



# National Growth Areas Alliance Congress 2016

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# The Australian Development Industry

## THE AUSTRALIAN DEVELOPMENT INDUSTRY:



FORMS **8.8%** OF THE AUSTRALIAN WORKFORCE,  
EMPLOYING **1,030,800** MILLION PEOPLE.



MAKES UP **7.2%** OF NATIONAL OUTPUT,  
CONTRIBUTING **\$107.7** BILLION



DIRECTLY  
ACCOUNTS FOR  
**8.8%** NATIONAL  
GDP, CONTRIBUTING  
**\$132.8** BILLION

## UDIA National Position Statement

*The solution will require:*

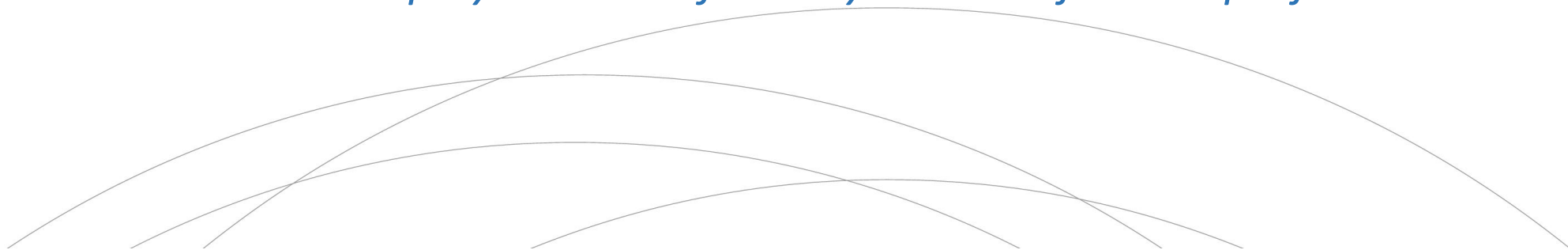
*Concerted effort by all levels of government to increase funds;*

*Must be spent wisely on priority infrastructure;*

*Governments need to investigate alternative methods of funding infrastructure*

- *tax increment financing*
- *increased use of public private partnerships;*

*Employ cost benefit analysis on major new projects.*



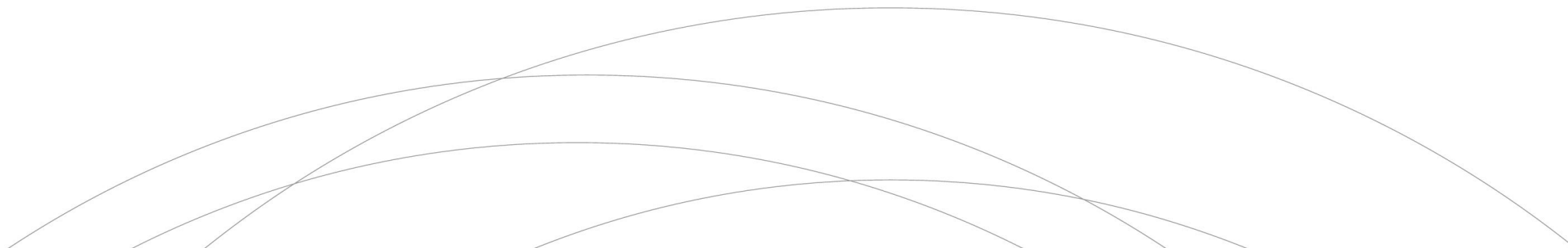
# Joint National Statement



1. Ensure ongoing investment, of no less than 5% of GDP, into productive infrastructure projects
2. Address the funding shortfall for maintenance of government-owned infrastructure
3. Invest in public infrastructure that is linked to strategic plans,
4. Provide payments to infrastructure providers for community service obligations
5. Adopt an integrated multi-modal approach to transport planning and funding
6. Enhance connectivity with strategic investment in roads and rail
7. Take a long-term strategic, planned and transparent approach to infrastructure investment
8. Fund an evidence-based exploration of road user charges
9. Address congestion and transport challenges facing our major cities

# Developer Charges & Levies

- Increased reliance on developer charges can have negative impact on housing supply and affordability by “front-loading” the cost of infrastructure on to developers, and subsequently new home buyers.
- Developer charges can be opaque and unjustified in their application.
- Upfront developer charges can also result in unnecessarily high engineering and construction standards in order to minimise ongoing maintenance and replacement costs.
- **Governments should favour funding options that spread the cost of infrastructure out over extended time frames, rather than through upfront charges such as developer charges.**



## Value capture is:

- Tax Increment Financing
- Government Owned Lands
- Private Infrastructure Delivery Agreements
- Asset recycling

## “Value Capture” is not:

- upfront tax on new home buyers and development owners for general infrastructure funding

A rigorous and robust valuation methodology needs to be developed - which ensures any increase in value that is unrelated to the infrastructure is excluded.

A clear separation must be made between:

- the concept and definition of “value capture” and;
- the concept of “planning gain” and new taxes, charges and levies.



Smart Cities Plan

*UDIA supportive of the intent of Smart Cities Plan*

- *Expected to lead to improved planning and investment*
- *Leads to better road and transport infrastructure and more jobs and housing*

