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MEDIA RELEASE

Call for Ministerial Council on Housing Affordability

Following the release of further evidence that Australia is marching steadily towards a profound housing affordability crisis, the Urban Development Institute of Australia (UDIA) today (6 August) called on the Federal Government to immediately establish a Ministerial Council on Housing Affordability.

The UDIA report – *An industry report into affordable home ownership in Australia* – launched today charts the change in housing affordability of 70 designated population centres in Australia from 2001 to 2006.

The report shows Australia has moved from 2001 when 96 per cent of the centres were considered affordable, to the current situation - with only 39 per cent of centres affordable and a staggering 27 per cent considered unaffordable at the end of 2006.

UDIA President Grant Dennis said a Ministerial Council on Housing Affordability would provide the required structure to stem the wholesale decline in housing affordability across the country.

“Ministerial Councils have been set up in the past to deal with specific problems that cross a number of portfolios and levels of government and require coordinated efforts to improve situations,” Mr Dennis said.

“One example of this was the Ministerial Council on Drug Strategy, which was highly successful in ensuring that there were reduced levels of supply of illicit drugs, reduced levels of demand and also assisted in ensuring that AIDS did not become a problem of epidemic proportions as it had in other countries,” he said.

“The issues affecting housing affordability are wide-ranging and cover the jurisdictions of federal, state and local governments and all of the signs are that declining affordability will impact on the entire Australian economy.

“For these reasons, responsibility for ensuring the restoration and long-term maintenance of housing affordability rests with all levels of government and the creation of a Ministerial Council would provide an appropriate forum for action across all tiers of government.

“The Ministerial Council on Housing Affordability should comprise relevant Commonwealth, state and territory ministers responsible for housing, planning and local government as well as infrastructure, and should also include representatives of local government as well as having an expert industry advisory panel.”

The Institute has recommended that the first action of the Ministerial Council be to establish a National Housing Policy Research Unit to provide economic modelling to provide independent expert advice on how to improve the level of affordability.

Mr Dennis said meeting Australia’s long-term housing needs would be a challenge without sophisticated and concerted action.

“As Australia continues to grow, it will need approximately 140,000 - 160,000 new dwellings each and every year into the future,” he said.

“Obviously future cities will require major transport networks, hospitals, schools, police services, social services and a vast array of other government services that are essential in providing quality of life to a community.

“Unless major infrastructure is provided in a coordinated way, major improvements in the provision of land supply take place, more responsible levels of fees and charges are imposed on new home purchasers, and there is progressive roll out of infrastructure in new and developing areas, Australia will have a massive housing crisis within 5 years.

“It is only through a coordinated approach that this problem is likely to be resolved in Australia,” he said.

End.

Media:

The UDIA Report ‘*An industry report into affordable home ownership in Australia*’ is available for viewing and download at: www.udia.com.au. For more information or to interview Grant Dennis, please contact Susan McCosker on 0422 567 667.