



the voice of the industry

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Housing Industry Welcomes Reform Measures in Budget

The voice of the ACT's residential building industry, the Housing Industry Association, has welcomed the sweeping taxation reform measures announced in today's ACT Budget.

"The ACT government is to be congratulated for taking serious steps towards reforming the taxation system in the ACT," said Regional Executive Director ACT and Southern NSW, Mr Neil Evans.

"In particular, we welcome the phase out of inefficient taxes such as stamp duty, to be replaced by more efficient and broad based taxes – which was a measure argued for by the housing industry in our pre-budget submission."

"This is something that has long been at the top of the priority list for the residential building industry, and combined with reductions in payroll tax, should give the ACT an edge when competing for labour or capital with other jurisdictions."

"The lifting of the current exemption from stamp duty for new property to \$385,000 - prior to its eventual abolition - is also a good move and should improve affordability at the lower end of the market, and encourage new home building activity."

"It is generally accepted that move away from transaction or employment taxes to broader based and efficient taxes is the economically sensible path to take, yet until now, state or territory governments have not had the courage to take this challenge on."

"This is a good outcome for the residential building industry in Canberra, and will pay dividends to the local economy in the longer term."

However, while welcoming the budget, Mr Evans pointed to the slowing ACT economy, in particular the residential building sector, and urged the government to consider bringing forward the pace of stamp duty reform if possible.

"With annual dwelling approvals for the ACT down almost 40 per cent against last year, the industry needs a short term boost combined with longer term reform."

"Fast tracking stamp duty reform or other initiatives to boost the sector is warranted in the current climate," concluded Mr Evans.

For further information contact

Neil Evans, Regional Executive Director ACT/Sthn NSW 0429 668 398

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