

PREMIUM PROPERTY TAX

**534. Hon BARRY HOUSE to the Minister for Housing and Works:**

- (1) How can the minister justify the new tax on people's principal private residence; that is, their home?
- (2) Does this premium property tax also apply to strata title properties?
- (3) What is in place to stop any future Gallop Labor budget from increasing the rate or changing the threshold of this tax to further impact on many more average Western Australian home owners?

**Hon TOM STEPHENS replied:**

- (1)-(3) The Government has given an assurance about the way this premium land tax will be dealt with in the future. It will be consumer price indexed, so that, if anything, it will rise and will not go the other way. The assurance of the Government is that this will not be ratcheted down. The Government is introducing exemptions from land tax for some 50 000 people who would otherwise have been caught by the land tax; that is, the people at the other end of the market whose contribution to land tax seems to be an unsustainable burden. The Government is focusing on people who have the capacity to contribute to rolling out services across the community for all Western Australians, particularly those in need.

People will have the opportunity to put their individual circumstances to Treasury. Those who seek to defer payments will be able to explore their options with the government revenue agencies. As far as I am aware, there are not many Homeswest properties with underlying property values of about \$1 million.

Several members interjected.

Hon TOM STEPHENS: A place at Mosman Park had some grand, sweeping views -

Hon Peter Foss: Over both the river and the sea.

Hon TOM STEPHENS: I suspect that the previous Government sold that from under me.

Hon N.F. Moore: Right behind there are some very nice Homeswest properties.

Hon TOM STEPHENS: Are they still there?

Hon N.F. Moore: In North Fremantle.

Hon TOM STEPHENS: I suspect that their underlying land value is not in the order of the \$1 million-plus that is required by this tax. Irrespective of that, they will be government-owned properties. As Minister for Housing I am particularly keen to find opportunities for the Government to meet the needs of the Western Australian community. To do that, extra revenue streams have been necessary. That is not something that we rejoice in. This is one of a small number of revenue streams that do not significantly add to the burden on people. However, they are entirely focussed on people with a capacity to meet the challenge.

Hon Barry House: What about strata title properties?

Hon TOM STEPHENS: Insofar as the underlying land value of a property is in excess of \$1 million, whether or not it be a strata property, my guess is - this is not my portfolio - that it will be caught by the land tax.