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Labor's Land Tax Bites Community Hard

Dr Mike Nahan, the Member for Riverton, said Labor's land tax hike will hit the community hard this week.

In a move that was effectively hidden from the public in the last Budget, Labor put in place a huge 32 per cent increase in land tax, which also included a 10 per cent per annum increase over each of the next three years.

"Labor's decisions will see some people face up to 400 per cent increases in their land tax bills because of the aggregation rules and the effects of bracket creep," said Dr Nahan.

"Although the Liberal/National Government is locked into delivering Labor's land tax hike included in the Budget, we recognise the pain that the community is experiencing and have implemented changes to help reduce the impact."

- Appointed a high-powered Economic Audit Team to deliver tax reductions
- Ameliorated increases by introducing a seven per cent reduction in land tax, and
- Allowed people to appeal their case before paying the tax

"It is difficult to deal with the issue because it has been compounded by the poor condition of the State's finances and the fact that in the boom, Labor allowed expenditure to grow at 10 per cent per year. As a result, there is no buffer available to protect the WA economy now that global economic conditions have slowed," said Dr Nahan.

Dr Nahan said the previous Carpenter Government was hopelessly addicted to property taxes, including land tax.

"In 2001, Labor tried to introduce a premium property tax but because of community concerns, they officially abandoned the tax. In reality, Labor virtually achieved it by stealth with their Budget plans that would have resulted in land tax revenue growing from \$563 million in 2008/09 to \$744 million by 2011/12," said Dr Nahan.

"The new Liberal/National Government recognises that people's capacity to pay has declined and property values are also declining. The community can be assured that we are working hard to ensure that land tax rates in the future are fairer and more transparent."

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