

AUGUSTA-MARGARET RIVER SHIRE COUNCIL

Statement

HON BARRY HOUSE (South West) [5.35 pm]: I am pleased that the Minister for Local Government and Regional Development is taking an interest in the situation at Margaret River. When I heard those reports this morning, there was some concern that the minister's response was more than was necessary with regard to branding all local authorities in Western Australia. However, the minister has explained that and I wish her well in resolving that matter and others in her portfolio.

I will draw parallels between what is happening in the Augusta-Margaret River Shire Council and what is happening at the behest of the State Government. We know that the bizarre policies of the Augusta-Margaret River shire on rates and other matters has indicated that the council has extended into areas traditionally reserved for State and federal Governments in Australia. That means the shire councillors consider themselves to be social engineers and have set out to redistribute income according to some age-old socialist principles or philosophies according to particular individual councillors. However, the trouble is that it leaves the council in a bit of a time warp because most of the rest of the world left this type of ideology behind 50 years ago; the world has marched on.

I do not believe that the council clearly understands that a local government rate must have some nexus with the service that is rendered. That is what local authorities do; they rate their local ratepayers to fund services provided in their communities. The use of taxes to redistribute income is usually the province of State and federal Governments. Income tax at the federal level is the obvious vehicle for that purpose and at the state level the Government has at its disposal what are called the three ugly sisters: land tax, stamp duty and payroll tax.

I will begin to draw parallels between what is happening in Augusta-Margaret River and at the state level. The Labor Government has used those three vehicles at its disposal to the hilt. Currently, about 42 per cent of state tax revenue is derived from the property sector. That figure has risen sharply in recent years. We are told that the Government has a surplus of about \$800 million. That surplus is built entirely on the extensive tax increases the Gallop Government has imposed on those sectors. Members must remember that the Gallop Government said at the beginning of its term of government that there would be no tax increases. What is happening at the state level perfectly fits with what is appearing to happen at the local authority level in Augusta-Margaret River.

To illustrate that point, I provide members with a couple of examples from the local area whereby people are having to contend with not only these bizarre policies from the local authority but also are being saddled with enormous tax increases, in particular, for land tax. I will give members two examples. I refer to a property in Quindalup in the Shire of Busselton rather than the Shire of Augusta-Margaret River. It has been re-evaluated recently, and this is the result. I have a time line to give members some indication of the land tax increases faced by the landowners. The total payable in 2001 was \$1 302.70; in 2002, \$1 767.80; in 2003, \$1 804.20; and 2004, \$6 798.70. That is an increase this current financial year of approximately 260 per cent.

Hon Ljiljanna Ravlich: Would the value of that land have increased?

Hon BARRY HOUSE: Yes, but it has not increased by that ratio. The unimproved value for those four years started at \$370 000 in 2001 and went to \$430 000 in 2002, \$540 000 in 2003 and \$860 000 in 2004. The point is that an increase in unimproved value of about 60 per cent has resulted in an increase in land tax of 260 per cent.

Hon Ken Travers: What sort of property is it?

Hon BARRY HOUSE: It is a beachfront property at Quindalup.

The next example I want to illustrate is a property at Gracetown. It is, similarly, owned by a country family. I am referring to family properties that were purchased by people a long time ago and continue to be used for that purpose. They have shacks on them, not four-storey homes or anything like that. The property at Gracetown is owned by one of the oldest farming families in Cowaramup and I have data for it going back to 1997. In 1997 the land tax on the property was \$236; in 1998, \$504; in 1999, \$538; in 2000, \$538; in 2001, \$931; in 2002, \$1 767; in 2003 it jumped up sharply to \$5 603; and this year, 2004, that family is facing a land tax bill of \$8 505.90. That is an increase in seven years from \$236 to \$8 505.

Another quick example I want to mention, which is in the province of the State Government, relates to licensing. I received a phone call a few weeks ago from somebody in Perth, not a constituent of mine, who told me about a recording fee of \$16.20 on his licence papers. I have done a bit of research and am aware that the Auditor General has made some inquiries into this matter and found the recording fee to be illegal. The Auditor General certainly said that it should not be applied and should be removed from all licensing papers. We do not really appreciate these things until we get our own licence notices. A couple of days after the phone call I received a licence notice for a trailer that I own that also had a recording fee of \$16.20. That fee should not be on that

licence. The total fee for that six-month licence is only \$30.10; therefore, more than 50 per cent of the licence fee for the trailer is made up of the recording fee that should not be there and should be removed.

Hon Paddy Embry: Even if the cost of recording is charged, it is not necessary every year.

Hon BARRY HOUSE: That is quite right.

Hon Paddy Embry: It could be made, say, on a five-year basis.

Hon BARRY HOUSE: That is right. Surely departments are funded through the consolidated fund to provide that level of administration. These are a couple of examples that come to mind that indicate the disastrous situation that the Gallop Government has allowed to occur deliberately - I think it is deliberate. It does not care about property owners of any description and penalises them in every way it can.