

12th May 2014

Mr L Rowe
Chairman
Economic Regulation Authority
PO Box 8469
PERTH BUSINESS CENTRE WA 6849

Dear Lyndon

RESPONSE TO MICROECONOMIC REFORM INQUIRY

The Real Estate Institute of Western Australia (REIWA) is the peak professional association of real estate practitioners in Western Australia, representing some 1100 agencies employing 8000 people. It also serves as an advocacy group for the property owners and buyers in the State, speaking on their behalf on a range of issues impacting on property.

A key focus of REIWA's lobbying effort on behalf of its stakeholders over recent years has been the reform of property taxes, particularly conveyance and land tax, which it is noted was an important element of the Microeconomic Reform Inquiry under the Reform of State Taxes (7.2).

REIWA would like to offer its support for the proposal to broaden the land tax base, removing the various concessions and exemptions around land tax and payroll and abolishing transfer duty. REIWA does however note that the Inquiry has focused on abolishing transfer duty on residential property only and would like consideration to be given to abolishing duty on *all* property transactions because transfer duty represents a significant impost on commercial investment. Prior to release of the ERA Inquiry in April, REIWA had already advocated for the investigation by Treasury of a similar proposal to remove transfer duty in its submission to the 2014-15 State Budget process.

With respect to Keystart, REIWA acknowledges that the Inquiry has identified a number of risks to Government regarding its operations and size of the loan, however, REIWA would not support the dismantling of this organisation as it provides an important role in facilitating home ownership in Western Australia.

Yours sincerely

NEVILLE POZZI
CHIEF EXECUTIVE OFFICER