

# FEDERAL ELECTION MUST FOCUS ON HOUSING GROWTH AND INFRASTRUCTURE

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The federal election must focus on the need to drive more housing growth in Australian cities with appropriate infrastructure, says the Urban Taskforce.

"The federal election announced today will need to focus, more than ever before, on managing growth in Australia's cities," says Urban Taskforce CEO Chris Johnson. "The housing market is collapsing in Sydney and Melbourne, with growing negative attitudes about the change occurring to the character of these cities. The recent swing to more urban living in apartments as an affordable way for younger people and retirees to live must continue despite concerns from suburban house dwellers."

"This election is to some extent a debate about how Australian's will live as our cities grow, and this inevitably raises issues about high density living, congestion, infrastructure provision and housing affordability. The reality is that the suburban model works for cities up to around 4 million people, however, as Sydney and Melbourne are heading for 8 million people, strong political leadership is required on how to best manage the switch to more urban living that can co-exist with the suburbs."

"The Urban Taskforce believes the federal government must help the states and councils manage the evolution of Australia's cities into more urban structures. This is even more important now that the housing industry is going through a major contraction phase in terms of the supply of new homes."

The Urban Taskforce calls on all parties to support the following policy commitments:

1. HOUSING SUPPLY MUST BE REBOOTED

The Australian Bureau of Statistics (ABS) indicates a dramatic fall in housing approvals across Australia, as does the Reserve Bank of Australia (RBA). The result of this slowdown will be a loss of jobs in the industry, and a reduced supply chain of new homes in future years. The federal government must look at policy levers that can reactivate the supply of new homes.

2. FREE UP CREDIT RESTRICTIONS ON HOUSING LOANS

Many ordinary Australians are finding it impossible to get a loan to purchase a new or existing home. The builders of new homes are also finding it more difficult to secure

finance for new projects due to credit restrictions. The federal government must not instigate policies that make credit harder to get, but must work to free up the flow of loans into the housing industry.

### 3. SUPPORT A ROBUST IMMIGRATION PROGRAM

Recent concerns about the changing character of our cities has led to knee-jerk reactions that big reductions in immigration can keep Australian cities from changing. But with the large number of baby boomers moving into retirement Australia needs young, skilled, income earning tax payers to fund government programs. This population growth will maintain Australia's competitiveness economically and the shape of our cities can be managed in a way that supports diverse living styles.

### 4. PROVIDE STRONG LEADERSHIP IN SHAPING OUR URBAN CITIES

Rather than fuelling community concerns about change, Australia's politicians must take a lead role to help shape the future of our cities. Global cities that contribute to the world's economy will grow and can do this in a positive way with political leadership.

### 5. REDUCE EXCESSIVE TAXES ON NEW HOUSING

All levels of government seem to want to add taxes to new housing to cover the cost of infrastructure, affordable housing and public transport. This feeding frenzy of governments desperate for funds is increasing housing costs to excessive levels. The Federal Government must ensure that taxes on housing do not drive unaffordability for ordinary Australians.

### 6. SUPPORT URBAN INFRASTRUCTURE PARTICULARLY METRO RAIL

The Federal Government has a specific role in funding major infrastructure projects. The most important 'game changer' for Australian cities is the roll out of metro rail projects. The federal government must be a major funder of these projects and they must require bold densities for development next to metro rail stations.

### 7. ENCOURAGE LONG TERM RENTAL HOUSING

While home ownership has long been an aspiration of Australians, it is clear that there are a growing number of people who prefer to rent. This requires an investment market to provide rental homes, and the federal government must support this investment - including long term rental in the Build-to-Rent model.

### 8. REQUIRE EFFICIENT PLANNING SYSTEMS ACROSS AUSTRALIA

Many state planning systems are overly complex and slow. This is having a negative impact on the productivity of the property development industry and this adds costs to the end product. Australia's planning systems must support the swing to a mixed use, cosmopolitan lifestyle that is preferred by many people. A national review that drives a more up to date planning system, particularly for cities, is needed.

The **Urban Taskforce** is a property development industry group, representing Australia's most prominent property developers and equity financiers.

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