

## Housing Availability and Affordability (Planning and Other Legislation) Amendment Bill 2023

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# Sustainable Population Australia

## Queensland Branch

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### Submission to the State Development and Regional Industries Committee

### Re: Housing Availability and Affordability (Planning and Other Legislation Amendment) Bill 2023

31 October 2023

*Sustainable Population Australia (SPA) is an independent not-for-profit organisation seeking to protect the environment and quality of life by ending population growth in Australia and globally, while rejecting racism and involuntary population control. SPA is an environmental advocacy organisation, not a political party.*

SPA welcomes efforts to increase the availability of affordable housing in Queensland. However, the proposed Bill is unlikely to improve affordable housing access for Queenslanders above the current crisis situation. At best, it will lessen the extent to which the situation gets worse.

The Bill, and the ShapingSEQ 2023 Update, are gifts to developers, facilitating their access to ever greater windfall gains from land rezoning and relaxing density limits. No attempt is made in this Bill to capture any part of these windfall gains for public benefit. On the contrary, it paves the way for greater public infrastructure investments to increase the value of land developers have ‘banked’. Yet again, they are permitted to “*privatise the benefits and socialise the costs.*”

The housing industry is not in the business of making housing more affordable. They do everything in their power to ensure that house prices continue to rise. The most important investment they make (as the sector providing the largest donations to political parties) is to convince federal and state governments to support rapid population growth. Their only concession to “affordable housing” is through ‘shrinkflation’: to be given licence to deliver less for the same money (smaller house plots and pokier apartments in higher high-rises with less provision for parking and green space and further from amenities). This Bill helps them achieve this ‘shrinkflation’ of housing, particularly through the State Priority assessment pathway, bypassing the standards set by local governments and the communities they represent.

There are two essential ingredients to improving access to affordable housing:

1. Decelerate population growth toward a **stable population**, and
2. Build or acquire significantly more **public housing**, made available at non-market rents capped as a percentage of tenants’ income. (This provision would eventually become unnecessary in a stable population but is necessitated by the crisis that rapid population growth has delivered us over the past two decades.)

In his speech introducing the Bill, Steven Miles (Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning) mentioned population growth as a primary driver of the housing crisis. He has recently stated that the Queensland Government cannot influence migration to Queensland, a sentiment recently echoed by the Premier. This is a false narrative. There are plenty of ways for the Queensland Government to influence population growth. These include:

- End the active promotion of migration to Queensland.
- End the recruitment of State-nominated migrants through Migration Queensland. Region sponsored migrants have a particularly poor record for gaining employment in the area in which they claimed to have skills. They consequently add more to the demand for skills than they add to supply. All economic migrants (skilled and guest worker) should be employer-sponsored, ensuring they have a suitably skilled job to go to, and should not be eligible for permanent residence status until they have demonstrated their employability for at least three years under a temporary visa.
- Request the Federal government to reduce permanent immigration quotas and cap temporary visa programs – including international students, who have been shown to [lower the academic standards](#) in Australian universities<sup>1</sup>.
- Ask the Federal government to pay at least \$100,000 to cover infrastructure provision for each migrant that settles in Queensland. This is an underestimation of the actual cost, and the Federal government should bare the price of the decisions it makes.
- Call for the Federal government to replicate the Queensland Labor Government's developer donation ban at Federal level, to reduce the influence of developers on population policy.

***Will the State Priority pathway deliver more affordable housing or further evict the poor from redeveloped neighbourhoods?***

In his first reading speech, the Deputy Premier made the following statement:

*The bill includes a new alternative development pathway to deliver development that is a priority to the state, known as a state-facilitated application—for example, unlocking an increased supply of infill development that includes diverse and affordable housing.*

Section 106D is the relevant clause of the legislation, which “only” allows the state-facilitated development pathway to be used for an urban purpose that is a priority for the state. This appears to mean that the Minister can override local government rules to approve development applications, on any urban development that the minister chooses to support. There is no guarantee that a government would use this power to provide affordable housing. It could just as easily be used to deliver more projects like Toondah Harbour, which is highly contested on environmental grounds, and which is likely to only house wealthy interstate and overseas sea-changers.

Such developments aren't going to resolve the housing crisis, they are likely to make the problem worse. Allowing a small percentage of housing units in a development to be “affordable” is becoming a new lever for developers to receive relaxations or dispensations on what would otherwise be deemed unsuitable developments due to their impact on the environment and/or local amenity. Importantly, this strategy does not provide housing accessible to the most needy members

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<sup>1</sup> Foster, G. 2012. The impact of international students on measured learning and standards in Australian higher education. *Economics of Education Review* 31(5): 587-600, <https://doi.org/10.1016/j.econedurev.2012.03.003>

of society. Housing deemed “below market value” in a vastly overpriced market is still out of reach for most people. Only non-market rentals (i.e. public housing) can address the current crisis.

We suggest that the bill should ensure the Minister’s power to grant approvals under a state-facilitated development pathway should be limited to the development of state-owned public housing or similarly affordable housing developed by not-for-profit community housing providers.

***‘Investigation’ must come before subdivision.***

The new ‘Urban Investigation Zone’ (UIZ) classification is evidently a response to the failure of existing planning processes to ensure infrastructure was adequately planned before approving rezoning of greenfield sites to ‘Emerging Community Zone’ (ECZ). According to the government’s [Fact Sheet](#), UIZ is presented as a last resort for local governments overwhelmed by ad hoc development. The hoops councils must jump through to get a UIZ ensure it is a last resort. Like all retrofits, it will be beleaguered by constraints and limitations in dealing with rights already assumed by landholders under the ECZ.

The Bill should ensure that no future ECZ additions are approved before local government infrastructure planning is completed, including costed and scheduled pathways for sufficient infrastructure and services for the full development of the proposed area. That is to say, all future additions to the urban footprint should be first classified as UIZ before being released as ECZ, in stages matching actual roll-out of infrastructure capacity. A UIZ should include thorough environmental assessment and the provision to reject rezoning, carve out sensitive areas or place requirements on developers to undertake work to protect wildlife and ecological functions.

Unsurprising, the developer lobby opposes any such checks and balances. In relation to the ‘Urban Investigation Zone’ the Property Council’s website states that in its “feedback on the draft South East Queensland Regional Plan, it flagged concern with potential regulatory amendments that would prohibit variation requests for Major Development Areas until State or local government had undertaken structure planning for these areas. Putting growth areas into a ‘holding pattern’ may be counter-productive to delivering new homes at the pace currently needed.”

Yet research by Dr. Cameron Murray<sup>2</sup> has demonstrated that developers in South East Queensland generally have many years’ worth of already zoned land “banked” for future development, and release it at a pace that ensures a tight housing market in order to keep property values rising.

***New powers to acquire land should capture rezoning value, not just infrastructure easements.***

There is no avoiding the need to expand the capacity of SEQ’s transport and utility infrastructure. Increasing the power of the State government to acquire the necessary land will facilitate this. However, to the extent that this critical infrastructure is “needed to unlock development”, it is handing value to land speculators. The State government should use the same acquisition provisions to acquire all land to be added to the urban footprint, or to be up-zoned. *If you don’t own it, don’t rezone it.* That way, the windfall gains derived from rezoning are captured by the public, not by land speculators. This system would also give government greater control on where and when housing development occurs, instead of having rezoned land sit undeveloped for decades while land speculators wait for its value to rise.

Similar arrangements are common in Europe, often with local government acting as the developer of whole housing estates, fully controlling the design of dwellings, open space and utility access.

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<sup>2</sup>Murray, C. & Frijters, P., 2023. Rigged. <https://gameofmates.com/>

### *A paradigm shift is needed.*

In short, the Bill further constrains local governments and the communities they represent, while giving a freer hand to developers and land speculators, in the vain hope that they will deliver sufficiently more housing to lower prices. As Dr Cameron Murray explains, “[Planning regulates the location, not the speed, of new housing development](#) ... [developers/land speculators] have no incentive to minimise the price they receive by rapidly increasing their sales or rapidly building new homes.”<sup>3</sup> Dr Murray demonstrates that developers already hold a buffer stock of 5–6 years of planning-approved lots for detached dwellings, and around 20 years’ supply for planning-approved apartments.

While some nudges toward “housing diversity” might see more very small dwellings masquerading as “affordable housing”, the overall effect will be to fuel the housing industry to ever-greater heights of speculative gains, resulting in lower affordability. Adding the “wild card” of Ministerial discretion on “state priority” developments will only fuel speculation and perceptions of corruption in the largesse of such windfall gains to specific projects.

If government wants to control the rate and mix of new housing development, it must become the developer. It can do this by acquiring the land to be rezoned, and making developers or builders compete to build the mix of housing decided by the government, not to focus on high-end housing that maximises their capital gain.

Affordable housing is a market failure because the interests of developers and those of low-income households are diametrically opposed. An excess of demand, fuelled by high immigration, stacks the cards against low-income households. When markets fail to deliver an essential service, it is the role of government to step in and provide. This was understood in the 1950s when governments invested heavily in public housing. Because of hypercharged population growth, that need has re-emerged.

In the long term, it is obvious that indefinite population growth will destroy the biodiversity and quality of life that exists in SEQ. Continuing growth at 2% per annum would see us reach 6 million by 2046 (according to ShapingSEQ-2023 Update), then 12 million by 2081, 24 million by 2116, and so on. This is in nobody’s interest, so there must be a plan to stop, and strategies to bring this about.

Even in the short term, population growth is not delivering prosperity for residents or for the government. Both are mired under increasing debt as the cost of both housing and infrastructure escalate. By the government’s own calculations (the Infrastructure Supplement to ShapingSEQ 2023 Update), the planned capital program for the next four years amounts to around \$110,000 per person added. Many public costs at different levels of government are not included in this figure. This expenditure displaces programs that would benefit the existing residents.

The state government should do everything in its power to reduce population growth, to preserve SEQ’s enviable lifestyles and unique biodiversity. In the meantime, pandering to developers will not ease supply. State government needs to re-engage as a direct supplier of affordable housing.

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<sup>3</sup> Murray, C. *Explainer: Building and planning approvals*. 9 July 2023. <https://www.fresheconomicthinking.com/p/explainer-building-and-planning-approvals>