

INQUIRY INTO AFFORDABLE HOUSING

STATEMENT FOR HEARING

Thank you for the opportunity to be heard today.

The National Growth Areas Alliance represents 25 growth municipalities on the outskirts of the cities nationally. These areas are home to 3.5m people and they are growing at double the national rate, absorbing twice their proportionate share of Australia's growth. In recent years, many of the municipalities we represent have seen average annual growth of between 4,000 to 11,000 additional people and the task of servicing that has become unmanageable. Immigration is a significant driver of the growth and one in five permanent migrants in the period 2006-2011 settled in areas represented by NGAA.

While these areas are taking more than their share of people, they are not receiving the commensurate assistance for the infrastructure to support them. No level of Government is keeping up with the infrastructure required as a result of population growth. This has a number of consequences including poorer education and employment outcomes than Australia, high car dependence and road congestion and consequent vulnerability to oil price rises.

So what might at first appear to be affordable housing, quickly becomes unaffordable living. A range of housing sizes, types and costs is required to provide for changing family needs and to house the workforce that businesses need.

Affordable living also requires education, jobs and services close to home and access to those further afield. Investment in infrastructure is therefore fundamental. Urban design and housing development can support infrastructure provision.

In our view two things need to happen. The infrastructure pie needs to grow along with population increases and the outer growth suburbs need to get their fair share. We have previously proposed an urban infrastructure fund and have also been involved with other peak organisations advocating mechanisms that would be supported by Government and attract private sector investment. Our research demonstrates the pay back via increased jobs, increased tax revenues and a permanent boost to GDP that would result from investment.

Local Government only raises about 4% of taxes. So they are not in a position to tackle the issue on their own. The extent of growth that has been occurring has meant that the States are not keeping up either.

A partnership across all levels of Government is required. The process where States put their priorities to the Commonwealth Government and projects get assessed on a project by project basis is not working for outer growth areas. Nor is a change of priorities each time a Government changes.

The UK City Deals approach is one we think has promise. Its key features are that:

- It is focussed on collaboration across an economic catchment or region
- The infrastructure that will drive economic growth and other public policy goals is identified.
- The focus is on the package of projects across the region, not on individual projects
- Targets are agreed and if exceeded bonuses apply (like Competition Policy)

- There is national Government funding as a base and private sources are leveraged.

This gets away from the more parochial vying for individual projects and is able to encompass both big ticket infrastructure projects and smaller scale projects. SEQ Mayors have been investigating its applicability to Australia.