

Mannerisms - July, 2015

Barnett Government Trashes W.A. 'Property Rights'

17th June, 2015

Open letter to:

Dear Premier Barnett,

Travelling through Europe, particularly Greece, with a group of economists last month, I had a strange feeling. It came to me while we spoke on the importance of respecting 'Property Rights' as a key component in energizing any country's economy

Among the varying examples of Property Rights being trashed in those countries, none were worse examples than one in Western Australia that affects me as a small partner in a residential land development syndicate (Primewest Syndicate) at Wattleup Rd, just south of Perth.

We purchased the syndicate land, zoned Urban–deferred, in *February 2006*. Both at the time of purchase and rezoning to Urban in 2008, it was not affected in any way by any industrial buffer or the like. Nothing complicated about that and easily understood. In fact the WAPC had some five years before purchased an adjoining poultry operation, relocated it to a rural area and then proceeded to rezone the land for residential use.

Then, in 2009, a decision was made without reference to the Local Council or affected land owners. It was a decision to extend the Alcoa exclusion zone by an additional 500m to include our land holding. That decision overturned all strategic and statutory planning which had been undertaken over more than a decade to realise zonings under the Metropolitan Region Scheme and City of Cockburn Town Planning Scheme No.3 which allow for residential development. Such extraordinary action undermines confidence in the planning system and increases the cost of bringing residential land to market further fuelling Perth's housing affordability predicament.

So, here we are, more than 9 years since our purchase and 7 years since the land was rezoned to Urban. Despite our best efforts to subdivide this land and supply some residential blocks in this prime location, all we have to show for it is a mountain of paper and bureaucratic obfuscation that would provide a ready-made script for any Australian version of *Yes Minister!*

To continue on this lumbering process of applications into the distant future appears pointless, hence my direct approach to you as the matter rests in the Premier's Department and not in the Western Australian Planning Commission where it probably should reside.

An economics student could write their thesis on why the cost of building blocks in Western Australia are three times the price they should be. To put this in perspective, the Perth median home price in 1985 was the equivalent of 3.16 times average annual earnings. In 2014, Perth's median home price represents 9.35 times average annual earnings - see att. spreadsheet (*Ref. Institute of Public Affairs Research*)

This is in a State where, through the efficiency of our home builders, the price of houses has been kept low. Meanwhile, the price of housing lots has gone through the roof, one might say.

Yes, there was a request that we do further dust sample monitoring, over a 12 month period.

Yes, this was done by experts, based on a methodology approved by and in consultation with your Department of Health and Department of Environment and Conservation. The monitoring was completed at great expense, and the results confirmed that no problems existed.

However, the State Administrative Tribunal claims the 'Precautionary Principle' should triumph over Property Rights.

I've studied the Precautionary Principle and understand clearly that on that basis no-one should ever get married because such marriage may end in divorce and that no-one should ever start a business because at sometime in the future it may fail.

Mr Premier, our great State was not built on the Precautionary Principle and we should be thankful for that.

Media Coverage

The ABC transcript of your own comments of October 15th 2014, state;

"If people have bought land in a buffer zone, which hasn't been legislated previously but it's been there and there's been a lot of discussion about the buffer zone and how wide it should be, then those developers take on a risk," Mr Barnett said.

Please let me, respectfully, correct this statement.

When our syndicate purchased this land in 2006 there was no buffer zone, nor talk of one on this syndicate land.

In respect to our land syndicate, your comments were incorrect (simply wrong) which leads me to suggest that either your advisors don't understand Property Rights, or that they were misleading you in preparing that statement.

My question now is

Does your Government believe in Property Rights?

Do they agree that it is a key ingredient in what we call western civilization which has given us levels of prosperity in our State that is the envy of many parts of the world?

If you believe in Property Rights, then there can be no arbitrary 'taking' as is your current action of legislating a 1.5 km exclusion zone

If your action is being taken to accommodate some form of "crony-capitalism" deal being done between the State Government and Alcoa (shades of WA Inc.) then this must be done by mutual negotiation, rather than by the stroke of a bureaucratic pen.

Mr Premier, it seems that I have only two alternatives:-

1. Remain silent while my existing (at time of purchase) Property Rights are legislated away by your government (not a rational option).

Or

2. Protest vigorously about what I see as a clear breach of government trust that, if it remains unchallenged, will continue to create further uncertainty for all property owners in Western Australia.

I bring this matter to your attention in the hope that you might review the matter and I make myself available, at any time convenient to yourself, to discuss this matter with you further.

Yours respectfully,

Ron Manners,
Managing Director
Mannwest Group Pty Ltd

Att.

Mannwest Group Pty Ltd – ABN 86 008 729 575

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1		Perth median	Average weekly earnings	Average yearly		Years to purchase Perth median price house outright (on Australian average wage)								
2	1970	17,500	61.00	3,172.00	1970	5.52								
3	1971	17,750	67.49	3,509.48	1971	5.06								
4	1972	17,500	74.66	3,882.32	1972	4.51								
5	1973	18,850	82.07	4,267.64	1973	4.42								
6	1974	18,850	96.61	5,023.72	1974	3.75								
7	1975	24,500	122.62	6,376.24	1975	3.84								
8	1976	33,000	140.32	7,296.64	1976	4.52								
9	1977	36,400	158.85	8,260.20	1977	4.41								
10	1979	38,600	174.26	9,061.52	1979	4.26								
11	1980	40,350	188.21	9,786.92	1980	4.12								
12	1981	43,825	206.36	10,730.72	1981	4.08								
13	1982	48,225	233.42	12,137.84	1982	3.97								
14	1983	49,000	262.55	13,652.60	1983	3.59								
15	1984	48,175	291.98	15,182.96	1984	3.17								
16	1985	52,050	316.85	16,476.20	1985	3.16								
17	1986	58,000	338.48	17,600.96	1986	3.30								
18	1987	61,225	358.50	18,642.00	1987	3.28								
19	1988	78,000	380.70	19,796.40	1988	3.94								
20	1989	102,500	403.75	20,995.00	1989	4.88								
21	1990	101,125	431.05	22,414.60	1990	4.51								
22	1991	99,500	459.70	23,904.40	1991	4.16								
23	1992	102,500	486.65	25,305.80	1992	4.05								
24	1993	112,750	500.75	26,039.00	1993	4.33								
25	1994	123,125	510.98	26,570.96	1994	4.63								
26	1995	126,788	525.75	27,339.00	1995	4.64								
27	1996	126,625	544.65	28,321.80	1996	4.47								
28	1997	134,125	558.45	29,039.40	1997	4.62								
29	1998	141,000	574.58	29,878.16	1998	4.72								
30	1999	147,500	592.17	30,792.84	1999	4.79								
31	2000	156,250	606.08	31,516.16	2000	4.96								
32	2001	168,375	619.14	32,195.28	2001	5.23								
33	2002	189,250	651.80	33,893.60	2002	5.58								
34	2003	205,000	678.04	35,258.08	2003	5.81								
35	2004	250,800	707.20	36,774.40	2004	6.82								
36	2005	282,300	740.06	38,483.12	2005	7.34								
37	2006	360,000	770.95	40,089.40	2006	8.98								
38	2007	465,000	809.06	42,071.12	2007	11.05								
39	2008	470,000	845.80	43,981.60	2008	10.69								
40	2009	439,800	879.00	45,708.00	2009	9.62								
41	2010	501,500	912.77	47,464.04	2010	10.57								
42	2011	496,300	961.48	49,996.96	2011	9.93								
43	2012	484,600	1,000.38	52,019.76	2012	9.32								
44	2013	513,500	1,093.15	56,843.80	2013	9.03								
45	2014	544,000	1,118.60	58,167.20	2014	9.35								
46														
47														

