

Media Release

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Hidden Government Charges Destroying Australian Dream of Home Ownership

Exorbitant charges levied by governments on new housing are adding as much as \$65,000 to the cost of a new home, worsening the housing affordability crisis and locking young families out of home ownership.

The Urban Development Institute of Australia (UDIA) is calling for the establishment of an inter-governmental agreement to ensure that local infrastructure charges are benchmarked between jurisdictions, and applied transparently.

“There are a range of inefficient, unfair and excessive government taxes and charges driving up the cost of new housing throughout Australia,” said UDIA National President Julie Katz.

“UDIA research indicates that infrastructure charges alone can be as much as \$65,000 per dwelling, massively adding to the cost of a typical new home.”

Charges are not applied transparently, and as a result are often much more than the cost of the infrastructure they are supposed to fund. There can also be wide variations in charges for the same or similar infrastructure between jurisdictions.

“In many cases, the level of infrastructure charges can be the difference between a new housing development going ahead or not,” said Ms. Katz.

“Unreasonable charges aren’t just hurting new home buyers, they’re affecting businesses, jobs, and the wider economy.”

The funding of new community infrastructure through up front infrastructure charges on new homes is also highly inequitable, as it forces a small section of the community, new home buyers, to cover the cost of infrastructure that benefits the wider community.

“Benchmarking infrastructure charges around the country and making them public will put pressure on governments to ensure that charges imposed on new homes are both fair and reasonable,” concluded Ms. Katz.

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