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Dear Jo

UDIA National Submission: National Urban Policy Plan

Thank you for the opportunity to provide our comments on the consultation draft National Urban Policy (**the Policy draft**).

UDIA National is a long standing champion for developing a comprehensive, coordinated and strategic approach to a liveable, equitable, productive, sustainable and resilient built environment.

Overview

We appreciate that the Policy draft is not the final form of the Urban Policy Plan, but a discussion paper to encapsulate the universe of issues to build the National Urban Policy pathways.

This means that the Policy draft necessarily lack a coherent context on how to draw all the elements together into a coordinated stepped plan for better cities, suburbs and regions and needs:

- 1) **Mandatory collaboration with industry and all sphere's of government on actions for all goals and objectives** – you need practical insight of what can be achieved to moderate priorities.
- 2) **All areas of focus must incorporate cost and affordability measures to ground reality** – high cost can stop projects dead or inhibit Government action and prompts action to solve funding.
- 3) **Identify priority, conflicting and pre-requisite areas of focus that should be considered together** – homelessness is a priority but cannot be solved without affordable, diverse housing supply – and enabling infrastructure is a pre-requisite for both. Affordability, sustainability/energy efficiency, environmental protection are all competing issues that need to be accommodated.
- 4) **Incorporate additional key areas of focus – median priced private housing, housing diversity across demographics, population settlement plans, balanced housing/infrastructure across infill and greenfield** – none of these are specifically identified but vastly impact positive outcomes.
- 5) **Mandatory KPI metrics for all authorities with responsibility for implementing one or more Key areas of focus** – Accountability, transparency and authority = action. No area of focus will be actioned effectively unless the outcome is made the problem (to be solved) by authority(s).
- 6) **Commit to an action plan with roles, responsibilities, timeframes, review and reporting periods** – The Policy draft needs context and steps to coordinate the Key areas of focus in addition to identifying agencies that will take sole or joint responsibility for outcomes in the area of focus.

Critically, although difficult to do across entire key areas, each of these principal features can be incorporated in a relatively straightforward way by focussing on a regional/location outcome:

- 1) **By agreement, create lead agencies (state and Fed) with accountability and authority to deliver the key areas of focus outcomes for an identified region under a National Urban Policy.**

- 2) Consolidate/integrate multiple steps across planning, housing, environment, sustainability, infrastructure, social services under the lead agency authority for the identified region.
- 3) State and Federal oversight on key focus outcomes and KPI metrics for the identified region.

The Issue for the Built Environment

While the Policy draft is aimed at more than the physical built environment and is ambitious in scope, it is critical to understand how the built environment influences and is influenced by the problems raised in the Key areas of Focus.

Australia's housing markets have been beset by a continuous undersupply for most of the past two decades, eroding development ready land pipelines, housing affordability and access to home ownership:

- The shortfall in new housing stems from multiple factors: shortages of development ready land, increasing materials & skilled labour costs, productivity challenges, planning delays, all of which contribute to fewer homes, driving up purchase prices and rents.
- Ordinary Australians are forced to pay more for homes, or rent for longer at higher rates, with a growing number inevitably forced to seek government support or social housing.
- Australia is falling further behind in housing supply each year, further increasing pressure on prices and rents. There simply isn't enough capacity to meet existing housing demand.
- Private development produces 97% of new dwellings across the housing continuum, including the majority of affordable housing. Costs, shortfalls & delays impact the entire housing market.
- This means you cannot solve housing for one sector (affordable or crisis), without it being undermined by runaway issues of price, rent and undersupply in other sectors (at-market) – the negative impacts affect everything. They must be solved together.

The policy draft recognises that demand outstripping housing supply as a critical problem leading to broader issues:

- Lack of housing availability: Demand for housing is outpacing supply, leading to shortages that negatively impact affordability, rental vacancy rates, and housing ownership rates, especially for younger households.
- Housing affordability: A lack of well-located, diverse housing options is causing stress for an increasing number of households.
- Homelessness and overcrowding: These persistent challenges in urban areas are particularly affecting marginalised communities, including First Nations people, people with disability, and low-income households.
- Access to social services and transport: Outer urban areas particularly face access challenges, creating equity issues and isolation for residents.
- Urban development patterns: Continued outward growth contributes to sustainability concerns, loss of agricultural land, increased greenhouse gas emissions, urban heat island effect, high material footprint and greater infrastructure investment needs.

What however has not been detailed, is the fact that housing (at-market, affordable, social and crisis), is the nexus between the vast majority of Key areas of Focus in the Policy plan.

This includes as a pathway to better environmental communities, efficient energy usage and sustainability, productivity and job creation/sustaining and emotional/psychological health and wellbeing.

This means a large number of issues are positively impacted by solving key housing problems, but the extent of the problems has not been comprehensively outlined.

In particular, as noted above, while infrastructure and planning are key components to solving housing problems, they are currently root causes of much of the problem. Government is front and centre on the issue.

In reality, lack of enabling infrastructure and poor planning/environmental approvals have rapidly accelerated the housing crisis by ensuring Development ready land is not made available and the available land cannot be built on to relieve demand stresses. This is not simply a matter for the National Planning Reform Blueprint, but a key issue for the success of the National Urban Policy.

What is the Problem?

The issues surrounding delivery of housing and the built environment have bene around for decades. A large part of the issue is that the housing crisis is a nationwide issue requiring a national approach, but most of the active levers for resolving the problems sit at a state and local level which are (rightly) concerned with the immediate problem before them rather than the wider national picture.

This means that issues like immigration, population settlement and heat maps are not well coordinated across the spheres of Government to anticipate housing needs. Equally, data on housing has been patchy and not nationally coordinated up to now.

Equally, although states may have authority and power to act, it does not always follow that they have the funding or have equally pressing priorities.

In some cases however, the issue is as simple as agencies with a responsibility to manage but no authority act or authority to act but no accountability/motivation.

CASESTUDY: Moreton Bay Rail Link

The Queensland Morton Bay Rail Link is a study in the issue of authority to act but no motivation to implement due to funding shortfalls in Government. The project was eventually built, but took far longer than needed due to projected costs. **It actually took 130 years from first proposal.**

Issue

- Developing residential area population within the suburbs along the corridor, is expected to double from around 50,000 to around 120,000 by 2025
- High car usage/congestion
- Economic contribution was positive
- The line was officially opened on 3 October 2016, about 130 years after it was first proposed.
- In June 2004, [Queensland Transport](#) released the *Petrie to Kippa-Ring Public Transport Corridor Study's Impact Assessment Study* that stated higher construction costs by 2007 build time, could not be justified and it was shelved.

- Frustrated by a lack of action by the Government, the [Redcliffe City Council](#) (now [Moreton Bay City Council](#)) unanimously moved on 4 July 2005 to support a campaign to have the Petrie to Kippa-Ring railway built and to write to the Minister for Transport to express concern over the decision to not proceed with its construction.
- It was eventually built by a combination of State and Federal Money - During the [2010 federal election](#), then Prime Minister [Julia Gillard](#) announced that the Kippa-Ring railway line would be fast-tracked, with the project to be complete by 2016 at a cost of \$1.15 billion.

How

- Heavy rail in corridor preserved in planning documents over some years (Identified benefit-cost ratio of 1.46)
- 12 km stretch of heavy gauge dual-track
- \$742 million from the Commonwealth Government, \$300 million from the Queensland Government (plus another \$120 million for land) and \$105 million from the Moreton Bay Regional Council.

Outcome

- After several problems with the build it opened in 2016, and the initial issue was a lack of train driver numbers

https://en.wikipedia.org/wiki/Redcliffe_Peninsula_railway_line#:~:text=The%20Redcliffe%20Peninsula%20line%20is,from%20the%20North%20Coast%20line.

CASESTUDY: Housing Affordability Fund (HAF) 2008

In contrast, the 2011 Federal HAF is a case study that shows if you get funding, authority and motivation/accountability right, you can achieve outcomes through combined Federal and State approaches that would not be possible by the states alone. The funding not only catalysed housing and infrastructure, but also Development approval reforms in various states.

Issue

- housing affordability stress
 - HAF fund aim to reduce the cost of infrastructure works associated with housing
 - Developments and encourage best practice in development assessment and planning processes

How

- 41 projects (worth \$301.8 million) involving infrastructure works and eight reform projects (worth \$23.2 million) funded by the Aust government.

Outcomes

- by May 2011, the projects funded from the HAF had delivered a range of infrastructure works and a total of \$11.9 million in savings to 749 home buyers. With respect to increasing the supply of housing, projects funded from the HAF are expected to bring forward the construction of over 35 000 new homes
- Victorian public housing redevelopment project, which does not quantify the amount of savings to be delivered to home buyers. FaHCSIA estimates that savings from the project

will be in the order of \$10 million.

- DA reforms were successful in Qld incentivising local government to undertake reforms they would not otherwise have undertaken and have not since.

<https://www.anao.gov.au/work/performance-audit/implementation-and-management-the-housing-affordability-fund>

Enhancing the Principles of the Policy Draft

In the interests of simplicity, we have commented on the key principles that should be included across the aims, objectives and key areas of focus.

1) **Mandatory collaboration with industry and all spheres of government on actions for all goals and objectives.**

The Policy draft refers to collaboration of all spheres of Government and some Government agencies, but does not enshrine the need for Government to harness the expertise of industry and business.

While it might be assumed that this would be part of each individual Government's approach to the broader issues, general experience of bureaucracies is that unless the behaviour you want to encourage is specifically identified, it is unlikely to be implemented appropriately.

The goals and objectives of the Policy draft will be enhanced by the coal face expertise of industry, business and community.

In the case of housing and development, it is quite often the case that academic and theoretical planners will work with Government to develop a plan for (say) delivery of urban "missing middle" town housing with sustainable energy efficient requirements, only to find that any housing that might be delivered is too expensive for the area or simply unaffordable to any target demographic. Design of policy with the housing industry can instead help find ways to deliver housing that is affordable and well targeted.

Equally, it is often thought that Government wants to go "up not out", again designing policy that results in very expensive housing for a limited number of people (if any), because the demographics do not support the housing being contemplated (they simply don't want it). And it is too expensive for the area – infill housing can be as high as 40% more expensive than greenfield or urban edge housing. Working with industry can minimise these unnecessary errors.

Critically, what it also does is give a practical insight into actual costs and affordability issues for conflicting needs (often being "affordable housing, well located in urban areas with a high energy efficiency rating").

2) **All areas of focus must incorporate cost and affordability measures to ground reality.**

As a further point on the need for a practical focus, it is a false economy to ignore the cost of policy decisions in the process. Every decision has a cost associated with it and must be weighed

against the priority of the need. At the very least, it may lead to a reasonable compromise that will give the best solution for competing interests. At its best, it can identify key areas of focus that are of such high need that the cost must be borne – that invariably means that Government will need to fund the policy or incentivise industry to provide it. The principles of affordability do not leave much room for “pushing” costs onto industry and business, as it ends up being borne by the consumer in any event (or not being built or manufactured because it is economically unviable). – high cost can stop projects dead or inhibit Government action and prompts action to solve funding.

3) Identify priority, conflicting and pre-requisite areas of focus that should be considered together.

The Key Areas of Focus should be comprehensive so we have the universe of issues that need to be accommodated, but it is then a practical and critical analysis of what is absolutely necessary and what cannot be done until other needs are satisfied.

This should be done across the entire Policy as a part of workshops with key proponents.

We suggest that workshops be held with key stakeholders across competing and complimentary areas of focus, so that a coherent picture can be unveiled on what must come first and what is essential.

Within the housing space for example, homelessness is a priority but cannot be solved without affordable, diverse housing supply. Enabling infrastructure is a pre-requisite for both. Affordability, sustainability/energy efficiency, environmental protection are all competing issues that need to be accommodated.

Where there is a conflict of funding, the issue is either something must be de-funded or otherwise funded by government directly or through incentives to industry. Where however the issue is a conflict where one issue impacts another, decisions need to be made on what we can practically achieve vs what we want.

This is the fundamental analysis that is missing from most contemporary policy approaches.

4) Incorporate key areas of focus – median priced private housing, housing diversity across demographics, population settlement plans, balanced housing/infrastructure across infill and greenfield.

Our analysis of the Policy Draft has uncovered some gaps in the approach.

Private housing is not specifically mentioned as a key area of focus although affordable housing is mentioned. It is critical that housing affordability be included in the areas of focus because it is critical that we have houses that are at or below the median house price for given regions, otherwise we jeopardise home ownership. – none of these are specifically identified but vastly impact positive outcomes.

It is equally clear we need to have diverse housing as a part of the key areas of focus because one of the rising demographics is singles over 50 wanting to live close to family.

The Policy draft does not mention population settlement plans, but they will be critical to ensure we plan and target housing in the right locations for the right people. It is essential for the policy draft.

As noted above, there is a real need to recognise a key area of focus relating to balancing housing and infrastructure across infill and greenfield projects. This is wider than the relatively infrastructure needs of each housing typology, it goes to the lack of capacity of the skilled market to support the infrastructure and housing needs we have at this time. There are hard compromises and aggressive policy settings needed to overcome this problem.

5) Mandatory KPI metrics for all authorities with responsibility for implementing one or more Key areas of focus.

Irrespective of the agency and issues, there is a need to ensure there is accountability, transparency and authority to deal with any key areas of focus.

It has been a critical point of failure across numerous Government initiatives. As noted above there are scores of examples of agencies given the responsibility to develop an action plan that is handed to Government and does not get implemented. Equally if you take the example of planning authorities, there are numerous examples of rules and processes that actively undermine affordability and housing delivery due to time and complexity. Irrespective of whether this is a failure of resourcing or ineffective processes, it is ultimately a failure to take all issues into account due to a lack of accountability for the outcome of housing affordability.

No area of focus will be actioned effectively unless the outcome is made the problem (to be solved) by authority(s).

6) Commit to an action plan with roles, responsibilities, timeframes, review and reporting periods.

Understandably, the current Policy draft lacks a clear path for delivery of the key areas of focus. We are aware that the Policy draft is not meant to delve into the detail of specific policy changes and is focussed on how to take into account the relevant policy areas.

The final National Urban Policy will need to provide steps to coordinate the Key areas of focus in addition to identifying agencies that will take sole or joint responsibility for outcomes in the area of focus.

The principles above will go some way to help formulate the pathway for resolving a coordinated strategy for the National Urban Policy Plan. Formulation of and action plan will require:

- Identifying pre-requisite, complimentary and conflicting issues within areas of concern to determine what issues need to be solved together.
- Workshops with identified stakeholders in Government, industry and community on the issues within areas of concern that need to be resolved together.
- Identifying gaps in resolving issues within areas of concern that need additional support from Government, industry or community.
- Establish priority, secondary and tertiary issues within areas of concern and assign an agency(s) and/or Government stakeholder(s) accountable and accountable within a timeframe and set up a reporting structure back through Federal and State Governments.

Incorporating Lead Agencies to execute the National Urban Policy

Within the National Urban Policy, there will be several agencies across Federal and State Governments which have significant impact on the efficiency and effectiveness of the plan.

It can be difficult to coordinate a plan with multiple moving pieces within key areas of focus, that are influenced by different agencies and stakeholders who are otherwise not responsible for any other issues within an area of focus.

Without a lead agency coordinating all the issues it will be difficult. It can be made simpler still by establishing lead agencies with accountability and authority to deliver the key areas of focus outcomes for an identified region under a National Urban Policy.

This would allow for the National Urban Plan to be executed in discrete areas under the authority of a lead agency that would be responsible for working out suitable coordination of issues for all key areas of focus. It means that issues not relevant can be ignored and critical issues prioritised to achieve the outcome as effectively as possible.

It would require:

- 1) **By agreement, create lead agencies (state and Fed) with accountability and authority to deliver the key areas of focus outcomes for an identified region under a National Urban Policy.**

State Leads could focus on a region and Federal Leads may be responsible for several regions, to coordinate Federal support, coordinating of state responsibilities, funding, incentivising change and regulatory reform.

- 2) **Consolidate/integrate multiple steps across planning, housing, environment, sustainability, infrastructure, social services under the lead agency authority for the identified region.**

Each Lead Agency would be responsible for implementing actions and decisions on issues for the key areas of focus relevant to the locations(s), within the remit of the state or Federal laws applicable. At a State Lead Agency level, for instance that might include:

- 1) Planning, funding and delivery of all infrastructure (roads, rail, sewer, water etc.).
- 2) Land pooling (including purchase, sale and compulsory acquisition) where fragmented land is a barrier.
- 3) Implementing State and Local infrastructure contributions (multi focussed and co-ordinated to a deliver a common goal).
- 4) Environmental Protection and land management (acquisition, enhancement, public access, maintenance, protection).
- 5) Fulfilling the role of strategic planner for the precinct, including finding a collaborative approach to resolve the South Creek environmental corridor.
- 6) Coordinating and approving statutory planning frameworks (e.g. streamlined agency consultation & approvals delegated to a Planning Panel with membership from the relevant LGAs).
- 7) Collaboration and partnerships with the private sector to deliver built outcomes.
- 8) Collaboration and partnerships with community care, first nations, social outreach stakeholders to deliver safe, connected, sustainable and productive communities.

- 9) Collaboration and partnerships with the public services sector to deliver social outcomes (crisis care, social employment & training initiatives, affordable housing etc).

3) State and Federal oversight on key focus outcomes and KPI metrics for the identified region

Each Lead Agency for a given location, would operate under delegation from the relevant state or Federal powers and report to the relevant Minister.

Oversight, reporting and performance against metrics (the outcomes for issues identified under the key areas of focus), would be public.

This approach has precedent in numerous jurisdictions with significant success.

CASESTUDY: WA Housing Supply Unit

Within WA, the Housing Supply Unit has been set up by the Department of Treasury [here](#).

It reports to a Ministerial Oversight Committee, and it is responsible for the development of market-driven housing policies including measures to boost supply and improve choice and affordability. They will also consider economic forecasts and the implications of government regulation, policy, and investment on housing.

While more limited in scope than would be needed under a National Urban Policy Plan, industry has found the HSU to be extremely nimble in engaging and exploring new ideas from stakeholder experts. This includes using enabling infrastructure to unlock supply in the growth areas and establishing a process to release government owned land for residential development through industry-led proposals

The Olympic Coordination Authority

The NSW Olympic Coordination Authority (OCA) is an exemplar which could be adopted by the Government to deliver a coordinated response via TfNSW, Planning, Sydney Water and other agencies reporting to the Premier or one Senior Minister within Government.

The OCA was established with its own Act, approval powers and infrastructure budget by the Carr Government in recognition of the need to end the lack of coordination between the various government agency silos that had emerged and that were hindering the delivery of the Olympic infrastructure in time for the Olympic Games in 2000.

It succeeded. The same time pressures and lack of coordination exist today in the issues the National Urban Policy is seeking to address.

The London Docklands Development Corporation

The London Docklands Development Corporation had a similar mandate to the OCA in the 1980s and 1990s. It was tasked by the British Government to redevelop the derelict docklands in East London

(Canary Wharf etc.) after multiple Government Agency failures to deliver the urban renewal vision that was sought.

However, it also had a broader remit as part of that role. It funded and constructed new roads (e.g. the East India Dock Road), new infrastructure (e.g. Thames Water Wapping Pumping Station), built new and refurbished existing public housing and undertook intense place promotion and marketing.

Similar to the OCA it was also self-approving and delivered works in partnership with the private sector.

The private investment and delivery of employment floor space, housing and community facilities / programmes that have taken place in the last 30 years is simply outstanding.

Infrastructure, Housing and City Building

As noted above, housing is a nexus issue to solving many of the issues in the Key areas of Focus, and enabling/transport infrastructure is a necessary pre-cursor issue for delivery of housing.

Equally, housing is a critical foundation for City building and productivity to ensure liveable, safe environments close to work to optimise transport infrastructure.

With this in mind, we have attached two Appendices.

Appendices A is Nationwide Infrastructure necessary to unlock housing around the states.

Appendices B is the core UDIA National Infrastructure Recommendations for Liveable Communities.

While the detail is largely beyond the scope of the National Urban Policy, it shows the pathways that should be encouraged by the Policy draft and act as a waypoint for a successful plan. If the plan begins to encourage actions that reflect Appendices A and B, it will be well on the way to resolving some core problems identified by the Policy draft.

Please do not hesitate to contact the UDIA National Head of Policy and Government Relations - Andrew Mihno on 0406 454 549 to discuss this further.

Yours sincerely



Col Dutton
UDIA National President

APPENDICES A: Nationwide Infrastructure to unlock housing.

This is a summary of the Infrastructure needed in each UDIA State and the overall infrastructure funding needed from Government to unlock housing.

NB: The information available in each state varies based on the State Government willingness to share information. Some states such as Victoria have zero transparency on future plans.

The rollout of the UDIA National Housing Pipeline across the states will go a long way to address this issue, like WA which has a better view on the needs as has already piloted the National Housing Pipeline.

Overall the total funding needed across NSW, Victoria, Queensland, South Australia and Western Australia is circa **\$14,356 bn**. An announcement to fund any reasonable portion of that larger sum would be welcomed by industry.

New South Wales –Summary

The NSW development industry has several key issues with infrastructure delivery:

- Concerns the State does not have capacity to deliver significant infrastructure, particularly enabling infrastructure (roads, sewer, water) for the delivery of new housing in greenfield growth areas.
- The State mantra of ‘up not out’, is an attempt to defray higher costs to install greenfield infrastructure, but higher build cost of high rise means adverse impacts for housing affordability and supply.
- Pending new contributions by water corporations in Sydney Megaregion are making many new housing developments unviable – several contributions are in excess of six figures.
- There needs to be more efficient and certain infrastructure planning program as well as a consistent and transparent works in kind program for enabling infrastructure to help offset rising housing costs.

The **overall infrastructure funding needed** in NSW is **circa \$5.16bn** for major and supporting infrastructure including:

Western Sydney Enabling Infrastructure to Support Housing

- **Austral-Leppington Interim Sewer Strategy:** To sustain the immediate greenfield pipeline around the Austral Leppington precinct whilst we await the 2036 Sydney Water Major Recycling Centre.
- **Lowes Creek Maryland Sewer Pumping Station:** Required for South Creek West and Pondicherry and will help yield 12,000 lots over the next 3 years and 35,000 lots total.
- **Wilton Water Reservoir** – \$35M: Unlocks development in the Wilton Precinct and will support the development of 5,500 lots within the next 3 years.
- **Wilton Sewer Treatment Plant** – \$50M: Unlocks development in the Wilton Precinct and will support the development of 16,000 lots within the next 3 years.

- **Upper South Creek Advanced Water Recycling Centre** \$1.6B: Infrastructure constraints continue to present an issue at Austral Leppington. Only 1,700 lots, which is about 20% of the total lots in these precincts, can be delivered until Sydney Water delivers the recycling centre in 2026 and unlocks the remaining 80% or 6,800 lots.
- **Lowes Creek Maryland Sewer Pumping Station** \$30M: required for South Creek West and Pondicherry and will help yield 12,000 lots over the next 3 years and 35,000 lots total.
- **Spring Farm Parkway** - \$128M: Key East-West Link required to unlock Greater Macarthur (North) and ease congestion on Narellan Road and unlock up to 15,000 lots.
- **Richmond Road Upgrade** - \$70M: Required to enable the rezoning of Marsden Park North and West Schofields, as well as reinforce a key flood evacuation route. Potential to unlock up to 8,000 lots.
- **Appin Road** - \$99M: Includes north and south Appin Roads, based on SIC.
- **Marsden Park North and West Schofields Sewer Pump Stations** - \$40M: Catalyst required to unlock development in Marsden Park North and West Schofields.
- **Box Hill Zone Substation** - \$38M: Required to free up capacity in Riverstone East, Vineyard and Box Hill.
- **The Water Lane Concept Design** - \$32M: Catalyst Required to unlock 1,200 Lots in Box Hill.
- **M7-M12 interchange Mulgoa Road** - \$1.7B
- **Stage 2 - Glenmore Parkway to Jeanette Street**, Stage 5A Blaikie Road to Jamison Road and Stage 5B Jamison Road to Union Road - \$232.5 million
- **Cambridge Ave between Campbelltown Road and Glenfield Road** - \$120M (est.) \$50m funding already allocated for business case. Additional \$120m funding required for construction between Campbelltown Road and Glenfield Road in Sydney's South West to unlock the rezoned Glenfield precinct - over 4,000 dwellings.
- **Upgrades to Prestons Reservoir, Minto and Ingleburn Reservoirs** - \$50M (est.): Increase existing capacity to support 7,000 new homes at Glenfield precinct.
- **Menangle Park Treatment Plant** - \$50M (est.): To accommodate in the areas surrounding Glenfield Precinct and free up capacity at existing Glenfield WRP. Supports min. 7,000 homes at Glenfield Precinct + additional homes in Campbelltown LGA.
- **Glenfield Waste Recycling Plant (WRP)** - \$50M (est.): Upgrades to the existing to increase hydraulic capacity to receive the additional loads generated by Glenfield Precinct.
- **Glenfield Zone Substation** - \$30M (est.): New Zone substation on western side of Glenfield Train Station (via Endeavour Energy) to support extra electrical demand from 7,000 new homes at Glenfield precinct.
- **Maldon Dombarton Rail Corridor** - \$300M (est.): Partial completion of the Maldon Dombarton Rail line to Wilton Town Centre to provide direct rail access to the Wilton Priority Growth Area.

- **Fast track Bingara Gorge WWTP Upgrade** – \$30M (est.): Unlock additional capacity in Wilton Priority Growth Area for land already zoned. Up to 4000 dwellings.
- **Fast track Wilton Reservoir** – \$30M (est.): Unlock additional capacity in Wilton Priority Growth Area for land already zoned. 8000 dwellings.
- **Stage 3 Bingara WWTP or Stage 1 Upper Nepean WRP**– \$1Bn: Provide capacity for 30,000 homes across Appin and Wilton

Hunter/ Central Coast + Illawarra/Shoalhaven:

The Hunter Region has the potential to house an additional 1 million people before 2041 which is the date the NSW Government's Hunter Regional Plan 2041 expects this growth to occur by. However, for this to be achieved an additional 100,000 new dwellings need to be built and aligned with new or expanded infrastructure.

That is why UDIA is calling Government to create a Hunter Growth Infrastructure Fund and commit **\$500m** to the delivery of Hunter **enabling infrastructure** to unlock the existing pipeline for the region's housing and jobs.

Forward funding H&PC:

The implementation of the Housing and Productivity Contribution (H&PC) has created a framework which should be leveraged to better support infrastructure delivery across the mega region. Removing the nexus allows contributions pooled to be used where they are most needed and where they deliver the best housing outcomes. However, the process is still constrained as Government must wait for land to be subdivided or apartments built before contributions are collected and funds allocated to infrastructure projects. This fails to acknowledge that the infrastructure is required upfront to allow the land to be subdivided or the apartments built.

To address this issue, we have recommended the Government forward fund the H&PC fund allowing the infrastructure to be built, the subsequent housing delivered, and contributions collected. This first monetary injection will create a positive sustainable cycle where infrastructure is built which supports more housing and where more housing supports more contributions, allowing more infrastructure to be built.

The UDIA believes that the Government should strongly consider reprioritising the **\$400m** announced for the Restart NSW Fund in the 22/23 Budget and the forward fund H&PC with a further **\$700m**, the amount which is expected to be derived from forward contributions. Notable requirements **include:**

Illawarra/ Shoalhaven Enabling Infrastructure to Support Housing

- **Avondale Reservoir and Trunk Main** – **\$20M**: Without a new reservoir, supply and pressure issues will continue to restrict development. Potential to **unlock 7,700 homes**.
- **Calderwood Sewage Pumping Station, Rising Main and Trunk Main** – **\$18M**: Future development on the northern side of Calderwood Road, including Town Centre East and the proposed school sites, are reliant on the future Calderwood sewage pumping station. This was recently pushed out to 2026 based on the latest Sydney Water Growth Servicing Plan. Potential to **unlock 4,500 homes**.
- **Moss Vale Road North and South Sewer Pumping Station** – **\$26M**: The existing sewer network adjacent to the Moss Vale Road precinct is at capacity and is unable to accept additional loads,

even as an interim solution. A new pump station and rising main are required to service these lots. Combined with the below, it has the potential to **unlock 3,500 homes**.

- **Moss Vale Road Reservoir and Potable Water upgrades – \$14M:** The existing reservoir does not have the capacity to support the new Moss Vale Road precinct. A new additional reservoir of appropriate size is required to support the URA, as part of a long-term future supply scheme. See above for potential deliverability.
- **Marshall Mount Road Upgrade – \$92M** Marshall Mount Road is an existing Rural Road with one-way bridges and significant constraints, it's upgrade will support the release of Stage 5 of the West Dapto Urban Release Area and the Northern Section of the Calderwood Urban Development Project, it has the potential to **unlock 3,700 homes**.
- **Cleveland Road Upgrade – \$81M** Cleveland Road upgrade has been partially completed, but the remaining section of the upgrade has not yet commenced, the road upgrade provides a key link between to completed Road upgrades and from West Dapto to the Dapto Town Centre. Cleveland Road has the potential to **unlock 4,600 homes**.

Hunter/Central Coast

- **Kings Hill interchange, stormwater diversion and new school @ \$56.6M :** Unlocks **3,500 dwellings** in Port Stephens within 5 years.
- **Intersection at Minmi Road and Newcastle Link Road – \$55M:** Upgrade needed to **unlock 2,300 dwellings** in the next 5 years in Lake Macquarie.
- **Newcastle Link Road (east) intersection and widening – \$40M:** Major road upgrade in Newcastle and Lake Macquarie required to enable delivery of **3,500 dwellings** in 0-10 years.
- **Upgrade of Dora Street and Macquarie Street including multiple intersections – \$65M:** Road upgrades to **deliver 3,000 dwellings** in Lake Macquarie over next 5-10 years.
- **New England Highway upgrade at Anambah (Maitland) – \$25M:** Necessary to deliver **over 3,000 dwellings**.
- **Bellbird (Cessnock) trunk sewer and water upgrades and booster pump station – \$15M:** Capacity upgrades required to **deliver over 3,300 dwellings** over the next 5 years.
- **Hunter Expressway upgrades, electrical feeders, new water reservoirs and water main – \$22.5 total:** Required to **deliver 3,500 dwellings** in the next 5 years at Huntlee, a major new town emerging in the Hunter Valley (Cessnock).
- **Wallalong (Port Stephens) new bridge and signalisation, flood free road access – \$32M:** Significant road, water and sewer upgrades required to **deliver over 4,000 dwellings** starting in 5 years.
- **Anvil Creek rail overpass adjustments – \$10M:** Required to deliver **1,350 dwellings** in Cessnock in next 5 years.
- **Thornton 3 WWPS upgrade – \$6M:** Sewer pump station **unlocks 2,000 dwellings** in Maitland within 5 years.
- **Chain Valley Bay Rd and Pacific Highway intersection upgrade – \$8M:** unlocks 600 new diverse dwellings within 5 years on Central Coast.

- **Sparks Road intersection - \$2.2M:** half costs still needed to unlock over 1,700 dwellings on Central Coast.
- **Pacific Highway intersection upgrade - \$10M:** to deliver major new residential area of over 1,200 dwellings in Wadalba East, Central Coast.
- **Wyong Road intersection upgrade - \$10M:** required to support over 2,000 new dwellings in Wyong.

Queensland – Summary

The QLD development industry needs increased housing supply supported by infrastructure including:

- increase land supply and enable infrastructure growth through expanding the Catalyst Infrastructure Fund (CIF) – this will further unlock development.
- There is a stalemate between Developers, Councils and purchasers:
 - 1) Developers are stuck because the fragmented ownership of land holdings results in significant first mover disadvantage if you get stuck footing the whole bill for a big piece of trunk infrastructure. In reality this disadvantage cannot be overcome by an individual developer.
 - 2) Councils are crying poor/broke and won't go ahead of developers and install trunk infrastructure because the full cost of the item is beyond them.
 - 3) Homebuyers simply can't afford to pay anything more.
- Queensland needs a new form of funding to break the stalemate – establish a fund for infrastructure to unlock housing which local governments could apply on the basis of criteria such as:

Core criteria

- 1) evidenced developer intention to develop housing if the infrastructure was provided.
 - 2) evidenced housing need calculated by large gap in population forecast and dwelling supply forecast in that region.
- Queensland needs to speed up new housing with trunk infrastructure package – housing-related infrastructure backlog is a major drag on the delivery of affordable new housing. For new housing to be delivered urgently at a price buyers can afford to pay, the infrastructure necessary to support those homes must also be delivered urgently.

The overall infrastructure funding needed in Queensland is circa \$3.5bn for trunk infrastructure package including:

- **\$500 million each year for four years to an upgraded Building Acceleration Fund/Catalyst Infrastructure Program** to provide direct funding as well as repayable infrastructure investment for housing related investment by the private sector, local government, and agencies across the state.
- **\$500 million in fast tracked funding and facilitation of specific high need infrastructure** which unlocks housing potential in growth areas.
- **a new \$1 billion Queensland Government Trunk Infrastructure Co-payment Fund** to assist local government deliver new trunk infrastructure to unlock development potential and get more new homes on the ground sooner. It is recommended that a portion of this funding is quarantined for regional areas.

Victoria – Summary

The VIC development industry sees the state population outpacing all other states and needs:

- there is little transparency from Government on what future housing development that is contingent on certain infrastructure funding.
- (State Government), to deliver a greater density of residential development in Melbourne's established areas, closer to major employment and activity centres, and well served by amenities and infrastructure.
- the priority is unlocking greenfield so that we have housing at an affordable(ish) price point and involves establishing freeway interchanges.

The overall immediate infrastructure funding needed in Victoria is **circa \$2bn** for freeway interchanges, significant overpasses and bridges including:

- **a diamond freeway interchange would be \$500M project** – there would there be at least four of these needed at present. So \$2bn for four major road infrastructure projects.
- **Just one of these projects unlocks 15,000 lots** – four would unlock circa 60,000 houses for 4 trunk infrastructure projects like a diamond interchange or a significant overpass or bridge.
- **NB: There are other larger projects like the Outer Metropolitan Ring Road for a six lane 100km road will would unlock both housing and jobs** because it will support the Beveridge Interstate Freight Terminal (BIFT). It needs between \$17bn and \$35bn in funding. This will create a major transport corridor including road and rail links between Werribee, Melton, Tullamarine and Craigieburn / Mickleham; a road link from the Metropolitan Ring Road in Thomastown to Donnybrook, and a road link from the Deer Park Bypass to the Outer Metropolitan Ring.

South Australia – Summary

The SA development industry finds infrastructure inhibiting housing supply and needs:

- additional SA Water infrastructure – potable water and sewerage infrastructure as it is constraining greenfield & infill development where increased capacity is needed. It is worse in metro growth areas.
- State Government to direct SA Water to construct the headworks and provide the budget for the works, as low budgets, crushed the capacity for metro housing development for the best part of a year.
- Council's to stop pushing storm water infrastructure upgrades on proposed developments due to new rainfall modelling – it is clearly unfair and sterilising development as the costs are prohibitive.

The **overall infrastructure funding needed** in South Australia is **circa \$3bn** for enabling and supporting infrastructure including:

- Immediate investment of **\$1bn** for wastewater/sewerage infrastructure and roads to continue development of housing in existing growth precincts predominately in northern metropolitan Adelaide which are relied upon by the Government as development ready land to meet immediate demand.
 - 1) While the Government has indicated a pending allocation of \$365 million towards the **wastewater infrastructure required** in this area, it is clear that this is only a portion of the required investment. The majority of the **\$1bn** would be for wastewater/infrastructure to prevent existing housing from being removed from the market as well as **supporting 15,000 proposed new dwellings**.
 - 2) **Road upgrades are a smaller portion of the \$1bn** – generally road duplications or widenings rather than new interchanges. This will support **circa 25,000 additional new dwellings**.
 - 3) **Stormwater, potable water, and sewerage upgrades** are required in southern metropolitan areas. These costs are likely to be in the order of **\$140 million** and would **support 5,000 dwellings**.
- SA Water has indicated the growth across Greater Adelaide will likely require an additional **desalination plant and an additional Bolivar Treatment Works** scale sewage treatment plant in the medium term. There has been no indication from Government to this point as to when these constraints may become a fundamental impediment to growth. UDIA SA is asking for a scoping study on the treatment plant as part of its submission for the coming State Budget. The ballpark figures indicated by SA Water at this stage for these major capital projects is **\$2 billion**.

Western Australia – Summary

The WA development industry is constrained by lack of skilled workers and has several infrastructure issues:

- Approximately 15% of undeveloped urban zoned and potential future urban zoned land is fundamentally constrained, equating to between **122,000 to 160,000 dwellings** that cannot be realised.
- North Ellenbrook and Bullsbrook, East Wanneroo and Mundijong and Wellard growth areas require immediate critical enabling infrastructure funding commitment to unlock significant future housing supply in the Perth metropolitan area.
- Infrastructure items requiring prioritisation include the North Ellenbrook Interchange, water and sewer extensions, power infrastructure and Ground Water Management system.

The **crucial enabling infrastructure funding needed to unlock three key growth areas in Western Australia** is **circa \$358 million (unfunded portions)**, which is for the following:

- **North Ellenbrook and Bullsbrook** for enabling infrastructure worth **\$288m (\$98m committed and \$170m needed)** including:
 - Multiple wastewater pump/transfer stations and sewer trunk infrastructure to connect into Barrambie Way.
 - Extension of water reticulation trunk mains.
 - Zone substation upgrades and feeder extensions.
 - Railway Parade and Warbrook Road upgrades.
 - Accelerated delivery of North Ellenbrook Interchange.
 and will **unlock 28,500 homes**.
- **East Wanneroo** for enabling infrastructure worth **\$135m** including:
 - Jandabup 'A' and 'D' wastewater pump stations and interim pressure mains.
 - Wanneroo Reservoir upgrade.
 - Transmission line upgrades and construction of zone substation and HV network feeder extensions.
 - Construction of groundwater management system.
 - Planning for the ultimate Jandabup A pump station*.

**Upgrade of the pump station (\$40m) is in Water Corporation's CIP for 2035 but it will be required by 2030. To enable this, planning must commence within the forward estimates - \$2M in each FY26-27 (for planning) and FY27-28 (planning and acquisition).*
 and will **unlock 30,000 homes**.
- **Mundijong and Wellard** for enabling infrastructure worth **\$45m (\$12m committed* and \$33m needed)** including:
 - Mundijong Road upgrade (including intersections). District level wastewater pump station to Rockingham Treatment Plant.
 - Planning of future substation site.
 - Wastewater pump station and pressure main.

**An allocation of \$12M for Mundijong Scott Raad pump station is included in Water Corporation's CIP but due to inability for developers to pre-fund, it needs to be brought forward to 2024-25 to provide for the reimbursement of pump station works on completion of construction.*

and will **unlock 13,500 homes**, plus West Mundijong Industrial Area.

Ideally, this would be done with **the establishment of a Growth Areas Catalyst Infrastructure Fund**, overseen by a newly established Coordinator General role and team (or equivalent) for the planning and delivery of these identified crucial enabling infrastructure items/packages to accelerate housing delivery in these three key growth areas.

It should be noted that these are only the crucial enabling infrastructure requirements, not additional and ultimate infrastructure items required to deliver the full housing yield. There are also other key growth areas across Perth and Peel, and in regional WA, which will require such crucial enabling infrastructure through building on the initial Fund commitment of \$468M.

APPENDICES B: UDIA National Infrastructure Recommendations for Liveable Communities.

Recommendations

- **Provide direct Federal infrastructure funding to projects that support new housing** like trunk infrastructure to unlock housing and key infrastructure critical for housing. (new connector roads, interchanges, trains & buses)
- **Accelerate Accord State & Territory infrastructure incentives to catalyse new housing** rather than pay states an incentive at the back end of the Accord period.
- **Allow industry access to Government infrastructure funding** (like local government) to maximise application of funding commitments to critical enabling infrastructure.
- **Establish measures and industry input to ensure infrastructure projects tie in housing**, city shaping and that enabling infrastructure is funded and delivered.
- **Establish a strategic approach with industry to manage the capacity** to deliver significant government infrastructure projects – to balance immense capacity pressure on the construction sector that is blowing out costs and time for housing delivery.
- **Develop protocols to ensure strategic plans properly consider population forecasts** and demographic changes, with durable and flexible land use frameworks for cities & regions.
- **Performance manage the new strategy for integrated land use plans and approvals** for development to drive a better return on Commonwealth major infrastructure projects. Also include housing supply outcomes and funding of enabling infrastructure.
- **Use the Centre for Population's forecasts confirmed with industry as the baseline** for all infrastructure and land use planning across governments.
- **Infrastructure Australia to advise on the contribution of major infrastructure** to meet housing supply, in addition to the direct economic benefits.
- **Incentivise States and Territories to monitor and review short, medium and long-term strategic plans** for each of our major capital cities and regional centres that map the infrastructure and land use.
- **Clearly chart the base level of services expected for key elements of liveability**, including housing, transport, social/major infrastructure, timely delivery and the environment.
- **Prioritise further City Deals to stimulate growth** and kickstart productivity for key growth areas.