

Media Release

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New UDIA Report Outlines Solutions to Australia's Housing Problems

The peak body representing Australia's Development industry has outlined the actions governments should take to resolve Australia's housing affordability and supply problems.

The Urban Development Institute of Australia's (UDIA) new National Policy Agenda identifies four key areas for reform – **taxation, red tape, infrastructure, and planning** – to help boost new home construction, and ease housing affordability pressures.

UDIA National President Cameron Shephard said that governments have the power to improve housing affordability, but need to address the root cause of the problem – constrained supply.

"A chronic shortage of housing in many major cities has resulted in rapidly escalating prices and rents, which has led to worsening housing affordability, and put home ownership increasingly out of reach for many ordinary Australians," he said.

"Fundamentally, the solution to this problem lies in reducing and removing the barriers to new housing supply, such as high taxes and charges on new housing, poor planning, delays caused by red tape, and inadequate urban infrastructure."

"UDIA's National Policy Agenda sets out the views of the development industry, and provides recommendations on how to get housing supply and affordability back on track."

Recommendations from the report include creating forecasts and long term plans for population growth, undertaking state planning system reform to reduce delays, securing additional sources of funding for urban infrastructure investment, and phasing out stamp duty in favour of more efficient taxes.

"It will take the cooperation of all levels of Government to achieve long lasting outcomes, but we're optimistic that the challenges raised can be overcome," concluded Mr. Shephard.

Please find below a summary of recommendations from the UDIA National Policy Agenda. The full National Policy Agenda can be accessed [here](#).

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UDIA National Policy Agenda – Summary of Recommendations

To ensure Australia realises the benefits of our growing population, state and federal governments should:

- Identify population growth trends through the use of regular growth forecasts.
- Actively use population growth forecasts to underpin comprehensive strategic plans for increasing urban infrastructure investment, and improve land-use planning and land supply.
- Ensure that sufficient resources are available across different levels of government to implement strategic land use and infrastructure plans over the short, medium and long term.

To ensure sufficient and equitable funding and provision of urban infrastructure, state and local governments should:

- Reduce their reliance on up front developer charges, by investigating alternative funding options, particularly those that distribute the cost of infrastructure amongst beneficiaries, and over long timeframes.
- Create long term plans to provide the infrastructure necessary for urban growth, and budget for those plans.

The Federal Government should:

- Ensure that infrastructure investment decisions are subject to rigorous and comprehensive cost benefit analysis, to ensure the greatest value for money on new projects.
- Further investigate non-traditional methods of funding infrastructure, to increase the level of funding available for investment at both a federal and state level.

To reduce red tape and support businesses and jobs, state and local governments should:

- Undertake planning system reform to reduce delays and increase certainty in planning, zoning, assessment, and approval systems, and increase the flexibility with which they operate.

The Federal Government should:

- Ensure that all levels of government cooperate and coordinate their regulatory activities to identify best practice, standardise regulations where possible, and avoid conflicting legislation, to create certainty.
- Work to reduce duplication with state and local government processes, including continuing to streamline federal and state environmental assessment and approval systems.

To create a more efficient tax system, state governments should:

- Reduce their reliance on inefficient, narrow based taxes such as stamp duty in favour of broad based, efficient taxes such as consumption taxes.
- Reduce the use of inequitable and excessive up front charges and 'developer levies' to raise revenue.

The Federal Government should:

- Assist state governments with phasing out stamp duty by broadening the base of the GST.
- Include state and local government levies in GST cost base calculations to improve the integrity of the tax system and reduce the incidence of double taxation.