

# Media Release



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## Slashed levies is a step in the right direction

The Urban Development Institute of Australia NSW (UDIA NSW) has welcomed the Premier's announcement today which slashes levies on land development for new homes to improve housing affordability.

Mr Ross Blancato, UDIA NSW President said, "the industry welcomes the reduction in the levies as this is a big step in the right direction."

Mr Blancato said that "the new policy will assist in facilitating production to restore the supply/demand balance, which in time will lead to improvement in affordability. It is evidence that the government has listened to UDIA NSW's consistent advocacy over the last 10 year's on this issue."

"UDIA NSW has two significant reservations regarding the policies. Firstly the payment of 25% of the combined \$49,000 levies upon transfer of land to the developer after rezoning will erode some of the benefits of the levy reduction (from \$485,000 per hectare to \$333,000 per hectare) as this will increase interest payable on loans", he said.

"Secondly, UDIA NSW recognises that the Growth Centre Commission has been working for two years to define the infrastructure needs for the new release areas; none of this work has been done to that detail in the regions (eg: Lower Hunter). Resources need to be urgently assigned in order to define the levies in the regions so that land production can occur", he said.

Mr Blancato said that "UDIA NSW maintains that using the GST to directly finance infrastructure remains the most transparent and efficient use of taxpayers money to fund infrastructure in new communities. The average new house and land package generates about \$50,000 in GST which is equal to the combined levy (\$49,000) announced today by the Premier. Returning the GST to facilitate the activity which generates the tax is clearly 'A Better Way'."

***UDIA NSW released this week, a report entitled 'A Better Way', which proposes a better way to fund urban infrastructure. For a copy of this report, go to [www.udia-nsw.com.au](http://www.udia-nsw.com.au).***

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