



Saturday November 4, 2017

BEREJKLIAN GOVERNMENT BOWS TO PRESSURE FROM PROPERTY INTERESTS

The Berejiklian Government has bowed to pressure from the property industry and is proposing to give foreign developers a tax break worth tens of millions of dollars a year while thousands of people continue to be locked out of the overpriced Sydney housing market.

Finance Minister Victor Dominello is proposing to let foreign developers and builders off the hook for the foreign investor surcharge and land tax – close to a combined 10 per cent of the value of land/site purchase for their development.

And, under the [proposed changes](#) to the law, the completion date for properties has been pushed out from five to ten years, thereby raising the prospect of developers banking land.

Minister Dominello has made the changes following lobbying from the property industry, doling out the concessions because he was told the tax breaks would give developers greater “flexibility” and level the playing field with Aussie developers.

The Liberal State Government has a draft bill that is set to be pushed through when Parliament next sits in November.

In the most recent state budget the NSW Liberal Government took up Labor’s policy to double the foreign investor surcharge [from 4 to 8 per cent](#) and increased the land tax [surcharge](#) from 0.75 to 2 per cent on the value of the property. The foreign investor surcharge measures are expected to raise almost \$2 billion over the next four years and will be used to help struggling first-home buyers.

When she introduced the foreign investor surcharges as Treasurer, Ms Berejikilian stated that money collected from foreign investment “will be invested into vital services such as health and education”. Labor will vote against the legislation and ensure foreign property developers pay their way.

Quotes from Shadow Treasurer Ryan Park

“This isn’t about housing affordability; this is about the Liberals appeasing the property industry.

“Once again it is developers who get to call the tune here and people would have a right to ask in whose interest is the Premier governing – the people of NSW or the property industry?”

“A Labor Government will prioritise locals over foreign developers”

Quotes from Shadow Finance Minister Clayton Barr

“The Berejiklian Government has changed its mind at the whim of foreign property developers.

“Allowing foreign property developers to land bank for 10 years is contradictory to fixing housing affordability.”