

19 April 2023

2023-24 Property Council Victorian Pre-Budget Submission – Setting Up for Success

Foreword

Victoria's property industry, as the most significant sector in the state economy, offers the greatest potential for economic growth and social impact. The property industry develops our most livable communities and builds our most sustainable homes, creating homes for families of all shapes and sizes to live in. It creates world-leading precincts, it redefines the way we work, and it keeps the state moving through innovative logistics hubs and future-focused transport infrastructure.

As an industry directly employing 390,000 people and supporting more than 471,000 workers in related fields, the strength of the property industry will be crucial in the years ahead to ensure that our economy, cities, and communities grow and thrive, and crucial in supporting our state's economic aspirations.

The re-elected Victorian Government embarks on its third term with a clear voter mandate to implement its program in energy, health, transport infrastructure and social infrastructure. The upcoming 2026 Commonwealth Games also provides the state with a prime catalyst to build long-term infrastructure that will both service the delivery of a successful event and at the same time address the needs of our growing regional cities. The Property Council supports progress in all these areas enthusiastically and looks forward to facilitating productive partnerships wherever possible.

At the same time, there are still blank parts of the canvas to fill in on the future of housing and planning, which are critical to ensuring both the quality of life and economic outcomes. Rising construction costs, supply chain instability and increased interest rates are in themselves putting pressure on our short-term housing pipeline, and we recognise the Victorian Government has limited control over these factors. But land availability, planning system efficiency and the investment attraction are all areas that can be addressed to ensure our housing supply pressures – across all types of housing – don't escalate.

The Property Council of Australia believes the 2023-24 Victorian Budget must unleash the full potential of the property industry and set up for success in addressing the key issues currently facing Victorians. The Budget must include solutions to ongoing cost of living and housing affordability, make strategic investments in infrastructure and resourcing that enables us to meet the needs of a population that is rapidly growing again.

The focus of this Budget must be investment and resourcing decisions that:

- Unlock more land and service it more quickly to keep pace with the demand for greenfield housing, thereby improving affordability and assisting with cost-of-living pressures.
- Cut through ineffective local governments to deliver more medium and high-density infill housing, with a focus on Melbourne's middle ring, to enable greater housing choice and affordability
- Deliver the long-awaited program of planning system reform as part of Victoria's fulfillment of the obligations created by the National Housing Accord;
- Urgently deliver additional land for development in key industrial and employment precincts that will support job growth and our supply chain resilience; and
- Scope a program of full taxation system review to examine if the current structure of property taxation is fit for purpose for our future economy.

The property industry is enthusiastic about the potential ahead and is ready for strong collaboration with the Government to ensure that key projects are delivered smoothly and leave an imprint on Victorian communities for years to come.

On behalf of Victoria's largest industry, the Property Council remains a committed partner, eager to work closely with the Government to realise and deliver the full recovery of Victoria's economy. We are excited to continue working with the Government to deliver economic and policy leadership that will not only shape our regions and grow Victoria to its full potential but will once again make Melbourne the world's most liveable city.



Cath Evans
Victorian Executive Director
Property Council of Australia

2023-24 Budget Investment priorities

Addressing Residential Housing Supply

In 2022, Australia was the only nation (internationally) with all the major city markets ranked as severely unaffordable.¹ Among 92 international markets surveyed, Melbourne measured sitting inside the worst 20 for affordability.² At the end of 2022, the Property Council commissioned national research to test community attitudes to housing choice and supply across Australia. Unsurprisingly, the research revealed that Australians are deprived of choice and cannot either buy or rent in a way that suits them and their needs, with 81 per cent of Australians stating that there is a lack of housing that is affordable in their area.³

At a state level, Victoria is facing a generational housing affordability crisis driven by higher house prices, lower levels of new housing supply and an increasingly difficult policy and regulatory environment in which the industry is operating. In Victoria, the ability to borrow is decreasing and the cost of mortgages and rents is increasing, leaving more supply and an improved planning process as the primary levers to unlock housing that is affordable. Currently, Victoria has considerable shortages in residential housing supply in both the outer suburbs and the middle suburbs of Melbourne.

The Property Council engaged Urbis to undertake research into the current state of land supply in Victoria for the residential sector. In its research, Urbis found that in the next 30 years, Melbourne will need to house an additional 3.4 million people.⁴ This means the city will need to deliver an additional 1.3 million homes, equating to an average of 43,600 additional homes per year.⁵ Along with Melbourne, Geelong is also attracting major growth, with new growth fronts required to absorb incoming demand. Alarming, the research showed that the average annual volume of lot sales between 2018–2021 to the volume of ‘active’ supply, suggests there could be as little as three years of active lot supply in new communities in Melbourne and nine years of lot supply in Geelong.⁶ To avoid a housing deficit, the Government will need to immediately begin releasing an additional 9,000 to 17,000 lots per year.⁷

Melbourne is growing faster than ever before, and the South-East growth corridor has seen the most advancement in terms of land take-up. The area has seen around 14,000 new residents per year since 2006, 5,000 dwelling approvals on average since 2017, and 3,500 lot sales recently.⁸ With 12,000 lots remaining in ‘active’ lot capacity, the market may run out of stock within three to four years.⁹ Similarly, Melbourne’s West corridor has witnessed strong growth in dwelling approvals, population, and sales rates in the last decade. Over the past three years, there have been over 8,500 dwelling approvals, which would result in between four and six years of current ‘active’ capacity to

¹ Demographia International Housing Affordability 2022 Edition, Urban Reform Institute and Frontier Centre for Public Policy, March 2022.

² Ibid.

³ YouGov nationally representative survey of 1500 Australians, conducted for the Property Council of Australia, November 2022.

⁴ Urbis Report, ‘Greater Melbourne and Geelong Residential Supply Research,’ November 2022

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

be absorbed.¹⁰ Given the rate of growth in sales, dwelling approvals, and population, there is immediate urgency to enable activation of the remaining 35,000 lots within the total capacity of the area.

The research demonstrates that there is a clear disconnect between the policy view of total capacity for development and the true volume that can be made available for sale and delivered in the short term. A commitment to serious collaboration between the Government and industry is needed to understand, plan, and implement the delivery of housing to meet the many challenges ahead. According to the Australian Housing and Urban Research Institute's estimates, by 2025, 462,000 Victorian households will be in need of basic housing. If the Government does not act immediately to address this concerning prediction, disadvantage and inequality will begin to be entrenched in many parts of our society.

The growing demand for housing in Victoria's growth areas, driven by a lack of housing affordability within inner Melbourne due to increasing land prices and construction costs, has tilted Melbourne's housing delivery further away from the Plan Melbourne target of delivering 70 per cent of new housing through infill or apartment product, and 30 per cent in house and land/new communities. It is crucial for the Government to use this Budget to secure a reliable pipeline of housing, to support the Government's planning policy and Victoria's general goal of attracting talent to livable, affordable, and sustainable communities.

Whilst the Victorian Government and the Victorian Planning Authority (VPA) are to be commended for the leadership they have provided to approve numerous Precinct Structure Plans (PSPs), providing Melbourne greenfield markets with an appropriate pipeline of long-term supply; little has been done to address short-term supply issues such as those that we currently face. We urge the Government to use this opportunity to provide more support for local councils and authorities to facilitate planning and development approvals in a timely manner to ensure supply constraints do not continue to impact housing affordability. Currently, due to a number of factors including under resourcing, the VPA requires roughly three years to complete a PSP. The Government needs to ensure that the VPA has the resources it needs to complete PSPs within consistent and reasonable timeframes and should consider introducing a statutory requirement that PSPs are to be completed within two years of commencement.

To prioritise housing supply and improve housing affordability outcomes across Victoria and Local Government Areas (LGAs), we urge the Government to establish a Victorian Housing Supply and Affordability Council (the Council), mirroring and working closely with the Federal Government's National Housing Supply and Affordability Council. The Council should:

- be comprised of experts from a diverse range of relevant fields,
- be responsible for ensuring the Victorian Government delivers on targets for land supply as set out by the National Council,
- advise on ways to improve land use planning and land supply,
- advocate to the National Council on measures to be included in future Victorian city and regional deals and,

¹⁰ Ibid.

- provide ongoing data, research, and advice to the National Council to long-term and short-term housing supply is understood in Victoria.
- develop a model to incentivise institutional investment into large scale housing projects.

We believe that the Government must extend additional support and find new ways of working with all LGAs so that they are able to achieve these timely objectives. Through both consultation and lived experience, the industry has identified that local governments require additional funding and resourcing to be able to execute proper and timely planning permit decisions and those that avoid escalation to the Victorian Civil and Administrative Tribunal (VCAT). We believe that this could be achieved by expanding the VPA's Streamlining for Growth program, thereby saving cost, preserving VCAT resources and speeding up planning timeframes. To ensure accountability, transparency, and consistent outcomes, we support and strongly urge the Government to introduce a statutory requirement for the VPA to deliver a reasonable and consistent number of lots per annum.

On the planning front, we believe that primary focus should be concentrated on identifying and facilitating urban renewal outcomes in Melbourne's middle ring. In recent years, the complex process to undertake a rezoning of developable land has become more resource intensive and uncertain. Significant sites and landowners remain reliant on Ministerial intervention if local councils reject proposals. It is therefore we call on the Government to set defined housing targets per LGA that support housing growth across all markets. Vitally, any policy improvement in this area needs to be accompanied by broader reforms that not only support speedier and simpler approvals processes, but an injection of further capacity.

The Property Council is increasingly concerned by the mismatch in the Government's land supply estimations and the industry's assessment of appropriate available and to-be-zoned land. We stand ready to work with the Government to appropriately address the crisis we find ourselves in due to lack of housing supply. We call on the Government to prioritise funding in this Budget to tackle this rapidly evolving issue before it is simply too late.

Recommendations

1. Establish a Victorian Housing Supply and Affordability Council to mirror and work in close partnership with the new National Housing Supply and Affordability Council established by the Federal Government to increase housing supply and improve housing affordability. The Council should mirror the structure of the national body once set up and contain representation from the development industry as well as key government authorities and expertise in planning, community housing, building and construction, taxation, and academia. The Council should be an ongoing advisory body and report jointly to the Treasurer, Minister for Planning and Minister for Housing.
2. Provide funding and resourcing incentives to local governments to encourage proper and timely planning permit decisions that avoid VCAT and take immediate action to unlock additional new housing supply and improve housing affordability through a more ambitious PSP and dedicated structure planning process that:
 - requires all PSPs to be completed no more than two years after commencement,

- sets specific housing lot release targets to address supply shortages in key growth areas and metropolitan corridors as well as regional markets.
 - provides further support to the VPA and its work program by increasing its funding and resourcing level to service the high levels of activity in the greenfield and urban renewal planning and approvals.
3. Provide additional funding to appoint more VCAT members and support staff, as well as to refurbish existing facilities and to provide additional venues for the return of in-person hearings.
 4. Lead activity that supports a greater level of awareness of Aboriginal cultural heritage requirements within the development industry, and fully equip local government with the tools and resources it requires to promptly execute management plans, heritage tests and permits, land management agreements and protection declarations, without adding significant delays to the approval of planning applications.
 5. Bolster the capacity of all key authorities and government departments, including such as Melbourne Water and the Department of Transport and Planning to facilitate resource design and approvals to bring on larger volumes of supply. Create a mechanism for greater accountability and transparency to ensure that authorities are delivering on target outcomes annually.
 6. Set defined housing targets per Local Government Area that support housing growth across all markets.
 7. Provide the VPA with responsible authority over status for key projects that have the most impact on land and housing supply, with fast tracking capacity and oversight of the action and performance of relevant to minimise the delays in completing the project and delivering housing supply to the market.

Refreshing the Planning Agenda

To help address Victoria's growing housing affordability crisis, the Government must focus its immediate attention on resolving the critical issues embedded within the current planning system, including the inefficiency of the planning and approval process. As it stands, Victoria's planning system is incredibly time consuming and cumbersome, causing immense and unnecessary delays. Whilst there are many contributing factors, we believe that inconsistencies across local governments to community consultation processes and their reticence to act against community sentiment, regardless of the merit of a proposal are among the key barriers to achieving timely approval outcomes.

Over the years, planning approvals processes have become more complex with many decision makers and decision points, some of them repetitive and others, we believe, no longer necessary. This has resulted in growing industry concerns about ongoing delays and ultimately the quality of and trust in decision making. The complexities are not unique to planning approvals, equally the processes around building approvals have also become excruciatingly difficult and no longer meet community or industry expectations. We firmly believe that there is need for improvement and refinement of the planning and approvals system, which has proved to be no longer workable. Improvements in the planning system are critical to attracting institutional capital to Victoria, which

is essential to driving large scale housing development across the state and will continue to be crucial for the Government if it is to meet its obligations under the Housing Accord commitment.

For applicants, whether they're individuals, families, or developers – time is money. The more difficult it is to navigate the system; the more costs are incurred at the expense of efficiency and the system's overall effectiveness. At a time when Victorians and others should be encouraged to invest in our economy, they are instead being discouraged by the immense costs and lengthy delays that they are promised to encounter. Now more than ever, it is time for the Government to turn its mind to the future of Victoria. It's time for the Government to fix the planning and approvals process. The industry, as well as individuals and families, need a better system with greater accessibility and assurance, to regain confidence in the process and invest their savings to build in Victoria.

In 2019–2021, the Commissioner for Better Regulation (the Commissioner) undertook a review of Victoria's planning and development approval process (the Review). The Review highlighted the shortcomings of the current system and proved that these add significant time, cost, and regulatory burden to the task of delivering new housing in Victoria.¹¹ The Review also found that delays in the planning system cost the economy an alarming \$400 million to \$600 million each year.¹² The Commissioner emphasised that improving the approvals process would not only bring forward residential, commercial and industrial construction but also dwelling occupation, delivering economic benefits associated with household expenditure for goods and services and increased employment. As part of the Review, the Commissioner made 27 recommendations to the Government, that addressed practical measures to simplify and streamline the planning system to improve the delivery of new housing and development.

The Property Council strongly supports the recommendations and believes that the benefits of the proposed reforms will bring forward the construction of an addition 4,800 dwellings per year, increase gross state product by \$755 million, state revenue by \$330 million and create close to 3000 new jobs over five years. We believe that there is enormous potential to improve Victoria's planning and approval system which would tangibly increase housing supply and improve housing affordability.

Since the Commissioner's report, the Federal Government has initiated a National Housing Accord with a national target of 1 million new homes constructed in five years from 2024. This Accord will require coordinated action to enhance planning outcomes across all jurisdictions and the package of reforms will unquestionably support Victoria to meet the state's new Accord targets.

We encourage the Government to recognise the indisputable merit of the Commissioner's recommendations, and to confidently progress with an agenda to improve and simplify the current planning system to make it workable and effective.

In this Budget, the Government must prioritise funding to support a full set of reforms to the planning and approvals processes, including the implementation of the Commissioner's recommendations. Failure to do so would risk losing potential investment to other Australian

¹¹ Turning best practice into common practice – planning and building approvals process review report to Government, Victorian Commissioner for Better Regulation, November 2021, Turning best practice into common practice | Victorian Government (www.vic.gov.au).

¹² Ibid

jurisdictions and deny the Victorian community significant economic and social value that can be delivered through a more efficient regulation planning and development approval system.

Recommendations

1. Fully implement the Commissioner's 27 recommendations, including a full legislative package where amendments to the Planning and Environment Act are required, and measure their impact on creating housing supply and supporting better affordability outcomes through the aforementioned Victorian Housing Supply and Affordability Council.
2. Continue to resource the planning reform unit within the Department of Transport and Planning to support the ongoing pursuit of planning system improvements at a state and local level.
3. Introduce code-based assessment in the planning system, and code-based assessment and self-certification in the engineering system to improve approval timeframes.
4. Commit to the retention and expansion of the Development Facilitation Program, and include large-scale infill residential development projects as eligible for at least the next 12 months to support infill supply.
5. Rationalise the referral process through the establishment of realistic timelines and a transparent, online tracking program, which will guide consistency across all referral reviews, and deep referrals automatically approved if the timeframes are not met by authorities.

Addressing Industrial Land Supply

Over the last couple of years, industrial consumption has increased drastically across all regions of Melbourne. Industrial activity in the Melbourne market has been predominantly confined to the urban growth boundary and centered around specific locations. Development has mainly occurred in areas which fulfill specific site attributes and have established transport and other infrastructure to support industrial activity. Findings in an Urbis report, commissioned by the Property Council in late 2022, show that between 2017-2021, a total of 1,547ha has been consumed with the western region accounting for more than half of total consumption.¹³

Whilst traditionally, the industrial hubs of the western region were focused on Sunshine, Brooklyn and Laverton, due to lack of industrial land, over the last five years development has forced its way into Truganina and Tarneit. Similarly, in the South-East, industrial activity centered around Dandenong and Keysborough has been pushed out further into Cranbourne and surrounds, as there is no new land proposed in the Southern State Significant Industrial Precinct.

Whilst development activity had been rising gradually in the early 2010s, the recent expansion of e-commerce demand, and a shift from 'just in time' to 'just in case' inventory storage, has propelled industrial development to peak in all areas. Since 2020, volumes have started to trend downwards, however not due to a lack of demand but due to amongst other things, a lack of suitable land available for storage and transport purposes. The shortfall in industrial land is hindering the growth

¹³ Urbis Report, 'Industrial Land Supply Research,' October 2022

of e-commerce and online retail in Victoria, an area that drove a significant portion of the state's economic growth during the pandemic and hastened its recovery. With businesses struggling to find affordable warehousing space, many are finding it difficult to adequately scale their operations, which is limiting the potential for economic expansion and the creation of new jobs.

Victoria, and in particular Greater Melbourne, is facing a pronounced shortage of industrial land, which has wide ranging consequences on both Victorian business and the wider community. The shortage of industrial land suitable for development is leading to higher costs for businesses, which are then in turn passed onto households in the form of higher prices for goods and services. This has a broad impact on the cost of living in Victoria and makes it difficult for local businesses to compete internationally and on the local market.

In its research, Urbis investigated the state of industrial land supply in Victoria. The findings of that report show that there is four years of currently zoned and available industrial land, with as little as one year remaining in the South-East corridor.¹⁴ This situation has direct implications on the attractiveness of Victoria as a destination for investment, as businesses look for more cost-effective locations to set-up operations and forward-looking organisations seek larger and more versatile development opportunities. With significant tracts of zoned and available land coming onto the market in Sydney, and other Australian capital cities fighting over new opportunities, Victoria is not only competing nationally but globally as a destination for investment capital.

The Victorian Government has an opportunity to super-charge Victoria's post-pandemic recovery and re-establish the state as the pre-eminent Australian option for new manufacturing, logistics and e-commerce developments.

Recommendations

1. Take immediate action to refine the Urban Development Program (UDP) to exclude industrial sites which are constrained due to existing topographical barriers, from the supply component of the UDP data. Further insights are also needed to understand residential supply opportunities.
2. Undertake greater industry engagement to ascertain the level of consumption of sites. This will provide a more holistic view of the current market conditions and available supply in the sub-markets.
3. Take immediate action to reduce relocation risks and capital investment diversion. The recent zoning of land in the Western Sydney region requires immediate action through activating Melbourne PSPs. This will ensure that sufficient land supply is available for development to lower the potential risk of business relocation.
4. Establish clear timeframes and sequences for infrastructure planning and delivery, as continued uncertainty around infrastructure delivery heightens settlement risk for residential and business relocation risks for the industrial sector.
5. Support the Australian Government's investment commitment and funding to build the Victorian intermodal terminals, including the Beveridge Interstate Freight Terminal (BIFT) and

¹⁴ Ibid.

the Western Interstate Freight Terminal. BIFT and WIFT have potential to create almost 2,000 jobs and improved network reliability and freight productivity.

Scoping a program of consultation for taxation reform

Over the last few years, the Government provided much needed support to businesses, including those within the property sector, to survive the pandemic. Now, as we emerge from the uncertainties and begin to find our ground, it is time for the Government to let the property sector, once again, be the biggest contributor to the Victorian economy. In 2023, Victoria finds itself in a unique environment, facing significant and unpredictable economic challenges, whilst also being presented with future defining economic opportunities. The key to meeting these challenges and realising these opportunities is ensuring that Victoria remains an attractive place to live, invest and do business.

In 2022, a report commissioned by the Victorian Chamber of Commerce and Industry (VCCI) found that; Victorian businesses pay the highest national and state taxes relative to Gross State Product (GSP) in Australia, 55 per cent of Victorian businesses with operations in other jurisdictions identified Victoria as the hardest place to do business, and less than 50 per cent of Victorian businesses feel they get value for money from the taxes they pay.¹⁵ As it currently stands, and in comparison, to other states and territories, Victoria is becoming a more expensive, high tax, high burden jurisdiction in which businesses experience greater costs, resulting in less interest for investment and therefore weaker future prospects.

The Windfall Gains Tax to come into force on 1 July 2023 represents the 19th new or increased property tax introduced since 2014. Across the last decade, the trend by the Victorian Government has been to introduce new and adverse taxes on property rather than rationalise or improve the tax system to ensure sources of reliable, consistent revenue more securely. Since 2014, eight new property taxes have been introduced, ten increases in the rate of existing taxes have been implemented, four exemptions have been removed and three changes expanding the scope of a current tax have been implemented. The impact of the new and adverse tax changes introduced in recent years is only understood through the prism of government revenue received. The opportunity-cost in terms of increased investment, potential housing supply that has gone undelivered, and industry confidence reduced by uncertainty driven by regular adverse changes to the tax settings, must be examined.

Through Victoria's current tax system, property contributes almost 50 cents in every dollar of state government tax revenue. A massive \$2.506 billion has already been derived from stamp duty receipts in Q1 of 2022-23 – and the reliance on property taxes risks becoming even more entrenched. The Victorian budget is highly reliant on the taxation of property as a primary source of revenue, and therefore reliant on high volumes of property transactions and increasing land values to ensure increasing revenue. The current taxation system jeopardises the Government's entire Budgetary program with just one downturn in the property market.

With a majority return to Government and a full four years ahead, we believe that now is the right time for the Government to recognise the importance and great benefits of reform to the state's

¹⁵ Nous Group, 2022, 'Cost and ease of doing business in Victoria' (report commissioned by the Victorian Chamber of Commerce and Industry),

taxation system. We believe that sensible and stable taxation settings are the biggest priority for this Budget to attract and promote investment confidence and full economic recovery. We urge the Government to capitalise on the opportunity provided by this unique environment and prepare a thorough and in-depth review of our current property tax regime, with a particular focus on stamp duty and land tax.

Stamp Duty and Land Tax Reform

The NSW Government's commitment to renew its reform agenda to move away from stamp duty toward an opt-in land tax model has again brought the issue of stamp duty versus land tax to the forefront of debate. For the most part, economists and homebuyers seem to agree that stamp duty is a bad, harmful, and distortionary tax. Stamp duty has been widely criticised as a grossly inefficient tax as it penalises anyone buying their first house or moving to another. It has also been blamed for exacerbating the housing affordability crisis, discouraging people from downsizing and adding a layer of unpredictability to state budgets. Stamp duty increasingly discourages economic activity and often prevents people from buying the house that best suits their needs. Melbourne's \$970,000 median house price will cost a homebuyer \$53,350 in stamp duty, up front, typically paid for through their mortgage, attracting interest over decades.

Given that the last review of Victoria's taxation system was undertaken over 20 years ago, in a much different economic and social setting, we believe that it is the current Government's responsibility to launch a fresh, transparent review with a view to increasing the efficiency of our tax system and reducing its distortionary impacts. We are certain that there is opportunity in Victoria's property tax system to reverse the economic damage of stamp duty and use the tax system to incentivise and increase economic activity and valuable social outcomes.

A true partnership approach with the industry is crucial to the successful realisation of Victoria's potential through a more efficient property tax system. The Property Council believes that Victoria needs a fresh, transparent, sensible review into the mix of taxes that Victoria relies on, including whether stamp duty and land tax are fit for purpose for our future economy. We need to ask are these taxes a handbrake on economic growth, do they limit our economy's productivity, and are there changes we should make now?

The Property Council is ready to work with the Government to achieve a more efficient tax system that facilitates and incentivises investment and economic activity. Adding to this momentum is the public support and willingness of the Albanese Government to engage with the State Treasurers in a discussion about how real reform could be achieved. This Government needs to ensure that there is parity between our state and other Australian states and territories so that we can continue to attract large scale investment and secure ongoing economic benefits for Victoria.

Recommendations

1. Work in close partnership with the property industry to structure a review of Victoria's property taxes in this term of Government.
2. Commit to a property tax review to examine the increasing reliance on property transaction taxes and more efficient methods of raising tax revenue that minimises the impact on housing affordability, supports higher levels of property transactions and increases ownership

opportunities. The review should also encompass a review of current property tax thresholds and whether they need adjustment in line with increasing land prices.