

**MEDIA RELEASE**

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## **\$4.5B Housing and Construction Stimulus Pack Core to Economic Revival**

A \$4.5B housing stimulus fund that prompts homebuyers back into the market and a surge of housing and infrastructure construction serves as the centerpiece of a plan to support Australia's economic revival.

The Urban Development Institute of Australia (UDIA) today launched a new plan to stimulate economic growth, jobs and wages by boosting housing construction following the economic effects of COVID-19

"Housing and construction is a central pillar of the economy – generating 7.5 percent of the nation's growth and supporting 750,000 direct and indirect jobs more than any other industry," said UDIA National President, Simon Basheer.

"With the right mix of targeted incentives, regulatory reform and collaborative action by federal and state governments, the industry is key to super-charging the nation's economic recovery.

"A deliberate focus on tangible, measurable and implementable initiatives will foster a swifter bounce back and overcome the slowdown in sales volumes, approvals, construction and forward work pipelines.

"Creating a steady pipeline of new housing and the delivery of city shaping infrastructure is both good for short-term activity up and down supply chains, as well as helping with the longer-term task of improving housing affordability."

The main initiatives are:

- A housing stimulus fund worth more than \$4 billion that includes:
  - A 'Home Starter' incentive for consumers of up to \$50,000 dwelling construction that targets 60,000 new starts – at 10,000 per quarter – until the end of 2021
  - Prioritising and accelerating infrastructure such as roads, water, sewerage and power that can be delivered within 12 months to support 'shovel-ready' housing – with the Commonwealth to table \$1 billion to be matched by the states
  - A 'red tape reduction fund' to reward states and territories that cut major project assessment timeframes in half and kick start new projects
- Commit to clearing the backlog of projects under assessment via the Environment Protection and Biodiversity Conservation (EPBC) Act, including:
  - All projects that entered the assessment regime prior to July 1, 2019, be guaranteed a decision by July 1, 2020
  - All projects that entered the assessment regime prior to January 1, 2020, be guaranteed a decision by October 1, 2020; and
  - All projects that entered the assessment regime post January 1, 2020, be guaranteed a decision by January 1, 2021.
- Releasing a second tranche of 10,000 places under the First Home Buyers Deposit Gap Scheme, but exclusively geared towards the purchase and supply of new housing stock
- Supporting the return of immigration levels to 200,000 for FY2021 and FY2022, subject to health protocols, as a key catalyst to drive demand and broader economic growth.

These initiatives sit alongside a suite of other actions that the Commonwealth and States can advance in partnership to reduce taxes, cut red tape, re-engage foreign capital and lower the cost of housing.

“Australia has been a world leader in both the health response to COVID-19, as well as the task of stabilising the economy.

“Given the current environment, UDIA National believes it is now time to move from the trajectory of economic stabilisation to one of economic recovery with immediate federally led stimulus to re-kick start the housing market for the bounce back in jobs and economic activity,” Mr Basheer said.