

# Infrastructure Australia Concerns Over Value Capture Are Correct

Monday, 15<sup>th</sup> December 2016

The concerns raised by Infrastructure Australia in their advisory Paper 'Capturing Value. Advice on making value capture work in Australia' reflect concerns raised by the Urban Taskforce.

"The Urban Taskforce produced a report in September 2016 titled 'Value Capture is not a magic pudding' that raised significant concerns about a growing interest in value capture." Says Urban Taskforce CEO Chris Johnson "It is therefore good to see that the highly respected Infrastructure Australia report on value capture takes a similar position."

"Both Infrastructure Australia (IA) and the Urban Taskforce report end up preferring a broad based land tax as the most efficient way of capturing value created by new infrastructure investments. Both reports go on to recommend that the transactional tax of stamp duty which increases the cost of housing should be removed."

"The IA report calls for a fairer funding split between direct beneficiaries of infrastructure investment and broader taxpayers with a focus on broadening the contribution base. The report also stresses that a value capture approach must not change the underlying economic viability of a project."

"In a measure of different approaches to value capture the IA report finds that Developer Charges are only partially effective."

"One area that the IA Report does not fully investigate is the overlap between the three levels of government that all seem to be interested in value capture. There must be a careful overview by the State Government of multiple levies that could be proposed on development so that economic viability is maintained."

"The Urban Taskforce report 'Value Capture is not a Magic Pudding – Options for funding infrastructure' was authored by Dr Nigel Stapledon and Professor Kevin Fox from the Centre for Applied Economic Research, UNSW Business School. The report can be accessed here.....

The Urban Taskforce appreciates the contribution of Infrastructure Australia on the value capture discussion that the Federal Government has initiated and we look for to be constructively involved in the ongoing debate."

*The Urban Taskforce is a property development industry group, representing Australia's most prominent property developers and equity financiers.*

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