

SPECIAL PREMIERS' CONFERENCE ON HOUSING 3 MARCH 1989

JOINT STATEMENT OF OUTCOME

At the Special Premiers' Conference today, all Premiers, the Chief Minister of the Northern Territory and the Commonwealth agreed to co-operate in addressing the problems confronting the housing industry, particularly the supply of suitable land.

At the Conference, the Commonwealth put forward a major program of land releases for housing development, amounting to around 27,000 blocks over the next five years. This is equivalent to around 15 new suburbs. A further 30,900 blocks will be released in the following five to 10 years.

The Premiers and the Chief Minister responded favourably to this initiative, and raised some additional issues. These included difficulties faced by States in providing infrastructure for new developments in fringe areas and for higher density developments in some urban areas. New South Wales and Victoria also raised the issue of the hand back of surplus Defence Housing for use as public housing.

In the context of decisions to release further land for housing, concern was expressed by Premiers about the need to provide housing related infrastructure, and the financial limitations on them to do this. It was agreed that Premiers would consider and put forward specific proposals and that the Commonwealth would give serious consideration to them in the Premiers' Conference and Loan Council meetings later this year.

Following consideration of these issues, it was agreed that there would be bilateral discussions with States on Commonwealth-owned land identified by the Commonwealth as available and suitable for housing development. The Commonwealth also undertook to examine whether other Commonwealth land identified by the States as suitable for housing development could also be made available. The Commonwealth agreed to examine joint-venture arrangements, as put forward by New South Wales, for developing and marketing Commonwealth land for housing. Under these arrangements the Commonwealth would receive no proceeds from the land until final sales were made.

Concerning Defence Housing, the Commonwealth notes that the renegotiation of the Commonwealth State Housing Agreement (Service Personnel) is due to be completed very shortly. The Commonwealth undertook to have bilateral discussions with those States seeking them in its consideration of new arrangements in the next few weeks.

Some less populous States suggested consideration be given to ways of encouraging more migrants to settle in those States, rather than in the more heavily populated centres. The Commonwealth noted that immigration policy had been changed recently and now includes bonus points if sponsors live in State nominated areas. The effectiveness of this new selection system will be kept under review.

The Conference noted that Rental Property Trusts of the kind promoted by New South Wales can make a significant contribution to the supply of low cost rental housing. The Commonwealth agreed to discuss with New South Wales the marketability of its Trusts, with a view to examining whether they are taking full advantage of current taxation provisions.

The Commonwealth has also developed a package of measures directed at problems of land supply, building regulation, land regulation and local government approval processes. The program will include initiatives to respond to growing demand for higher density developments. The States and the Northern Territory have indicated they are happy to assist in implementing and funding aspects of this package. It was also agreed that Local Government be invited to contribute to this program.

The package of measures includes a three year program of work to redress inadequacies in the availability of data on land supply and the composition of demand to be undertaken in conjunction with the Indicative Planning Council for the Housing Industry. The States and the Northern Territory have agreed to participate in this program.

The States and the Northern Territory have also agreed to participate in a joint program under which financial and technical assistance will be provided over the next three years to Local Government to review the technical content of residential land development regulations.

The Commonwealth has also announced a program to promote demonstration studies, co-operation, research and information dissemination, designed to stimulate improvement in the administrative aspects of approval processes at the Local Government level.

The Conference also endorsed the setting up of an expert task force drawn from Commonwealth, State and Local Government, the design professions and building industry, to examine the scope for significant reforms of technical regulation of building codes and standards.

Resources will be devoted to create the capacity for the analysis and development of policy in relation to housing supply within the Department of Industry, Technology and Commerce.

This package of measures will cost around \$9m over three years. The Commonwealth Minister for Industry, Technology and Commerce, Senator Button, will issue a press release providing more detail.

The Conference reviewed and warmly supported the performance of the Joint Venture for More Affordable Housing, also known as "Green Street". This program, which is jointly supported by the Commonwealth State and Local Governments, as well as the industry, has been particularly effective at demonstrating a wider range of housing choices and the use of more innovative building and land development techniques. The project has achieved savings of up to 24 per cent on house and land development. The Commonwealth will be working with the States to expand awareness of the Green Street concept.

The Conference also agreed that early consideration would be given to a joint Commonwealth-State demonstration program of higher quality, medium density housing in the inner cities, particularly older industrial and commercial areas.

The supply of skilled labour to the housing industry is another significant constraint. Accordingly, the Commonwealth concluded arrangements with the New South Wales division of the Housing Industry Association on 30 January 1989 which provided for immigration of a maximum of 225 workers in the building trades in the period to 30 June 1990, in return for an increased apprenticeship training commitment. Further consultation with the Government, industry groups, the ACTU and building unions, with a view to developing a national arrangement for the building and construction industry began in February 1989.

Concerns were raised about the effectiveness of the First Home Owners Scheme. It was agreed that the Commonwealth would give serious consideration to proposals from these States on the future direction of this Scheme.

At the Conference today, the States and the Northern Territory undertook to review legislation and regulations under their control, with a view to improving their systems of land supply and use.

In this regard, the Conference welcomed the initiatives recently taken by the Government of New South Wales to increase substantially the turn-off of serviced land and introduce appeal rights against Local Government decisions on zonings for medium density housing.

The Conference recognised that there is no "quick fix" to the problems confronting the housing industry at present. However, the constructive and co-operative approach of all participants at today's Conference, which all have agreed to continue into the future, has laid the groundwork for substantial relief to the supply-side constraints affecting the industry.