

Media Release

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#DESIGNPERTH REPORT FLAWED

Data used in the recently released #designperth report is outdated and claims that it costs government 3 times as much for a greenfields lot than an infill lot are simply incorrect according to the Urban Development Institute of Australia (UDIA WA).

“The #designperth report puts forward a simplistic argument promoting infill development over greenfield development without due regard for how development is undertaken and funded here in Western Australia,” UDIA CEO Allison Hailes said.

“Blanket statements about the costs to government of providing infrastructure to support greenfield lots being significantly more than for infill sites is just not accurate,” Ms Hailes said.

“Developers bear the majority of costs associated with road and utility infrastructure as well as making contributions to local community infrastructure, regardless of location” Ms Hailes said.

“Figures used in the #designperth report are based on data originally compiled in 2001 which does not take into account policy changes in the past 10-15 years, where the development is occurring, or the existing infrastructure capacity of an area.”

“While UDIA supports infill development as well as greenfields, decision making about where future development should be allowed must be based on current facts and strategies that deliver an appropriate, sustainable and affordable housing supply for Perth into the future,” Ms Hailes said.

“The assumption that development in inner areas can simply go ahead without the need for new or upgrading of infrastructure ignores the current capacity and age of existing infrastructure,” Ms Hailes said. “In many cases ageing or inadequate infrastructure in infill sites requires expensive retrofitting and upgrades to bring it up to scratch for today’s needs.”

“Of course there are opportunities to make better use of existing infrastructure in areas where spare capacity exists. That’s why our metropolitan planning strategy has set a target of 47% of new development in infill areas.” Ms Hailes said. “However the cost of retrofitting and upgrading existing infrastructure in inner areas can be substantially more per dwelling than that of greenfields development and a full assessment of existing road, power, water and school capacity should be undertaken before any increases to the current target are considered.”

A 2011 Federal Government report by the National Housing Supply Council showed that government taxes and charges, including infrastructure charges, were 11% of dwelling costs in infill development compared with 9% for greenfield.

Dwelling site construction costs, which include on-site infrastructure reticulation, were found to make up 49% of dwelling costs for infill development compared with 47% for greenfields.

“We must be clear that government is not footing the bill for infrastructure provision,” Ms Hailes said.

“Developers are required to make a significant contribution to the construction of reticulation services within greenfield developments, as well as paying for headworks charges and other infrastructure which often contributes to servicing the broader network, not just that specific development area,” Ms Hailes said.

“In terms of any actual costs borne by government, this should be looked at in the context of how that expenditure is offset by stimulation to the economy, provision of new employment opportunities, services and amenities as well as the potentially higher rates generated due to increased dwelling values,” Ms Hailes said.

“UDIA supports a sensible approach to planning for future development across Perth that includes rigorous investigation of current infrastructure capacity and identifies opportunities to maximise infrastructure potential and how resources can be better utilised,” Ms Hailes said.

“Value to the community, the economy as well as the relative costs to both government and the private sector should be considered in any assessment of where investment in infrastructure should be made,” Ms Hailes said.

“Simply pitting infill development against greenfield development will not provide the best long term outcome for Perth,” Ms Hailes said. “We must take a balanced and informed approach.”

End.

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