Housing Supply. A Response to the Interim Report of the Productivity Commission

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30/9/2026. I am an 83 year old economist by training, in my youth a high school teacher for ten years', forty eight years as an entrepreneur and employer, having an intimate knowledge of current planning practice and the regulatory regime, gained as a farmer, an amateur builder, and one time town councillor dealing with planning matters. In my youth our family occupied rental accommodation in seven different towns and that always felt insecure. I helped acquire the first home that my parents owned after my father died. When I started work as a teacher, my top priority was to build a house.

The provision of housing in Busselton Western Australia, has been a consuming interest and a source of immense frustration. I live in a rural area on 50 acres zoned 'rural residential'. Recently I set out to demonstrate how a forty foot open top sea container could be utilized to yield a two bed one bathroom cottage of 56 square meters, remain transportable, continue to require only four points of support, cost less than 100K and built a dozen, four at a time. The problem was to work out where they could be deployed. As a builder of prefabricated dwellings, I did not need a permit under the building act, but I was charged with that offense, and infringing the planning act, taken to court and fined. My lawyer advised that it would be too expensive to fight the city. This cost me $100K but the penalty under the planning act could have exceeded $3M.

Housing has become a means of extracting economic rent that accrues to about 45% of the population. The failure to provide housing is costly due to misery and dysfunction and the cost attached to ameliorating it. There is a simple way to turn this around.

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Part 1 Why is the system failing? Macro-economic factors

It is not possible to address the issue of housing deprivation and decline in home ownership without mention of the importance of taxation, finance, interest rates and the business cycle because all bear on the question of affordability.

An accelerated growth in employment in the non-market sector and a reduction in the contribution of the market sector dates from the global financial crisis of 2007-8. A regime of declining interest rates and favourable taxation settings inflated real estate prices. Employment in the non-market sector grew at the expense of the market sector. Governments resorted to budgetary deficits to prop up the disadvantaged. This added to inflation as it reduced the output of the market sector, a 'whole of economy' productivity issue.

A 2017 study found that the rise in mortgage defaults in the USA, that characterised the Global Financial Crisis of 2007-8, was concentrated in the middle of the credit score distribution, and mostly attributable to real estate investors. It was therefore a classic old style real estate bubble driven by those with a capacity to borrow to finance investment in second and subsequent houses. https://www.nber.org/papers/w23740 Australia escaped the crash due to a boom in minerals sales to China, storing up trouble for later.

It's instructive to compare the Australian experience with that of Japan in the 1990s.

The Plaza accord of 1985 resulted in an appreciation of the Yen at the insistence of the US. The US consumer had been buying Japanese cars and high tech items rather than the domestic product. Japanese goods then became more expensive for foreigners.

The Japanese lowered interest rates from 5% to 2.5% attempting to improve flagging economic activity resulting in a spectacular real estate boom. Between 1985 and 1989, the Nikkei stock average tripled in value, while commercial land prices in Tokyo doubled in just three years. This made owning a home a distant dream for many ordinary Japanese, despite the country's GDP per capita surpassing that of the United States. The Bank of Japan raised interest rates from 2.5% to 6% to quell the boom in just over a year resulting in a 50% fall in the stock market and real estate prices. This left Japanese banks with a mountain of bad debt and widespread business failures.

Japanese manufacturers moved production to lower-cost countries in Asia to remain competitive. But profit earned overseas found its way to the US as investment in treasuries or the share market and expansion of Japanese business in other countries, reducing the tax base in Japan. There was a forced decline in real wages countered to some extent by food subsidies. The level of innovation that had been a feature of companies like SONY in better days fell away along with the birth rate. Aging of the

population resulted in higher government deficits as the tax base shrank. Houses became smaller.

The subsequent move towards zero interest rates in 1999 was a desperate measure to combat entrenched deflation and a crippled banking system. Japanese pension funds and banks invest in US treasuries, adversely impacting the supply of capital in Japan. Financiers worldwide borrow Yen because interest rates were suppressed, investing in US Treasuries to take advantage of the difference in interest rates between the US and Japan. The so called 'carry trade' enables interest rates in the US to be held at a lower level than would otherwise be the case, as does the petrodollar arrangement with Middle East oil producers. Japanese productivity stagnated as the US government debt ballooned. The US car and steel industry continued to decline giving rise to a 'Rust Belt'. The centre of innovation in motorised transport shifted from Japan to Korea and then to China. Productivity depends on investment, engineering skill, open markets, stability in the value of a country's currency and interest rates.

Japan is caught in a feedback loop. Structural stagnation, driven largely by demographic decline, created the need for massive debt-financed spending. That debt then locked the country into a cycle of ultra-low interest rates and fiscal caution, which in turn made it harder to generate the growth via investment in education, research, or structural reforms needed to escape the debt. Domestic consumption stagnated as company profits increased.

Australia's long term property price boom also had its origin in access to cheap credit via low or negative real interest rates, an active immigration program and deficit spending. It's important to realise that the expectation and realization of price and wage appreciation enable borrowers to meet their obligations more readily and lowers the degree of apparent risk for the lender. The inflation of prices and government debt is facilitated by 'Modern Monetary Theory' enabling deficit financing in the knowledge that governments will be paying off debt in depreciated currency. In Australia, a government guarantee for the first 250K of bank deposits promotes confidence in the banking system and the proliferation of lenders. A subsidy shoehorns first home buyers into the property market. Parental subsidies favour the children of the rich accelerating a division between those that have and those that don't, thereby increasing the burden on the state and reducing productivity.

In Australia the proportion of the population that owns the house they live in is in decline, and rentals are scarce and expensive. Median income earners, customers for the large houses being produced, face an onerous gap between the price of a house and what they can afford to pay, while those that might be able to afford a smaller cheaper house found that unlike Japan, this type was no longer supplied. The result is pressure on family formation and the birth rate and the burden of maintaining the disadvantaged.

Structural failure creating an underclass of renters and chronic dependency

Simpler, smaller two bedroom one bathroom dwellings were no longer produced because it was more profitable for builders and developers to provide larger houses, and incumbent owners and town planners require that standards are maintained. Developers drip fed land onto the market to avoid a glut. Those who could not afford the purchase of large houses that were on offer, rented a room instead or stayed longer with their parents. Renters are increasingly disadvantaged as they age due to their lack of equity in housing. This gap between the cost of a house and ability to pay was greatly exacerbated post Covid as interest rates increased at a fast clip to fight inflation.

This would not have been so much of a problem if developers and planners had developed a framework to encourage the development of connected and caring communities in smaller dwellings in new towns, to escape NIMBY pressures, based on mixed use for convenience and walkability that promotes sociability and community care. But they failed to do so. The settings under which land is provided by the planning system, and developer motivation is not up to the task.

Australia is now caught in the same feedback loop as Japan, France and the USA. An underclass needs social services and charity. As government revenue suffers it commits to borrowing. As the debt burden grows the interest commitment reduces the government's ability to meet its social service obligations and provide infrastructure. Coincidentally, inflated house prices give rise to an accelerating increase in consumer debt that is out of whack with incomes and the G.N.P.

Average household income grew faster than the Consumer Price Index but failed to keep pace with dwelling prices. However, the circumstances facing those with below average weekly incomes was parlous because the sort of dwellings that they could afford were no longer produced.

A survey of bank lending reveals that an income above 125K per annum is associated with greatly enhanced borrowing to finance investment in housing. Investing in housing is not a Mum and Dad pursuit for those on average weekly incomes.

The housing price downturn and exposure to higher variable interest rates is now creating a punishing set of circumstances for those who bought at the top of the market as the market rolls over, with the steepest decline in house prices yet recorded.

From a productivity point of view, we need to attend to the following:

- Australia is a last settled frontier economy. All the crown land was alienated by the 1970s. Wealth is built on land and house price appreciation that has the effect of creating an underclass of people left behind. The way to eliminate this is to tax the appreciation in the value of land to the point of extinction so removing the incentive for investors to acquire second and further dwellings. **It's the**

dollar that accrues as unearned rent that must be appropriated to fund infrastructure and housing. A tax that removes less than 100% of the capital gain will be ineffective.

- Housing is a productivity enhancer. It's the bedrock of family formation and childbirth and a nations ability to support its aged and disadvantaged. The interest rate on mortgages should be both affordable (at the 30 year bond rate or better) and invariable. Otherwise, expect a crippling burden of social services, an increase in public sector employment and galloping personal and public debt. We either back our breeding stock via the provision of cheap land and credit, treating it as birthright, or they and their children will become unproductive. **The government must commit to develop land and infrastructure at a scale that developers in the private sector and are not equipped to supply in part due to the variability in the supply and cost of finance and consideration of commercial risk when the project becomes substantial.**
- The ability of landlords to write off losses against income derived elsewhere drives investment in real estate. We have to stop investors in real estate taking advantage of this avenue for taxation minimisation. Treat investment in real estate as a separate business for taxation purposes.
- Since the advent of town planning in the 1960s more than 99% of the land has been zoned rural, to support just one house per lot, creating a pressure cooker situation in the 0.22% of the area that is zoned for residential use.
- Zoning requires a burdensome investment in personal transport. Australian housing represents an extensive and expensive form of single story, single purpose settlement (by virtue of prevailing modes of development and planner preference), creates dwellings that are larger than required (the NIMBY and investor element), separating residences from places of work and commerce. **This imposes a costly travel imperative, stresses the road network, involves an onerous need for insurance, licensing and a regulatory burden, wastes time, risks injury, imposes a repurchase burden due to the short life of the vehicles and their need for maintenance. The vehicles are fully imported, impacting the balance of payments and the value of the domestic currency, a drag on capital goods accumulation and domestic productivity.**
- Our building industry is increasingly corporatised, concentrated and reliant on risky lines of credit.
- The building industry is focussed on an inherently inefficient stick by stick onsite mode of construction that is weather dependent and wasteful. It is highly profitable so long as the tradesman can stay on the tools, because prices are related to the opportunity cost of purchasing an existing home rather than the cost of construction. Imported materials are subject to a heavy markup.

- **The building industry is craftsmen focussed, delivering a bespoke product and much waste that goes into a skip bin and to landfill. There is an absence of standardised design to support repetition. So, the industry does not scale in the manner that enables cheap cars to be produced.**
- The building industry is highly dependent on proprietor expertise to satisfy a rigorous regime of national standards in part driven by climate change concerns and bushfire risk. Ask the Master Builders Association what they think about the importance of meeting standards. Consider the alternative of employing less skilled labour on a factory floor, not weather dependent, with less travel time and with continuous supervision and quality control. Instead, we depend on a bloke who turns up in his Hilux now and then. Ask the architect, the consulting engineer and the guy who certifies the R value, the electrician and the plumber how important they think they are. Ask them what they earn by comparison with the local medico. Look at the vehicle that they drive. What do they think of owner builders? Is the owner-builders work 'tradesman-like?' What proportion of their income is compensation for travelling time and associated vehicle expenses? What's their lifestyle like? Are they getting a surf?
- Achieving a certain R value takes no account of the relative need for insulation in different climates.
- The regulatory, financial and planning regime, the NIMBY element and architects are not enthusiastic about factory built housing. Hence the employment of the pejorative word DONGA. Have you ever heard an architect say: I could spend a weekend in this donga?
- Owner builders are not welcomed by the state, planners, developers, banks, suppliers or tradesmen.
- **There is no interest on the part of developers in designing a settlement that is less car dependent, that fosters the generation of a self-supporting and healthier community that meets the needs of children.**
- **As savings are directed to asset price inflation rather than investment in the production of goods and services (including small houses), productivity suffers.** It gets worse: The wealth tied up in housing is illusory. Everyone needs a roof over their head. We sell one house and buy another.
- Taxation on fuel, and the demonization of fuels that offer the highest return in terms of the 'energy return on energy invested' inflates costs and saps productivity. Permitting of the fossil fuel industry is demonised. Capital is denied. Consider the absurdity of the idea of loading up fuel producers with liability for the 'Tier Three Emissions' by end users who are in the main overseas. Do Australians have a predilection for self-flagellation and economic suicide?
- Fixation on climate change, reduces our ability to value add, arguably designed by rich nations to keep the third world subservient. Nobody looks at the climate

data. The Southern Hemisphere, as a unit, was warmer in the 1970s in the month of January, (midsummer) than it is today. The composition of the air is the same in both hemispheres. So, any variation in the rate of increase of air temperature between the hemispheres cannot be due to the composition of the atmosphere. Surface temperature depends on where the air is coming from and this changes between winter and summer, from one year to the next, across decades and centuries. Warming in winter, the dominant mode in high latitudes where the climate is too cool to support agriculture is beneficial because it creates and increases the length of the growing season. Carbon dioxide is the raw material for carbohydrate production.

- Arguably, the existing stock of overlarge homes is capable of accommodating more people by renting out rooms, by supporting children into their thirties and partitioning existing dwellings to create two where there was one. However, this is at the expense of family formation, requiring immigration to sustain the workforce.
- In short, politicians, the public service, the building, development and permitting industries are serving the rich, hampering the poor, inhibiting the pace of human progress and cruelling productivity. This is the antithesis of the Western Liberal ideal. It's shortsighted in the extreme. The end point is a decay in the bulwark that was the extended family. It reduces our ability to invest in productive activity, results in climbing public and private debt, extortionate interest rates on credit cards, and a doom loop for the economy and society exemplified by the experience of Japan, France, Britain and the USA.

Housing is a problem throughout the Western world:

Between 2000 and 2024, real median household income increased roughly 17 percent, while real U.S. house prices increased approximately 70 percent.

To escape this vortex, it's necessary to treat the acquisition of land and the building of a basic residence as a birthright made possible via the gifting of the required block of land and the provision of a facilitative loan from a government backed bank financed from 1. A tax on capital gains, 2. Loans from superannuation funds that might be considered as partly deferred wages, part tax on profits best directed to the provision of a secure house for all. 3. General revenue

The Road to Penury

The rate of interest on money is determined by the Reserve Bank following the lead of Washington and the bond market. This is a power play by the US that dates from Bretton Woods after WW2 when the US insisted that the US dollar would be the medium of international exchange, unfettered by a requirement to back the currency with gold after

President Nixon, that is reaching its use-by date under Biden and Trump as it has been weaponised to punish those that the US government desires to bring to heel, namely Russia and China.

Following the GFC through to the normalization that followed the Covid scare, interest rates have been lowered in an effort to enhance investment in economic activity, arguably flagging due to diversion of income to the top 10% of earners. In a low interest rate regime government debt and investor activity in the housing market has ballooned intensifying the income diversion phenomenon. Spending ballooned during the Covid crisis due to lockdowns. Since that time interest rates have risen spectacularly due to inflation. Now the reckoning is upon us as the housing markets rolls over after a period when house prices accelerated by as much as 20% per annum.



Source: authors calculation from RBA and Bureau of Census and Statistics data

Bear in mind that the annual rate of inflation is four times the quarterly rate. The data indicates a stepwise increase in inflation followed the Covid epidemic. Fighting inflation with high interest rates is like trying to put out a fire with a burning bush. Worse, the adjustment is born by those least capable of affording I, intensifying the income shift to the top 10%. This is like punching your little brother and sister and your widowed granny who lives in a rental. It's a doom loop.

The move to higher interest rates after 2022 was belated but steep and swift. The chickens have now come home to roost.

To the extent that Australian governments could resist the urge to fund deficits via borrowing on the international market they would not have to offer a premium on the interest rate set in Washington. The Swiss and the Germans show the way.

The Public sector is spending more money on health, disability, family support and the aged. This is forced by the pressure on households, marriages, and the cost of compensating for an epidemic in poor mental health and family violence, aggravated by house price inflation that has impoverished a generation.

We should avoid an increase in public sector employment. The easiest way to do this is to ensure that Australians are inexpensively housed in dwellings that they are paying off at a fixed rate of interest facilitating family formation. We might then achieve a birth rate above replacement levels and be avoid steep increases in migration. **It now takes two incomes to buy a house and one of these incomes is from a female of childbearing age. Back in 1908, when the Basic Wage was determined, it took just one income to support that female and all her many children.**

The absence of a parent in the home, lack of supervision, the practice of eating meals in front of the television or in the bedroom, the introduction of gaming, the smart phone, social media, Tic Toc and YouTube have impinged on family dynamics. Children in wealthy Western countries are less engaged with their peers, are lonely and insecure, less able to read, focus, comprehend and do maths. This is storing up trouble for later.

In Australia, a 50% decline in private investment, excluding mining, dates from 2008.

This aligns with a collapse in savings capacity. Our economy is being hollowed out. What trades are we losing? Is it now cheaper to buy new than repair? Is the new gear coming from a nation that we sell minerals to, that we fear? Is that fear warranted? Or is it generated by the 'cold war' mentality and fear of losing primacy on the part of the USA?

Part 2. Structural problems associated with planning and regulation

In a 'drone economy', the distance between decision makers and affected people is ever widening, making the application of ethics impossible (Norberg-Hodge 2011).

Dealing with planners:

In this author's experience, humans delight in helping others, gifting and being gifted. We can only be effective administrators if we observe the consequences of what we do, listen up, exercise empathy. Less stick, more carrot and more flexibility to secure an improvement in human welfare. Perhaps this is as simple as enabling people to write the rules locally. But our experience with town planning at the local level is not encouraging.

Town Planning was new to us in the 1970s. Prior to that, we managed without it.

Planning rules are written in a tower within the CBD. The CBD is the beating heart of a conurbation that stretches to and beyond the horizon. There are chronic disadvantages

to conurbations that we accept without question because the process has been gradual, like boiling a frog. **There is an [Redacted] of each activity from every other activity requiring you, your wife and everyone over the age of 18 years to acquire an expensive mode of personal transport, capable of seating five but commonly occupied by the driver only.**

Far away in the countryside, where zoning tends to be more of a bad joke than a necessity, due to the very much smaller size of the settlement, those charged with administering a local government planning scheme will work on the second floor behind a security door. Site visits are not part of a town planner's timetable or vocabulary. Nor is 'I am here to help'. Town planners in rural areas feel themselves responsible for looking after rare and endangered species, the local possum, rare cockatoos and the local burrowing crayfish that lives under the ground in wet areas, native vegetation regardless of its condition, 'scenic amenity', what people can see from a road, the colour of your walls, the consequences of climate change, conserving the roots of a tree and other possibilities, yet to be discovered. The scope for things to go badly awry when discipline is exercised by people working in ivory towers is effectively unlimited. You need to have the skill and determination of a theologian to navigate the planner's maze. If you want to change the town plan it's going to take a year and big bucks despite the fact that central planning suggests that every local 'scheme' be reviewed at five year intervals. This involves a re-arrangement of the deckchairs because **planners have difficulty in recognizing the parts of the scheme that shouldn't be there and have a marked proclivity to add rather than subtract from the rule book.** Planning attracts a certain personality type that fixates on keeping things tidy.

If a 'would-be-creative' meets a town planner, the meeting will take place in a dedicated meeting room with three planners in attendance because in their experience, would-be-creatives are difficult to deal with. Planners much prefer to interface with a 'courtier' who interfaces with 'applicant'. It's not hard to find a person who has a different set of priorities and can find fault with what you want to do. Your Land is 'My Environment' is the default mindset.

There may be a level of anxiety attached to the planner's underlying assumption that he knows better than the applicant what is good for him. **Planners are aided and abetted by the bloke next door who is keen to take on the role of an environmental warrior as soon as they hear a chainsaw burbling away or a wisp of smoke rising above the tree line.**

The 'courtier' is a planner that has moved into private practice after working in the same office as the planner/decision maker. The courtier knows the rules, likely instrumental in creating them, is listed by the government as a person worth consulting and his mates work in the tower in the city. He is in a good position to channel a 'would-be-creative' towards acceptance of the system. Time is money.

The decision maker will consult with the applicant's neighbours and weigh up whether their concerns in relation to the conservation of vegetation, respect for heritage, whether the appearance of the development will fit into the neighbourhood, and whether the visual amenity of the casual passer might be adversely impacted by the work of the applicant. The planner is concerned with maintaining social standards. A bit like the local vicar but he carries more than a walking stick and his catechism can be enforced via a substantial fine. The product of this is urban sprawl that is common to every state of Australia.

The builder contractor has a smile for all parties. He is the licenced provider and keen to get things moving. But he is very much aware who has the whip hand and his work and remuneration increases with the hoops that the applicant has to jump through.

The planner in his upstairs office will tell you he lacks agency because the rules are made in a tower in the city.

The courtier will impress the would-be-creative by proposing a workaround that goes part of the way to achieving his objective.

The would-be-creative will tell you he is the one with the least agency because the property rights that he thought he had, turn out to be conditional and may not exist at all and he is the one that is paying the bills from a gaggle of interested parties.

In China it's different.

Li Qiang observed, when governing Shanghai, that sitting in his office, he saw only problems, but when he went out among the people, he found solutions. District administrators make it their business to take telephone calls from the public. The administrator knows that his promotion depends upon his performance in facilitating industry, growing employment and raising living standards. He will do everything in his power to increase productivity. Second in command to Xi Jinping, Li Qiang is known to be pro-business. The pair worked together in the same provincial administration, demonstrating competence and that's how they got to be where they are. There is a long standing tradition in China to weed out administrators, at every level, who have lost 'the mandate of heaven'.

The generalised ennui that we feel in western societies may be due to the difficulty attached to exercising one's personal agency and the 'lack of connection' associated with the fact that people in the suburbs can't tell you the name of their next door neighbour. That is the sort of 'settlement' that planners and self-interested developers have created for us.

When we telephone a bank, Telstra or a government agency we wait for a real person to answer only to find that they are a foreigner speaking with such a heavy accent it's difficult to understand what they are saying. When we call our local government, we

don't request to speak to the CEO or the Mayor. If we write to a minister in the Federal Government the letter is channelled to a functionary who will reply with a polite no. Nobody wants to create a precedent. Disturbing the status quo is fraught with hazard.

Couples engaged in the ancient and intimate art of ballroom dancing develop a smiling habit. They know each other's names and enjoy the activity, moving together in time with the music. The interaction is plainly pleasurable. This is about as far from the planning process as it is possible to get.

Part 3: The Central Problems – Freedom of Entry Denied. Monopoly. Vested interests. Standards. Compression. The business cycle.

A recent exchange between a group of local farmers and their shire planner illustrates what best practice in the rural zone might look like if planners shared a concern to see people housed:

*"The Shire spoke to the flexibility within the Local Planning Strategy and Scheme to allow a diversity of housing options for **agricultural lots**, including an increased size allowance for ancillary dwellings from 70m^2 to 120m^2; the removal of conditions requiring these ancillary dwellings to be co-located with the main dwelling; the ability for these agricultural lots to develop campgrounds/caravan parks; and the leeway to build 6-12 chalets to accommodate itinerant workers."*

The words **'planning strategy'** imply that local planners possess what we might describe as 'agency'. In fact, they do possess agency, but they are habitually restrictive, especially when it relates to the provision of more housing on land zoned 'rural', regardless of the size of the lot and its lack of viability as a rural holding, especially if there are trees and watercourses thereon or the land is part of the view from a road that is regarded as special or contains species that whose existence is said, by someone, to be threatened. There appears to be a notion that the works of man are inferior to those of nature and are to be regretted. Grazing animals is a higher use form than housing ratbags. Humans are an excrescence on the smiling countenance of the natural world. In this way 99% of the natural world in 'improved' or unimproved condition is rendered 'out of bounds' to humanity.

An easy way to counter the 'would be creative' is to impose a setback for development. The idea is to impair the potential of the site to the point of extinction. The common notion is that whatever is built should be shielded from view by a screen of vegetation.

In the early days of planning, if you called a building a hayshed, it didn't require a building permit. The exemption is still enshrined in an act of parliament but never mentioned. So, we now have town and country planning in extremis.

If the state government were to mandate an extension of ‘small form’ housing to rural land in all local jurisdictions, as they did with the 'granny flat' concession in April 2024 for the residential area, the supply of affordable housing could be increased. **The fact of the matter is that affordable standalone small-form housing is no longer provided in the residential zone and there is no way that it will be provided unless tolerated by neighbours, planned by developers, facilitated by planners, offered by project builders and subsidised by the government.** That’s like threading a camel through the eye of a needle.

In the area zoned residential, standalone small form housing was possible until the 1960s. At that time a house could be secured for three times the earnings of a single person on the basic wage. Now you need two wage earners to secure a house that is about half the size of the smallest standalone dwelling currently supplied, but it’s no longer possible to build that in the residential zone. It could be supplied as an apartment, but that’s generally undesirable for families.

What is the nature of the housing that is supplied?

Busselton is located 230kms south of Perth. The City has a population of 45,000 a total area of 1,455 square km, 43 designated locations, a legacy of the days of the horse and buggy and just two intensively developed urban areas with a fast growing population in cheek by jowl proximity. Planning formats devised for the grievously overinflated Perth Metro area allow lot sizes marginally larger than the floor area of the average 220–232.5 m^2 house, side walls that almost abut, and a minimum of space at front and rear. As the frontage to the lot shrinks, we see the development of de-facto terrace housing. This is the ‘drone economy’ in action. A dense central city format is cut and pasted into the wide open spaces of a country town, within a few hundred meters of the CBD. If you need to get a wheelbarrow from the front to the rear the only way is via the front door, across the carpet, through the living room and out via the back door. However, there is little incentive to do so because the space at the rear struggles to accommodate a retractable clothesline.

This is the planner mentality. It’s all about the R Codes and suppose virtue attached to restriction, aggregation and economies of connection. One size fits all. They seem to have forgotten that families may need space for several cars, a boat, a trailer, a caravan, a workshop, a swimming pool and a safe place for the neighbourhood kids to gather under the watchful eye of an adult.

Only mid to upper income earners can afford the 200 square metre offering that is the de-facto minimum for a standalone house in the residential area in Busselton. Rents for such a home exceed those in Perth and the home commands a price that is just short of Perth and a bit more than in Melbourne and Canberra.

Western Australia occupies almost a third of the continent. It is the second largest administrative territory on Earth after the nation of Sakha in Siberia.

A cultural centre for Busselton was estimated to cost $21M. This inflated to $72 million, and it remains incomplete. The budget is exhausted, the building unfinished and the municipal rates are up. Every town of any pretension wants an opera house, and it must be located in the main street where windows are shuttered, business has been in decline for decades, car parking is chancy. Vested interests are at work.

Busselton, on the shores of Geographe Bay, with a far more equitable climate than Perth already sports a heat sink phenomenon. House prices have been appreciating at 25% per annum, slightly more than in the deeper heat sink that is Perth. People come here for the climate and the space. What they get is a clone of Perth.

Planners and developers are blind to the opportunity of decentralization, imposing forms of settlement deemed essential in Perth on the rest of the state. So, I ask:

- Where can a small house be located?
- Where can people camp on a long term basis other than in a designated caravan park licensed for short term accommodation suffering chronic peak season overcrowding?
- Where can Park Home Parks be inexpensively situated?
- Where can 'tiny homes' be located? Must they be provided with axles, springs and wheels?
- Is social housing going to be promoted? What size at what cost? Will it be multi story? Will it be in a mixed use zoning or single use in a stack where kids don't have a safe place to play.
- To get away from the utterly self-absorbed NIMBY element we could create a fully independent mixed use settlement of 20,000 people, perhaps 5,000 dwellings, in a five kilometre square surrounded by an orchard or natural vegetation, shophouse style with accommodation above commercial at ground level, adequately separated from existing settlements, designed to be walkable and safe for kids, a school at its heart, include a full range of opportunities for local employment, within that settlement or on its margins, structured in the expectation of a lot of face to face interaction, independently self-governing. This will build community that can replace social service handouts with informal support. Houses should be manufactured on a factory floor at half the cost of stick by stick and brick by brick construction. The design should be standardised and within the budget of a single minimum wage earner.

The blight of zoning

The Productivity Commission notes that "regulatory bans" are one of two mechanisms by which regulation constrains supply. The fundamental ban is zoning itself**.** 90% of

Australians live in 0.22% of the land area. Within that space 60% of the 0.22% is zoned for residential use. That's about one tenth of one percent. Now, that's compression. And we confine it to the designated capital city.

Australia's population increased from 7 million in 1940 to 27 million today. Three quarters of the residential buildings have been created in the age of motorised transport with settlements designed to accommodate cars in combination with their drivers as if joined at the hip day and night.

Our cities are criss-crossed with two lane roads and multi lane highways, choked with traffic. At some point, not far off, that traffic will come to a standstill. Big mistake. Very likely, one will need a costly permit to drive a car as is already the case in Singapore.

Our roads, that enable every householder to park two or three four wheel drives in close proximity to their front door and perhaps a boat and a caravan, can amount to more than 50% of the area that we occupy in a residential subdivision. There's your children's play space gone up in smoke.

The table below relates to the area within the designated boundaries of each city, but of course urban sprawl stretches well beyond the designated area of a city.

	Population	Share/total	Area Sq Km	Density/sq Km	Ha/person
Sydney	5,450,496.00	0.18	12368	441	23
Melbourne	5,207,145.00	0.17	9993	**521**	19
Brisbane	2,706,966.00	0.09	**15842**	171	59
Perth	2,309,338.00	0.08	6418	360	28
Adelaide	1,446,330.00	0.05	3260	444	23
ACT	466,566.00	0.02	814	**573**	**17**
Hobart	253,654.00	0.01	1759	144	69
Darwin	150,734.00	0.01	3164	48	210
Total	17,991,229.00	0.60			
Beijing	21,800,000.00		16410	1328	7.53
Chongqing	31,870,000.00		82400		25.86
Singapore	6,220,000.00		736		1.18
London	8,830,000.00		1572		1.78
Los Angeles	12,500,000.00		1800		1.44

Chongqing is an anachronism because its mountainous. It's actually a self-governing city state of 30 million people. The table below is a better guide to what land comes with a standalone house in Western Australia today:

Density Tier	R-Code Zone	Minimum Permitted Block Size	Common Use Case
High Density	**R80 / R100**	**100 m²**	Urban apartments, inner-city townhouses, or transport hubs.
	R60	**120 m²**	Small inner-city lots or townhouses.
Medium Density	**R50**	**160 m²**	Urban infill developments.
	R40	**180 m²**	Multi-unit villa developments.
	R30	**260 m²**	Medium-density suburban townhouses.
Low Density	**R25**	**300 m²**	Modern standard suburban blocks.
	R20	**350 m²**	Traditional, wide suburban blocks.

The average size of a house is now 223 square metres. The quarter acre of old provided three times the 350 square metres referred to as 'Low Density' in the table above. We aspire to the 'Australian Dream' but we have ended up with insufficient space for the all-important 'yard' where kids used to be able to safely play.

We sleep in 'dormitory' suburbs. In the daytime we are somewhere else. And we use a car to get there. Normally one person per car.

Is there not a better way?

Mixed use settlements are necessary if we desire communities rich in interpersonal interaction where people walk to obtain what they need. To have a local administration with 'agency' the settlements should be confined to less than twenty thousand people and be self-governing.

Is Australia's housing challenge now the result of a materials, labour, energy, methods, market size, technique or regulatory constraint, rather than a planning problem? Or is it all of the above?

- Plainly, we have been unable to offer smaller formats of affordable housing in cities where town planning and NIMBY preferences rule. The notion is that a 'suitable range of housing types will be provided' but we fall short of the mark.
- Adoption of an international or Chinese standard or enabling an overseas producer to comply with an acceptable international standard would reduce the costs of goods imported into this country. The existence of a local standard acts as a frustrating barrier that facilitates heavy markups on the price of imported

goods. Where there is no local manufacturing effort it is in Australia's interest to be both rational and flexible.

- My cost of electricity amounts to 40.3 cents per Kw Hr about five times the rate in China and six times the cost of energy from Victoria's brown coal deposits. We farm out the provision of intermittent sources of energy to foreigners and subsidise their effort. We work a 38 hour week rather than 72, another productivity killer. We tax productive activity, not unearned capital gain manifesting as 'economic rent'. Is it any wonder that Australia is the least manufacturing self-sufficient country in the OECD?
- We have lost what manufacturing industry we once had. Australia lags global leaders, with Modern Methods of Construction sitting at less than 5 per cent of total construction as of 2023, compared to 45 per cent of Scandinavian homes built offsite (Finland, Norway and Sweden, with some estimates as high as 80 per cent) and 15 per cent in Japan.
- Our labour intensive stick by stick and brick by brick mode of construction will be threatened by the import of compact, transportable housing from China, Vietnam, Scandinavia or Malaysia if we ever we enable the adoption of small formats to enhance affordability. Our building industry is not configured to adopt modern manufacturing techniques and is protected by the preference for larger houses with bespoke design to produce one-offs. We fail to offer the circumstances in which scale is possible (new towns free of precedent, land leasing, grouped housing, Park Home Parks, permission to locate a tiny home or 'ancillary dwelling' on rural land).
- Our market is small and many local producers of caravans and mobile homes are closing down under the pressure of overseas competition. We need to a provide housing for the underclass using modern manufacturing techniques or it will be provided by overseas producers who produce for larger markets.
- Cheap Chinese electric cars make sense in polluted cities when the cost of electricity is only 5-6 cents per kw Hr as in China. It's more than six times that in Australia and increasing at a fast clip. EVs are for the rich. Mandating them will be oppressive. Outside the cities we need lighter vehicles with energy dense fuel, untaxed, already available throughout. What country that values productivity would tax energy and mandate the use of inefficient modes of generation?
- Why do we antagonise the Chinese that purchase our coal, gas and minerals via our Five Eyes stance and a commitment to acquire the world's most expensive American built nuclear submarines built on a cost plus basis in the worlds least efficient shipyards?
- For a little over half the projected outlay on the submarine project we could connect Broome to Rockhampton with elevated high speed rail that skirts the state capitals under the Belt and Road Initiative. No level crossings. No boom

gates. With metro or light rail to each CBD. Giving the opportunity for decentralized communities along the way. Communities that are free of the NIMBY influences that make it impossible to create inexpensive small form housing using modern manufacturing techniques. Unless we adopt this course there will never be sufficient demand for the products of Modern Manufacturing Construction in Australia.

- We could fuel vehicles from Japan, Korea, China and Malaysia with Northwest Shelf gas. Instead, Victoria is curtailing the use of gas in household kitchens and closing down coal fired power stations that can match the performance of the Chinese for price.
- Our processing cost is prohibitive due to the cost of energy. [Redacted] unless we get our act together. This will threaten the development of a timber industry and MMC in this country.
- Fundamentally, the lack of affordability is still a planning problem because we fail to provide the circumstance where demand for MMC can scale.
- Adam Smith made the point that, in a capitalist society, 'freedom of entry is essential if consumers are not going to be fleeced. **Without freedom of entry, markets serve capitalists not consumers.** There is no freedom of entry for anyone wanting a standalone 2-bedroom, 1-bathroom dwelling in Australia. An underclass of renters is thereby perpetuated. Their future is increasingly blighted as they age.
- There are hundreds of car manufacturers in China. Every city and regional administrator in China wants their own auto and hi tech manufacturing hub because they fell in love with the idea of The Great Leap Forward. A local officials promotion depends on performance in advancing productivity, not polishing a seat. And in China, the local officials have the agency to make it happen.
- There is no scope for local initiative to address the affordability issue due to dictation of planning modes that support NIMBY preferences at the state and local level.

Thomas Paine argued in *Agrarian Justice* (1797) that the earth in its natural state was the common property of humankind. Every person was born with a birthright to a share of land or its equivalent value. Not to rent, but to own. And to have the agency to build something on that land and to support a family.

In Australia capital gain, due to house price appreciation is partitioned between the developer, the builder and the landlord. If capital gain were to accrue to the community as a whole, via taxation, it would be possible to right this wrong. Taxation on wages and profits will forever fall short of the ever growing need, due to the burgeoning cost of propping up an underclass that cannot be housed in the form and at the standard that is dictated by the wealthy.

Without access to land the underclass is not in a position to set up as owner-builder, even if we let them, scavenge for second hand materials and substitute labour for capital over an extended period, meeting needs as they arise rather than in an upfront sum. A commercial bank will naturally require more collateral than newlyweds can provide. A responsible government could take a different point of view, in the interests of society as a whole, including the wealthy.

The owner builder is an endangered species. Neighbours will complain about slow progress, builder mess and immature stature. So, the system, that is based on galloping intensification and the implementation of an inferior plan, rather than opening up the new frontier to a superior arrangement, will not permit it. And sadly, we work just 38 hours, Monday to Friday, and actively discourage people to work on their own behalf in the remaining hours. Presumably we would rather that workers went surfing rather than engage in a productive 'home occupation' acquiring skills as they go. How fixated and shortsighted can we be?

Capital gain is invested in more houses to rent. Wealth compounds over time. The middle class owns just one house. It downsizes to fund retirement. The underclass pays rent. As the underclass ages, there is an erosion of its standard of living, with females and children worst affected.

Speculation is entrenched due to favourable tax treatment. Dwelling prices increase faster than wages. So, the underclass is in a 'doom-loop' even when both partners work. This was not the case in 1908 when Justice Higgins determined a 'basic wage' sufficient to enable a breadwinner to support a wife and family in a 'civilized community'. Higgins would see that we are no longer a civilized community.

In the USA, zoning set out to house the "riff raff" and people of colour on one side of the railway line and people of wealth on the other. In Britain zoning separated townspeople from the landed gentry. The growth of urban areas was constrained by 'Green Belts'. As industry declined in the urban areas, towers of 'social housing' were located on 'brownfield sites' where factories had once been, a salve to the social conscience, ghettoes in the making.

No, it is not a shortage of materials that prevents the adoption of MMC in Australia. It is the matrix of built in advantage that accrues via town planning, tax settings and the belief system that blights the prospects for manufacturing that is responsible for the affordability problem.

Monopolization

Town planning institutionalises poverty. Ensuring that planners will have regard to the opinion of incumbents, a [Redacted] is established. That's the American, the British and the Australian way.

When we entrust the release of land to the private sector, an oligopoly due to ‘geography’, rations the release of land to maintain and enhance profitability according to a formula that has little regard for the welfare of children. This is a breach of the responsibility for providing ‘good government’.

An ongoing collapse in the number of builders has facilitated collusion in the building trade. Aggregation of brands under a corporate umbrella provides the appearance of competition but not the reality. ‘Big Data’ sells useful intelligence to investors, builders, realtors and landlords that enables them to ramp rents and prices. This is a recipe for oppression.

The price of a build is benchmarked to the value of existing dwellings rather than construction cost. This reduces the incentive to build, favouring the ramping of prices of the existing stock. The licensing of builders, realtors and banks is a bar to entry. Studies indicate that productivity in the building trade has not improved despite the fact that subcontractors are working harder for less. The gain is sequestered to developers, project builders, financiers, pension funds, banks and landlords.

The Bespoke Trap vs. Factory Scaling

At the heart of the "offsite collapse" is a mismatch of manufacturing physics. To survive, a prefabricated or modular factory requires predictable, high-volume production lines to cover massive, fixed overhead costs (factory leases, specialized machinery, and specialized staff).

- **The Scaling Failure:** In Western Australia, the housing market remains heavily dominated by consumers and developers who demand bespoke, custom designs. When an offsite builder attempts to accommodate these custom tweaks, the factory line reverts back to standard building practices, just under a roof. This eliminates the speed and efficiency benefits of Design for Manufacture and Assembly.
- **The "Builder Markup" Inflation:** Industry insights from Prefab Aus noted that companies like OFFSITE (collapsed) struggled not just with manufacturing scaling, but with market education. Mainstream builders frequently marked up offsite component quotes by **65% to 98%** to end clients. This price gouging artificially suppressed retail demand, making it impossible for offsite manufacturers to secure the high-volume pipelines necessary to feed their factories.

Vested interests are alive and well in the regulation, gatekeeping, finance and manufacture of dwellings for human habitation. The slower the process, the more these interests stand to gain.

There is no alternative but to break the mould and begin afresh.

Oligopoly in the finance Industry

Banks are rapacious: “Credit Card swipe fees of 3% are, ostensibly, the cost that merchants pay Visa and Mastercard for the service of processing transactions, an essential service for any business. But those companies’ profit margins of around 50 percent highlight how they are not earning money from swipe fees so much as extracting it. In 2025, U.S. merchants paid $198.25 billion in swipe fees — credit and debit cards combined — a figure that has very nearly doubled since the pandemic, even as the technology gets cheaper. Another way to conceptualize the cost of swipe fees: $1,200 annually per family. Most retailers and grocery stores, running on razor-thin margins, have nowhere to put that cost except onto the customer.

The EEC caps the card charge at 0.3%. one tenth of that in the USA.”

Ref: https://economicpopulist.substack.com/p/the-secret-monopoly-making-everything

Professionalization

Meeting planner’s expectations requires a report from a raft of professionals. By this means planners escape responsibility for their decisions that weigh heavily upon their conscience, so they say. I remember the time when the single building surveyor employed by the local government provided the building permit, did the inspections of builders work and also took responsibility for town planning. There were no consultants and no local planners as such. Regulation breeds outsourcing and specializations whereby responsibility is partitioned, professionalised and bureaucratised leading to overservicing, as seen in the provision of medical services.

Until the recent change in capital gains tax provisions, investors accounted for half of the loans issued by banks. Despite the property price slump investors are now jumping in to get projects off the ground before the new taxation regime is applied. Taxation incentives, low interest rates and rapidly advancing prices excite investor activity.

Australians are assured that the banking system is rock solid. The banks thrive on an inflationary regime. Anticipation of inflation was responsible for the 1987 real estate crash in the USA that was euphemistically described as ‘sub-prime lending’. Contracts were written in the expectation of income inflation that did not materialise with disastrous consequences for the borrower. The homebuyer is shoehorned into a mortgage that depends on inflation to make it viable. The banks want parity between old and new loans, a bit like retrospectively raising the price of your car after the contract is signed. Nevertheless, we do house price appreciation more impressively than other nations, perhaps because we are killing our manufacturing industry and allowing retail to be monopolised.

The birth rate falls below replacement levels necessitating immigration that inflates demand for housing. Women choose to bear children regardless of the lack of a breadwinner, frequently living in poverty, reliant on social services and struggling with a responsibility that is better shared.

Corruption

Asset price inflation yields an apparent increase in the wealth of the top 10% as they float their yachts on the harbour, Alan Bond style. When the top 10% has the ear of the government and the power to influence public opinion, this arrangement becomes entrenched. In China, they call it corruption. In Australia it's politicians doing favours for their donors to ensure that one retains one's seat in Parliament, not materially different to the 'rotten borough' of old. At least it's not based on inheritance or has that that been replaced with the public school network.

Zoning land for residential purposes denies the possibility of 'freedom of entry' for commerce, whether it be retailing, health services, a post office, bakery, café, a dance studio or a gym. If you want to survive in business, look to the proximity of a market. Our zoning arrangements separate the producer from the consumer. We have built a society based on licensing and regulating. Every license holder is guaranteed an income. In other words, legal monopolies capable of extracting rent with the backing of the government.

The residential zone restricts 'home occupation' including the growing of produce or animal husbandry or the provision of a service to others. This 'lack of freedom of entry', results in a state of inconvenience and inefficiency that royally stuffs productivity. It advances the market power of big retailers that anchor distant mega-shopping centres, increasing travel time, road congestion with food prices advancing as supplier's margins are squeezed. How convenient!

The provision of roads to facilitate 'urban sprawl is associated with removal of all natural vegetation and an increase in local air temperature by 10-15C, the occasional death of a pedestrian at the hands of a motorist, the disappearance of children from the street and the elimination of 'drop of the hat' unsupervised play essential to develop a child's ability to comprehend and communicate.

So, the cost, inconvenience and harm of zoning bears directly upon children an underclass of workers, those of marriageable age, teachers, schools, employers, and transporters. 'Restricted entry' cruels productivity.

Ideology trumps common sense

Privatisation of the provision of water, gas, electricity, bus, road and rail transport permits ownership by corporates, local and foreign. Soon the utility is saddled with debt, its shareholders are rolling in money.

This is the same arrangement that is supposed to carry us forward to the 'net zero' nirvana, dependent on subsidies that transfer money from taxpayers to those rich enough to save on their electricity costs via the installation of solar panels.

Episodic crisis

The 'social construct' becomes unstable as public and private debt balloons, waiting for the next bout of steep inflation that will require an increase in interest rates to impose the burden of adjustment on the underclass. A cycle is generated.

The needy are propped up with 'social services' boosting consumption. Failing banks are propped up to conserve depositor and shareholder value. An interest rates on deposits less than the rate of inflation enhances banker's ability to steal from depositors to advantage shareholders. Government guarantees on the first $250,000 of depositor's funds inspire confidence. Fiscal and monetary irresponsibility can increase employment and production only if there is sufficient slack in the economy to accommodate deficit funded spending. This can finance defence (or offense), imports or result in inflation of an unchanged production of locally produced goods and services, the inflation in the price of services always leading. Low real interest rates on bonds drive the stock market higher and fuel a real estate boom. When inflation exceeds 2%, interest rates are increased with the aim of creating unemployment. Household budgets are decimated by the increase in mortgage payments and the failure of wages to increase with prices. The value of bonds held as reserves by banks and insurance companies collapses. Silicon Valley Bank went belly up when the value of its bond holdings collapsed at the hands of the Federal Reserve. The increase in interest rates is inflationary because it increases the cost of capital, the share of income earned by service providers (such as banks or public servants) without necessarily increasing the volume of goods produced. So, this process ends in tears. How many tears, we are about to find out as house prices are currently plunging at a faster rate than in previous cycles. On the flip side this is the cleansing process that lays waste to the zombies.

The provision of land for housing is too important to be entrusted to a private monopoly that drip feeds land onto the market in order to achieve its desired profit, aided and abetted by the commercial banking system and a government beholden to oligopolists. What we need is a responsible body that co-ordinates the provision of land, infrastructure, and housing that attends to the interest of its currently disadvantaged underclass of worker-producers.

The provision of land as a birthright should not swing on the petard of finance market manipulation intended to even out business cycles due to the growth of debt on the part of consumers and governments due to land and house price speculation promoted by

taxation incentives. If this appears to be destabilizing to families, circular and rotten to the core, be assured, it is.

Part 4: Liveable Communities. The unimagined opportunity

Single purpose urban sprawl is the consequence of developer convenience, planner complicity and governments beholden to interest groups. What is required – and it's been recommended by the Western Australian Planning Commission since before the turn of the century – is MIXED USE and restrictions on vehicular traffic to achieve more 'liveable communities.' This is not the ultimate recipe but a step in the right direction.

If every house had two storeys, the lower storey available to be used for productive or commercial activity, and vehicles were excluded from the immediate vicinity Then:

- Shopping requires a short walk rather than a trip in a car.
- When children can walk to and from school, and one or both parents are at home, children are better off.
- Public space is child friendly. Children can organise their own play.
- More people live close to their work, and they have more time and less expense.
- The market surrounds you. It's more likely that you will take the initiative to produce goods or services. You will better utilize your spare time. You will be more productive.
- People experience more face to face interaction and will naturally care for each other. It's local charity in action.
- There will be an increase in the number of cafes and restaurants locally.
- Life will become more social and interactive.
- People will be more active, less sedentary and healthier.
- Transport and travel costs will diminish.
- People can afford a better house.
- In short, the settlement becomes more liveable.

This type of settlement existed prior to the advent of the motor car.

A brisk walk enables you to cover 6 km per hour. In six minutes, you could reach a car in a communal garage. This would open up 600 meters of car free public space. Put differently the geographical extent of human happiness depends on the distance people are prepared to walk to access their car.

In moving about residents meet others and become familiar and feel safer. Less 'stranger danger'. Good morning to you. How are you? Have you eaten? Got time for a coffee and a chat? What are you up to? What's the gossip?

Rather than a road and its attendant concrete kerbing there might be an earthen path that kids can scratch a line on to play hopscotch. Seats and a tables could be installed along the way and the occasional shelter with the opportunity to purchase a coffee and croissant for breakfast. When people get to work in the south of France the boss shakes their hand and thanks them for coming. We need more of that.

If fences that surround a dwelling were removed, public space would extend from wall to wall, out the back and out the front. A porch to welcome visitors makes sense and perhaps a small enclosure out the back to conceal the stuff you have on your clothesline that might otherwise boggle someone's imagination. There could be grass between the houses, mown by a contractor, and the occasional tree and a fishpond, as in a botanic garden.

When people move about on foot, the odd one pushing a hand trolley or a pram, they are more likely fill their day with an impromptu game of badminton or a swim, borrow a book from a lending library, have breakfast out, drink coffee, listen to music and meet friends. Then public space is working for them and their life is richer.

A meal and a bottle of booze fuels conversation. We are having a 'good time'. As in a Greek Taverna. Come here, try this and tell me what you think!

Man is a social animal. His potential is fulfilled only within a community, a place of familiarity and knowing. You don't achieve this without face-to-face interaction. In moving around people should see places to play, dance, eat, drink, find partners, find work, gain respect, enter politics, vote, meet the needs of their friends and acquaintances or just watch the passing parade. An exciting place is that which is full of opportunity. It's the antithesis of single use Aussie urban sprawl.

It's a mistake to imagine that children are socialised in schools. That is what happens in free play. The younger this begins the better. For success in play there has to be a learning opportunity in comprehension and cooperation, fundamental to performance in work, love and war.

Agoraphobia, reportedly on the increase, is characterized by symptoms of anxiety in situations where the person perceives their environment to be unsafe with no way to escape. These situations can include public transit, shopping centres, crowds and queues, or simply being outside their home on their own. In severe cases, people may become completely unable to leave their homes. This is the antithesis of what we need.

Rather than build roads through what might otherwise be the beating heart of public space to be punctuated with humps, roundabouts, pedestrian crossings, bus stops and intrusive road signage, a no go area for the aged and infirm, and a nightmare for children and mothers, we could opt for convenient, exciting, safe, utilitarian and fulfilling public

place that is the extension of what we think we are doing in the home only better, out onto the street, down the street and around the corner. The idea of 'home' is expanded.

But no, in the place of local shopfronts and doctors that could visit you in your home we now have monolithic medical centres. We have gigantic schools rather than smaller and more intimate schools that we used to walk to. We have Mega Shopping Centres serviced by a massive carpark that is kilometres away. This is far from convenient. For this reason, there is a booming incidence of home delivery, especially in Asia, not necessarily a good idea.

In San Francisco and Los Angeles, urban sprawl has been taken to the extreme. An underclass of sweepers and cleaners face a three hour commute to get to work. This has gutted commercial activity in the CBD because they can't clean the place. The homeless and drug dependent move in. It is now dangerous to enter. This is what we can look forward to if we don't see the light.

The Car Dependency Trap

In a survey of Perth suburbs, the RAC discovered that **most people don't know the name of their neighbour**. People don't set off to walk from home because there is no destination at hand.

The Beatles' *Eleanor Rigby* asks: "All the lonely people/Where do they all come from?" They are the people we glimpse through the car window when we arrive at a stop sign.

The number of vehicles per household doubled and tripled within a generation. Cities that depend on powered vehicles require a network of bitumen linking every building with every other building. Vehicles are noisy and dangerous. Expect red lights, speed limits, traffic snarls, policing and penalties. Your leisure time and your wallet is depleted. A set of wheels might look like freedom but it's actually a leg rope tying you to depletion and loneliness.

If you can't afford a reliable automobile, there is no way of affording a house and very little possibility of getting a job.

About fifty percent of Australians have a house that they own or are paying off. But all Australians, including those who own houses, are put at risk and their lives diminished by our failure to secure a lifestyle that is more fulfilling.

The Health Consequences of urban sprawl

From the Independent Medical Alliance in the USA:

"According to experts who make a living studying this stuff, chronic loneliness can be as deadly as smoking fifteen cigarettes a day. The U.S. Surgeon General has warned that social isolation increases the risk of premature death by nearly thirty percent and almost doubles older adults' chances of developing dementia.

Which means who you eat with may have more impact on your lifespan than what's on your plate.

The answer isn't "make more friends." It's literally "leave the house on foot." Because while we've been busy saving time and avoiding inconvenience, ***we've systematically engineered nearly all human interaction out of everyday life."***

The necessity attached to interactive public space

The antithesis of zoning is 'mixed use'. Until the advent of 'town planning', we managed to get by with a minimum of fuss.

There are three types of spaces in a settlement. The home is associated with seclusion, shelter, safety rest, and loneliness. The second is the more important space. It is the public space required to get around and socialise. The third is one's place of work where the opportunity to socialise is during working hours is an important ingredient. In general, there are few good reasons to separate these spaces and a lot of good reasons to integrate them.

We need the interaction that previous generations enjoyed from cradle to grave. They lived where they worked. They made their own music, sang, danced and told each other stories and jokes.

Our scope for interaction with others, our social circle and our social skills are less well developed, and particularly so it seems with males and teenage girls. The communication that we enjoy is piped to us via electronic means. We tend to be isolated and passive upholders of the conventional wisdom or confused and unable to comprehend where we are at. We have lost personal agency and rely on experts. Rather than 'all-rounders', we are distracted observers accustomed to the division of labour and reliance on 'advisers' who push a line of propaganda. Many choose disengagement as they retreat to their bedroom. 'Lying flat', seems to be a product of a reluctance to engage in something that has become too hard.

The endeavour to replace human initiative with intelligent machines will accentuate this problem unless we can work out what we need, and design accordingly.

Infill and filling in the missing middle

Glen Searle, a planner known for his research and work with British and New South Wales governments, a Fellow of the planning institute of Australia, submitted the following to the Commission in relation to redevelopment around transport nodes in Sydney.

"The main focus of the government's measures are reforms designed to streamline housing approvals and to allow significantly higher housing densities.

Inner West Council also gained government approval for an alternative plan to the government's initial Tier 2 plan that had involved locally unacceptable redevelopment of significant heritage conservation areas and loss of neighbourhood character (Inner West Council, 2025). The council's plan provided capacity for more new dwellings than the government's plan. The council master plans excluded higher densities in areas of significant heritage value, and concentrated 6-11 storey density on non-heritage sites close to train stations and public open spaces (Planning Institute of Australia, 2026). The council argued that small lot sizes and high land values meant densities above the TOD policy's six storeys were required to make amalgamation and development commercially feasible (Gorrey, 2025b). In addition, the master plan adopted a slightly higher three per cent affordable housing contribution in upzoned areas."

The comment reveals the pinch points attached to inner city redevelopment that can only yield suboptimal results. Housing problems are not addressed by simply increasing density:

- Redevelopment will always be problematic because amalgamation of lots is inherently difficult and the effort is inevitably piecemeal. The result can never be as good as starting off with a clean slate. Where will the school be? What, if anything will be done about vehicular traffic? Is the existing infrastructure going to cope? Will the new inhabitants be accepted by the existing community?
- Closer to transport nodes and centre of city means OLDER locations with heritage value because buildings were more substantial and more decorative in the past.
- Redevelopment will be conditioned by existing lot size and arrangement of roads and probably incapable of achieving the provision of truly safe public space in the vicinity of dwellings in which children can play without supervision.
- Redevelopment will create tower style living that poses problems for children in terms of ease of access to ground level, grass trees and natural earth.
- This is the most expensive way to provide accommodation.
- The yield in terms of 'affordable housing' is dependent on internal subsidies and usually abysmal.
- Increasing density per se may appear to be appropriate for an unfortunate subset of the population that needs to access the public transport network, the existence of which is an acknowledgement of dysfunction that is the legacy of zoning. So, it's a work around and should be acknowledged as such. Perhaps multi story living will be suitable for the perennially lonely housebound, singles and the aged, but better opportunities are available if we choose to properly concern ourselves with the matter.
- Intensification per se, is not the best form of adaptation.

Part 5: Responding to the Commission's Reform Directions

On Increasing Density

The report states:

"Of all the housing supply reform areas in our terms of reference, reforming land-use controls to increase housing density in cities is likely to have the greatest impact on supply."

If it's stacked social housing more than two storeys in height, making access to the ground more difficult, and there is a deficiency of commercial and recreational activity problems relating to affordability and liveability will persist.

An alternative way of increasing density: re-thinking 'Rural Residential'.

Two to five hectares dedicated to a single residence is currently associated with conspicuous consumption, extensive gardens, retirement, servants, indolence, loneliness and the early onset of degeneration. Many people abandon their castle when they realise that the grandchildren are not interested in visiting.

This space can accommodate numerous free standing dwellings. In the absence of internal roads there would be spaces for children and adults to play, space for outdoor eating and cooking in communal circumstances, washing, gardening, workshops, dancing, exercise and shady trees.

There is no flow through traffic.

Cars could be accommodated in a garage adjacent to the common entry with a men's shed and a ladies' handicraft and conversation room adjacent, where communal frictions might be resolved. There is no need for a cul-de-sac or loop road unless it's a firebreak around the perimeter and a second exit in case of a fire. A hand cart, a barrow or a golf cart with a trailer could be used to transfer goods from the boot of a car to the residence. The lower floor of a two story dwelling could include a schoolroom, a restaurant, a hairdresser or an old fashioned convenience store.

Residents could decide to car-pool or sell their cars and rely on a provider willing to locate vehicles on site on a 'pay to play' basis.

The outcome could be similar to an informal squatter's camp, mercifully uninfluenced by town planning niceties. Children once relished aA free-ranging holiday camp, free of internal fencing, the natural order of things on remote beaches prior to the advent of town planning.

Given the chance children will run amok, socialize each other so that when they get to school, they fit in, know how to behave, and can perform. Children appear at mealtimes

unless fed somewhere else. It's said that "it takes a village to bring up a child". This spreads the load that falls so heavily on young parents.

Rural residential could be a test bed for something better. It's a good size for an experiment. And it might be a template for a similar area within a city. All that is required is one city block to create an internal common space. Park the cars on the outside. No internal fences. Garden and play space under observation. This pattern exists in Ireland.

In our zoned cities, with their heritage buildings we are looking at sunk capital. The barriers to reformatting are prodigious. Mixed use and conjunctive play space for children must be seen as essential. But, in existing cities we are starting from a long way back.

On Strategic Planning

I endorse the following recommendation:

"Governments should enhance strategic planning processes to consider infrastructure requirements and trade-offs associated with development early, rather than during the approval process."

"Using deemed-to-comply assessment against codified rules, with minimal third-party inputs; increasing the use of pattern books, with templates eligible for fast-track approval."

In other words, planners should make up their mind what will be permissible before applications for development approval hit their desk. This is the strategic element that will reduce the inefficiency and stress attached to exercising discretion on an ad-hoc basis. In plain speech, planners should not waffle about so as to require the exercise of discretion on a piecemeal basis if and when they feel like it.

A pattern book approach to settlements is desirable. Planners thereby provide a pre-approved model for a settlement that secures societal benefits. Strategic planning should take a step further and identify locations where the model could be implemented. It's not a good idea to reject a scheme amendment for land that is outside the already approved, land banked but undeveloped area, when it has something better to offer. Rejecting a scheme amendment on the basis that there are already 8000 potential blocks in somebody's land bank is a restriction on entry. There has to be freedom of entry. Proposals must be assessed on their merits. The person least likely to judge something on its merits is a died in the wool town planner.

A clear distinction should be made between areas set aside for housing and areas to be dedicated to environmental or other forms of conservation. In the absence of prior reservation, all privately owned land should be regarded as open for immediate development. So, there are good reasons for planners to get busy with the strategic plan.

It is not acceptable for planners to impose a conservation objective related to so called 'Landscape Amenity' on privately owned land without full compensation for the opportunity foregone. The conservation imperative frequently negates the zoning. [Redacted]

The requirement for consultants to be engaged by the applicant will be reduced under this regime. The interval between proposal and approval can be reduced if planners shoulder the responsibility that they pretend to exercise.

I say to planners: Exercise your discretion in advance or opt out. Resign your commission.

Planning is inseparable from architecture, engineering and land development. It should be informed by a close study of the way to satisfy human needs. The current arrangements fall well short of the mark.

On Neighbourhood Character Restrictions in developed areas

The report recommends:

"Review and reduce neighbourhood character restrictions."

Those promoting a neighbourhood character or conservation objective should put their money where their mouth is. Put up or shut up.

Subjective rules (such as neighbourhood character considerations and 'Landscape Amenity') create uncertainty about what is required for a project to go ahead. Property rights should be detailed up front and not curtailed via means of inflated setbacks or devices of a similar nature such as insisting that an ancillary dwelling must be located in close proximity to an existing dwelling, share a bathroom or a kitchen, or forbidding the clearing of vegetation when it is required for the granting of a building permit under the bushfire regulations.

The notion that planners should put the conservation of vegetation before the provision of housing is an affront to humanity. Green space and the provision of housing should be regarded as complementary and inseparable. Existing vegetation should be replaced when inappropriately located. No form of vegetation lives forever.

On Built-Form Controls

I support the recommendation to:

"Relax or remove built-form controls that limit flexibility and choice for households."

Living in close proximity will always involve the possibility of perceived inconvenience. Where does one stop if the alternative position is taken. The answer lies in making a friend of one's neighbours.

Part 6: Other Specific Proposals

1. The Camping Option as a Pressure Relief Valve

Camping on private property (outside caravan parks) is legal in WA but hedged about with conditions imposed by local authorities to stop it happening. This is maladaptive and cruel.

It is the landowner rather than the intending camper that is capable of equipping a camp with electricity, water and sewerage. But camper is required to initiate the application to the local authority. This is an egregious barrier to entry.

Any requirement that the 'camp' is to be equipped with wheels increases the cost and reduces utility. A building on a skid is just as transportable as a building on wheels, will have a lower construction cost, can be larger and more liveable and more accessible because lower to the ground, and will therefore be preferable. This too is an egregious barrier to entry that has been devised to negate the opportunity because it is seen as ‘degrading the neighbourhood’.

2. Bushfire Regulations

Shelter from trees makes a camp more liveable. Lower capital cost and ‘tolerable loss’ go together. The landowner is much better equipped to handle the loss than the camper. In a ‘nature based park’ the notion is that the camp is located in natural surroundings. Camping in an open paddock cannot be compared with the experience of camping in the bush. Insisting on adhering to bushfire regulations amounts to a refusal to allow.

When a facility can be destroyed by fire, there is an incentive to prepare for the worst.

Weigh the possibility of loss of a building against the losses to the camper and the community due to homelessness and find in favour of humanity rather than preventing an individual from solving a problem. Let's have less of the ‘Nanny State’ that insisted on lockdowns during Covid and mandated vaccines that were rushed to market with indecent haste, only later to be withdrawn due to the collateral damage.

If the owner can satisfy a performance principle by creating firebreaks, reducing tree canopy density, managing fuel loads or mounting sprinklers on a roof, the workaround should be deemed acceptable. It is meeting the performance principle that matters. If a fully qualified independent consultant deems the proposed solutions to be acceptable, that should be the end of the matter. One consultant should be as good as another.

3. Building Regulation

The requirement for builder registration, the necessity to apply and pay for a permit to build a house, the imposition of standards that apply to materials and construction, limitations that are placed on owner-builders, the requirement to assess energy efficiency, the practice of locating a toilet, a bath or a shower inside the house resulting in the need to plumb vast volumes of soiled water into a municipal sewerage system, the requirement to adhere to bushfire and camping regulations – all these have been introduced within the living memory of this writer.

At the end of WW2 when building materials were in short supply, it was common for men, whatever their day job, with a mate's assistance, to mix cement on a sheet of steel with a square mouthed shovel to make concrete bricks, or to dig earth from the ground and tamp it into a mould to create an adobe brick. The CSIRO documented the practice. This substitutes labour for capital and gives rise to buildings that are an expression of the locality with less of the processed 'off the shelf' look. Returned servicemen supported their families in this way as did legions of Group Settlers who took advantage of land grants in return for clearing, fencing, pasturing and the provision of free building materials.

Many a home builder would graduate from building a toilet or an outside laundry equipped with a copper, a couple of concrete troughs and a 'French Drain' to building a house. Plastic pipe renders plumbing a handyman task. YouTube is a great resource.

Authorities should flip to facilitate self-help rather than standing in the way when the need is there. Local government should not regard itself as simply a complaints driven organization that exists to ensure compliance. It should see its role as educating the would be home builder as a true servant of the public.

We should reassess whether the requirement to get a building permit (a barrier to entry) assists or retards human progress and the height of the barrier that is appropriate. Is it designed to protect the homeowner or the livelihood of the building practitioner. The limitations placed on owner builders would suggest the latter. The threshold that indicates whether a building permit is required could be multiplied by five to ten times and pegged to an index of inflation rather than considered as a source of revenue. The concession that allows a farmer to erect a shed without obtaining a permit should be respected and extended to the building of ancillary dwellings on his property. Remoteness comes with cost. Facilitate progress, exercise trust, advise and assist rather than collect a fee based on a desire to extract a tax.

When CEOs in the private sector reward themselves with $25 million per year, capitalism is plainly exploitative. If public sector employment is growing faster than the private sector, things are out of whack. Local government is a sheltered industry. There is very little exchange of personnel with the private sector. The ratio of public to private sector employment should be monitored at every level of government and benchmarks

established. Local government expenditure should not exceed a figure appropriate to the local population, local circumstances and its income. An increase in unimproved value does not mean that there is an income to draw on to pay the municipal rates.

Local health departments could provide the owner builder with a plan for a waterless toilet that separates liquid from the mush so he can turn his waste into a potent soil improver. Call it recycling, a sustainable practice and let him build it himself.

Thomas Playford, orchardist by profession, become South Australia's longest serving Premier. Playford installed the wiring for the house that he personally constructed. He resisted the idea that builders, plumbers and electricians should be registered and licensed. Playford was renowned for his ability to attract industry to South Australia, notably General Motors Holden. He ensured that the state had access to cheap power and workers had access to housing.

Licensing creates pricing power and permitting embeds privilege.

4. How to develop a settlement rich in possibilities.

The provision of land for housing should be via a non-profit entity charged with securing the welfare of the householder. The system that allows land to be banked and released at a rate and in a manner that maximises private profit has manifestly fallen short of the ideal.

The appreciation in land value should be appropriated for public purposes at a time when the asset changes hands when there are funds to meet the expense.

A non-profit entity acting in the public interest should prepare the land for occupation. In doing so it needs to plan for infrastructure that includes public space between dwellings to be safe for children and rich in possibilities for satisfying human needs both commercial and recreational.

By this means taxation on wages and or production can be reduced or eliminated. Taxes on payroll and stamp duty on land transfers impairs productivity by penalising enterprise, employment and labour mobility.

The aim should be to provide a space to build a house as a birthright, free of charge close to that person's employment and his children's school. The land should be available prior to the need arising. Australia is a big country with plenty of land. The idea that agriculture or grazing is the highest and best use of land is patently false if only because the fraction of the total used for housing will always be miniscule. We need to plan for decentralised settlements that are large enough to be self-supporting to minimise the need for people to invest in motorised transport.

Mixed use zoning enhances convenience, walkability, sociability and democratises enterprise. Commercial activity at ground level and residence above result in dense,

convenient, interactive and interesting communities rich in possibilities for investment in productive activity, employment, mentorship, and learning. There are downsides attached to three or more stories.

To enable commercial activities to survive competition from other settlements, a degree of separation between settlements is desirable.

The aim should be to be generate a community capable of local self- government. In this way it's possible to secure the necessary intimacy between the governor and the governed.

The tendency for local governments to raise rates in order to provide grants to interest groups is questionable. Commitment to currently fashionable agendas can be expensive. The way to facilitate economic growth is to ensure that people are housed in a manner that nourishes the entrepreneurial instinct. There should be benchmarks for revenue raising by a local government that relate to the size of the local population and the local government should live within its means.

5. The size of a home and the lot, and the nature of the street as it affects screen use and the psychological health of children

The average household in Australia is just 2.5 persons, and the fertility rate has fallen to 1.84 births per female. The residence should be no larger than needed unless it caters for several generations, and this is preferable.

There has been a decline in the proportion of women who are partnered in their most fertile years. In the US about 40% of births are to single women many of whom become single parent households. This is tragic.

We should consider the impact of these developments on the life of children who are now fewer in number, more separated from each other and can be deprived of the bringing up that is more readily available with shared parenthood.

Sharing a house with a person who eats take home meals or fills the sink with dirty dishes and sees no need to clean out the fridge helps to pay off the mortgage but **it's not a good place to bring up children**. The 4 bed two bathroom home requires a sublet to assist meet mortgage commitment. Is it any wonder that the fertility rate is in decline?

The quarter to half acre that grandpa enjoyed now accommodates units inhabited by cashed-up empty nesters who want to be close to the CBD and whose next move is to a nursing home.

If children cannot be free to chase a wayward ball due to lack of play space on and outside the building lot, they will be confined indoors. This drives them towards screen use and psychological distress with the age group most affected 15-24 year olds.

If there are safe public spaces to play, children will prefer face to face interaction with playmates and mentors and will spend less time in solitary activities.

Private developers, acting in isolation, do not create safe public space in proximity to a dwelling that is under the watchful eye of an adult. Their focus is on providing a building lot serviced by a road. Nor will they take kindly to additional rules imposed by the planning profession. Only the state, a local government, a group of co-owners or a non-profit entity will act in the interests of children and mothers.

When 40% of children fail to reach a 90% attendance rate in school it's a warning sign.

6. The Ideal Settlement

Every settlement should have at its heart a school with playing fields that can be safely accessed on foot. The size of a settlement should relate to the number of people required to support that school and no more. Charismatic teachers attract students who will want to walk to school with them and converse along the way. A teacher should know the name of every child, as should the children. The factory school with thousands of children arriving from near and far falls short of this ideal. The larger the school and the less the degree of familiarity between students and teachers, the worse the educational and psychological outcome will be.

Every settlement should support trees and gardens in public space and should itself be surrounded by green space or farmland. Every trade should be represented in the settlement so that the locality becomes self-supporting and there are a full range of mentors for children to follow. A settlement should be self-governing drawing up its own rules rather than have them dictated from afar.

Considering things in this way, we can visualise what is required, work out the right places to create housing, work out the appropriate size for the entire settlement, determine the infrastructure requirement, plan the appropriate internal structure looking at the situation from a child's point of view. Only then can we build houses where people want to live.

Considered as an opportunity for 'social housing' a settlement of this nature offers the opportunity to make the building of houses scalable in the sense referred to in the following contribution to this inquiry:

The Anchor Customer: How Government Could Turn Housing Need into Bankable Industrial Demand Evolving the built form enterprise to solve the social housing supply crisis By Campbell Smith

7. Avoiding inflation

The rate of interest on mortgages should be invariable and below the long-term government bond rate. The provision of free or subsidised land will secure Thomas

Pain's ideal of securing a citizen's birthright and militate against dependence on government handouts.

Fighting inflation should not involve families facing the risk of foreclosure due to increasing interest rates thereby creating a feedback loop that increases the cost of production inflates prices generally and pushes people into mortgage delinquency.

Wage adjustment to compensate for inflation creates a feedback loop that reduces consumption and economic activity. The failure to increase wages or lower prices as productivity increases is the source of the problem.

To fight inflation, it is necessary to remove the drivers of capital gain on real estate and the forces acting to increase the price of energy that empowers the hand of man. It will also be necessary to crimp the demands of those at the top of the earnings tree in both private and public enterprise.

The alternative is the existing pattern of increasingly burdensome debt and intermittent collapses in aggregate demand resulting in damaged families and failing health, poorly resourced hospital emergency departments, the recruitment of policemen, lawyers, welfare workers, more paddy wagons, courts, lock ups, remand centres, prisons and longer gaol sentences– the British and US rather than the Scandinavian approach to population management.

8. Social Housing

Government-owned single-use housing, in either standalone or multi-story form, is inferior to two-storey mixed use catering for both commercial and residential use. Safe public space must be built within or adjacent to multi-storeyed housing. Space must be found for communal gardening, cooking, eating, crafts, and the production and exchange or sale of goods and services by locals.

Part 7: The Take-Home Message

Curtailing the capital gains taxation concession on housing was a brave step in the right direction. It will materially help to divert savings to more productive uses.

Put simply, Australia has an unmet demand for a particular type of housing suited for those who earn less than average weekly incomes. We must change the settings to meet the challenge.

Australians have institutionalized a set of practices that are dysfunctional. The bloat in our public services, the commitment to zoning, regulation and licensing is inhibiting the scope for individual initiative, reinforcing privilege, distorting the distribution of income,

inhibiting the birth and development of children and reducing the potential to satisfy human needs. A complacent political class has not yet seen that this is a fundamental problem and that the natin is going to the dogs.

Living close to one's work reduces the time lost in getting from place to place and the necessity and expense attached to owning and running vehicles for personal transport. To the extent that the need for travel is reduced, public space is less hazardous –vital for children and mothers. Already, with a decline in the birth rate we can see an aging problem that we are ill equipped to deal with.

To the extent that one can meet daily needs by walking, social intercourse is made possible, while the universe of the people that one is thoroughly familiar and comfortable with is enhanced. Man is a social animal. Connected people live longer and more productive lives and strong families require less help from governments.

'Can the children walk to school by themselves?' is the question worth asking.

The degree to which the population is replacing itself is the critical issue.

The Productivity Commission's reform directions are welcome but insufficient.

The fundamental problem is that the planning framework denies freedom of entry to housing, is needlessly restrictive, locks people into car-dependent isolation, and is antagonistic to the development of an interactive social fabric that enhances constructive co-operation, problem solving, and independent self-government. This reduces our agency to be creative and productive. This is in part the product of a ruinous separation between decision makers and decision takers that impairs our ability to observe and adapt. Arguably, local governments are not equipped to do the job properly, State Governments are overwhelmed in dealing with the problem of sunk capital and dysfunction that is due to a failure of observation, intellect and imagination while the Federal Government holds the purse strings.

Part 8: Summary of Recommendations

The answer is to devolve the provision of housing and its regulation to a specialised public authority away from existing cities. Build afresh in a decentralised fashion and enable connection with high speed rail.

The duality of single purpose zoning and the presence of powered vehicles is antagonistic to meeting human needs. It is delivering isolation, inefficiency, expense, time lost, and the possibility of a collision and is particularly damaging to children and mothers. A set of wheels might look like freedom but it’s actually a source of friction, bondage and inefficiency. It’s a productivity killer.

We need to think about what sort of settlements favour the development of vibrant, productive and caring communities. We need to move from:

- Single use, to mixed-use zoning.
- Car dependency to walkability.
- Isolation to interaction.
- Settlement design that enables humanity to reach its full potential.
- Modern manufacturing opportunities.

The goal should be housing within useful and proximal public space that offers the opportunity to access the things we need without walking to a public park or recourse to the use of automobiles.

Economic exchange, formal and informal markets, community resilience and social cohesion require high levels of interaction. Public space is where people play and seek entertainment. Local commerce is not optional. It is essential.

1. End the cycle in land speculation that is dependent on low interest rates that fuels speculation in land and houses and generalised inflation. Tax land value (unimproved value) to fund the provision of land and infrastructure by public authorities. A tax on capital gains on land and housing is essential.
2. Provide government-backed mortgages at stable, below-market rates for the house that the owner occupies. Tap Australian super funds to fund this nation building enterprise.
3. Avoid borrowing from foreigners that impairs the ability of a nation to exercise its sovereign right to care properly for its citizens.
4. Empower land development by a public authority charged with creating a wholistic settlement design to support the development of vibrantly self-governing communities and the utilization of modern manufacturing practices. Put an end to ad hoc extensions of urban sprawl and speculative land banking by private developers.
5. Cease empowering NIMBYs to deny freedom of entry to an underclass.
6. Provide for commercial use in conjunction with dwellings that can be conveniently accessed on foot in residential areas. Reconsider what may be required in the town square. Should it simply be an auditorium attached to a school? Facilitate dispersed social activity and play in public space in vicinity of all dwellings.
7. Allow vehicle access only to strategically located communal garages/storage facilities within 5-10 minutes' walk of a residence to create safe public spaces in the immediate vicinity of every dwelling.

8. Link settlement size to school catchment to create walkable communities and promote cohesion and a local government that has relevancy.
9. Minimise taxation on productive activity on the part of private enterprises and their employees.
10. Do the strategic planning and design work upfront. Increase the scope for deemed-to-comply approvals. Employ a visionary approach.
11. Extend the 'granny flat' and rural land use concessions nationally to enable small-form housing and commerce on land zoned rural as a matter of urgency.
12. Enable camping and location of tiny homes on rural land as a matter of urgency.
13. Facilitate owner building, self-help and co-housing approaches to land ownership.
14. Reduce built-form controls that limit flexibility and choice. Provide pattern books for houses and settlement forms. Include designs for a building that combines residential and commercial uses, including the possibility of customising interiors to satisfy different needs by simply shifting the internal walls. Do so with an eye on the need for scalability using modern fabrication techniques with long production runs. Bespoke design should be limited to interiors.
15. Reformulate overzealous bushfire regulations to permit lower-cost, lower-risk, bushfire resistant small form housing options in conjunction with shade from the sun and shelter from the wind.

Recommended Reading

Jane Jacobs: *The Death and Life of Great American Cities* (1961)

"Jacobs argued that places should become both dense and diverse, either in the form of dense streets or packed squares; such physical conditions can prompt the unexpected encounter, the chance discovery, the innovation which was once the genius loci of cities."

2. Christopher Alexander, Sarah Ishikawa, Murray Silverstein: *A Pattern Language: Towns, Buildings, Construction* (1977)

"Most of the wonderful places in the world were not designed by architects but by people."

3. **Modern Manufacturing**

Manufacturing-Homes-Policy-Report-No.-15-v2.pdf https://curtinrc.org/wp-content/uploads/2026/07/Manufacturing-Homes-Policy-Report-No.-15-v2.pdf

4. The problem of economic rent and the political problems associated:

5.Social media: https://www.afterbabel.com/p/the-many-lines-of-evidence-that-social

6. US rankings of Affordability related to intensity of regulation
https://www.realtor.com/research/metro-report-cards-2026/?iid=imc27_MetroRCimc27_MetroRC_Featured_tile

7. My Substack https://erlhapp.substack.com/ including

https://warwickpowell.substack.com/cp/212913626

https://erlhapp.substack.com/p/the-limits-of-modern-monetary-theory

https://erlhapp.substack.com/p/loneliness-is-spreading-and-modern

https://erlhapp.substack.com/p/enlightenment

https://erlhapp.substack.com/p/forest-bathing

https://erlhapp.substack.com/p/the-last-option-camping