

TAX REFORM

**513. Ms M.J. DAVIES to the Treasurer:**

Given that the Treasurer is enjoying massive gains in taxation revenue, as evidenced across the budget, which is now above \$10 billion, the highest in the state's history, as the highest taxing Treasurer in the state's history, why is he refusing to undertake —

Several members interjected.

**The SPEAKER:** Order, please!

**Ms M.J. DAVIES:** Why is the Treasurer refusing to undertake any significant tax reform as part of the budget?

Several members interjected.

**The SPEAKER:** Ministers! Unfortunately, Premier, I have to report that ministers are doing most of the interjections and preventing you from commencing your answer. Can I hear from just the Premier in response, please.

**Mr M. McGOWAN replied:**

Thank you, Madam Speaker.

The first question was: why are we not paying down debt more? The second question is: why are we not cutting taxes more? The opposition is not only adopting contrary responses on different weeks, but also adopting different positions in question time in two questions. It is hard to win with this opposition. It cannot adopt a consistent position on anything. Last year, first, we cut payroll tax across the board, across Western Australia, for payroll tax-paying businesses and, second, we provided a rebate for businesses with payrolls, from memory, up to \$4 million across Western Australia. Those were the two things we did to payroll tax last year.

I recall that during the term of the last government, when the Leader of the Opposition was a minister—I think she is the only one over there who was a minister—it put up land tax three times. Just so that we understand, that tax is paid by small businesses and by mum-and-dad property investors. The former government put up land tax three times, so much so that people approached me on the street and at swimming pools and the like to talk about their land tax bills. One bloke came up to me at a swimming pool with a land tax bill in his hand and handed it to me and told me how outraged he was, as a Liberal Party member, with the former Barnett Liberal–National government.

**Ms R. Saffioti:** It would get wet!

**Mr M. McGOWAN:** I know! It was an odd exchange.

In any event, that is what occurred: land tax went up three times. If we go back a little further to when the last Liberal–National government came to office, stamp duty cuts were taken out of the budget when they were scheduled to be implemented. On top of that, there were payroll tax increases while the Liberal–National government was in office. We cut payroll tax last year.

There is a bit of a furphy around tax reform. What is it? Last year, the Chamber of Commerce and Industry of Western Australia's tax reform was to abolish stamp duty on properties and put a new land tax on everyone's house. I think it wanted to abolish something else—it was payroll tax and something else. It wanted to put a new land tax of \$8 000 a year on everyone's house. Its solution for tax reform was an across-the-board average of \$8 000 a year. Frankly, I reject that out of hand—that it would want to do that to households.

The other thing I do not want to do is create a property bubble, as occurs in Sydney and Melbourne, and encourage the crazy speculation that goes on over there. That version of tax reform, which creates a property bubble so that some people in the industry get to sell more properties and, therefore, make more money, at the same time as prices skyrocket, is not tax reform that I want to embrace. I do not think that it is a good idea to do that. The Chamber of Commerce and Industry put out its policy and I thought it was ridiculous. I am not going to put a tax of \$8 000 on each and every household. If that is the Leader of the Opposition's version of tax reform, she is welcome to it. Perhaps the Leader of the Opposition can explain in her supplementary what her version of tax reform is.