

Media Release

25 AUGUST 2017



CALLS FOR A FEDERAL FOCUS ON WA ISSUES

On the eve of the WA Labor State Conference the Urban Development Institute of Australia (UDIA WA) has urged attendees to consider the importance of getting the right policy framework for GST reform, negative gearing and Capital Gains Tax that take into consideration WA's economic and property market conditions.

"It is critical that government policy is not unfairly influenced by east coast centric views," UDIA WA CEO Allison Hailes said.

"All too often, federal policy is framed by conditions on the east coast, without looking at the WA experience," Ms Hailes said.

"Bill Shorten and his team need to understand that the WA economy is experiencing extremely challenging conditions and our decreasing share of GST revenue, along with the threat of altering negative gearing and CGT arrangements is not helping the situation," Ms Hailes said.

"UDIA, along with several other peak industry bodies, fully supports the Chamber of Commerce and Industry (CCIWA), proposal for a new formula for the distribution of GST that improves WA's share while also ensuring that the national economy will benefit," Ms Hailes said.

"CCIWA proposes that greater incentives are required for other states to contribute to national economic growth," Ms Hailes said. "The two recommendations, which we support, include the introduction of a 0.70 ratcheting relativity floor for all states and the phasing in of partial equalisation."

"In terms of negative gearing and CGT, UDIA supports the status quo, given that the current regime particularly assists in ensuring an affordable supply of rental property to the market," Ms Hailes said.

"Without people investing in housing, we simply won't have the stock necessary to satisfy growth in demand in Perth and across WA into the future," Ms Hailes said.

"Tampering with negative gearing and CGT will only put housing investment at risk, meaning less people buying houses as investments and more people paying higher rents for the housing that is available," Ms Hailes said.

"It is important to recognise that millions of every day Australians on average incomes use negative gearing in order to be able to afford to invest in housing and hopefully secure their future," Ms Hailes said.

"I certainly hope that Mr Shorten and the Labor Party take into serious consideration the impacts that these issues have on all West Australians and the importance of shaping clear policies that foster economic growth and future prosperity for this state and the nation," Ms Hailes said.

End.