



Mixed messages 'affecting property sector'

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THE projected government increase in the foreign buyer levy in South Australia will impact badly upon the image of the state, while contributing very little to its coffers, says a leading property boss.

Pat Gerace, chief executive of the Urban Development Institute of Australia (UDIA) SA, said the move to increase the levy to seven per cent – bringing an additional \$36.6 million over four years – was very dis-

appointing. "The underlying message from the government is that this is a great place to live and work in, an affordable environ-



LEVY CONCERN: Pat Gerace.

ment, ranked in the best places to live in the world," he said.

"So it just doesn't make sense at the same time to introduce a measure to fix a problem that by their own definition doesn't exist. In Melbourne and Sydney, everyone understands it is very, very difficult for first-time buyers.

"Despite the RAH building, this city is continuing to grind to a halt. We need to be saying we are open for business."

SA must focus on growth, he said, while anything that stops it should be avoided.

"Not having this levy could have been a selling point for people to come to SA, but that opportunity will now be gone."

Mr Gerace is adamant the financial implications of last week's failed government bank tax should not be brought to bear upon the SA property sector. "A \$380 million hole needs filling, what is another \$20-30 million going to do? I would like the government to look at modelling, show us this is not paying for tax cuts."