PROSPERITY | JOBS | STRONG COMMUNITIES

PROPERTY COUNCIL of Australia

WA Budget Submission 2017-18

#keepWAgrowing

THIS DOCUMENT'S PURPOSE

This document has been developed by the Property Council of Australia, the representative of the property industry, to assist the WA Government in the finalisation of its budget for 2017 – 2018.

It has been prepared against the broader context of the current financial challenges facing the WA Economy. WA currently has the lowest levels of industry confidence in the country.

This submission puts forward strategic reforms that will boost industry confidence without introducing further taxes on West Australians who are already struggling.

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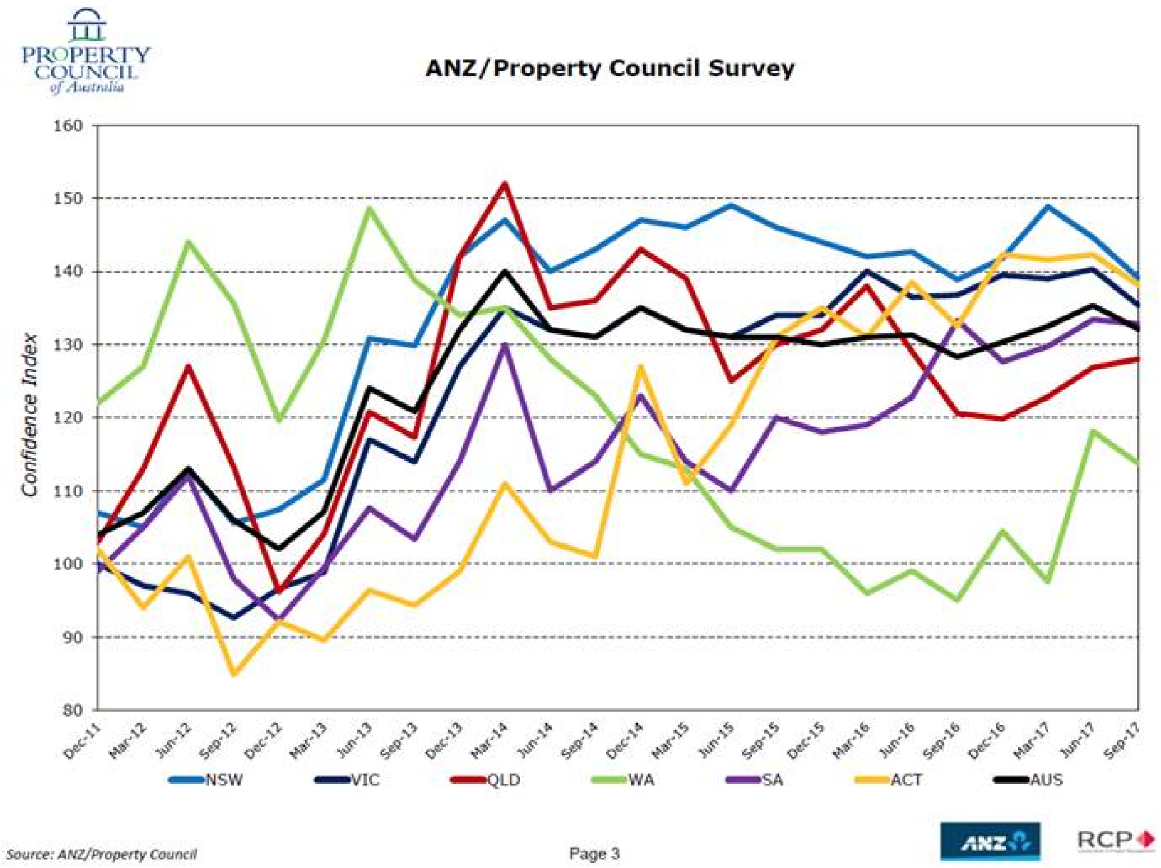
Property Business Confidence



ANZ/ Property Council Property Industry Sentiment Survey

WA is currently experiencing the lowest levels of property industry confidence in the country. Prior to 2013, industry confidence was consistently above the national average but has seen steady decline since June 2013.

Following the recent State election there was a sudden spike in optimism, however, WA's levels are still significantly lower than the national average and have edged back in the recent survey.

Industry sentiment directly effects the level of private sector investment in our State. It is imperative that industry is provided with certainty and that WA remains competitive with our Eastern-States counterparts to keep WA growing.

FIVE-POINT PLAN TO KEEP WA GROWING

1. Boost confidence in the investment and construction sectors by not increasing State property taxes or raising the Perth Parking Levy and not introducing the foreign investor stamp duty surcharge;

2. Activate economic activity by implementing strategic stamp duty reforms;

3. Lift small business confidence by announcing a state tax review to phase out land tax aggregation and move to a flatter land tax structure;

4. Broaden government revenues and drive urban renewal by stepping up the state's asset sale program; and

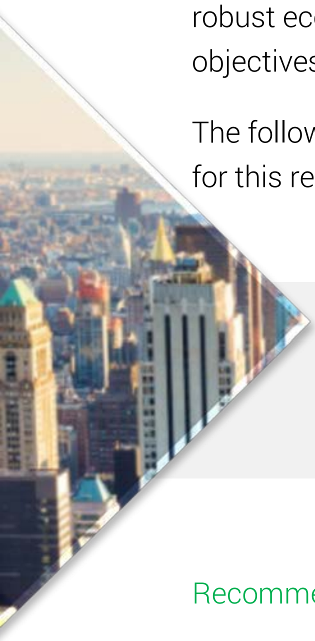
5. Provide greater certainty for major projects by fast-tracking the introduction of a state infrastructure strategy based on two principles:
   - the creation of Infrastructure WA,
   - establishing a Partnerships WA and committing to City Deals.

RECOMMENDATIONS

The Property Council of Australia welcomes the opportunity to provide a submission to the 2017-18 Western Australian Budget.

As the largest and most active organisation in the property industry, we are committed to driving solutions that enhance WA's economic future. Property Council members are long-standing investors in our State and have a strong interest in seeing it prosper. Our members understand the need to constantly improve WA's liveability, prosperity, and affordability. A robust economic strategy delivered through the State Budget will ensure that these objectives are reached.

The following pages of this submission focus on the industry's priorities for the year ahead – for this reason, the Property Council puts forward the following key recommendations.



KEY RECOMMENDATIONS:

Recommendation 1: Rule out increasing State property taxes and introducing new taxes.

Recommendation 2: Don't raise the Perth Parking levy as it is a highly inequitable tax that negatively impacts businesses and retail in the CBD.

Recommendation 3: Reform stamp duty by providing a stamp duty exemption relating to the land component in off the plan residential dwelling purchases prior to construction completion.

Recommendation 4: Introduce a stamp duty concession for eligible seniors that are downsizing their housing needs to a newly built residence under $550,000.

Recommendation 5: Conduct a state tax review to phase out land tax aggregation and move to a flatter land tax structure.

Recommendation 6: Reform land tax in the short term.

Recommendation 7: Step up the asset sales program to deliver state government policy objectives in addition to reducing state debt and to fund state infrastructure projects.

Recommendation 8: Fast track the introduction of Infrastructure WA to have the following key roles:

- Prepare a 30-year infrastructure strategy
- Provide advice to the State Government on infrastructure matters.
- Report annually on the state government's progress to implement the infrastructure strategy.

Recommendation 9: Introduce reforms to establish a Partnerships WA to enable public private partnerships as part of the infrastructure funding mix in WA.

Recommendation 10: Commit to the establishment of a City Deal partnership in WA.

"Our members understand the need to constantly improve Western Australia's liveability, prosperity, and affordability.

THE PROPERTY COUNCIL OF AUSTRALIA

Who we are

Property is the nation's biggest industry – representing one-ninth of Australia's GDP and employing more than 1.1 million Australians.

In WA, the industry creates more than $31.8 billion in GSP, generates around 205,000 jobs and provides around $11.7 billion in wages to workers and their families.

Our members are the nation's major investors, owners, managers, and developers of properties of all asset classes. They create landmark projects, environments, and communities where people can live, work, shop, and play.

The property industry shapes the future of our cities and has a deep long-term interest in seeing them prosper as productive and sustainable places.

A pillar of WA

The property and construction industry also underpins the health and prosperity of the NSW economy. The industry:

- generates over 205,000 jobs – one in ten workers
- provides $11.7 billion in wages to workers and their families
- pays $6.4 billion in state taxes, Local Government rates, fees, and charges - the state's single largest tax payer
- contributes $31.8 billion directly to Gross State Product - 12 per cent of total GSP

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1.1 BOOST CONFIDENCE IN THE INVESTMENT AND CONSTRUCTION BY NOT INCREASING TAXES

Recommendation 1

Rule out increasing State property taxes and introducing new taxes

Despite the WA property market being in a depressed state while the rest of Australia is mostly booming, WA continues to suffer from some of the highest rates of property tax increases and there is absolutely no capacity for further increases in taxes. In fact, the WA property sector desperately needs taxation relief to assist with market recovery.

Data collected by the ABS found that revenue from property taxation in WA is growing at a faster rate than the rest of Australia, despite the depressed state of the local market (see table below). In 2015-16 land tax revenue rose by 27.5% in WA compared to an 8.4% increase for all of Australia. Revenue from municipal rates in WA rose by 7.4% in 2015-16 compared to the Australian average of 5.5%. Only stamp duty revenue in WA rose by a lower amount than the Australian average, which is because of the historically low levels of property taxation in WA. In fact, it is concerning that stamp duty revenue rose at all, by 3.4% in WA in such a depressed market.

State and Local Property Tax Revenue, WA 2015-16

	($ M)	Annual Growth	
		WA	Aus
Land taxes	941	27.5%	8.4%
Municipal rates	2143	7.4%	5.5%
Stamp duty	1743	3.4%	11.9%
Other	577	11.6%	19.3%
Total	5404	9.4%	9.6%

ABS

Furthermore, in the last four years land tax rates in WA have risen by 50% and final land tax assessments have escalated by over 100% due to aggregated land re-valuations. Stamp duty has also risen to represent around four percent of the purchase prices of a home in WA, which is more than the deposit for most home-buyers.

1.2 PERTH PARKING MANAGEMENT ACT 1999: CAR PARKING LICENCE FEE

Recommendation 2

Don't raise the Perth Parking levy as it is a highly inequitable tax that negatively impacts businesses and retail in the CBD.

The Perth city centre is currently facing significant economic challenges following the decline of the investment boom in WA's resources sector. CBD office vacancies are at 22% which is the highest in 20 years. In the retail sector, the CBD vacancy rate is 16%.

Given the current situation in the CBD - the Property Council is concerned that the State Government will raise the Perth Parking levy. This nuisance tax requires all-non-residential parking bays within the Perth Parking Management Area (PPMA) to be licensed with a fee payable.

The Perth parking levy raised an estimated $34 million in 2012/13 with a $365 per bay increase announced in the 2014/15 Budget (despite the $48 million of funds unspent). The sole purpose of this levy is to manage congestion, increase the use of public transport and funding the free Central Area Transit buses.

The parking levy is highly inequitable as it only captures a small proportion of the cars contributing to CBD congestion. Given the geographic layout of the Perth CBD, there is significant 'pass through' congestion that is not captured by the parking levy. This makes the tax highly inequitable and inefficient with minimal reductions to CBD congestion.

The car parking licence fee has risen too far and it now represents a disincentive to property investment in the CBD.

"The car parking licence fee has risen too far and it now represents a disincentive to property investment.

Recommendation 3

Reform Stamp Duty by providing a stamp duty exemption relating to the land component in off the plan residential dwelling purchases prior to construction completion.

Stamp duty in Western Australia is payable on off-the-plan purchases of new dwellings, which is the typical process for infill development in medium to high density scenarios. In contrast, stamp duty is only payable on the purchase of land in a greenfield development, not the separate home building contract. Therefore, stamp duty in Western Australia is payable on off-the-plan purchases and established housing. Stamp duty acts as a penalty for off the plan purchasers and discourages infill development.

Stamp duties on property transfers are an area where government can positively influence the real estate market and realise its new urban policy objectives. A successful programme of off-the-plan stamp duty concessions has bolstered Sydney and Melbourne's inner-city development and facilitated a dramatic increase in high-density living. Stamp duty should be applied fairly to off-the-plan apartments when contracts are signed before construction has commenced and should be structured so that transfer duties are only paid on the land portion. This brings stamp duty arrangements in line with the practice on the urban periphery.

A sliding scale for the application of stamp duty during construction increases transfer duties until the building is complete and the full rate of stamp duty applies. Again, this brings the application of stamp duty for higher density housing in line with practice in single-detached dwellings where stamp duty is paid on the full transfer value of a property (house and land) on the urban periphery.

Stamp duty reduces the efficiency of the property sector as it distorts decision making and provides a volatile source of revenue for the government that is vulnerable to economic conditions. The Government should heed to the ERA's advice to reduce reliance or abolish stamp duty as the efficiency gains would likely be considerable.

Up to 2016 the average stamp duty paid for an apartment was $25,508 which resulted in an average of $12.75M paid in stamp duty per quarter, however based on data for Q4 2016 this has fallen to $5.6M.

The urban growth plan for Perth and Peel, Directions 2031, stipulates that 47% of new dwellings in the Perth metropolitan area should be infill. Stamp duty has a role to play in encouraging housing diversity by balancing the mix of infill and greenfield development. However, the current stamp duty structure discriminates against apartment developments.

A new stamp duty structure should be introduced for off-the-plan residential dwelling purchases.

The new structure should comprise a sliding scale for the application of stamp duty during construction which increases transfer duties until the building is complete and the full rate of stamp duty applies. This brings the application of stamp duty for high-density housing in-line with current practice in single-detached dwellings where stamp duty is paid on the full transfer value of a property (house and land) on the urban periphery.

This initiative would support state government policy to meet its 47% infill target, encourage movement in a stagnating residential property market and maintain if not increase the amount of stamp duty raised.

2.2 STAMP DUTY AND SENIORS

Recommendation 4

Introduce a stamp duty concession for eligible seniors that are downsizing their housing needs to a newly built residence under $550,000

Western Australia is facing a growing and serious problem of limited access to diverse housing options for seniors. Other states are addressing the problem with a raft of policies, including financial assistance for seniors choosing to downsize into more suitable housing.

Housing availability and affordability are two key barriers to downsizing for pensioners. Between 2001 and 2010 older downsizing home owners paid between 8 and 10 per cent of the money they obtained after selling their home in stamp duty on their new dwelling. This is a major constraint in the orderly functioning of the property market.

To support pensioners wishing to downsize their housing needs, the Property Council is calling for the introduction of a targeted concession for aged pensioners selling their existing residence and purchasing a newly built place of residence under $550,000.

Other states that have seniors' housing incentives have found that 60 years of age is the most effective point for qualifying for assistance. The recommended purchase price threshold of $550,000 and below is in line with the current median house price in Perth recorded by the Australian Bureau of Statistics[1].

The benefits of such a move would be significant with evidence showing that seniors' struggle to meet the large transaction costs involved with downsizing. By limiting the scheme to newly built residences, the Government will be promoting construction, creating jobs, and fostering growth. Furthermore, the scheme could be introduced as a 2-year trial. This would allow the Government to measure the success and feasibility of the scheme.

Such a scheme would promote housing mobility and free up much needed housing stock for families or redevelopment for greater housing diversity. This will also assist with achieving the infill housing development targets set out in Perth and Peel @ 3.5 million. According to Perth and Peel @ 3.5 million, the central region of Perth, which includes most established

[1] *Australian Bureau of Statistics,* Residential Property Price Indexes: Eight Capital Cities, Sep 2015

suburbs, will need to hit a housing supply infill target of 215,000 homes. Policy initiatives like assistance for seniors' downsizing will greatly assist in meeting Perth's infill targets.

3.0 LIFT SMALL BUSINESS CONFIDENCE BY ANNOUNCING A STATE TAX REVIEW

Recommendation 5

Conduct a state tax review to phase out land tax aggregation and move to a flatter land tax structure

The current land tax regime in WA requires urgent reform. Over the last four years land tax rates have skyrocketed. In the 2013-14 and 2014-15 Budgets land tax rates rose by 12.5% and 10% respectively. In 2015-16 land owners were hit with an even greater tax hike and many have seen their land tax rates go up by over 50% in the last 12 months.

Despite some broadening of the tax base a minority of land tax payers continue to fund most of the state's land tax revenue. A key contributor to this inequity is the application of the aggregation principle in assessing land tax for owners of multiple properties. In some cases, owners of multiple properties are required to pay up to three times more land tax than a system that does not apply aggregation. This has a flow on effect on the supply of affordable rental housing as multi-property owners attempt to obtain satisfactory returns on housing portfolios.

Ultimately, the current land tax structure makes property a less attractive investment, passes higher costs on to business tenants and reduces investor returns. Land tax aggregation significantly distorts investment in the WA property sector and erodes its efficiency. Eliminating aggregation, reducing the number of thresholds, and moving to a flatter tax structure will provide a significant economic incentive through the attraction of greater investment and more effective allocation of capital in the property sector.

Recommendation 6

Reform land tax in the short term:

- Apply the present cap on land valuations to land tax assessments;
- Abolish land tax aggregation at an entity level;
- Broaden the land tax base through reassessment of minimum tax thresholds and a review of entities (excluding owner occupied housing) that escape the land tax net through concessions and other practices.
- Extend the land tax exemption for retirement villages to include all land as decided by the State Administrative Tribunal; and
- Extend the land tax exemption for retirement villages to include land on which a retirement village is being constructed.

The current land tax framework in WA requires urgent reform because of poor earlier tax initiatives. The 50% increase to land tax rates up to 2015/16, has further concentrated the tax burden on a minority of tax payers.

The WA land tax system is structurally flawed because a majority of the land tax revenue is raised from a minority of land owners. In 2011, the Property Council conducted research to investigate the impact of the current land tax framework and found that, since 2001, the total land tax revenue had doubled but the number of land tax payers had declined by 50%. This resulted in the average land tax assessment growing twice as fast as the growth in total land tax revenue. The 2014/15 State Budget further confirmed that the current tax framework is eroding the tax base, making the system unfair and inequitable.

Threshold ($)	Tax Payable 2013/14 ($)	Tax Payable 2014/15 ($)	Tax Increase ($)	No of Taxpayers	Share of Taxpayers (%)	Total Tax Paid ($)
300,000	0	0	0	0	0	$ -
400,000	100	110	10	38,334	30.3	$ 4,216,740
500,000	200	220	20	21,676	17.1	$ 4,768,720
600,000	300	330	30	14,494	11.4	$ 4,783,020
700,000	400	440	40	10,184	8	$ 4,480,960
800,000	500	550	50	7,486	5.9	$ 4,117,300
900,000	600	660	60	5,543	4.4	$ 3,658,380
1,000,000	700	770	70	4,319	3.4	$ 3,325,630
2,000,000	6,000	6,570	570	16,293	12.9	$ 107,045,010
3,000,000	18,020	19,810	1,790	3,891	3.1	$ 77,080,710
4,000,000	31,720	34,910	3,190	1,528	1.2	$ 53,342,480
5,000,000	45,420	50,010	4,590	825	0.7	$ 41,258,250
10,000,000	126,070	138,560	12,490	1,324	1	$ 183,453,440
Over 10m (Estimated)		138,560		712	0.6	$ 98,654,720
				126,609	100	$ 590,185,360

Figure 1 2014/15 Land Tax Payments with Property Council Calculations

The table above demonstrates that:

- 80% of land tax payers account for less than 5% of the total tax paid;
- Less than 20% of land taxpayers account for 95% of total tax paid.; and
- Of that 20%, less than 2% account for nearly 50% of total tax paid.

The 2014/15 Budget clearly demonstrates that land tax in Western Australia is indeed applied unfairly and inequitably as a small minority of land owners generate most of land tax receipts. The narrowing tax base has increasingly shifted the burden of land tax onto larger landholders - mostly owners of multiple properties and their tenants. Over the long-term the sustainability of tax revenue is threatened as the land tax base narrows.

Aggregation

The unfairness and inequity of the current land tax framework is driven by the practice of aggregation at an entity level. Generally, the purpose of provisions which aggregate land held by a person and other related persons is to ensure equity and fairness between taxpayers. The driving principle behind aggregation is that tax payers are assessed on the taxable value of all land and interests in land owned, regardless of ownership structure. The higher land values that result from aggregation push property owners into higher marginal land tax rates, which are then applied to all property owned in the portfolio, regardless of the individual property value.

Aggregation is inefficient because the assessment process creates an artificial premium on land that is being taxed. Ultimately, aggregation reduces competitiveness for capital and makes property investment less attractive as it is usually highly geared and is significantly affected by tax policy. The economic incidence of this tax is passed on to the tenants or reduces investor returns, which distorts behaviour and erodes efficiency of the tax system. For example, a typical commercial property owner pays an additional $5 million over 5 years due to aggregation.

Impact of Land Tax Aggregation on a Typical Property Portfolio

Date of Land Tax Assessment	Land Tax as Assessed (Aggregated) ($)	Increase since Previous Assessment ($)	Liable Land Tax (Non-Aggregated) ($)	Additional Land Tax Paid due to Aggregation ($)	% Increase in Land Tax
30/06/2009	$ 1,534,452		$ 426,967	$ 1,107,485	159%
30/06/2010	$ 1,548,812	$ 14,360	$ 432,455	$ 1,116,357	158%
30/06/2011	$ 1,611,472	$ 62,660	$ 468,242	$ 1,143,230	144%
30/06/2012	$ 1,642,118	$ 30,647	$ 486,006	$ 1,156,112	138%
30/06/2013	$ 1,932,663	$ 290,545	$ 585,516	$ 1,347,147	130%
	$ 8,269,516		$ 2,399,185	$ 5,870,332	Av. 146%

In the example above a property owner with a portfolio of properties, on average, pays a 146% land tax premium because of aggregation. This artificial premium is a penalty by the land owner's corporate structure and ultimately means that a diminishing tax base is contributing a majority of the State's land tax income. This is unsustainable and requires urgent reform.

Exemptions

In addition to aggregation, the fairness and equity of the current land tax framework is compromised using exemptions. The justification to exempt some types of land is to promote certain land uses. However, these exemptions must be used sparingly to encourage property development that meets the needs of the community. The current use of exemptions undermines the land tax base while failing to promote property development that supports the community's needs.

The most notable example is the recent amendment to the *Land Tax Assessment Act 2002* to overturn the State Administrative Tribunal's decision concerning retirement village land tax exemptions. The Tribunal determined that where some land was used for an exempt purpose, there was significant exemption to apply to all land. Since this decision, the government has amended the legislation retrospectively to ensure that only a proportion of the land receives the benefit of an exemption. The need to support Western Australia's ageing community should be a high priority for government. Instead every attempt is made to tax the property sector, in this instance the retirement living sector which provides necessary housing infrastructure for the ageing population.

Furthermore, land used as a retirement village is exempt from land tax provided the residential premises in the village are occupied, or available for occupation, under a residence contract, and all necessary *Building Act* approvals for the village are in force. However, the limited scope of the retirement village exemption does not cover the period when a retirement village is being constructed. The liability for land tax during the construction phase adds to the cost of retirement village development, which is ultimately passed onto the residents in the retirement village through more expensive entry costs. This application of land tax goes against the justification of exemptions.

The Victorian Government has taken the initiative to widen the land tax exemption for retirement villages. Since January 2011, the land tax exemption for retirement villages in Victoria has applied to land on which a retirement village is being constructed (see section 78A, Land Tax Act 2005 (Vic)). Under 78A (2), the exemption applies up to the date of construction completion, or the expiry of the tax years following the commencement date of construction. The tax exemption support of retirement villages in other States puts Western Australia in a distinct disadvantage in the competition for capital to deliver new retirement villages.

Exemptions need to promote property development that meets the needs of the community. Exemptions should be used sparingly and applied intelligently to successfully drive policy outcomes. The current suite of exemptions undermines the land tax base and results in a small minority of tax payers contributing most of land tax revenue without delivering much needed incentives to encourage property development that meet the needs of the community.

The Property Council of Australia strongly urges the Government to include State tax reform as a priority objective when addressing the structural imbalance between Western Australia's revenue and expense growth. The current land tax framework provides this much-needed reform opportunity.

4.0 BROADEN GOVERNMENT REVENUES AND DRIVE URBAN RENEWAL BY STEPPING UP THE STATE'S ASSET RECYCLING PROGRAM

Recommendation 7

Step up the asset sales program to deliver state government policy objectives in addition to reducing state debt and to fund state infrastructure projects.

With Western Australia's limited capacity to invest in infrastructure, due to high State debt and weaker revenues, the State is restricted in its capacity to fund and finance public infrastructure in addition to funding the provision of recurrent services (such as health, education and law and order) from the revenue it collects.

The sale of State assets has already been identified as a budget repair strategy however reducing debt is a short-term approach that does not create jobs or grow the economy.

The recycling of State assets should be clearly linked to State government policy, a clear marketing strategy and growing the WA economy. In view of the State's budget situation, the Government is encouraged to reconsider its earlier decision to not proceed with the recycling of key public assets like the partial sale of Western Power.

Other States have successfully embraced privatisation and used the proceeds to invest and fund new transport infrastructure projects. A review of the State's current asset base is required to identify options that are suitable for recycling.

In addition, a State government incentive structure is needed that actively encourages government agencies, government trading enterprises and local governments to actively review their land and property portfolios to urge participation in the asset recycling process.

The State's land assets sales program has not achieved the level of state debt reduction originally contemplated by government. The program has also lacked a clear marketing strategy to bring a pipeline of land to market and there has been a limited supply of good quality land that does not require de - constraining.

The sales program needs to produce a list of assets that have been assessed and ranked according to which sites will be sold as is or englobo and which assets will be sub–divided or de–risked and then sold.

The State should have a transparent process for agencies to dispose of or acquire state assets based on state government policy to deliver improved public transport, social housing, schools and medi–hotels.

The sales program needs to be market facing including a process for engaging industry in market sounding and setting clear timeframes for releasing land to market and having a highly visible marketing campaign to inform the market.

The sales program should be aligned with state government policy with funding from land sales to be used to deliver METRONET, affordable housing, schools, or the necessary infrastructure to create high quality town centres and liveable suburbs.

The program should be augmented by a clear and transparent process for unsolicited bids.

5.1 PROVIDE GREATER CERTAINTY FOR MAJOR PROJECTS BY FAST-TRACKING THE INTRODUCTION OF A STATE INFRASTRUCTURE STRATEGY

Recommendation 8

Fast track the introduction of Infrastructure WA to have the following key roles:

- Prepare a 30-year infrastructure strategy
- Provide advice to the State Government on infrastructure matters
- Report annually on the state government's progress to implement the infrastructure strategy

The absence of an infrastructure strategy in WA has led to poor infrastructure planning, prioritisation and delivery which is negatively impacting the property sector and, thus, the State more broadly.

In addition, the State's reluctance to embrace private partnership in infrastructure investment and new cross-government infrastructure arrangements used interstate is a missed opportunity.

The WA Labor Government has committed to the creation of Infrastructure WA, with the legislative power to fund and deliver infrastructure.

Infrastructure WA should be charged with developing and delivering a State infrastructure strategy. This strategy should identify short, medium, and long-term infrastructure plans that deliver the outcomes sought by the WAPC's State and regional planning strategies and structure plans. An Infrastructure WA would also prioritise projects and facilitate funding including new financial models in partnership with the private sector and all levels of government.

The WA government should ensure a model of best practice by including a minimum of 40% of board members that represent industry in particular individuals with experience in finance, land and property development and delivery of major infrastructure projects or that represent major industry groups.

Infrastructure WA should also have the capability to assess market led proposals for major infrastructure projects proposed by government or the private sector; and to guide the development of state agency infrastructure plans.

The absence of an infrastructure strategy in WA has led to poor infrastructure planning, prioritisation, and delivery.

5.2 ENCOURAGE INNOVATIVE FUNDING INITIATIVES FOR INFRASTRUCTURE INVESTMENT IN WA

Recommendation 9

Introduce reforms to establish a Partnerships WA to enable public private partnerships as part of the infrastructure funding mix in WA

The case for public-private partnerships (PPPs) has been well established and tested in the Australian context.

PPPs are vital to the development of infrastructure in Australia as they allow governments and the private sector to work together according to the most economic and efficient asset ownership and service delivery arrangements.

PPP's enjoy a good reputation in the eastern states for delivering large state infrastructure projects that might otherwise have not been possible without the associated ballooning of public debt.

The WA Labor Government should investigate PPP models with a view to reforms that would establish procedures to govern pre-contractual decision – making as well as monitoring and oversight in the construction and operating stages. Consideration should also be given to establishing a Partnerships WA with the Department of Treasury and Finance similar in scope to Partnerships Victoria.

Recommendation 10

Commit to the establishment of a City Deal partnership in WA

The federal government is offering concessional loans or equity deals to deliver infrastructure projects in partnership with state and local government and the private sector.

City Deal projects will need to deliver transformative outcomes beyond the economy and improved infrastructure services but also outcomes that benefit the wider community over the long term.

WA Labor's commitment to METRONET and other public transport infrastructure such as a light rail will not only deliver jobs and provide economic growth – they will also deliver housing affordability and lively urban environments that are easily accessible. However, they will also require innovative funding arrangements and therefore would benefit from a WA City Deal.

A City Deal will not only provide a coordinated investment plan for WA it will also bring together all levels of government, the private sector, and the community in delivering iconic land use and transport infrastructure for the benefit of all Western Australians.

CONTACTS

Lino Iacomella

WA Executive Director

Property Council of Australia

Phone: 089426 1200

Email: liacomella@propertycouncil.com.au

Alix Rhodes

WA Deputy Executive Director

Property Council of Australia

Phone: 08 9426 1200

Email: arhodes@propertycouncil.com.au