

**ELECTORATE ALLOWANCE — AUSTRALIAN TAXATION OFFICE**

*Statement*

**HON DR STEVE THOMAS (South West — Leader of the Opposition)** [8.47 pm]: This speech may be one that members are interested in.

**Hon Darren West:** A big call.

**Hon Dr STEVE THOMAS:** Yes, a big call. A few members know that I was recently audited by the Australian Taxation Office for the second time over a four-year period because of the ridiculous situation involving their annual returns in which the Department of the Premier and Cabinet put members of Parliament. I also put in an annual return for the use of parliamentary allowances that will make no sense to anybody. The reason is this: when I was audited after my 2021 tax return, the tax office said to me that no member of Parliament is allowed to advertise their presence except during an election period, which is effectively five weeks before an election is called, and that all versions of advertising, promotion and sponsorship would therefore be disallowed. We should bear in mind that the tax office also said that I could not provide dishwashing liquid to my staff to wash their lunch dishes or provide batteries for their electronic equipment or computer mice because members of Parliament are not running a business and, therefore, our allowance can be applied to only a very limited number of things. Therefore, I was hit with a very big tax bill.

Let me say this: for the second time in four years, I went to the Australian Taxation Office. The first time was in, I think, 2018–19. It audited me and ultimately it went through. On my wall in my electorate office in Bunbury, I have a framed letter that says, “We have fully audited your tax return and we have decided to accept all of your tax return as put forward and we are not changing it.” With all the work I have done federally over many years to help people with tax returns, I never got one of those back for somebody; there was always a change, so I was pretty proud of that. This time around, the tax office said that I could not advertise, I could not promote and I could not use my allowance to run my office, which was an interesting place to find myself.

Naturally, I went back through and I appealed this process. It required not simply an audit, but hiring tax lawyers and arguing the case. I have to say that it was incredibly difficult, because what do members do to make people aware that we are here? If I had lost this case, this would have applied to every member of Parliament, both state and federal, and probably local government. The cost of all the calendars that federal members send out, all the advertising that they put in newspapers and all the promotions that go out from members across the Parliament would have had to come out of their pocket after tax. This was not a low-stakes argument. This was not a small argument. I have probably done this for basically every member of Parliament across the country.

**Hon Martin Aldridge:** So, do you want us to pay you?

**Hon Dr STEVE THOMAS:** Do members want to share the costs? In my annual return on the expenses of my electorate allowance, it has an amount attributed to tax office errors and an amount attributed to legal costs. Instead of advertising my presence and supporting local communities, I spent \$30 000 to \$40 000 on legal costs. Guess where that came from? Instead of supporting my local community, that went to a battle with the tax office. I am very pleased to report that after 12 months, through a full set of arguments and fights, the tax office finally wrote back to me and said that it had decided to allow my deductions for advertising. I took this issue to federal members. I took it everywhere else. No-one was much interested. It was a very lonely battle. The reality is that I now have a ruling that says that a member can advertise in the local paper that the honourable such and such is able to support people. Interestingly, my advertising never said “Vote Liberal”; it said, “I am here to help you and if you want my help, here is how to contact me”, and I know that country members used to see the ads. That is precisely what I have done across the board largely for the last six years.

In my first audit by the tax office in 2017–18 or 2018–19, it looked at it and said that it was perfectly reasonable. In the second audit in 2021–22, it said that it was not applicable. I got a dud auditor. There is absolutely no doubt. The person was obviously something of a lunatic.

**Hon Colin de Grussa:** They might change their decision shortly.

**Hon Dr STEVE THOMAS:** Yes, it might go backwards. Can members imagine a world in which members of Parliament cannot tell the public how to contact them—a world in which that is not a legitimate use of our electorate allowance? The interesting thing is that the Salaries and Allowances Tribunal—I am sure that members have read it and have it up on their wall—tells us what we can put our electorate allowance towards. Do members know what it says? It says advertising. The Salaries and Allowances Tribunal says that part of this allowance is for us to advertise our presence so that our electors, which for all of us will pretty soon be the entire state, know how to reach us. I am not going to bag out the tax office because it has come to the only —

**Hon Jackie Jarvis:** You already have.

**Hon Dr STEVE THOMAS:** It is dangerous —

**Hon Colin de Grussa:** Anymore!

**Hon Dr STEVE THOMAS:** How often can it audit me might be the question.

Several members interjected.

**Hon Dr STEVE THOMAS:** Tread boldly where angels fear to tread, President!

I am very pleased to say that there is a recognition. The tax office has suggested that I seek a private ruling to confirm it, but I think the fact that it has confirmed that this is reasonable is a good outcome. I have to say that it has been a miserable year. When members read my return of the allowances and see a reference to the Australian Taxation Office, they should simply know that I have done this on behalf of every member of Parliament on all sides of politics. I cannot imagine how members of Parliament would go if no advertising whatsoever was to be included in that allowance—no annual calendars, no mail-outs.

**Hon Darren West:** The TV ads will be back.

**Hon Dr STEVE THOMAS:** The TV ads might just come back, Hon Darren West, so look forward to seeing my spot. When Hon Robin Chapple was a member of the upper house, it used to drive him mad. He would drive all the way back up to the north west and Broome, where he would see my smiling face. He used to send me texts.

**Hon Martin Aldridge** interjected.

**Hon Dr STEVE THOMAS:** Yes. Hopefully, this now puts to bed this argument about whether we can use our allowances the way the Salaries and Allowances Tribunal tells us we can. I tell members what, if that decision had gone the other way, I would be making a lot of noise about everybody else using their allowances for promotion so that people can reach out and actually communicate and talk with members. The best thing about the advertising campaign, Hon Darren West, is that as I walk down the street, people say to me, “You’re the person on the ad. I need to tell you this about my local community.”

**Hon Darren West:** It is the acting in the ad that is the best part.

**Hon Dr STEVE THOMAS:** This is important. Let me tell members about the performance of Hon Darren West. It was important, it is important and it remains important. The tax office came to the right conclusion in the end, but it was literally just over 12 months of battle for the second time in four years. Take this message, members of the government. I acknowledge that the way that the Department of the Premier and Cabinet goes about determining salaries, allowances and taxation was changed under the previous government. When I was first a member in the other place, my group certificate came out with my wage and allowances listed separately. The mere fact that the Department of the Premier and Cabinet has just rolled them together, said that our wage is combined and then made us claim back all those expenses in tax deductions is an abomination. It saves the Department of the Premier and Cabinet, but it damages members of Parliament. It would be very good if someone had a good, hard look at this because those public servants in the Department of the Premier and Cabinet should be doing their job properly and, in a way, that allows us to do our job properly. That would be a better outcome for all of us.