

MEDIA STATEMENT



Tony Simpson MLA

Shadow Minister for Consumer Protection; Forestry; Volunteers; IT & Communications

6 March 2007

Symptoms attacked but cause remains untreated

The Carpenter Labor Government's plan for rental relief deals with the symptoms of high rental and property prices, not the cause.

Shadow Consumer Protection Minister Tony Simpson says the government failed to recognise the underlying causes of high rents and property prices in Western Australia.

"The lazy, politically motivated and short sighted attempts to solve the problems of high property prices and high rents show that Premier Carpenter and Consumer Protection Minister McHale really have no idea what is causing these problems," Mr Simpson said.

"Either that, or they are willing to actually make prices more expensive in the long term to gain political points in the short term so they can appear to be doing something about the problem.

"The State Government's plan to pump \$300 million into the housing market in the form of shared equity will help only a small number of first home buyers.

"But as a result this will force the price up for everyone else who wishes to buy a home, particularly those buying low cost housing. These buyers need the most financial help and can least afford any housing price rise."

Mr Simpson said the same flawed logic applied in the government's plan to cut letting fees on rental properties.

"This will ultimately push rents up because real estate agents will simply cover the cost by upping rents across the board, affecting new and existing tenants," he said. The government's current plan will be of little or no help."

Mr Simpson said a lack of supply had caused the problem and the government could not escape from their failure.

"In recent years, not enough land was released to meet demand and building material and labour shortages are currently restricting the building of new homes," he said.

"Investing in new rental properties has also become unattractive and many investors are selling their properties to take advantage of better returns in other markets like shares.

"If the Government really wanted to solve the problem of high rents and a lack of affordable housing, it should tackle these real issues, rather than make token gestures in a lazy effort to make it look like they are doing something."

Media contact: Shaun Ratcliff - 0405 440 345
E-mail: shaun.ratcliff@mp.wa.gov.au