



For the
*community
creators*

UDIA WA

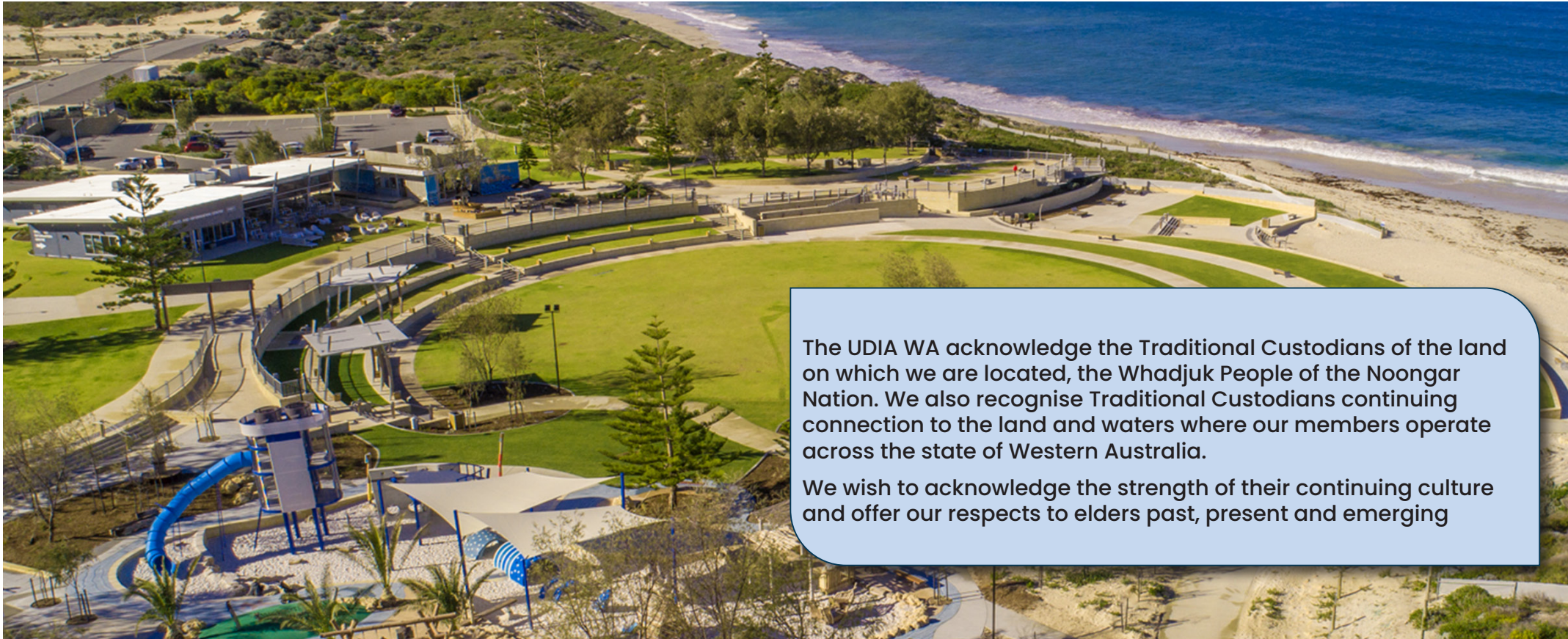
2025-26 Pre-Budget Submission

Deliver the homes we need, faster

May 2025

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The UDIA WA acknowledge the Traditional Custodians of the land on which we are located, the Whadjuk People of the Noongar Nation. We also recognise Traditional Custodians continuing connection to the land and waters where our members operate across the state of Western Australia.

We wish to acknowledge the strength of their continuing culture and offer our respects to elders past, present and emerging

From the CEO

On behalf of the Urban Development Institute of Australia (UDIA WA), I am pleased to present our 2025–26 Pre-Budget Submission to the newly re-elected WA Labor Government. Western Australians continue to feel the very real pressures of increasing cost of living, declining housing affordability and lack of options for a place to call home. Acknowledging the Cook Government’s efforts to date, now and for our future, the 2025–26 State Budget presents an opportunity to continue to prioritise investments to leverage industry to deliver the homes we need, faster.

First, I extend our congratulations to Premier Cook and the Labor team on their re-election. The clear mandate provided by Western Australians presents a valuable opportunity to address our state’s housing challenges with renewed focus and commitment. UDIA WA was encouraged by Labor’s housing policy before and during the election campaign, including several commitments that aligned directly with UDIA WA’s advocacy. We now look to this first budget of the new term to translate these commitments into funded initiatives.

Despite recent headwinds, WA remains well-positioned to create diverse living options in thriving, connected communities – but this will require the implementation of Labor’s election commitments alongside additional targeted investment and policy reform. Our industry remains a crucial delivery partner, and by the State Government effectively supporting and leveraging the industry, we can deliver the homes we need, faster.

UDIA WA continues to advocate for a strategic approach to accommodate our rapidly growing population that removes unnecessary barriers and costs to development, streamlines approval processes, and ensures infrastructure is delivered where and when it is needed. We must ensure that well-intentioned policies and initiatives do not create unintended consequences and implementation is effective, to avoid negatively impacting housing affordability and choice for Western Australian families. The first budget of this new term represents a critical opportunity to fully fund important State Election Commitments and build additional momentum for addressing WA’s ongoing housing supply challenges. The investment recommendations outlined in this submission seek to:

- Make it easier to create the homes we need;
- Help keep the cost of homes down; and
- Plan for our housing needs, now and for our future.

UDIA WA has welcomed the positive and collaborative relationship we have had with the Labor State Government and we and our members stand ready to continue working together to create great places and housing choice to enable Western Australians to live better lives.

Together, we can deliver the homes we need, faster.



A handwritten signature in blue ink, which appears to read 'Tanya Steinbeck'.

TANYA STEINBECK
CEO
UDIA WA



Priorities for the 2025–26 State Budget

UDIA WA's Pre-Budget Submission presents a series of 'asks', that we believe should be funded as a priority in the 2025–26 State Budget to deliver the homes we need, faster. These reflect UDIA WA's State Election Campaign priorities, seeking to respond to our current housing crisis and to help position WA for a better housing future.

While we appreciate the 2025–26 State Budget, as the first budget of the re-elected State Government, will largely reflect Labor's Election Commitments, it remains imperative that it be prepared through a housing supply and affordability lens, cognisant of the following guiding policy goals in mind:

- Facilitate housing choice through supporting a development ready supply pipeline and implementing measures to boost project viability, across the housing continuum.
- Ensure a planning-led, collaborative, and integrated design and approvals framework.
- First, do no harm. Avoid further layering of regulation, policy, taxes or charges that adversely impact feasibility and the affordability of the supply of new housing, rightsizing to release capacity, and investment to increase rental availability.
- Seek to level the playing field on taxation to support infill development and Built to Rent.
- Ensure an increase in funding and resourcing within the infrastructure and service agencies to facilitate the timely delivery of housing supply.
- Shift from a 'just in time' to an 'at the right time' approach to infrastructure planning, coordination, and funding.
- Prioritise infrastructure funding commitments to those areas and items which will deliver the highest dwelling yields.
- Maximise the construction industry's capacity to deliver housing now and into the future through ensuring WA can attract and retain an appropriately skilled workforce and facilitate innovation.
- Ensure a collaborative culture and governance framework that facilitates cross-Government commitment to deliver on the State Government's growth aspirations for Perth & Peel @ 3.5 million.

Our recommendations focus on crucial investments that should be allowed for in the upcoming State Budget to be handed down in June 2025, as opposed to required policy reforms. The latter will however continue to form part of our ongoing engagement and broader advocacy with the State Government.



UDIA WA welcomed several 2025 State Election commitments made by WA Labor, which aligned with our State Election Campaign. Accordingly, we recommend that the State Government makes provision in the 2025–26 State Budget to deliver on the following election commitments:

- \$20.6m to increase the current off-the-plan and under construction stamp duty exemptions by \$100,000 and expand it to include strata scheme and community title (building) scheme dwellings including townhouses and villas, as well as apartments (to a value of \$850,000).

UDIA WA continues to advocate for this to be made permanent and for the removal of the purchase price thresholds to maximise the benefit for buyers of all new apartments and townhouses. UDIA WA also advocates for this to include survey-strata dwellings.

- \$110.7m to raise the First Home Owner Rate (FHOR) of duty threshold to \$500,000, with discounts available up to \$700,000 in Perth metro and \$750,000 in regional WA. The FHB changes must also increase the threshold for land purchases to \$350,000, with discounts up to \$450,000.

UDIA WA advocates for consideration of removal of the FHOR thresholds applicable to new builds, as has been done in Queensland effective of 1 May 2025. At a minimum, they should be indexed.

- \$75 million for a Build to Rent Kickstart Fund for low-cost financing (up to 30% or \$250,000 per apartment, in return for 30% affordable dwellings), increased land tax concessions (75%) for BTR developments with more than 40 dwellings.

UDIA WA continues to advocate for smaller projects in regional centres to benefit from the land tax exemption, to bring attractive and stable rental options.

- \$210m boost to the Keystart Shared Equity Scheme for up to 1,000 new apartments and townhouses purchased either off-the-plan or under construction.
- \$79.5 million funding injection for social housing to deliver an additional 1,000 homes a year.

- \$400m Housing Enabling Infrastructure Fund (HEIF).

This must be used to kick-start planning and delivery of identified crucial enabling infrastructure items/packages to accelerate housing delivery in key growth areas, including North Ellenbrook and Bullsbrook (allocate an initial \$190m + \$98m committed), East Wanneroo (allocate an initial \$135m), Mundijong and Wellard (allocate an initial \$33m + \$12m committed). This initial investment could unlock these three key growth areas to ultimately deliver 72,000 new homes. It must not be used to top up CAPEX budgets for BAU capital works or on servicing for existing growth areas and it is essential that items prioritised for the HEIF are supported to progress through to delivery.

- \$25m Regional Housing Support Fund to provide grants for costs such as civil works, decontamination, and utility connections to unlock housing projects and land supply in regional areas, plus \$104m for new Government Regional Officer Housing (GROH).
- \$50m innovation fund to provide a competitive grants process as well as a low interest loan facility to support the housing industry in fostering innovative solutions to deliver more housing.
- \$21.9m to expand the number of free TAFE courses targeted at residential construction trades of need.
- \$27m to the Group Training Organisation wage subsidy program to assist small and medium businesses to hire apprentices in the building and construction industry.
- \$600,000 to establish a WA Builders Support Program to work with the peak housing bodies to educate and mentor new builders to grow market capacity.
- \$6 million to capacity build the community housing sector, supporting CHOs to manage larger portfolios of property as an important step in increasing social and affordable housing.
- Allocate the committed funding for Round 2 of the Housing Diversity Pipeline to work with the development industry to identify and release State Government land that can feasibly be developed to provide diverse and affordable housing.

Additionally, we recommend that the State Government makes provisions in the 2025–26 State Budget and Forward Estimates to:

Ask	Estimated funding required	Responsible Department/Agency
Make it easier to create the homes we need		
Commit additional funding for service agencies to ensure adequate CAPEX budgets for capital works, preventing delays and supporting residential land development.	\$100m	Water Corporation
Commit funding to commission an independent, short, sharp review of the Department of Planning's execution of / ability to perform the functions of the WAPC.	\$250k	Department of Treasury
Invest funding and collaborate with the Federal Government and industry to accelerate regional (environmental) planning for Perth and Peel, which considers both matters of State and national significance.	\$4m	Department of Water and Environmental Regulation
Resource the development of a strategic plan and fund for offsets and rehabilitation, particularly for the Swan Coastal Plain (SCP).	\$3.363m	Department of Water and Environmental Regulation
Help keep the cost of homes down		
Extend and expand the Infrastructure Development Fund to boost the viability of medium and higher density residential projects.	\$30m	Department of Planning, Lands and Heritage
Commit to resource a comprehensive review of property taxes and implement a fairer and more efficient system in this term of Government.	To be determined	Department of Treasury
Plan for our housing needs, now and for our future		
Allocate funding for a comprehensive review of how DPLH forecasts land supply for the delivery of new homes, to ensure an accurate picture of the forward pipeline and enable better integrated land use and infrastructure planning.	\$100k	Department of Planning, Lands and Heritage
Establish and resource a Coordinator General role and team (or an equivalent mechanism) within the Department of Treasury to lead strategic infrastructure coordination and delivery.	\$2.72m	Department of Treasury
Build on the initial investment in the \$400m Housing Enabling Infrastructure Fund to catalyse residential development in identified growth areas.	\$100m	Department of Planning, Lands and Heritage (Water Corporation, Western Power, Main Roads)

Further details on these are set out in the following pages.



Make it easier to create the homes we need

We need the State Government to continue cutting unnecessary red and green tape and addressing friction points to reduce approval timeframes and costs from delays, to deliver the homes we need, faster.

Approval authorities are operating with stretched resources, while infrastructure service agencies have more projects than their operational budgets can handle. We must focus on easing these pressure valves to release immediate lot supply for new homes in areas already earmarked for development.

In addition to responding to these operational challenges, Government must ensure a planning-led approach to deliver on its growth aspirations for Perth and Peel, and key regional centres, and to support achievement of WA's share of the National Housing Accord target.

The Labor State Government has progressed important initiatives to facilitate housing delivery, such as implementing several recommendations of the Vogel-McFerran Review and comprehensive WAPC and planning reforms. However, to maximise the benefits, there are opportunities to further streamline and enhance the effectiveness of the planning and environmental approvals systems. This needs to include re-establishing the leadership role of the Department of Planning, Lands and Heritage (DPLH) as a central government agency and enhancing its effectiveness. This should be informed by commissioning an independent review.

Further, the current environmental approvals system, while essential for protecting our natural environment, impedes both optimal environmental outcomes and housing delivery through excessive complexity, contradictory requirements, and extended timeframes. UDIA WA has long advocated the development of a strategic plan and funding model for offsets and rehabilitation, particularly for the Swan Coastal Plain (SCP), and regional planning to provide more certainty around what areas can be developed and what and how other areas should be protected and rehabilitated.

In the interim, UDIA WA advocated for and strongly welcomes the EPA working collaboratively with the WAPC to provide environmental advice earlier in the land use planning process, at District Structure Plan stage.

UDIA WA recommends that the State Government makes provision in the 2025–26 State Budget to:

Ask	Estimated funding required
<p>Commit additional funding for service agencies to ensure adequate CAPEX budgets for capital works, preventing delays and supporting residential land development.</p> <p>The HEIF was welcomed as a response to UDIA WA’s advocacy around enabling infrastructure requirements for key growth areas. It is the industry’s understanding and expectation that this Fund will be used to kick-start planning and delivery of identified crucial enabling infrastructure items/packages to accelerate housing delivery in key growth areas, including North Ellenbrook and Bullsbrook, East Wanneroo, Mundijong and Wellard. However, there is a risk of it being used to top up CAPEX budgets for BAU capital works or on servicing for existing growth areas. The agencies must be adequately resourced to do this important work, but this should be from separate funding.</p>	<p>\$100m</p> <ul style="list-style-type: none"> • FY25–26 – \$25m • FY26–27 – \$25m • FY27–28 – \$25m • FY28–29 – \$25m <p><i>This is additional funding for the developer constructed capital works program.</i></p>
<p>Commit funding to commission an independent, short, sharp review of the Department of Planning’s execution of / ability to perform the functions of the WAPC.</p> <p>This should align with the intent and scope of the well-received Vogel-McFerran Review and include consideration of DPLH’s performance around strategic planning, land supply, infrastructure coordination, as well as culture and cross-government collaboration. It should be undertaken by a suitably qualified and experienced planning professional, involve engagement with industry and key stakeholders and the findings and recommendations should be made publicly available.</p>	<p>\$250k</p> <ul style="list-style-type: none"> • FY25–26 – \$250k
<p>Invest funding and collaborate with the Federal Government and industry to accelerate regional planning for Perth and Peel, which considers both matters of State and national significance.</p> <p>This must duly consider the federal overlay and State relevant matters to avoid duplication as part of any further progression of the Nature Positive Reforms, and utilise the research and work undertaken for the Strategic Assessment of Perth & Peel Region. This is crucial to provide more certainty for industry now, and in the longer term, as well as to enable a more holistic response to environmental management. It should at a minimum, be done on a growth corridor basis, with engagement with industry to identify the order of priority.</p>	<p>\$4m</p> <ul style="list-style-type: none"> • FY25–26 – \$1.5m • FY26–27 – \$1.5m • FY27–28 – \$1m
<p>Resource the development of a strategic plan and funding model for offsets and rehabilitation, particularly for the Swan Coastal Plain (SCP).</p> <p>This should involve a staged approach, with the coordination of land access for offsets and restoration being the first priority, followed by an independent body within the State Government coordinating the delivery of works associated with offset and restoration sites. It should be underpinned by the establishment of a strategic plan and funding model, addressing State and Federal requirements, to enable the consolidation of contributions from proponents to create lasting, scalable environmental benefits.</p>	<p>\$3.363m</p> <ul style="list-style-type: none"> • FY25–26 – \$950k • FY26–27 – \$978k • FY27–28 – \$707k • FY28–29 – \$728k <p><i>Based on 4 FTE at approx. \$650k/annum and consultancy expenses at \$600k plus CPI at 3%. Further implementation funding will be required when the plan is developed.</i></p>

Help keep the cost of homes down

We need the State Government to take a serious look at taxes, fees and charges impacting housing diversity and affordability, to deliver the homes we need, faster.

There are severe labour and skills shortages in the residential construction sector. Material costs have increased substantially. Government taxes, fees and charges are stacking up. This all makes it incredibly expensive and difficult to get apartment projects in particular, off the ground. These cost increases impact buyers and ultimately renters. To increase housing choice and aid affordability for buyers and renters, we need Government support to boost the viability of medium and higher density infill projects in the right locations.

There must also be a commitment to 'first, do no harm' and not exacerbate the current challenges with increases to taxes, fees or charges or policy reforms that add to the cost of delivering diverse housing supply.

Our current property tax settings are unfair and are negatively impacting the delivery of and access to diverse housing options for many Western Australians. A complete review of property taxes is needed, and long overdue. A fair and efficient taxation system will improve housing affordability, support home ownership and right-sizing, and attract greater investment in the WA housing market to increase rental supply.



UDIA WA recommends that the State Government makes provision in the 2025–26 State Budget to:

Ask	Estimated funding required
<p>Extend and expand the Infrastructure Development Fund to boost the viability of medium and higher density residential projects.</p> <p>The Fund should be extended beyond 30 June 2025. While there has been an over-allocation of funds (approx. \$90m by 30 January 2025), many projects will not receive their full allocation because the headworks costs are lower. Many projects have also not progressed because the support is not sufficient for viability.</p> <p>The Fund should be increased to allow at a minimum \$20,000 per unit and a broader range of fees and charges to be reimbursed. Such an expanded Fund should:</p> <ul style="list-style-type: none"> • Support projects of 20+ dwellings (e.g. apartments, townhouses, BTR), in metropolitan infill areas (relaxing current locational restrictions). • Allow the developer to apply for reimbursement of a range of statutory fees and charges imposed on development, such as the following where relevant (e.g. Land tax from DA to construction completion; Headworks; Council costs such as public art and POS cash-in-lieu contributions, development contributions, council rates, and building license fees). • Be structured to provide sufficient certainty to developers and financiers to account for the funding in project feasibilities and kick start construction while also reducing the risk to government. This could include: <ul style="list-style-type: none"> • Applications to be made once a DA is approved. • Construction to commence within two years of approval and complete within four years, with the potential for a 12-month extension (as per the current Fund). • Costs being paid on issue of a building license. • Seek to secure a matched funding commitment from the Federal Government. <p>As a budget neutral measure, extension and expansion of the Fund should be supported by an audit of the funds allocated to date, including confirmation of the actual headworks costs and the likelihood of projects being progressed by the successful applicants, with a view to reallocating funding which will not be spent and/or where sites for unviable projects are being on-sold and will not comply with the planning approval.</p>	<p>\$30m</p> <ul style="list-style-type: none"> • FY25-26 - \$15m • FY26-27 - \$15m <p><i>An additional \$30m and expansion of the eligibility criteria and rebate amount could support an extra 1,500 units.</i></p>
<p>Commit to resource a comprehensive review of property taxes and implement a fairer and more efficient system in this term of Government.</p> <p>As a first step, this should include reviewing stamp duty in the context of supporting the delivery of townhomes, levelling the playing field for apartments, and removing (or at least freezing for two years) the Foreign Buyers Duty to boost housing choice and rental stock and to make WA more attractive to workers from overseas.</p>	<p>To be determined</p> <p>Foreign Buyers Duty freeze - \$73m:</p> <ul style="list-style-type: none"> • FY25-26 - \$35m • FY26-27 - \$38m <p><i>Estimated based on lost revenue based on FY24-25 Mid-year Financial Projections Statement.</i></p>

¹ DPLH, 2025. Infrastructure Development Fund Successful Applications Published 31 January 2025. Accessed on 6 May 2025: <https://www.wa.gov.au/system/files/2025-01/infrastructure-development-fund-successful-applicants.pdf>

Plan for our housing needs, now and for our future

For the benefit of current and future residents, the next State Government must plan, invest and work together with industry and the community to deliver the homes we need, faster.

Currently there is a lack of commitment and accountability across government to a shared vision for accommodating the future population growth of Perth and WA. There is a need for the State Government to think and act more holistically when it comes to delivering housing supply across continuum, with all departments and agencies pulling in the same direction and doing their part.

To inform decision-making and better integration of land use and infrastructure planning, it is imperative we have an accurate and timely picture of near term and forward land and housing supply. The Urban Growth Monitor is a useful tool for macro-scale analysis of zoned land stocks and a theoretical estimation of total supply potential over a long-term outlook and the Urban Land Development Outlook provides useful insights over the short and medium terms but is not published frequently enough. Neither adequately consider challenges impacting land availability and readiness for development. There is an opportunity to build on the detailed spatial analysis being undertaken on UDIA's National Housing Pipeline, and undertake engagement with industry, to ensure a more robust approach to forecasting.

Working collaboratively to proactively plan, coordinate and deliver strategically important infrastructure 'at the right time' has also never been more crucial to bring forward and support development for the creation of new homes.

The 'just in time' approach of service agencies and the State Government's failure to set out key strategic infrastructure projects and signal support and funding commitment is a problem. It does not consider development intentions, enable early planning for residential projects or aid the securing of funding from the Federal Government and will continue to constrain land supply for housing.

There is a need for a mechanism within the State Government to drive cross-government accountability for infrastructure coordination, planning and delivery. The recently established, multi-layered governance model for the HEIF project identification and assessment process is certainly a welcome step in the right direction. However, with the Machinery of Government changes effective from 1 July 2025, infrastructure planning, delivery and accountability will cut across multiple departments and it is unclear what DPLH's role is. As such, there remains a need for a Coordinator General role and team or equivalent mechanism to drive shared outcomes.



UDIA WA recommends that the State Government makes provision in the 2025–26 State Budget to:

Ask	Estimated funding required
<p>Allocate funding for a comprehensive review of how DPLH forecasts land supply for the delivery of new homes, to ensure an accurate picture of the forward pipeline and enable better integrated land use and infrastructure planning.</p> <p>This should involve commissioning a consultant to undertake the review and should seek to ensure appropriate engagement with industry and to build on UDIA’s National Housing Pipeline analysis for Perth and Peel. Additional funding may be required to implement any systems changes, etc. to facilitate the new forecasting approach.</p>	<p>\$100k</p> <ul style="list-style-type: none"> • FY25-26 - \$75k • FY26-27 - \$25k
<p>Establish and resource a Coordinator General role and team (or an equivalent mechanism) within the Department of the Treasury to lead strategic infrastructure coordination and delivery.</p> <p>There is a need for a mechanism within the State Government, with a clear mandate to coordinate and facilitate the planning and delivery of strategically important infrastructure priorities to ensure appropriate multi-agency resourcing, prioritisation, and funding.</p>	<p>\$2.72m</p> <ul style="list-style-type: none"> • FY25-26 - \$650k • FY26-27 - \$670k • FY27-28 - \$690k • FY28-29 - \$710k <p><i>Based on 4 FTE plus CPI</i></p>
<p>Build on the initial investment for the \$400m Housing Enabling Infrastructure Fund to catalyse residential development in identified growth areas.</p> <p>This should include additional funding for enabling infrastructure and expansion of the eligibility criteria to allow local governments, developers and landowners to apply for funding. At a minimum, the Fund should be supported to continue through an ongoing allocation through the forward estimates and prioritised items must be supported to continue through to delivery, with additional funding being allocated as required.</p>	<p>\$100m</p> <ul style="list-style-type: none"> • FY28-29 - \$100m





For the
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Unit 26, Level 1
3 Wexford Street
SUBIACO WA 6008

T 08 9215 3400

E udia@udiawa.com.au

www.udiawa.com.au

 **UDIAWA**

 **Urban Development Institute of Australia (WA)**

 **udiawa**

