Housing Affordability

The Strategy

The Queensland Housing Affordability Strategy will ensure that the State's land and housing is on the market quickly and at the lowest cost.

The actions will provide for a more competitive and responsive land and housing market by significantly reducing the timelines and associated holding costs of bringing new housing to the market.

Through the Queensland Housing Affordability Strategy, the Queensland Government will:

- establish an Urban Land Development Authority;
- make immediate changes which improve the planning and development assessment process;
- increase the supply of land ready for development;
- regulate infrastructure charging plans across Queensland;
- designate land for housing in regional areas of high demand;
- identify and develop appropriate underutilised government land for urban proposals; and
- allow local governments to facilitate private sector financing of infrastructure.
Monitoring the supply of land and housing

To ensure the Queensland Government is provided with the most up-to-date and comprehensive information on land and housing supply, existing government land supply monitoring programs will be improved. Specific new initiatives include:

- monitoring of land and housing prices;
- assessment of land fragmentation and land availability for development;
- consultation with industry on future development activities and trends; and
- extending monitoring to all high growth areas in Queensland.

This will provide government, industry and the community with up-to-date information on the land and housing supply market and enable government to respond appropriately to emerging housing supply issues.

Regulated and transparent infrastructure charging system

A critical element for new greenfield and infill development is the provision of major infrastructure services. These services include water treatment, storage and supply, sewerage treatment facilities, drainage trunk networks, arterial and sub-arterial roads, local parks and lands for community facilities.

Local governments are required to develop Priority Infrastructure Plans (PIPs) to outline their infrastructure program and to develop infrastructure charging schedules to fund these services. Most local governments have had difficulties in developing these plans and charges, leading to industry uncertainty about the level of services and the infrastructure charges proposed. This uncertainty has led to difficulties for developers in determining their costs, often resulting in increased end-sale prices for land.

Under the Queensland Housing Affordability Strategy, the State Government will immediately review and simplify the process for determining infrastructure charges by:

- introducing a more simplified and transparent infrastructure assessment and reporting process;
- introducing standard infrastructure charging schedules for councils who do not complete PIPs by June 2008;
- requiring local governments to advertise and phase in new charges;
- empowering the Queensland Competition Authority to review and set infrastructure charging schedules; and
- enabling the Building and Development Tribunal to decide disputes with respect to developer charges for specific applications by September 2007.
Queensland Housing Affordability Strategy

Message from the Premier and Deputy Premier

Housing affordability is a matter of national concern

The Queensland Government is committed to improving housing affordability and providing a wide range of housing choices for Queenslanders. We need to meet ever changing household needs and the demands of rapid population growth.

Housing affordability is influenced by many factors, such as market influences, interest rates and mortgage deregulation – factors over which the Queensland Government has little control.

However, through the Queensland Housing Affordability Strategy, the Queensland Government is acting on land and housing supply matters – areas where we can improve factors that enable the market to respond more effectively to providing housing.

Our government is delivering through the Queensland Housing Affordability Strategy. The Strategy provides immediate actions to deliver:

- an Urban Land Development Authority;
- an efficient planning and development system;
- an improved supply of land for development;
- more efficient use of existing urban land; and
- simple, standard and transparent infrastructure charging.

The Queensland Housing Affordability Strategy will be delivered by the Queensland Government and will apply across the State. Immediate actions will focus on areas where housing and economic growth pressures are highest.

The Strategy is an essential part of the Queensland Government's actions on housing affordability for the State's economic and social prosperity.

The Honourable Peter Beattie
Premier

The Honourable Anna Bligh
Deputy Premier
Treasurer and Minister for Infrastructure
Urban Land Development Authority

The Queensland Government understands the importance of developing a diverse mix of housing choice for current and future communities within the State's major growth areas. To deliver this, the Government will establish an Urban Land Development Authority by November 2007.

For sites nominated by the Queensland government, the role of the Authority will be to undertake land use planning, land amalgamation and acquisition, land improvement, development assessment and then on-sell land and development rights to private sector developers.

The Authority will have the power to deliver a range of housing products to meet the changing needs of the community. In particular, this will allow the Authority to attach conditions of sale to land to require a set contribution of affordable housing and meet other Government policy outcomes that improve access to housing.

The Queensland Government has nominated the following five initial development sites and will add additional sites:
- Woolloongabba
- Bowen Hills
- Northshore Hamilton
- Fitzgibbon
- Mackay Showgrounds

These sites cover more than 700 hectares of land and deliver housing for more than 20,000 Queenslanders.

The Urban Land Development Authority will complement existing private industry investment in urban infill and redevelopment projects by focusing on the planning, management and delivery of strategic urban sites in South East Queensland (SEQ) and regional cities declared by the Queensland Government.

Legislation to establish the Land Development Authority will be introduced to Queensland Parliament in August 2007. We will move quickly to establish the Board of the Authority and will commence consultation with industry and local government to establish the Authority by November 2007.

Making Queensland's planning and development assessment systems more efficient

Queensland has a comprehensive planning and development assessment system. However, unnecessary delays in the development assessment process, particularly in areas of high growth, can lead to higher development costs and substantial delays in bringing land and housing to the market.

Development holding costs during the assessment period can add between $15,000 - $20,000 per dwelling. This cost is passed on to the end purchaser but can be significantly reduced by a more efficient planning and development assessment system.
The Queensland Government will immediately amend the Integrated Planning Act 1997 to:

- improve the efficiency and timeliness of the development assessment system, particularly in relation to high growth areas;
- enable the Planning Minister to resolve conflicts between agencies early in the assessment process including a power to direct a decision to be made;
- regulate to require Structure Planning for major urban development areas; and
- enable councils to deal with low risk approvals through a simplified process.

**Increasing supply of land for development**

Historically, land supply issues in Queensland have primarily related to providing new lands on the urban fringe for extension of low density residential suburbs. Queensland’s current and emerging communities are expressing a desire for a wider range of housing choice and better integration of housing, employment, public transport, community services and recreational opportunities. This requires a smarter approach to planning and development of future land and housing, which can also assist in improving housing affordability across all sectors of the community.

In SEQ, the Queensland Government has clearly identified lands for future urban development through the *South East Queensland Regional Plan 2005-2026*.

By December 2007, the State Government will undertake a review of greenfield land in the Urban Footprint to identify which parcels can be developed ahead of the time frames currently identified. Examples include:

- Yarrabilba
- Caloundra South
- Coomera
- Ripley Valley

This approach will enable additional lands to be brought onto the market in the short to medium term, increasing market competition and choice. This assessment will also include consideration of the provision of associated infrastructure and services.

Regional Queensland is also experiencing unprecedented population and employment growth, resulting in increased need for land and housing. A similar process will be undertaken in high growth areas including regional centres such as Cairns, Townsville, Thuringowa and Mackay.
Financing infrastructure services

Infrastructure services are financed predominantly by State and local government, with industry support through infrastructure charges on new development. Mechanisms also exist for local governments to partner with developers or require developers to provide all or part of the initial infrastructure establishment costs for new growth areas.

The Queensland Housing Affordability Strategy will provide greater flexibility as to how and by whom infrastructure services are financed. In particular, this Strategy will facilitate a mechanism to improve opportunities for local government to approve third party financing for the provision of infrastructure.

When will the Queensland Government deliver on these promises?

By the end of 2007, the Queensland Government will:

- establish an Urban Land Development Authority;
- implement changes to the planning and development assessment process;
- designate land suitable for development in the short term; and
- implement standard infrastructure charging regimes.

Further information

For more information on the Queensland Housing Affordability Strategy, contact the Department of Infrastructure and Planning

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