



● Andrew Stern, pictured in Wodonga's Riverside Estate, says the current tax system can make new housing less affordable for home buyers. Picture: JOHN RUSSELL

# Taxing on the home front

BY JANET HOWIE

**A**BORDER land developer says he shares concerns raised this week about the negative impact of taxes on new housing.

Industry groups urged the Tax Forum in Canberra to consider reforms, saying the current system leads to excessive building costs, low home building levels and a lack of affordable housing.

JMP Developments project manager Andrew Stern is overseeing one of the region's bigger residential developments, Wodonga's Riverside Estate.

Although not involved in the Tax Forum, Mr Stern says the various government charges can affect developers' returns and potentially undermine their ability to provide land to the public.

Passing costs on to the consumers then put pressure on housing affordability, particularly in a region that had just gone through 10 years of drought.

"In this market, cost is always going to be very, very crucial in a decision-making process," Mr Stern says.

"From a developer point of view, land tax needs to be looked at.

"And it would be preferable to have policies that are national ... not piecemeal, state by state."

Research commissioned by the Housing Industry Association has found new housing is one of the most heavily taxed sectors of the Australian economy, with the majority of these taxes being highly inefficient.

HIA managing director Shane Goodwin says it is time to acknowledge this excessive tax burden and take action.

"Shelter is a necessity of life, every bit as important to individuals as food, medicine and clothing, and it is the base from which

Australians participate in the workforce, education and broader society," he says.

"Indeed, housing is where Australia's families are raised, and as such is a critical part of ensuring the nation's future prosperity and well-being."

Master Builders Australia has called for major reforms in stamp duties and infrastructure, or developer, charges. Chief executive officer Wilhelm Harnisch says stamp duties have significant adverse economic and social impacts, imposing sizeable costs on home buyers. Other local developers contacted by *Domain* declined to comment.