

Media Release



11 November 2008

NSW Mini-Budget Housing still in the 'too hard' basket

The Urban Development Institute of Australia NSW (UDIA NSW) has today responded to the 2008/09 Mini Budget, concerned that the Government has not learned from years of failed property tax policy.

UDIA NSW Chief Executive Officer Nick Duncan said that, "the Government proposes to take an additional \$170 million in land tax from the property industry in 2009, while only giving back \$9 million in first home owner's grants. 170 out and 9 in is hardly the stimulus for the economic recovery of the property industry in NSW. The NSW Government has responded to a depressed property market exacerbated by excessive taxes and charges by increasing land tax. It will serve only to again increase the cost base of new housing, result in less property transactions, and even undermine the Government's latest stamp duty revenue projections."

Mr Duncan added that "major investors looking for leadership and resolve from the Government in this budget will be disappointed. Rather than addressing Sydney's infrastructure needs and keeping previous commitments to investment, the NSW Government has opted for the Commonwealth lucky dip, via Infrastructure Australia."

Mr Duncan added that, "while an additional \$3,000 on the first home owners grant is welcome, it remains a drop in the ocean compared to the levy structure for new housing in Sydney's release areas. Homebuyers in Sydney are paying \$70,000 in upfront levies and charges compared with \$9,900 paid by homebuyers in Melbourne."

"For five years levies have been the biggest hurdle for aspiring home owners in Sydney's west. Why does the Government need a six month review to come to this conclusion? The best thing the NSW Government can do for new homebuyers is act on development levies now."

UDIA NSW President Ms Judy McKittrick said that, "the NSW Government must provide a sustainable and competitive framework for delivering infrastructure for new housing. The industry calls on the Government to show the leadership that is required to deliver a property industry led economic recovery."

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