

LAND LEGISLATION AMENDMENT BILL 2014
LAND LEGISLATION AMENDMENT (TAXING) BILL 2014

Second Reading — Cognate Debate

Resumed from 26 February.

MR C.J. TALLENTIRE (Gosnells) [10.14 am]: I rise to continue my remarks on these cognate bills, the Land Legislation Amendment Bill 2014 and the Land Legislation Amendment (Taxing) Bill 2014.

These bills are essentially about the funding arrangements for a government agency, the agency known as Landgate. It is an agency that has a proud history of being a record keeper of all of the certificates of title relating to all the properties that we live in and on in this state. It is a mammoth task to ensure that we have a level of quality of record keeping that inspires confidence and enables potential buyers and sellers to know exactly the ownership status of a particular property.

When one speaks socially with people, invariably conversation turns to matters of property; it is almost a passion for many people. Those of us who are fortunate enough to own property are always interested in knowing what the property market is doing, understanding what the trends are and seeing whether there has been an increase in the value of our particular property, or properties in many cases. We also need to acknowledge, of course, that there are many in our community who will not be touched by this legislation at all because they are not fortunate enough to be property owners. That, of course, is a discussion that we often come to in this place—that there are too many people who simply do not have the financial capacity to become property owners, but that is not the point of this discussion. This debate is about how to ensure our sole property record keeper in Western Australia has sufficient funding.

I note that Landgate is responsible for something like 1.4 million titles, which is a huge number. It uses the Torrens title system of record keeping, which enables people to see a mirror image of their certificate of title, held by the record keeper, Landgate. One could say that the business of record keeping is a fixed-cost activity. Maintaining this huge database, maintaining confidence and maintaining accessibility so that people can interrogate the system as they need to is a mammoth task to do properly and, of course, it is one that changes rapidly as we adopt new technologies to do a job that was once done in a very clerical, hardcopy fashion. We now have the advantage of all the electronic systems and online access that make the system even better, and that is entirely commendable.

Interestingly, this is one of those cases in which the arrival of technology has not necessarily reduced the cost of the organisation's activities; if anything, it has been the opposite. In fact, Landgate is currently in need of more money, more capital, to improve its computing capacity so it can provide information in a more accessible manner and also just to store things. In the long term this will perhaps be an area in which we find that the cost of activity on a unit basis will be reduced thanks to the use of various technologies, but we need to invest in Landgate to enable it to invest in itself so that it has the capacity to improve its services and to make sure that it is using the latest technology.

The opposition supports this legislation and the idea of increasing the fees on transactions, such as registering. One of the services provided by Landgate is the registration of a certificate of title when there has been a change of ownership, or the registration of a mortgage. These bills support a slight increase. No-one in this place takes lightly the issue of increasing fees and taxes. Government members often rile at the suggestion that they are responsible for tax increases, but the reality is that often, to provide good government and good services, we need to tax people. The Liberal and National Parties need to be a bit more honest about that from time to time. There is an old saying that no-one likes paying taxes, but the reality is to have quality services and a system of great integrity, such as our Landgate-administered land title system —

Mr D.T. Redman: The bills do not actually set any increases in fees at all; they lock in current fees. Our commitment, which has been explicit, is that any introduction of new fees is limited to CPI. Hopefully it will not be an increase at all. The bills actually have no prescription about fees; it is just the mechanism.

Mr C.J. TALLENTIRE: Thanks for that, minister. As the minister said, it allows for increases in line with the consumer price index. The minister had the option of dropping fees down in such a way that Landgate would have been vulnerable to fluctuations in activity in the property market. I guess this is the real crux of the bills. Landgate faced a problem. In 2008, the global financial crisis resulted in a sudden downturn in activity in the property market. Not just a downturn or a decrease in the value of properties transacted, but an actual decrease in the amount of activity. There was therefore a decline in the number of certificate of title registrations and a decline in the revenue going to Landgate. Suddenly, Landgate found itself in a situation of asking Treasury for a top-up so that it could meet its budgetary requirements. In other years, the activity in the property market was greater than anticipated. In years when the activity was greater, Landgate found itself in what could be called a fortunate situation—it had surplus funds, but it was then required to give that surplus to consolidated revenue.

We are trying to eliminate the ups and downs. We are trying to smooth things out by slightly increasing the overall amount on a property transaction.

The alternative method of allowing people to pay the minimum amount would have meant a saving of around \$7 on a typical property transaction. Most people turn over their homes, on average, every seven years. If we allowed for that, it would have meant a saving of about \$7 every seven or so years, for a property transaction typically worth \$500 000. We are not talking about a large hit on people's budgeting here, especially when we compare the actual amounts relative to the value of a property transaction and other associated costs such as real estate agent fees, stamp duty and removal costs and all those other things involved in a property transaction. This is relatively small. It is distributed, but for the sake of good funding at Landgate, it is all quite essential.

The opposition is concerned about the capacity of Landgate to retain the funds raised. This legislation provides that in one of the better years, when property transactions are humming along, excess funds can be retained by Landgate so that it can smooth out the amount it would need in a leaner year. It can transfer the amounts raised from a high yielding year to a lower yielding year. What guarantees are in place that the funds raised will not somehow be transferred to consolidated revenue? During informal communications with the Minister for Lands on this point, we asked whether there is a fund within Landgate that would hold the surpluses when there are surpluses. I thank the minister and his staff for the briefings that have been given and for their quick response to our question on this point. The information provided says —

- There is no likelihood of Landgate's surpluses being lost to other agencies.

I will go through the rationale behind that —

- Landgate's operating surpluses are fully audited by the Office of the Auditor General.

That is reassuring —

- The National Tax Equivalent Regime taxes and Payroll taxes are calculated and paid in accordance with applicable taxation legislation.
- Dividends are paid in accordance with section 71 of the *Land Information Authority Act 2006*
- Dividends are recommended by the Board to the Minister who, with the Treasurer's concurrence, may accept the recommendation, or after consultation with the Authority's board of management, fix the amount of dividend to be paid.
- To date, all dividends have been accepted as recommended by the Landgate board of management.
- All remaining surplus funds are held on Landgate's Statement of Financial Position (balance sheet) as retained earnings.
- Retained earnings are protected by the fact that Landgate can only incur expenditure that:
 - has been approved as part of the annual parliamentary budget estimates process; or
 - where it is within its powers under the LIA Act to invest in a relevant business concern, subject to the Minister's and Treasurer's approvals.

I guess we can see that there will always be that political discretion. That is brought into play by the Minister for Lands and the Treasurer.

Two more dot points state —

- In all cases Treasury is consulted and takes into account the potential impact on two of the State's key fiscal targets, namely Net Debt and the Net Operating Balance.

I have concerns about that. Naturally, an easy way to reduce net debt and improve the net operating balance would be to take a surplus from Landgate. I have some concern about that.

Ms R. Saffioti: Withholding the money to reduce net debt and basically creating the fund to try to impact on net debt is another way. Overcharging to create a fund reduces net debt. That is what has been done with some other funds around the place.

Mr C.J. TALLENTIRE: Thank you, member for West Swan. That concern is something we will need to look at further in consideration in detail.

The final dot point states that —

- Landgate's view is that no amendment is needed to the Bills to address the concern expressed by the Honourable Chris Tallentire.

The opposition will pursue that matter further during consideration in detail. It would be tempting for any government to look upon an organisation such as Landgate as a bit of a cash cow, because it is an organisation

that people have to use. People use it at a stage in their lives when they are dealing with big sums of money. We need to look at a clever way of putting into play some sort of additional fee that can be manoeuvred around as a means of reducing net debt.

In looking through the various issues raised in response to our question about the potential need for the establishment of a fund to hold Landgate's surpluses, we noted that the role of the Landgate board is mentioned. It is important that the people on the Landgate board are completely conversant with industry activities. From what I can see, such people who have great knowledge of how our property sector works are on the board, and that is essential. However, I want to raise the issue of Landgate's role and the connection with what is probably the state's pre-eminent property body, the Real Estate Institute of Western Australia. Naturally, the institute looks after the interests of all its consumers, especially the real estate agents who are its members. However, from time to time certain conflicts could arise. I think the classic conflict is around the consumer wanting to know the truth about the level of activity in the property market. I think the Real Estate Institute of WA is very candid about that. However, at times I hear the institute talking up the market when perhaps the reality is a little bleaker than the institute might be saying, so that can be a conflict. It is therefore important we ensure that a good arm's length is maintained between the composition of the Landgate board and the Real Estate Institute.

On the one hand, we need on the Landgate board the expertise of people who have worked in the real estate sector but, on the other hand, we do not want to see Landgate somehow become not a play thing, but an organisation that is too closely affiliated with the Real Estate Institute, because we need impartial advice. I think we can foresee that Landgate's additional capacities will provide the Western Australian public with an even better quality service. At the moment, if anyone who wants information on the property market looks at one of the real estate websites—Realestate.com.au, for example—and clicks on a link to find a real estate agent that is advertising a property they might be interested in, they can follow the link to that website and to the various banks' sites. The site will contain an analysis of the property activity in the relevant area. I understand that information to be quite impartial; it is nevertheless provided to purchasers via the organisation that has a vested interest in keeping the level of activity as high as possible. I think Landgate has a future role to play in providing the market with as much information as possible. At the moment, if we want really good information about the Western Australian property market, we are probably better off consulting the Real Estate Institute of Western Australia's quarterly documents, I think, that are sent to members of Parliament and are readily available to the public. They are very useful documents. I would like to see Landgate produce that level of information.

That is a theme in my speech in that I hope by ensuring that Landgate is reliably funded, the quality of service is first of all maintained, and then expanded upon so that we get the very best impartial information. I will give a few examples of how that quality of information is very important and how there are areas in which Landgate could be the organisation that steps into fulfilling that need. After all, one of the fundamentals of economic theory on how a market should operate is a good, free flow of information whereby everyone has equal access to information that is integral to it. To do that, we need as impartial a body as possible to be the distributor of that information.

Just before I go to some of the different services I would like to talk about, I will elaborate a bit further on the potential for conflict between the Real Estate Institute and Landgate and why funding is needed to ensure Landgate's impartiality. It was interesting when a couple of years ago there were some property scams. From my recollection and my research on this, the real estate agents involved failed in their due diligence when it came to checking on the ownership of the properties they were selling. At the time, I raised my concern in this place and expressed some disappointment that REIWA had not communicated that obligation; it had not provided the support to real estate agents on that issue. I got a letter back from REIWA, which dates back to 2010 and is what we might term one of those snaky letters that we as members of Parliament sometimes get, critical of my speech suggesting REIWA and its members had some degree of responsibility for the property transaction scam. The letter reads —

It is difficult to understand why you feel REIWA would accept responsibility for one of its members being one of the victims of the scam. The agent had entered into a selling agency agreement with a person pretending to be the owner in South Africa who provided enough documentation to support this as required under The Act. Indeed, it was Landgate which wrongly processed an application for another Certificate of Title. Along with her client, the agent is devastated by the crime.

We can see from that the tension that can exist between REIWA and Landgate. REIWA's view was that it was not the real estate agent's fault for not adequately checking that the person pretending to be the owner of the property was actually the owner of the property. I think that is a concern. I have to say that I have had an experience looking at a property with a REIWA-member real estate agent only to find that the person whom I was told was the vendor was not actually the vendor. On another occasion, I ended up buying a property from a deceased estate but the person who said that they were the administrator for the deceased estate was not

actually the administrator. We can see, therefore, that sometimes some real estate agents do not do enough checking or do not do the work that I think they are fairly generously paid for, and that is unfortunate. Most real estate agents I have dealt with have been highly professional and a pleasure to deal with. I make the point that they display a high degree of competency, but I have concerns when the peak industry body immediately attacks Landgate, saying, "It was Landgate's fault for registering the certificate of title." In the case I referred to that goes back to 2010, I think there was a good case for that real estate agent to have done a lot more to check the credentials of the person purporting to be the vendor of the property. We moved on from that, though, and I understand that arrangements were made by the previous Minister for Lands, now the member for Pilbara, to counter that very type of problem, so that is encouraging. However, it raises that point about how close the Real Estate Institute of Western Australia should be to the Landgate board. I notice that on the Landgate board are some very good people who were previously at REIWA. I am sure that they are able draw that distinction between the stages of their careers and recognise that their responsibilities are now with the Landgate board.

I want to move on to the issue of the information that Landgate is able to provide people. We are hoping to see this improved and enhanced when this more reliable stream of funding goes to Landgate. This is the justification, if we like, for the increase in the fees. I will use one example. I put a question to the Minister for Lands and the response illustrates that there is room for considerable improvement in the level of information that can be provided. I will give a bit of background to this. There has been an inquiry into strata titles in Western Australia. The Strata Titles Act needs to improve and I think we all agree that it needs some work. Personally, I have been very interested in the idea of ensuring that people who live in strata complexes are able to make adjustments to their properties, which are often units or townhouses. For example, people may want to install a photovoltaic panel system on their part of the strata title complex. That sort of change can be very difficult to make if one member of the body corporate in the strata complex disagrees. Similarly, permission may be required from the whole of the body corporate for something as banal as putting an awning on a west-facing window to keep out the sun and reduce the need for air-conditioning. If one person objects, the government's arrangements prevent this from happening. I was curious to know how widely felt this issue would be with solar panels on strata complexes, so I put to the minister the following question —

I refer to the installation of solar photovoltaic panels on properties that are covered by a strata title and ask how many strata title units have the benefit of registered exclusive use bylaws for use of roof space for solar panel photovoltaic installations?

It is detailed information, I will grant the minister that, but it is important information so that we can assess what is going on with the growing number of strata dwellings. The last figure I saw was that there is something like 200 000 strata dwellings in Western Australia. It really is a growing area; it is great because it gives people the opportunity to buy into more affordable areas and live in different situations in complexes that give them access to swimming pools and gymnasiums. A range of really exciting possibilities come about when we have well-organised strata structures. It is a very exciting area. However, there is a high degree of scepticism among many Western Australians who have not lived in a strata complex before or who have had a negative experience. If someone has put up their hand to put photovoltaic panels on their townhouse and someone in the body corporate has objected, under the current laws they have not been able to go ahead and install them. Ninety people may live there, but it takes only one person to object for the person not to be able to go ahead and do it. That is a really disappointing experience for people, so we must resolve that in the government's arrangements. The review into the Strata Titles Act will look at that sort of thing. I look forward to that information coming forward and no doubt the amendments to the act also coming forward.

I return to my example. When I put my simple question to the minister to gauge the take-up rate for solar panels on strata properties, the answer was incredibly disappointing. The minister said —

The information requested is not readily accessible. The collation and provision of this information is not a reasonable use of resources.

My question was all about finding out the scale of the situation so that we could improve public policy in Western Australia and I was shut down, basically, with that answer. I was told not to waste the government's time. It did not want to know about this even though it is essential to the consideration of the whole issue of amendments to the Strata Titles Act. That is an example of why Landgate's information services should be improved to enable access to more detailed information on properties. That is what we want and that is what the perfect market situation that we aspire towards should give us. We need as much information to be available to the public as possible to enable people to make sensible decisions about the overall outlook in the sector. We need to know the take-up rate for photovoltaic panels in the strata market. Individuals with an interest in buying a property also need to know that sort of information. For me to be fobbed off like that is an indication that there is something wrong and an inadequacy in the system for providing information.

I want to move on to another area—a very exciting area—where I think Landgate’s activities could go with this new funding boost and new-found capacity. Ten years ago the European Union looked at the issue of the mandatory publication of the energy efficiency rating of any property when it is put up for sale.

Mr W.J. Johnston: As is done in Canberra.

Mr C.J. TALLENTIRE: It is done in Canberra in the Australian Capital Territory. It has been in place for about 10 years, perhaps.

Mr W.J. Johnston: Not quite.

Mr C.J. TALLENTIRE: It is not quite 10 years. From looking at documents I have here, I see that it came into effect in France and right across the European Union on 1 November 2006, so they have had this in place for a number of years. It is very useful to buyers. We could say that perhaps real estate agents will provide this information, and I am sure they will. However, it needs to be underpinned by the actual record keeper also having that information. It will be quite costly to maintain those records because changes will be made. Someone will buy a property with a fairly low energy efficiency rating and then they will put in insulation and make some changes that will improve the energy efficiency rating of that dwelling. But why is this so important? We can imagine someone weighing up two fairly similar properties and trying to make the big decision about which to buy before they spend what is likely to be many hundreds of thousands of dollars. In Western Australia we are deprived of that knowledge when we consider purchasing property. We can make some sort of judgement or commission someone to do an energy efficiency rating on the properties that we are interested in. I compare this with other goods that we buy. For instance, when we go into any whitegoods retailer, we are presented with information about an item’s energy and water efficiency ratings.

That information is available on whitegoods and electronic goods. Why would we not have a similar system in place for what is generally the biggest investment that anyone ever makes, so that information is readily available? People in the European Union wrestled with this question. They said that it made perfect sense and they have done it. Anyone buying a property anywhere in the United Kingdom can go to a real estate agent’s website and straightaway see the energy efficiency rating of a property. That gives people that little bit of extra information upon which they can base what is a very big decision to purchase a property. It means that people make more informed choices. Landgate should look to utilise its improved funding for this kind of system. That would provide the opportunity for real estate agents to get on board with this as well. I raised this issue in this place before when the Real Estate Institute of Western Australia was running training courses for real estate agents into the energy efficiency rating of homes. What an exciting opportunity for that sector to get involved in. Perhaps, for some, it would be a matter of doing a course and gaining the qualification so that they would be certified raters of the energy efficiency of a dwelling or, for others, it might be a matter of commissioning other people to do that. I am not sure on the details of how the system might best work, but it needs to be seen as an opportunity for the real estate sector.

I was disappointed a couple of years ago when I heard the man who I believe is the current president of the Real Estate Institute of Western Australia, Mr David Airey, say that he did not think this was the right time to bring in such a system as he felt it would add an extra impost on people who wanted to buy a property. An energy efficiency rating scheme for a house on a per-unit basis would cost in the order of \$500 or \$600. It is a significant outlay, but when we think about it, that would not only help to inform people’s decision-making, but also send the message out to the market that if people want to make their property more attractive to potential buyers, they should look at investing in energy efficient products in their house. They could ensure that the insulation was of good quality and that west-facing windows were shaded. Various measures are used in a formula that determines the energy rating of a dwelling. I see this as an exciting potential for the real estate sector to be a champion of energy efficiency and to show its understanding and commitment to making our homes more affordable to run. After all, a home that has a better energy efficiency rating will be much cheaper to heat and cool. An initial outlay of \$500, or whatever, will be recouped quickly because people will not have the same size electricity or gas bills. They will soon recover those initial costs and people will make informed decisions and we will send the general message that we have a better quality of housing stock. It will lift up the quality of our housing stock, which is a very positive step.

I want to turn to other information areas that Landgate can get into in delivering its services. I was very pleased to see a report put out in December 2014 by the Property Council of Australia and Psaros, one of the Property Council’s members, in partnership with the Conservation Council of Western Australia, the organisation that I used to work with. It looks at the Perth community’s expectations of properties, and what people are really looking for. It was very interesting to read about the research that they undertook. Quite early on, the document gives a breakdown of the political leanings of people involved in the survey work. It states right up-front that the largest group of their surveyed cohort were Liberal Party of Australia supporters. It states that 35 per cent of those surveyed voted for the Liberals at the last election, 18 per cent for the Greens and

18 per cent for the Labor Party. I am not sure which geographic area the survey focused on to find equal pegging between the Greens and Labor. The percentage of National Party voters was not mentioned, because it was Perth focused. I understand that some National Party voters live in Perth, but they were not picked up in this survey. The interesting thing in the information, bearing in mind this was predominantly responded to by Liberal voters, is the attitude towards higher density living. We have talked a lot about that subject in this place and the Minister for Planning often talks about infill and density rates. The survey found that attitudes lean towards the positive of the scale, with 87 per cent of respondents seeing at least some pros associated with high-density living in Perth city. This is the sort of information that we need to be developing in our general real estate sector. We need to ensure that it is not just the property developers who are talking about what people want because they are supplying a particular type of product. Property developers are very good at supplying three-by-one houses and four-by-two houses on smaller blocks, blocks of 750 square metres or whatever. They have a habit almost of supplying that. We really want to know what consumers want, not just what the market is capable of delivering.

This research by the Property Council, Psaros and the Conservation Council provides that information. We find there is much support for energy and water efficiency in homes, with over 80 per cent of respondents looking for that. This gets back to the home energy efficiency rating system, information to which the real estate sector could contribute and of which Landgate could be the keeper. It would be useful for people, who clearly have an interest in this. In a survey in which 35 per cent of respondents were Liberal voters, 80 per cent wanted that sort of information. The survey found that the majority of respondents do not consider low-density living to be affordable. The survey found that people do not find low-density living affordable in the bulk of the Perth metropolitan area that is generally regarded as being for low-density living. Information on the energy efficiency rating of a home is available wherever one lives in the European Union. I did some research and looked at some of those very expensive properties that are in fact strata properties of a kind, ones that are often held on a 99-year lease and that I think belong to the Duke of Westminster, who owns substantial parts of that part of London that is known as Belgravia. Even when those properties come up for sale, they have home energy efficiency ratings applied to them. People could argue that anyone who can afford property in those sorts of areas could pay any amount of heating and cooling costs, but it is nevertheless of interest to potential buyers to know the energy efficiency rating of a property, and that information is being provided to them.

We have an expectation about all sorts of other issues when it comes to the provision of information through the Landgate service. Naturally, there is a lot of interest in the ownership and residency of property owners with increasing discussion around that, especially when it relates to rural properties. People want to know whether homes are being purchased by overseas buyers. I put on the record that I certainly believe that overseas investment is an important part of our state's wellbeing and economic growth. I think it is reasonable that people know the percentage of properties that are held in the hands of foreign owners; indeed, that is the sort of thing that could also be provided as information. The type of information that Landgate currently provides does get very detailed, and some may have heard my discussion and thought that it was getting too detailed. But already Landgate provides information on such things as the location of water pipes and sewerage lines and whether a property is in a flood zone, which is important to look at. Any sensible buyer would want to know that sort of thing. Interestingly, we have had much discussion about fire risk—we are still waiting for the government to release information on fire-prone areas—but there again, one should be able to consult the Landgate website to look at a good and well-managed geographic information systems image of the Perth metropolitan area to determine the fire risk rating and the fire risk that is likely to be encountered. That sort of information should be provided as well. The extent of information that Landgate can provide in the Perth metropolitan area is broad and varied and much needed by potential buyers.

I turn now to the role of Landgate in regional and rural areas. I must admit that this is probably where I had my first encounter with Landgate. I remember looking at a rural property and being very excited about going to the Landgate office at Midland to get an aerial photo of the property, because it would enable me to see things that I could not see on the ground. For example, I refer to a property owner who can see a drainage channel running though the property but the drainage lines have dried up. As an amusing aside, I remember wondering where to put a bore on a property; the property had a dam, but it needed another bore. I had been talking to an architect in Fremantle about the potential to build on the property and where there might be a water source. We were left with a few options. One was to get a water diviner. I had my aerial photo of the property. The architect from Fremantle said, "I've got a crystal here. If we dangle this over the aerial photo of the property, we might be able to see where the water source is likely to be on the property." I did not test whether using a crystal was a reliable form of water divining —

Mr W.J. Johnston: My brother's a water diviner.

Mr C.J. TALLENTIRE: On occasion when I have walked with a forked piece of wood, I have been convinced that there was a bit of a tug at certain points. This sort of information is very important.

Mr D.T. Redman: I will consult with my dad on this issue.

Mr C.J. TALLENTIRE: It is a very interesting issue. When I talked Phil Commander, a hydrogeologist with the Department of Water, he pointed out—this is a truth that we all know—that there is a lot of water underneath us, but it is not in creeks and streams in underground tunnels. I am not sure how tugging on twigs while one is walking over a piece of ground that has a lot of water contained in its soil profile works.

Mr D.T. Redman: Can I interrupt? I think Dick Smith still has a standing commitment of \$10 000 to anyone who can prove beyond doubt that someone can water divine. I do not think it has been claimed!

Mr C.J. TALLENTIRE: I think there is a community expectation that Landgate provides information in the urban setting, but what I am getting to is the need for Landgate to provide people with easy access to the biophysical environment of the state as well. Landgate is a partner, or has been a partner—I am not sure about its status under the current government—of the Land Monitor project, which was looking at things such as salinity, which we talked about yesterday in another debate. It has information about vegetation, fire risk and all the type of information that a potential property owner, particularly a rural property owner, would want to know. It is not just a matter of looking on a topographic map where the cadastral boundaries might be; it is about getting good biophysical information. I see it as essential that a well-resourced Landgate provides through its website a portal through which people can call up any property in the state to see information attached to that property.

On this point, the minister was obviously at the cabinet table when the Shire of Esperance talked about the potential of some significant areas of land being released for agriculture. We know that that area is welling land from the current agriculture area in Esperance; indeed, the member for Eyre touched on this during a debate yesterday. We know that that area is seen as being incredibly fragile in terms of agricultural viability and that it was probably not worth releasing, but the Shire of Esperance had an idea that it wanted to look at releasing some of the land. I am not attacking the Shire of Esperance, but it is unfortunate that it was not able to go to the Landgate website to see whether that area was, from a soil point of view, unsuitable for agriculture. The Department of Agriculture and Food does all kinds of soil survey work. I am talking about the Cascade area, where some land is currently being farmed and being farmed successfully. But a bit further north, there is even less rainfall and less soil suitability. Why was that information not made readily available to the Shire of Esperance so that it did not have to go to cabinet to talk about an idea that it had not properly researched—and that it could not properly research? Landgate has the capacity to be a window on biophysical research right across the state. There is loads of research, but the problem is that it is all scattered about. If the Department of Agriculture and Food has soil survey work relating to parts of the Shires of Ravensthorpe and Esperance, it should be readily and quickly accessible through a Landgate window.

In 2004, substantial act of grace payments were made to landholders in the Shire of Esperance after they attacked the state government for giving them land through a land release process that was not viable for agriculture. I have copies of the act of grace payments that Minister Doug Shave signed off on, one of which dates back to 30 November 2000 and is for a sum of \$500 000. The state of Western Australia was able to be attacked by someone who was out of pocket after the state gave him land that was not suitable for agriculture. Moneys received by the landholders include \$150 000, \$90 000 and \$500 000, which are massive amounts of money. That is important information about the state. I understand that the nature of these act of grace payments is that people can negotiate confidentiality clauses, but that information tells us something about the agricultural suitability of the land in that area, so I would have thought that Landgate would have been able to provide some insight into the history about land transactions in that area.

The need for Landgate to be a well-funded and reliably-funded body is well understood on this side of the house. People need to make good decisions when dealing with property transactions and we know there are many benefits to having a source that provides information on the legal aspects of property ownership and the nature of a strata complex. We look forward to seeing any proposed amendments to the Strata Titles Act and we want to see Landgate maintain, develop and enhance its role as a provider of all kinds of biophysical information about the state. That is a role that Landgate should and can fulfil if it is adequately funded and, for that reason, we support the legislation.

MR W.J. JOHNSTON (Cannington) [11.11 am]: I rise to support the Labor Party's position on the Land Legislation Amendment Bill 2014. As members know, we support the legislation. It is interesting to note that we cannot get between a tax and this government. If there is an opportunity for a tax, this government will be right in there, and that is what we are discussing today. This is a taxing bill because this is a Liberal tax-and-spend government. This government has the highest taxation level ever in the history of this state. There has never been a government in this state that has had higher taxes than the current government, and this bill continues that strong record of this Liberal tax-and-spend government. Sometimes this government is called the Liberal–National alliance government, so I cannot just say “the Liberal tax-and-spend government” but rather, I must say that it is “the Liberal–National alliance tax-and-spend government”. I note that the Minister for Lands

is the Leader of the National Party and again he is proudly increasing taxes in Western Australia. Previously, he has only voted to increase taxes, but today it is his opportunity to increase taxes or create a tax for the first time.

Let us understand what has happened. Landgate previously charged for services but, in accordance with the arrangements of our state, charges must only equal the cost of the operations of government. If an agency wants to make a charge that goes beyond the expense of government, that is a tax. Of course, we all know the very famous High Court case many years ago that knocked off the state's franchise fees. The High Court ruled that the states could not tax anything in the form of a franchise fee and that anything in that nature is a—I have to try to get the word right—volumetric tax.

Ms R. Saffioti: Not a levy?

Mr W.J. JOHNSTON: No, that is not the word I am looking for. It does not matter. The commonwealth has exclusive rights to that and the states must have their taxes clearly identified; they must be within power and for the purpose. Because we are moving from a charge to an amount that is above cost recovery, that makes it a tax. As I have said before, I have no trouble at all with the fact that governments need to raise taxes to perform the functions of government. I have never heard any member of the Labor Party object to the idea that we need to collect taxes from the community so that the functions of government can be performed. What always strikes me though is that Labor Party members of Parliament who honestly explain that to the community stand in contrast to our political opponents who so often, particularly in their inaugural speeches, come into this Parliament and talk about reducing taxes.

Ms R. Saffioti: And abolishing them.

Mr W.J. JOHNSTON: Abolishing and reducing taxes. It is always then amusing to see the government come in here and pile more taxes on top of more taxes. The spurious claims in the second reading speech would be amusing and equal to the Premier of Western Australia's comedy act in question time were they not so serious—they would be very funny.

I will draw the attention of members to a few points in the second reading speech. If we look on the second page of the minister's speech, not as printed in *Hansard*, but as handed out with the explanatory memorandum and the bill, the third paragraph states —

If Landgate's Pricing Reform is not implemented, cost savings would have to be passed on to consumers as lower fees.

Oh, my God! What an outrage! No wonder the Liberal–National Party government is so offended by that.

Mr D.T. Redman: If the member reads it in context he will see —

Mr W.J. JOHNSTON: I will read it in context minister. It continues —

Given that consumers, on average, transact on a property once every seven years, Landgate has estimated that an individual consumer would save:

- \$7.20 based on an average lodgment fee of \$168; and
- 0.80c on an average search fee of \$25.00.

Mr D.T. Redman: But the point is that there is no incentive to reduce costs and that is the challenge.

Mr W.J. JOHNSTON: Yes, but there is no incentive to reduce costs now.

Mr D.T. Redman: That is the point I am making.

Mr W.J. JOHNSTON: No. After the passage of this legislation, reduced costs will benefit the government but not Landgate or the consumer. All this government is doing is locking in the penalty on the consumer.

Mr D.T. Redman: It does benefit Landgate —

Mr W.J. JOHNSTON: We will get back to that in a minute, minister. The outrage that the Leader of the National Party is trying to overcome is that if there were cost savings, the benefit would pass to consumers. The minister is so outraged because he does not want to give any benefit to consumers, and no wonder, because that is not what the National Party or this government is about. The fact that it continually rejects good government and has delivered historically the largest budget deficit—the first since the last time there was a Liberal–National government—it clearly shows the problem that the government has managing the budget and these taxes.

On the third page of the minister's second reading speech under the heading of "Benefits", the minister's first dot point reads —

deliver fee certainty to consumers

In other words, deliver higher fee certainty so that the minister can now guarantee that fees will not fall. The next dot point reads —

provide a more sustainable and less volatile funding source for Landgate by reducing the impact on Landgate of property market volatility.

The minister is saying that there will be no need for any top-ups from budget for the volatility in funding. The dot point on the next page contains some sub-points. I will read one particular sub-point, which I know the member for Victoria Park will be particularly interested in. It states —

pay an increased dividend and a higher national tax equivalent amount to the State to support government expenditure in other areas

This goes to the heart of the problem that the minister, as highlighted in his interjections a moment ago, does not understand. The exact reason this minister has introduced this legislation is written on the fourth page of his speech: he wants to take larger dividends and higher tax equivalents out of Landgate not to support the work, the functioning or the activities of Landgate, but to support expenditure in other areas. Perhaps that is a laudable idea. It might well be something that this government can actually do because no-one on the Labor side objects to the idea that the government needs to raise sufficient taxes to have a functioning government. The problem is that it cannot then be sold to the benefit of Landgate if money is going to be taken out of Landgate.

I note that Landgate maintains a fabulous geographic information system. The member for Gosnells went through some of its activities in detail. In my office is a Landgate photograph of my electorate. It has different things marked on it. It is an aerial photograph overlaid with the boundaries of the electorate, place names, streets, the local government boundaries and suburb boundaries. Every time people walk into the office, particularly teenage kids, they like to look at it. Landgate has many other things on its GIS database. It is interesting to note that a GIS database is maintained by the Department of Water and a GIS database is maintained by the Department of Mines and Petroleum. The Minister for Mines and Petroleum was flashing his phone around yesterday talking about a new app that is available from the department of mines that enables people to get GIS information off the mines' database. It would be a good idea to use these additional resources to start bringing those databases together. The Department of Water had two separate GIS databases. Over the last several years, it has been working on a project to bring those two together. It would have a water bore coded differently in one database compared with the other. Even though they were the same bore in the two databases, the databases could not be matched because they were geocoded in different locations. If we had a single GIS database for all of state government—Landgate is the logical place to keep it—we could overcome all of those problems. We would be able to bring together land use planning for Landgate, the Water Corporation, Mines and Petroleum, roads, Transport and the Public Transport Authority.

The use of GIS is part of the future of good government. There are lots of examples around the world of governments using GIS as the basis for decision-making. I have suddenly realised that I have used the term GIS a number of times. That is short for geographic information system—a general term that is used around the world for these types of databases. Rather than just hiving the money off to cover the enormous Western Australian record budget deficit, which is what the government is going to do with these additional taxes, it could be allocated to bring together all these GIS systems that are run by the separate agencies. For example, the Landgate database is used by the WA Electoral Commission to draw our boundaries. It is something that we all feel very connected to. If we brought all those databases together, we could have more sensitivity about contaminated sites. I know that housing developments in my electorate—I am sure it has happened in other members' electorates—have been approved or a redevelopment of a particular block has been approved when there was contamination nearby. Those members who have electorates that are former wetlands, as mine is, would know that it is very important to maintain the drainage systems. If we go within two metres of the surface in Queens Park, we will hit water. If we remove the drainage systems in Queens Park, Beckenham and East Cannington, the watertable would rise and everybody's house would sink. That is a very important part of the urban infrastructure, maintained by the Water Corporation. We need to bring all that data together so that better planning can be done. I will give an example of that. We need compensation basins for these drainage systems to allow for large rain events. Sometimes the compensation basins are developed right up to the edge of the basin. That means we have an ugly pit in a street. If we had better land-use planning, more space would be allowed around the compensation basins and they could be turned into parkland that would flood only when there was a rain event rather than having this ugly pit sitting in a street. I use Gerard Street in East Cannington as an example. There is a compensation basin just next to the Gibbs Street Primary School, and it is ugly. If we had better land-use planning and brought all these things together under one database, we would have a superior outcome and that would be good for everyone. Rather than throwing the money into the pit of the Premier's budget deficit—let us say it will be \$10 million over four years; I do not know the exact figure but I am sure the minister will let us know later—which will not make any real difference to the billions of dollars of

deficit, it could instead be allocated to doing something that would really make a difference for everybody in the state.

I want to quickly turn to some other issues that are related to Landgate. I was interested in the member for Gosnells' comments about overseas buyers of land in Western Australia and the current controversy in Sydney where the federal Treasurer is demanding the disposal of a \$35 million property because it was bought by a foreign buyer without Foreign Investment Review Board approval. Like the member for Gosnells, I welcome foreign investment in Australia; it is a huge benefit to us. We are a capital recipient, not a capital donor. There is more foreign investment into Australia than foreign investment out of Australia. It has benefited us enormously. I know that in housing there is always this question of how much extra demand is pushing up prices. In question on notice 2315 to the Minister for Housing, which was answered on 12 August 2014, I asked —

... does the department of housing record if purchases of blocks are made by non-resident foreign nationals; and

As far as I am concerned, foreign nationals who are residents of Australia should be treated equally with Australian nationals. There is no reason for them to be considered special. Then I asked —

if yes ... please provide the number of blocks purchased by non-resident foreign nationals for each year as below:

That question was in respect of the Department of Housing's affordable housing strategy. The answer was that the department does not keep records of whether non-resident foreign nationals are buying any of the blocks that they are producing.

[Member's time extended.]

Mr W.J. JOHNSTON: We could have a better understanding of the impact of non-resident foreign nationals purchasing land. The debate about this issue would be properly informed because sometimes there can be a hue and cry on these matters that is not justified. I cannot conclude that because the data is not available to us in a proper way. I know that the National Party is under pressure on the issue of foreign purchases of farming land. Again, if more information was recorded on Landgate's database, that would be something.

Let us take the example of buying farmland as opposed to residential land. Foreign capital is going to be of benefit to the rural industry in Western Australia, and at the end of the day, the foreign buyer cannot take the land with them. They cannot take the land back to Indonesia, China or Malaysia; it is always going to be Australian land, and if the investment does not succeed, it is unfortunate for the foreign investor, but positive for us, because we will have had the benefit of the additional capital coming in.

Ms R. Saffioti: Would you change that opinion if there was, for example, \$330 million of taxpayers' money put into it?

Mr W.J. JOHNSTON: Yes. I am not talking about wasting \$330 million of taxpayers' money to create land; I am talking about actual investment in farming.

Ms R. Saffioti: Actual investment in farming?

Mr W.J. JOHNSTON: I know; it is outrageous!

Mr P. Papalia: Some outcomes.

Mr W.J. JOHNSTON: Some outcomes, yes. They are not spending \$330 million to grow grass; I am talking about —

Mr P. Papalia: You get a road and a drain.

Mr W.J. JOHNSTON: The drain leaks, of course! We will have to get Working Dog in here to give a presentation.

Mr D.T. Redman: The key thing with foreign investment for the community is having visibility. I think that's the key issue.

Mr W.J. JOHNSTON: Yes, and at the moment, as the minister knows, there is no visibility. That is what I am saying.

Mr D.T. Redman: Or limited, and it is often done on a sample basis rather than what's actually going on, but one of the great challenges is ownership structures and how you break down those ownership structures into something that makes sense in numbers to the community.

Mr W.J. JOHNSTON: As I understand it, that was the issue in Sydney with the house that has been forcibly divested. It was an Australian company that bought the house, but the Australian company is owned by

a Chinese person. That is what I am saying. There is this extra money, so bringing all the databases together and improving the information on the databases is going to help everybody.

We can see how this is tangentially related to the bill we are dealing with. There has been some debate over the last few days about people being able to draw money out of their superannuation fund to purchase houses.

Mr D.T. Redman: Just a little bit tangential!

Mr W.J. JOHNSTON: Very tangential! It is there, minister, because if they did that, they would have to register it with Landgate and then they would have to pay this tax that the government is introducing. They would be paying \$7.20 extra tax on the purchase of their —

Mr D.T. Redman: Well justified, member.

Mr W.J. JOHNSTON: That is it; I can usually connect things.

I make the point that some people say that in Singapore one can use one's superannuation fund to purchase houses; in fact, their superannuation scheme, the Central Provident Fund, actually builds the properties. There is a long history of this. The CPF actually builds them and people use their superannuation contributions to buy them and pay them off over time. But in Singapore, they have a 22 per cent employer contribution and an eight per cent employee contribution, so 30 per cent of their salary is being put away. We are putting away only 9.5 per cent of our salary, so we are simply not in the same league. If we allowed that to happen in Australia, it would have a massive negative impact.

Sorry; I just looked down to see the member for Victoria Park looking at a picture of himself on his computer!

Mr B.S. Wyatt: It's a nice picture of myself!

Mr W.J. JOHNSTON: I am sure it is!

Mr B.S. Wyatt: It is distracting!

Mr W.J. JOHNSTON: Is that song about the member?

Mr B.S. Wyatt: I'm so hot right now!

Mr W.J. JOHNSTON: Oh, look—another one!

The ACTING SPEAKER (Ms L.L. Baker): Members, I am not sure that Hansard will actually capture the drift of this, so you might want to return to debating the bill.

Mr W.J. JOHNSTON: Okay; I will return to my discussion.

Ms R. Saffioti: It will properly reflect the ego of the member for Victoria Park!

Mr W.J. JOHNSTON: No, it could not possibly do that!

If one has only a small amount of money in one's super fund and uses that as a deposit on a house, the impact on retirement is going to be enormous. There will be hundreds of thousands of dollars missing at retirement. In Australia we generally want to fix our intergenerational issues, and every five years we now have an intergenerational report. The number one thing we can do is increase the amount of superannuation people have, and that does not include withdrawing it when the balance is small to use as a deposit on a house. Of course, people with a house are better off in retirement than those who retire without a house; that is absolutely true. But if we are going to reduce our reliance on pensions—remembering that the pension is available to people with houses and without houses—the best way to do that is to have a large superannuation balance at retirement. We can see that this idea is very, very badly thought out. I think it would be a great idea for people to have 25 or 30 per cent of their income put away in superannuation; of course, it would mean lower current consumption, which is obviously difficult for people on low incomes. We need to have a higher level of superannuation, but let us keep superannuation for retirement.

I was also interested in the member for Gosnells' comments about real estate agents. I once made a comment about real estate agents in this place and I got a very pleasant letter from the Real Estate Institute of Western Australia telling me where I was wrong, so I wrote back to the institute, it wrote back to me, and I wrote back to it again; I never got another letter. In the institute's last letter, it asked me for examples, and once I had provided those examples, it did not write back. The issue I want to raise is that of estate agents spruiking property investments. I will not name particular agents, but I googled this a couple of times. I make the point that people need to understand that when they are dealing with estate agents who say, "Let's get into property investment", the agent is representing the seller of the property. They get paid by the seller of the property, not the purchaser. In fact, they have a fiduciary duty to the seller.

When my wife and I bought our house in Victoria Park years ago, we met this agent who showed us every listed property in Victoria Park. He was a fabulous guy and I am still friends with him; he did a great job, and he now

owns the real estate agency. He is a great guy, but we always knew he was going to make money by selling us something, and that is very, very critical. The fact that real estate agents are not covered by the Australian Securities and Investments Commission's investment sector rules is a worry. I think there needs to be some law reform in this area. There has to be law reform to deal with estate agents marketing themselves as providing investments. Whether that is done through commonwealth or state legislation, I am not sure, but it needs to be resolved; otherwise, we will continue to have problems with Landgate and people will still have an extra \$7.20 tax levied upon them.

Mr D.T. Redman: Once every seven years.

Mr W.J. JOHNSTON: Once every seven years. It is interesting; I read an article about self-made millionaires and their commonalities. They all drove old cars and they had all lived in their house for more than 20 years.

Mr D.T. Redman: There was a big study on that in the US; I read the same one. It says something.

Mr W.J. JOHNSTON: It does. I am sorry if this is not directly on point, but when we bought our house in Victoria Park, the value of the property was about 1.6 times the combined income of my wife and I, who were both union officials at the time. Now, of course, we are both members of Parliament and we could not buy the same house at 1.6 times our current income. It is amazing, is it not? This is the real challenge. People say that one's children cannot afford to live where they grew up; it is very difficult these days.

I will finish on the question of high-rise properties. I have raised this issue before, and I think it should be Landgate that carries out this investigation. The current strata title legislation, in my view, does not work for high-rise buildings. The problem is that people are buying into a declining asset. After, say, 25 or 30 years, the building may no longer be habitable. It may need a significant amount of money to be spent to refurbish it, yet different people would have bought into the building at different times. Their interests will be different. I understand that banks are raising questions about financing purchases of existing high-rise apartments. It is time that Landgate or somebody else—I think Landgate is probably best to do it—undertook a bit of an investigation. I know that the Strata Titles Act is being reviewed. I think this needs to be part of that review.

Mr D.T. Redman: We look forward to your support for the bill!

Mr W.J. JOHNSTON: I do not know what the outcome of the review is, minister.

Mr D.T. Redman: It is out for consultation now. I will look at that because it is really important. It has been raised from your side on a number of occasions. No-one has had a go at it; I am having a go at it soon.

Mr W.J. JOHNSTON: We are always pleased when the minister has a go. I am not going to make a submission to the inquiry because it is better for the community to do that, but I will look carefully at the final report.

Mr D.T. Redman: I would happily have an informal chat to the member about it. It is so important; it needs to be sorted. It would need the opposition's support.

Mr W.J. JOHNSTON: Western Australia was literally a world leader in strata titles. We have a proud history. The problem is that everything moves on. The member for Gosnells raised issues about access to common infrastructure for renewables, but there are also these other issues.

Having religiously followed the Acting Speaker's instructions to stay on point and debate the bills, we support them. I make the point that this is just another example of the tax-and-spend Liberal-Nationals.

MS R. SAFFIOTI (West Swan) [11.41 am]: I rise to contribute to the second reading debate on the Land Legislation Amendment Bill 2014 and the Land Legislation Amendment (Taxing) Bill 2014. It is good to see a school group in the public gallery today. I welcome the school group. I am not sure which school they are from, but it is always good to see a school group coming in to see us debate legislation. It is not as fiery as question time, but they will be able to see us debate a new tax that has been introduced by the Liberal-National government, which is always a bad thing. Anyway, students will get to see some legislation being debated today. I welcome the school group.

Mr F.A. Alban interjected.

Ms R. SAFFIOTI: That is because our shadow minister is a very kind person, let me tell you, member for Swan Hills.

Mr D.T. Redman: Although he has been very interrogative, he has not found any major flaws in it, which is good.

Ms R. SAFFIOTI: No; he is just a very kind person.

Mr B.S. Wyatt: He always finds flaws!

Ms R. SAFFIOTI: We will explore different aspects of the bills through consideration in detail, as the minister would expect. As the member for Cannington said, these are further taxing bills by the Liberal–National government.

Mr W.J. Johnston: The tax-and-spend Liberals!

Ms R. SAFFIOTI: It is a tax-and-spend Liberal–National government. Over the past six years we have seen a lot of increases in taxes, including increases in land tax and payroll tax. We have also seen the creation of a number of new taxes. New dividends have been pulled out from some government trading enterprises. Legislation has been amended to allow GTEs such as the Insurance Commission of WA to pay special dividends and interim dividends, as I recall. These are further taxing bills of the Liberal–National government. What is currently written into the legislation is a new expansion of the royalties, particularly an expansion of the gold tax. There have been massive increases in revenue for the Liberal–National government.

The Labor Party is always keen for an honest debate about taxes in this state. As we all know, taxes are required for expenditure in our community, whether it be funding schools or health or the roads on which we drive. We are always keen for an honest debate. Similar to the law and order debate, we saw the Liberal Party stand up on a campaign slogan but, when in government, it has done something very different. The Liberal Party machine in Western Australia is a very good campaign team but it is not a very good governing team. It can run a good campaign but it cannot govern. These bills are another example of its campaign slogan about lower taxes not matching reality. Many times I have heard a Liberal member talk about abolishing stamp duty, yet the government does not seem to have abolished stamp duty. It seems to be increasing taxes, and these bills are another example.

I have a personal reason that I do not particularly like these bills. I love a good Landgate search! As people on this side would be well aware, I have spent a lot of money on Landgate searches over the past number of years.

Mr D.A. Templeman: I think it is an unfavourable obsession!

Ms R. SAFFIOTI: I probably deserve a customer loyalty card with the number of Landgate searches I have undertaken over the past couple of years.

Mr B.S. Wyatt: It is amazing what you find!

Ms R. SAFFIOTI: It is amazing. I am surprised, given what we have found, that the government has not tried to abolish Landgate so that these searches could be stopped! What have we found in our Landgate searches? I am a big supporter of Landgate. While working in government—I do not want to disclose too many secrets—I remember the former expenditure review committee proposing an expenditure program, the information technology program, to create a lot of the facilities we now have. When someone comes in for IT funding, if anyone ever uses the words “cutting edge” and “IT” in the same sentence, people know it will end badly, as has been demonstrated by Serco and Fiona Stanley Hospital!

Mrs G.J. Godfrey: What about Shared Services?

Ms R. SAFFIOTI: There have been a lot of examples. Do members know that this government wasted more money on Fiona Stanley Hospital than was spent on the Office of Shared Services? The government can talk about Shared Services but it has to learn. What has been done at Fiona Stanley Hospital—not only IT but the entire contracting out of 28, down to 27, down to 26, down to 25, down to 24 different services—has been a disaster. It is completely unwinding all the time. Yes, the Office of Shared Services did not work well but we have to learn.

I was trying to tell a funny story about when Landgate said it wanted money to upgrade its IT program, using the words “cutting edge”. We were all scared! But they pulled it off and did a very good job. Grahame Searle managed the process at the time. He did a very good job. I have been a long supporter of Landgate. I am a frequent user of its facilities.

Mr B.S. Wyatt: And a financial contributor!

Ms R. SAFFIOTI: In my electorate office I have a Landgate stubby holder in recognition —

Mr D.T. Redman interjected.

Ms R. SAFFIOTI: I do not know where I got it from. It may have been in recognition of my huge contribution to Landgate over the years.

A key thing that I have been able to use Landgate’s services for is looking at some of the dodgy property deals undertaken by this government. Remember, colleagues, that is where we found the government had purchased all these units in Pelago to rent them out at top dollar to the landlord—landlords who are significant donors and friends of the Liberal and National Parties. That is where we found out that information. We also found out that

the government has a number of empty units next door and is paying top dollar in rent to landlords who are friends of the Liberal and National Parties. That is why Landgate is of significant use to a lot of people, particularly for research.

I agree with some comments made by the member of Cannington about the information provided through Landgate. The whole issue of information and awareness in property transactions is very important. I use Landgate a bit. The next step is probably to provide more information about constraints, buffers or other issues impacting land. I do not want to go through all the different factors that may be impacting in my area, but things like road reservations, contaminated sites and environmental and agricultural buffers are all things that buyers sometimes are not fully aware of when they purchase land. Sometimes even real estate agents are not aware of these things, even though they should be, but probably not enough information is available for people who purchase land. Some people do the right thing. They might independently search the transaction history of land before purchasing and find out who the previous owners were and survey information. However, other factors might be at play that I believe a buyer should but currently cannot be aware of. That is an area of improvement where more comprehensive information about land is provided through the Landgate system. The member for Cannington made a good point about that.

I want to go through the Land Legislation Amendment Bill in relation to Landgate in some detail because, frankly, it is interesting. It will basically introduce a new tax for the government. The briefing note goes on to say that one reason for the new tax is that Landgate cannot estimate costs, particularly revenue, as a result of fluctuations in the property market. I am a little worried about it not being able to estimate costs, because I think any agency should have a good idea of its costs for the next 18 months, but I understand the difficulty of estimating revenue that is slightly volatile because the property market is volatile. That is a justification, but I suspect that other agencies will be eyeing off this impost and thinking that if Landgate can introduce a new tax, they will want to do the same. This will set a precedent for other agencies.

Mr D.T. Redman: On the issue of cost, you can have a good prediction for the costs but, because of the activity in the property market, how much revenue there will be to cover it is the challenge and that is the volatility.

Ms R. SAFFIOTI: That is right, but I suspect that a number of agencies across the sector will make that argument. We will watch closely. As we said, we have considered our position on this and we are not opposing the legislation today; we are supporting it. We understand that the legislation contains a sunset clause and I want to talk about disallowance possibilities.

I want to highlight comments made by the member for Cannington and, I think, the member for Gosnells. For any minister of a government that pretends to be a low-taxing government to say the following is quite incredible —

If Landgate's pricing reform is not implemented, cost savings would have to be passed on to consumers as lower fees.

Mr B.S. Wyatt: It's a crack up.

Ms R. SAFFIOTI: It is a crack up. I notice that on average, the search fee is \$25, which I, quite frankly, would appreciate. It says that if we do not implement this measure, we might have to pass on savings to the consumers. That is an incredible statement, which members on this side have looked at and chuckled. As I said, it is an incredible statement from a government that claims to be a low-taxing government, but we know that claim is quite wrong.

I refer to the issue of revenue retention, which we have been focused on quite a bit. I congratulate the member for Gosnells for seeking further information from the minister about what will happen to the surplus revenue, because that is a key issue for the opposition. If we are to support Landgate collecting surplus revenue to cover revenue volatility, and if it is to be invested in better information for the market place, in a sense, particularly for buyers, it is something the opposition would generally support. But if it is simply another way to address a budget bottom line, we will be very disappointed because it will be contrary to why we support this legislation.

I will read a couple more sentences from this briefing note. It states that there is no likelihood of Landgate surpluses being lost to other agencies. It then goes on to say how Landgate surpluses could be lost to other agencies. It is quite contradictory in a sense. At present, the board recommends dividends to the minister. Those dividends can change according to the government of the day. We saw this with the Insurance Commission of WA, for example, which I am sure we all remember. The government was scratching around for some cash and before the March 2013 election, I think in October 2012, the government did a deal with ICWA that pulled more dividends from the agency, put it in the midyear review and the pre-election financial statement and did not disclose it properly. The government has form in pulling out additional dividends from agencies to help prop up the budget bottom line. The minister's second reading speech states in part that this new mechanism of going above cost recovery will —

... provide an incentive to deliver efficiencies by allowing savings to be retained and used to: Reduce the real cost ... improve Landgate's systems ... pay an increased dividend and a higher national tax equivalent amount to the state to support government expenditure in other areas;

That is the key point here. The opposition sees this legislation as another avenue for the consolidated fund to pull out money from an agency to help prop up the government budget bottom line. Although the briefing note says there is "no likelihood", I do not think that is technically correct, but I do not think anyone was trying to mislead. Through dividends and taxation equivalent regime arrangements, by virtue of increased revenue or increased profits, that will flow through to other agencies through natural dividends and natural TER arrangements. By increasing revenue, there will be an increased flow through dividends and TERs. We have seen other capacities through either changed legislation or changed arrangements whereby boards and ministers who cooperate very well can increase the dividend at any time to increase the flow back to the consolidated fund. There is, of course, the other example that I highlighted earlier by way of interjection, of helping the budget bottom line by retaining the earnings in bank accounts. We have seen that with a number of agencies, whether it be the Western Australian Planning Commission or the metropolitan region improvement fund. More than \$200 million is sitting in the MRI fund, which is not allocated for the reason it was collected. The same has happened with the road trauma trust fund where revenue has been collected by way of special legislation, similar to this legislation. For example, the metropolitan region improvement tax is collected through its own legislation as occurs with the road trauma trust fund.

[Member's time extended.]

Ms R. SAFFIOTI: We are seeing special legislation creating revenue pots to try to offset some of the government's debt problems. This legislation will allow that; nothing will prevent that. It is done by Treasury setting an expenditure limit on the agency each year. An expenditure limit is set so it requires an underspend, and each year that underspend will go into the account and will gradually build up over time. Again, we have real concerns about that.

The next point I want to talk about is the process for fees and regulations. I sought advice about that process and I understand the fees will be gazetted in the *Government Gazette*. I understand that they will be disallowable instruments under the Interpretation Act. I saw the Minister for Lands nod, but I would ask him to provide confirmation in his response to the second reading debate that these are disallowable instruments in this Parliament. My other key point is that there is a sunset clause for expiry of some sections on 31 December 2019. It can be extended, so it is a semi-sunset clause in its operation. I think our land information system is very strong in this state. There were issues about overseas buyers a couple of years ago relating to the documents they had to provide to verify they were the actual purchasers in overseas transactions. However, the system itself is very strong. I know that other states and other countries have looked at the system. There is the ability to improve the system, particularly a requirement for further information to enable purchasers to be more buyer-beware.

On the issue of land information in WA, particularly concerning the Land Legislation Amendment Bill 2014, I was quite surprised by the government's reaction to the Leader of the Opposition's announcements last week about metro hubs, because it seems to have had an impact. The government was stung by the framework released by the Leader of the Opposition last year. Minister after minister has come into this place and tried to say that somehow it was their idea, but we all know it was not.

Let us go back to Network City, which was a concept introduced by the Labor government under Geoff Gallop. Do members remember the cries from the Liberal Party then? The whole issue of density was somehow poisonous to that policy debate. The Liberal Party then brought in "Directions 2031: Draft Spatial Framework for Perth and Peel". As I have said in this place, no-one disputes the objectives of the government; it is just not carrying them out in the infill sewerage program and density planning. The government is not doing precinct planning at a level that is needed for the growing state of WA, in particular in the metropolitan area. The minister tries each day to do a dorothea, but it is just not happening. The member for Gosnells has been waiting for six years and is finally getting some movement. What state government infrastructure has been invested in the member's area?

Mr C.J. Tallentire: None—a slight road upgrade.

Ms R. SAFFIOTI: None. The member for Mirrabooka has been talking about her area for the same amount of time—six and a half years.

Mr J.H.D. Day: Do you drive around with your eyes closed?

Ms R. SAFFIOTI: The government is not meeting its own targets. It is falling well short of its own targets.

Mr J.H.D. Day: The media release targets were set to be achieved in a couple of years. It was a target, but no-one said 47 per cent would be achieved.

Ms R. SAFFIOTI: The government needs to meet those targets if it is to keep the pressure down on housing prices and to achieve the goals it has set. Do not come in here and spruik what the government is doing when the infill achievements are actually going lower; they are trending down. They were at 32 per cent and now they are down at 28 per cent; the government's target is 47 per cent. Although the government is trying to do some stuff, it does not have the mechanisms and it does not have the structure of government to do it because, frankly, the government is a mess—the minister knows it. The transport minister has no idea about any transport plans. The government has no infrastructure strategy for the metropolitan area. The Water Corporation is facing massive budget cuts and capital constraints. It is all over the place in targeting and assisting infill and getting greenfields off in a timely way. The government does not have the structure to deliver. It is a tired government with ministers who are not up to achieving the targets that it sets itself. The Liberal Party reduced the targets for infill down from 60 per cent under Network City to 47 per cent, stating that it was far more realistic and far more achievable. I remember the commentary at the time. The minister was boasting about how much more realistic it was. He said that 60 per cent was too high, but 47 per cent was very achievable. The government is six years in, and it is at 28 per cent. It is obviously therefore not achievable for this government and it will not be achieved in two years.

Mr J.H.D. Day: Where did you get that figure of 28 per cent from?

Ms R. SAFFIOTI: It was from the government's own report. Two reports were released. The government's report card on "Directions 2031" was released last month and in December last year the annual report, "Urban Growth Monitor", was released by the Western Australian Planning Commission. Also, there was a report from the industry itself. So, everyone is saying it. The government can come into this place and criticise the Leader of the Opposition about better precinct planning, but there is no doubt that the government has made some mistakes and is not investing where it needs to be investing.

Mr J.H.D. Day: Where are the mistakes?

Ms R. SAFFIOTI: What does the member think the government is revisiting now? The government has already admitted that it probably went too far with the multi-unit housing code changes. Is the government not changing that?

Mr J.H.D. Day: On one hand you are saying that not enough has been achieved, and then when there is a bit of resistance you're saying it is not an appropriate location.

Ms R. SAFFIOTI: I am glad for the interjection because I will put it very plainly —

Mr J.H.D. Day: You are trying to be all things to all people; that is the problem.

Ms R. SAFFIOTI: No, I have said it in this chamber. I will say three things that the government did. It took a lazy approach to infill. The government told councils to go off and create 5 000 new homes saying, "Let the subdivisions happen, let the apartments happen." The government let that happen. It changed the multi-unit codes and then it brought in the development assessment panels. With those three things the government created resentment and a kickback to infill and density in the suburbs, because it did not invest in the activity centres that the government so much wants. The government is investing in the city centre—fair enough—but it has not invested in the suburbs, so areas are crying out for investment. The City of Gosnells is the example. Land around a train station 17 kilometres out from the city centre has massive potential but the government has not done anything.

Mr J.H.D. Day: I agree with you, but it is up to the City of Gosnells; the ball is in their court.

Ms R. SAFFIOTI: This is what I am saying. The government cannot have that approach. Exactly—it is up to the City of Gosnells. The member has just said it in this chamber. That is my exact criticism. The government has been playing around with this local government reform, creating mess after mess and spending millions of dollars. Some councils have delayed planning changes—for example, the City of Vincent. That city's whole North Perth strategy was based around the government's commitment to the Metro Area Express. The government has created confusion about its transport plans. It told councils, "Councils, you go off and do this because, you know what, we are going to focus the entire Metropolitan Redevelopment Authority on the city centre and not worry about the suburbs." Although the government abolished the Midland and Armadale redevelopment authorities, it said that the focus would remain on the suburbs; but it has not. That is my key criticism. I believe, as I have said to the government privately, that LandCorp and MRA do not talk to each other properly; there are real issues there. The Department of Housing and Works, MRA and LandCorp are all doing different things. LandCorp is involved in some areas where the MRA should be involved, and the government is not working with councils and the community. It is all about precinct planning; it is not about saying, "Go councils, go and give me 5 000 new homes wherever." That is because the community wants density around

public transport modes, around public open spaces and around the shopping hubs. The community does not want reduced amenity. It is not about being all things to all people; it is about being strategic. What the government is doing, and doing it throughout the suburbs, is a kickback. The government has to take the community with it on these things. If the government has created a situation in which people are resenting density and infill, it will not go well for the future of the metropolitan area. That is my point. I said in a speech a couple of weeks ago in response to the Premier's Statement—so it is nothing new—that it is all about precinct planning, about investing in precincts and about working with councils and the community to get proper density.

People get irritated when apartments are being built next door but when they drive along a major road they see that nothing is happening. Nothing is happening in Gosnells, yet apartments are being built on ostensibly residential streets. We do not have the structure of government and a transport plan. Honestly, if anything shows that this government has run out of puff, it is transport. Honestly, the minister has. Look at the minister!

Mr J.H.D. Day: Not in planning terms.

Ms R. SAFFIOTI: Not in planning terms.

Mr J.H.D. Day: Nor in transport. Look around the metropolitan area and elsewhere—you will see it. I do not disagree with your principle, but for government investment to be made, it needs capital and funds. As you and your colleagues argue about, there are issues about levels of state debt and expenditure. You can argue about the priorities, but you have to find the money to back up what you are saying.

Ms R. SAFFIOTI: I will argue about priorities. The government has this argument about funds, yet it poured \$500 million into a project to make the Swan River bigger, which I have never heard needs to be done. The government has not used these arguments for other things. The government is spending how many millions of dollars on rebuilding a Chinese restaurant 500 metres from its original site? The government has to look at what it is doing. It is wasting money all over the place.

Mr J.H.D. Day: Keep Perth as Dullsville; that is your policy now.

Ms R. SAFFIOTI: Dullsville! It is about character. The government will pour money into Elizabeth Quay, but what is happening around the City of Vincent? The council did not pour \$500 million into a monument; it is creating communities by working with people. It is about working with people. Getting rid of Dullsville is not about building monuments. I think the Fringe World Festival is great. That is what it is about.

MR D.T. REDMAN (Warren–Blackwood — Minister for Lands) [12.12 pm] — in reply: I thank members opposite for their contributions, particularly the lead speaker, the member for Gosnells, who led the debate on the Land Legislation Amendment Bill 2014 and Land Legislation Amendment (Taxing) Bill 2014. I want to walk through a few things and, hopefully, point to a few responses triggered by the issues he has raised. The first thing is: thank you for the opposition's outward and up-front support for the bill. Members recognise that this will improve the arrangements in place. I will come to a few points about the fact that a concurrent taxing act runs with this, because the idea is that this gives authority to raise revenue from fees that may well be above cost recovery. There is good reason for that to be in place.

I will say a couple of things to reiterate. This legislation is needed because the revenue of Landgate is tied to a fluctuating property market and there is a level of fee uncertainty. Landgate has to set fees up to 18 months ahead of the predicted property market, which makes it very difficult. The fluctuation is not good for the people who use these services. There is little incentive to reduce costs. Quite rightly, in the second reading speech I made the point that if costs are reduced, the savings have to be passed on to the consumer. Therefore, why would the organisation want to reduce costs? It does not get to keep or reinvest the savings and use them to improve its services. Although there is the potential to go beyond cost recovery, the impact on the individual is very small. That should not take away our concerns about anything that could be seen to be a tax or deemed to be a tax, but the impact is very small given that most consumers transact in houses or properties once every seven years. The flip side of the argument is that in times of low activity, fees have to increase. The commentary is often about the impact upon high-level activity, but fees have to increase at times as per the rules and we will see how that plays out.

The thinking about this is that it delivers three things: it provides fee certainty, it allows us to drive internal efficiencies and it allows better service delivery. What we are putting in place is not without controls. One of the reasons it has support from the opposition is that there are clear controls in place and the opposition has the capacity to disallow fee increases from going ahead. Those controls include a commitment from me that we will not raise fees above the consumer price index until June 2018. We have committed to have the maximum fee increase to be in line with the Perth-based CPI. I hope that the fee increase will be less than that or zero; even less is quite possible.

Mr C.J. Tallentire: You are kicking it into the long grass, really.

Mr D.T. REDMAN: I will come to what has happened over the past six years in a minute. That commitment will give fee certainty. Given that some of those transactional costs have doubled since 2006, a commitment to CPI is a very strong commitment. The only qualifier I put on that—it is the reason it will not go into the act—is that if something well outside Landgate’s control happens, such as a global financial crisis, that would be the exception to the rule. Any fee increase is subject to parliamentary scrutiny. Fee increases need to be approved by the minister and the Treasurer and they go through the Economic and Expenditure Reform Committee process, as all fees do. Likewise, they are published and laid before Parliament. They are disallowable instruments. The member for West Swan asked whether they are disallowable and the answer is yes. If something is brought before Parliament for debate, through the commitments I am making now on behalf of government, the opposition is in a position to disallow those or take up that debate in Parliament; it is subject to the parliamentary process.

A sunset clause prescribes that following the next statutory review, which is due at the end of 2017, the minister has to look at whether this change has driven efficiencies in the organisation. I prescriptively need to seek that in the review. The outcome of the review and the decisions that I make on whether to extend the provisions for another five years is laid before Parliament, and that is also disallowable.

Mr C.J. Tallentire: If you are in opposition, do you undertake not to attack the government of the day for implementing —

Mr D.T. REDMAN: It is subject to the parliamentary process. The fees are not determined on an annual basis; any decision that I or government makes to renew this set of rules on how we manage fees for Landgate is also subject to parliamentary scrutiny and parliamentary disallowance. These controls are not unfettered and that should give the opposition comfort that, as we work through this, we have in place the appropriate checks and balances.

As I think I said in an interjection to the member for Gosnells, the Land Legislation Amendment Bill 2014 does not set fees. It sets a process for how fees could be set. The Land Legislation Amendment (Taxing) Bill 2014 sits alongside the Land Legislation Amendment Bill because raising fees above cost recovery could be considered a tax.

I refer to the issue of surpluses. These comments are in response to all points made by opposition members. Bear in mind that there have been instances in the last six years when we have over-recovered, because it depends on the property market. The member asked: if we over-recover and have what is considered to be a surplus, what is to stop government from taking that money to support the broader budget? Provisions in the financial administration acts already allow that. The Treasurer has the capacity to have special dividends. Recommendations come to me from the board of Landgate. I then pass on what the dividends should be. That applies to public corporations and all other sorts of entities. No new provisions in this bill change what the Treasurer and government have the capacity to do now. Nothing expands that. We will not support any amendment that constrains that, because it is simply what is there now. We never intended to change that through this bill. It is appropriate that the mechanisms that apply to other agencies are standard, if you like.

The member for Gosnells talked about Landgate taking something out of its accounts to net off against the net operating balance or net debt. We do not need to take anything out of Landgate’s accounts to do that. Whatever Landgate’s accounts hold is squared off against the net operating balance and the net debt anyway. If Landgate builds up a stack of money sitting in an account, that gets netted out against government net debt. Whether it is left in the account or used is neither here nor there.

The member for Gosnells referred to the expertise of board members. We have a very good board, and I have confidence in the board. As the member mentioned, one or two board members have a background with the Real Estate Institute of Western Australia, which is appropriate. The board requires its members to bring to the table a breadth of skill sets so that they can make good decisions. Anne Arnold is one of those ladies on the board who has a very competent skill set, which is appropriate.

Mr C.J. Tallentire: Are they still active within REIWA or as real estate agents?

Mr D.T. REDMAN: They have a REIWA background, and I am happy to look into whether they are still active in the sector. Of course, people who sit on boards are active in their field; I am not specifically aware in this instance, but I can find that out for the member.

The member also referred to the verification of identity, which is probably a different issue from what has been put up in this bill. Certainly, in the past we have introduced stronger processes to deal with fraud that have been agreed to by REIWA.

The member referred to strata companies. We are in the process of reviewing that issue, and a number of the points the member raised are relevant to that process. Those issues are not picked up in this bill. Landgate registers strata plans and picks up the registration process for land title and land tenure arrangements, but it does not have a direct role in the strata process. The government is also looking at reforming the strata process and

would like the opposition's support. I will happily engage with the opposition on that, because some contentious issues sit within that that we have to consider carefully. There has been some push for industry to have a higher level of regulation in the strata property area. That has to be balanced against the implications that arise from high levels of regulation.

The member referred to energy efficiency ratings for new buildings, which is outside the remit of this bill. I am told that changes to the Building Code of Australia prescribe energy efficient assessments for new dwellings.

Mr C.J. Tallentire: That is different from domestic dwellings; we do not have that in WA for domestic dwellings.

Mr D.T. REDMAN: There is not a formal requirement for older buildings. Again, that is outside the remit of this bill, but I take on board the member's point about encouraging energy efficiency in buildings.

The member referred to the Esperance land issue in the context of the information that Landgate can provide. In response to all the points made in the debate, Landgate has made a big effort to layer a whole heap of information into a spatial database, and 2 500 datasets sit within the shared land information platform. I know that a lot of effort is being made to continue layering that information into the database. The development of spatial data for industry and government, and all the stakeholders that use that database, is extremely relevant. About one-quarter of Landgate's transaction activity is in the commercial space. This bill does not change that, but it presents a lot of opportunity to develop spatial datasets that can encourage good decision-making across the board. I am aware that a lot is happening in the private sector and in universities to enhance that. That point has been raised by a number of members.

The member for Cannington made a strong point around tax. We have to have the Land Legislation Amendment (Taxing) Bill. There is the potential to over-recover cost; however, there is a reason for that. It is around price certainty. We hope to see a real reduction in prices over time. I make the point that fees for title registration and document lodgement have doubled since 2006, and likewise the cost of data searches has gone up one and a half times since 2006. The government is committed to constraining that growth, which will give the industry certainty. However, when we consider what has happened since the bill was proposed, there have been significant price rises. In that context, it is appropriate to look at a mechanism that will give some sort of price certainty. I reiterate that the government has committed not to raise prices more than the consumer price index for those regulated services.

The member for Cannington also referred to strata title reform, and I encourage him to engage with the government in that discussion.

The member for Swan Hills raised a number of similar issues to those raised by her colleagues. She made the point that she is a significant contributor to Landgate's revenue, which is great. As a significant contributor to Landgate's revenue, I am sure the member will welcome the certainty about fees. She also talked about the importance of datasets and information in a spatial context. I cannot remember whether the member was present when I responded to this question, but she stated that a key issue for her was whether the fees were disallowable. The fees are presented to Parliament on an annual basis and they are disallowable. An additional point I make is that if, after the statutory review in 2017, the minister of the day makes the decision to allow the sunset clause not to come into play but for this set of rules to flow over for another five-year period, that is also disallowable. We have a lot of checks and balances in place, so that fee increases are not unfettered. That should give the community and, indeed, the opposition confidence that this is not a finance grab by government but is a genuine reform based on what was recommended in the 2012 review to deal with the issue of price uncertainty. It is not cost uncertainty for the agency, but price uncertainty in the revenue that will come in, because it is based on the number of transactions, and it is challenging trying to predict that.

I thank members for their contributions and for raising a number of very relevant issues. I do not believe that anything that has been raised is a show stopper. I do not take lightly increasing anything that is considered to be a tax, even if it is a small increase. Even if it is an increase of \$7 every seven years on average, I do not think anyone takes that lightly. It is important that we look at all the mechanisms in place. We certainly do not want to over-recover, but we want good policy and good legislation that supports a very critical organisation that, in fact, underpins our economy.

Mr W.J. Johnston: Are you saying that you don't want to over-recover?

Mr D.T. REDMAN: No; I made the point that we do not take lightly introducing a bill such as this that gives the government the tools to over-recover. I took a lot of convincing of that, as did the Economic and Expenditure Reform Committee and cabinet, to bring this forward. It follows on from a review that recommended this. I made the point when the member for Cannington was out of the room that fees in some of these areas have doubled since 2006, so the history of the current legislation is not good. The government is giving a commitment to limit increases to CPI. The bill contains a number of disallowable instruments, so increases are subject to

parliamentary scrutiny. That should give members some confidence that no government will be able to run away with this, whether it be this government or the next—in as many years as it takes for that to happen!

I thank members for their contributions to the debate, and I look forward to moving to the consideration in detail stage to discuss the other issues.

Question put and passed.

Bill (Land Legislation Amendment Bill 2014) read a second time.

Leave denied to proceed forthwith to third reading.