

Media Release

For Immediate Release

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Tax Review Must Target Inefficient Taxes

The Urban Development Institute of Australia (UDIA) has welcomed the launch of the Federal Government's Taxation discussion paper.

"The Government has opened up the door to a full and proper debate about Australia's tax system. The debate must include sacred issues such as stamp duty on property purchases which we know reduces housing affordability and limits mobility," said UDIA National President Cameron Shephard.

"In this increasingly global economy, Australia must modernise and increase its economic efficiency so that our nation is not left behind. The UDIA calls on the Government to be courageous as it tackles the issue of stamp duty on property purchases in particular and welcomes the public policy debate now underway."

"New housing construction is a key driver of economic growth, employment and Government revenue, and also helps to address Australia's undersupply of affordable housing. However inefficient taxes and charges continues to push up the cost of new housing and hold back supply,"

"Stamp duties are also highly inequitable, as they burden home buyers – a small section of the community - with a tremendous amount of tax, which is used to provide services for the benefit of the broader community."

The national average stamp duty impost on a \$500,000 house is \$18,400, whilst the total tax burden imposed on housing can be as much as 44% of the cost of a new home. Revenue from stamp duty is also dependent on the level of property transactions, making it a highly unreliable source of revenue for State Governments.

"UDIA will be providing a detailed submission to the Government and looks forward to participating in this vital policy process," Mr Shephard concluded.

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