

Media Release

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LABOR'S FOREIGN TAX WILL JEOPARDISE STATE ECONOMY

Labor's plan to hit foreign residential property buyers with an extra 4% tax is a fundamental mistake that will jeopardise the property market recovery in Western Australia, according to the Urban Development Institute of Australia (UDIA).

"UDIA is strongly opposed to a foreign investment tax and agrees with other property industry experts that this additional tax is a critical mistake in terms of the health of the property market in Perth and WA," UDIA CEO Allison Hailes said.

"The residential property market in WA is playing a major role in supporting our struggling state economy," Ms Hailes said.

"To take a further blow on the small amount of foreign investment we have now would be detrimental to any potential property market recovery and its ability to provide a much needed stimulus to the broader WA economy," Ms Hailes said.

"We should be encouraging more overseas investment in the market, not turning it away," Ms Hailes said.

"The fact is, WA's current lack of a tax surcharge on foreign investment provides WA with a competitive advantage over other states in Australia and to take that away now, will only further hinder foreign investment into this state," Ms Hailes said.

"With market conditions as they are, we think it is imperative that Mark McGowan and the Labor Party rethink this flawed policy and instead work with industry to ensure that the urban development sector is supported in its role of building a prosperous future for WA," Ms Hailes said.

"Without a strong development sector we will see further job cuts and less money flowing into the state's economy from the land development, building and construction sectors," Ms Hailes said.

Ends.