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Productivity Commission  
Level 12, 530 Collins Street  
Melbourne VIC 3000, Australia

The Housing Industry Association notes the Commission's draft report on Public Infrastructure, released on 13 March 2014, and welcomes the opportunity to forward comments on the report's findings.

Unfortunately the timeframe for feedback, and the scope and content of the report do not allow for a detailed response. Notwithstanding, HIA wishes to comment on the report's findings on user charging for infrastructure funding.

The draft report recommends that user charges should be used to the fullest extent that they can be justified (page 11, Vol1). HIA submits that user charges as they relate to community and public infrastructure associated with residential development, should be financed through broader community based funding.

As noted in HIA's submission to the Inquiry, broader infrastructure that benefits the entire community – considered to be economic infrastructure for the purposes of this Inquiry – should not be funded by new home buyers. Community infrastructure will be accessible to and used by the community in general, and not solely those who purchase a home in a new residential development.

New home buyers are increasingly required to bear the excessive cost component of housing infrastructure, costs that permeate across housing stock and add to our housing affordability problems. Infrastructure that is able to be accessed by the broader community should be funded through the broader community, rather than through individual home buyers.

HIA would be pleased to provide further details regarding community infrastructure costs relating to new residential developments and in relation to the quantum of taxation levied on new homes.

Yours sincerely  
HOUSING INDUSTRY ASSOCIATION LIMITED

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