



■ RETIREMENT INCOME

Land tax shock: 89% rise in one year

Elicia Murray

WHEN Victor and Elaine Mullin received their latest land tax bill, their first reaction was shock.

"It's crazy. It went up 89 per cent in one year," Mr Mullin said yesterday.

The couple, in their 80s, had planned to fund their modest retirement lifestyle with income from their investments.

But their plans look set to change after the land tax bill for their two-bedroom weather-board cottage in Manly's Smith Street rose from \$4402 last year to \$8340 this year.

"I'll have to sell it. I have no option," Mr Mullin said.

Smith Street was one of the streets with the highest percentage spike in land valuations from the Valuer-General in the three years to July last year, according to a report to Manly Council this week.

The report identified vast differences between increases in a street-by-street breakdown of

the area's land valuations.

Among the biggest jumps were Smith Street, up 88 per cent, Rolfe Street, up 89 per cent, and Denison Street, up 108 per cent.

"There are also instances of individual assessments within a street having a higher than average increase," the report to the council's planning and strategy committee said.

Mr and Mrs Mullin were the type of investors expected to benefit from an overhaul of the state's land tax system, designed to make it less susceptible to sharp moves in the property market and easier for investors to appeal against valuations.

The present system has been criticised by investors and the NSW Ombudsman for producing inaccurate valuations.

Mrs Mullin said that over the course of their working lives she and her husband had planned carefully for their retirement.

Both entered the workforce as teenagers; she had a job as a bus conductress and later ran a small real estate agency from home; he

worked on the waterfront.

"We don't want to be a burden on our family or on the Government, but this system doesn't encourage people to work and save," Mrs Mullin said.

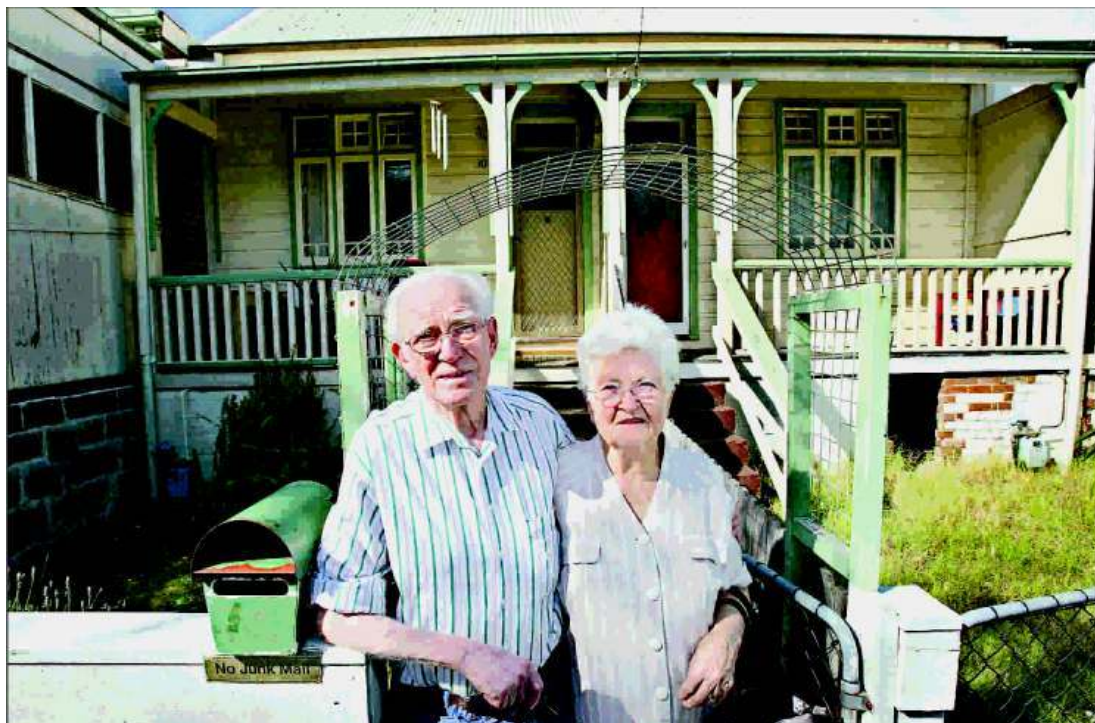
She also had a few ideas on how to improve the Government's bottom line.

"Stop paying spin doctors, because that seems to be all they're doing," Mrs Mullin said. "They haven't helped with the hospitals or the transport or the water. It just seems to me that the working man is being pushed down all the time, and they're the lifeblood of this country."

The couple wrote a letter to their Smith Street tenant, advising of their intention to increase the rent to reflect the tax rise.

The tenant had previously indicated she would not be able to afford to pay more.

Mr Mullin said he was resigned to selling the cottage the couple have owned since 1959. "I'm not the main landlord on that property, the Government is," he said.



"I'll have to sell it. I have no option" ... Victor and Elaine Mullin at their Manly investment property.