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Subdivide and conquer

By Warwick Temby
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Prime Minister John Howard has been roundly criticised for suggesting recently that one of the major causes of the current housing affordability was a lack of land for new residential development.

State and local governments ducked the issue by blaming rising interest rates for affordability problems while the anti-suburb movement used the Prime Minister's comments as a reason to roll out the 1970s mantra of all suburban development being akin to inflicting plague on an unsuspecting population.

While there are many benefits to inner city living and the promotion of more housing choice in inner areas is highly desirable, these policies alone will not provide sufficient housing for southeast Queensland's growing population.

As the Sydney experience has shown, government can shut down most new suburbs but they cave in to the clamouring of the NIMBY (Not In My Back Yard) movement when they try to promote more infill housing. The debacle around the Holland Park bus station is a local example of where the NIMBYs stymied council plans for more sensible compact development around a major transport destination.

Short of communist-style social engineering on a massive scale, southeast Queensland's population growth will not fit into the existing urban footprint.

Australians simply do not want to live in walled cities like ancient Rome with nearly 60,000 people per square kilometre.

This would ensure that we all live close to the city centre, but it would surely put enormous pressure on housing prices as the 16,000 or so extra homes that we need in Greater Brisbane each year are squeezed within the city walls.

Melbourne and Adelaide have tried this approach with the imposition of "urban growth boundaries". They have done little other than inflate the price of land within the boundary and spawn an industry of lobbyists to have the boundaries moved. So the supply of land does very much affect its price.

The causes of the housing affordability crisis in Queensland are complex and do not lend themselves to simple solutions. Further suburban development and higher densities in established areas must all be part of the solution.

The experience with local governments in Queensland caving in to the noisy demands of NIMBYs suggests that adding too much to the density in established areas will be extremely difficult to achieve. Moreover there is real doubt over the capacity of inner city infrastructure to absorb major increases in population.

In particular, higher inner city densities can put pressure on sewerage capacity that is extremely expensive to augment, as well as add to traffic congestion and associated pollution. The cost of traffic congestion per person in Brisbane is already forecast to exceed Sydney's costs within a few years. So more suburbs must be part of the answer.

Fortunately the State Government does not subscribe to simple city-centric models of urban development.
[The South-East Queensland Regional Plan](#)

. acknowledges that there will be an ongoing need for more suburban development.

Recent research by the Australian Housing and Urban Research Institute has shown that increasingly employment is relocating to the suburbs, effectively reducing people's journey to work and associated traffic congestion and pollution.

Well planned suburban communities need not be "infrastructure badlands" in the "boondocks".

Many of the newer suburban communities in southeast Queensland are well serviced with access to golf courses, employment opportunities and other recreation that many inner city residents would envy.

Interest rates are also an issue in the complex housing affordability picture, as are the taxes and charges that local governments are rapidly adding to the cost of a block of land.

Already these local government charges are more than \$50,000 a block in parts of the Gold Coast. How the infrastructure needed in new and infill areas is funded and repaid is crucial to improving the access of young people in particular into the housing market. Adding \$50,000 to their mortgage repayments is not the answer.

Power companies have been able to deliver urban infrastructure to new communities without the need for up-front contributions to the cost of building new power stations with all residential users facing the same prices for electricity. The same funding and pricing principles can be applied to most infrastructure needed in new areas.

Federal, state and local governments and the development industry arguing over who is to blame for the housing affordability crisis will not solve the problem. Co-ordinated action is needed across a broad front of inter-related issues.

If a solution is not worked on and quickly, southeast Queensland will surely end up in the same parlous economic condition that Sydney is in as a result of prolonged periods of unaffordable land and housing: businesses are moving out and the economy is stagnating.

They have been moving to southeast Queensland but if our housing continues to be unaffordable they will quickly be looking elsewhere.

Unfortunately for potential home buyers, they are a very small part of the voting population at any one election and the majority of the community benefits from the higher home prices that are squeezing the first home buyers out of the market.

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