



# RECOVERY, GROWTH & TRANSFORMATION

FIVE KEYS TO UNLOCKING THE NATION'S CAPITAL

## MEDIA RELEASE

### **Sustainable tax settings are key to economic recovery and growth of Canberra**

ACT Executive Director of the Property Council of Australia has today called for the next ACT Government to consider establishing a Rates and Taxes Reform Advisory Panel – to ensure we have tax system which makes Canberra the best place for investment and business and remains affordable for home owners and renters alike.

The Property Council says that as we move to recover from the COVID-19 induced recession, there is a need for targeted and strategic plan to grow our population and draw people to live and work in Canberra, but also how to best use that population growth to grow our revenue base sustainably.

“Rates and charges and how election promises are to be funded has become a clear focus of the campaign and policy differences between the parties in recent days. Never has there been a more critical time for us to consider how desperately needed stimulus measures and infrastructure spending are to be funded, without costing Canberrans their homes and businesses,” Ms Cirson said.

“But what we haven’t seen in the election discussion is how this is to be done strategically and what is the ‘right rate’ of rates and charges which not only keep us competitive, but enables government to invest back into the economy through stimulus measures that create jobs and diversify our economy.

“We just can’t afford to ‘set and forget’ rates increases or rates freezes for that matter. We need to be constantly adjusting the settings as we move from recovery to growth through these times. That means we need tax settings which drive growth.

“That’s why we are asking major parties to commit to specialised advisory panel, made up of community, business, industry and housing providers and government officials to provide a way in which we can work collectively. We all need to pull together to make sure our economy remains agile, that we have the settings right as conditions change and we can sustainably, and affordably grow the revenue base to make sure that the next government can afford to fund its promises, but not in a way that disproportionately impacts on one part of the community.

“What we know is that when costs borne by property owners become unsustainable, it stifles business confidence and investment. Being a small jurisdiction with a limited industrial base, the ACT relies more heavily than most on land and property related taxes than most. This is a difficult reality for the ACT, but this situation has a number of consequences for the development sector and housing affordability.

“It means less than affordable housing (especially in inner urban areas) and a long term structural drift to a narrower tax base (as more housing and industry moves over the border but still relies on the ACT’s essential services such as hospitals and schools).



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“That’s why, particularly as we face the greatest of economic challenges, now more important is that we get the tax settings right – to make sure government is able to inject the stimulus it needs to when it needs to. To do that – we need a clear plan to make sure that rates and charges are sustainable, affordable and drive productivity in the economy – and how we link growing and incentivising population growth to also growing the revenue base sustainably over the long term,” Ms Cirson concluded.

**The Property Councils suggested Terms of Reference for the Rates and Taxes Advisory Panel can be found [here](#).**

The Property Council’s election platform *Recovery, Growth & Transformation, the five keys to unlocking the Nation’s Capital* can be downloaded [here](#).

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