

MEDIA RELEASE

20th January 2021

Homebuilder – a testament to the job creation power of the property construction sector

The Commonwealth, Ministers Frydenberg and Sukkar, deserve great credit for their Homebuilder initiative.

Since the changes were made to the system to increase the eligibility threshold in NSW to a purchase value of up to \$950K, the package has been strongly supported by NSW home buyers.

The success of this program demonstrates the success of Government boosts to the construction and property sector.

Australia wide, the package was taken up by over 75,000 home buyers across Australia. The Homebuilder scheme offers a subsidy of \$15K (down from \$25K which ended December 31, 2020) to new build purchasers and the timing of this offer has been extended till the end of March 2021.

The property construction and development sector is the largest employer. Investment in this sector has a massive multiplier effect because property design, engineering, construction, marketing and sales are all highly labour intensive. The building materials are largely locally sourced. So the money on this sector is spent in Australia, it stays in Australia and flows on as it is spent at local restaurants, on retail and entertainment – thus creating more local jobs.

The success of Homebuilder offers a lesson to those in the planning community in NSW.

NSW saw a significantly lower take-up of Homebuilder than other States (given the relative size of the populations of the States and Territories). This was firstly because early on the thresholds were too low. But secondly, it was because the performance on planning approvals has been appalling since 2019 and fell by more than any other State during COVID. While Homebuilder has shown the way on stimulating the economy, Councils and the planning system have been the hand brake on the economy in NSW.

This must change in 2021 if we are to recovery from the COVID-19 recession.

Lots of promising commitments have been made by the NSW Minister for Planning. Planning Reform really is a key to economic recovery. Homebuilder has shown how powerful stimulus in this area can be.

State & Territory	New Builds	Re-builds	Total	Population (ABS – June 2020)
HomeBuilder Stats				
New South Wales	8,714	4,973	13,687	8,164,100
Victoria	17,382	4,213	21,595	6,694,900
Queensland	13,507	3,106	16,613	5,174,400
Western Australia	11,141	783	11,924	2,661,900
South Australia	5,949	1,479	7,428	1,769,300
Tasmania	1,521	291	1,812	540,600
ACT	1,371	520	1,891	431,100
Northern Territory	178	15	193	246,000
Total	59,763	15,380	75,143	25,687,000

The above can be attributed to Tom Forrest, CEO, Urban Taskforce. All documents referred to above available on request.

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

Media Enquires: Tom Forrest, Chief Executive Officer: 0429 460 863

Follow us on:

