

MEDIA RELEASE

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BUDGET BEGINS THE TASK OF REJUVENATING AUSTRALIA'S ECONOMY

The Federal Government's decision to use the Federal Budget to invest in housing stimulus and our nation's infrastructure will help accelerate Australia's recovery from the economic effects of COVID-19.

The Urban Development Institute of Australia (UDIA) – the nation's peak body representing the property development industry – has welcomed the direction and measures in the Federal Budget.

A new tranche of the First Home Loan Deposit Scheme dedicated to new housing, a \$14 billion investment in infrastructure and a further \$1 billion added to the bond scheme designed to support affordable housing are positives for the housing and urban development sector.

"The Budget sensibly recognises this is no time for business-as-usual policy settings, and instead takes an aggressive approach to the nation's economic rejuvenation," said UDIA National President Simon Basheer.

"The property industry can and must play a central role in powering the nation's economic revival – generating jobs, wages and activity up and down supply chains.

"Housing and construction contribute 750,000 direct and indirect jobs to the nation, so it is well placed to fill the gap caused by border restrictions and slower population growth due to current immigration levels.

"UDIA applauds the decision to release a new tranche of 10,000 places under the First Home Loan Deposit Scheme that are dedicated to new housing construction.

"The addition of these places – as well as the adjustment of price caps to better reflect median house prices across our capital cities – will give the industry a shot in the arm and boost employment.

"Importantly, the scheme can work in tandem with the *HomeBuilder* initiative, and we hope the Government keeps an open mind on its extension as well ahead of the end of the year.

"Research commissioned by UDIA shows the fall in net overseas migration will result in an average per annum reduction of approximately 50,000 homes per year for the next 5 years.

"Efforts to tap domestic demand and keep jobs flowing across the housing construction sector will be essential to maintaining economic momentum until net overseas migration returns to more sustainable levels.

"UDIA lodged a submission to the Commonwealth Government in September seeking an extension and redesign of *HomeBuilder* to maximise its reach and see support for the industry extended through the downturn.

"The \$14 billion investment in infrastructure has the dual benefit of creating additional jobs today, as well as supporting the growth of communities for years to come.

"Likewise, the creation of more affordable housing underpinned by an expanded bond scheme will help boost the diversity of stock needed across our cities."

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The Urban Development Institute of Australia (UDIA) is the peak body representing the property development industry throughout Australia. The Institute is a not-for-profit industry body dedicated to the representation of Australia's development industry. Our members cover a wide range of specialist and industry fields, including: developers, valuers, planners, engineers, architects, marketers, researchers, project managers, surveyors, landscape architects, consultants, lawyers, financial institutions, state and local government authorities, and product suppliers.