



TAX FORUM 4-5 October 2011

STATEMENT OF REFORM PRIORITIES

PARTICIPANT NAME AND POSITION

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ORGANISATION

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STATEMENT OF PRIORITIES

Local Governments across Western Australia are as diverse as the communities they serve and represent.

When combined, WA Local Governments employ more than 13,000 people with an annual turnover around \$3 billion. Within many regional areas, Local Government is the largest single employer and makes a major contribution to the economic and social wellbeing of the community.

Local Governments in Western Australia invest around \$1 Billion per annum in new non-financial assets, often in partnership with State and Federal Governments. This infrastructure investment is critical to delivering the economic and social infrastructure used by all Western Australians and helps underpin Western Australia’s significant contribution to the nation’s economic wellbeing.

Local Government has a broad and diverse interest in taxation reform. There is an increasingly apparent dilemma in funding the replacement of our ageing infrastructure – often constructed from central government funding grants – from within existing own source revenue streams.

Perhaps of even greater concern is the capacity gap experienced by many local governments in funding the operational and maintenance costs of new and/or expanded infrastructure.

A fundamental priority for Local Government is **reviewing the distribution** of the gross taxation take among the various spheres of government. If agreed national policy priorities are to be effectively implemented they require access to adequate resources by those charged with implementing them.

The land tax space should be protected for local government use as the only taxation base from which local government can raise its own revenue. This would mean not only stopping other jurisdictions from further encroaching on the land tax space, but unwinding other jurisdictions from their current utilisation of this mechanism.

Revenues raised from **road user charges** should have a more transparent and direct linkage back to supporting that road infrastructure.

Fringe Benefits Tax should be designed to better reflect sustainability principles in relation to motor



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vehicles and, in conjunction with **Zone Taxation** arrangements, reviewed to foster stronger regional communities.

Reform of **rate exemption arrangements** for commercial aspects of the operations of **charitable entities** is necessary to protect local government revenue raising capacity. If these commercial activities are to enjoy exemption from local government rating by virtue of policy decisions by other spheres of government, then those spheres of government should fund the revenue loss imposed on local governments.

There is room for **taxation reform in relation to alcohol** and redirection of that tax revenue into programs designed to offset the social and community impact of alcohol consumption.

LIST OF ATTACHMENTS

Feel free to attach supporting papers if you wish. Please list them here.