

MEDIA RELEASE

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Property Development and Construction Industry welcomes Minister Sukkar holding States to account for rising home price crisis

“Urban Taskforce strongly supports the criticism of the NSW Planning System and its failure to be flexible at a time of urgent need.

“The State Planning Minister has been told time and time again that it is the NSW Planning system and its consistent failure to ensure that supply meets demand for new homes that has led to the current housing crisis and its time something fundamental changed.

“Put simply, Minister Sukkar is right to call-out NSW as holding back the economic performance of the nation. The calls have been growing for some time, but the message has been clear:

- First there was Glenn Stevens and his report in 2017 [Click here to see the Stevens Report](#) (Commissioned by the Premier) into Housing Affordability prepared for NSW DPC which noted that lack of housing supply in NSW was the main driver declining household affordability. This report quietly published, then was shelved.
- Then Keaton Jenner and Peter Tulip of the Reserve Bank of Australia published a paper in May [Click to for link to Jenner Tulip paper](#) on the additional costs associated with the particular slowness and rigidity of the NSW planning system entitled “The Apartment Shortage”.
- The NSW Productivity Commissioner published a Green Paper entitled: *Continuing the Productivity Conversation* and devoted an entire chapter to the NSW Planning system and how it was failing NSW in terms of its responsiveness, its slowness and the costs, while not delivering supply to meet demand at any point over the past 15 years. <https://www.productivity.nsw.gov.au/green-paper>.
- The Commonwealth Productivity Commission in March 2021 was highly critical of the NSW prescriptive zoning system.
- The Head of Westpac Peter King (Telegraph, 31 March 2021) and NAB’s Ross McKewan [SMH - article "NAB chief calls for faster housing approvals"](#) clearly say that supply issues as the drivers of increasing prices in early 2021.
- The SMH (Jessica Irvine 22 April 2021) has prepared a humorous but nonetheless serious expose of all the factors in the equation based on some excellent further research by Peter Tulip – now of the Centre for Economic Studies.
- CommSec ranked the NSW economy 7th (only ahead of NT) in the recent State of the States Report. The NSW economy represents about one third of the economy of all of Australia. If NSW is struggling, the Australia struggles. While NSW is ranked 3rd on construction activity, it is 7th on new building starts. On economic growth, NSW is ranked last – along with Victoria (where they suffered a much more draconian and extended lockdown).

“The message is clear and consistent. It is coming from Industry, from the major Banks (CBA, Westpac and NAB), from the RBA, and from the State and Commonwealth Productivity Commission – the NSW Planning System needs urgent reform to immediately address the housing supply crisis.

“Urban Taskforce Australia urges swift action from the State and the Commonwealth.

- Take urgent steps to build an imperative for housing supply and flexibility into planning to boost housing supply across NSW and Australia
- The States must work together with the Commonwealth to address the housing supply crisis – this crisis will grow and should be address by the National Cabinet
- Target tax incentives at the delivery (supply) of new housing

“Slowly but surely, the message is getting louder. We need greater supply, less red tape, greater flexibility, faster approvals and urgent planning reform.

“Minister Sukkar is right. States need to fix planning constraints on new housing supply or prices will continue to grow up to and beyond both the Federal election and the NSW election in two years’ time.”

End

The comments above can be attributed to Tom Forrest, CEO, Urban Taskforce.

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

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