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**Productivity  
Commission**

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Level 28, 35 Collins Street  
MELBOURNE VICTORIA 3000

Dear Sir,

**Submission to the Enquiry on Housing and Related Matters**

We would submit that the "pricing" of housing in Australia (and in Sydney in particular) is influenced in large part by government, at State and Municipal level. This submission will concentrate on Sydney.

1                    There is no shortage of land, and the building industry including building material supply is modestly competitive, although not as cost efficient as many overseas competitors. There is also no shortage of land within 5-10 Km of the CBD if more intensive planning criteria were adopted.

2)                    Public transport (particularly rapid transport) is inefficient, relatively expensive, and because of the spread of the cities quite often difficult of access (i.e. requiring multiple changes, modes of transport).

Local and State government has unfortunately assisted the process of making housing expensive.

(a)                    Planning is an extremely expensive process.

(b)                    Approvals for straightforward renovations time consuming, expensive and legalistic.

(c)                    The extensive use of Heritage legislation to prevent developments within 5-10 kilometre radius of the Sydney CBD, where the network could be most easily intensified. Heritage legislation was developed for Heritage purposes not for covert use to prevent reasonable priced housing being produced.

(d)                    Taxes, in particular, State stamp duty and various local government development taxes.

The beneficiaries (in part) of this "rationing/taxing" process are existing property owners who benefit at the expense of new entrants by producing artificial scarcity. As they represent the "majority" they can in fact "force" local councils to adopt N.I.M.B.Y. style policies - rather than coherent policies which would provide good new (or recycled) housing at reasonable cost, and keep secondary market "Inflation" at reasonable levels.

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-2The whole process of course also has the effect of creating an industry of planners, lawyers, environmentalists, Heritage architects, architects, which tends to grow at geometric rates as the legislation gets more and more complicated and development applications even for very minor building get more obtuse and voluminous. The process becomes self inflating and all of the costs have to be passed on to the consumer. Very little of this process is genuinely productive.

**Suggestions for Reform:**

1 Concentrate high-rise developments within 5-10 kilometres of the C131). This

minimises public transport requirements and maximises job possibilities. This would require relaxation of present town planning criteria.

2) Maximise planning around all existing railway stations (greater height, greater

areas of high-rise development) - while this is happening to a degree the process should be accelerated and enlarged.

3) Streamline the planning process as much as possible - this may mean the

amalgamation of councils.

4) If for some reason local government did desire to declare Heritage status on

development properties - then adequate compensation should be given to the owners of such properties. A balance between the cost of developing and the cost of not developing would provide a better decision making process.

5) Make proper use of railway infrastructure (i.e. build over all stations, and in

some cases over the permanent way). For example in the Eastern Suburbs of Sydney between Edgecliff and Bondi Junction there is an unused railway station around and possibly over which substantial development could take place. Edgecliff station and Bondi Junction still represent examples of underutilised infrastructure with scope for a considerable number of new high rise, clustered on both sides of the railway track

6) To hasten the redevelopment of older mid-rise buildings bring in compulsory

acquisition of units (with fair compensation) once a 75% vote in favour of "building sale" has been attained. (See Singapore legislation). This of course should be uniform throughout Australia.

Clearly older style multi unit dwellings have to be recycled, at a given age, and this process must be facilitated.

In total the suggestion is that supply should be boosted substantially in easy transport access areas, by a relaxation of planning criteria, leading to a more flexible and adaptable market.

rs sincerely,

RICHARD E MEWS