Question on Notice

No. 29

Asked on 16 February 2011

MRS MENKENS ASKED THE TREASURER AND MINISTER FOR EMPLOYMENT AND ECONOMIC DEVELOPMENT (MR FRASER)—

QUESTION:

With reference to housing affordability in regional centres which has come under recent scrutiny with the release of the Demographia International Housing Affordability Survey, and as the survey identified, amongst other things, restrictions on development as putting considerable upward pressure on prices—

What will the Minister do to rein in the cost of housing development such as the example cited of power delivery by Ergon in Townsville increasing from $800 to $5000 per lot in the last five years?

ANSWER:

The 7th Annual Demographia International Housing Affordability Survey (the Survey) does not consider many factors affecting housing affordability, such as market influences, interest rates and national economic and fiscal policy.

The Urban Land Development Authority (ULDA) has been established to get land to market faster, streamline development application approvals and to simplify planning requirements to make housing more affordable.

The master planning and structure planning processes provided in the new S*ustainable Planning Act 2009* has streamlined the development assessment process to fast track development applications and improve planning outcomes including affordable housing.

The Government established the Independent Infrastructure Charges Taskforce to consider matters relating to reducing the costs of new homes. The Taskforce's Final Report, released on 16 March 2011, includes a recommendation to introduce a uniform maximum standard infrastructure fee of between $20,000 and $30,000 to make housing more affordable. The Government will respond to the Taskforce's report by the end of March 2011.

Since 2005 developers are required to fully fund electrical reticulation costs. Developers are not required to use Ergon to carry out the electricity work.