



# NATIONAL POLICY

URBAN DEVELOPMENT INSTITUTE  
OF AUSTRALIA

## NATIONAL POLICY STATEMENTS





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## FOREWORD

Australia is one of the most urbanised countries in the world and, today, 16 million Australians (80%) live in cities and towns. By 2031, the Australian Bureau of Statistics estimates the total number of urban Australians will increase to at least 20 million, of a projected national population of 28 million. Urban centres are and will remain a vital component of Australia's economic, social and cultural future.

As new cities emerge and existing cities expand they will continue to face great pressures on already limited resources. Meeting the needs of these populations as well as populations in adjacent regional centres will be a huge challenge. Water shortages, increasing energy costs, inadequate transport and other infrastructure demands, will all have to be addressed, whilst providing more sustainable urban communities. Australia will expect this to be achieved at the same time as jobs are created, the economy expands and Australia remains internationally competitive.

In recent history Australia has been a nation of homeowners. Diminishing affordability is now threatening the ability of many Australians to purchase a home. There are many reasons for this dramatic change in the social fabric of our urban communities and no level of government is without blame.

It is the UDIA's view that this crisis can only be addressed by all three levels of government in cooperation with the private sector so that home ownership again falls within reach of Australians who want to own a home and have been disenfranchised by soaring land prices.

As is amply demonstrated by the following quotes, governments from both sides of the political spectrum have actively recognised and promoted the social and economic benefits of increased levels of home ownership.

“ The material home represents the concrete expression of the habits of frugality and saving for a home of our own.  
... One of the best instincts in us is that which induces us to have one little piece of earth with a house and a garden which is ours; to which we can withdraw, in which we can be among friends, into which no stranger may come against our will.”

**Sir Robert Gordon Menzies, “Forgotten People” Speech, 1942**

“ The land is the basic property of the Australian people. It is the people's land, and we will fight for the right of all Australian people to have access to it at fair prices.”

**Gough Whitlam, “It's Time” Election Speech, 1972**

The Urban Development Institute of Australia (UDIA) recognises that these are complex issues with difficulties arising from the inter-relationship between three levels of government and the fiscal arrangements between governments, the history of massive under-funding in infrastructure and the dynamic forces of numerous discrete housing markets throughout the country. This complexity is compounded by the experience of recent years where the expectation has arisen within government that new purchasers, through developer taxes and charges, will meet substantial infrastructure costs up front rather than having a proportion of these costs funded by public borrowings and paid for by future generations.

At a national level, the urban development industry recognises that solutions can be achieved if effective collaboration between various levels of government and the development sector is pursued.

This document contains a series of policy positions that have been adopted by all State UDIA bodies and at National level, and articulates the direction the industry believes must be followed to secure a sustainable future, not just for the development industry, but for Australia.



**Grant Dennis**  
UDIA National President




**Peter Jackson**  
UDIA SA State President



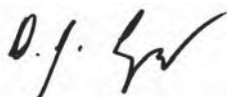
**Ross Blancato**  
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**Stephen Copland**  
UDIA VIC State President



**Brent Hailey**  
UDIA QLD State President



**Darren Cooper**  
UDIA WA State President

## ABOUT THE UDIA

The Urban Development Institute of Australia is the peak industry body representing the property development industry throughout Australia. Established at state level in 1963, the Institute evolved to become a national body with a number of state-based divisions in 1970.

All UDIA State Divisions have developed comprehensive strategies to represent the urban development industry at state level, address the economic conditions and market dynamics facing the industry, and tackle current issues that are of interest to members.

Within Australia the Institute has also developed strong and ongoing relationships with other professional institutes and industry bodies, including the Residential Development Council of the Property Council of Australia, the Real Estate Institute of Australia, the Housing Industry Association of Australia and Master Builders Association.

The UDIA is a member of FIABCI, the International Real Estate Federation based in Paris and the Urban Land Institute (ULI) in the USA. The UDIA also has an association with the Urban Development Institute in Canada and the British Urban Regeneration Association (BURA) in the United Kingdom.

## WHAT WE DO

We aim to secure the economic prosperity and future of the development industry in Australia as we recognise that national prosperity is dependent on our success in housing our communities and building and rebuilding cities for future generations.

**In each state, UDIA State Divisions represent the industry and aim to:**

- Promote the achievement of high standards of urban development;
- Promote respect for the inherited and natural environment while creating quality, dynamic, built environments;
- Ensure the skills within the Institute will be applied to the achievement of good planning, efficient land utilisation and sustainability of resources for future generations;
- Deliver a broad range of continuing education and research programs to support and assist the industry and for the benefit of others associated with the urban development industry; and
- Promote a greater understanding in the community of the role and the achievements of the industry.



## MEMBERSHIP

UDIA members cover a wide range of specialist and industry fields, including:

- Developers
- Valuers
- Planners
- Engineers
- Architects
- Marketers
- Researchers
- Project Managers
- Surveyors
- Landscape Architects
- Community Consultants
- Environmental Consultants
- Lawyers
- Sales and Marketing Professionals
- Financial Institutions
- State and Local Government Authorities
- Product Suppliers

## FULFILLING OUR ROLE

With an expanding population, ageing housing stock and ever-changing demography, there is an ongoing need for the provision of residential, commercial, retail and industrial property in existing and new centres. The circumstances within which development occurs have become and will continue to become progressively more complex as community expectations and demands increase and the regulatory and environmental frameworks continue to grow and become more intricate.

The UDIA's primary role is to ascertain impediments to the efficient and effective operation of the industry as a whole and to assist in rectifying those problems while working within the designated frameworks. Concurrently the development industry genuinely strives to deliver outstanding product to consumers, and the UDIA assists in the achievement of this objective by providing a comprehensive range of member benefits including education programs, information dissemination and the granting of awards at state and national level.

In a regulated environment such as the residential property industry, the achievement of affordability is a critical issue. Since planning, development, housing construction and sale is controlled by State Governments and Local Authorities, and as the economy is largely regulated by federal fiscal policy, it must be accepted that it is a fundamental responsibility of governments at all levels to ensure the provision of affordable residential, commercial, retail, industrial and other land in safe, well resourced and serviced communities.

The UDIA will continue to represent the industry and the community challenging governments to fulfil this obligation.

The Institute's activities will be guided by the following policy statements.

## RATIONALE

The Australian property market does not operate as a single national market. Rather, it functions as a series of inter-related state and local markets and is comprised of residential, commercial, industrial, tourism and retail sectors, each of which operates on cycles not necessarily related to the residential cycle.

Local, state, national and international economic and fiscal policy impact on these markets individually and collectively. Land supply, the cost of compliance with regulatory requirements, fees and charges imposed by all levels of government, taxation policy for investments, regional taxation incentives, infrastructure costs, rebate schemes and grants all impact on the cost of new dwellings. Demographic changes and immigration also affect demand.

Historically, the existence of such a broad range of factors appears not to have been a major problem when affordability crises have arisen. Many of the above factors did not have the impact that they do today. For example, increases in fees and charges, particularly for infrastructure is a critical issue today in most markets. Moreover, the comparative absence of environmental constraints in the past and current supply constraints due to the interaction of urban development with quality agricultural land and physical geographical constraints are creating supply constraints that are difficult for government to address. Higher spending on recreational activities has increased the need for tourist facilities in highly sought after but environmentally sensitive locations.

Changes in government accounting processes and policy that impose infrastructure charges on new home purchasers are also causing profound impacts in many markets. A further compounding factor is that in many locations failure to provide for adequate infrastructure in past decades is resulting in the need for major catch-up programs. Current expenditure by all levels of government has also increased in comparative terms as the electorate demands higher standards from public institutions.

In the past, affordability has largely been addressed by uncoordinated policy initiatives at all levels of government. Land supply has been increased, investment taxation benefits provided to investors, and stamp duty lowered or grants provided depending on the cause of the problem.

Regrettably the affordability situation is not caused by any single factor today and consequently the solution is more complex and requires action from each level of government.

To date, the response to Australia's current housing affordability situation appears to have been based more on political considerations with one level of government blaming the other rather than on making a concerted effort to resolving a complex problem.

The Australian property development industry, through the UDIA, has developed the following policy statements to address this current nation-wide problem as a first priority. Other aims are to encourage the development of longer term policies to ensure that future growth is managed and sustainable. A further purpose is to articulate industry values placed on issues such as sustainability and the safety of communities to ensure the community is apprised of the policies of the Institute.

## RESTORING HOUSING AFFORDABILITY

### URBAN GROWTH

In the context of an increasing and ageing population, urban growth is an essential component of Australia's future. To safeguard the viability of that future it is vital to ensure that all Australians have access to diverse and affordable home ownership or affordable rental accommodation to ensure that quality of life is maintained. Such growth provides many benefits for both local and regional communities and these benefits can provide valuable insights into how we can better manage residential development into the future.

Specifically, the urban development industry generates jobs and contributes significantly towards gross domestic product. Employment is generated in associated services of sales, banking, finance, legal and provision of infrastructure. There is also the added bonus of a multiplier effect on these outputs.

Conversely, unplanned and unmanaged growth leads to loss of amenity and major costs which the community should not have to bear.

The UDIA recognises the need to plan for and manage growth to ensure that, while retaining the characteristics that make cities and regions unique places in which to live, planning structures and policies provide adequate supplies of affordable land for future development. In this regard, we support government policy which provides for the structured future growth of cities and regional centres provided that such policies ensure the delivery of a wide variety of affordable housing and lifestyle choices for the community.

In particular, the industry requires the creation of growth management strategies that allow for continuous and adequate releases of land to cater for dwelling demand. Policy which is inflexible in limiting land supply is strongly opposed by the industry as this can have serious and detrimental consequences for the community including:

- Creating dwelling shortages;
- Generating price increases across the entire house and apartment market leading to a reduction in overall affordability and significantly decreasing the ability of people to buy their own home;
- Limiting quality of life and lifestyle choices; and
- Removing the characteristics and lifestyle opportunities which make Australian cities liveable.

There is a need for both emerging and existing communities to have equitable access to essential services and amenities to accommodate population growth. These include: housing, retail and community facilities, services and infrastructure and employment. This delivers considerable long and short term benefits including:

- Providing for greater choice in lifestyle, housing style and employment opportunities noting that - larger urban areas by nature provide a greater range of choices to residents in where to live, shop, gain employment and recreate;
- Generating new jobs, new income, new tax revenues and higher values for existing property;
- Stimulating opportunities for the revitalisation of existing urban areas - new residents need places to live and work and therefore are often the catalyst for opportunities to revitalise run down and dilapidated areas within a city;
- Lowering the costs of goods and services through greater economies of scale in production; and
- Allowing businesses and people to share resources efficiently through economies of scale from geographic clustering.

Other urban growth issues need further exploration. For example, the 21st century policies of containment and consolidation are aimed at restricting Australia's urban footprint. While this policy has been embraced as contributing to sustainability, it has not been challenged and reviewed for its impact on affordability and the resulting social harms that have arisen, such as rental distress and homelessness.

**The UDIA will:**

- Promote the benefits of urban growth and the positive contributions of the urban development industry to enhancing quality of life;
- Support and encourage proactive government policy that facilitates growth by providing a sufficient and diversified dwelling and land supply market to give purchasers greater choice in location, size, type and cost of homes and which improves levels of affordability both now and into the future;
- Promote the need for Australia to have a well-structured immigration policy, which results in a consistent annual intake of overseas migrants; and
- Promote and support policies that attract immigrants with the attributes and skills required to meet Australia's contemporary economic, social and labour force needs.

## HOME OWNERSHIP

Following years of strong home price growth, housing affordability has reached critical levels around the country.

The UDIA affirms the view that the provision of affordable home ownership and affordable rental accommodation is essential to the health, well-being and ongoing sustainability of our residential communities. Home ownership offers many distinct advantages for individuals and the wider community by enhancing sense of place, sense of self and connections with the broader community.

Home ownership provides tangible and intangible benefits beyond the simple provision of shelter. It can provide social stability, economic reliability, community assurance and can impact on an individual's aspirations for independence and security.

Currently, a profound concern of the UDIA is that current public policy across all levels of government does not support the efficient provision of affordable home ownership and rental accommodation. This places increasing pressure on home purchasers to fund infrastructure and services up-front and consigns a disproportionate financial obligation on a new generation of purchasers.

It is the view of the UDIA that there is an urgent need for governments to review policy, regulatory and taxation systems as well as develop innovative funding and partnership models to promote and facilitate the supply of affordable housing throughout Australia.

The UDIA supports the promotion of opportunities for the private sector to partner with government agencies to provide more affordable housing product for rental and home ownership.

### **It is the view of the UDIA that housing affordability will be improved by:**

- Ensuring adequate supplies of serviced urban land and unit sites, in greenfield renewal areas and for urban infill are provided under planning schemes;
- Broadening the financing base and repayment practices for infrastructure provision;
- Appropriate sustainable development policies and resource management measures;
- The separation of policy from administration in development of assessment systems;
- More efficient regulatory frameworks;
- More appropriate design and harmonised regulation of building standards;
- Increasing the First Home Owners Grant;
- Encouraging the development within the industry of innovative financial models to allow for high levels of home ownership; and
- Supporting the need for the Federal Government to be a greater participant in the task of providing affordable housing.

**The UDIA will:**

- Call on all levels of Government throughout Australia to establish key performance indicators that limit the further decline of affordability and where possible improve current affordability levels through strategies identified in this policy document.
- Support policies that ensure that home ownership remains affordable and guarantee that all Australians have access to affordable accommodation;
- Promote State and Local Government policies and regulations that protect and enhance housing affordability and encourage innovation and diversity of product;
- Support the continued use of taxation mechanisms such as negative gearing to help maintain an adequate stock of affordable rental accommodation and promote a regular review of these measures;
- Promote the development within the industry of innovative financial models to enable high levels of home ownership, including shared equity and other models; and
- Support public/private partnerships for the provision of affordable housing product and promote the development of innovative funding and land ownership and regulation structures and initiatives to increase the supply of both affordable rental accommodation and public housing in Australia.

**FIRST HOME OWNERS SCHEME**

The UDIA has initiated calls for a review of the First Home Owners Scheme (FHOS) and more attention to be given to the plight of home buyers in the face of increased upfront charges on development, land supply constriction and high market prices. The UDIA continues to call for government to take a holistic approach to the industry when making decisions that will ultimately increase the overall cost of a new home.

Two major considerations are cited to support the industry position:

- New homebuyers are forced to pay charges previous generations of purchasers of homes did not pay when they bought into the market;
- The relative value of the first home buyer's grant has diminished in real value over time as a consequence of inflation and increased prices.

A well considered and equitable response is necessary to address the serious threat to the aspirations of the new generation of home purchasers. The UDIA supports the retention of the FHOS as both a compensation mechanism and as a form of assistance for first home buyers purchasing new house and land packages.

Moreover, the UDIA is of the view that an extension of the FHOS would help to address this inequitable situation. In particular, the scheme needs to be better targeted to support new home buyers who are adversely impacted by the GST imposed at both the land development stage and the building stage of their new home project. Consideration should be given to increasing the level of the grant to maintain its historic value for purchasers of land and new dwellings and existing dwellings.

**The UDIA will:**

- Encourage government to restore and maintain the historical value of the proportion of home ownership of the first home owners grant for first home buyers for new and existing homes.

## TAXES, CHARGES AND DEVELOPMENT LEVIES

The UDIA recognises the need for a level of taxes and charges to be imposed by local and state governments on new developments. However, the UDIA maintains that these fees have now reached excessive levels and are contributing to loss of affordability.

The UDIA also strongly supports the removal of stamp duty on GST, which is clearly a tax on a tax. The UDIA is of the view that the impact of the aggregation of these taxes and charges is not fully appreciated by government at all levels.

### **The UDIA will:**

- Advocate that all jurisdictions to have regard to the existing inequitable burden of such charges on new home purchasers and reduce them to acceptable levels based on the principles of need, access, accountability, equity and transparency;
- Oppose the ongoing practice of imposing new or increased taxes, charges and levies on new home purchasers; and
- Call on all Governments to ensure that funds collected from new home purchases for specific purposes are applied to those purposes within a reasonable timeframe.

## IMPROVING PLANNING OUTCOMES

### PLANNING SYSTEMS

State planning systems provide the regulatory and strategic framework for future development.

Given the substantial financial commitment by developers, an efficient and timely planning system is paramount. Community creation has a long lead time and the viability of projects can be greatly compromised if significant shifts occur in government policy during the development process. Therefore, certainty and consistency in government decisions and policy initiatives is needed.

The UDIA is committed to:

- Work with State and Local Governments to streamline the planning approval process and identify opportunities to improve the efficiency and timeliness of the system for both industry and government;
- Encourage the development of performance measures for planning approval timeframes and act as an advocate for industry where problems are identified; and
- Support the separation of powers at the local government level which is necessary to enable elected local government representatives to focus on strategic planning. The UDIA believes that the majority of planning applications should be delegated to officer level with local complex and strategic proposals assessed and determined by an Independent Hearing Assessment Panel (IHAP) as supported under the Development Assessment Forum (DAF) Model.

### CONSISTENCY THROUGHOUT AUSTRALIA

The UDIA supports the provision of high quality residential development and supports, in principle, state and local governments' policy initiatives that promote best practice outcomes in the design and development of residential estates.

It is noted that the current situation in Australia where individual local authorities have differing policy requirements for the provision of standard infrastructure and services (such as kerbing profiles); planning and environmental objectives and requirements; as well as the application of state government policies and requirements is inefficient. This results in unnecessary duplication and conflict between government agencies and industry and avoidable costs to purchasers.

The UDIA is of the view that local authorities should streamline their requirements to achieve greater consistency and greater uniformity of requirements. This would reduce confusion for industry and lower conflict which creates delays for both industry and government. It is considered that this approach would improve the opportunities to achieve best practice urban development outcomes.

#### **The UDIA will:**

- Advocate higher levels of quality resources, consistency across regulatory frameworks in regards to the provision of standard infrastructure and services to facilitate higher levels of affordability;
- Advocate for consistency in the development and application of a streamlined planning and environmental policy throughout Australia;
- Support the referral of improved and more nationally consistent planning mechanisms; and
- Support the work of the Development Assessment Forum (DAF) especially in the development of track based assessment for planning processes.



## LAND DEVELOPMENT BY GOVERNMENT

Complexities associated with contemporary land development have seen increased involvement of government in some jurisdictions.

Aggregation of disparate holdings into large-scale broad hectare projects has been a challenge as has been the need for inner-urban regeneration and the rejuvenation of contaminated industrial sites for residential use.

From time to time, these complexities necessitate a greater involvement by local, state and federal government in urban development. The expansion of the role of the public sector in realising large-scale projects and facilitating urban infill accords with some international models, but has raised concerns for the urban development industry in Australia.

The UDIA is cautious about the further expansion of direct government activity in commercial urban development. This is partially based on concerns that government agencies directly involved in the subdivision and development of land have tended to drift away from social housing and affordability outcomes towards maximising economic returns, restricting land supplies and moderating price fluctuations. It is not in the best interests of a healthy market that the state becomes a competing retailer without an equivalent regulatory and financial environment as in the private sector, and operates under a framework of competitive neutrality.

### **The UDIA will:**

In principle, support the role of State Government agencies as facilitators of urban development and recognise the value they bring to the development industry which are best noted, in terms of their work in:

- Utilising existing government land banks for urban development;
- Assembling of land suitable for development;
- Coordinating urban renewal efforts;
- Planning and coordinating service and infrastructure provision;
- Managing environmental and land contamination issues;
- Delivering housing for that part of the market where the private sector is constrained by market forces;
- Remediation of contaminated public land;
- Encouraging innovation above the benchmark standards; and
- Provision of public housing.

### **Provided that:**

1. There is evidence that development is unlikely to occur in the absence of state involvement; and
2. Government land agencies do not actively distort the operation of the market and keep developers from participating in the market.



## GROWTH MANAGEMENT

### EFFICIENT AND EQUITABLE INFRASTRUCTURE PROVISION

The UDIA recognises that the efficient provision of infrastructure is a crucial element in ensuring the orderly growth of our cities and regions and in sustaining economic growth.

The UDIA accepts the proposition that in order for cities and regional centres to grow and to deliver services and necessary infrastructure such entities must have access to funds beyond those of property taxes and user fees.

This can only occur if all levels of government provide enhanced financial support for cities and regional centres. This will only be achieved through cooperation at all levels of government. No single level of Government can provide the solution to current infrastructure issues. The solutions will only be identified and implemented effectively through partnership.

Infrastructure refers to the assets needed to provide people with access to economic and social facilities and services. Infrastructure facilities have high capital costs, are time consuming to plan and build, are durable and have low operating costs, and are often networks. They tend to have environmental and social benefits that are not fully recovered by user charges. Infrastructure comprises:

- Economic infrastructure - physical facilities such as roads, rail, ports, airports, reservoirs, reticulated water, sewerage, levees, drainage and irrigation facilities, telecommunications, power generation and electricity and gas distribution;
- Social infrastructure - such as housing, educational, recreational and law and order and any other facilities that support the community's need for social interaction; and
- Human capital infrastructure - intangible assets such as the educational, skill and health characteristics of populations.

It is now evident that many cities and regions are suffering a crisis in infrastructure provision and funding.

The property development industry is a substantial contributor to new infrastructure, particularly the economic and social infrastructure requirements within new residential communities. Core infrastructure such as roads, sewerage and water, public open space and parks are regularly provided. The cost of providing this level of infrastructure already contributes to over 40% of the cost of buying a new lot in some states.

However, in recent years funding for new infrastructure from federal, state and local government has been inadequate to meet demand and there has been increased pressure on property developers to pay for greater proportions of infrastructure. This may include regional infrastructure and services which are not directly related to new development.

While this might appear to be an easy mechanism to obtain infrastructure funding, in practice these costs are invariably passed on to the new home purchaser and so the cost of providing infrastructure and services for the benefit of the population of an entire geographical location is borne by a small number of new home and land purchasers. This is clearly inequitable.

In principle, where the benefits of new infrastructure accrue to the wider community, processes should be established to ensure equitable cost sharing arrangements that avoid the cost burden falling solely or disproportionately on the purchasers of new homes.

There is also a strong argument that state governments should also contribute to new local and regional infrastructure through the substantial and growing revenue collected through property taxation.

The UDIA is also in support of the findings of the House of Representatives Standing Committee on Environment and Heritage in the Sustainable Cities Report as follows:

- “Extend the Roads to Recovery programme to include other modes of transport as a step towards including sustainability in the funding criteria;
- Have the Federal Government significantly boost its funding commitment for public transport systems, particularly light and heavy rail, in the major cities;
- Provide transport infrastructure funds specifically for sustainable public transport infrastructure for suburbs and developments on the outer fringes of our cities;
- Have the National Water Commission prepare an independent and transparent report on water options for each Australian capital city and major regional centres;
- Recommend that the Government further consider the impacts on this and future generations and the unintended inequities that are occurring under current policies which allow current generations to pay a much larger part of infrastructure provision than previous generations.”

**The UDIA will:**

- Advocate improved planning and funding mechanisms for the provision of federal support for state, regional and local infrastructure and services to meet the needs of Australia’s growing population in conjunction with all levels of government;
- Advocate that revenue collected through property taxation be allocated toward the funding of infrastructure and services associated with population growth and new property development;
- Advocate that funding schemes, particularly any requirements for developer contributions toward infrastructure funding (where they are applied) are equitable and do not continue to adversely impact on housing affordability; and
- Promote corporate and government initiatives which aid in the development and implementation of innovative, equitable funding schemes for infrastructure.

## PROVISION OF SUFFICIENT LAND SUPPLY

The UDIA is strongly of the view that government should constantly monitor and be aware of the quantity of zoned and serviced land required to meet supply and to ensure that affordability is maintained in the marketplace. The impact of not providing sufficient and timely land supply to meet demand can be clearly seen in the context of our nation's current affordability crisis. Lack of available land has had dramatic impacts on the costs of housing, led to steep increases in rent and expanded the number of individuals being added to public housing lists in many parts of Australia.

Although essentially a matter for State Governments and Local Authorities, affordability crises in parts of Australia may have profound adverse impacts on the economic development and growth of other parts of the country.

The UDIA is of the view that there is a need for the Federal Government to monitor land supply across all parts of Australia and for the Federal Government to regularly meet with State Housing and Urban Development Ministers to ensure, as far as possible, that market dysfunction does not occur as a consequence of deliberate or negligent land supply restrictions.

### **The UDIA will:**

- Support the appointment of a Ministerial Council for Urban Development and Housing; and
- Encourage the Commonwealth and the States to work together to ensure professional monitoring and diversity of land supply occurs throughout Australia.

## CITIES OF THE FUTURE – SUPPORTING REGIONAL CENTRE GROWTH

The UDIA is of the view that a responsible approach to planning requires consideration of the timely development of regional centres to ease the pressures on Australia's capital cities. Such an approach results, in part, from the finite capacity of existing major cities to sustainably accommodate growth. The UDIA recognises the need for all levels of government to work in partnership to achieve this goal.

The UDIA has identified key issue areas which each area of government should address to make this aim achievable.

### **The Federal Government should:**

- Identify growth at a national level so that state governments can prepare state strategic metropolitan plans;
- Create a Federal Ministry with responsibility for urban development;
- Encourage those states that have not created an independent land supply monitoring mechanisms to introduce them;
- Monitor the information provided by these agencies and pursue continuous improvements, potentially through National Competition Policy style incentives;
- Introduce federal funding for laying down the infrastructure base for Cities of the Future; and
- Provide federal funding for multi-modal transport rather than for a narrow range of transport modes (inter-state freight rail routes, national highways), akin to the Intermodal Surface Transportation Efficiency Act of 1991 in the United States.

**State Governments should:**

- Prepare metropolitan strategies, infrastructure plans, and a strategy for funding delivery of these plans. These should be developed in coordination to ensure service delivery of needed infrastructure is aligned with development;
- Review the overall burden of regulation and legislation on property development, quantifying the costs imposed on the industry and passed on to new homebuyers;
- Accept that the general philosophy of “user pays” is inequitable in certain circumstances particularly as regards infrastructure charges. First homebuyers are increasingly compelled to pay for the future purchase of surrounding social and economic infrastructure before they have moved into their new home;
- Restructure state approval processes to ensure reasonable, sustainable development applications which are consistent with state and metropolitan strategies are not unduly hindered or delayed; and
- Ensure that Local Authorities are funded to ensure adequate and appropriate infrastructure for new communities.

**Local Authorities should:**

- Work cohesively with Federal and State Governments to identify employment and housing constraints in existing regions, cities and towns; and
- Work cohesively with Federal and State Governments to identify appropriate sites for future cities.

**The UDIA will:**

- Support initiatives by all levels of government that are consistent with the above objectives;
- Call for a Federally directed national strategy for planned growth and needed infrastructure; and
- Support the development of a “Cities of the Future” plan which should help in the expansion of existing regional centres as well as the development of new centres.

**IMMIGRATION AND POPULATION**

Australia’s economic prosperity and economic growth have relied for 200 years on population growth from international groups as well as both intra-state and inter-state population movements. Population shifts will continue to occur in the future.

The UDIA is of the view that Federal and State Governments should have comprehensive policies dealing with immigration that are fully integrated, with overarching social and economic policy at each level of government. Policy should ensure cohesion between migration policy, skills and future economic policy strategies.

Migration should also take into account the future growth or decline of the existing Australian population and the economic contribution made by the development industry in providing new and replacement housing for new and future communities.

**The UDIA will:**

- Support responsible immigration policy at Federal level that maximises Australia’s immigration intake relative to prevailing economic and social circumstances; and
- Support the Department of Immigration and Citizenship in developing effective regional policies.

## SUSTAINABILITY

### SUSTAINABLE URBAN DEVELOPMENT

The UDIA recognises the need to implement higher levels of sustainable urban development throughout Australia. As such, the Institute encourages its members to adopt principles of sustainability as part of their corporate philosophy and practices and to implement sustainable development practices into new projects

Incentives are an important aspect of promoting and encouraging sustainability in all communities. The UDIA strongly support incentives as a means of encouraging behavioural change and believes that they are necessary to support and enable business and the community to take the risks necessary to develop more innovative and sustainable business practice and to minimise the burden of additional costs to purchasers.

Incentives are a particularly important aspect of encouraging more sustainable urban development and include:

- Providing financial incentives and grants to encourage innovative sustainability initiatives in new urban developments and housing;
- Providing tax incentives and rebates to home purchasers who choose more sustainable homes and home products; and
- Fast tracking the approvals process for more sustainable communities and housing products.

#### **The UDIA will:**

- Encourage government at all levels to balance environmental, economic and social factors when making policy decisions that impact on the development industry;
- Promote and facilitate the role of the property development industry as a key partner promoting and implementing initiatives to strengthen sustainability; and
- Support performance-based models to promote sustainability provided that consideration is given to the critical issue of affordability.



## CONSERVATION AND BIODIVERSITY PROTECTION

The UDIA values Australia's unique natural environment and appreciates the contribution of the native flora, fauna and ecosystems to our urban and non-urban landscapes. In this regard the UDIA maintains a vital interest in the development of government policy on conservation and has an ongoing practice of making contributions to conservation policy development.

The growth of our cities and regional centres has been essential to sustain economic, social and cultural viability. However, it is recognised that growth has placed natural ecological systems and processes under substantial pressure and resulted in significant changes to the natural environment. Without effective policies to manage this pressure, there will be undesirable ecological outcomes including deteriorating air and water quality, and loss of land as habitats for native species.

### Conservation in Urban Areas

The UDIA acknowledges that there are values derived from the preservation of urban bushland with conservation values, however, concerns are that there is an imbalanced focus on the preservation of species and habitats within relatively small reserves located in urban areas at the expense of regional areas. The question arises as to whether this focus has necessarily resulted in the most beneficial conservation outcomes.

The UDIA is of the view that there is a compelling requirement to address this imbalance by directing more attention and funding towards bioregions with inadequate reserve systems to ensure the future health of all areas.

### Community Value and Community Participation

The UDIA recognises the value of urban bushland as a recreation and education asset for the community and encourages community participation in contributing to the active management of these reserves.

The UDIA appreciates that the cost of bushland regeneration and active management is resource and labour intensive and that today effective bushland management relies heavily on volunteer resources.

New urban development can assist in worthwhile urban bushland regeneration and management by building the capacity of the community to become involved in the active management of these areas. We support and encourage the contribution of our members to the realisation of these outcomes through pro-active programmes to facilitate the involvement of new communities in local conservation management programmes.

#### **The UDIA will:**

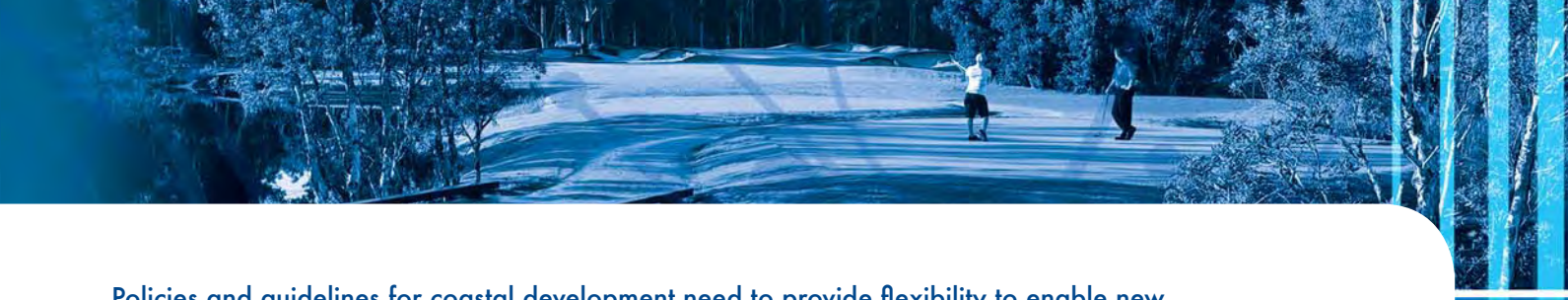
- Support the development of conservation policy and appropriate strategies that are driven by the principles of sustainable urban development and which have regard for the need to balance the competing social, environmental and economic considerations;
- Advocate funding and implementation mechanisms for conservation policy which are equitably shared by the community and, if necessary, the implementation of a community wide environment levy to raise the funds to achieve community wide conservation goals;
- Recognise and promote the role of new and existing communities in restoring and conserving our urban environments;
- Advocate an increased focus on the preservation of species and habitats in regional areas where the most effective conservation outcomes can be achieved with the limited resources available; and
- Promote state and local legislative, regulatory and policy requirements that act as incentives for property owners and developers to engage in conservation activities.

### COASTAL DEVELOPMENT

It is evident that coastal locations continue to be high demand development areas in Australia. However, it is also evident that there is conflict between the community's desire to live in coastal locations and government's agenda to limit development in coastal areas.

The UDIA is of the view that high quality planning policies and regulations can ensure that demand for coastal housing and commercial development can be achieved while ensuring that the natural and built form characteristics of the coast that are valued by the community are retained.

In this regard, coastal developments need to recognise the dynamic processes in coastal environments and be appropriately located and designed to ensure that the integrity of the local environment is retained and enhanced. This will mean developing different types and scale of development in different locations. For example, there is community recognition that in fitting locations it may be suitable for nodes of development to be located in close proximity to the beach to maximise coastal recreation, amenity and commercial opportunities. This may involve some form of engineered structures to ensure protection of infrastructure such as marina developments or some higher density development to maximise opportunities for the provision and upgrade of public facilities and services.



Policies and guidelines for coastal development need to provide flexibility to enable new development to respond appropriately to the local conditions and context within which it will be sited.

**The UDIA will:**

- Promote best practice in coastal development that maximises social, economic and environmental benefit; and
- Oppose the preparation of blanket height restrictions and other inappropriate constraints on development in coastal locations.

**URBAN WATER MANAGEMENT**

Water is a vital part of our natural environment and is critical to the community, not only for survival, but in providing for recreation and transport and in enhancing our landscapes and lifestyles. This relationship is expressed in our settlement patterns and property markets with the vast majority of the population settling in locations along rivers and the coastal fringes of the continent.

However, the growing population and escalating rate of water use is putting pressure on water supplies (both potable and non-potable) and on the health of waterways. As a result there is an increasing emphasis on the need to conserve water resources and improve the efficiency of water use.

The UDIA recognises the need to develop appropriate initiatives to maintain and improve the quality of water resources, however, in order to be successful such initiatives will need to:

- Provide a consistent and co-ordinated approach across all levels of government;
- Recognise the need for sustainable, cost-effective solutions which maximise social, economic and environmental benefits, whilst at the same time being practical to implement and maintain;
- Provide a flexible, performance based approach to water management, which recognises that site-specific solutions are required depending upon the unique characteristics of each development site rather than the application of generic policies; and
- Ensure that all stakeholders are accountable for water use and quality including suppliers, agricultural, commercial, industrial and recreational users.

The UDIA is of the view that relevant government agencies should provide performance-based targets to be met by proposed developments. Under such requirements, developers would have discretion and flexibility in determining the most appropriate site-specific strategies to achieve those targets.

**The UDIA will:**

- Promote a more consistent and co-ordinated approach to urban water management across the States and Territories which is integrated with town planning approval processes; and
- Promote the need for practical, cost effective and competitive water management solutions that maximise social, economic and environmental benefits.

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