



Stamp Duty Perth Western Australia

Enough is enough! Group of five unite to demand tax reform

Western Australia's five key property organisations have joined forces to demand tax relief from the state government.

For the first time ever the Real Estate Institute of Western Australia, the Property Council, the Urban Development Institute of Australia, the Master Builders Association and the Housing Industry Association have banded together to voice their strong concerns over skyrocketing stamp duty costs.

REIWA President Rob Druitt said the group of five was drawn together out of immense frustration with runaway taxes in the property sector and their harsh impact on West Australian families.

"Representatives of all the organisations have been actively involved in the State Tax Review for over a year, but it's becoming apparent that our collective warnings to the government about taxation blow-outs have been ignored," Mr Druitt said.

The recent interim report from the State Tax Review stated that stamp duty reform should be a Government priority however the Treasurer made no adjustment to stamp duty rates in the 2006/07 budget.

Joe Lenzo from the Property Council said the fact that stamp duty revenue was up by 58 per cent in the September quarter showed the Government continues to enjoy windfall revenue gains at the expense of the small proportion of West Australians who buy a property each year.

According to Mr Lenzo, property contributes half of the state's total taxes and in the most recent quarterly results the property tax take reached 54 per cent.

"It is quite outrageous that the government would rake in \$541 million in just three months of stamp duty takings. This increase of almost \$200 million on the same quarter last year shows just how out of date the tax scales are," Mr Lenzo said.

Marion Fulker from the UDIA expressed concern at such unsustainable reliance on the property sector for State revenue.

"We have been warning the government for some time that placing such a strong emphasis on property taxes and then committing that money to future infrastructure

programs is highly risky. As prices growth in the property sector slows, the Government is increasingly vulnerable to future shortfalls," Ms Fulker said.

Gavan Forster from the Master Builders and John Dastlik from the HIA believe that people building a home are being doubly disadvantaged.

"Building costs in WA have increased by 16 per cent over the last year, and when coupled with excessive stamp duty rates there is a substantial impact on that group. The danger is that it might force many prospective home builders back into the established housing sector or into renting, adding increased cost pressures to both," Mr Forster said.

Mr Dastlik agreed, adding that it was particularly hard on first home buyers.

"It's very unfair to first homebuyers in particular that they now suffer under what is rapidly becoming the most expensive stamp duty regime in the country.

"Given our state's enormous wealth, the Government can really afford to be more generous to all home buyers and those building a home, particularly those just trying to get into the market," Mr Dastlik said.

The group of five claims that stamp duty costs have reached a critical level and need to be addressed as a matter of urgency to ensure that the Government is making a contribution towards improved housing affordability.

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