

REVENUE LAWS AMENDMENT BILL 2015

Second Reading

Resumed from 22 September.

HON ALANNA CLOHESY (East Metropolitan) [5.07 pm]: I get to continue my remarks on the Revenue Laws Amendment Bill 2015. As I was saying last night, it is another week and we have another cash grab on those who can least afford it. Revenue-raising measures that cap the rebate for water charges and local government rates will hit seniors, in particular, very hard. I will talk about that first and then I will talk about the likely impact of the revenue-raising measures around the first home owner grant. When we look at the measures that the government is taking to raise revenue to pay its bills or to service the largest net debt that the state has seen and that continues to grow at an exorbitant rate, it is incumbent upon us to look at the impact that those revenue-raising measures, or any measures that the government is taking, will have on particular groups. As I said, my focus in this regard will be on seniors.

I also mentioned that this is not the first revenue laws amendment bill that I have spoken on, and that indicates the frequency with which this government comes to Parliament to raise revenue because of the way in which it has managed the budget in the past and is managing the budget currently. The previous bill on revenue measures that we looked at increased land tax and effectively increased payroll tax by introducing a new threshold. It also amended the Duties Act, as we are amending again today through this bill, which effectively reduced the threshold for the first home owner grant. All the time this government is squeezing more money out of those who can least afford it and targeting those with less capacity to respond to that squeeze. I will go into more detail about why this is all happening. First, I will look at the impact of the bill. As I said, my focus is on seniors, as this bill will introduce a \$550 cap on their rebate on local government rates and a \$600 cap on their rebate on water service charges. That will reap \$26 million in the three years to 2018–19. That \$26 million will be raised from seniors who otherwise would be the beneficiary of rebates that will now be capped.

Before I look at how this will impact those seniors, I will look at just who will be impacted by these measures. I will first look at the cap on local government rates. I will refer to the number of pensioner households by local government area that will be impacted. It is not only individual pensioners, but also households. Within a household, obviously more than one person can be affected by this measure. The table I have with me refers to local government capped rebates, and I am looking specifically at the East Metropolitan Region that I represent, which will be hit significantly by these rebate caps. The figures for the affected pensioner households are as follows: City of Stirling, 2 397; City of Swan, 2 309. In Stirling and Swan, therefore, around 2 300 pensioner households will be impacted by this bill. When we compare the Shire of Mundaring with the City of Swan, a significant number of pensioner households—1 982—will be impacted by the local government rebate cap. I will come back to that area in particular a little later. The number of pensioner households impacted by the cap on rebates are as follows: City of Armadale, 1 853; City of Gosnells, 1 112; Shire of Kalamunda, 831; City of Bayswater, 695; Town of Bassendean, 490; and City of Belmont, 77. That brings us to a grand total of 11 746 pensioner households that will be impacted by the cap on the rebate on local government rates.

Let us have a look at water service charges. As I said, this bill will put a \$600 cap on the rebate on water service charges, meaning that pensioners will have to pay more in water service charges. The table I have with me indicates the number of pensioner households impacted by local government area. The figure for Armadale is 4 059 and 1 174 for Bassendean. In Bayswater—consider that Bayswater is a very small local government area compared with some of the others—4 694 pensioner households will be impacted by this \$600 cap per year. This is not just a one-off cap; it is ongoing. The numbers therefore refer to the pensioner households impacted per year. That is therefore the number per year that will be affected in Bayswater. The number affected in Belmont is 2 290, Gosnells is 6 216 and Mundaring is 1 968. In the City of Stirling a whopping 14 062 pensioner households will be impacted by this cap. As I said, it is not just 2016–17 but ongoing. In the City of Swan the number impacted is 6 322. Across the East Metropolitan Region, therefore, 47 159 pensioner households will be impacted by the state government putting a \$600 cap on the rebate on water service charges. That is an extraordinary number of households to be impacted.

Let us have a look at how those people will be impacted. As I said, we have seen cuts to rebates by this government not only in this budget, but also in previous budgets and over the previous term of government. We have seen cuts in rebates and concessions to seniors, and also over time a significant increase in energy prices, meaning that people are not only coping with cuts to rebates and concessions, but also trying to make ends meet to pay increased charges for electricity, water and a range of other services. Let us look at that closely.

This bill puts a cap on the rebate on water service charges. As I said, pensioners are trying to manage that along with a range of increases to the cost of living. Let us look at water service charges. Over the last eight years, water service charges have increased by 70 per cent. Over that time, pensioners have had to find that money from somewhere. Remember that pensioners are on a fixed income. Money does not come from anywhere else;

it comes from the pension they receive. They have to find that money from savings within their own household, and of course we know what happens there. What goes are savings around things that people actually need. People need food. People need water. People need medication. Pensioners have had to cut all of those things because of the increase in water service charges, as I said, by 70 per cent over the last eight years.

So that is the increase in the water services component. There is also the water rates component, which has increased over the last eight years by 98 per cent. Again, people on a fixed income have nowhere to go to try to find savings within their household budget in the way that the state government is trying to find savings within its budget; they cannot pass on those costs anywhere else. Pensioners, therefore, depend on the rebates they get from government, which will now be cut significantly. Again, pensioners will have to find savings within their household budget, which is near impossible because their incomes are fixed.

Let me go back. We need to look at the impact of the cap on those rebates in an overall context not only on how pensioners will be affected now, but also across all of the cuts. I have tried to make a bit of a list of how pensioners have been impacted by the state government cuts to concessions and rebates. It is an equation: state government cuts to concessions and rebates, plus federal government cuts to concessions and rebates, plus increased costs equals poverty. I do not understand how pensioners can sustain the increased cost of living, the cuts to concessions and the federal government cuts that they are already experiencing and still come out with money even for food, quite frankly. I know, because a number of pensioners have told me, that they are doing it tough. Let us look at the costs. Remember the equation: federal government cuts, plus state government cuts, plus increased costs of living equals poverty. I have already mentioned the increased cost of living in Western Australia over the last eight years in water, and water sewerage and drainage charges. The increase in electricity charges over the last seven years is 84 per cent. That is an extra \$817 a year on a pensioner's budget that they have had to find over the last seven years. The increase in public transport costs is 33 per cent. That is an extra \$434 that pensioners have to find in their budget. The increase in the emergency services levy is 81 per cent in the last seven years. That is an extra \$117 that pensioners have to find in their budget. Overall, the cost of living has increased by 54.29 per cent over the last seven years; that is about \$2 767 a year extra that pensioners have to find in their budget. That does not include things such as the increase in vehicle insurance costs; or, perhaps if pensioners live in public housing, the increase in rent of \$624 a year; the passing on of the increase in the waste levy cost, which I will get to soon; or the scrapping of the security rebate that occurred last year. Those cuts are all on the state government side of the column. Let us look at the federal government side of the column.

Pensioners are being whacked with cuts to rebates and increased charges and fees from the state government, but they are also copping it from the federal government. What about the axing of the dependent spouse rebate tax offset? Pensioners and self-funded retirees relied on that amount of money as an extra saving. When they received that rebate, it was as though they had saved that money. They used to allocate that money in their own budgets for costs that they could not meet through a fortnightly income. They cannot do that anymore; they cannot rely on the dependent spouse tax offset. Similarly, income support bonuses, which were paid twice annually by Centrelink and by Veterans' Affairs—they were paid every six months—have been scrapped. The purpose of those was to have just a bit extra coming in to meet those bills that people experience from time to time that they have no way of saving for, particularly if they are on a low or fixed income. The purpose was to get people over the hump of those unexpected bills that people have no way of saving for—gone. Combined with the cut to the dependent spouse rebate tax offset, it means that there is no money for a rainy day for pensioners or superannuants. It does not even matter how small that rainy day lump sum was; pensioners and superannuants knew they were still going to get it. That is gone; it has been axed by the federal government.

What about changes to the eligibility for a Seniors Health Card? There was a supplement for self-funded retirees—gone. Combining that with the dependent spouse tax offset cut, there is nothing left. We are still waiting, of course, on the federal government's Medicare co-payment and payments around pathology and diagnostic imaging services, but we know that they are coming. More importantly, pensioners know that they are coming and they are very scared. What is the first thing that goes when people have no money to pay for it? It is those kinds of things such as pathology and diagnostic imaging. Pensioners will put off the kinds of scans that they know they need to have and that the doctor tells them they need to have, which could possibly even save their life, but certainly make their quality of life better if the diagnosis is there clearly. They will put those things off for longer and longer. Of course, what does that do? It compromises their health care; it compromises their health. Pensioners should not have to make those decisions, but that is what they will be forced to do. As I said, that is just an example of the range of costs that pensioners are faced with day in, day out. Combined with the cuts to rebates, they do not have any choices left. The amount of money that the state government will raise from this revenue bill, supposedly, is off the back and off the dinner tables of pensioners.

Let me have a look at the local government rebates. I have outlined the number of pensioner households that will be affected by the cuts to the cap for local government rebates. It does not stop there. I have talked extensively about the types of costs that pensioners are experiencing day to day, but there are other costs as well. In the budget before last, there was a cut to the waste levy paid to local government authorities. That cut to the waste

levy is being passed on, of course, by local government authorities. When we combine that with the increases in local government rates, we see that again pensioners and superannuants' costs will increase exponentially. All of this compounds to have a seriously negative impact. Here is an example of one constituent who wrote to me about the impact it is having on her. She recently wrote to her local shire about the significant increases in rates for this year and that those rates were linked to the state and federal budget decisions. Part of her letter to her local shire refers to the increase in rates. The increase in last year's rates is \$264.98, which is considerably more than 7.3 per cent. When I looked at the details, the first thing I noticed was the removal of the council rebate of 25 per cent on the rubbish recycle portion of the rates. So, \$209 plus \$70 equals \$279—an increase of \$69.75. Then we had the transfer levy of \$147, which was previously incorporated in the rates and attracted a 50 per cent state government rebate. Now this no longer applies; that is an increase of \$78.50 right there. The transfer levy, the state government rebate and the impact of the increases passed on by local government authorities in addition to the increased cost of living that has occurred over the last seven years is excruciating for pensioners. I really cannot understand how this government expects pensioners to keep up with all those cuts and impacts. I do not understand how this government can think it can reap more money from those people who can least afford it.

I wanted to talk about the amendments to the first home owner grant, which abolishes the \$3 000 first home owner grant for established homes. On the surface, we could consider that providing the first home owner grant only for new homes might have some positive effect on the building industry, and it may. The difficulty with that is that new homes are generally being constructed on the urban fringe—the outer metropolitan area. Of course, those newly developed areas do not have the same kind of infrastructure of established communities. This is a false economy on a number of levels. New communities require new infrastructure. However, the government seems reluctant to provide new infrastructure to new communities. Let us take, for example, the Ellenbrook rail line. People in that area, including Ellenbrook, Aveley and The Vines, would benefit greatly from a rail line but they will not see it, despite being promised by this government over several years that they would get a new rail line. The government is forcing new home buyers to buy in areas where there is no infrastructure. If the government had the foresight to provide some sort of support for people wanting to buy in established areas, with existing infrastructure, it would not see the consequential impact of infrastructure costs in outer metropolitan areas. It is a false economy.

We know why new home owners and pensioners are being slugged by this government. It is because over successive years this government has failed to manage the budget. We are seeing the largest debt of any state government, we are seeing extreme examples of poor management and poor decision-making and we are seeing extreme examples of waste by this government. Let us look at some of the revenue measures that have been imposed in addition to those that this government has applied to the community in general. They include: \$418 million in payroll tax; \$557 million saved in the first round of cuts to the first home owner grant; \$527 million from the deferral of non-real property exemptions; \$155 million from halving private vehicle concessions; \$120 million reaped from the families of 457 visa holders to pay for education; \$185 million from the abolition of the private vehicle registration fee concession, which again will disproportionately affect pensioners; \$454 million from the tax administration package; \$75 million from the increase in the Perth parking levy; and of course the land tax grabs, with land tax 1 reaping \$338 million, land tax 2 reaping \$334 million and land tax 3, the one that we passed just recently, reaping \$826 million.

Hon Ken Travers: I think you might have missed a couple of Perth parking tax levy increases.

Hon ALANNA CLOHESY: Really? It added up to \$75 million. There have been so many increases that it is very possible —

Hon Ken Travers: You need a whole spreadsheet to work it all out.

Hon ALANNA CLOHESY: I do. I love a good spreadsheet. At the moment I just have my handwritten notes but perhaps after Parliament rises, I will transfer those figures to a spreadsheet. I thank the member for the suggestion. I will come back and consult the member about how many other Perth parking levy increases there have been and how much money they will return to the government.

Pertinent to the East Metropolitan Region is the \$11 million clawback over the removal of the cellar door subsidy and the \$109 million that the government will reap from the first home owner grant being removed from established homes that we are talking about today. As I said, that is just a small amount of revenue that the government has raised in the last few years and will consider raising in the next couple of years. That list came from just off the top of my head. I will be more methodical in putting together those sorts of things for consideration the next time this Parliament sits.

In addition to that incredible waste and bad management, we saw the \$600 000 advertising billboard put up over the freeway. It was put up with no consultation. All of a sudden, the government realised that it was not very safe to have an advertising billboard across the freeway that distracts drivers.

Hon Ken Travers: The year before that, they just didn't read the reports.

Hon ALANNA CLOHESY: The reports were available and the government was told about it, which makes it even more wasteful. Guess what? No-one asked for that advertising billboard but the government went ahead with it anyway. There are some examples of the government reaping rewards on the one hand but being wasteful on the other hand. Who is paying for it? It is people such as pensioners who can least afford it, the people who are trying really hard to get into their first home and the people who want and need a community to function in the way it should and a government to function in the way it should in the provision of infrastructure to new communities. I am afraid that they will find this government sadly lacking.

HON MARTIN PRITCHARD (North Metropolitan) [5.38 pm]: I rise to make a contribution to the Revenue Laws Amendment Bill 2015. I got a feeling of *deja vu* when I saw this bill come before Parliament as I seem to have seen so many similar bills during my short time in this place. They all seem to have a slightly different thrust but with the same general theme from this government of either higher taxes or reduced services. Because the themes are so very similar, so many of the arguments concerning these bills are similar as well. Even though bills of this nature continue to come about with monotonous regularity, they still amaze me, given the financial resources that have been available to this government for much of its tenure. First off, it was left with a comparatively beautiful set of numbers when it took office in 2008. Government debt was somewhere just over \$3 billion, and we had a AAA credit rating. In the intervening years the government has been the recipient of royalties from iron ore that can only be described as unimaginably good, due to the mix of very high prices combined with a large increase in production and sales. Anyone taken in by the propaganda that led to the election of the Barnett government in 2008 would think that, in the seven years since then, we would be awash with new infrastructure, new services and lower taxes. Why would we have expected anything else, if we believe the myth that a conservative government gives better financial management than we had under Labor?

Obviously, most voters would have thought that it was great under Labor, but it would be so much better under a coalition of the National and Liberal Parties, so let us do a quick comparison. Government debt was just over \$3 billion in 2008. Fast forward to now, and we are envisaging over \$36 billion in government debt. The AAA credit rating of 2008 has now evaporated. All this happened during the time that the government had an income stream from iron ore royalties that was unparalleled in this state's history. A reasonable person would see that there has been some investment in infrastructure during that time. Of course there has been some investment, but much of it will not come to fruition until just before the next state election—surprise. I believe that I am a reasonable person, so I will concede that there has been some investment in infrastructure, but unfortunately I have to say that that has been done on the bankcard called government borrowing. One would think that if the government borrowed money to invest in infrastructure, it would not cut back on services, but one would be wrong.

Let us have a look at this bill and see whether it has been designed to enhance our way of life, or is just another money grab by this government. It was refreshing to see that the government at least conceded, in the second reading speech, that the bill was a cut in assistance. The government came right out and said that it would be removing the grant that assists first home owners, when it said that it would abolish the \$3 000 first home owner grant for purchasers of established homes. I suppose we should be grateful that the government is maintaining the grant for new homes, but I believe that that could also create problems. At least the government was open about removing that assistance, so the public did not have to go through a maze of words to work out what this bill does for those with the ambition of fulfilling the great Australian dream of home ownership by buying an established home.

I now turn my attention to whether this is a good, sensible and fair move in the right direction, supporting one group and not the other. Unfortunately, I think it is not. That should not come as any surprise about my thoughts on this matter, as I raised it in my inaugural speech. In that speech I talked about establishing my first home with my wife, and I gave my wife a lot of the credit for putting together the house and land package, sourcing the income and getting the discounts required. I was a shop assistant at the time, and my wife was working at the Lotteries Commission. There was not a great deal of money around, so if we were going to live the great Australian dream, we needed to try to get as much assistance as possible. In the early 1980s there was a similar scheme. I mentioned that my wife deserves the credit for developing that part of our lives; I did not have a great deal to do with it, but in the early 1980s there was a scheme that assisted us. I remember that we needed to have some money to help with the deposit. We were battling to try to get the deposit together, and this money was available to us. My wife sourced it, and even having that, we had to use our final wages to actually get into the house. That package only helped with a new house and land, which meant that we were on the fringe. Back then, the fringe was Heathridge. I remember first seeing Heathridge at that time, not the old part of Heathridge, which was a little bit more established, but nearer to the freeway, which was not so established. The bulldozers had come in and knocked everything over and trampled it down. My wife took me to this block that she had sourced for us, and that we had paid for, and it was a little dismaying when I first saw it. I tried to find out what that scheme was but, like everyone, I go on to the world wide web to try to find it, and it horrified me to think that, of course, back then there was no world wide web.

Hon Ken Travers: I think there was a scheme under which you could get an upfront cash payment and monthly payments for up to five years.

Hon MARTIN PRITCHARD: Talk to my wife, because she sourced it, and she did a great job. We went to Heathridge. Gina's parents were in Thornlie; Gina is particularly close to her parents; they were in Thornlie. My parents were in Beechboro, and still are, which was probably closer, at least north of the river and somewhere that I knew, but still a fair way away. Taking advantage of that package got us into our first home and got us started for life, and we now have a house in Duncraig. That was a start. The problem was, of course—this is a different scheme, I fully concede that—that it had the same impact. It took us away from our family, and very shortly after we got married—more than nine months, I would say—we had children.

Hon Simon O'Brien: You seem very precise about the date.

Hon MARTIN PRITCHARD: It was more than nine months!

That was a problem. It was a great scheme, it really gave us a boost, but it had some impact on us, because of the estrangement from our families. We still saw them on weekends, but during the week it was quite difficult, because they were still working people then.

Getting back to the first home owner grant, I do not see how the government can see it as beneficial to encourage urban sprawl, as I think this bill does. We encourage urban sprawl if we continue to support first home owners to build new homes on the fringes of suburbia, to the total exclusion of assistance for potential first home owners who may need to consider living in already established suburbs. I have some personal experience about how this approach impacts families, as my daughter has recently built a new home in Banksia Grove. I hope my family members do not mind me using them; the only thing I can bring to this place is personal experience, so I will bring that personal experience. This area was chosen specifically because of the additional assistance, the extra money that could help her build her new home. I am sure my daughter will not mind me sharing with members some of the difficulties that have arisen from that choice. My daughter does not drive, so to get from her home to her place of employment in Shenton Park means that she leaves home at 6.00 am to be at her place of employment by 8.30 am. She spends four hours a day commuting to and from work. The travelling time is exacerbated by the poor bus service provided in new suburbs as they build their customer base. If my daughter misses the bus for any reason, she has no recourse but to be late for work. My wife and I, and my oldest daughter, live about 25 minutes away from my daughter. It is in the wrong direction, so even if we were to drive to her place and back, it would be of no assistance to her whatsoever.

When my daughter—she is my youngest daughter—first moved out of home, she rented a house in Duncraig, and that worked out extremely well. Of course it was not her own home, but it enabled us, not to keep an eye on her, but to be there whenever she needed us to be there. It enabled us to keep the very close relationship that I have with my family and that my family has with me. It also enabled us to assist my daughter any time she needed it, whether it was with transport or anything else.

This also has an impact on family and social occasions on weekends, because the bus and train system does not recognise a weekend as being the same as a weekday. We usually pick my daughter up on the weekends, which I must confess is not a real issue, apart from the guilt that she sometimes feels about us doing that. I make the point again that buses and trains do not treat the weekend the same as a weekday. I am trying to make a social comment here. The weekend is importantly different from Monday, Tuesday, Wednesday, Thursday and Friday. We do not send our kids to school on the weekend. We send them to school only from Monday to Friday, which means that in most cases they can spend time with their family on the weekend. Most sporting events occur on the weekend. The weekend is not the same as a weekday. Therefore, whenever we have debates in the future about accepting that a Sunday is the same as a Thursday, members will always find that I will disagree. I do not agree that a Sunday is the same as a Thursday—it just is not, and it should not be treated in the same way. It is not about having more time off work. It is really not even about penalties and such things. It is about having quality time off work. It is about having time off work when our family is there as well. I just make that point.

To get back to the issue at hand, in addition to the investment of my daughter's time, there is the cost associated with the use of public transport. My daughter has to travel through multiple zones, and that incurs an additional cost. There is also a substantial cost to the taxpayers associated with the ever-growing urban sprawl as we try to move people across an ever-expanding metropolitan footprint. I hope my daughter does not mind my using her as an example that I am most familiar with. I ask members to also consider other possible scenarios of people who want to live the Australian dream and need the assistance offered by the first home owner grant but for various reasons want to live in an established suburb. Most of these scenarios I have lived. Consider the isolation of a wife with a young child when her husband is at work and using the family car. Consider the wife's parents, who are more likely to live closer to Perth and end up dreading the constant phone calls asking for assistance because the shops and other facilities are too far away. Consider the new Australians who have to build a home

that is miles away from the community that might be able to give them some support. Consider the elderly when their kids have to buy a new home that is well away from the family home.

As I have mentioned, my parents live in Beechboro. I have got a lot of time for my dad and a lot of time for my step-mum. They are great people. One is aged 87 and one is aged 85; I will not tell members which one is which, because my step-mum will kill me. They are living a quality life. The reason they are living a quality life, even though they have a lot of medical issues, is because the family unit is close. My step-brother lives next door with his family and can help them on any occasion they need it. I must say that I congratulate the government for all the work that is being done on Tonkin Highway with the overpasses, because it means that I can get to my parents' place very quickly; and when that is completed it will be even quicker.

Hon Ken Travers: If the government had built it in the time frame it originally promised, you would probably already have it.

Hon MARTIN PRITCHARD: Yes; I would probably already have it.

Of course I am not saying that the retention of the \$3 000 first home owner grant will fix these problems. But I am saying that abolishing it is a step in the wrong direction. I am saying that the reduction in the amount of the first home owner grant in the first place in 2013 was not good legislation. Although I think that moving an amendment to reverse the trend and increase the amount may offend against standing orders, I would ask the government to reconsider this aspect of the bill.

I stress again that I understand that maintaining this grant, or even increasing it, will not in itself stop urban sprawl. However, it does seem ridiculous to weight legislation in favour of promoting urban sprawl, and that is what I think we are left with in this bill. Surely it is better to encourage higher-density infill when we consider the cost of adding a new suburb to Perth's footprint. Consider the new infrastructure that we need when we do that. We need new roads, new pipes for water, sewerage and gas, new cabling for electrical and telecommunications, and new schools and the like. Also consider the additional areas that will need to be serviced by transport, police, fire and ambulance, just to name a few. I firmly believe that we need to encourage the building of good quality, higher-density housing projects within our existing suburbs. I do not think this bill will assist in doing that if it skews the first home owner market by assisting only people who build a new home, because new homes are nearly always built in new estates on the fringes of the metropolitan area. The cost to the state of doing that is more than just a monetary cost. It will also have a devastating effect on families and vulnerable people. That is the point I am trying to raise here.

Of course I can only bring personal experience and a point of view to this change. I want to read from an article in the *Echo* of Saturday, 23 May 2015 that expresses some of the very same concerns. I think this article has been quoted in this chamber already at some point. The article refers to comments from David Airey, the president of the Real Estate Institute of Western Australia. I will ask for members' indulgence to quickly read some comments from this article, because it helps me to focus my arguments and gives me confidence that there is someone out there who has more information than I have and who agrees with some of my points of view. The article states, in part —

The Real Estate Institute of Western Australia has criticised the decision by the State Government to axe the First Home Owner Grant (FHOG) for established homes in last week's budget, but welcomed the retention of the stamp duty exemption.

The article goes on to quote David Airey as saying —

“This decision is pushing many first home buyers to the urban fringes, contrary to the government's own urban infill policy.

“By aiming the FHOG to new constructions only, first home buyers who want more affordable, established homes in older suburbs are being disadvantaged.

“This creates an imbalance in the housing market and adds to urban sprawl.”

I thank members for indulging me in that. As I have said, I get confidence from the fact that there are people in the industry who share a similar view. I would like to read out more of that article to give it balance and context, but in the interests of brevity and keeping relevant to my point, I will suggest that I have a copy of this article for those members who may want to read the full text.

It seems to me that this change is more about the government trying to fill its financial black hole than it is about bringing in good legislation. I think the president of the Real Estate Institute of Western Australia might agree with me. The government will save about \$109 million over the forward estimates from this change. I believe that is what is driving this change. Unfortunately, if I am correct in saying that this change will encourage urban sprawl, it will also come at a cost to the people of Western Australia, both financially and in terms of the social fabric of our society, and that is the point I want to keep driving—the social fabric of our society.

Unfortunately, that is not what this government is aiming for at this time. It seems a pity that the government's addiction to spending has had such a negative impact on good legislation. It is incredible that we could be moving towards state debt of over \$36 billion with the unprecedented income from royalties that we have enjoyed over recent years. We still have to endure this government's bad legislation as it tries to cover its bad fiscal management. This is one chicken that is coming home to roost, but, again, the burden will be felt by Western Australian taxpayers and those who want to try to live the Australian dream.

This brings me to another aspect of the Revenue Laws Amendment Bill 2015 that I have concerns about, which is the part that seeks to cap local government rates and water charges rebates. I am pleased that the government has not tried to hide the true purpose of this change. The government will pocket \$26 million over the next three years that it would have normally paid to our pensioners to assist them with the cost of council rates and water charges. We would not be in this position if the government had managed the state finances better over the last seven years. Again, the chickens are coming home to roost for someone other than those who are to blame. In this case, it is the people who have done their bit for the state and would normally be looking forward to the government assisting them in a quality retirement. I believe many pensioner households will be impacted by this change, including my parents and Gina's parents. I have a list of the number of pensioners in the different councils, but I will not go through them, because a number of members have already touched on that. It is amazing to think that nearly 50 000 pensioner households will be affected by this change. I concur with Hon Sue Ellery; I think that this is a very, very "courageous" move.

A lot of households will be affected by these changes and one might think that these good people will return the proverbial chicken when they have the opportunity in March 2017. It is shameful that many of these pensioners are on a fixed income whereby any change to their financial situation can cause them great heartache. I will talk about my parents again. My dad was a bricklayer. My stepmum worked in the hospitality industry all her life, in cafeterias and such. They worked very hard and have paid off their house. They have a house in Beechboro on a quarter acre block. I keep telling them they should do something with the quarter acre block, because I hate those as well. They have paid off their house and they do not have any debts and they have a little bit of money in the bank—not a lot. They live on the pension and these changes will have a significant impact on them.

Talking about dad, I try to help my dad on occasion, but he is also very proud. I think most members will have parents who are proud. As I said, he has his house, he has no debts and he thinks he has done the right thing and believes that he is entitled to a pension and for the government to look after him. I will give members an example of his pride. His hearing and his eyesight are not very good and he has had a lot of problems with skin cancer. Being a bricklayer, he wore thongs and a pair of shorts to bend over to lay his bricks in the heat of the Western Australian sun, and he has skin cancers all over him. Luckily, none of them have travelled internally; they are all skin cancers. He makes a very good advertisement for sunscreen. He has to take a lot of tablets, and I thought I would do the right thing by him and get the local chemist to do a Webster-pak. My dad was not very keen on doing it—I think it was because of the cost. It does not cost a lot; it is about \$5 a week. Ten dollars a fortnight is not a lot of money. I made an account with the chemist and paid for six months, but my dad thought it was being done for free. Just after the six months came to an end, the chemist asked my dad if he wanted to give over some more money to pay for that Webster-pak, and I got the biggest blast members will ever see a son can get because I had, sort of, crossed him and tried to do something for him that he had not asked for.

People of my dad's vintage tend to think that the house is for them to live in and they want to leave it to the kids. The kids do not care. When their parents pass away, the kids will probably get \$10 000 or \$15 000 each and they will go on a holiday and that will be the end of it. But it is important for my parents that they leave the family home to their kids. That is just the vintage they are. I saw something on television or heard it on the radio in which people who owned their home could—not negative gear, that is the wrong word—negative finance their home to get a decent income.

Hon Sue Ellery: It is a reverse mortgage.

Hon MARTIN PRITCHARD: I tried to talk to my dad about a reverse mortgage so that he could do a few trips around the world and enjoy his last years. He would not have a word of it. He owns his own home and that is his security and what he wants to leave to the kids.

This pain follows the cut to the cost-of-living rebate last year. It is just another blow to those many pensioners on a fixed income. For many of us, the amount of money we are talking about could be absorbed by realigning our priorities or getting a second part-time job if necessary, but those are not really choices for pensioners and retirees. Many of these people would probably have to put together a plan or matrix based on a set income that includes government support to get a reasonable standard of living. My dad and my stepmum are both on the pension. They take into consideration any assistance they get, and that is the money they have to spend a year. Those plans are dashed because the government has not been fiscally responsible, and the consequences can be quite dire. I know that the government will say that slashing the cost-of-living rebate was not of its doing—it

was not. It was the conservative federal government's fault, but I note that many state governments took the position of absorbing the reduction or at least delaying its implementation. Unfortunately, this state is not in the position to do the same, and I hope pensioners understand why.

On the other side of the ledger, the government is increasing its charges by more than inflation—a lot more than inflation. This year, electricity, water, sewerage and drainage costs rose by 4.5 per cent. Honourable members have cited figures that suggest that over the last seven years increases to charges have been much more than 4.5 per cent. The emergency services levy rose by 10.5 per cent and motor vehicle licensing fees rose by three per cent.

I do not usually invite interjections, but if members feel that they wish to interject on this next point, I understand. While I was driving to work—"work", I am still a shop assistant at heart!—here, I heard an interview on the radio that made my blood boil. I could not stop and take notes and I did not hear the end of the interview. Members may know more about it than I do and if they feel they have to interject to ensure that I get it right, I understand. The interview was on ABC radio—that is the only station that I ever listen to—and it was with the chief executive officer of the Water Corporation, Sue Murphy. I hope I have that right. I believe she was on the radio to say how well she had done and how well her department had done to get a major profit this year, and that they had done a really good job. The interviewer took a slightly different angle and suggested that the better Water Corporation did meant that it had got more and more money out of the public, and the interview turned very negative.

Sue Murphy then went into defence mode and said words to the effect of, "Well it's not us that set the prices; it's the government. We don't set the prices; it is the government that sets the prices." That is true. The government set the prices. She then said words to the effect, "The reason they set the prices like that is so that they can help, you know, the people that need it, like pensioners." I am paraphrasing to a large extent there. She mentioned a number of different groups, but I am sure pensioners were included. Then she said words to the effect of, "We made more than \$900 million profit." That was almost a boast to say that it was about 30 per cent higher than they gave the government two years ago. It made my blood boil to think that the government is cutting the assistance to pensioners and the person in charge of Water Corporation is showing off and saying, "We did really well; we really got that money out of the public. We got \$900 million or more." It really upset me. I note that no-one is interjecting, so assume I got that right. I am happy to have that corrected.

Hon Sue Ellery: No, you're right.

Hon MARTIN PRITCHARD: The result of that, particularly for those on fixed incomes, is that assistance will be going down and charges will be going up. That is not an enviable position, and it really comes down to poor fiscal management by this government. The government really should be in a better position to assist pensioners more than it is doing at the moment.

I am not going to bang on about Elizabeth Quay and the stadium. Those decisions have already been made; they cannot be changed. But that is small comfort to pensioners as they see any financial reserves disappear, and, worse, if they see their weekly spend on shopping become discretionary spending, which it could do. In the words of one retired voter, Sam Zammit —

"My wife and I have always contributed. Surely we're entitled to some respect and consideration from the government. You'd think Mr Barnett would be saying, 'We should leave these people alone'," ...

I agree with him. Given the state's finances, I do not think that Sam will be getting the respect and consideration that he deserves. What I think we will be getting is more revenue bills to consider, but it is the loan bills that we really have to worry about. With that, I conclude my contribution.

HON DARREN WEST (Agricultural) [6.12 pm]: I will be brief. I have urgent parliamentary business tomorrow, so I will keep my remarks on the Revenue Laws Amendment Bill 2015 short so that I can get them finished tonight. The government is stooping to an even newer low by attacking pensioners and first home buyers. As a consequence of the government's fiscal ineptitude, we are here now planning to seriously whack the most vulnerable among us. As I look across the chamber, I wonder why the current Liberal-National government, with a couple of exceptions, intends to pass legislation that will adversely impact on older people and pensioners. However, I will leave people to speculate why I might think that.

I want to refer to my electorate, the Agricultural Region. I take on board the magnificent contributions of Hon Martin Pritchard and other speakers who have debated the bill in a personal context, because I think that members opposite have no idea what it is like to get hit and hit and hit all their lives, and to finally get on a pension and retire and then be hit and hit and hit again.

I want to run through a list of local governments—there are a lot so I will start with some of the bigger ones first—and the number of households that will be adversely affected by this bill. I note that Hon Ken Travers

pointed out in his contribution that 6 288 pensioner households—a large number—in the City of Wanneroo would be affected as a consequence of this bill. However, in the City of Greater Geraldton 1 780 pensioner households will be affected. Geraldton is not a great big place, but 1 780 pensioner households will be affected by the government's fiscal ineptitude and as a consequence of this legislation. In the Shire of Toodyay, 444 pensioner households will be affected; in the Shire of Northam, 298 pensioner households will be affected; in Narrogin, 187 pensioner households will be affected; and in Dongara, 180 pensioner households. I note that in Kondinin, 169 households will be affected by these changes in the bill; 147 in York and over 100 in Gingin.

Once again, where are the WA Nationals when it comes to defending their electorates when they have such large numbers in the regional areas that they claim to represent? I am sorry that no member of the National Party is here at the moment; they are all out of the chamber on urgent parliamentary business. But where are the Nationals when it comes to defending regional Western Australia? All its nomenclature and slogans say that it is here for Western Australia, yet here is a piece of legislation—I think I have added up the figures correctly—that is going to whack and adversely financially affect pensioners in 39 local governments in my electorate. I am talking about 3 502 households in my electorate—that is not individuals; that is households—and the National Party has not said a peep. We have not heard a word. I do not think we will. When it comes to the crunch the WA Nationals are not here for the people of regional Western Australia; they are here to support the Liberals, and that is what they continue to do.

I understand some of the changes to the first home owner grant. Clearly, the property market has cooled due to the end of the greatest boom and consequently the price of housing is lower. That is not to say that we should socially engineer where first home buyers can live. That is what this bill is effectively doing. It is effectively pushing first home buyers out to the fringes of the metropolitan area. As many members have pointed out, that is not a great urban planning outcome. I know that first home buyers can build on infill land in closer suburbs to Perth, but generally that is not the case. That is generally the domain of more mature home buyers who are perhaps a little bit wealthier and have the capacity to borrow greater sums of money required to buy those blocks of land and build homes in those suburbs. However, to take it completely away from an established home pushes the market in one direction. I would have thought that one of the philosophies of the Liberal Party members would be to allow the market to be free. When a policy is brought in that goes against that I think members of the Liberal Party would have to perhaps question it.

Before time beats me, I want to raise one other matter very briefly. Have members of the government ever thought about the concept of providing an incentive for older owners of large homes to downsize, because it would free up capacity in the market? It is not that we do not have a lot of houses; it is just that we do not have a lot of people in many of those houses. Perhaps there should be an amendment that would perhaps give relief to older homeowners to downsize to a smaller home to free up that housing stock for families and people who need the four by two with the big back shed to buy. That is just a thought that I had.

This bill will raise another \$109 million over four years. I jokingly said last week during debate of the last revenue bill that we should put a month on these bills instead of a year. We only finished debating one of these bills last week and here we are debating another one this week.

The cost of building homes in regional areas is much higher than the cost of buying existing homes in regional areas, so this bill will adversely affect first home buyers in regional areas. A person can buy an established house for \$100 000 in Wyalkatchem, but they cannot build one for that. This bill will adversely affect my electorate, especially a lot of the small country towns in which established houses are cheaper, because it will help to deny first home buyers the opportunity to buy houses in those small communities. Hon Martin Pritchard is spot on when he said that this bill is due to the government's poor fiscal management, its incapacity to handle the state's finances, and now we are looking to people such as pensioners and first home owners to pick up the slack. That is disgraceful. It is a really new low for this totally fiscally inept Liberal–National government, and at some point soon it will have to stop going to the most vulnerable in the community and stop spending rather than seeing where it can get its next dollar from.

Debate adjourned, pursuant to temporary orders.