



ACT Government

BUDGET 2007-2008

Taking the Territory forward

MEDIA RELEASE

No. 02

\$9.250 MILLION FOR AFFORDABLE HOUSING

The ACT Budget delivers more than \$9.250 million for measures announced in April under the ACT Government's Affordable Housing Action Plan including planning for the release of over 2,000 dwelling sites during 2007-08, the provision of funding for new annual awards for design and construction excellence, more generous stamp duty concessions, and funding to support the team, which will oversee the plan's delivery.

Chief Minister and Treasurer, Jon Stanhope, said ensuring all Canberrans have access to safe, secure and affordable accommodation is one of the key challenges the ACT Labor Government has set itself.

"For many reasons, including the strength of the ACT economy, interest rate hikes and unprecedented demand for housing, more Canberrans are now finding it harder to find appropriate and affordable accommodation," Mr Stanhope said.

"The ACT Government is determined to do what it can to help more Canberrans access appropriate and affordable housing. That's why we developed the Affordable Housing Action Plan and that's why this year's Budget contains funding and other initiatives to deliver on the plan.

"Today's Budget includes \$4.3 million to construct or purchase approximately 17 two-bedroom units over the next year. This new public housing stock will better help ACT housing meet the changing needs of their clients.

"This year's Budget will also reduce stamp duty for first home buyers. Effective from 1 July 2007 the upper limits of the Home Buyer Concession Scheme will apply to higher median prices for the purchase of vacant land and houses.

"For purchases of established houses the threshold will increase from a purchase price of \$331,000 to \$365,000, and for purchases of vacant land the threshold will increase from a purchase price of \$182,700 to \$201,500.

"These new thresholds will make stamp duty concessions available to more Canberrans and are based on median prices determined from analysis of actual sales data held by the ACT Planning and Land Authority.

"This measure will lead to Territory revenue forgone of around \$1.5 million annually."

Mr Stanhope said managing land supply is vital to help stabilise prices, to ensure adequate land is available to meet demand and to help ACT building firms plan ahead.

5 June 2007

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“This Budget will see the ACT Government supply over 2,000 dwelling sites in 2007-08 and around 8,000 dwelling sites over the period to 2010-2011 through LDA estates, joint ventures and englobo sales.

“Gungahlin will continue to be the Government’s main front for greenfield land development with releases scheduled in Franklin, Crace and Bonner, and continuing sales at Harrison and Forde. In addition, we intend to release land Molonglo during 2008-2009.

“The 2007-08 ACT Budget also provides \$1.255 million over four years to continue detailed planning for future land releases to help ensure land supply meets projected demand for at least five years into the future.

“This includes \$630,000 in 2007-08 for completing further planning work in Molonglo which, in conjunction with development in Gungahlin, will help to meet Canberra’s land supply requirements to around 2032. Funding will also be available for initial planning, infrastructure and environmental investigations of potential land releases at East Lake, in the Majura Valley and the Symonston corridor.

Mr Stanhope said the first land release at Molonglo was expected in 2008-2009, and the Government has provided \$1.6 million for planning, and changes to land uses in line with the Territory and National Capital Plans.

This year’s funding commitments build on the \$2 million already invested by the ACT Government in the Canberra Spatial Plan since 2004.

Mr Stanhope said the 2007-08 Budget recognises the need for an expert team with industry experience to help the Government deliver on the Affordable Housing Plan.

“This Budget provides \$830,000 over four years to fund the activities of the Housing Affordability Implementation Team led by former Executive Director of the Master Builders’ Association, Mr David Dawes,” Mr Stanhope said.

“This funding includes \$20,000 per annum for a new annual award to recognise excellence in sustainability, design and construction in the ACT affordable housing market.

“The Housing Affordability Action Plan is one of the most innovative policies developed by the ACT Government. Other jurisdictions are now looking to the ACT for leadership in this crucial area of policy. Through the implementation of the Housing Affordability Action Plan, I look forward to seeing more Canberrans get into housing that meets their needs and their budgets,” Mr Stanhope said.

Mr Stanhope said the hard decisions taken in last year’s budget were helping to keep the ACT’s books in the black and providing the funds required to make housing more affordable for Canberrans.