



TO RECOVERY AND BEYOND

Development, the economic
bridge beyond COVID



UDIA NSW
Policy Agenda
2021-22

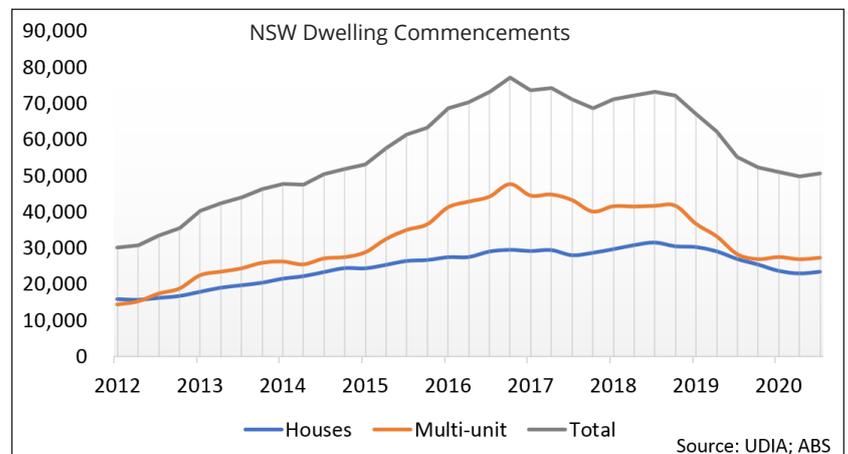
TO RECOVERY AND BEYOND

In 2020, UDIA NSW Launched NSW Project BounceBack – A Housing Led Recovery to COVID-19. It has guided our work with members in our committees and our advocacy agenda with governments. Much has been achieved for our industry, including the Federal Home Builder stimulus, the Productivity Commissions developer contribution reform agenda, the Accelerated Infrastructure Fund and the extension of first home buyers stamp duty concessions.

Despite the hectic pace of tactical reforms in 2020, there is still much to be done in the next 12-18 months to enable our industry to deliver in the wake of the pandemic. Our advocacy priorities for this year are a combination of enabling our industry to be a key part of the economic bridge to recovery and the overdue structural reforms that will take us into the beyond.

1. Boosting Apartment Construction

Apartments are the key missing piece for the NSW Housing Market - the significant drop off in approvals since 2016 (down 63%) has now impacted apartment construction (down 43%), a major issue for many of our members. We will identify potential solutions and advocate for the NSW Government to take action given the significant economic impact and the jobs at stake.



We must keep up the momentum and move beyond short-term stimulus with projects that will deliver growth and jobs in the medium term
– Minister Stokes

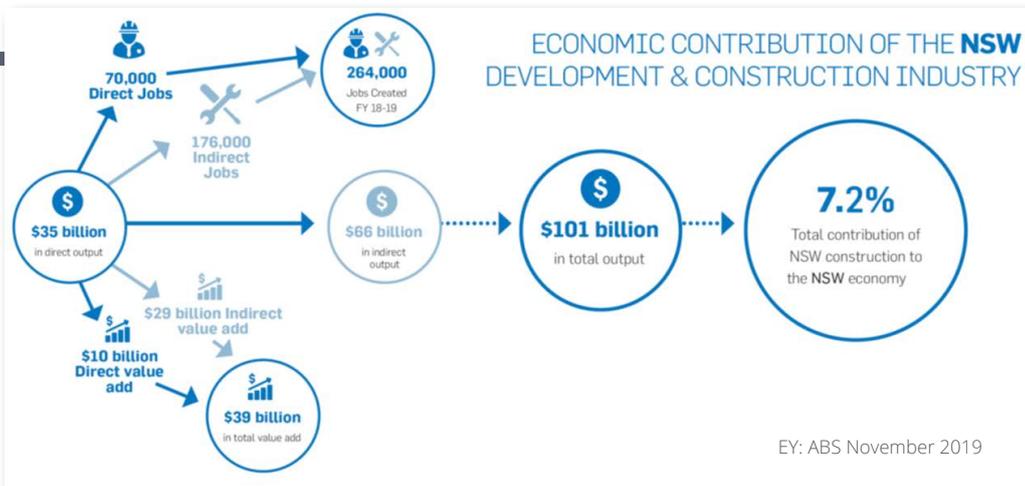
2. Boosting the Greenfield Pipeline

COVID-19 and the response to the pandemic has helped to support demand for greenfield housing. However, this has taken up a lot of the readily available pipeline. If greenfield construction is to not hit a brick wall then we will need to remove bottlenecks such as the supply of land and infrastructure. Our advocacy will focus on removing these barriers.

3. Building the 30 Minute City

The NSW Government has developed a strategic plan for integrating transport, land use and infrastructure across Sydney. However, it is not successfully translating to decisions on the ground and is failing to support broader city shaping outcomes. UDIA will use our market leading Urban Pinboard technology to help unlock more integrated planning and undertake research to investigate how jurisdictions around the world manage this integration.





4. Reforming Developer Contributions

Following the final report from the Productivity Commissioner, the NSW Government is expected to undertake a major reform of developer contributions in 2021 and the first half of 2022. This is a major opportunity to get a system that is fit for purpose.

5. Make Planning Work

The NSW planning system still requires substantial reform. We will continue to campaign for reforms that can remove the bureaucracy, red tape and poor planning that holds back development.

This is ultimately about providing greater certainty for all parties, ensuring better infrastructure for the community and unlocking more than \$12 billion for our economy
– Dominic Perrottet, NSW Treasurer



6. NextGen West

The future of Sydney lies in the west. However, there are many challenges in enabling it to reach its potential. We will run a campaign, with accompanying research and reports looking at the key issues facing Western Sydney including Governance and Planning Pathways, Jobs and Productivity, Housing Affordability, Transport Infrastructure, Resilience and Social Infrastructure. This campaign is targeted at ensuring the development of the western parkland city is ready for take-off along with the opening of the Nancy Bird Walton Airport.

7. Property Tax Reform

The NSW Government is consulting on a transition from stamp duty to an annual property tax. The reform could have a significant impact on our members. We are already working closely with NSW Treasury and their partners KPMG to try and achieve the removal of stamp duty which will reduce housing acquisition costs, improve mobility and unlock productivity and market capacity for our industry.

It would be a good reform for all of the states and all of the territories, it would deal with a lot of the volatility in their budgets but it would also be a productivity-enhancing reform. – Ken Henry

8. Reducing Green Tape

Policies and processes around the handling of biodiversity are causing significant pain for our members. The Federal Government is undertaking reforms to the EPBC Act to remove green tape but success will require collaboration between States and local governments. We will work with all levels to reduce the green tape burden on our members and deliver the right balance between, environmental, social and economic objectives.

2020 REVIEW - PROJECT BOUNCEBACK

As we finally unwind from one of the most challenging years in living memory it is important to look at what UDIA NSW, with the support of our valued members, was able to achieve last year.

When COVID-19 struck, UDIA NSW was quick to offer our expertise to all levels of government in responding to the pandemic with our Project BounceBack which focussed on the policy decisions needed to deliver a housing-led economic recovery in NSW. Advocacy achievements included:

- 01** Keeping the development sector operating as an essential industry, enabling us to keep working throughout COVID-19 lockdowns
- 02** Working with UDIA National on the Federal Government HomeBuilder program
- 03** The introduction of the Planning System Acceleration Program
- 04** The creation of the Accelerated Infrastructure Fund which extended the cap on developer contributions in Blacktown and The Hills and provided \$146 million of infrastructure
- 05** The full introduction of e-planning
- 06** The introduction of the Planning Delivery Unit with a mandate to accelerate planning
- 07** The expansion of our Urban Development Program Pilot across South Western Sydney leading to the NSW Government committing to the re-introduction of a full Urban Development Program for Sydney in 2021
- 08** Securing an extended stamp duty concession for first homebuyers with homes under \$800,000 now fully exempt
- 09** Creation of a TfNSW Reference Group to address the processes, resources and cultural blockages to building transport infrastructure in the regions
- 10** The Productivity Commissioner's review into developer contributions.



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Residential construction has the second largest economic multiplier of all the 114 industries that make up the Australian economy, according to the first targeted report from the National Housing Finance and Investment Corporation's (NHFIC) new research unit – 19 June 2020.