Housing affordability crises in Australia: how and why did planning get on the housing affordability agenda?
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Abstract:

The literature looking at potential relationships between planning and housing affordability has speculated that planning mechanisms may undermine housing affordability - essentially by introducing an inflexibility into housing supply (e.g. Evans 2004). This view of planning appeared to gain greater prominence during the recent period of housing affordability crisis, characterised by a sustained surge in property prices. Several high-profile critics in Australia blamed planning intervention in land and housing markets for the crisis itself (for example Moran 2005, Cox 2005). A critical view of planning is also implicit in policy initiatives such as the Housing Affordability Fund (2008). With Australia’s housing market now impacted by recession, the degree of public concern around planning and house prices may have waned. But has this pattern been seen before? Focusing on Melbourne, this paper documents the coverage of housing affordability issues in a sample of print media, academic journal articles, and planning policy over the period 1989 to 2009, to explore the circumstances under which land use planning became part of housing affordability debate in Australia. The study finds that the perceived role of urban consolidation in housing affordability problems has shifted, from solution to cause. It is also found that interest in housing affordability clusters at the tail end of housing boom periods. These periods turn a critical spotlight on planning, and seem to instigate policy reforms. During slump periods, however, interest in housing affordability is eclipsed by growth promotion. It is argued that these cycles have potential implications for planning implementation.
Introduction

The literature looking at potential relationships between land use planning and housing affordability has speculated that planning mechanisms may undermine housing affordability. The possible causal link lies in the proposition that planning influences the price of land (and by association, housing prices and rents), by introducing an inflexibility into housing supply. It may do so through restricting the land available for new housing, or through the introduction of factors such as red tape, delay, and compliance costs to the housing supply process (Evans 2004, Oxley 2004). Much of this literature has been critical of ‘smart growth’ or urban containment measures (Nelson, 2000).

In Australian cities, urban consolidation is the term usually employed for smart growth or urban containment principles. Urban consolidation seeks to redirect urban growth away from the traditional suburban, low-density urban fringe, and toward existing urban areas. Its goals in doing so include reduced infrastructure costs, more efficient use of public transport, and environmental conservation. The extent to which urban consolidation has actually been enacted in Australia is debated. It has nonetheless been something pursued - at least in principle - in most Australian cities since the early 1980s (Searle, 2004, Yates, 2001).

A critical view of planning - and of urban consolidation in particular - seemed to gain greater prominence during the recent period of housing affordability crisis in Australia, characterised by a sustained surge in housing prices. Several high-profile critics in Australia blamed planning intervention in land and housing markets for the crisis itself (for example, Productivity Commission 2004, Menzies Research Centre 2003, Moran 2005, Cox 2005). Urban containment at the fringe was singled out by such critics, as in:

“Australian urban areas have adopted so-called ‘smart growth’ or ‘urban consolidation’ policies that ration land… Rationing raises prices and rationing land raises house prices. Urban areas that have avoided land rationing policies have retained far more affordable housing”. (Cox 2005, p57)

This criticism appears, broadly, to have informed policy initiatives such as the Housing Affordability Fund and the National Housing Supply Council in that each is tasked with addressing costs introduced by planning to the housing supply process. The Housing Affordability Fund addresses “holding costs incurred by developers as a result of long planning and approval waiting times” (Commonwealth of Australia, 2008).

With Australia’s housing market now (in 2009) driven by the fear of recession, the level of public concern with planning and increased house prices may have waned. This paper asks whether such a pattern has been seen before.

Focusing on Melbourne, content analysis methods are used to document the relative degree of coverage of housing affordability issues in a sample of print media, academic journal articles, and housing and planning policies over the period 1989 to 2008. As well as considering trends over time in the inclusion of land use planning within housing affordability debates in Australia, this paper looks at the changing representation of different views of planning and urban consolidation.

Housing affordability debate in Australia appears to take two distinct forms, often operating in tension with each other (Beer, et al, 2007). Each envisions different roles for planning. On the one hand is the discussion of ‘housing stress’, which concerns the “provision of affordable housing for the most vulnerable groups in society” (Beer, at al, 2007, p14). This debate has traditionally been undertaken by welfare groups and academics. On the other side is the debate around access to affordable homeownership – usually focused on the young and ‘average’ Australians embodied in the ‘Great Australian Dream’ (e.g. Troy, 1990). The latter debate is typically centred on the housing market’s provision of new suburban housing. It tends to be championed by the housing and development industry,
and to be premised on free market ideas of government (Klosterman, 1985). Studies of the potential for planning to provide more affordable housing opportunities – though inclusionary zoning or similar mechanisms – tend to focus more on the housing stress side of housing affordability discourse, as in “planning strategies used to achieve urban renewal and containment without displacing lower income people” (Gurran, 2008). Studies critical of planning suggest a greater interest in low cost home ownership.

Between these two sides of the debate, there are quite distinct views of what urban consolidation means for housing affordability. One housing affordability perspective views urban curtailment as problematic in that it changes the pre-existing model of housing provision. The other views the existing model of housing provision more critically - urban consolidation originally sought to increase housing densities, in part, because of a critical view of traditional suburban housing and its exclusionary impacts. Suburban zoning tools such as minimum lot and dwelling sizes and character controls can intentionally or unintentionally serve to exclude smaller or lower cost housing, and have been associated with social and racial exclusion particularly in US studies (McDonald and McMillen 2004, Silver 1997). Urban containment measures can thus be viewed as either a move for, or a hindrance to, housing affordability (Carlson and Mathur, 2004). This paper does not test the validity of either claim, but reviews the circumstances under which each appear to have influenced Australian policy debate. The goal is to identify patterns in when and how planning has been a part of the housing affordability agenda, and to consider whether these patterns might have policy implications in themselves.

Approach

The approach is to document a selection of written material from the period 1989 to 2008 - comprising samples of Australian newspaper coverage, of academic journals from different disciplines, and of housing policies and Melbourne’s metropolitan planning strategies. This is effectively a content analysis, a research approach that can be disadvantaged by being superficial. The material investigated is limited in scope and is not considered to be necessarily representative. It is, nonetheless, intended to offer some consistent insight into what might be considered the agenda of different groups at different times. These groups comprise Australian politicians, policy makers, planners, academics, and media. It should be noted that the work is still in progress in that one year of newspaper coverage (1990) is still missing from the sample.

Most important to the approach is that the same sources are compared in the same way over time. Content analysis methodologies (Krippendorf, 2004) emphasise that the unit of analysis and sample frame should be clearly specified, and that the sample and coding technique should replicable and transparent. By comparing the same sample sampled material over time, through different contexts, the intent is that patterns in planning in housing affordability debate may be more consistently appraised.

Context

The time period studied includes two distinct periods of housing affordability crisis. The first crisis period is the late 1980s through to the early 1990s leading into a recession in Australia. Housing prices boomed over 1987 to 1989, rising 47 per cent in two years (DSE, 2008). By 1989 higher prices were accompanied by interest rates as high as 17 per cent, and annual inflation over 7 per cent. The second crisis was a period of unprecedented house price increases through 1996 to 2007. Between 1996 and 2007 Melbourne’s median house price escalated rapidly from 131,000 to 375,000 – nearly tripling. These gains were well ahead of inflation or earnings changes, and the period 2003 to 2008 saw public concern mount regarding the cost of accessing or maintaining housing. The term ‘housing affordability crisis’ was widespread (Yates, 2008). In between these two housing crises, Melbourne experienced a recession during which the city lost jobs and population, and house prices were stagnant in real terms. The State government in the mid 1990s focused on drawing investment and growth back to Melbourne. Some key
differences in economic conditions, housing prices, and government across the study period are summarised at Table 1, below.

**Table 1: Political and economic context for time periods included in analysis**

<table>
<thead>
<tr>
<th>Period</th>
<th>Economic Conditions (Melbourne)</th>
<th>Housing Prices (Melbourne)</th>
<th>Federal Government</th>
<th>State Government (Victoria)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989-1991</td>
<td>Boom to bust</td>
<td>Boom to plateau, high interest rates</td>
<td>Labor</td>
<td>Labor</td>
</tr>
<tr>
<td>2001-2004</td>
<td>Boom</td>
<td>Boom, low interest rates</td>
<td>Liberal</td>
<td>Labor</td>
</tr>
<tr>
<td>2005-2008</td>
<td>Boom to fear of recession</td>
<td>Tapering off, higher interest rates</td>
<td>Liberal, Labor (end 2007, 2008)</td>
<td>Labor</td>
</tr>
</tbody>
</table>

**National Level Government Interest in Housing Affordability**

This paper first considers a simple benchmark of the apparent level of interest in housing affordability, and planning. Over the past three decades, national level government backed studies in Australia of, and inquiries into, housing costs or housing affordability have comprised:

- *The Cost of Housing: the Report of the Committee of Inquiry into Housing Costs* (Committee of Inquiry into Housing Costs, 1978)
- The 1989 *Special Premiers Conference on Housing* (including the *Graham Report*)
- The 1990-1992 *Housing Costs Study*
- The 1991 *National Housing Strategy*
- The *First Home Ownership Inquiry Report* (Productivity Commission, 2004); and
- *A Good House is Hard to Find: Housing affordability in Australia* (Senate Select Committee, 2008)

Probably unsurprisingly, from this list no federal inquiries, committees, or similar were undertaken between 1992 and 1995, the slump period, nor in the subsequent recovery period. The only item dating from a slump period, the 1992 *Housing Costs Study* report, was from a study commissioned in 1990. Interest is instead clustered toward the ends of boom periods.


Each cycle of national policy concern with housing affordability appears to have been associated with subsequent national codes and programs seeking to reform land use planning. These include:

- The *Local Approvals Review Program* (LARP) (1992)
- The Development Assessment Forum (1998); and
- The Housing Affordability Fund (Commonwealth of Australia, 2008)

The LARP arose from the Housing Costs Study findings. The AMCORD was spearheaded by the Joint Venture for More Affordable Housing (JVMAH) (Howe and Alexious, 1989). The Housing Affordability Fund (2008) emerged via the newly elected Commonwealth government, apparently in response to the controversy of housing affordability issues around the 2007 election. These three reform programs seeking to reform planning practices originated at the tail ends of boom periods.

The Development Assessment Forum (DAP) (1998), however, emerged at a different point in the housing cycle. The DAP formed in 1998 to “recommend ways to streamline development assessment and cut red tape - without sacrificing the quality of the decision making” (www.daf.com.au). Linked to the reports Time for Business (1996) and Unfinished Business (1997), the function of the DAP is, Gleeson and Low (2000) argue, to represent interest groups that have pursued a systematic campaign against planning as a whole. Neoliberalist ideas of reduced market intervention are important in interpreting criticisms of planning, as well as changes made to planning systems. Melbourne’s planning framework and local government structure was overhauled along neoliberal lines in the mid 1990s. This reform period saw local governments amalgamated and the Victoria Planning Provisions (VPPs) – standardised planning schemes and state designated content reducing the level of prescription and variation – introduced. The Property Council claimed credit for these changes and claimed that “Victoria has secured its reputation as the nation’s leader in planning reform” (Property Council, 1996).

In summary, national level political interest in housing affordability over this period appears to have clustered around the tail end of boom periods. This political interest also seems to be associated with attempts to reform or simplify land use planning. In addition to these cyclical trends, political and pressure groups have also sought a neoliberalist scaling back to the level of planning intervention, a movement which has strongly influenced the structure of the planning system in Victoria.

**Academic Journals and Housing Affordability**

This paper now considers the coverage of housing affordability issues in a sample of Australian academic journals from the fields of urban issues, planning, and economics. The journals included are *Australian Planner; Urban Policy and Research*; and *The Australian Economic Review*. The goal in reviewing this material is to see whether there are patterns in academic interest in links between housing affordability and planning.

Electronic and manual search methods were used. In each case, articles mentioning housing affordability or similar terms in their title, abstract or first page were identified. The articles were characterised as having ‘high’ focus on housing affordability if the topic was included in the title or main section of the abstract; and as having a ‘lower’ focus on affordability if only introduced as an aside in the abstract or later in the article. Where housing affordability was mentioned in an article, the articles were also scanned for references to planning. They were again coded as having high or low degrees of focus (in this case on planning issues), or as not mentioning planning.

Two further classifications were applied. Articles discussing planning (this necessarily involved all articles identified in Australian Planner) were reviewed to ascertain the role of planning discussed – ‘positive’ (as in ‘planning for affordability’) or ‘negative’ (as in ‘the impacts of planning on affordability’), with close attention to urban consolidation concepts. Some articles considered both roles.

**Table 2: Articles with a High Focus on Housing Affordability – by Planning Emphasis and Publication**
Within the sample of journals a total of 38 articles were identified that contained a high level of emphasis on housing affordability. Sixty four articles were identified when also including those with only a minor coverage of housing affordability. Of the 38 key articles, the majority (28) were also occupied to a significant extent with planning issues (refer to Table 3). The distribution of publication dates were clustered around boom periods: 1989 – 1991 (12 articles) and 2005 to 2008 (18 articles). This equates to 80 per cent of the housing affordability articles being published in a comparatively small number of years (7 out of 20).

Between 1989 and 1991, only one of the 12 articles about housing affordability did not also focus on planning. Planning appears to have been significant to the academic housing affordability debate at the time. The later boom period (2005 to 2008) was more mixed, with 7 of the 18 articles discussing housing affordability without reference to planning, suggesting that in the academic debate in this later period, planning does not seem as significant. Of interest is the fact that in the earlier crisis period, the identified articles included several debating urban consolidation. These articles either promoted or questioned the potential for urban consolidation to improve housing affordability. Scepticism was evident, as in:

“The twin objectives of cheaper housing and cost efficient services, coupled with environmental preservation, might be seen as an ideal response within the current economic and political climate. However, this planning panacea has not gone unchallenged within the wider spheres of debate.” (Shaw and Houghton, 1990)

Also published were responses to the housing cost inquiries into housing at the time (Burke and Hayward, 1990). Several of the articles from this earlier period were, although published in planning or urban journals, submitted by housing developers (for example Bird, 1991). A common discussion point was the volatility of housing price booms and busts, and how these might interact unfavourably with restrictive planning measures in future (Bird, 1991).

Between 2005 and 2008, 11 sampled articles discussed both housing affordability and planning. The majority of these articles were published in 2007 and 2008. Most discussed the negative influence of planning on housing affordability, and most presented a defence of the alleged role of planning and urban consolidation in creating housing affordability problems. The articles during the 2005 – 2008 crisis often noted the extent of public criticism of planning at the time.

In summary, the content of these selected academic journal suggests that discussion of potential links between planning and housing affordability have been disproportionately published at the ends of housing booms. Also detected is a clear change in the tone and direction of this academic discussion. The notion that urban consolidation could improve housing affordability of itself has been replaced with defences...
against claimed impacts of consolidation on housing affordability, and with proposals for mechanisms such as inclusionary zoning.

Newspaper Coverage and Housing Affordability

This paper now considers the coverage of housing affordability issues in a sample of Victorian print media. The goal in reviewing this material is to identify whether there are patterns in the level of public interest in links between housing affordability and planning.

Assessing ‘the Victorian media’ has presented a difficult prospect in resources terms, particularly given that the time period of interest extends back to a point (the late 1980s) where electronic media databases have limited coverage. A small sample frame that can be compared consistently over time has been selected, comprising the first 10 pages of The Age (broadsheet) and the first 15 pages of The Herald Sun1 (tabloid), as well as the first 2 pages of the Business Age and Herald Sun Business sections, for the each weekday paper in the first quarter (January, February March). Manual collection techniques (microfilm) were used for the years 1989 to 1994, inclusive. Electronic collection techniques (the Factiva search facility) were used for the years 2003 to 2008, inclusive.

The manual collection, a time intensive process, comprises reviewing the applicable pages of each newspaper using microfilm, and noting any article containing the search terms ‘housing cost’, ‘home costs’, or ‘housing affordability’. For any identified article, the first paragraph and key terms are recorded, noting any relating to planning. By contrast, the electronic search first searches for the ‘housing affordability’ keywords, then edits down the search results to exclude those articles not on the relevant dates or pages. It should be noted that the methodology is still unfinished – 1990 newspapers have not been assessed.

The identified newspaper articles were characterised by whether they covered housing affordability in a negative or ‘bad news’ way (for example “record levels of housing unaffordability will worsen in 2008”), or in a positive or ‘good news’ way (for example “Homes More Affordable, Says Report”). The vast majority (100) of the 110 housing affordability articles identified so far are characterised as ‘bad news’ type coverage (refer to table 4). The ‘good news’ articles published in the 1992 to 1995 period mostly comprised the ‘good news’ side to economic disaster, for example “Victoria’s Loss to Queensland May Prove House Buyers’ Gain”.

<table>
<thead>
<tr>
<th>Years</th>
<th>Bad News</th>
<th>Good News</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989-1991</td>
<td>29</td>
<td>2</td>
<td>31</td>
</tr>
<tr>
<td>1992-1994</td>
<td>7</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>2003-2005</td>
<td>13</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>2006-2008</td>
<td>57</td>
<td>0</td>
<td>57</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>10</td>
<td>110</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Years</th>
<th>No planning mention</th>
<th>Planning Mentioned or Blamed</th>
<th>Total</th>
<th>% Planning Related</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989-1991</td>
<td>25</td>
<td>4</td>
<td>29</td>
<td>14%</td>
</tr>
<tr>
<td>1992-1994</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>2003-2005</td>
<td>8</td>
<td>5</td>
<td>13</td>
<td>38%</td>
</tr>
<tr>
<td>2006-2008</td>
<td>25</td>
<td>32</td>
<td>57</td>
<td>56%</td>
</tr>
</tbody>
</table>

1 For years 1989 and 1990, the former “Sun News-Pictorial” is substituted for the Herald Sun, which began publication partway through 1990 after the merger of the Sun News-Pictorial and The Herald

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Focusing on negative coverage of housing affordability (refer to Table 5), during the period 2003 – 2008, 37 articles (or 53 per cent) of 70 identified articles mentioned planning controls as a factor in housing affordability problems. The years 2007 and 2008 saw the greater share of housing affordability news coverage (25 and 26 articles respectively), and also of the housing affordability articles mentioning planning. These included pieces directly critical of land release policies, developer charges, UGBs, and planning approval times. Others reported on the findings of government and industry reports, or included commentary from critical stakeholders. Examples include: "Peter Costello has suggested the best way to deal with housing affordability is for state and local governments to release more land", and "the cost increases are partly produced by rising government taxes, charges and regulatory requirements on houses, but, above all, they are due to planning restrictions". Regardless of specific arguments all would have served, on some level, to make a negative link between affordability and planning. This public link appeared at its most obvious during 2007 and 2008. Smith and Marden (2008) give an account of the ‘Great Australian Dream’ campaign by lobby groups in Australian against planning at this time.

In the earlier years of newspaper coverage, negative mentions of the role planning did feature, but in only 4 of 29 identified housing affordability related articles identified in the years 1989-1991. In an unusual article, “Keating Blames Home Owners for House Costs”, from 1989, the Treasurer of the time “blamed housing price rises on Sydney home owners who objected to higher density housing in their suburbs”. For the most part, however, housing affordability articles from the earlier housing crisis period concerned the high interest rates of the time. As the Reserve Bank was not then independent, many articles contained calls to the government to lower interest rates.

In summary, the content of selected newspaper articles suggests that the public link between housing affordability and planning has become far more prominent in recent years. Although print media coverage of housing affordability was quite extensive over 1989-1991, planning was not a significant component of this coverage, especially not in comparison to the issue in the 2006-2008 period.

Melbourne Metropolitan Planning Strategies

The paper now considers the content of Melbourne’s metropolitan planning strategies, comprising four documents covering the period from 1987 to 2008. The goal in reviewing these documents is to identify whether there have been changes in the level and type of concern with housing affordability issues indicated in the planning policy agenda in Melbourne.

The State Government prepares Melbourne’s metropolitan planning strategies, which sometimes contain statutory policies, but as a rule comprise general statements about planning policies and motivations. It would be misrepresentative to interpret metropolitan strategy content as embodying planning policy on a given issue. However, given that planning in Victoria is controlled at the state level, metropolitan planning strategies provide a reasonable proxy for the reasoning behind planning policy at different times.

The four strategy documents reviewed are Shaping Melbourne’ Future (State Government of Victoria, 1987), applicable from 1987 to 1991; A Place to Live (State Government of Victoria, 1992), in place from 1992 to 1995; Living Suburbs (State Government of Victoria, 1995), applicable from 1995 to 2002; and Melbourne 2030 (State Government of Victoria, 2002), introduced 2002 and currently still applicable (2009). Each strategy document was reviewed to and note how often and how prominently issues of housing affordability or related terms were mentioned. Also noted was the extent to which the strategy appeared to prioritise urban growth management or growth promotion. The economic and political context of each document is important to the interpretation. This context is summarised in Table 6, below.
Shaping Melbourne’s Future (1987)

The 1987 Shaping Melbourne’s Future document was prepared under a Labor government in boom conditions. It contains a sub-section of identified problems (under “social needs”), “housing choice and affordability”. This is repeated under the “framework for Melbourne’s development” section, “housing choice and affordability”, and also in the “implementation” section. Pages 22 to 24 contain discussions of housing choice and affordability as a problem, and pages 44 to 46 discuss proposed planning responses to affordability problems. Affordability is also mentioned on four other pages. In this document, affordability is conceived of explicitly in terms of choice, as in - “housing choice and affordability – providing a wider range of housing choices and improving housing affordability”.

Shaping Melbourne’s Future is also clearly geared toward urban consolidation. The first heading of the “Framework for Melbourne’s Development” is “Urban Consolidation”, followed by “Future Outward Growth”. Urban consolidation is presented as a means of improving housing affordability, via reduced infrastructure costs and also by providing smaller housing:

“Young adults moving out of these family homes to form their own households will move to the fringe if they have no affordable housing choices in the established suburbs. More medium-density housing could accommodate these young households without children, and also older people who might move from large detached houses, which would then be freed for growing families” (State Government of Victoria, 1987, p6)

The measures proposed in Shaping Melbourne’s Future to tackle housing affordability primarily consist of removing exclusionary barriers to urban consolidation and increasing the amount and diversity of housing in existing areas, as in “the Government will facilitate the construction of more affordable housing and increase housing choice by encouraging greater diversity in housing types”. At the same time, the strategy document implies awareness of criticisms of the potential negative effect of planning on housing affordability. The discussion of why housing affordability was a problem at the time includes a tacit acceptance that planning could facilitate cheaper urban fringe housing:

“Higher development standards, levies and costs of providing services have all contributed to price increases for new houses and land. While there is limited potential for Government to influence prices for established houses, there does appear to be scope to contain or reduce costs for new residential development.” (State Government of Victoria, 1987, p24)

And, for reasons of housing costs, the strategy does not state explicit support for abruptly curtailing suburban expansion:

“The Government does not intend, however, to place artificial restraints on outward growth to achieve its objective of urban consolidation. Such a policy would distort the operation of the market and could lead to inflated land prices and disadvantage to house buyers at the urban fringe” (State Government of Victoria, 1987, p36).

The 1987 strategy does discuss employment and economic growth issues - however, jobs and employment are discussed in terms of “trends” in jobs and locations, as in “the metropolitan economy: employment trends” and “employment distribution”.

<table>
<thead>
<tr>
<th>Document</th>
<th>Economic Conditions</th>
<th>Housing Prices</th>
<th>Federal Government</th>
<th>State Government (Victoria)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shaping Melbourne’s Future (1987)</td>
<td>Boom</td>
<td>Boom</td>
<td>Labor</td>
<td>Labor</td>
</tr>
<tr>
<td>A Place to Live (1992)</td>
<td>Bust</td>
<td>Plateau, drops in real terms</td>
<td>Labor</td>
<td>Labor</td>
</tr>
<tr>
<td>Melbourne 2030 (2002)</td>
<td>Boom</td>
<td>Boom</td>
<td>Liberal</td>
<td>Labor</td>
</tr>
</tbody>
</table>
A Place to Live (1992)

The 1992 *A Place to Live* document was prepared under a Labor government, in recession conditions. Like the 1987 strategy, the 1992 strategy *A Place to Live* also clearly states urban consolidation goals. However, reflecting the bust period during which it was prepared, jobs and development take a far more prominent place. Under “The Principles” – “Jobs for the Future” is the first and most emphasised point. The term ‘jobs for the future’ is often used, as in:

“This strategy is shaped by the belief that the goal of equitable and sustainable development is best served by generating jobs for the future, making the most of competitive strengths, creating communities for living, conserving the environment, improving communications and building more compact cities” (State Government of Victoria, 1992, p1)

Urban consolidation, referred to in this strategy as ‘compact cities’, is the last of the six headline principals of the 1987 strategy. Urban consolidation is mentioned in criticisms of urban sprawl - “by 2031 we could see Melbourne choked by urban sprawl” (p15). Increased housing densities, reuse of vacant sites, and containment at the fringe are discussed at length. And urban consolidation is again cited as a means of improving housing choice and affordability, for example: “One of the greatest benefits of urban consolidation will be increased housing affordability” (p34).

The 1992 strategy implies a negative view of the housing market. For example, it claims that “all the evidence we have suggests that the steadily increasing costs of home ownership can be blamed on rising expectations and the failings of the market” (p34), and attributes increased land prices to “speculators bidding up the price of raw land on the urban fringe”. A Labor state government being in place is significant to this perspective on the market. Despite the growth management aspects of *A Place to Live*, the economic limitations of Melbourne at that time permeate the document. The terms ‘job’ and ‘employment’ appear on at least 1 in 3 pages, and statements are often contingent upon economic growth:

“…we can only change the pattern of settlement by changing the distribution of jobs…employment is the key to regional growth and a central theme of this strategy” (State Government of Victoria, 1992, p4).

Living Suburbs (1995)

The 1995 strategy *Living Suburbs* was prepared in bust conditions under a Liberal government, with a strong agenda of promoting economic recovery for Melbourne. It is the only one of the planning strategies looked at that does not contain a section or heading concerned with housing affordability. Its only explicit references to affordability issues are to public housing and to the Urban Land Authority.

Like the 1992 strategy, jobs and employment are the major theme in “Living Suburbs”, reflecting its economic context. Reflecting its political context, *Living Suburbs* is more specifically concerned with business. The first direction is “Direction 1: Provide a business environment conducive to sustainable long-term economic growth”. The first 3 directions of 5 are business or job related. The strategy openly hopes that the market, and not planning, will shape Melbourne’s future: “doing more business – creating more wealth – will enable us to make a great city even better”.

Urban consolidation is not the major principle of *Living Suburbs*. It does however, still discuss urban consolidation – mainly in terms of increasing densities and housing choice in existing urban areas (“encourage the more efficient use of land and infrastructure and greater housing choice” – p56). Unlike the other strategies, *Living Suburbs* does not present a negative depiction of ongoing suburban expansion - the word ‘sprawl’ is not used. A liberal and pro-market government being in place is evident in the policy wording - although it does not discuss housing affordability, *Living Suburbs* is the strategy that
communicates the most negative view of planning intervention on markets. In this vein, it boasts of the existing neoliberal style reforms to the Victorian planning system:

“Victoria has already established a significant lead in removing unnecessary regulatory obstacles to growth and reducing compliance costs for business and the community…” (State Government of Victoria, 1995, p17)

*Living Suburbs* is shorter and contains even less actual policy content than the other strategies. However, it is noted that more urban consolidation, in the form of higher density housing in established suburbs, occurred during the *Living Suburbs* era than while the other strategies were in place. It was also applicable to the period of strongest house price gains (1996-2003) in Melbourne.

**Melbourne 2030 (2002)**

*Melbourne 2030* was prepared under a Labor government in boom conditions. The strategy document includes, under the “a fairer city” direction, a policy to “increase the supply of well-located affordable housing” (Policy 6.1). It also proposes a range of initiatives to improve housing affordability, and mentions housing affordability or affordable housing on at least 15 pages. It appears to be the metropolitan strategy for Melbourne with the greatest amount of space given to housing affordability, and with the most policies about affordability. *Melbourne 2030* is also based around urban consolidation principles, but indicates far less certainty (as compared to the 1987 and 1992 strategies) about the idea of increased density of itself being a means of addressing housing affordability. Housing choice is mentioned and there are statements like:

“Locations will have to be found for higher density housing across the metropolitan area. Such strategies will also help provide a greater range of affordable housing to meet the changing needs of the population” (State Government of Victoria, 2002, p172).

However, urban consolidation itself is not directly cited as the main means of providing affordable housing. The main sections on housing affordability in *Melbourne 2030* refer to the monitoring of the housing market, and to inclusionary zoning ‘options’ and ‘pilot programs’ (although no actual provisions for, for example, a dedicated proportion of social housing). This represents an alternative view of planning’s role in housing markets: one based on addressing market failure (a commonly cited justification for planning):

“A significant proportion of new development, including new development at activity centres and strategic redevelopment sites, must be affordable for households on low to moderate incomes, especially those that are experiencing housing stress but are unlikely to gain access to public or social housing. Ways of achieving this will be explored. The monitoring of housing affordability will be important in finalising eligibility criteria for these dwellings”. (State Government of Victoria, 2002, p117)

*Melbourne 2030* is also careful to distinguish between ‘cheap’ housing provided by the market, and ‘affordable’ housing. Although it does not clearly promote consolidation as a way of providing affordable housing, *Melbourne 2030* does not consider urban consolidation to be inconsistent with goals for affordable housing. Like the earlier documents, the *Melbourne 2030* strategy seeks to direct new housing to major strategic sites and to areas with established services (“direction 1.3: locate a substantial proportion of new housing in or close to activity centres and other strategic redevelopment sites that offer good access to services and transport”). Higher density housing is cited as an aim on at least 20 pages. Melbourne 2030 also introduced an Urban Growth Boundary (UGB) - albeit a flexible boundary intended to “include 10-15 years of land supply”, and one based on existing de-facto growth boundaries - alongside its affordability goals.

A review of Melbourne metropolitan planning strategies illustrates that the level and type of housing affordability content of strategies varies significantly according to economic and political contexts. Boom period planning documents give far more space to housing affordability issues than do bust period
documents, when growth promotion and jobs are the more pressing issue. In political terms, the planning document prepared under a Liberal government shows clear references to neoliberalism in the form of negative discussion of the intervention of planning in housing markets. Also observed is that, as with the academic debate, the idea that urban consolidation will itself improve housing affordability has fallen out of the planning policy content.

Conclusions

This paper employed content analysis methods to document the coverage of housing affordability issues in a sample of print media, academic journal articles, and housing and planning policies. The goal was to identify patterns in when and how planning has been a part of the housing affordability agenda for different groups, and to consider whether these patterns in themselves present policy implications. Melbourne has been used as the focal point.

This paper has not taken a view on the extent to which planning may aid or hinder housing affordability. However, it has argued that relationships between planning, urban consolidation and housing affordability run in both directions: housing costs and policy decisions are sometimes codetermined (Ihlanfeldt, 2004). The analysis has shown that economic and political contexts are strongly associated with the level of interest in potential links between housing affordability and planning. This correlation is unsurprising, and logical, on the one hand: politics respond to circumstances. It is also consistent with Green (1999) in that many planning controls only become enforceable (and thus contentious) in situations of growth. Not only is the housing affordability agenda more pressing during boom periods, but the potential role of planning and growth control becomes more noticeable.

The study also finds that, in Australia, the notion that urban consolidation could improve housing affordability of itself has more or less disappeared. Instead, academic and planning discussions of housing affordability and planning now defend planning against the claimed impacts of consolidation on housing affordability, or make proposals for inclusionary mechanisms. This shift reflects sharp patterns in the public discourse – the media analysis shows that planning became a far more contentious component of public housing affordability coverage at the end of the recent boom period.

Of concern is the possibility that housing affordability outcomes and policies in Australia may be simply a product of boom and bust cycles. Political, public and academic interest in housing affordability appears clustered around the tail end of boom periods, with the political interest then appearing to inform periodic attempts to reform or simplify land use planning. Such reforms, particularly in Victoria, have been premised on neoliberal principles – with the planning system becoming progressively more flexible and more market oriented. A reluctance to actually enforce urban consolidation growth controls is evident in the reviews of UGB policy (such as Melbourne @ 5 Million) in Melbourne post Melbourne 2030. Planning documents during bust periods, meanwhile, are much more concerned with the promotion of jobs and growth. This influence of markets on planning may tie in with Australia’s high rate of home ownership. Beer et al (2007) argue that recent housing inquiries in the UK (Barker, 2004) have come to reflect the same home-ownership driven cycles of Australia, as a result of the UK’s own increasingly less interventionist approach to housing policy.

Finally, the public criticism of planning in Australia has included claims of a simple causality between urban consolidation ideas and housing affordability problems. However, the material reviewed in this paper suggests that is quite a difficult claim to support in Australia. Urban containment policies are not necessarily enforced in Melbourne, and the city’s unprecedented house price increases occurred in the period of the most market-oriented planning reforms. Despite this, boom periods appear to turn a critical spotlight on planning, with the result that further reforms or relaxations of planning mechanisms are undertaken. The findings of this paper suggest instead that there is a need for closer investigation of the
influence of housing market cycles and market-oriented reforms on planning policies and their enforceability.
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