

24 March, 2020

Hon. Mark McGowan MLA
Premier; Minister for Public Sector Management;
State Development, Jobs and Trade; Federal-State Relations
5th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

Via email:

Dear Premier,

RECOMMENDED STIMULUS MEASURES IN RESPONSE TO COVID-19

The Urban Development Institute of Australia (UDIA) WA is the peak body representing the property development industry in Western Australia.

Our industry represents approximately 10.1% of Western Australia's Gross State Product, contributing \$27.8 billion annually to the Western Australian economy and \$270.5 billion nationally. As well as helping to create sustainable and liveable communities, the industry employs a total of 205,100 Western Australians and 2.023 million Australians across the country.

Conservatively, residential construction directly employs 70,979 employees in WA, (60,611 full time). Indirectly these jobs support a further 47,053 jobs.

During these unprecedented times, our industry stands ready to support the Federal, State and Local Governments by retaining as much of the workforce as possible and working to maintain an affordable supply of housing in the short, medium and longer term.

After detailed consultation with our members, UDIA WA recommends one or more of the following three key responses and we are ready to support the State and Local Governments in taking up any of these recommendations immediately.

Three key actions for consideration by the Western Australian Government

1. Offer a 'New Construction Boost' consisting of a \$20,000 grant for all house & land packages contracted by 31 December 2020. Based on the existing forecast of 15,000 dwelling commencements in 2020-21 which is now likely to be significantly less, the maximum State investment of this option is approximately \$225M.

2. Introduce a 75% reduction in stamp duty on all new or off-the-plan residential properties with a purchase price cap of \$750,000. This will capture the predominant market of medium density product being developed in both private and public sector projects and broaden the off-the-plan stamp duty rebate to newly completed properties.
3. Issue a clear directive to Local Government Authorities to work with our industry in urgently identifying infrastructure projects funded by Development Contribution Schemes that can be released for tender and approved to commence construction within the next three to six months; and

where necessary, consider financing the 'gap' between funds gathered to date and total cost of infrastructure delivery with interest free loans through WA Treasury Corporation to bring forward construction.

In addition to the above measures, UDIA WA will work closely with the relevant State agencies regarding prioritising red and green tape reduction across the sector ensuring continuity of approvals throughout this time of extraordinary challenge. We request the support of the State Government in working with the local government sector to ensure they prioritise approvals in order to maintain construction activity, and ultimately, jobs.

UDIA WA is constantly monitoring the impact of COVID-19 on the development industry and its workforce and will continue to provide your agencies with the latest data and support to assist your Government in making well-informed decisions. Whilst we hope these actions alongside the government's measures to tackle COVID-19 will be effective, further industry support may be necessary in order to preserve jobs and assist in minimising the impact on the economy.

Should any further information be required in relation to the comments above, please contact Tanya directly on 0409 386 880 or via tsteinbeck@udiawa.com.au

Yours sincerely



Tanya Steinbeck
Chief Executive Officer



Col Dutton
President

CC: Hon Ben Wyatt MLA, Treasurer
Hon Rita Saffioti MLA, Minister for Planning
Hon Peter Tinley MLA, Minister for Housing