



Minister for Housing and Minister for the Status of Women

## Speech

### 'Great Growth Debate' symposium, Brisbane

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**Brisbane**

\*\*\*\*Check against delivery\*\*\*\*

I acknowledge the traditional owners of the land on which we meet today and pay my respects to their elders, past and present.

Thank you for asking me to speak to you today.

"Over the next thirty years, cities will replace much of their stock of housing and infrastructure.

"Their demographics will radically change as well.

"Along the way, we have a chance to replace much of the thinking, politics, design and technology that dominates and burdens our cities today.

"If we can just learn how to design, govern, and manage the growth of our cities, we can also design solutions to many of the global problems that confront us."

This observation comes from the UN-recognised urban strategist Jeb Brugmann in his latest book, most aptly entitled "Welcome to the Urban Revolution".<sup>1</sup>

I think it is probably a more realistic approach to the challenges facing contemporary Australia than Dick's "Stop the world I want to get off".

We should not fear the future - we should embrace it.

It is already happening here in South East Queensland.

Meeting the pressures of increasing population, demographic change and urbanisation are greater here than in most other parts of Australia.

But I know that many of you in the room today are facing this challenge with optimism, even excitement - because with exciting challenges come opportunities.

As both the Prime Minister and the Treasurer have noted in recent times - the Australian Government does not shy from challenge.

Because the answer is not to stop growing - it is to grow differently.

Just as the "Queenslander" was developed to suit its times and its environment - we should now be looking to new designs and new sustainable ways of housing the future Australia.

The forecast in the third Intergenerational Report that our population will grow from 22 million to 36 million by 2050 means we will need more homes, more roads, more rail lines, more hospitals, more schools.

This will impact mostly on our cities - a phenomenon which is not unique to Australia, with the UN predicting that over 70 per cent of the world's population will live in cities by 2050.<sup>2</sup>

My colleague Anthony Albanese is today releasing the "State of Australian Cities" report - a snapshot of the 17 Australian cities with populations over 100,000 at the 2006 Census.

We are also developing the next stage - a national urban policy.

This will support the approach that COAG has taken on the first ever national criteria for the sustainable planning of our cities.

The focus will not be open slather or growth for growth's sake.

Rather it is a great opportunity to improve the quality and standards of living in our cities, to improve our social cohesion, to protect our environment and at the same time make our cities even more efficient economic hubs.

The National Housing Supply Council's updated demand and supply projections are being finalised now will be released in its second "State of Supply" report shortly.

By 2029, the number of households is projected to be almost twelve million; a net increase of more than three million in 20 years.<sup>3</sup>

The Council's analysis indicates that much of the growth in the demand for housing will be concentrated around the major cities - Melbourne, Sydney, Perth and here in South-East Queensland.

Our population will not only increase over the coming 20 years - it will also change in composition, with a substantial impact on housing needs.

As the population ages, single person households will make up more than half of all aged households in 2028.

The number of single person households is expected to increase by 64 per cent in 2028 and the number of couples without children is expected to increase by 37 per cent.

In the second "State of Supply" report, the Supply Council will outline its projections of likely demand from older people over the next twenty years and what the implications might be.

The Council expects that demand for smaller dwellings will increase - both as a result of the increase in smaller households and because of changes in life preferences.

In the 30 years to 2006, the average number of people per household declined from 3.1 to 2.6.

Over the same period, the proportion of houses with four or more bedrooms increased by eleven per cent.

So while households were getting smaller, our homes got bigger.

The report that Minister Albanese is releasing today predicts that the number of people per household will decline further to less than 2.3 by 2026.

The report notes that in some areas up to 80 per cent of new houses continue to be single detached homes.

The report concludes that:

"The overall implication for cities is an apparent mismatch between housing stock and the diversity of needs of households, especially in respect to the ageing of the population and changing demographic profile of households."

The challenge to business and urban planners is to address these mismatches through quality building and urban design.

In Perth companies like the Satterley Property Group are already doing so.

They have developed a range of cottage housing in concert with the WA Department of Housing.

Nine years ago these cottages comprised 10 to 15 per cent of their work. Last year it was 70 per cent with just under 40 per cent of buyers over 55 years old.

A significant number of buyers are downsizers and singles, including separated or divorced parents.

The lesson is that builders and developers who diversify their market to meet emerging population trends are on a winner.

But to allow this diversification to happen local government has to encourage and support greater diversity in the housing stock.

Local government is often in a difficult position balancing the aspirations of current residents with the needs of residents in the future.

In fact there is not always as much conflict between the two as it may appear.

I think that many people are looking to move to smaller houses as they get older but want them in the same communities that they have lived in.

Some suburbs have less people living in them today than they did 30 or 40 years ago.

Suburbs that were once full of young families with four people in every house now have one or two with a direct impact on local shops, community groups and public transport.

Appropriate development can see some of those areas return to the population densities that they once had and support better commercial and public services.

Another imperative is to get good planning outcomes as quickly as possible.

Last year's "State of Supply" report found that it could take between six to 14 years from zoning land to getting housing on it.

This could be reduced with better master planning to solve community concerns at an early stage, and more efficient development assessment.

I am glad to say that this is beginning to happen.

I know that it has been possible for a compliant high rise apartment building to get through planning approval in Brisbane city in nine months.

As long as the community has had ample opportunity to have a say in the planning, this approach will allow for fewer disputes, faster development and overall, greater housing supply at more affordable prices.

We have shown we can get it right in some places.

Queensland has established important benchmarks.

New approval systems like "Target Five Days" will ensure that applications are dealt with swiftly.

The Australian Government has invested \$3.65 million in "Target Five Days" - and up to 95 per cent of residential applications across nine South East Queensland Councils will benefit from the initiative.

The Next Generation Planning Initiative will make it simpler for developers to operate across Council boundaries by standardising residential housing codes and policies across this region.

While these regulatory reforms are essential, building a city is more than providing homes.

The sustainable city must have liveable, affordable communities that are not isolated from jobs and services.

Increased density and new greenfields developments must be integrated with future transport networks and other infrastructure and services.

It is the role of government to provide a supportive framework to allow residential development to happen where - and when - it is needed.

That is why the Australian Government is investing an unprecedented \$4.6 billion in urban passenger rail infrastructure.

It is encouraging to see that South East Queensland is aligning its regional plan with its infrastructure program.

Anyone who watched the SBS Insight program this week will realise that the Australian and Queensland Governments are on the same page.

Here in South East Queensland, growth corridors are planned for Newstead River Park, Northshore Hamilton, Milton, Bowen Hills, South Brisbane, Woolloongabba and Albion. <sup>4</sup>

If we can get this kind of integrated planning and development right, we can house more Australians in a more sustainable way.

The Australian and Queensland Governments are supporting housing around transport hubs like train stations through the Housing Affordability Fund and National Rental Affordability Scheme.

The second round of the Housing Affordability Fund is focused on greenfield and infill developments and planning reforms that reduce the time it takes to approve development applications.

Transport-oriented developments are being given priority, especially in growth regions.

In June last year I opened a National Rental Affordability Scheme development at Redbank.

The 17 three bedroom houses sit between Brisbane and Ipswich, within walking distance to the train station and a major shopping centre.

The homes are surrounded by job opportunities and rent is 25 per cent below the market rate.

Based on normal market rent tenants they will save about \$85 per week - or nearly \$4,500 a year.

This is the kind of innovative liveable affordable housing that will also help us reach our goals.

Fundamental to tackling housing affordability is having enough land to build on.

The challenge for State and Territory Governments is to create a pipeline of residential lots that are connected with infrastructure, especially transport.

A little thought and imagination will go a long way here.

To increase density for example we do not need to clear fell existing communities.

We should seriously look at changing land use around railway stations, or developing former brown fields or commercial sites.

Kelvin Grove here in Brisbane. is a great example.

Formerly an Army barracks and inaccessible city land - Kelvin Grove is now a 16 hectare state-of-the-art urban village just two kilometres from Brisbane city centre.

It has 500 residential units - 155 of which are affordable rental units developed by the Brisbane Housing Company.

It also has great commercial, educational and cultural facilities.

Land use and planning are now firmly on the COAG agenda and that of all Housing and Planning Ministers.

The National Affordable Housing Agreement commits the States and Territories to increase efficiency in the housing market so that there is a better match between new housing supply with underlying demand.

Jurisdictions also agreed last year to increase the proportion of development applications assessed through code based assessment - speeding up the time it takes to bring new homes to market.

They also agreed to harmonise code-based development assessments for single residential dwellings.

The next step for COAG is to look at where code-based assessment for residential multi-unit,

commercial and industrial buildings might be extended.

The more that government can set out clearly what the challenges will be in strategic plans, consult the community on them, and then establish clear codes, the greater certainty there will be for the community and developers.

Certainty will give our young architects, designers and builders the confidence to explore new and innovative forms of housing.

One of the biggest challenges for accommodating a larger population is to establish how some of this growth can be met within existing urban boundaries - through redeveloping sites and increasing densities.

This will be achieved by Housing and Planning Ministers developing strategies to identify and progress infill and redevelopment opportunities to further boost housing supply, including affordable supply.

I applaud the approach that Queensland is taking to identify its future needs, especially in the South East, analysing the suitability and potential yield of broad hectare and infill sites to deal with its population expansion.

I look forward to the opportunities that a larger and more diverse population brings, including a greater choice of housing options.

Sorry Dick, but I do not think that "Stop the world I want to get off" is one of those options.

The flow of population to locations such as South East Queensland is going to continue.

The idea that we could build some sort of 21st century Brisbane Line is not feasible.

And as I have outlined here today, we are looking at renewal and replacement as well as growth.

On one point I will concede.

The cost of failure would be great.

As Jeb Brugmann concludes:

"If we fail to advance sound practices of urbanism, continuing on the blind urbanisation path we have been taking, we will be designing the global crises of tomorrow."

That is the whole point of our message.

Far from being gloomy, we are excited.

Because we can see the enormous benefits of taking new paths.

Of growing differently.

Of designing, not the crises, but the solutions.

That is why I am confident that in 2050 Life will still be great in the Sunshine State.

ENDS

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1. Brugmann, Jeb. *Welcome to the Urban Revolution*, UQP, St Lucia, 2009, p. 16.
  2. Source p. 33 of IGR 2009.
  3. This is the medium projection scenario of 180,000 net overseas migration a year. The Council's projections range from 2.7 million to 3.7 million in 2029 depending on migration assumptions.
  4. Source: South East Queensland Regional Plan 2009-2031, Brisbane Fact Sheet

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