



ELECTION 2010 - HIA POLICY PRIORITIES

1. HIA's Top 3 Priorities

Housing Cost Reduction Program

- Undertake a housing cost reduction program by addressing the range of matters that currently add to the final delivery price of new housing including:
 - i. Infrastructure levies and charges
 - ii. Availability of Land
 - iii. Building regulation (including OH&S)
 - iv. Availability of credit to developers
 - v. Availability of finance to home buyers
 - vi. Expedited and rationalised planning processes to reduce holding and approval costs
 - vii. Reform of infrastructure funding
 - viii. Technical research into new housing construction models
 - ix. Reform of business migration to address skills shortfalls
 - x. Cascading taxation regimes applicable to housing (e.g. stamp duty, land tax, GST)

• Housing & Development Ministry

- Establish a housing portfolio (separate from social housing) that has responsibility for:
 - i. Establishing a clear mechanism to align Commonwealth, State and local government regulations and policies. Similarly cohere any reform agendas across all levels of government
 - ii. Providing permanent linkages to all portfolios that touch on housing delivery to ensure a whole of government approach including:
 1. Population policy
 2. Skills policy
 3. Environmental policy
 - iii. Industry policy including new housing procurement (interest rates, credit availability, building regulations)
 - iv. Driving the implementation of a uniform and expedited planning process for new housing delivery
 - v. Commonwealth infrastructure funding allocation to State governments and local councils that supports new 'greenfield' and 'infill' housing
 - vi. Industry policy to support housing industry capacity
 - vii. Industry policy to remove supply side constraints
 - viii. Establishing programs that promote technical innovation and technologies



- ix. Moving the ABCB to a statutory authority to oversight a single national building code and administrative structure
- x. Implementing a low emission housing strategy, including reduction targets, for new and existing housing

Recognition and Support of Small Business

- Recognition and support for small business through:
 - i. Delivery of efficient employment mechanisms where small business directly engages labour (including modern awards and employment arrangements)
 - ii. A reduction of unwarranted interference by third parties (governments and unions) into legitimate commercial contracting arrangements
 - iii. Implementation of clear and equitable taxation arrangements
 - iv. Addressing the small business compliance burden
 - v. Restore consumer confidence that housing is not able to be manipulated as an economic and political tool

2. Desirable Legislative Changes

- Unfair contracts in Australian Consumer Law (Trade Practices Act) – exclude those contracts already heavily regulated by State/Territory Domestic Building Contracts laws so as to remove overlap, confusion and potential conflicts.
- Fair Work Act – restore flexibility in Modern Awards by
 - increasing range of matters that can be the subject of an Individual Flexibility Agreement to allow, for example, fortnightly paydays rather than weekly; and
 - provision of junior and trainee rates of pay for all industries as of right to encourage employment participation and skill formation.
- Independent Contractors Act – include a rebuttable presumption (for all purposes including State laws) that a person is an independent contractor if they pay tax as a business.
- National OH&S legislation to replace a plethora of inconsistent State legislation, including removal of reverse onus of proof, enforcement to be a government function, and clear statements of rights and responsibilities based on proportionate responsibility for actions.
- Amend Immigration & Citizenship Act to enable the Minister to exercise greater flexibility in the design of migration categories e.g. migration by skilled contractors, temporary migration etc.

3. Reduction of Business Taxes

In order to improve housing affordability -

- Payroll tax should be abolished.
- Stamp duty on houses should be replaced by a small flat transaction fee reflecting the actual transfer costs rather than be an ad valorem tax on



housing (this will also encourage empty nesters to downsize, freeing up larger existing homes for families).

- Housing inputs should be GST free (rebateable).
- The tax system discriminates against small businesses - they should be allowed to retain an appropriate share of income without a tax penalty, in order to meet the capital needs of the business and to finance growth.

4. Changes to Government Spending

- Government stimulus spending better targeted towards nation-building infrastructure projects, and projects such as those suggested by HAF.
- Government should fund an agency to undertake a finer analysis of what makes up the cost of producing land and housing in different states and in different market segments, to identify those costs that government actions could positively influence, such as infrastructure supply and charging.

5. Other Comments

- More competition needed in the banking sector, particularly in the capital funds available for building projects and consumer housing loans.