This could extend to advocating these institutions review their property portfolios. Govt would have to be prepared to pay market prices. Real estate agencies should also be engaged to assist find suitable sites coming up for sale; these could be ex service station sites for example. Government is responsible for finding sites with the private sector assisting.

A range of alternatives will continue emerge. One is for Government to pay for the sites, either temporarily or on behalf of an intending builder client. Government then determines the type of

dwelling (and other specifications) for each site. Govt can then call tenders from builders to construct to these requirements. A project managers could/should be engaged to protect the Government's interests.

These projects, as building only or land and building, could be on sold to investors, where Government pays a market rent and is responsible for maintenance, rent collections etc. With rent levels set according to capacity to pay, internally there would be a revenue flow to offset the market rent level payments..

This suggested system, avoids government having to finance the capital costs of building, and can house a much larger number of social households from any given financial amount. As the *Else Mitchel*l Report of the 1970's, the main attraction of freehold tenure is to retain development right and capture betterment. This indicates Government does not need to own property to provide social housing, and besides at various times in the past, both here and overseas, social housing stock has been sold off. The system would operate in principle like Defence Housing which invites proposals to build for defence personnel. A small variation is that properties could be managed by housing cooperatives, like Mangrove Housing Society.

The big advantage of government cross subsidizing market rents to private sector landlords, is that for any given level of budget appropriation, a very much larger number of households requiring social housing could be accommodated.

The Land Market
Perhaps the biggest problem is NIMBY- the electorate itself. It seems each generations does not want change, change which means higher urban densities and the potential loss of quality of life. Whilst this applies to each generation, the fact that it applies to successive generations, creates a permanent wall. This would seem an issue politicians don't want to take on, it could/ would mean falling on one's sword.
Two key principles in the approval process are transparency and certainty, this applies to both the community and the development industry. The second principle is timeliness, some planning approvals are known to take years. Activities in the development network necessarily take time, but seemingly many activity times could be shortened, without trading off checks and balances.
It might be noted there is or appears to be, a shortage of town planners. It may be, with simplified and standardized approval systems, that AI could have application.

The key issues are the nature of the development approval and the area which delineates where more intensive development would be permitted.
Seemingly the most effective approach is to use a 'code assessable' approach, which means development will be permitted, providing the development codes are substantially complied with. Substantial compliance is determined by the approving authority. This will provide certainty to land holders as they will know their property, and all others in the same delineated precinct, is earmarked for redevelopment. Developers will have certainty too, they will know where development is permissible and the need to comply with the (objectively determined) codes. This will reduce risk and uncertainty. This approach is a form of 'as of right'.

The second aspect is the principle of where to delineate areas for more intensive development. The best candidates are around nodes, like railway stations and shopping centres, and perhaps for a radius distance of say 800m which is considered to be the practical limit for walking. This approach is already in existence in Queensland.

It may be, too the principle of as of right could be extended to established urban areas, where permissible development is restricted to say two stories (properly measured in metres).

 Conclusions: As of right approval can be limited to carefully delineated areas.

Sources:
Housing Australia Future Fund Facility and National Housing Accord Facility Housing Australia Program Fact Sheet January 2024. l
Commonwealth Commission of Inquiry into Land Tenures 1973-1976 Chairman Mr Ray Else - Mitchell