

WESTERN AUSTRALIAN FEBRUARY 2009 SUBMISSION

CGC2008/06 LAND TAX

Key Points

- Western Australia is currently unable to support the application of a value distribution adjustment for land tax, including on the grounds of data availability and reliability.

VALUE DISTRIBUTION ADJUSTMENT (VDA)

- On the grounds of simplicity, Western Australia's preference is not to apply a VDA in relation to land tax (similar to our views on payroll tax and transfer duty).
 - We nevertheless accept that the standard policy across Australia is to apply a progressive rate scale.
- The introduction of VDA for land tax should only be considered if the States can provide reliable and comparable data.

Western Australian land tax data

- Western Australia's data structures are different to those outlined in the Commission's request. As a result, we are not able to compile this information without extracting and manipulating our data sets. The key problem is the classification of ownership types into "individual" and "other", and the categorisation of land into various value ranges without double counting.
 - Applying a 'scaling factor' to align land values to 1 July each year will add to the complexity of producing these data.
 - We estimate that endeavouring to provide the information requested would require at least four weeks work (and we cannot guarantee this would produce reliable information for all items requested).