



# Media Release

**For Immediate Release**

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## **2012/13 FEDERAL BUDGET NEEDS TO SUPPORT HOMEBUYERS**

The Urban Development Institute of Australia (UDIA) has lodged its pre-budget submission, calling on the Government to deliver a budget which will serve homebuyers and the wider Australian economy.

“Housing supply and affordability are critical issues which seem to have dropped of the Federal Government’s radar. This budget should reaffirm previous Commonwealth funding commitments, such as the National Rental Affordability Scheme (NRAS) and the Housing Affordability Fund (HAF)”, said UDIA National President Julie Katz.

UDIA has called on the Government to build on the release of its National Urban Policy by giving due budgetary consideration to the importance of cities and the infrastructure needed to sustain them.

“The bulk of Australia’s population growth will be absorbed by the cities and we will need an effective strategy to finance and provide new urban infrastructure while also upgrading existing infrastructure” said Ms Katz.

The Federal Budget should also address the raft of inefficient taxes and charges currently constraining the residential housing sector.

“Inequitable taxes and charges, such as stamp duty and homebuyer levies are eroding housing affordability and rendering development projects unfeasible. The Federal Government needs to take an active leadership role in moving away from this flawed taxation regime”.

“We are mindful that the upcoming Budget will be characterised by difficult decisions, but the Government should consider the importance of the development industry to Australia’s economy” said Ms Katz.

**Please find below a summary of UDIA’s recommended actions for the 2012/13 Federal Budget.**

**For further information or comment, please contact:**

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## SUMMARY OF RECOMMENDED ACTIONS

- Increase funding to the National Rental Affordability Scheme in order to meet the original 2008 target of 100,000 dwellings
- Release a new round of funding for the Housing Affordability Fund
- Make the First Home Savers Account less restrictive and launch a public awareness campaign to better explain how the scheme works
- Increase funding of the Building Better Regional Cities initiative to the original commitment of \$200 million
- An ongoing funding commitment to the National Housing Supply Council
- Increase funding to promote the efficient and timely provision of infrastructure to support urban growth
- Strengthen the capacity of public private partnerships to deliver much needed infrastructure
- Explore alternative, innovative methods of funding infrastructure projects, such as tax increment financing
- Link Federal infrastructure funding to the creation of strategic plans for all capital cities that meet the Council of Australian Government's nationally agreed criteria
- Phase out stamp duty on property purchases over the period covering the forward estimates
- Use the distribution of GST revenue to reward States which phase out stamp duties
- Commission the Productivity Commission to undertake an inquiry into 'homebuyer levies', the impact of these levies on broader based tax collections and alternative methods of financing infrastructure
- Include Levies in GST cost base calculations to improve housing affordability
- Reduce stamp duty compliance costs by creating uniform stamp duty legislation nationally
- Address the vertical fiscal imbalance and remove impediments to local government revenue raising (especially with respect to rate pegging)
- Harmonise land tax regimes, reduce rates and over the next decade commit to combining the land tax regime with the local government rate system

- Retain the integrity of the capital gains tax system to provide investors with certainty
- Use the capital allowance regime to promote investment in sustainable housing technologies
- Continue to fund the administration of the Environment Protection Biodiversity Act through existing taxation revenue, not a cost recovery regime
- Protect home buyers, which make a concerted effort to embrace sustainability, from the effects of a Carbon Tax
- Enable the Clean Energy Finance Corporation to support private sector investment in low emissions technologies in large-scale developments