Urban Taskforce AUSTRALIA

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MEDIA RELEASE

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Jim Chalmers seems determined to pass laws which will smash their own Housing Accord

CEO of the Urban Taskforce Australia, Tom Forrest, said today was a dreadful day for housing supply, for new home buyers, for renters and for the national economy with the first stage of the confidence killing, promise breaking tax changes passing the Senate and inflation data all but confirming more interest rate pain to come.

All the Treasurer could do was boast that the Government was a step closer to delivering on its "ambitious tax reform package" while meekly confirming that he'd not only let the inflation genie out of the bottle. He'd now lost it!

Is Jim Chalmers trying to undermine the credibility of the Albanese Government? It appears so. Today will certainly see fewer houses built, rents go up and leaves the Housing Accord targets in tatters.

The passage of tax changes for Trust Funds, passed through the Senate with the support of the Greens, will have a two-fold impact on our sector.

Many private developers use Trust funds to manage risk between projects. It is the basis for a long established system of SPV financing. These changes will be a bitter blow to the many who use this to balance loss making projects with other more profitable projects and will make investments in housing supply less attractive.

Secondly, discretionary trusts are a significant source of investment in new housing stock. These changes will make such investments significantly more complicated and will result in lower housing supply.

Jim Chalmers can take a significant share of responsibility for the current crisis in housing costs and also for interest rate rises. His belated efforts to cut government expenditure have come far too late.

There is still time for the Prime Minister to step in and save the Treasurer from himself.

The Bill will go back to the House of Representatives tomorrow (Thursday) for the final stage in the process of legislative debate. There is still time to set this Bill aside and pause, Urban Taskforce urges the Prime Minister to do so.

The passage of these changes through the Senate today does not bode well for our desperate pleas for a reversal of the changes to CGT and negative gearing more generally.

It seems that Dr Chalmers is determined to ignore the lessons of his mentor, Paul Keating, who introduced similar changes in the mid-1980s only to reverse them two years later.

End

*The comments and analysis above can be attributed to **Tom Forrest**, CEO, Urban Taskforce.*

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