

Media Release

For Immediate Release

Date: 2 May 2010

HENRY REVIEW

The Urban Development Institute of Australia, the peak body of the property development sector today welcomed the release of the Henry Review of Australia's Future Tax System and the Government's response.

National President, Peter Sherrie said, "The Henry Review is a far reaching document and hits on the number one issue confronting the sector – housing affordability. "

The Review sets the groundwork for fundamental reforms to unlocking land supply bottlenecks.

The Henry Review puts the planning approvals and zoning process under the microscope and has recommended that COAG undertake a national review of the process.

"Housing delivery is a key problem for the industry at the moment with some States performing substantially better than others. Investors want certainty across State borders and this will be the first step in reducing the most significant impediment to industry performance", Mr Sherrie said.

Levies and charges are also distorting investment across the country and the Henry Review has acknowledged that there needs to be more transparency and accountability in how developer charges are levied and has requested a COAG review.

Mr Sherrie said, "The proliferation and quantum of developer charges has been a major concern over recent years. Costs of producing a lot of land on the urban fringe are not financially viable' and in many States local charges are the most significant cost to producing land. We welcome any moves to improve the transparency and accountability of these charges."

URBAN DEVELOPMENT INSTITUTE OF AUSTRALIA (NATIONAL)

GPO BOX 2507 CANBERRA ACT 2601

T: 02 6230 0255 and 02 6230 0055

F: 02 6230 0311

E: udia@udia.com.au

The Henry Review also recommends that local councils have greater responsibility for setting their rates.

“At the moment developer charges comprise a considerable proportion of a Council’s revenue base. Like any business, Councils should have the ability to determine how they choose to fund the development of vital infrastructure and they should have the flexibility to do this through the rating system”, Mr Sherrie said

The industry cautiously supported the Government’s response. The most significant issue is the \$700 million infrastructure fund that will be made available to States for financing major infrastructure.

“Depending on how it shapes out, this fund has the potential to help unlock large tracts of lands in Australia’s capital cities with sustainable transport infrastructure.’ Mr Sherrie said.

We anticipate that the reforms put forward in the Henry Review will be implemented through COAG and other avenues over the coming months.

For further information please contact Peter Sherrie – 0418 127 207

URBAN DEVELOPMENT INSTITUTE OF AUSTRALIA (NATIONAL)

GPO BOX 2507 CANBERRA ACT 2601

T: 02 6230 0255 and 02 6230 0055

F: 02 6230 0311

E: udia@udia.com.au