Future Melbourne Committee

Agenda item 7.1

Notice of Motion, Cr Mayne: Foreign Investment

10 March 2015

Motion

1. That the Future Melbourne Committee:

    1.1 Notes with concern the Federal Government's proposal to introduce a new $200 million tax on foreign buyers of property.

    1.2 Supports the concept of a level playing field for property investment which treats all owners and prospective bidders in the same manner.

    1.3 Resolves to write to the Federal Government and relevant representatives in the Senate expressing support for the existing regulatory system on foreign property investment which has enjoyed Bipartisan support for many years.

    1.4 Calls on the Federal Government to fund any increased activity by the Foreign Investment Review Board from its own resources rather than through a new tax on one class of buyer.

Background

As the Melbourne economy transitions away from its historical manufacturing base, inward Asian investment in property – particularly offshore purchases of new dwellings – has been an important driver of economic activity and engagement with the region, especially in the education sector where Melbourne has emerged as one of the world's largest host cities for international students.

Melbourne is one of the most successful multi-cultural cities in the world and has long prospered from an open and welcoming approach to foreign investment in all asset classes.

A two-tiered tax system on property purchases runs the risk of sending a signal that qualifies support for some elements of inward investment.

The Property Council of Australia has made clear its opposition to the Government's proposed new property stamp duty on foreign purchases and council shares that concern.

Moved: Cr Mayne