

# **STANDING COMMITTEE ON PUBLIC ADMINISTRATION AND FINANCE**

**TRANSCRIPT OF EVIDENCE TAKEN  
AT BUSSELTON  
ON WEDNESDAY, 28 AUGUST 2002**

## **SESSION 1**

### **Members**

**Hon Barry House (Chairman  
Hon Ed Dermer (Deputy Chairman)  
Hon Murray Criddle  
Hon John Fischer  
Hon Dee Margetts  
Hon Ken Travers  
Hon Sue Ellery**

**Committee met at 9.30 am**

**STRONG, MRS MARGARET**  
**examined:**

**The CHAIRMAN:** I welcome everybody to the meeting today. This is the Standing Committee on Public Administration and Finance. It is a committee of seven members of the Legislative Council, four of whom are present. You have signed a document titled Information for Witnesses. Have you read and understood that document?

**Mrs Strong:** Yes.

**The CHAIRMAN:** These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of this hearing, and please be aware of the microphones. I remind you that the transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, members of the public and media will be excluded from the hearing. Please note that until the transcript of your public evidence is finalised, it should not be made public. I advise you that premature publication or disclosure of public evidence may constitute contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege.

**The CHAIRMAN:** Mrs Strong, would you like to make an opening statement to the committee?

**Mrs Strong:** I wish to protest against the state land tax for the year 2001-2002. I have listed the ups and downs of that tax since 1995-96, and I am sure the committee will have that. I realise the Government requires money, but I feel that the rise is most unreasonable and not justified. Owning an investment dwelling is becoming a liability with repairs and state and local government taxes etc. It would be better to sell the property, spend the money and retire on a full pension. That is the way my husband and I feel about it. We are not against paying tax. We know that tax is a fact of life, but feel that an increase of \$314 in one year is just too much.

**The CHAIRMAN:** Is 1006 Geographe Bay Road your residential address?

**Mrs Strong:** Yes, it is. We also own the property next door, No 1008, in partnership with my late mother, and I am complaining about the tax on that property. We bought the property years ago in three equal shares, so that we could look after her; she had dementia. We managed to keep her next door for six years. Later she went to Villa Maria Homes, but she always wanted to return home. My daughter and son-in-law moved into the house, so that whenever she felt that she needed to go home, we would go and get her and she would sit in her own lounge room and feel at home. That made a lot of difference to her, and in managing her dementia. As the dementia progressed, we could no longer do that because it was impossible, but she always had a home. When my daughter went up she would say, "I'm looking after your house,

gran". My mother has now passed away and, of course, we own the house now; it is in the middle of being transferred to us.

**The CHAIRMAN:** For the committee's benefit, Villa Maria is an aged care home.

**Mrs Strong:** She was there for just over nine years.

**The CHAIRMAN:** Do you still rent out the property?

**Mrs Strong:** Kathy and Trevor wanted to stay there. My husband does not always have the best of health and it is a help to us and to them because we babysit and all the rest of it. They have since put a second floor on the house. It has been legally drawn up and, I guess, later on, once the property has been transferred into our name, we will sit down and sort out what we will do. At the present time, it is still in the three names but is in the process of going into the two names, and Kathy and Trevor will be sorted out later. We wanted to get this fixed up first, and all the legal bits and pieces. We are not very good at that sort of thing. We wanted to do it step by step, and correctly.

**The CHAIRMAN:** It is bringing back memories, because I taught your daughter.

Do you use the property for commercial purposes or let it out for short-stay tourist accommodation?

**Mrs Strong:** No, Kathy and Trevor stay there with their family. They pay a nominal rent because they own the top floor and they look after it. Kathy has recently renovated the kitchen. She has done a wonderful job. Kathy and Peter painted the bottom part of the house, and we had to get somebody to do the top floor. We try to maintain the property all the time. If anything needs to be done at our place, they usually come over and give us a hand, so it works extremely well.

**Hon ED DERMER:** I presume that Mr Strong is retired?

**Mrs Strong:** Yes.

**Hon ED DERMER:** Are you or your husband working at the moment?

**Mrs Strong:** No. My husband is 13 years older than I am. We have been retired for a long time. We are retired farmers, but my husband did go out and do gardening and things like that for elderly people. He retired from that about three years ago because it got too much.

**Hon KEN TRAVERS:** Do you know the value of the property in 1995-96 and what it is worth now? Do you have a rough idea?

**Mrs Strong:** No, I do not, as a matter of fact. I do not know what it was worth. It was only a little two-bedroom house. It was very small. It was more the land value than the value of the house. The house had been built for two elderly people. The rooms were very small. They still are, but adding the extra bit on the top has made a difference.

**Hon KEN TRAVERS:** The reason I ask that is that land tax in Western Australia has been based on the same system for years; that is, on land value. For the sort of increase in land tax that you mentioned, I assume that the Valuer General has made a valuation on the property. There are processes you can follow if you consider the valuation to be unreasonable, and I wonder whether you have looked into that side of things?

**Mrs Strong:** We have because we know the value of the land. We also know that in the past 18 months or so, all the prices of the houses along Geographe Bay Road that

have been for sale have been dropped dramatically for them to sell, and where the price did not drop, the houses are still very much on the market.

**Hon KEN TRAVERS:** The issue is whether next year's valuation will be lower and you go through the appeal processes or whether you have any problem with that.

**Mrs Strong:** My main complaint is that it jumps so much. After being the same amount for two years running, it then jumps to such an extent that I think it is unreasonable. I am not against paying tax, but I feel that the values are probably way off.

**The CHAIRMAN:** So are you taking the option of appealing the tax?

**Mrs Strong:** Yes, I am. I just feel that the amount we have been charged for this year - \$909, up from \$494.70 last year - is over the fence, especially with the way the houses are not selling. I know that with land tax it is considered that X number of blocks are worth so much. However, if that block were cleared I do not know if that price would be obtained. A block on the market since before Christmas has not yet sold. It would be valued at about \$300 000. I do not know whether the owners have changed agents to see whether they can sell it, but they have not yet sold it.

**Hon KEN TRAVERS:** I guess that is why I asked the question about whether you had sought a review of the valuation. Are you aware that such a review is possible? There is a procedure you can go through if you believe your property has been overvalued.

**Mrs Strong:** That is why I thought I had been asked to come here. I phoned and put in a submission when the tax came through last year.

**Hon KEN TRAVERS:** There is a formal process through the Valuer General's Office or the Office of State Revenue under which you can lodge a complaint if you believe your property has been overvalued. This committee is not in a position to do such a formal review, but there is a formal process you can go through.

**Mrs Strong:** I am sorry. I was under the impression that that is what this was all about.

**Hon ED DERMER:** We are still interested to hear what you are saying, Mrs Strong.

**Hon KEN TRAVERS:** We may be able to talk to you outside the hearing about the processes you can go through if you believe your property has been overvalued.

**Mrs Strong:** If all the properties along Geographe Bay Road have gone up that much - I do not know anyone else who is renting a property there - I feel that others would feel the same as I do. To have such a big jump in one year is not reasonable. It has gone up by \$100 on occasions. Such increases seem to be quite a lot, but I accept that values have gone up. However, to go up by \$300 at once just seems too much to me.

**The CHAIRMAN:** We are very interested in what you are saying, Mrs Strong, and we will take it on board within the terms of reference of the committee, which are very broad and deal with the overall processes of government. However, we are not a tribunal to resolve your individual situation. You have done the right thing in going through the channels to seek a review and to appeal the land tax with the Office of State Revenue. You should pursue that channel.

**Mrs Strong:** When I phoned through that was the address I was given, and that is what I did. I had not followed it through because last year was rather horrific. Until this note came while we were away, I had not heard anything more about it.

**Hon ED DERMER:** The note you are referring to relates to this committee. Did you get a reply from the Office of State Revenue in response to your request for a review?

**Mrs Strong:** Do you mean last year?

**Hon ED DERMER:** You said you wrote to it asking it to review the valuation on your property.

**Mrs Strong:** I am sure I did. I am sorry, but my mother was very ill last year and things got put on the backburner, but I am sure I wrote to it at the time.

**Hon ED DERMER:** I am just trying to clarify this matter. Did you get a reply from the Office of State Revenue?

**Mrs Strong:** I do not know. I cannot remember. I know I rang and contacted two or three people one morning, and I went around to one of the land and estate agents I know. He said that the properties are not selling - which they were not. I think I wrote, but I am not certain. I am usually very meticulous at keeping copies, but I could not find one in this case. I do not know whether I wrote, but I definitely rang about three different people that morning and over a couple of days to try to sort things out. Then when the letter came when we were in Broome, the first thing I did when I got home was phone the office and speak to these people, and they made the appointment.

**Hon MURRAY CRIDDLE:** It appears that the increase in the unimproved capital value, and perhaps bracket creep as well, has affected you. There is a process in place, as the other members have said. I have been through the process myself, so I know what you are talking about. That is the avenue you will have to take.

**Mrs Strong:** I just felt it was too much in one year. I would have understood an increase of \$100, but to go up by \$300 was too much.

**The CHAIRMAN:** Mrs Strong, a few of those here, including me as the local member and Hon Ken Travers in his role with the Government, are aware of a group of people who have questioned the land tax increase over the past 12 months. Have you been a part of the group that has been organising meetings on this subject?

**Mrs Strong:** No, I have not been part of that.

**The CHAIRMAN:** That comprises tourist operators more than residents.

**Mrs Strong:** I had too many other things to do. I just felt that the Government needs to be made aware. It does not matter what shade of government, but when people feel that something is not right, they have the democratic right to jump up and down. If people do not do that, the Government does not know.

**The CHAIRMAN:** That is absolutely right, and that is why the committee is here today.

**Mrs Strong:** That is the way I see things. I know I was referred to as "that bloody woman from the shire" a few years ago when they wanted to close the road. Perhaps I was, but I still stand by my convictions, the same as I do on this issue. If I do not say something, nothing will happen. It is no use growling to the next door neighbour; you have to go to the people at the top.

**The CHAIRMAN:** That is precisely the role of this committee, so thank you for doing that.

**Mrs Strong:** I thank you all for listening.

**The CHAIRMAN:** Is there anything else you wish to add?

**Mrs Strong:** No, thank you. I am just pleased that somebody is looking into it. I do not know if this is a normal process, but it is nice to know that even if it does not make any difference, I have had the opportunity of saying something.

**Hon KEN TRAVERS:** It is probably too late for you to lodge an objection to your valuation for last year, but when you receive this year's bill I encourage you, if you believe your property has been overvalued, to go to the Office of State Revenue and lodge an objection.

**Mrs Strong:** It put the rate up, did it not? It was not only the value of the property. Was an extra rate charged? That is what has possibly brought this up.

**Hon KEN TRAVERS:** Last year there was no increase in the rate. This year there was an increase in the rates at the top end, but that would not affect your property. In fact, last year the land tax threshold was increased so that some 52 000 people no longer have to pay land tax. There is no doubt, however, that there has been a review of land valuations in this area, and that has had a significant impact. Hon Barry House mentioned earlier that 14 people had objected, and I know that eight of those were successful in challenging the valuations that had been applied to their properties.

**Mrs Strong:** Would it be possible for you to send me the names of the people I would have to approach? I know I cannot put it in this year, but in this coming year I would consider it.

**The CHAIRMAN:** We will take that up and ensure that you receive that information. One of us will be in touch with you in a separate capacity as a member of Parliament.

**Mrs Strong:** Thank you very much. If you would not mind, I would be very grateful.