

Media Release

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DEVELOPMENT INDUSTRY DRIVING THE ECONOMY

The Development Industry has formally launched an Economic Report outlining the impact of the development Industry on the Australian economy.

The launch occurred at the annual gathering of the country's development sector, the Urban Development Institute of Australia's (UDIA) National Congress, which is taking place in Sydney this week.

The Report was prepared by respected economic consultancy Property Insights, and provides a comprehensive economic analysis of the impact of the Australia development industry nationally and in each state and territory.

"The results of the study speak for themselves", said Peter Sherrie, UDIA National President.

"The development industry directly accounts for 7.3% of Australia's total national GDP contribution, making it the fourth most significant sector in the Australian economy."

"The message to governments from this Report should be clear. The urban development industry is a critical component of the Australian economy, and you need to work with us to free up the constraints and costs which negatively impact on industry activity and the supply and affordability of housing."

"What is required by governments is strong and decisive action to provide a path to stability and certainty for investment, faster and cheaper processes to gain development approval from planning authorities, growth in job creation, and the delivery of economic growth through new development activity and housing construction", Mr Sherrie concluded.

A summary of the key national findings in the Report is attached.

Media:

The launch of the UDIA Property Development Industry Economic Impact Study will take place on Tuesday 9 March 2010 at 9.00am at the Sydney Convention and Exhibition Centre. Interested media should contact Lisa Marshall on 0417 493 899.

THE PROPERTY DEVELOPMENT INDUSTRY ECONOMIC IMPACT STUDY

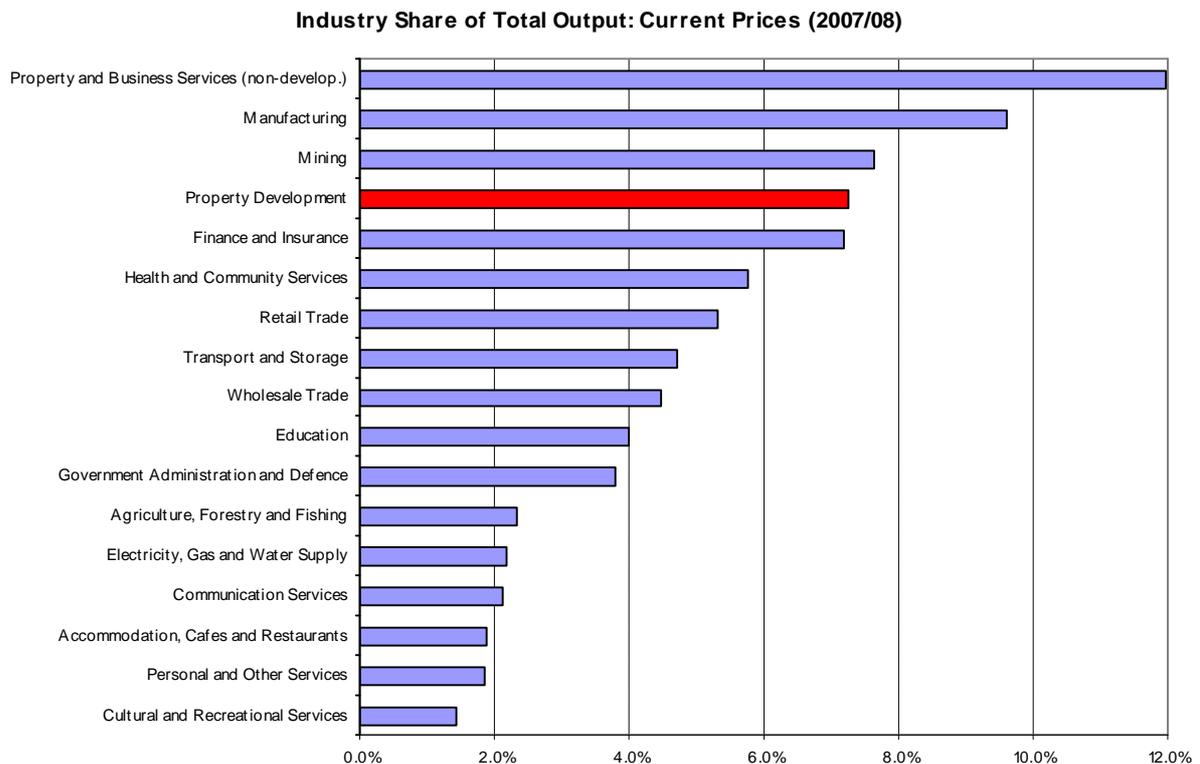
Summary of Findings

The Urban Development Institute of Australia, on behalf of its members, commissioned Property Insights to undertake an economic impact study of the property development industry in Australia.

The study examines the economic impact of the industry nationally, and also in each state and territory.

Key National Findings

Compared to other Australian industries, the development industry makes a significant contribution to economic activity. In terms of GDP contribution, the development industry is only overshadowed by mining, manufacturing and business services, the last group including an array of diverse activities.



§ The property development industry directly accounts for 7.3% of GDP and, taking into account indirect impacts on the rest of the economy delivers an additional 6.2% of national output.

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- § The property development industry directly accounts for 975,700 full time equivalents (FTEs) directly (9.1% of the workforce) and a further 749,600 FTEs (7% of the workforce) in the broader economy.
- § The direct impact of \$1 million invested in the property development industry results in:
- 6.7 full-time equivalent jobs generated in the property development industry.
 - State and federal taxes increasing by \$73,458.
 - An addition of \$235,733 to wages and salaries.
- § The total (direct and indirect) impact of the \$1 million invested generates in Australia:
- 11.8 full-time equivalent jobs.
 - State and federal taxes of \$146,474.
 - An addition of \$885,880 to wages and salaries.
- § An investment of \$1 billion in the development industry in each state would directly add 0.4% to nominal GDP, while a further 0.3% would be added to nominal GDP as a result of the impact on associated industries.
- § Over half (56.6%) of all Australian private investment – equating to \$146 billion - is undertaken by the property development industry.
- § 9.1% of the workforce is directly engaged in the development industry, with a further 7% engaged in other industries due to the development industry.
- § From 1999/2000 to 2007/08 the total factor income of Australian industries grew in current prices by 7.3% per annum. Only the mining industry, a reflection the resources boom, had a stronger annual compound growth rate (of 15.6%) than the property development industry (9.8%).
- § As a conservative estimate, the property development industry, both directly and through associated industries, generated in excess of \$29.7 billion of state and federal taxes in 2007/08.
- § State and territory taxes paid directly by the development industry totalled \$2.8 billion in 2007/08, with a further \$1.1bn being paid by industries associated to the development industry.
- § The property development industry contributes \$36 billion of wages and salaries (6.7% of all wages and salaries) and an additional \$40.4 billion in the rest of the economy.