

# Media Release

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## Budget Must Lay Foundation for Affordable Housing Recovery

The peak body representing the urban development industry has called on the Government to use the 2014/15 Federal Budget to help boost investment in new housing and improve affordability for new home buyers.

In its 2014/15 Pre-Budget submission, the Urban Development Institute of Australia (UDIA) has recommended removing barriers to new land supply, increasing investment in infrastructure, reducing unnecessary red tape, and reducing excessive taxes and charges on new housing.

“Despite record low interest rates, the dream of homeownership is still out of reach for far too many households,” said UDIA National President Cameron Shephard. “We’re calling on the Federal Government to work with state and territory governments to address the problems holding up investment in new housing, such as constraints on land supply, poor investment in urban infrastructure, excessive red tape, and hefty taxes and charges.”

“In addition to improving housing affordability, increased investment in housing will create new jobs, improve business activity, and add to Government revenue. This boost to the economy and Budget bottom line will be particularly crucial over the coming years as the mining investment boom winds down,” said Mr Shephard.

UDIA is also calling for the Government to retain and commit additional funding to Federal housing supply initiatives such as the National Rental Affordability Scheme (NRAS) and the Housing Affordability Fund (HAF).

“The HAF and NRAS have both proven to be a highly cost effective way for the Government to work with the development industry to improve the supply of new housing, and we urge the Government to continue support for these programs in the 2014/15 Budget,” concluded Mr. Shephard.

Please find below a summary of UDIA’s recommended actions for the 2014/15 Federal Budget. UDIA’s full Pre-budget submission can be downloaded [here](#).

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

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# UDIA 2014/15 Pre-budget Submission – Summary of Recommended Actions

- To Increase the Supply of New Housing, the Government should:
  - Play a leadership role in cooperating with state and territory governments to improve planning and the supply of urban land.
  - Regularly audit Commonwealth owned land to determine if ongoing possession by the Commonwealth is its best use, and if not, make it available for urban development.
  - Substantially retain the National Rental Affordability Scheme (NRAS), and commit to increased and ongoing funding to the scheme and an expanded dwelling target.
  - Consolidate local infrastructure enabling programs, such as the Housing Affordability Fund and Building Better Regional Cities program into one major local infrastructure fund, and commit ongoing and increased funding to such a scheme.
  
- To Boost National productivity through infrastructure investment, the Government should:
  - Further investigate tax increment financing (TIF) as a means to fund infrastructure investment.
  - In instances where privatisation of existing state government assets is in the best interests of consumers and businesses, the Commonwealth should incentivise state governments to sell those assets and invest the proceeds in new infrastructure projects.
  - Investigate new ways to remove barriers to private investment in public infrastructure, and improve the attractiveness of public infrastructure as an investment.
  - Strengthen the role of Infrastructure Australia, and commit to rigorous and comprehensive cost benefit analysis to ensure the greatest value for money on new infrastructure projects.
  - Ensure that infrastructure funding, financing and implementation strategies are integrated across different functions of government (including land use and transport planning, economic and urban development and environmental assessment), and across different levels of government.

- To Strive for a more efficient and equitable tax system, the Government should:
  - Work with state and territory governments to phase out stamp duty on property purchases over a five year period, and replace them with more efficient taxes such as a broadening of the GST.
  - Include levies in GST cost base calculations to improve housing affordability.
  - Work with state and local governments to ensure that where developer contributions are used, they are reasonable, transparent and justified in their implementation, and that there are not more appropriate forms of funding available.
  - Play a role in benchmarking housing and infrastructure costs around the nation, with a view to reducing those costs.
  - Favour funding and financing approaches that spread the cost of infrastructure out over extended time frames, rather than impose it up front, such as through developer contributions.
  
- To Reduce the burden of red tape and regulation, the government should:
  - Continue with its plan to streamline the environmental approval process to create a 'one stop shop'
  - Abandon the practice of cost recovery under the EPBC Act, and increase funding to manage the conservation of species listed under the Act.
  - Work with state and territory governments to ensure consistent planning policies exist across council areas in order to improve certainty in planning approval processes.
  - Stop attempts to restrict development around airports and airport corridors beyond the current and existing standards.