

3 February 2009

GOVERNMENT BACKS HIA HOUSING RESCUE PLAN

After weeks of intensive discussions with HIA, the Australian Government has adopted HIA's housing rescue plan as a major component of the \$43 billion economic recovery plan announced today.

The Australian Government will provide targeted funding of \$5.5 billion for the acquisition of new affordable housing, both multi-unit and detached. The funding will boost new home construction directly by 20,000 new dwellings over the next year and a half.

State governments will be responsible for conducting Commonwealth Government approved tender processes for the purchase of the additional dwellings. Tenders will be structured to include spot purchases of new house and land packages to ensure both large and small builders benefit from increased construction activity. The package also provides up to \$400 million for repairs to existing public dwellings.

Due to the imperative of speed to market, preference will be provided to those developments that already have planning and development approvals and require pre-sale commitments to secure construction funding. This will unlock projects stalled by the lack of working capital that has resulted from the recent credit squeeze.

\$2.7 billion has been included in the package to meet the cost of installing "free" insulation in all un-insulated households. For those already insulated, a \$1600 solar water rebate (non-means tested) will be available. This initiative will create many new jobs in the housing industry.

The package includes the bringing forward of \$110 million of the \$2.5 billion 'Trade Training Centres in Schools' Program. This Program provides facilities to enhance vocational education opportunities for Year 9-12 students and has been of great assistance over the last few years in achieving the objectives encapsulated in HIA's Youthbuild program. The bringing forward of this expenditure will not only help to address the looming skills shortages facing the housing industry but will accelerate the building of trade workshops and other vocational facilities in schools.

Discussions concerning the implementation of the housing component of the economic stimulus plan are well underway and an information pack detailing how members may participate will be available shortly.

For further information please contact the Executive Director in your region.