



EXPRESSION OF INTEREST REQUEST

INVESTIGATIVE PANEL ON METROPOLITAN PLANNING GOVERNANCE IN RELATION TO AFFORDABLE HOUSING SUPPLY

1 PURPOSE

AHURI is seeking expressions of interest from research groups to conduct an Investigative Panel on metropolitan planning and governance in relation to affordable housing supply. From these expressions of interest a preferred tenderer will be identified and a project plan and contract negotiated.

The purpose of the research is to deepen the evidence base on Housing Supply and contribute to the policy debate in support of the work being undertaken by Housing Ministers, the COAG Housing Supply and Affordability Working Party (HSARWP) and the National Housing Supply Council (NHSC).

2 BACKGROUND

Adequate housing supply to accommodate the projected growth in Australia's population is an issue of growing significance, particularly against the backdrop of declining housing affordability. Australia's housing industry is currently unable to keep pace with demand. In the State of Supply Report 2010, the National Housing Supply Council notes that these population trends will see an increase in the demand for housing greater than that predicted in the 2009 report. Supply is not keeping pace with demand, and the gap between supply and demand has continued to increase, from 99 500 dwellings at June 2008 to 178 400 at June 2009.

The supply of housing has been flagged as an issue of national significance, and COAG has tasked Premiers and Treasurers with meeting this challenge. COAG has tasked the Housing Supply Initiatives contained in the Intergovernmental Agreement on Federal Financial Relations, specifically the National Partnership Agreement on Social and Affordable Housing, and the Nation Building and Jobs Plan provide funding for the construction of more than 18 000 new dwellings. Further initiatives such as the National Rental Affordability Scheme and the Housing Affordability Fund are aimed at providing support for the construction of affordable housing. The Housing Supply and Affordability Reform Working Party (HSARWP) has been formed, reporting through the Ministerial Council for Federal Financial Relations to examining all current and future work in other COAG processes that will impact on housing supply and affordability.

Alongside the existing focus on the supply side, the establishment of the Cities, Housing and Planning Unit by Federal Treasury highlights the ongoing commitment by the Australian Government to consider the urban context for housing affordability issues. By 2012 all capital cities must have strategic plans in place that meet the national criteria for transport, housing, urban development and sustainability. The Commonwealth will link future infrastructure funding decisions to link with these criteria. The Council of Australian Governments (COAG) Reform Council is to review the consistency of capital city strategic planning systems with the new national criteria during 2010 and 2011. In its response to the Henry Tax Review the Australian Government has undertaken to establish an ongoing infrastructure fund and to make annual contributions starting at \$700 million from 2012–13.

An issue of particular policy interest is government regulation, planning and housing supply—hence this call for expressions of interest for an *Investigative Panel*. This issue directly relates to the work of the National Housing Supply Council and the need to explore the supply-side of the housing market further, including the characteristics of the social housing sector, non-private dwellings, the private rental sector and companies involved in land development and housing construction.

A number of dimensions of these relationships have already been examined by AHURI. A qualitative assessment of the impact of government regulation and planning upon supply found that planning system complexity, uncertain timeframes and unpredictable costs are of

greater concern to residential developers than fixed charges or the need to contribute towards local infrastructure requirements.

Work on the role of local government in housing supply found that the main constraints are: lack of community (and political) support; insufficient financial resources and staff expertise; legal uncertainty and barriers to using local planning mechanisms for affordable or more diverse housing types; poor state / local government collaboration. An international comparative review detailed three approaches to getting better housing supply outcomes from planning: improve the way the planning system itself operates to release land for housing and to regulate the design of this housing; new methods to identify and respond to housing need through the planning process; and specific planning tools to generate new, dedicated affordable housing.

Work funded by AHURI is currently underway that will establish a link between land use planning policies and mechanisms and the form of housing supplied. A separate Investigative Panel will explore how to deliver more affordable and sustainable medium density housing through the regeneration of greyfield precincts. It will investigate the processes required for an integrative development model that is capable of delivering more affordable and sustainable medium density housing. Earlier work which considered the affordability and sustainability outcomes of greenfield developments and master planned communities found the two most effective approaches to increasing environmental sensitivity and affordability are increasing development densities and encouraging a trend towards smaller houses. Research has also examined the links between increased dwelling densities and the concentration of disadvantage, the benefits of tenure diversification and the outcomes of community regeneration programs.

AHURI has also completed research exploring the future of the Australian housing system, including alternative visions and choices for institutional and policy settings which modelled the medium and long term housing needs of Australia. See the AHURI website for more information on current housing research activities: <http://www.ahuri.edu.au/>. A full description of completed and current AHURI research can be found at:

http://www.ahuri.edu.au/downloads/Research_Agenda/AHURI_Research_catalogue_2010.pdf

3 KEY RESEARCH QUESTIONS

The key research questions for the Investigative Panel are:

- What are the different structures and forms of planning governance practiced across Australia (including recent amendments for the National Rental Affordability Scheme and social housing developments of greater than 50 dwellings for the Nation Building and Jobs Plan)?
- What are the strengths and weaknesses of these different approaches with regard to housing supply and affordability?
- In the context of local opposition to affordable and social housing developments, what are the *real* concerns, can 'design' address these, and what impact do affordable housing developments have upon neighbourhood property values in practice?

4 RESEARCH DESIGN

Investigative Panels are designed to bring about direct engagement between experts from the research and policy communities (and potentially practitioners from industry and community sectors) to interrogate a specific policy or practice question. The Investigative Panel process will draw on the experience and expertise of the members of the Panel, who

will meet several times to discuss a research question of immediate practical relevance to policy development. Researchers are encouraged to be innovative in the format of the Panel process and the nature of the published outputs generated by this process.

5 TIMELINES

Expressions of interest in leading this *Investigative Panel* will close on **16 July 2010, 5pm** (AEST). It is important that we commence this work as soon as possible.

This Panel must be carried out in accordance with the ethical requirements of AHURI and the relevant universities.

Event	Date
Expressions of interest submitted to AHURI Limited by 5pm	16 July 2010
AHURI notifies the successful applicant(s) and enters negotiation for the project plan and contract	Early August 2010
AHURI notifies applicants who were not successful	Early August 2010
AHURI and successful applicant(s) enter into contract for the project	Mid August 2010

6 BUDGET

The maximum funding available for this Investigative Panel is \$50 000. It is hoped that through the commissioning of the Investigative Panel the successful applicant(s) will be able to leverage other funding and resources to the research process.

Overall budget will be taken into account as part of the selection process. However, AHURI will not necessarily fund the lowest bid.

7 CONTRACT

Due to the policy relevance of this study it is necessary that the successful project team is able to complete the study in the contracted period.

8 REGISTERING AN EXPRESSION OF INTEREST

For this expression of interest the accompanying application form (as used in the annual funding round for the AHURI National Housing Research Program) will need to be used.

A preferred tenderer will be selected on the basis of the written application in respect to policy relevance, the research approach, the research team, and budget. Funding guidelines for applicants can be found at http://www.ahuri.edu.au/downloads/Research_Agenda/Other/AHURI_funding_guidelines_for_applicants.pdf.

Applications should be submitted on the AHURI funding application form, http://www.ahuri.edu.au/downloads/Research_Agenda/Other/AHURI_funding_application_form.pdf.

In particular applicants need to clearly articulate the following points:

1. A summary of the policy context that relates to the theme of the Investigative Panel.
2. The names, affiliations, experience and expertise of the research group leaders.
3. The names, affiliations, experience and expertise of the proposed Panel members.
4. A summary of how it is proposed the Panel will be undertaken and the published outputs to be generated.
5. A timeline that allows for commencement by mid August 2010 and timely completion of the Panel.
6. An indication of the major budgetary expense items.

Applications must be received at Kerry.Fewings@ahuri.edu.au or Andrew.Hollows@ahuri.edu.au by **5pm** (AEST) on **Monday 16 July 2010**.

For further information please contact:

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