

7 October 2020



Department of Infrastructure, Transport, Regional Developments & Communications
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Options for Boosting Pit and Pipe in New Developments - Consultation

I write on behalf of the Urban Development Institute of Australia (UDIA) in relation to the consultation on options for boosting pit and pipe in new developments, particularly the Regulatory Impact Statement (RIS).

UDIA is the development industry's most broadly representative industry association with more than 2,500 member companies – spanning top tier global enterprises and consultants to local governments and small-scale developers.

Our industry is one of the nation's largest – contributing 7.5 percent to national economic output and generating approximately 750,000 direct and indirect jobs, according to an independent report undertaken by EY on behalf of UDIA.

UDIA National has previously engaged with the policy frameworks on this issue, and are pleased to see the consultation documentation acknowledges the vast bulk of developers do the right thing in installing underground pit and pipe.

Options

In reviewing the options in the RIS, UDIA's preferred option is *Option 3*.

Option 3 clearly recognises the scale of the problem is low; it can best be dealt with via existing state, territory and local government planning frameworks; and carries low administrative or compliance costs compared to other options.

Option 3 also inherently recognises that local authorities effectively make the provision of telephone and broadband a condition of development and there are only a few exceptions where developers do not meet their obligations fully and willingly.

If the Government prefers a legislative solution, UDIA National would only support *Option 4* – as it seeks to deal with the small number of unincorporated developers outside the current regime.

In relation to other elements of the RIS, we strongly oppose proposals which include a provision for mandatory documentation disclosure (see, for example, option 5). While the RIS seeks to portray the costs as relatively minor, the fact is these are ultimately borne by the homebuyer – as any developer would fold them into the final cost of producing the new product. Also, given there is limited evidence of any systemic market failure and the paper itself acknowledges the bulk are doing the right thing, we think the costs outweigh the benefits.

Please always feel free to call me to discuss any issues.

Yours sincerely

Max Shifman
UDIA National Vice-President