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Mr Jeremy Conway
CEO, InfrastructureSA
GPO Box 2343
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Dear Mr Conway,

UnitingSA, formerly UnitingCare Wesley Port Adelaide, was established in 1919 and provides housing, aged care and community services to support people throughout regional and metropolitan South Australia. More than 1000 employees and volunteers deliver high quality services to over 16,000 people from diverse backgrounds every year to realise our vision of a *'compassionate, respectful and just community in which all people participate and flourish.'*

We are committed to developing and improving our housing and accommodation infrastructure during the next decade, with over \$120 million dollars of planned capital investment in this infrastructure.

UnitingSA congratulates the government on their initiative to establish InfrastructureSA (ISA). We believe this new entity will have the capacity to play an important role in assessing and prioritising key infrastructure projects and initiatives which will deliver positive outcomes for our South Australian community.

Response to ISA's 20-Year Strategy Discussion Paper

Housing as infrastructure

UnitingSA notes that Housing has not been included as an infrastructure sector. We believe excluding Housing, either as a defined sector within infrastructure or excluding it from ISA's strategy, would be a significant opportunity lost for our state's community.

Housing, and particularly non-market housing such as public and social housing, is a significant asset for our state. Public, social and community housing in SA is valued at over \$10 billion, comprises approximately 50,000 dwellings, with the existing stock estimated to have an unfunded maintenance debt in the order of \$700 million.¹

We applaud ISA's broad and inclusive definition of infrastructure (page 4 of discussion paper), with a focus on infrastructure's ability to *'sustain or enhance the economy and liveability of South Australia.'* UnitingSA strongly believes that the state's housing assets, held by the South Australian Housing Trust and a variety of Community Housing Providers, fall squarely into this definition of infrastructure.

UnitingSA believes the inclusion of Housing as infrastructure in ISA's strategy will ensure Housing is given the same priority and access to funding as other infrastructure sectors.

An independent 2019 report commissioned by the Government and written by Australian Housing and Urban Research Institute (AHURI)² predicts unmet demand within SA for affordable and social housing within the next five years in the order of 100,000 dwellings.

¹ Figures derived from 2018 SAHT Triennial Review

² 2019 AHURI report titled 'Audit of South Australia's current housing assets and mapping of future demand'



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This demand, combined with the existing maintenance debt attached to existing stock, will require many billions of dollars to ensure our state has an adequate supply of houses. Most importantly, this investment in Housing will ensure we, as a community, can *'sustain and enhance the economy and liveability of South Australia'*.

Economically, investment in Housing as infrastructure is likely to have a much larger impact than investment in large transport projects. Large transport projects are generally awarded to interstate head-contractors, meaning procurement benefits and profits leave the state. Whereas housing construction is generally awarded to SA-based businesses, resulting in the highest level of economic benefits retained within our borders.

Infrastructure investment in Housing via Community Housing Providers provides an opportunity for homes to be funded via low cost debt through the National Housing Investment Finance Corporation (UnitingSA has received finance in the first issuance of this debt, at 2.93% interest fixed for a 10-year term). It also brings in new financial subsidies to the state via Commonwealth Rent Assistance.

A systems approach

UnitingSA commends the ISA on its principle of ensuring the strategy engages across sectors and uses system thinking in the formulation of strategy (page 20 of the discussion paper).

In developing the strategy, we too see great value in ensuring that the State Planning Commissions strategy is considered. In particular how 'age friendly' infrastructure is incorporated and developed to cater for our ageing population and also how a range of infrastructure investments are made which can benefit the development of non-market housing for our community.

We note that the South Australian Housing Authority (SAHA) is also in the process of developing its strategy during 2019. UnitingSA would ask that ISA's and SAHA's strategies are both developed in a complimentary way to ensure they work in concert together.

Conclusion

UnitingSA looks forward to seeing the development of ISA's strategy and we commend the government on the establishment of ISA. We believe it is critical that Housing is considered as infrastructure and ask that it is specifically listed within the new strategy, and any subsequent Capital Intention Statements.

Yours sincerely,

Libby Craft
CEO