

Media Release

Embargoed until 1201am 19 February 2025



UDIA Victoria calls for “the real lever” to be pulled to deliver 80,000 homes per year – Windfall Gains Tax reform

UDIA Victoria (UDIA) has called on the Allan Government to come good on their promise to “pull every lever” and address Victoria’s housing crisis.

On the release of UDIA’s Pre-Budget Submission, Chief Executive Officer Linda Allison urged the new Treasurer, Jaclyn Symes to provide the industry with the support it desperately needs to get back on track to deliver more homes.

“The industry is on its knees. Construction costs, interest rates, labour shortages and most importantly crippling taxes will make it impossible to reach the government’s target of building 80,000 new homes per year,” said Ms Allison.

UDIA has called on the Allan Government to undertake a thorough review of the impact of property taxes on the property market, which are a major contributor to increasing house prices, and low consumer confidence. It has particularly singled out Windfall Gains Tax (WGT) as an impediment to housing supply in both established suburbs and regional Victoria.

“Windfall Gains Tax is a blocker, not an enabler of new houses and new communities. It is extraordinarily difficult to calculate and holds up the delivery of much needed homes,” said Ms Allison.

While recognising the challenging fiscal environment for government, UDIA is calling for a review of WGT and other property taxes to get industry closer to projects that are feasible.

“We’re realistic about the government’s budget position. We’re not calling for the abolition of taxes. But what is unrealistic and unreasonable is for the government to double down on a raft of property taxes and expect activity centres and new communities to grow. Without tax reform, the Victorian property market is set to languish, while Queensland, Western Australia and South Australia welcome development and investors with open arms,” said Ms Allison.

UDIA’s prebudget submission calls for ten budget measures including:

- Review Windfall Gains Tax including the timing of payment, and introduce a cap for regional Victoria
- Reform stamp duty, including rates and corresponding concessions thresholds
- Extend the off the plan concessions announced in 2024
- Remove the Foreign Purchaser Additional Duty for off the plan new builds.
- Appropriate funding of the Victorian Planning Authority to deliver its expanded role
- Invest in Melbourne’s bus network, especially in new communities in outer Melbourne
- Prioritise funding and delivery of infrastructure that unlocks the delivery of new housing
- Address and invest in the chronic skills shortages across the industry
- Support regional councils to ensure adequate planning, services and infrastructure delivery
- Develop a cohesive plan for the delivery of data centres that aligns with the Housing Statement and Climate Change Strategy.

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The submission can be found at <https://udiavic.com.au/policy-submissions/>.

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Media contact and interview requests

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About UDIA

The Urban Development Institute of Australia, Victoria (UDIA) is a not-for-profit research, advocacy and educational organisation supported by a membership of land use and property development entities, across the private sector and Victoria's public service.

UDIA is committed to working closely with industry, local, state and Commonwealth government, key housing sector stakeholders, and the community to improve access to diverse, high-quality and affordable housing in Victoria.

UDIA is a signatory to the State Government's *Affordability Partnership*, whose focus is on meeting the objectives of *Victoria's Housing Statement*: building 800,000 new homes by 2034 – 80,000 homes per year over the next decade.

In 2025, UDIA is focused on establishing the right policy, regulatory and taxation settings to enable the residential development industry to do what it does best: build great housing for the growing number of people who choose to call Victoria home.

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