Budget boost for housing supply

The Housing Industry Association welcomes the new Federal Government’s first budget, which includes a range of measures aimed at boosting the supply of affordable housing.

HIA Managing Director, Dr Ron Silberberg said the substantial surplus will help mitigate interest rate pressures. Additional investment in infrastructure and skills will provide the framework for reducing inflationary constraints and building productive capacity.

"Measures aimed at boosting the supply of new housing along with desperately needed urban infrastructure will assist in pegging the gap between underlying demand and current production," said Ron Silberberg.

The core commitments for housing confirmed in tonight’s budget include: $500 million for the Housing Affordability Fund (over five years), $623 million for the National Affordability Rental Scheme (over four years), $1.17 billion for First Home Saver Accounts (over five years) and $10 million for financial services to assist with financial counselling to assist Australians facing mortgage and rental stress.

Earlier this week the Australian Bureau of Statistics (ABS) Finance Figures confirmed that in the March 2008 quarter the number of loans for new dwellings was down in every state and territory.

“Funding to improve the plight of housing supply could not come a moment sooner,” said Dr Silberberg.

HIA is pleased that the Federal Government has increased the investment in skills to address immediate and longer-term needs for skilled tradespeople for the housing industry.

“We need to look at targeted ways to improve the delivery of trades training to young Australians. Tonight’s Budget provides $2.5 billion over the next ten years for trades training in schools and $1.9 billion to deliver an additional 630,000 training places including 85,000 apprenticeship places (over the next five years). This is a positive start in addressing severe skills shortages faced by the industry,” said Ron Silberberg.

Making cities more efficient and productive through new investment in transport, community facilities and services is applauded.

“The Government’s investment in the major cities program is welcomed and should provide valuable assistance in connecting communities and business and reducing the growing development charges and restrictions applied to new housing," said Ron Silberberg.

Further Information:
Ron Silberberg 0417 261 560
Chris Lamont 0414 765 040
Harley Dale 0414 994 186