



NEWS RELEASE
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STATE BUDGET RELEASED

Encouraging infrastructure announcements but other big concerns for the development sector

The 2017-18 State Budget handed down in Parliament yesterday had some positives but also included some big concerns for the UDIA and its members.

The Urban Development Institute of Australia (SA) Chief Executive Pat Gerace said from the development sector's viewpoint this budget was a disappointment.

“Even though we don't have the same housing supply issues as the eastern seaboard, the Government has introduced a 4% conveyance duty on purchases of residential property by foreign buyers and temporary residents. We need all the construction activity we can get and a forty eight million dollar tax like this sends all the wrong signals,” Mr Gerace said.

“In our submission, the UDIA called for some small, affordable administrative changes to land tax that could have been made to improve South Australia as a place to do business, and importantly improve housing affordability. Our call wasn't heard and instead the initiative announced by the Government was only a commitment of one hundred thousand dollars. I am not sure anyone can call that a land tax reform.”

The Budget was also another missed opportunity for long term reform to stamp duty.

“While we clearly welcome the current stamp duty incentives continuing, the new measure of an additional ten thousand dollars is only for three months, again not the long term type of reform that we so desperately need,” Mr Gerace added.

“Our members know that there is an important place for apartments in the market but they also remain concerned that these initiatives continue to focus in only one type of living.”

Mr Gerace was pleased with some of the pro job initiatives contained in the budget, particularly related to infrastructure improvements, but he also cautioned the Government on the messages it was sending to the rest of the country.

“The infrastructure announcements and job initiatives will be well-received by the sector, but to fully capitalise on that in the longer term, we need to make sure we are sending a message that South Australia is open for business.”

ABOUT THE UDIA - The UDIA represents around 200 businesses in South Australia and 4,000 on a national basis and is the peak body of the urban development industry.

As the fifth largest contributor to output in SA, the property development industry employs 56,000 people or 7% of the state’s total workforce, and accounts for almost \$9 billion or 12% of Gross State Product.

MORE INFORMATION: For interviews, please contact UDIA SA CEO Pat Gerace on 0417 811 621 or email geracep@udiasa.com.au