



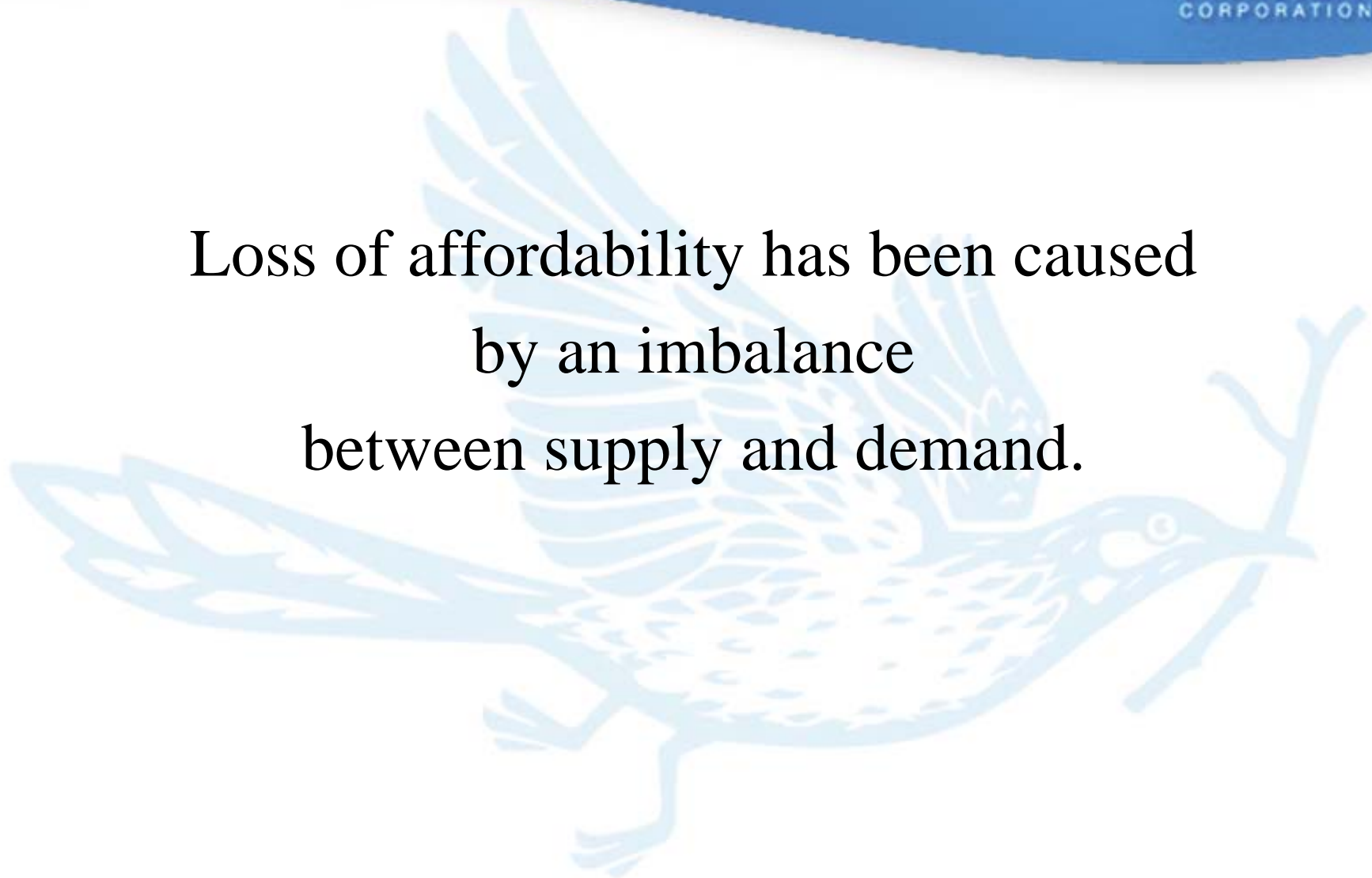
## **Vision for the Future**

Learn from mistakes of the past  
when considering the future.

Ignore the importance  
of continued urban development  
at your peril



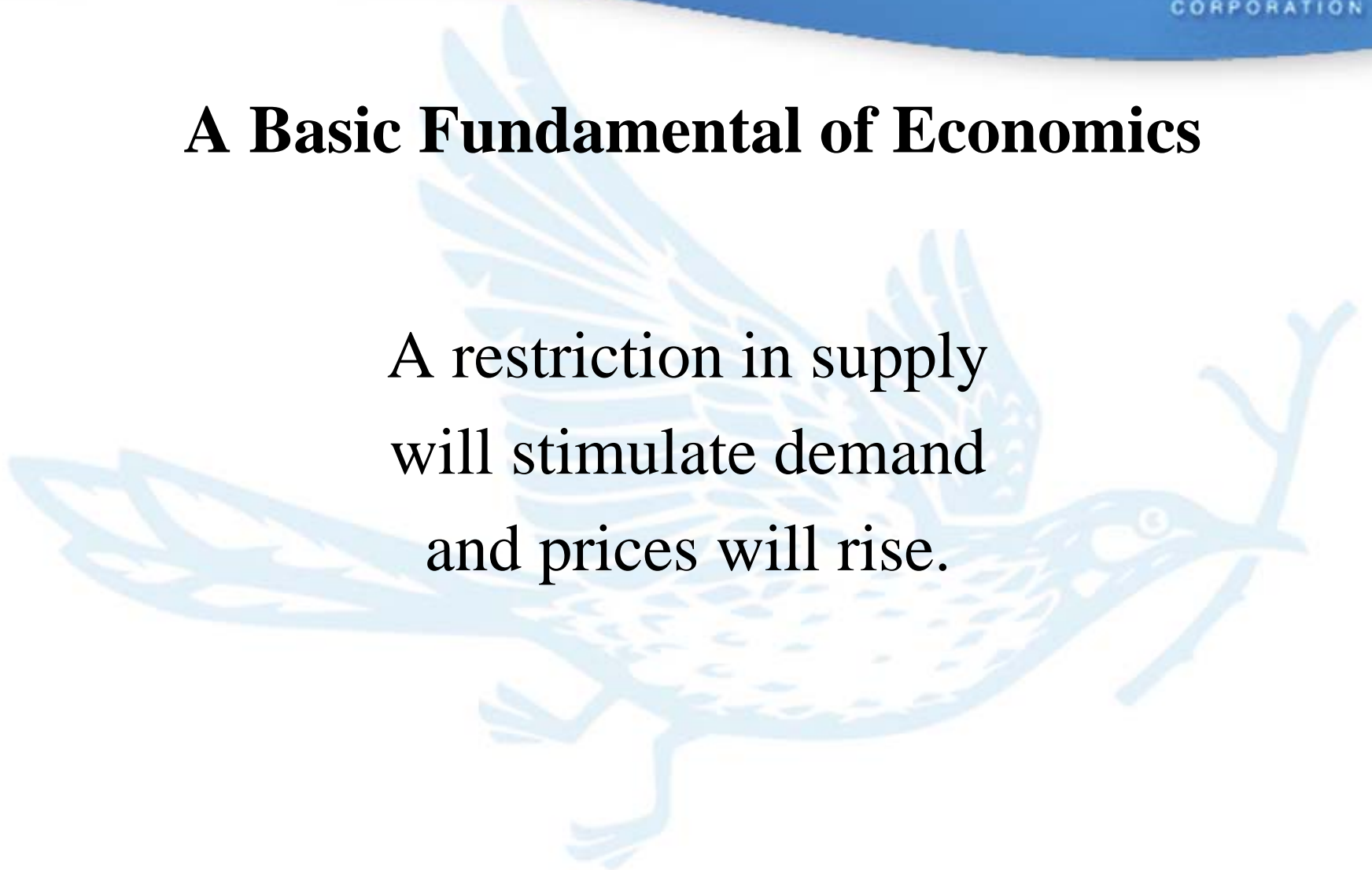
Loss of affordability has been caused  
by an imbalance  
between supply and demand.





## **A Basic Fundamental of Economics**

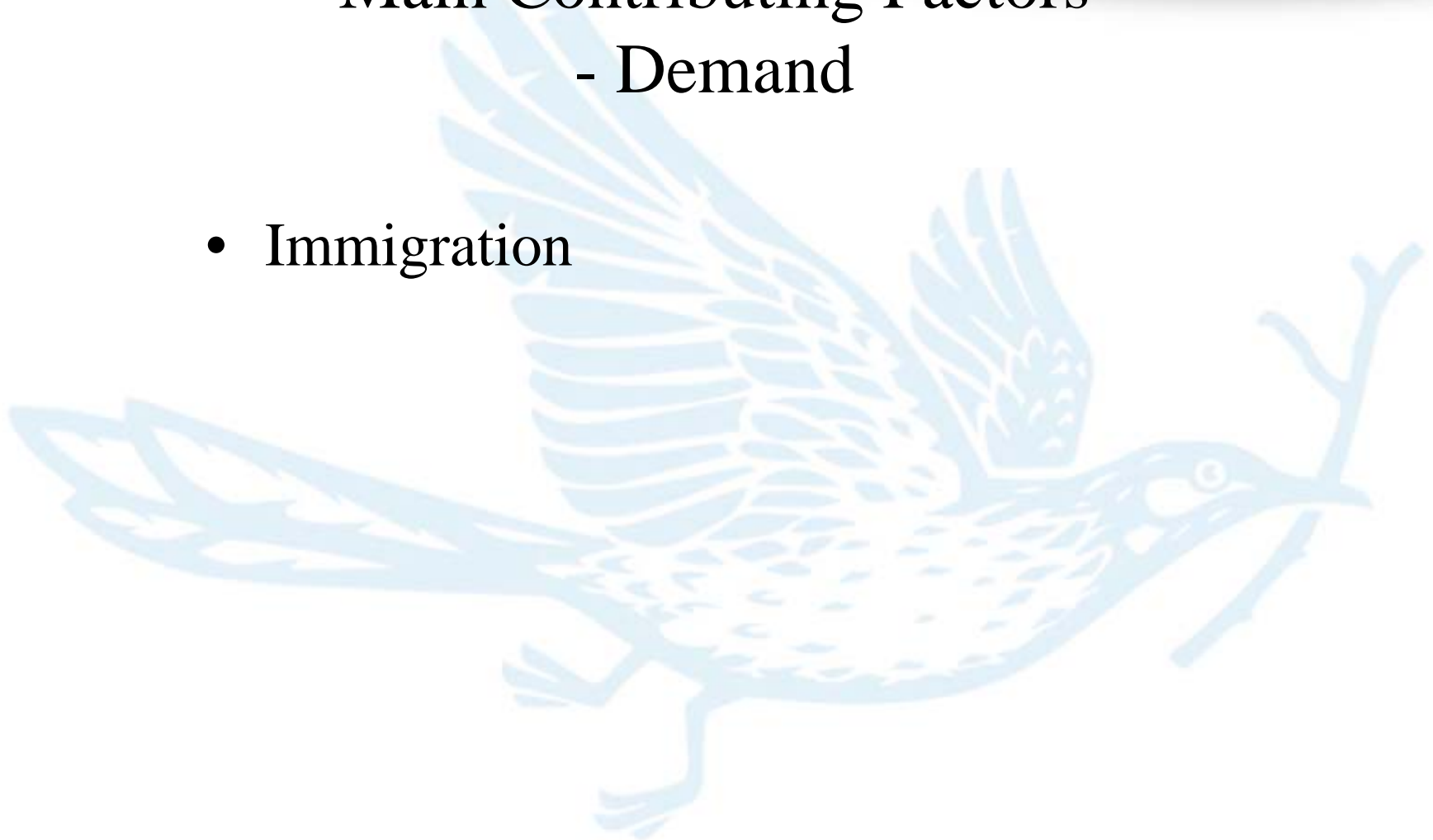
A restriction in supply  
will stimulate demand  
and prices will rise.





# Main Contributing Factors - Demand

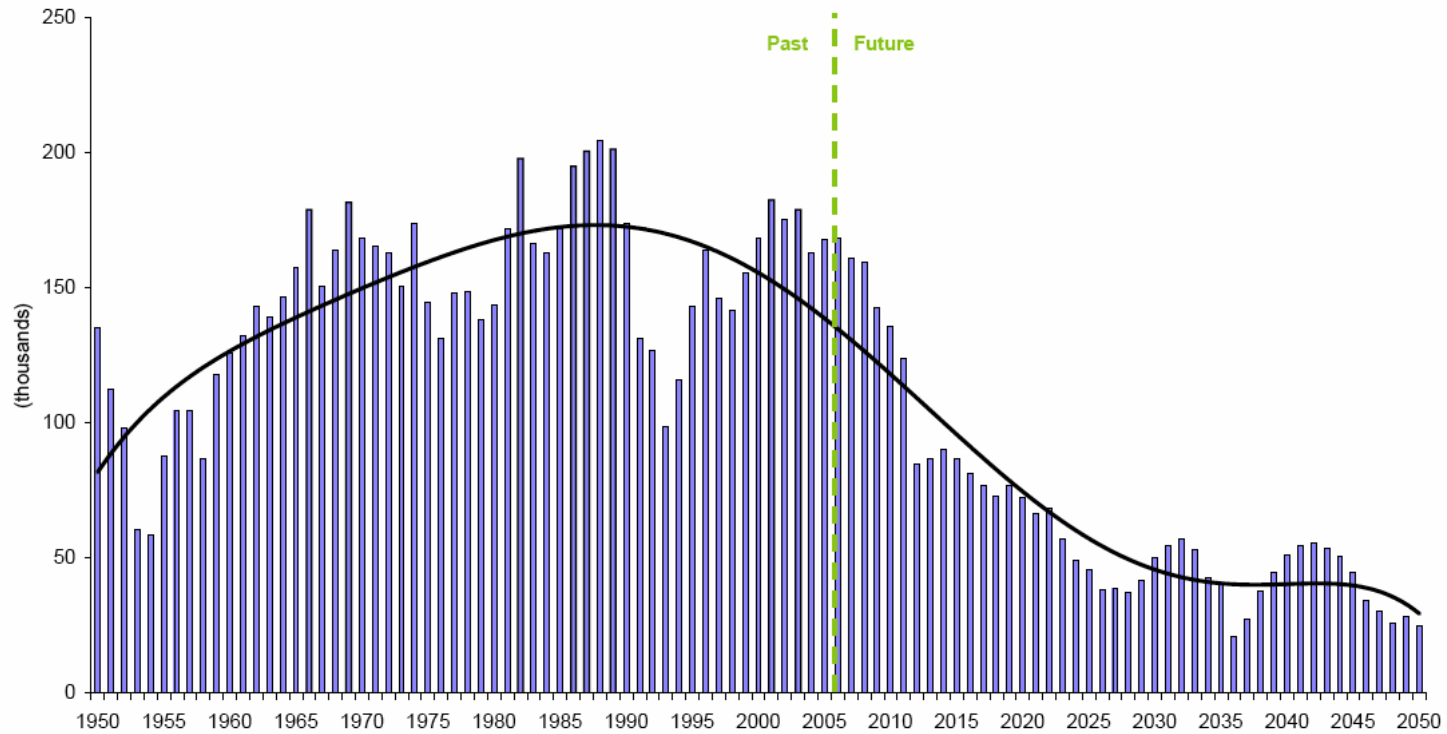
- Immigration





# Peak Labour

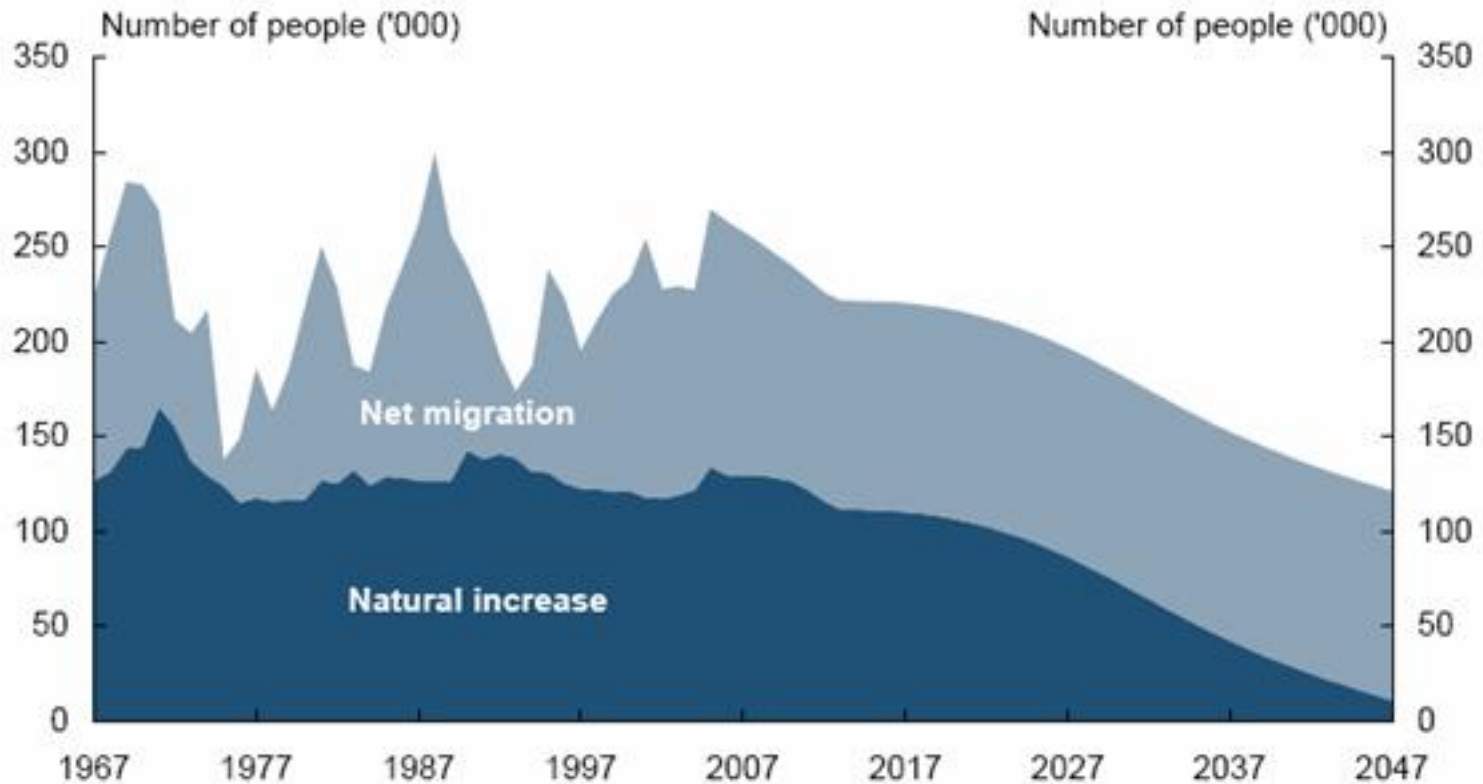
Peak labour: net growth in working age population 1950-2050



Source: Australian Historical Population Statistics, ABS (2004); KPMG Property Advisory Services

# Population increase

Chart 2.4: Net migration and natural increase in population



Source: Australian Bureau of Statistics Australian Historical Population Statistics Cat. No. 3105.0.65.001 and Treasury projections.



## Main Contributing Factors - Demand

- Immigration
- Immigration settlement patterns
- Increased money supply



## Main Contributing Factors - Supply

- Anti development attitude
- Complex and protracted planning systems
- The rising cost of development
- Supply of land for residential purposes

# What Needs to be Done to Restore Affordability – Federal Government

- Foster a pro development attitude;
- Adopt a population policy so that we can all forward plan;
- Assist in the provision of infrastructure to the growth suburbs;
- Use its superior borrowing capacity to reduce infrastructure borrowing costs;
- Chair a committee comprising representatives of the states, municipalities and industry to co-ordinate a nation-wide approach to affordability.

# What Needs to be Done to Restore Affordability – State Governments

- Foster a pro development attitude;
- Adopt a 50 year population and location policy;
- Create city wide planning bodies;
- Assist the growth municipalities with the provision of infrastructure;
- Use debt funding for the provision of infrastructure;
- Form affordability review committees;

## What Needs to be Done to Restore Affordability – State Governments (cont.)

- Establish independent planning approval committees;
- Reduce the influence of third party objectors;
- Remove the high costs associated with union construction;
- Reduce government costs and charges;
- Make planning more responsive;
- Make more serviceable land available for developers;
- Encourage a build-up of buffer stocks.

# What Needs to be Done to Restore Affordability – Local Governments

- Foster a pro development attitude;
- Reinstitute debt funding;
- Adopt realistic standards;
- Reduce development contributions;
- Make planning more responsive;
- Make more serviceable land available for development;
- Encourage a build-up of buffer stocks.