

Submission to The Public Accounts Committee re: the methodology for determining rates and land tax for strata residences.

My wife and myself are self funded retirees. We were a bit late for the super-club and invested in property for our retirement. It has taken many years to pay these properties off. It didn't just happen. It took planning, some sacrifice and with three boys growing up we had to live within our budget. This current ACT government refuses to live within a budget. Instead they plan for things outside a sensible budget and then go about ransacking those who have money. Unfortunately, we being at the lower of the pecking order are getting ripped off. All in private enterprise plan and attempt to stay within their spending budget...if they don't they go broke.

We are the owners of two serviced apartments at Manuka and one town house at Phillip. There have been large increases since 2012 in rates and a huge 60% increase in land tax on these dwellings, particularly in the past year. As we have already paid stamp duty on these purchases it is grossly unfair to expect us to incur such big increases in these taxes. It would be fairer to make these changes on new purchases of strata dwellings or on new buildings such as the 37,000 proposed new dwellings along the Northbourne Avenue corridor. However, a fair method of calculating these increases needs to be agreed upon. It is suggested that the current method maybe proved to be illegal if challenged in court.

We cannot recover these huge increases from tenants. It is ridiculous to even suggest it. Therefore retiree owners have to find the extra money for these increases. It can only come from two sources: a) other savings or b) from the monthly property income meant to be used for retirement. People like us who have lived in the ACT all of their adult life, worked here, brought up children here and retired here, providing for their retirement by investing in property which as we know also helps the government provide much needed accommodation, thinking they would be comfortable, now have to scrimp and cut out small luxuries to make ends meet. That along with the unprecedented building of units, at a scandalous rate has made it very difficult to find quality tenants. There is nothing wrong with property development...but do it in step with the need.

The increases in electricity and gas as well as rates and land tax are making it very difficult for people on fixed incomes, who get no Government handouts because they have lived within their means and invested wisely. We are the ones who are just above the pension line. If this continues in the ACT, the government will be needing to support more pensioners!

Changes in the calculation method of determining rates and taxes should not be retrospective. They need to be challenged to show a) why they are required. b) that the accounting principles used are honest. c) that they are in line with cost of living increases.

We have to find an extra \$1800 per unit per annum or \$90 a week extra (over what we already payed in 2015-2016 tax year) for these increases, not including of course, rises in electricity and gas. We are not affluent investors, but Mum and Dad investors who are no burden on the Government and this is the hand we are dealt by the current ACT government.

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