Media Release

Budget 2011: Patchwork economy requires joined-up policy

The Property Council has welcomed initiatives in the 2011 Federal Budget to join up Australia’s population, regional and urban policy frameworks, along with increased infrastructure spending programs.

“The Gillard Government’s first Budget lays out a powerful development plan for regional Australia, along with a targeted increase to migration and labour skills programs that will boost Australia’s economic muscle,” said Property Council Chief Executive, Peter Verwer.

“The main course of the 2011 Federal Budget is a $4.3 billion regional strategy that is underpinned by infrastructure and skills initiatives.”

“Australians living in urban areas are eagerly awaiting the release of the National Urban Policy and Population Strategy, as these are vital for long-term economic growth planning.”

“Instead, the Government has released a tantalising tasting plate of its much-heralded urban and population policies for Australia.”

“The Budget’s sampler is a mere hint of the forthcoming population policy, with a $100 million employment precincts and business hubs program and a $10.1 million program to develop indicators of sustainable community progress.”

The Federal Budget provides a bigger role for Infrastructure Australia, which will develop a National Infrastructure Construction Schedule - a pipeline for nation-building projects with a delivery timetable.

The Budget also outlines a modest program for encouraging greater private sector investment in large-scale infrastructure.

Mr Verwer said: “Infrastructure Australia has been given the resources and riding instructions to take a long-term approach to scheduling infrastructure network roll-out priorities.”

(more) …
“In future, Infrastructure Australia will also release the rationale behind its recommendations, which will increase confidence in its deliberations.”

While welcoming the new urban policy principles, the Property Council says the Government needs to explain how it plans to join up urban programs to regional and population policies.

“At this stage, the National Urban Policy and the Population Strategy are not driven by a comprehensive set of measurable performance goals,” Mr Verwer said.

“The Urban Policy says states and territories should develop 20-year freight strategies, it should also insist on 20-year housing and land release programs.”

“The commitment to reinvigorating COAG’s role in national policy settings for our cities is welcomed but must be comprehensive and enforceable, like National Competition Policy.”

The Property Council says the absence of specific programs to boost housing affordability is the weakest feature of the 2011 Federal Budget.

“A more productive economy, along with a larger and more skilled labour force, needs affordable housing. A growing population deserves affordable homes and housing choice,” Mr Verwer said.

“The best approach to removing the inequities of a patchwork economy is to build community opportunity through urban and population strategies that are driven by clear and measurable performance goals.”

The Property Council welcomed plans to modernise the design of Australia’s Managed Investment Trust regime and redesign the proposed $1 billion green building retrofit allowance.

It also praised plans to reform foreign investment rules, which will result in Australia attracting more of the world’s savings to its shores.

In addition, the Property Council welcomed the Government’s acknowledgement that its environmental protection and biodiversity legislation requires a major and urgent overhaul.

For further information:
Peter Verwer
CEO, Property Council of Australia
Ph: 0407 463 842