Media Release
Property Council of Australia (Victoria)
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Property industry calls for further Victorian Government action to address housing affordability

The Property Council in Victoria has called for significant actions to be taken by the Victorian Government as part its 2011-12 Pre-Budget Submission. Based on in-depth, evidence-based research, the Property Council has formed a number of key recommendations around housing affordability, accommodating population growth and the liveability of Victoria’s cities.

The Property Council’s report Delivering on Melbourne’s Population Plan shows that Melbourne has the capacity to deliver a sustainable, liveable city with enough dwellings to cater for increased population growth.

Victorian Executive Director of the Property Council, Jennifer Cunich, commented that, “one of the biggest hindrances to accommodating population growth in Victoria, is the incredible inconsistency in methods used by councils to set housing targets. This in turn, has led to a trend of over performance and under performance by local governments, resulting in the absence of any clear means by which Melbourne will ever reach the targets it needs to reach.”

“We are facing a severe crisis in Melbourne, a housing affordability crisis that must be relieved as a matter of priority. Melbourne is not building enough dwellings to meet current population growth and this must change,” said Ms Cunich.

“These poor affordability outcomes are likely to deteriorate further with stronger housing demand brought on by population growth. The Victorian Government must address the need for density and more affordable dwellings coupled with lower development costs to alleviate this pressure” said Ms Cunich.

The Property Council has called for the Victorian Government to acknowledge and identify key strategic goals in order to address the implications population growth is and will continue to have on Victoria’s infrastructure.

“Like many, the Property Council is fundamentally concerned with protecting the advantage that Melbourne enjoys over other Australian cities with respect to housing affordability but, we have noted rapid escalation in land and housing prices in the growth areas which has resulted in the erosion of housing affordability in that sector of the market,” said Ms Cunich.

The Property Council applauds the Victorian Government for its initiatives such as Fishermans Bend which will go some way to meeting the population and housing affordability challenges in Victoria. However the Victorian Government must ensure its initiatives are also wide reaching and have a positive impact across all of Victoria.

“Growth is important for Melbourne’s future prosperity but it must be managed effectively. Growth means more employment opportunities, more revenue to provide much needed community infrastructure, and more choices for all Victorians,” said Ms Cunich.

The Property Council has presented its 2011-12 Pre-Budget Submission to the Victorian Government.

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HOUSING AFFORDABILITY

Housing affordability and accommodation options for Victoria’s growing population are critical issues impacted by the success of infill development as part of the solution to Melbourne’s growing population.

For infill development to work, two key barriers need to be urgently addressed – commercial viability of building apartments and unfounded community opposition to density and infill development.

Growth is important for Melbourne’s future prosperity but it must be managed effectively. Growth means more employment opportunities, more revenue to provide much needed community infrastructure, and more choices for all Victorians.

**Specific Recommendations to the Victorian Government**

1. Victorian state and local governments must undertake to develop a clearly defined and consistent method of determining local government housing targets to ensure responsibility across all municipalities.

2. Victorian state and local governments must acknowledge and identify key strategic goals in order to address key infrastructure implications of population growth.

3. A committed programme of public education must be undertaken at the state and local government level to inform the general public of the benefit of proactive planning for population growth as well as the possible consequences of not responding in a structured way to this growth.

4. A Victorian Planning Authority must be established to drive planning policy and hold both state and local governments, services and agencies, accountable for implementation.

5. A sound set of criteria to determine which sites are deemed as suitable for future development must be developed and applied as part of the State Government Land Audit.

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