

Submission to the Melbourne 2030 Audit

Housing Industry Association

2409

Policy 1.3: Locate a substantial proportion of new housing in or close to activity centres and other strategic redevelopment sites that offer good access to services and transport

Policy 1.3

Importance 5 ●●●●●

Comment:

Whilst HIA appreciates the notion of locating housing in close proximity to the urban/transport services expected to be available in Melbourne 2030's range of activity centres, it is noted that there are some inherent political challenges and risks in pursuing a more compact city form.

HIA also questions the underlying assumption that more compact housing forms can be delivered at cost savings and therefore the assumption that consumers will choose to move freely to these new housing forms. In this regard, HIA is concerned about the accuracy of some of the build cost estimates that have been provided to government to date.

The housing industry is well poised to respond to an increased demand for urban housing that is generated by choice. To artificially limit choice so as to achieve consolidation through stealth is dangerous to consumers and will ultimately undermine the effectiveness of Melbourne 2030 as a strategic policy.

Meeting both the political and build costs of Melbourne 2030 will ultimately determine the success of the strategy. HIA is concerned, for instance, that already there has emerged a number of local councils who do not support higher density residential development, even in the designated Activity Centres.

(Please also refer to HIA's response to Policy 6.1 re. Housing Affordability)

Recommendation:

A 'Whole of Government' approach is required to ensure that higher density residential development becomes economically feasible and is considered socially acceptable..

Higher density residential development would be more feasible if Melbourne 2030 were supported by:

- Industrial and financial policies and initiatives that reduce the relatively expensive building cost rates experienced on medium to high rise projects compared to low rise and small medium rise projects; and
- Policies that provide more support for the locating of higher density infill development within close proximity of Activity Centres and Principal Public Transport Routes, instead of allowing the current level of local government interpretation and discretion. Current interpretation means that unless the sites are located on the actual fringe of an Activity Centre or a Principal Public Transport Route, then the preferred option is low density.

Policy 1.3 would be enhanced by clarification or elaboration as to what "...close to activity centres and other strategic redevelopment sites..." is meant to be interpreted as. For example, within 200-300 meters of public transport, or priority strategic redevelopment sites.

Rationale:

The additional costs associated with the construction of medium to high density developments are attributed to:

- Higher manufacture and supply costs for the same products due to manufacturers having to comply with enterprise bargaining agreements;
- Increased labour costs associated with enterprise bargaining agreements;
- Increased expenses responding to occupational, health and safety measures;
- Encroachment of industrial relations issues in the residential sector;
- Increased building standards for occupancy movement and safety standards; and
- Increased financial outlay before delivering any return on investment resulting in higher holding costs during the longer construction period.

The following are approximate average build costs by density. It is noted that these cost estimates vary widely from other estimates that have recently been provided to Government.

Density (Housing Form) Approximate Build Cost Per Square Metre
Detached Housing \$1,000 - \$1,200

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Medium Rise (with lift) \$2,000 - \$2,500
High Rise \$3,000 - \$3,500

HIA supports the findings of the Melbourne 2030 Implementation Reference Group Report: Challenges to the Implementation of the Activity Centre Policy (July 2004) with respect to the cost differentials of various housing forms and believes these findings to be still pertinent today.

The Reference Group found that

7. Economic constraints and drivers

Construction costs for multi-unit high rise residential projects are ... more expensive to build (on an equivalent square metre basis) than the traditional suburban project home.

... For example, it costs the same to build an apartment in the city as it does in the outer suburbs and therefore the retail price for the apartment would not be able to differ by much in either area (albeit the land component would be slightly cheaper in the outer suburbs). In the outer suburbs, you would be able to buy a 25 square home for the same price as an 8 square apartment. This required trade-off does not make economic or lifestyle sense! The buying public will not be able to justify the purchase of a much smaller apartment in an activity centre when they can buy a larger home for the same or less money nearby. The development market will consequently not find this feasible

For multi storey residential construction in the mid to outer suburb activity centres to be close to being economically viable, construction costs need to be much more in line with those experienced in the cottage housing industry which is between 23% - 28% cheaper (6 storey construction – 2 to 3 storey construction) than the commercial residential rates.

This raises industrial relations and demarcation as issues that need to be taken up by both the State and the Federal Government

Policy 2.1: Establish an urban growth boundary to set clear limits to metropolitan Melbourne's outward development

Policy 2.1

Importance 5 ●●●●●

Comment:

HIA believes that the Urban Growth Boundary (UGB) and its rigidity has significantly contributed to the higher cost of land for new housing. This flows directly to a reduction in housing affordability.

The negative effect of the UGB is compounded by the limited success of the Activity Centre and Transit City policies to date. The housing market, in particular first home buyers, have been burdened with higher costs on the suburban fringe, while not being provided with affordable alternatives in and around Activity Centres.

In particular it should not be used as buffers to land outside the UGB. That land outside the UGB should provide its own buffers, if required at all. Primary land use policy for land inside the UGB should be directed so that land is set aside on balance for urban growth purposes.

The reduction of demand on fringe Greenfield development relies on implementing the identified solutions to the feasibility challenge for higher density developments in Activity Centres and larger infill sites.

Recommendation:

That Government should:

- Reject UGBs as a means of managing urban growth and facilitating land supply.
- If the UGB is to remain, introduce a transparent and regular review process that does not rely on legislative change or Parliamentary consideration to allow adjustment of the boundary.
- Ensure that the review process for the UGB includes clearly defined targets or thresholds, and ensure the housing industry is represented on any advisory committees that monitor such thresholds.
- Ensure that the UGB adjustment mechanism incorporates the measurement of supply of, and demand for, infill development opportunities.
- Given the limited success of infill developments to date, allow new land to be released at relatively short notice, to meet emerging or pent up housing demand.
- Introduce an appeal process for land re-zoning decisions when local policy decisions are inconsistent with the metropolitan strategy.
- Introduce a time limit for land rezoning decisions by council, similar to planning applications. When the time limit is breached, then the matter should then be referred to an independent body, or called in by the Planning Minister for ministerial decision.

Rationale:

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UGBs reduce or eliminate the potential for market competition between owners of land inside the UGB and those with property outside the UGB, thereby leading to inflated prices for land sold inside the boundary.

If a UGB must be applied (and HIA does not believe that it should) then it is vital that the adjustment mechanisms are based on objective criteria that minimises upward pressure on land prices. This is currently not the case.

The architects of Melbourne 2030 believed that “a reasonable amount of land has been set aside in metropolitan Melbourne to maintain a supply of affordable housing under a competitive market system.” (M2030 p. 62)

Unfortunately, as demonstrated by rising land and house prices since Melbourne 2030 was introduced, this is clearly not so.

At the time of the introduction of Melbourne 2030, HIA was advised that heated market conditions just prior to the announcement of the UGB meant that land traders who did not necessarily develop, bought into the market in anticipation of price increases. This land purchase can be described as speculative – with the intention of selling later at inflated prices.

In the period up to the release of Melbourne 2030 and the implementation of the UGB in 2002, average vacant lot prices were around \$109,500. In the 4+ years since, the median price of a vacant lot price in Melbourne has risen 52% to \$167,000 (June quarter 2007).

Melbourne currently has an affordability advantage compared to Sydney, Perth, Brisbane and Canberra. Land supply needs to be monitored closely to ensure that we do not lose this advantage.

There are many examples both interstate and overseas where a compact city policy has damaged housing affordability.

HIA notes research funded by the Department of Sustainability and Environment and cited in the article entitled “Melbourne 2030: A preliminary cost benefit assessment” in the journal, Australian Planner, Vol 44 No. 2 06.2007. Intended to provide a cost-benefit examination of Melbourne 2030, the article admits that it was not able to factor in the impact of Melbourne 2030 on housing affordability. HIA is of the opinion that housing affordability is too important to ignore when making an overall assessment of this strategy.

The article states:

An excluded item from Table 2 and the subsequent analyses is any adverse impact on housing affordability associated with M2030. This is certainly a contentious issue. Beer (2004) cites the Productivity Commission’s (2003) explicit warning against the uncritical acceptance of urban consolidation before concluding that:

“The adoption of urban consolidation principles and urban containment boundaries by a number of state governments is likely to have negative outcomes for housing affordability due to reduced land supply for housing and potentially higher regulation costs for firms seeking to convert fringe land to residential development” (p.6).

The contention arises because M2030’s urban growth boundary purports to manage a long term (15-25 year) supply of residential land via designated growth areas, rather than actually limiting supply. Moreover, the urban growth boundary provides clear signals to the development market about Government land release intentions. The net effect of M2030 is therefore unclear and has been assumed away in this evaluation framework.

Policy 2.3: Manage the sequence of development in growth areas so that services are available from early in the life of new communities

Policy 2.3

Importance 5 ●●●●●

Comment:

There will be appropriate circumstances for permitting “out of sequence” development, and Melbourne 2030 policies and mechanisms must be flexible enough to accommodate this.

Recommendation:

A balance needs to be found between the benefits derived from sequenced development and the benefits derived from market competition in land supply, in order to improve housing affordability.

Rationale:

The rationale behind sequenced developments assumes that efficiencies can be gained by avoiding fragmented urban growth and ensuring that infrastructure capacity is maximized before further expenditure is incurred.

In practice however, there are appropriate circumstances for out of sequence development.

If the sequenced development policy is applied too rigidly, then the result will be restricted land supply, inhibiting free market

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competition, and consequently leading to higher land prices and less affordable housing.

If a land holder decides not to proceed on a site within a reasonable time frame, then the land holders placed lower in the preferred sequence plan should be allowed to proceed with their development.

Policy 6.1: Increase the supply of well-located affordable housing

Policy 6.1

Importance 5 ●●●●●

Comment:

HIA has tracked housing affordability in Melbourne since December 1984.

HIA's affordability index is based on a blending of median dwelling prices; interest rates; monthly repayments, and household income.

Sadly, housing affordability in Melbourne is currently at a near record low and has, worryingly, trended downward since the late 1990's. The record low was in September 1989, when interest rates were at 17.0%.

(Chart available upon request.)

Melbourne 2030 should not 'favour' one form of development over another. It should foster affordable housing choices in both greenfield locations and in the established parts of the city.

HIA believes that the advent of infrastructure levies has unfairly targeted greenfield housing. Government policy should look to manage greenfield development rather than make it artificially more expensive than it needs to be.

Recommendation:

The Government should:

- Reduce planning delays and ease the restrictions of land release across Melbourne.
- Make available any monitoring data it has compiled on housing affordability, as referred to in earlier Melbourne 2030 documents, including the 'Draft Implementation Plan 3 Housing' and the Melbourne 2030 Response to Submissions. This data would help guide government and private sector decision making, and also aid public debate.
- Seek to work with the industry to provide affordable housing outcomes rather than impose housing quotas for new developments.

HIA does not support the introduction of any type of affordable housing quotas for new estates.

- Actively pursue the lessening of construction costs and restrictive building practices associated with higher density housing above two stories, eg three to five storey buildings.
- Fund through borrowings the delivery of long-lived public infrastructure that is needed for the predicted growth of the city.
- Only apply development charges for local physical infrastructure that is needed at the time of a development and directly serving that development, such as local roads, drainage, sewerage and local parks.
- When applying development charges for infrastructure, always adhere to the principles of need, nexus, equity and accountability, set against an overriding objective of maintaining housing affordability.
- Fund other social and community wide infrastructure, such as schools, trunk transport, major water and sewerage infrastructure and other social infrastructure by the whole of the community, for example, through targeted borrowings and general taxation measures.
- Apply greater reporting and transparency to ensure funds collected or borrowed are expended in the manner stated.
- Introduce development and infrastructure overlays which provide a 15-25 year horizon and indicate quite clearly what the developer's obligation to infrastructure provision will be. In this way developers are able to factor in the cost of provision prior to property assessment and acquisition, thereby reducing the angst against such contributions.

Rationale:

HIA believes it is necessary for the state and local government to identify alternate and more equitable funding models than development charges and levies that would support future housing opportunities as proposed under Melbourne 2030. These models must have regard for housing affordability.

Studies conducted independently by the major development and housing industry associations have shown that government

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borrowing, if transparent in process and linked to a legitimate pay-back method (e.g. user charges or rates), is not contradictory to good public management. Indeed these studies confirm that Government borrowing is the most efficient and equitable means of financing long-lived community wide infrastructure assets. Public borrowing spreads the repayment burden further across time and generations.

Developers, and ultimately new homebuyers, cannot be expected to entirely foot the bill for facilities which are rightfully the responsibility, of the community at large, and for the provision of basic services which is the responsibility of state and local governments. We encourage the responsible use of public debt as part of Government's traditional role in delivering the long-lived public infrastructure necessary if Melbourne 2030 is to succeed.

There is also an inequity in public policy when residents living on Melbourne's fringe are asked to bear the financial burden for infrastructure that carries community-wide benefits.

For example, some residents on Melbourne's fringe are currently required to pay for recycled water and the associated costs so that residents in Melbourne's established suburbs can continue to use potable water.

There are community-wide, environmental, social and cultural benefits from the greater use of recycled water, and the cost should be borne community-wide.

Affordable housing quotas do not address the underlying root causes of the affordability problem. They provide only miniscule and random relief to what is a much larger community issue that requires a whole of community solution.

House price increases have occurred as a result of multiple factors including constrained land supply, increasing taxes and charges, cumbersome zoning and development approval processes. Government should address the reduction or removal of these impediments as a priority. Government should be seeking to decrease its interference in an already over regulated and constrained housing market instead of increasing it.

While government and the community have accepted the need to 'free up' markets in most industries to the benefit of the consumer, there is still a reluctance by government to remove constraints and other imposts on the housing market, with unsurprising results.

Policy 7.3: Contribute to national and international efforts to reduce energy usage and greenhouse gas emissions

Policy 7.3

Importance 5 ●●●●●

Comment:

The housing industry welcomes the opportunity to play its part in improving energy efficiency, and welcomes more flexible and practical 5 Star Standards.

However, government must ensure that one small section of the community, ie. new home buyers, do not carry a disproportionate cost burden for a community-wide problem.

The overall contribution of new houses to our energy and water challenges is relatively small when compared to existing housing stock and to other industries, such as transport and manufacturing. Regulation and mandated expenditure in new housing must not lead to a further deterioration of housing affordability.

Any further regulation must have clear net benefits for the housing sector based on a comprehensive and transparent cost-benefit analysis.

Recommendation:

The Government should:

- Ensure that the second generation of 5 Star Standards allows greater flexibility in determining allowable methods for achieving energy efficiency
- Ensure that the second generation of 5 Star Standards does not lead to further deterioration of housing affordability.
- Ensure that any further regulation must have clear net benefits for the housing sector based on a comprehensive and transparent cost-benefit analysis.

Rationale:

Residential dwellings in Australia consume 13% of all energy produced domestically, and this consumption should be placed into context, compared to energy consumption in the transport industry, at 41% and the manufacturing industry, at 35%.

(Sources: CSIRO "Energy & Transport Sector – Outlook to 2020 Sept 2002 and ABARE Australian Energy National & State Projections to 2019 – 2003)

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New housing represents an increase in existing stock of about 2% per annum.

New homes must play their part, however, energy efficiency regulation aimed at the new home-buyer must not place a disproportionate cost burden on such a relatively small contributor to the community's energy consumption challenges.

Government must ensure that there is a perception and a reality that all sectors are being treated equally when it comes to energy efficiency regulation.

Policy 7.7: Protect native habitat and areas of important biodiversity through appropriate land-use planning

Policy 7.7

Importance 5 ●●●●●

Comment:

In principle, HIA agrees with the intent of this policy, however, there needs to be a reasonable amount of balance in how the policy is pursued with respect to land within the UGB and land that has not yet been earmarked for urban development.

Greater certainty and economies need to be achieved, replacing the current ad hoc approach to this policy's implementation.

Also of note is that this policy places an additional workload on local government resources while there is an absence of funds available to councils to undertake vegetation assessments. The latter comes at a time when Victoria's planning system is severely under resourced, adding significant confusion, delay and cost to the planning process.

Recommendation:

The Government should:

- Introduce greater certainty for the industry through the application of mapping technology for the implementation of this policy.
- Apply Net Gain policy at the land release/rezoning stage, rather than at the development stage, to achieve greater economies.
- Allow the use of accredited consultants for the implementation of Net Gain policy.
- Develop clearer and more specific land-use policies when it comes to the protection of native habitat and biodiversity. Currently, broad discretion is resulting in the blurring of policies and definitions.

There needs to be clearer policies for the measurement, valuing and offsetting of land-use.

- Exclude Net Gain policy from applying to land owned within the initial UGB before the introduction of this policy. The policy should only apply on land that falls within the boundary as a result of an expansion of the UGB, or a subsequent purchase of land.

Environmental overlays, and their corresponding compensatory mechanisms, are appropriate for the protection of land already within the UGB.

- Provide appropriate training and support for government officials to deliver the consistent application of Net Gain policy.
- Calculate and report on the impact of Net Gain Policy on land yields within the urban growth boundary, with appropriate adjustments made for land lost to development.

Rationale:

When Net Gain policy was introduced there were many thousands of hectares of land inside the UGB that formed part of developers' future development stocks. These stocks have been treated in the same manner as land purchased after the introduction of Net Gain, which has caused severe hardship to those owners. In some cases, owners lost between 30 per cent and 50 per cent of their previously developable area.

Net Gain policy in its current form creates uncertainty for the industry and also results in lower lot yields, higher developer expenses and the ongoing management responsibilities for native vegetation. The added cost then contributes to the final cost to the home buyer.

There is an inequity in the application of Net Gain policy on land and land holders within the UGB prior to the introduction of this policy. The policy also places the burden of past vegetation removal on the development industry of today.

Government staff have a high level of discretion with the implementation of Net Gain policy. There is therefore a need for a higher level of transparency and accountability to reduce industry uncertainty. Practical and just procedures and guidelines must be used uniformly.

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Policy 9.1: Achieve better planning decisions

Policy 9.1

Importance 5 ●●●●●

Comment:

In pursuing planning reform, HIA believes that greater consideration should be given to:

- The development of metropolitan planning strategies that clearly state how continued city growth is to be managed (and financed) in the long term and which deliver affordable housing outcomes;
- The development of the concept of an approval system whose complexity matches the impact of the proposal being assessed, leaving the door open for wholesale reform of approval processes;
- The associated promotion of 'as-of-right' development as an appropriate approach for low-impact residential development of a routine nature;
- Leading practice principles as outlined in the Development Assessment Forum (DAF) model which look to promote a nationally harmonized planning system;
- The potential for private sector involvement (including pre-certification) to be called upon to assist local consent authorities determine the bulk of the applications with which they deal, freeing up valuable resources to consider more important policy issues or larger projects with a greater-than-local impact; and
- The possibility of tying Federal national competition policy type payments to improvements in planning processes.

Further, HIA is disappointed and concerned that the opportunity of pre-application certification has not been taken up more broadly by councils.

The advantages able to be demonstrated from the State Government/Glen Eira pre-certification model have not been properly encouraged. The model does not fundamentally address the objective of pre-certification – that an application is properly prepared and that it meets statutory requirements.

It may be the case that the process has created a perception amongst some council planners that pre-application certification reduces their control over the process. To the contrary, this process should be seen as an empowering councils to allocate the correct resources to important planning issues, whilst ensuring that quality decisions are made for routine development works.

HIA acknowledges the State Government's commitment to implementing the recommendations of the Carbines Report and supports the continuation of this initiative.

HIA continues to support the Development Assessment Forum (DAF) 'Leading Practice Model for Development Assessment in Australia', as it offers a model for further streamlining the planning process in Victoria.

Online application management systems are also supported by HIA.

Recommendation:

The Government should:

- Continue to implement the Carbines Report.
- Introduce code assessment for residential applications to streamline planning decisions.
- Establish a standard model for the allocation of delegated powers to determine applications that meet the objectives of Council policies. Those applications that depart from local planning policy or major proposals may be dealt with under delegation or by Council.
- Review the Planning Permit Activity Reporting Framework to include more accurate reporting procedures regarding planning permit processing times to provide the Minister and industry with important and relevant details to encourage benchmarking between councils.
- Establish appropriate timeframe guidelines for:
 1. DSE regional and central Planning Units to respond to Council and Applicant requests; and
 2. Priority Development Panel Hearings.
- Continue to pursue the implementation of the DAF model, including code assess, deemed to apply, and pre-application certification.
- Require one standard model for pre-application certification for all councils to apply.
- Ensure that pre-application is about the applicant having all information required. It is not about consultation.

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- Ensure that council does not recheck the content of pre-certified applications, otherwise the pre-certification is a waste of time and money.
- Encourage all Councils to hold pre-application meetings with applicants to:
 - discuss a project and the level of compliance with the Planning Scheme;
 - provide pro-active and constructive advice that reflects the level of Council support for the application;
 - outlines the information required to assist in determining the application, and;
 - provide an indication of the level of support for the application.
- Ensure that the same planning officer that attends the meeting also makes decisions regarding permit applications.
- Mandate online application management systems for all councils.
- Monitor and report on the performance of councils via an open and transparent performance monitoring system including half-yearly performance reports.
- Standardise forms and provide appropriate funding to allow this to be implemented.

Rationale:

HIA considers that planning systems should provide approval frameworks that match the level of assessment to the complexity of the proposal being assessed.

HIA is concerned that Victoria's good track record for 'as of right', low impact, residential development assessment is being continually undermined by local planning policy intervention.

HIA also believes that the scope for private sector involvement in development assessment (either by assisting councils to determine applications, or by making decisions on their behalf) is grossly underutilised.

Victoria currently has an advantage compared to many other states when it comes to housing affordability, but we do not want to lose this through growing complexity in planning processes and policies.

Policy 9.2: Speed up resolution of appeals

Policy 9.2

Importance 5 ●●●●●

Comment:

- If guidelines for 'best practice methodologies for community engagement and consultation about land-use planning issues' (Initiative 9.2.1) have been developed then they need to be more widely publicised within the industry and more broadly implemented at the local level.

A substantial amount of local policy still fails to provide the industry the clarity and certainty that it requires. Much local policy is repetitive and ambiguous, and needs to be made clearer, more succinct and avoid contradiction with other local policy.

- HIA acknowledges and supports the improved service provided by VCAT.

Recommendation:

The Government should:

- More widely publicise any best practice methodologies.
- Encourage broader application of independent third party mediation, implemented through VCAT.
- Prevent local government from assessing applications against policies and guidelines that are not part of the planning scheme. Where Councils continue to persist in applying such policies as part of the permit conditions the applicant should be able to seek compensation for subsequent delays, including a refund of part or all of the application fees.
- In support of flexibility in the planning system, allow applications to be amended to accommodate council/community input, applications should be permitted a reasonable level of amendment without being penalized through the requirement to relodge.
- Continue to improve the resourcing to VCAT so that there are 'year on year' improvements.

Rationale:

An example of inconsistent local policy is the introduction of the 9m height controls without any assessment or analysis of their overall effect on Melbourne 2030 forecasts.

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HIA is concerned that height restrictions are being used to deal with design concerns.

HIA is also concerned that the controls will limit housing choice and encourage local governments to devise local planning criteria that may serve merely to frustrate and add a further degree of complexity to appropriate redevelopment projects.

In the inner areas these controls have the potential to adversely affect neighbourhood character by dictating a particular housing response without considering site constraints and the eclectic nature of existing and future housing solutions.

Medium density developments which have been foreshadowed as part of Melbourne 2030 especially in the inner and middle ring suburbs and which are an appropriate form of infill housing may now be constrained in height, thereby reducing consumer choice, dwelling density and resultant housing mix.

Houses that are built on moderate to severely sloping blocks also have the potential to be unfairly constrained a 10m height control, for example, when they are using stepped construction techniques to minimise cut and fill on such sites.

Executive Summary

HIA Submission to the Melbourne 2030 Audit Expert Group
24 September, 2007

Executive Summary

The Housing Industry Association Limited (HIA) is a national association of more than 42,000 businesses. HIA is the peak industry association for businesses in the residential building, renovation and development industry in Australia.

HIA members include builders and building contractors (residential and commercial), consultants, developers, major manufacturers and suppliers. In Victoria HIA has over 14,000 members, including all of the state's top 200 home builders. HIA members build over 90% of Australia's housing stock.

The Housing Industry Association looks forward to continuing to work with the government, playing a constructive role in the application of the Melbourne 2030 strategy and developing practical solutions to the shared challenges we face.

HIA appreciates and understands the key directions and policies incorporated within Melbourne 2030. These policies and their implementation are having, and will continue to have, substantial ramifications for housing choice and affordability, and the nature of the housing industry itself.

Melbourne 2030, for instance, is based on the assumption of 'inherit benefits' associated with a more compact city form. These assumed benefits, which are largely related to transport and associated environmental savings, are unlikely to materialise in the absence of substantial upfront infrastructure improvements.

To date, the cost of these required works over the 30 year strategy, and government's willingness to undertake them, has not been made public. Indeed, in the short period in which Melbourne 2030 has operated, the absence of a clear overall infrastructure improvement statement has caused the community to question the suggested benefits of a more compact city form.

In the absence of such funding commitments, and in the interest of both housing affordability and consumer choice, HIA advocates close monitoring of the changes brought about by the strategy's implementation. The housing industry should be an important part of that monitoring.

HIA is also of the opinion that a fall back policy position should allow new land to be released at relatively short notice, to meet emerging or pent up housing demand.