

Media Release

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Budget Lacks Plan for Reform

Whilst avoiding the controversy that plagued last year's Budget, the 2015-16 Federal Budget is light on the structural reforms necessary to drive Australia's future economic growth. More focus must be placed on reforms to boost productivity, investment, and our standard of living, says the Urban Development Institute of Australia (UDIA).

UDIA National Vice President Michael Corcoran said that investment in new housing and productivity enhancing infrastructure in our major cities would be central to Australia's future prosperity.

"The unwinding of the mining boom is placing a heavy toll on Government finances and the broader economy, and that's clearly reflected in the 2015-16 Budget" he said.

"Development and new housing construction is currently doing much of the heavy lifting in the Australian economy, and with most of Australia's capital cities still suffering from a chronic housing shortage, it's an area that still has plenty of room to grow."

"Unfortunately barriers such as inadequate investment in urban infrastructure, red tape, and high and inefficient taxes and charges on new housing are still holding back new housing construction, and contributing to worsening housing affordability."

The Budget has projected dwelling investment to hold steady at 6.5% in 2015-16 before decreasing to 4.5% in 2016-17, showing the critical need for the Government to take action to remove the barriers holding industry back if growth is to be maintained.

With no major new reforms to enhance productivity or drive new investment in the Budget, the spotlight will now be on the Government's White Papers on Tax Reform and Reform of the Federation, which are currently underway and due to be released next year.

"Given the significant challenges facing Australia, the Government needs to get serious about making the difficult changes necessary to support future growth. Failure to do so soon will put Australia's future prosperity at risk," concluded Mr. Corcoran.

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