

Extract from Hansard

[COUNCIL — Thursday, 20 September 2018]

p6414a-6436a

Hon Martin Aldridge; Hon Charles Smith; Acting President; Hon Peter Collier; Hon Rick Mazza; Hon Alison Xamon; Hon Colin Tincknell; Hon Stephen Dawson; Hon Simon O'Brien; Hon Colin Holt; Hon Michael Mischin

DUTIES AMENDMENT (ADDITIONAL DUTY FOR FOREIGN PERSONS) BILL 2018

Second Reading

Resumed from 19 September.

HON MARTIN ALDRIDGE (Agricultural) [12.36 pm]: I rise to continue my contribution to the second reading debate on the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. Before I go much further, I want to reflect for a moment on the contribution I made to this debate on Thursday, 13 September 2018. It is not by way of a correction, but I think I can add further to a comment that I made at that time. I will not make a habit of quoting myself, but on Thursday, 13 September 2018, when I made some remarks on the government's change of mind, or change of heart, about the Moora Residential College, I said —

The government has since reversed its decision, or it has been reported that it has reversed its decision, on Moora Residential College. I have not seen an official media statement issued. I would have thought the Premier would have wanted to take credit for that. But if we assume that the government has reversed the Moora Residential College cuts, that is some \$945 000 in savings that is lost, which brings those five projects to a total saving to the government over the forward estimates of just \$9.5 million.

Upon further review, I located a media statement that was issued by the Premier on Tuesday, 4 September 2018, titled "Residential accommodation in Moora to remain open". What is interesting is I perhaps missed this initially because the media statement was not issued jointly by the Minister for Education and Training and the Premier.

As I said in my contribution last week, in December 2017 the Minister for Education and Training was left to announce the \$64 million in cuts in a media statement by herself. Then January came around and obviously Hon Mark McGowan, the Premier for all Western Australians, rode in on his white horse and announced a review of that decision, which reflected a reduction in savings in the order of \$41 million. Then, of course, fast forward to this month, on 4 September a media statement was issued by the Premier with no reference to his minister for education, which is rather odd. Members can draw several conclusions from that. Perhaps the Minister for Education and Training did not agree with the Premier's position on the ongoing operation of Moora Residential College after the federal government committed some \$8.7 million in capital funding—\$8.7 million this government could not find in its budget.

Hon Nick Goiran: I think they're fighting! They are not talking to each other.

Hon MARTIN ALDRIDGE: Fighting! It is interesting to note from this media statement, and I have canvassed some of the things, that obviously the government made an argument in defending its decision to close Moora Residential College and to not invest the \$8.7 million that was required to refurbish the facility not based purely on the capital works. It was to be redundant because of the opening of a new school in Yancheep. It was because of a strategic approach that it was taking to the location of residential colleges. At one point, it argued that students would get a better education elsewhere, and that was one of the reasons that underpinned its decision to close Moora Residential College but not the school. That is an interesting point. Capital works was another reason. The other favourite reason was the previous government; it blamed the previous government for all its failings.

All those factors, obviously with the exception of the capital works, seemed to have fallen away when the Premier released this media statement on Tuesday, 4 September. All those things clearly do not matter anymore. I remember asking the Minister for Education and Training in this house earlier this year whether she would keep Moora Residential College open if the money was found from sources external to government to deal with the capital works and she said very simply, "No"—two letters; no. I am not sure what has changed between me asking that question earlier this year and the Premier, in isolation, issuing this media statement on 4 September, but I suspect that there is some disagreement in the government. I suspect that the Premier made a decision, perhaps not even in consultation with his Minister for Education and Training. That may be a worthy question to ask in a future question time—the extent to which the Minister for Education and Training played a role in this decision when the federal government made its offer of \$8.7 million to refurbish Moora Residential College. I wanted to put those comments on the record by way of correction, if you like, because when I made my contribution on 13 September 2018, I was wrongly searching for a media statement from the Minister for Education and Training, when clearly the media statement came from the Premier.

I have mentioned at a few stages during the debate the position of some of the parties. Those parties will have an opportunity to rise when I conclude my remarks and further clarify their position on the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018.

I concluded my remarks yesterday by talking about some of the things that have been quoted, particularly by members of Pauline Hanson's One Nation about the National Party's proposed amendment to the bill. I want to

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draw members' attention to the fact that so far during the second reading debate on the bill, the leader of One Nation, Hon Colin Tincknell, has expressed a view that the tax rate should be somewhere in the order of 10 to 15 per cent, which is rather at odds with the media statement issued by his party when announcing a policy of a similar sort just days before the last state election, advocating for a tax rate of 20 per cent. I am not quite sure why One Nation is not advocating for or, indeed, does not have an amendment on the supplementary notice paper to meet the election commitment it made at the last election for a tax of 20 per cent. Maybe that will come during the committee stage of this bill, if we get that far.

We know that One Nation is negotiating with the government. Before I get to that point, I want to talk briefly about One Nation's media statement, which I quoted from briefly yesterday afternoon. This media statement, headed "Pauline Hanson's One Nation WA announce housing priorities", was issued on 20 February 2017. It states —

Pauline Hanson's One Nation WA has unveiled measures to address Perth's housing issues and affordability in WA.

WA leader and South West Region candidate Colin Tincknell today announced the party's plan to stop 'dirty money' buying up Australian assets and in partnership with our infrastructure policy, ease the squeeze in Perth and generate major new infrastructure projects focusing on providing local jobs and prosperity for West Australians.

"All West Australians deserve access to safe, secure and affordable housing in cohesive communities. Sadly, too many West Australians, particularly younger people, find it difficult to put a roof over their head. Home ownership was the Australian dream but it has become the Australian nightmare in recent years," Mr Tincknell said.

"The major parties have supported and overseen rapid, immigration-fed population growth, which has placed upward pressure on land and housing prices. It is projected that another 800,000 new homes will be needed in Perth and Peel to accommodate the third world-like rate of population growth pushed on West Australians by the major parties.

Governments of both persuasions have also failed to crack down on illegal foreign purchases of existing homes and the flow of 'dirty' foreign funds into Australian property for laundering purposes. Combined, this is pricing many ordinary people out of the market," said Mr Tincknell.

Mr Charles Smith, policy spokesperson and candidate for East Metro District stated, "Tying these issues into our other policy we will hit foreign buyers with a new Foreign Buyer Additional Tax at 20%. West Australia will not be a City where dirty money is laundered and washed distorting our markets pushing everyday Australians out".

I make some observations about this media release for want of locating the actual policy, which I have not been able to find. The media statement and policy announcement are clearly driven by two things—one is the allegation that the government is somehow complicit in laundering dirty money into Australia and the other is to address the housing affordability issue. If they were the primary motivations for One Nation announcing such a policy and essentially supporting the bill before us, I would be interested to know how those two issues will be addressed by the passage of this bill. If we believe what the government and the Treasurer have said, which is that the market impact of this decision can be likened to a rounding error, in effect there will be almost no impact by this new duty on foreign buyers of residential property in Western Australia. It will be interesting to hear some explanation for how those two things that drove the motivation for One Nation's commitment of a 20 per cent tax would benefit housing affordability. As I said in my remarks yesterday, I think it will have very little to no effect on housing affordability in Western Australia; in fact, many other measures would probably make a greater contribution.

Obviously, we are aware that the government has been negotiating with One Nation on the passage of this bill. There was an article in *The Australian* of 7 September by Rebecca Le May titled "One Nation may back WA foreign buyers tax", so there certainly was no rock-solid commitment on 7 September. The article states —

A planned surcharge on foreign buyers of residential property in Western Australia may be supported by One Nation upper house MPs if the Labor state government accepts certain proposals.

One would think that the opening line of this article in *The Australian* would have suggested that One Nation would support the passage of this legislation only if its demands were met. It continues —

The Liberals have vowed to oppose the tax, saying it will drive foreign property buyers elsewhere and depress an already flat housing market.

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The Nationals have also threatened to not back it if Labor does not use some of the money to reverse education cuts, an argument partly extinguished after the federal government promised cash to save Moora Residential College.

One Nation's WA leader Colin Tincknell said his party was working constructively with the cash-strapped state government instead of using blackmail.

"We don't horse-trade that way," Mr Tincknell told AAP.

But One Nation had asked the government to adopt certain amendments to the bill, and while talks continued, he would only say they were "all about fairness to the taxpayers of WA" and would "bring in even more cash to the coffers".

"At this stage, we're looking at supporting it," Mr Tincknell said.

Premier Mark McGowan promised a four per cent levy during the 2017 election campaign but has bumped it up to seven per cent.

One Nation wanted a 15 per cent tax, which the state government would not accept as it was "a bridge too far", Mr Tincknell said.

He stood by the party's decision to reject the McGowan government's gold royalty hike last year, which would have been used to reduce the state's crippling debt, but said he recognised households were now bearing the brunt of budget-repair measures.

The state government was spending too much on things that could wait until the budget was back in surplus, Mr Tincknell said.

These included pouring millions of dollars into a wave energy plant at Albany that will only power a modest number of homes.

"Indoor swimming pools in Collie is not a priority," the South West MP said.

"If you really want to fund raise, stop pork barrelling."

From the contributions so far in this debate, it is not clear to me whether One Nation intends to give effect to the commitment that it took to the election by proposing an amendment to the bill before the house to remove the exemption for 10-lot developments, and whether its support for the bill is contingent upon its proposed amendments being passed. The Minister for Environment may be able at some stage to clarify its deal with non-government parties to see the passage of this legislation.

It is interesting to note that there have been other missed opportunities for One Nation to implement its election platform, if indeed it is the case that One Nation will not move the proposed amendments that it issued both prior to and post the election. For example, One Nation has committed to a 20 per cent reduction in the number of members of Parliament. As is the case in most parliamentary cycles, I think an electoral reform bill will be brought before the house at some stage in the near future. That will obviously provide an opportunity for parties that believe in that course of action to pursue amendments in that area.

Another interesting budget saving measure that was advocated by One Nation at the last election was a 20 per cent cut in the salary of members of Parliament. This was reiterated following the election on 31 March 2017 in an article in *The Australian* by Andrew Burrell titled, "Get rid of one in five MPs: One Nation". The article states in part —

Pauline Hanson's One Nation says it will use its leverage in the West Australian parliament to push for a 20 per cent reduction in the number of MPs and to slash the salaries of all politicians by about \$30,000 a year.

The party's leader in WA, Colin Tincknell, told *The Australian* he was prepared to take a 20 per cent pay cut when he starts his \$165,000-a-year job as one of three One Nation MPs elected to the state's upper house.

And he said he would "certainly" push for a 20 per cent cut in the number of seats that would be contested at the next election.

It is interesting that when this house was dealing with another budget saving measure—as we are with this bill, some would argue—namely, the Salaries and Allowances Amendment (Debt and Deficit Remediation) Bill 2017, no such amendment was moved by One Nation to reduce the salaries of members of Parliament by 20 per cent. Indeed, no contribution was made by One Nation to the second reading debate on that bill. The only contribution made was by Hon Robin Scott, who opposed Hon Alison Xamon's motion to refer that bill to a committee inquiry. One would think that if One Nation wanted to give effect to its policy to cut or slash members' salaries, that would be the bill by which to do that, and that it would have supported Hon Alison Xamon's motion for referral of that bill to a committee inquiry to examine such things. However, neither of those things happened on that occasion.

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In returning to education, I refer to an article in the *Kalgoorlie Miner* of 12 January 2018. If I am not mistaken, this was either the day on which, or the day after, the government had announced its revised position to not close Schools of the Air. The article is by Zach Relph and is titled “School’s in for summer”. I would like to quote a couple of extracts from this article. It states —

Emma Hogg, of Kinclaven Station in Rawlinna, welcomed the School of the Air announcement but said she would continue to advocate for the Goldfields Camp School to be reinstated.

“The fight is not over yet—the Goldfields Camp School provides interaction and keeps us together as a community,” she said.

Nationals WA deputy leader Jacqui Boydell backed Mrs Hogg’s calls and reaffirmed the importance of the State’s camp schools.

“The McGowan Government’s partial reversal of its cruel suite of education cuts is a show of regional West Australia’s ‘people power’,” she said.

“However the party remains bitterly disappointed that a number of Labor’s controversial cuts would still go ahead, including the closure of five regional camp schools.

The article went on to say —

One Nation’s Mining and Pastoral Region Member Robin Scott attributed the reversal to public pressure, while echoing a will to retain the camp schools.

“This wise reversal is the result point that West Australians who care can have a real impact on the political process:’

“At this moment, I am very happy to share with my constituents a feeling of elation, but there is more work to do.

“We need to confirm that there will be no cutbacks to residential colleges and no cutbacks to camps.”

I could not agree more wholeheartedly with the members I have just quoted in Hon Jacqui Boydell and Hon Robin Scott.

I now want to draw members’ attention to an article posted by *The Courier* on 13 March 2013. The article is by Sophie Moore and is titled “Protest over WA country college closure”. The article is about the rally that was held at Parliament House at the beginning of this year when Parliament began sitting for the 2018 parliamentary session. It states in part —

Robin Scott, the One Nation member for the Mining and Pastoral region, says all of the planned education cuts are counterproductive.

“If the government persists with chiselling rural youngsters out of their educational opportunities, they will never be forgiven,” Mr Scott said.

Point of Order

Hon CHARLES SMITH: Mr Acting President, I draw you attention to standing order 48. We are debating a foreign buyers’ tax, not an education tax.

The ACTING PRESIDENT (Hon Robin Chapple): There is no point of order. Thank you.

Debate Resumed

Hon MARTIN ALDRIDGE: I will start again —

Robin Scott, the One Nation member for the Mining and Pastoral region, says all of the planned education cuts are counterproductive.

“If the government persists with chiselling rural youngsters out of their educational opportunities, they will never be forgiven,” Mr Scott said.

Tuesday’s rally follows a protest by the Country Women’s Association, the first in its 94-year history.

The government has previously backflipped on \$23 million in education cuts, leaving it to scrape savings from other departments.

I guess the observations I have made during the course of my contribution over three sitting days is that it is all too easy for us as members of Parliament to lend our support to campaigns in the community and to speak positively in the media. However, the question is how will we use the power that we have in this chamber to give

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effect to things that we want to see changed. That will obviously be the test of this chamber at a later stage as the debate on this bill progresses.

I now want to quote a tweet from Hon Colin Tincknell on 12 January this year, in which he said —

One Nation WA is working hard to defend country and regional people in this state. That is the our promise! City centric policy like the one made on the run with no consultation for **education** by this Labor government is happening too often!

I want to mention another post that was made on 11 January, the day prior. This was around the time, if members recall, when the government had reversed part of the \$64 million in education cuts that it had announced the previous month in December 2017. It is a post by Hon Colin Tincknell on Facebook titled “Education Announcement: A Good Decision, but not Enough”. The post states in part —

The decision by the State Government to reverse some of their \$64 million in education funding cuts has been welcomed by Colin Tincknell, MLC for the South West region and leader of One Nation WA, however he believes the decision to review and reverse the funding cuts should have covered the entire package.

Mr Tincknell said, “I congratulate the Government on listening to community concerns over the \$64 million cuts in funding to education. The decision regarding the School of the Air, funding cuts for the gifted and talented student programs, Northam residential college and the intake into the level 3 classroom teacher program will no longer be on hold, are welcome.”

“However, the Government needs to address the other elements of the package. The closure of the Landsdale School Farm, which has a main focus on students with a disability, is a poor decision, as is the one to raise the cost of vacation swimming lessons from \$13.40 to \$30.00. Equally the closure of the Moora Residential College, the closure of six Education Department run school camp sites, programs delivered at Canning College being only available to fee paying international students and the total closure of Tuart College, are all very bad decisions.”

“The value of delivering education and education services cannot be measured in dollars and cents alone. The amended savings figure of \$41 million is miniscule to the value of education. The cost of education is an investment in the future of WA. The One Nation members of Parliament will work tirelessly to have the remaining cuts reversed,” Mr Tincknell concluded.

They are strong words, particularly in that last paragraph, about the efforts to which One Nation will go to make sure that all the funding cuts for education services will be reversed by this government under One Nation’s watch.

This culminated in a rally held last Tuesday. I have already reflected to some degree on that rally. If I am not mistaken, that was the third rally held at Parliament House. The first was the rally held at the beginning of the 2018 sitting period. The second was the rally initiated by the Country Women’s Association. By the time we got to the third rally, the government had reversed a number of its decisions, in particular to close Schools of the Air and to close the Moora and Northam Residential Colleges, among other things. The rally was well attended, despite the fact that the campaigns that had pushed for the education cuts to be reversed in full had already forced the government into reversing those decisions.

Sitting suspended from 1.00 to 2.00 pm

Hon MARTIN ALDRIDGE: Before we were rudely interrupted by the lunchbreak, I was talking about the rally held at Parliament last week. I thought there were a number of really eloquent speakers who put the causes of their campaigns quite succinctly, and at times quite emotionally. They are people who are invested in what they think is the right thing and their message was strong in speaking to the government about what these funding reductions, particularly in the education space, will mean to them, their organisations and to the people in the communities where they offer a service. In anticipation of moving my amendment, the Nationals WA has been accused of holding the government to ransom and I have mentioned some direct quotes to that effect. It is certainly one thing to make a commitment in opposition—to freeze TAFE fees at a cost of \$23 million over forward estimates—and it is only reasonable to expect that any opposition party that expects to become a government will have a financial plan to fund its election commitments. What I find rather unusual and quite different is how this government continues to link together its decisions in this way. We do not need to look any further than the second paragraph of the second reading speech of this bill, which says —

A surcharge of four per cent was announced in the lead-up to the March 2017 election to fund the government’s freeze of TAFE fees and to assist with budget repair.

The government is clearly linking this bill with an outcome, as it has done with other bills. That was the second reading speech of Hon Stephen Dawson, the Minister for Environment representing the Minister for Finance, when the bill was introduced earlier this year. If members want to reinforce their thinking that that is the government’s

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approach, I refer them to a media statement on Wednesday, 15 August 2018 issued by the Treasurer, Ben Wyatt, titled “Liberal and Nationals parties side with foreign investors over WA households”. The first dot point states —

- Members of the Liberal and Nationals parties put foreign investors ahead of WA families

A direct quote attributed to the Minister for Finance, Ben Wyatt, states —

“It is impossible that the Liberal and Nationals parties can make any argument about their concern for education when they have passionately expressed no interest in helping keep TAFE fees at their current levels. Clearly they believe the significant increases in TAFE fees under their watch weren’t enough.

In the second reading speech by the minister in this place—I am sure similar, if not the same, words were used in the other place—and in a media statement, one of many, issued by the Minister for Finance on the bill before the house, we have heard references in which the government clearly links revenue with expenditure. I have made the point throughout my speech that the government intends to raise \$123 million in revenue across the forward estimates and spend just \$23 million of it, giving effect to its election commitment to freeze TAFE fees. I am not sure whether it stands up to scrutiny that one could accuse the Nationals of holding the government to ransom, when in effect the government is saying to us, “If you don’t pass our bill, you don’t support a freeze on TAFE fees.” It has said this on other matters. We only to have to look at another matter which will come before the house before too long. I refer members to the media statement, “McGowan government rejects sale of Landgate” from Wednesday, 27 June 2018 by Hon Rita Saffioti and Hon Ben Wyatt. The first dot point states —

- Landgate’s automated land titling service to be commercialised

...

- Decision will fund Western Australia’s participation in the National Redress Scheme

I assume that if that bill is not passed at some future time by Parliament the government will issue a media statement saying that we did not support the National Redress Scheme because we did not support its bill to commercialise—the government’s word—part of Landgate. The media statement says —

The decision will fund Western Australia’s participation in the National Redress Scheme and the State Government’s decision to remove limitation periods for all child sexual abuse actions, which, combined, could cost \$640 million.

This is quite an extraordinary way to introduce legislation, by linking funding decisions directly, by government media statement and second reading speeches, to the content of the legislation that is before the house.

One of the other arguments that members have prosecuted during the second reading debate has been about budget repair. Some members have even gone as far as suggesting beyond budget repair how the government might use the windfall of \$100 million to fund certain things. Housing affordability has been mentioned by members as well as education. Those have been the two main things I have heard throughout the debate. Regarding budget repair, it is hard to determine how this government is repairing the budget, when we look at its own budget papers from 2018–19 and that net debt under its watch will exceed \$40 billion over the forward estimates. I am not quite sure which part of the budget the government is repairing, but it is adding \$7.78 billion to net debt from the period 2017–18 to the end of its current forward estimates. This is a government that carried on and on about state debt, and still does. I heard the Minister for Education and Training at the rally last week stand up and say that she has had to make these funding decisions because of the forty thousand million dollars’ worth of debt that was left to the government. Obviously, its budget papers tell the truth and clearly ministers ought to read their budget papers. Some members from other parties have spoken about, as I said, the things that they would like to see this windfall spent on. I would like to know whether their support for the legislation comes with some assurance that the government will take action on those things. Labor backbenchers have been very absent from this debate thus far. What assurances have they sought from their government about some of these things? I am sure they would not disagree with everything that I have said and that they would say privately that they do not agree with all the cuts their own government has made. Then again, preselections are just around the corner!

A number of unresolved matters need to be explained throughout the second reading debate. We have engaged consistently with this bill in that we will not support its passage and give a \$100 million windfall to the government, after it allocates \$23 million to give effect to its election commitment to freeze TAFE fees, without some consideration of any number of the issues that I have raised—largely, the issues focused on education cuts in Western Australia and, in particular, within our regional electorates. A number of those decisions have been reversed, but there are some to go. The most noteworthy, concerning and front of mind is the way the government is going about privatising six camp schools in Western Australia, which I canvassed more extensively my contribution yesterday.

Amendment to Motion

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Hon MARTIN ALDRIDGE: At this point I would like to move a reasoned amendment. The Minister for Environment representing the Minister for Finance has moved that the bill be read a second time. I move —

That the motion “That the bill be now read a second time” be amended to delete all words after “That” and substitute —

the bill be read a second time only after the government commits to using the part proceeds of this additional duty to reverse its \$41 million cuts to education so as to continue the operation of Moora Residential College, camp schools, Landsdale Farm School, Herdsman Lake Wildlife Centre and restore the 20 per cent raided from the agricultural education farm provisions trust.

By brief explanation, unlike other parties, we will not give the government a \$100 million cheque. If others are satisfied that the government will address these things in due course, I would like to hear those assurances given to the house before this bill passes this chamber. The Nationals WA will not give the government a blank cheque because we are not convinced that they are doing the right thing by the communities of Western Australia and we do not believe that this Premier is governing for all Western Australians. I commend the motion to the house.

The ACTING PRESIDENT (Hon Matthew Swinbourn): Members, Hon Martin Aldridge has moved a motion in his name to amend the motion before us. By way of explanation for the house, a member who wishes to place on record any special reasons for not agreeing to the second reading of a bill may move what is known as a “reasoned amendment” to the question for the second reading. Such an amendment is typically to leave out all words in the main question after the word “That” and to add other words. A reasoned amendment is intended to offer reasons for rejecting a bill. It may be declaratory of some principle adverse to, or differing from, the principles, policy or provisions of a bill; or it may express opinions as to any circumstances connected with the introduction or implementation of a bill; or it may be otherwise opposed to its progress. Supporting such an amendment is tantamount to opposing the bill. Erskine May’s *Parliamentary Practice* states the following rules that govern the contents of reasoned amendments —

- (1) The principle of relevancy in an amendment ... governs every such motion. The amendment must ‘strictly relate to the bill which the House, by its order, has resolved upon considering’, ...

An amendment on the second reading need not be confined to the contents of the bill but may refer to matters which are cognate to it. It continues —

- (2) The amendment must not be concerned in detail with the provisions of the bill

Nor should it allege defects which could be solved by amendments to the bill which could be moved in committee. It continues —

- (3) An amendment which amounts to no more than a direct negation of the principle of the bill is open to objection.

A reasoned amendment, if carried on the second or third reading of a bill, is fatal to further progress of the bill, and no order is made for the second or third reading on a future day.

HON PETER COLLIER (North Metropolitan — Leader of the Opposition) [2.14 pm]: The Liberal Party will support this reasoned amendment. We do so because it adds consistency to our argument. Hon Dr Steve Thomas has very articulately expressed the views of the opposition on this issue; that is, we oppose the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018 overall. We oppose it because the government does not have a mandate to increase the foreign buyers surcharge on residential properties from four per cent to seven per cent. We are doing it to be consistent. We are mindful that this reasoned amendment will, in effect, kill the bill. We do so quite justifiably. Quite frankly, the government has no credibility whatsoever for this increase in the surcharge. Labor went into the election with a commitment of four per cent. It is now seven per cent. We are doing this for exactly the reason the Nationals WA gave for this reasoned amendment—that is, to provide certainty to the education sector.

Over the last 18 months, the education sector has suffered enormously due to a lack of certainty. As a former Minister for Education and Training, I want to put some certainty back into the education sector to stop the grief and anguish that exists in communities right across Western Australia. We will provide them with the substance of finance to ensure the certainty that has been missing. It is deplorable that communities around Moora Residential College, Landsdale Farm School, Herdsman Lake Wildlife Centre, and Perth Modern School—right across the length and breadth of this great state of ours—have had enormous uncertainty over the last 18 months. We are doing this to provide certainty, which we think is eminently sensible. If this reasoned amendment gets up and this bill is defeated and the government brings it forward in the next calendar year, the barrier will be that the money will go directly to reversing those cuts in education. Those cuts have a hole in them larger than can be imagined.

Hon Rick Mazza: Just big!

Hon PETER COLLIER: Yes, very big.

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The cuts have had an enormous impact. It is a direct result of the decision-making of those opposite leading to uncertainty, particularly the Minister for Education and Training. Let us look at some issues that are profoundly significant in education. I will start with Perth Modern School. The decision was made before the election took place and with no consultation whatsoever to put one of our premier public schools in the nightclub centre of Northbridge. That plan lasted all of a couple of months. On 14 May 2017, when the ink had hardly dried on ministers' ministerial certificates, the Minister for Education and Training stood in this chamber for 45 minutes while the gallery was full of people and said that the government was going to go ahead whether people liked it or not. On 13 June, the government changed its mind. That is how certain it was! The uncertainty that existed in the community for eight months was completely unnecessary. A decision had already been made. The minister said that it was not such a good idea to put it near the nightclubs in Northbridge and that it would put it in Subiaco, just down the road from where I live. That will be a marvellous centre with regard to parking et cetera! A lot of thought went into it! A lot of thought went into the multistorey school! When the government decided to take it from Northbridge and put it in Subiaco, the minister said —

“Due to the previous government's inaction, families in our inner city suburbs desperately need new school accommodation to ease enrolment pressures and Kitchener Park is the ideal location.

If Kitchener Park is the ideal location, why did the government not choose it in the first place? Why did it have to put the community through that nonsense for six months before it decided it had got it wrong? That is one example. The next example is the perfect reason why we support this reasoned amendment. It is in regard to education assistants. There was absolutely no justification whatsoever for the government to make any cuts to Moora Residential College, or any of the residential colleges or camp schools, and it comes down to the education assistants. I will tell members why.

We heard from the Minister for Education and Training that anything from \$180 million to \$200 million to \$220 million had been cut from education by the previous government. That is absolute garbage. We had the same issue with regard to EAs. All these EAs were apparently cut from the schools—anything from 300 to 450. But the piece de resistance was on Thursday, 23 August 2018, when the minister said, about the purported cuts by the previous government —

When the budget was at its strongest and revenue was at its highest, \$220 million was cut directly from school budgets across Western Australia. Over 600 teaching positions, 110 Aboriginal and islander education officers and more than 1 000 education assistants were cut.

That is absolute garbage! If the education minister honestly thinks that is correct, she needs to repeat it in this chamber and it will become a matter of privilege because she will be saying something that is wrong. We cut 1 000 education assistants? Give me a break! It was absolutely nothing like that.

To make one thing perfectly clear, in 2014 we asked schools to constrain their budgets based on the fact that we had had an unparalleled increase in funding for schools. There had been a 70.3 per cent increase in funding for our schools in our entire period in government. That was unprecedented. Yes, we did look into cutting back on education assistants because we had more than any other jurisdiction in the nation. No-one had the number of education assistants we did. So we looked at cutting back 350 education assistants. Let us have a little bit of perspective here: 150 of those education assistants were for students with anaphylaxis issues. We had one education assistant for every child that had a peanut allergy. One education assistant would chase this one child around the classroom or playground. Ours was the only jurisdiction that had EAs for students with anaphylaxis reactions. We decided to do what every other jurisdiction did and put it on online, so that all teachers had access to it. That was eminently sensible. The Bolsheviks opposite kept telling us we were spending too much, but when we tried to do something eminently sensible, what did they do?—“Oh no, you can't cut all those education assistants.” Does the now government really want one education assistant chasing around Billy who has an allergic reaction to peanuts or put the money where it should belong? That was one of the things. Aboriginal and Islander education officers is a good one. I would love to know how many AIEOs the government now has. It will never, ever fill the gap. We had more AIEOs than ever before, but it just cannot be done. The shortfall in AIEOs cannot be filled.

I have always said that perspective is magnificent. The numbers the minister used were absolutely wrong. She told an untruth to this house, and I really challenge her to come in here and correct the record, or else prove that 1 000 EAs were taken from our classrooms, because it is wrong. I will finish on that one.

In 2008 there were 5 457 EAs in Western Australian schools. When we ended our term in government at the end of 2016, there were 7 561—an increase of 38.5 per cent during an increase in student numbers of 15 per cent. So perspective, guys, truth; that is what matters—truth. That meant an increase of around 233 EAs every year. Schools had certainty. They did not have the uncertainty they have at the moment. This nonsense about \$200 million of cuts to our education budget is garbage. The minister must know that. What about the \$46 million we put back into primary

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schools in 2015? What about the \$46 million we put into students with a disability and special needs in 2016? What about the \$18 million for the chaplaincy program? What about the \$113 million for maintenance? What about the \$20 million for the primary devices program? Those figures are fact. I again challenge the minister that if the figures are wrong, come in and dispute it—she will not be able to. She will again be misleading the Parliament.

Having said that, what I really love—this is why we have to support this amendment—is that the situation now has no certainty! Let us have a little look at the sleight of hand here. The government now prides itself on saying it will put 300 EAs back into the classroom using money that was an election commitment—wrong. Look at the budget papers, guys. It is not new money. Look at where in the budget papers it says education assistants will be put back into the classroom. The footnote reads —

- (a) Existing agency spending has been reprioritised to meet some or all of the costs of this commitment.

The government has taken money out of other areas of education to put into the EAs. That is because progressive Labor is making inroads into United Voice; it wanted 300 more EAs to buffer up the number of United Voice members.

Hon Martin Aldridge: Preselection.

Hon PETER COLLIER: That is exactly what it is all about, guys.

How can the government come in here, spruik this and say, “It’s an election commitment; we have to do it”, when it did not actually even do it? It took money from one part of the education department and put it into another. And you guys think you have the high moral ground on this? I would love to know whether the minister asked a schoolteacher whether they wanted an extra EA for two days a week or \$300 000 in the bank. What do members reckon they would take? I guarantee they will take the \$300 000 any day.

Let us get our priorities right, guys. That is why this amendment needs to be supported. We are now saying there can be no sleight of hand—“You can’t do this anymore, guys”—and that money must go to education. The government cannot use sleight of hand and say it will not happen.

There was to be a reprioritisation of money from large secondary schools to smaller secondary schools. The hardworking Hon Donna Faragher asked how much money was saved from senior secondary schools; the answer was \$12 million. Do members know how much went to the smaller secondary schools? It was \$6 million. Where is the missing \$6 million? The good, hardworking Hon Donna Faragher asked exactly that question. What was the response? It was —

The balance of the funding was reinvested into other support for schools, such as additional education assistants and time for level 3 teachers to provide mentoring and mental health education in classrooms.

Caught out! You guys are as subtle as a flamethrower! The government thinks it can actually get away with this. All it takes is a couple of parliamentary questions and the government is caught out. This is exactly what this is all about!

I am a lifelong educator. I was the proud education minister of this state for almost six years, and I hate that the uncertainty this government has provided has caused so much unrest in our education sector. That is what we are dealing with at the moment. As a direct result of that, communities like Moora have suffered enormously. For the last 10 months they have suffered. The Minister for Education and Training is getting all indignant over there—tantamount to just saying, “Suck it up; it’s going to happen whether you like it or not”, and that is exactly what happened. As far as Moora was concerned, that went along with all the other education cuts.

There was a media release on 13 December, just before Christmas, when the government thought we would all be off eating our pudding et cetera, and would not even worry about it. The media release said there would \$64 million in cuts by the government. Six camp schools were to be cut, Schools of the Air was going to be cut, Tuart and Canning Colleges were to be closed, funding for Landsdale Farm School would cease, the residential colleges at Moora and Northam would close, the level 3 classroom teacher program would be put on hold until 2020, funding for gifted and talented programs in schools would be reduced by 25 per cent, and VacSwim fees would increase. There it was. It was released after Parliament had risen, so there would be no scrutiny of it. We were not coming back. We had the first quarter of the year off—these guys were obviously sunning themselves or skiing in Austria. All this funding has been cut, and there is no certainty. Imagine if you worked at the Schools of the Air! You guys will remember this over Christmas—they erupted. Imagine if you were a mature-age student at Tuart College, and all of a sudden your college is going to close next year.

It is the same at Canning College or Landsdale Farm School for students with a disability; imagine how they felt! There is no certainty. Then, again, the government read the political tea-leaves and thought: we better not

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do that; we have to get it right this time. Of course, the government backtracked on funding for the Schools of the Air, the gifted and talented program, level 3 classroom decisions, and accommodation at Northam Residential College. Government members backed off on them because they saw that the political winds were changing and there was a little bit of an issue in Darling Range. They realised that they had to stop this, so they made cuts, but remember that they did not reverse the decision on Moora Residential College. What a ridiculous decision that was. What a great community it is. Do you know what it came down to, Mr Acting President? It came down to \$370 000 per annum of recurrent funding. That is all that was. Government members said they would not do it and that Moora would close whether people liked it or not. That is exactly what they said. When it was put to the Minister for Education and Training after the decision was made—I will come back to that in a moment—she said —

Western Australians elected us to fix the pattern of the behaviour of the previous government, which was to recklessly spend and let debt and deficit to build up. I think West Australians, they know that we've had to make some really tough and difficult decisions but they know why we are doing it.

Really? Do government members honestly think that the people of Moora knew why they were doing it? Why did the education minister not go to Moora and ask, "You do know why we're doing it, don't you? It's those terrible Tories; they did a terrible job." Would they say, "Yes, we understand, minister. That's fine; close our residential college"? What an absolute load of garbage that is. It is an insult to people's intelligence from the education minister. Read the tea-leaves or read the community tea-leaves.

As far as the Premier was concerned, members should have heard him on radio 6PR on Wednesday, 5 September 2018. Do not forget that the government did not solve the problem. My good mate Mathias Cormann solved the problem. He gave the government \$8.7 million to keep Moora Residential College going. If it were not for Mathias, it would not be open. These guys cannot take any bows for that; they did not keep it open. My mate did. My mate kept it open. The government will pay for the recurrent costs. When Gareth Parker asked the Premier —

If it was good policy to shut the Moora Residential College before, why is it good policy to keep the Moora Residential College open now?

Mr McGowan said —

We always said that we didn't think that it was justifiable to spend nearly \$9 million doing up the college for 25 students when there was other opportunities at other colleges around the place for the students to go to that were only half full. But the commonwealth has a different view; if they want to give us \$9 million I'm not going to knock it back.

What sort of a justification is that? The commonwealth government is going to give us the money so all of a sudden this policy decision that the government talked about is out the window. What a stupid justification. Gareth Parker asked him about the ongoing costs. The Premier said —

... will be up to \$500 000 but having said that, when the students went to another residential college there would be a cost there, so it's somewhere up to \$500 000. We haven't nailed that down exactly.

He has not nailed it exactly! What have government members been saying for the last eight months? If they do not know how much the recurrent costs will be, how could they close Moora Residential College? What an absolute insult. To keep Moora Residential College open is testament to the complete lack of certainty that these guys have provided to the education sector throughout Western Australia. These guys should hang their heads in shame. They have provided uncertainty in education right across the state.

I will also say, and I have told these guys before: they got an extra \$4.7 billion because of the result of the GST. They got \$4.7 billion. They are flush with money, yet we still have this issue that they are not making any determinations; they are not making decisions. The only decision they made was when the good Liberal-National government in Canberra gave them \$8.7 million. All they have worried about is upsetting the gold sector and the education sector and freezing members' wages but, in the meantime, government members did not mind taking a \$30 000 trip to Sydney to look at a high-rise school when they were not even going to build one! They did not mind taking the extra \$5 300 for an additional car by double dipping. They do not mind all that sort of stuff. They did not mind shifting the Premier 50 metres from Hale House to Dumas House. I thought government members did not have any money! We are not being unreasonable here. All we are asking is for these guys not to feed us this garbage. It takes us questions and questions and questions to get to the bottom of it, but we always do. Government members have been caught out regarding this funding. They have transferred some funds of the Department of Education to another fund and then said that it is new money. It is not new money. We are saying to these guys that we have given them a chance and they have stuffed up their opportunity. Give education some certainty. That is why the Liberal Party will support this amendment.

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HON RICK MAZZA (Agricultural) [2.34 pm]: I also rise to support the amendment, for two reasons. The first is in support of country education. I think the Leader of the Opposition has thrashed that out pretty clearly regarding the impact that cuts have had in country WA. The second and most important reason is that I understand through the statement made by the President that this reasoned amendment, if successful, would kill the bill. That would suit me just fine because I have some grave concerns about this foreign investors tax and the impact it will have on the real estate market in Western Australia.

Struggling families and mortgage holders who are already under enormous pressure will be kicked in the guts even further. Even the day before yesterday, there was an article in *The West Australian* about the impact of the housing market in this state and the fact that a lot of people are struggling to maintain their mortgage payments. Some people are taking losses of \$50 000 to \$100 000 and they cannot get out of their mortgages because house prices have fallen by such an extent. If we pass this foreign investors tax, I am quite sure that a lot of foreign investors who will have to pay \$50 000, \$60 000, \$70 000 or more to get into the Western Australian housing market will simply not be there. This \$123 million that is supposed to be raised by a seven per cent foreign investors tax will certainly diminish greatly because investors will not come here.

In some contributions to the second reading debate, I heard an argument that we did not get it and this is about affordable housing. Affordable housing does not come from tearing down house prices. Affordable housing should be about reducing unemployment, improving wages growth and increasing the standard of living so that people can afford to buy a house, not tearing down house prices for those who already own a property. That is not affordable housing. It will mean affordable housing by basically ripping off other people. I certainly support this amendment. I hope it is successful and that people see reason, and that we are able to kill this bill.

HON ALISON XAMON (North Metropolitan) [2.36 pm]: I rise on behalf of the Greens to indicate that we most certainly will not be supporting the move to kill this bill. It is for a couple of reasons. Firstly, as has already been articulated, the Greens do not do cross deals. That is not the way we operate. We have never operated that way in the Parliament and we are not about to suddenly chuck out three decades' worth of practice and start doing it now. Secondly, I think the most important thing to point out in the context of this reasoned amendment is that the Greens have absolutely no desire to kill the substantive bill. My colleague Hon Diane Evers has articulated well the Greens' position on the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018 so I do not feel the need to repeat why the Greens are very happy to support the bill in its substantive form.

One of the things I will express is my appreciation for the honesty in both the Liberal Party's contribution and also Hon Rick Mazza's contribution just then. They both made it very clear that one of the reasons they are prepared to support the amendment in front of us is that they do not support the substantive bill. I absolutely accept the authenticity of both Hon Rick Mazza and Hon Peter Collier representing the opposition in remaining opposed to the education cuts and I am happy to accept that is the case, but it has to be acknowledged in this chamber that both parties have also made it clear in this chamber that they are happy to see the bill die a death on its own terms anyway. The Greens do not hold that view. The Greens are very strongly of the view that it would be a very bad thing to stop over \$120 million from coming into the state coffers. I need to talk about the lack of authenticity that has been demonstrated by National Party members in the campaign they chose to run in their desire for support of the "kill the bill" amendment. I have been speaking out about the education cuts since they were first announced in December and I agree with the comments that have been made in this place about how much distress they have caused and how unnecessary it has been. I remain absolutely committed to wanting to see a reversal of the education cuts. I think it was a mistake by the government to cut education in the way it did, or at all. Education is meant to be one of the cornerstone principles on which the Labor Party prides itself, and I think it was an error of judgement to make the cuts it has made. I absolutely accept that it has had a disproportionate impact on regional Western Australians.

I am particularly concerned that, over the course of the last few weeks when I have spoken to people—the same people I have been speaking to since last December about the Nationals' amendment—is how deeply misled they have been about the nature of this amendment. People have genuinely been led to believe that if this amendment were to be supported, it would mean millions of dollars would be set aside to ensure that the money was repaid and the cuts reversed. When it is pointed out to them that the nature of the amendment is such that there will be no money coming in and that the bill will die in its entirety, the level of despair coming back from those people is palpable. People feel like they have been played for fools. They feel like they have been lied to about the nature of this amendment, because we know that a percentage of zero dollars is zero dollars. The Greens are not prepared to play that game.

There has been a narrative about what the money is going to be spent on. It is true that we have been told that the money is going to be spent on election commitments around TAFE. That was not part of the deliberations that resulted in the Greens supporting this bill, because the reality is that we judge each piece of legislation on its own

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merits, and we determined that this was a worthwhile bill in its own right. But I will say something about the fact that it is going to be spent on TAFE, if indeed that is what it is going to be spent on. I keep standing in this house and talking about the need for additional investment in TAFE, so if that is indeed where the money is going, that is fantastic. We need it for this state. We know that the fees put in place under the previous government played a direct role in reducing the number of people being able to enrol in and attend TAFE. That was really bad, because we know that we need to further train up people to ensure that we meet future training demand for Western Australians, so I am glad if this is where the money is going to go. The reality is that the Greens do not seek to have money tied for certain purposes; but in any event, what would that matter when we have a situation in which the Nationals are trying to ensure that no money is raised? There will not be any reversal of cuts if that occurs.

What I did not hear during the more than two hours' contribution by Hon Martin Aldridge was where the Nationals WA actually stand on the issue of foreign duties. It is very unclear. The Liberal Party has been very honest and up-front and has articulated clearly why it objects; Hon Rick Mazza has been very clear and honest about why he objects to the particular substantive position of the bill. But we are yet to hear where the National Party actually stands on this. All we know is that it is keen to blackmail the government into achieving a particular outcome through a mechanism that would mean that that outcome could not be achieved. If that is not fundamentally dishonest, I have absolutely no idea what is.

I would like to talk a bit about the campaign that has been run. It is absolutely true that the level of outrage, despair and distress experienced by people in the Moora community needed to be acknowledged. The day I found out that the federal Liberal government had decided to fund Moora Residential College and that the state government had as a result made the decision to ensure that the college stayed open I, for one, was thrilled; I was really happy. I was very, very happy for that community and those people, and I remember saying in my office, "Great. That particular campaign's been won—really glad we've got that outcome." But I am starting to wonder: is there a bit of bad blood around this? I am wondering whether perhaps there is a little misery coming from the National Party—that it was relying on this outrage continuing in order to achieve an electoral outcome. That has not happened because the bulk of where its energy was focused has effectively dissipated. I am glad that the Moora community has managed to achieve that outcome; it is a very, very positive thing. I think the decision to close the college in the first place was wrong and I think it would have had a highly detrimental impact on the families already living there as well as families who planned to live there in the future.

I have continued to work with people who are concerned about the decision that was made by the previous government—a government of which Hon Martin Aldridge was a member—to move the International School of Western Australia to the Doubleview Primary School site. That decision has continued under this government, but if it were to be reversed, it would save \$20 million from the education budget. I am very disappointed that that has not been seriously considered when we are looking at so many other cuts, including the cuts to Herdsman Lake Wildlife Centre; we are really talking about a tiny amount of money for such an enormous investment. We are also talking about Landsdale Farm School, which provides a wonderful service and plays a very unique role within the education landscape.

I note that I am the only person who keeps talking about what is happening with Canning College and Tuart College, but we should be very concerned about what is happening with their reduction in course options—particularly for people who want to complete years 11 and 12 but may not want to go on to university. We have spoken about community kindergartens, we have spoken about the ag school, we have spoken about the camp schools—all these things, I think, are going in the wrong direction. I also think it was a huge mistake to remove Aboriginal education staff from the district offices. That decision needs to be reversed. I have had complaints from people in the regions including, interestingly, from the police, who have said that it is making their lives more difficult and that they want to see that decision reversed.

However, this is not the mechanism by which any of that is going to be achieved. As I say, I think it is fine if members of the opposition and the Shooters, Fishers and Farmers Party WA wish to make a point. If they object to the substantive motion, they can certainly make their point. But if Hon Martin Aldridge is serious about wanting to reverse the cuts, there is a simple tool: we need only one more vote to pass the gold levy. I am quite certain that if that regulation were to be reintroduced, it would be possible for the honourable member to have discussions with the Treasurer and perhaps see whether half a billion dollars coming back into the coffers could make a difference. I suggest to the honourable member that if he is dinkum about wanting extra dollars coming in and wants to see them tied, that is a way through which it could actually occur.

Several members interjected.

Hon ALISON XAMON: I will be very clear for the honourable member—the grown-ups are speaking now, thank you—that the Greens will support the gold levy, should it be reintroduced. We need only one more vote. If the member wants to have discussions with the Treasurer, perhaps there can be room to talk about a reversal of the

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education cuts. Perhaps there can be talk about how we can lock in contracts for the community resource centres he has referred to. Let us talk about how there could be a whole range of moneys going into health and mental health in the regions. Let us talk about the extension of telehealth, which is an important and essential provider of health services in this state. We could talk about what could happen with the provision of community legal centres within regional centres. We could talk about how we could help family and domestic violence services for women, particularly in the regions. We could talk about how we could improve our child protection services in the regions; I am quite sure that Hon Nick Goiran would have a whole range of suggestions for how money could be invested in child protection services in the regions. We could make sure that we have more public sector workers out in our regions. We could ensure that a whole range of community services providing the essential roles for our regions were able to be put back in. A mechanism could be employed, because the reality is that if those negotiations happened around the gold levy now and it was made quite clear to the Treasurer that the Greens would support —

Hon Martin Aldridge interjected.

The ACTING PRESIDENT: Order, members!

Hon ALISON XAMON: The Greens are going to support the gold levy anyway, but as the member has made it quite clear that the Nationals' vote is up for negotiation because presumably they are ideological gypsies who stand for nothing, they can surely enter into negotiations with the Treasurer. That is if the Nationals are dinkum about it, but they are not. They are not dinkum about it. Instead, they are trying to present us with an option to kill off a revenue source that has no capacity to ensure that any cuts to education funding are reversed. If indeed the money is going to go into TAFE, it also removes the capacity for TAFE. What is the problem that the Nationals have with TAFE and training? I do not understand. I would have thought we all want to see significant investment in that area, but apparently not. Apparently it is not an area the Nationals want to see any investment in. I am really, really concerned about the way the Nationals have chosen to play this card. I am not sure when this reasoned amendment was initially put up whether the Nationals had the knowledge it was going to effectively kill the bill.

When I began talking to the Nationals about the amendment when it was first put on the notice paper, that issue was never put to me—not at any point. The amendment was very much put to me in the same terms that it has been put to members of the community who have been so concerned about the cuts; that is, if they support the amendment, it means that money will be set aside and that means that the cuts will be able to be reversed. They were very much the terms. It was not until last week, when I basically made it clear that I understood that this amendment was going to kill the bill and we would never see that money, that the Nationals said, yes, the amendment would kill the bill. Do members know what? The Greens do not engage in blackmail; that is not how we do it. We try to lobby the government, we try to make the argument and we try to raise concerns. We also have not been standing in the way of legitimate revenue-raising measures. Members in this place will always have different positions about what is deemed to be a reasonable revenue-raising measure and what is not. So far, the measures that have been presented in this place have been deemed to be appropriate by the Greens, so we have been prepared to support them. Some people do not support some of them. I note there have been consistent positions on the gold levy—for example, by One Nation, which has made it quite clear that it does not support the levy on its own terms—by the Liberal Party, by the Liberal Democrats, and by the Shooters, Fishers and Farmers Party. But we heard today that the Nationals are quite happy to potentially put anything on the table in order to get particular outcomes for areas they think need to be supported.

I am saying that we need one more vote for the gold levy. Is that not what people were chanting out the front? When I say people chanting, I mean National Party members. In this case, we need only one more vote in order to get the gold levy, in which case, go crazy. There are so many things that could be funded; there are so many things that could be put on the table. The Nationals could put things that they talk about on the table. Admittedly, I never hear them talk about mental health, alcohol and other drugs, health, family and domestic violence, justice issues or child protection—I do not hear those things. But I do hear about the education cuts and I have heard about the community resource centres. At the very least, they could be at the forefront of those negotiations. If the National Party was dinkum about this—I do not believe it is—it would immediately be getting on the phone to the Treasurer, Ben Wyatt, and saying, “You know what? We want to see the money coming in to reverse these things. Let us start talking about the gold levy.” The National Party could tie those discussions in, because it has made it clear that its votes are up for grabs as long as it gets what it wants, regardless of how things have been presented. That is what the National Party has said about this bill; why not the gold levy as well? The Greens will support the gold levy if it comes back anyway. We need one more vote. Do members know what? There is one more vote needed, and then we will be able to get education cuts reversed, as well as a whole range of other changes. This amendment will absolutely not achieve that outcome. It will ensure only that a legitimate revenue-raising source, which the Greens support, will not make its way into the coffers and we will not be doing anything to help reverse education funding cuts.

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HON COLIN TINCKNELL (South West) [2.55 pm]: Just to put it clearly right from the start, One Nation will not support this furphy amendment. We have given all the reasons that we support the foreign buyers tax. Hon Charles Smith gave a clear indication of all the reasons that we will support it, so I am not about to repeat those things.

One thing I make quite clear is that this has always been a policy of One Nation's, and it continues to be. The government took it from four per cent to seven per cent and we would like it to be taken further to 10 per cent or 15 per cent if possible. We encourage the government to do so. However, whether it does that or not, we will support this bill, and we will talk and work with the government. Hon Alison Xamon put it fairly clearly that supporting this amendment means that there will be no money, and it is clear that the amendment was moved for that reason. It is really hoodwinking the public and trying to con everyone that there is some money, as the Nationals WA say, for education. If there is some money for education, it will come because of the foreign buyers tax or other taxes that may brought in. We will continue to discuss many things with the government, and we have done that ever since we entered this place. Hon Alison Xamon made it quite clear that to say yes to this amendment means that we will not have a foreign buyers tax.

Hon Charles Smith spoke about debt. Australians are drowning in debt and one of the reasons for that is more mortgages on family homes. This is crippling to future generations. We have said before why we support this. If people cannot buy property in other countries, that is up to those countries. It is up to those other countries to make those decisions. In Australia, we have decided to have a foreign buyer tax and it has been gradually increased around the states, and finally Western Australia is coming into line with the rest of Australia. Many countries similar to us have brought in a foreign buyers tax. They have brought it in for a reason. They believe that foreign buyers should be adding and contributing to tax and the resources, such as those that Western Australian's provide to those buyers when they buy property. They believe that is a fair contribution. We have seen that in New Zealand foreign buyers have been stopped. At this stage, we have not put that provision in and we would not even support it. The reason for that is that most of the investment of foreign buyers, such as Chinese investment, is in Queensland, New South Wales and Victoria, not WA. I do not see us losing a great deal of foreign investment because of this foreign investment tax. Ninety per cent of Chinese investment has been in those other states.

I want to quote the deputy president of the Real Estate Institute of Western Australia, Mr Damian Collins. He was quoted by the Treasurer in his speech of 16 August —

“While there could be a slight impact from this, foreign investment only represents a small proportion of the WA property market,” Mr Collins said.

“Instead, the billions of dollars' worth of key transport infrastructure spending will put the property market in a strong position to continue its steady recovery.”

That is coming from Mr Collins. Even he said that foreign investment represents a minor amount. A tax will not make major changes. Another quote on domain.com.au attempted to justify why it is a bad tax, but quietly shows that it is not. It is a quote from Carrie Law, chief executive of juwai.com, the Chinese real estate website. She said —

“In the second half of 2016 Chinese were investing in Australian real estate at an almost irrational pace. It was like money falling from heaven for vendors and developers.”

Guess what? It has stopped raining money and the real estate development industry will have to adjust and not simply ride the gravy train. It is not up to government to correct any disparity in markets. We believe that this is a good tax and a chance for foreign investors to make a contribution to the Western Australian public. We will not be supporting the amendment, but we will certainly support the bill.

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment) [3.01 pm]: It will not be any surprise to members in this place this afternoon that we will not be supporting Hon Martin Aldridge's amendment to the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. Acting President, I appreciate your guidance this afternoon on the fact that a reasoned amendment, if carried, in the second or third reading of a bill is fatal to further progress of the bill. We know that this amendment kills the bill. That is what it is about. I remind members in this place, including Hon Martin Aldridge, because he seems to forget, that what we are trying to do with this legislation before us is fix the mess that his government left us with. It had eight and a half years. It wrecked the finances then and the Nationals WA seek to wreck the finances again today with this amendment before us. Shame on them! Members have heard in this debate previously that the government has committed to fixing the finances. Also, an amount of money from this bill will go towards freezing TAFE fees.

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I remind members on the other side that it was the Liberal–National government—in fact, it was probably the now Deputy Leader of the Opposition in the other place—that raised TAFE fees by 500 per cent. Regional and metropolitan Western Australians are all suffering because of that decision. What is the National Party trying to do today? It is trying to wreck the finances again. This bill is about helping Western Australians. It is about ensuring that the entire burden of budget repair does not go on Western Australian families. With this bill, we are looking to foreign nationals who purchase a residential property in Western Australia to make a small contribution and start paying for the infrastructure and the services that are funded by Western Australians and they benefit from. That is what we are asking. That is what we are seeking to do.

This amendment is problematic for a number of reasons. Linking legislation to particular funding measures sets a dangerous precedent. This goes against treating legislation on its merits, which is one of the most important principles in this place. Let us be clear that this amendment before us is an attempt to kill the bill. It is trickery. I am pleased that at least the Leader of the Opposition and Hon Rick Mazza told the truth and said it straight out: they do not like the foreign buyers surcharge. Good on them. I appreciate them having a strong view. They said that they are supporting this amendment for that reason. That is not what the National Party said. It gave us a range of other reasons. It said that it was really a bit of a stunt. It was trying to put it out there and get 18 votes so that it could do some horsetrading. That is not what this is. It is an attempt to kill the bill. The National Party has not said whether it supports the foreign buyers surcharge. I suspect that it does not. I do not understand why it wants to put the whole burden on Western Australians. Why will the National Party not see the benefit of such a bill and let foreign owners pay for the benefits that they get from this state?

I was not going to take my whole time, but I want to make a few points. If it were not enough for the Liberal and National Parties to leave the Western Australian public behind with about \$41 billion of debt by the end of the forward estimates period, they are now seeking to increase that debt and wreck us. I ask the Leader of the Opposition: does he know who should hang their heads in shame? It is the mob opposite—the mob that was in charge of the treasury bench for eight and a half years. They left this state and the economy in the situation in which we found ourselves in March last year. We are seeking to fix that and turn around the economy in Western Australia. That is what we are doing.

Several members interjected.

Hon STEPHEN DAWSON: Members opposite have short memories. They are hypocrites. The Liberal and National Parties' eight and a half years on the treasury bench led us to the situation in which we found ourselves last year. The National Party in particular is trying to make this problem even worse with this amendment. I will get a chance to respond to the second reading debate at some stage. For those members who have made a contribution, I will, of course, try to answer their questions, but I make the point that every other state in Australia has a levy. They recognise the value of a levy and that we should be making foreign buyers contribute to things such as infrastructure and services. That is what we as a government are trying to do in Western Australia. With those words, I say again that the government will not support this amendment.

HON SIMON O'BRIEN (South Metropolitan) [3.06 pm]: Our good friend Hon Nick Goiran is away on urgent parliamentary business, but he indicated to me that that might be fortuitous, because, otherwise, he might be tempted to respond and participate in this debate on the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. Sadly for members opposite, I am still here and I am going to participate in this debate. I have been moved to do so by some of the claptrap that I have just heard trotted out in the name of debate from members opposite. Just to show that I can be positive about these things as well, I agree with the honourable minister when he says that he is looking forward to the second reading debate to tease out a few elements of fiscal policy and what successive governments have done, because I will be acquainting him with a few things then and I will reserve some of my remarks for that.

I notice that now, apparently in the last day or so, the former government has contributed a further billion dollars to the fictional debt for which it previously blamed us. It is now \$41 billion. What has happened in the last week to have it go up another billion dollars? Have some late accounts finally come in or something? Has Colin's bar bill suddenly arrived and exceeded all expectations? I will save my comments about that for another time, because there is a more serious matter here. I will say generally that I am fed up with the absolute pack of lies that keep getting thrown up by this government in our general direction. Let the facts speak for themselves.

What the honourable minister has just repeated with his prepared notes from the media outlet or wherever he gets them from—oh, he is doing his own now—is absolute rubbish. Perhaps the lies have been repeated so frequently that now those uttering them have started to convince themselves that they are true! They are not true. They are absolutely untrue, and the way that the government continually misrepresents the fiscal situation in

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Western Australia is reprehensible. Be assured that Her Majesty's loyal opposition will not allow this to go uncorrected. It might take us some time, but I am sure we all agree that it will be worth it.

In relation to the process that is before the Chair most immediately, I have to tell members that I do not like this novel approach that is being taken. I just want to express the view that I hope that this type of reasoned amendment—I am not sure whether “reasoned” is meant to be couched in inverted commas—is not a technique that I would like to see become a standard practice in this house. I do not want to see that become a standard practice. I do not recall ever seeing its use employed before; I do not recall it at all. The effects of a reasoned amendment are twofold, as I see it. One is to address a specific debate that does not necessarily have anything to do with the bill that is before the house or subject matter that is not in any way directly connected with the policy of the bill. I do not think it is a desirable development if we allow that to creep into our procedures. The second reason I do not believe in it and why I would not like to see it become a standard practice is that it is the wrong way of going about dealing with this sort of bill. The substantive bill that is struggling to have its second reading survive is what we often call a money bill. It is captured by section 46 of the Constitution Acts Amendment Act and, as such, it is specifically a bill that the Legislative Council cannot amend. The reasoned amendment before us has been employed as a device that holds out the prospect of perhaps achieving some sort of amendment to government policy through it connecting to this bill. That is not how it is going to work. It provides a vehicle to raise the concerns that the mover has raised—sure. But he could have and has done that in the context of the second reading debate, even though that will not change what the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018 seeks to do, and neither will this reasoned amendment change it because it is not open for the government to say, “Okay, we can see the writing on the wall. We'll agree to your prospect of reversing \$41 million in cuts or whatever it might be. Okay, we'll tap the mat on that. We'll agree to it in public. Please pass the bill.” That is not going to achieve the outcome the member wants. The government is not going to do that and neither should the government do it on this sort of basis. There is another vehicle that is available to the house. Again, it is not employed very often but it should be the vehicle upon which the mover's aspirations are based. It can also be found in section 46 of the Constitution Acts Amendment Act that I just referred to. In the case of a bill that the Legislative Council may not amend, that provision allows a message seeking amendment to be sent to the Legislative Assembly. That is another way that a member can seek to place their concerns before the government. I dare say it will not have much luck when it gets to the other place and then we will see what happens when its message comes back in return, but that is the measure provided for in the constitutional machinery of this state. I was surprised that that avenue was not explored or followed in preference to this one. Anyway, the mover can make his own case as to why he has chosen to do that.

I will conclude by saying again that the process we are following is not one that I would like to see become a standard practice in this house. It is all very well to make a point through this vehicle if that is what a member wants to do. But if everyone wants to start moving reasoned amendments, we will be going on forever debating some bills into the future as we deal with a series of reasoned amendments because someone wants to talk about something other than what is in a bill. No matter what members might think and no matter how bloody-minded someone might be about the politics that have to be played out in this place, the one thing that all members have to understand about this house is that the bottom line is that the house has to work. It has to function. I feel that we could find ourselves derailed somewhat if this sort of practice were to become a standard. The effect of voting in favour of this reasoned amendment is, as someone just put it, to kill the bill. I have heard that somewhere before—kill the bill.

Hon Michael Mischin: Two volumes' worth.

Hon SIMON O'BRIEN: Two volumes' worth?

Hon Michael Mischin: Yes, there were two movies.

Hon SIMON O'BRIEN: That might be a very good thing and instruct some members on how they vote on the question that is immediately before the house, but I suspect we will return in due course to the substantive motion, which is that the bill be read a second time. Perhaps then we might discuss and dissect some of the perfidious argument that we have once again been showered with from the government benches, but that is all something for us to look forward to later this afternoon, Mr Acting President. I wanted to make those observations in passing.

Finally, I thought that Hon Alison Xamon gave a very fine speech just now. I listened to it with great interest—the “one more vote” speech. I wonder where she might get that one more vote from?

Hon Alison Xamon: Hon Martin Aldridge. His vote is up for grabs apparently.

Hon SIMON O'BRIEN: Apparently she already has it teed up. The rest of us will not need to bother about that and I am sure the house will be grateful to learn that I will not have to comment further about that matter just now.

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Let us not see too much more of this device of a reasoned amendment regardless of whether the Senate or anybody else thinks it is a good idea because, ultimately, with all respect to those who have engaged in the debate, it is not a very good way forward for our house in the future.

HON COLIN HOLT (South West) [3.17 pm]: I will make some comments in support of the amendment. I have listened to the debate very carefully. This is an extraordinary measure to take and one that I cannot remember having occurred before during my time in here. It is an extraordinary measure to take to achieve an outcome that reverses the final bits of those education cuts announced by the government back in December 2017. Let us go back a little bit in history. I want to come back to that because the motivating factor behind this extraordinary amendment is the fact that we need those cuts to be reversed. In 2017, a range of policy decisions were made by the government to save \$64 million in the education space. Those decisions included the closing down of Schools of the Air, cuts to the gifted and talented program throughout schools, the closing of Moora Residential College and camp schools, the raiding of the agricultural education farms provision trust and the closing of Landsdale Farm School and Herdsman Lake Wildlife Centre.

Hon Alison Xamon: And Tuart College.

Hon COLIN HOLT: Tuart College came close; thank you. Let us look at that.

They were the cuts. Every member here will know the amount of angst felt within the community, because how many motions and debates have we discussed in this place about those education cuts since they were announced? Since we came back, it has been the dominant feature of this chamber and the other chamber, I suspect, although I have not looked at it. It has been the dominant policy decision that has absolutely consumed this chamber. Have any of those debates changed the outcome anywhere along the way?

Hon Alison Xamon: There have been some reversals.

Hon COLIN HOLT: Not because of the debate in here. The first thing that happened is that people out there started to protest about the closure of Schools of the Air, as they rightly should have. It is an iconic education system, probably not repeated anywhere else in the world, and the government wanted to close it and replace it with something else. After much pressure, the Premier came around and said, "We've gone too far with our education cuts and we're going to reverse them." You beauty; one part of the battle won. Then we moved along and Moora Residential College was not part of that reversal. Who has been here for three or four rallies at the front of Parliament House in support of saving Moora college? For the first time in its history, the Country Women's Association decided that it was going to march and protest on the steps of Parliament House to raise its concerns and to say that the government cannot do this to our regional education. Was that an extraordinary measure by the CWA? Was that a tool that the CWA used to bring about a change in that outcome? Of course it was; it went to extraordinary measures. It had not done it for 100 years. It marched on the steps of Parliament House to ask for a reversal of those cuts. Was it successful and were the other five rallies successful in getting anywhere near a reversal of those cuts? No, they were not. What changed the Moora college outcome? Someone from Canberra rode along on his great white horse and said, "I've got 8.7 million bucks for you. How can we negotiate an outcome for Moora Residential College? Here's 8.7 million bucks on the table. How about we keep it open?" What did the government do? It kept it open. It was willing to negotiate that outcome because something else was on the table for it, yet we still have that last tranche, \$10 million worth, that the government is holding out on with its policy. I reckon we have tried just about everything, and that is what has led to this extraordinarily reasoned amendment to again raise the issue that we want those education cuts reversed. We want to save those camp schools, all six of them, except of course Broome, which has already been saved for some unknown reason. There is still no logic in my mind for why that one has been taken out of the mix, except potentially for political reasons.

Hon Michael Mischin: Who is the local member up there?

Hon COLIN HOLT: The member for Kimberley.

This is what this has led to: a desperate measure by the CWA ladies who decided they were going to break 100 years of history to march on the steps of Parliament House to demand it.

There have been questions about whether the passing of this amendment will kill the bill. Do members not think that there was another step way before this amendment was first flagged? It was to come to the negotiation table, just like the government went to the negotiation table with the federal government when it rode over on its great white steed with \$8.7 million. We have heard from One Nation members about how they like to negotiate behind closed doors to get outcomes for things that are important to them. How did that go in reversing the cuts? That did not deliver anything at all. All those debates and negotiations behind the Chair have delivered no outcomes in reversing these cuts. I dare say this last desperate measure to try to again raise awareness about reversing those

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cuts will fail, given the responses from cross-party members about not supporting this amendment. If the crossbenchers had said to the government, “Actually, we’re really keen on this amendment”, do members think it would have killed the bill? Do members think the government would have said, “Actually, we’re going to go ahead with it; you’re going to kill the bill and we’ll forget about it”? The government had a number of options. It could have come around and said, “Yes, we’re going to reverse the cuts. For the final time we’ve heard the message strong and clear, and guess what? We’ll ask Hon Martin Aldridge to withdraw or not move his amendment”, which he moved today. The government knew it was coming. If there had been negotiations, Hon Martin Aldridge would not have moved his amendment today—you beauty; tickety-boo; off we would have gone and all would have been good—because the negotiation worked. The other thing that could have happened is that the government could have not brought the bill on for debate today and worked with all you guys who said, “I’d really like to get an outcome for education. How can we do it?” Did it do that? No, it did not. The government is the one that has linked education to the outcome of this bill—freezing TAFE fees, a \$23 million commitment. I have no problem with that, but the government linked it to education. Did it withdraw the bill, or not list it for debate and say to you guys, “I feel your angst”? No, it did not. It has taken them on their word when they said, “We’re supporting it because we don’t want to kill the bill.” It would not have been killed. The government absolutely wants this revenue measure. This is our last chance to try to bring the government to the negotiation table to reverse the education cuts. I think that chance has gone now. This was our last chance. We are getting towards the end of the year. Camp schools look like they are going off, even though we have not seen the contract or the terms and conditions; Landsdale Farm School is gone; and Herdsman Lake Wildlife Centre is gone. This was the last chance to somehow say to this Parliament and this government, which did all those cuts in the very first instance, that they have caused that amount of angst in the community. We are doing this today because it is the last chance to have a crack at it, and we want to support the community and to raise awareness that the government just cannot do this anymore. It is an extraordinary measure, yes. It is absolutely an extraordinary measure, just like it was when the CWA marched on the steps of Parliament House for the first time in its 100 year history. People feel passionate about this, and we are here to do what we can and to use whatever tools we can, which we have done since December last year—we have used every tool in here—to try to bring about a change. It has not worked and this last desperate measure is not going to work. The government will get its revenue measure and it will continue with the last of those education cuts.

Division

Amendment put and a division taken, the Acting President (Hon Martin Aldridge) casting his vote with the ayes, with the following result —

Ayes (11)

Hon Martin Aldridge
Hon Peter Collier
Hon Colin de Grussa

Hon Donna Faragher
Hon Nick Goiran
Hon Colin Holt

Hon Rick Mazza
Hon Michael Mischin
Hon Tjorn Sibma

Hon Dr Steve Thomas
Hon Ken Baston (*Teller*)

Noes (17)

Hon Robin Chapple
Hon Tim Clifford
Hon Alanna Clohesy
Hon Stephen Dawson
Hon Sue Ellery

Hon Diane Evers
Hon Adele Farina
Hon Laurie Graham
Hon Martin Pritchard
Hon Robin Scott

Hon Charles Smith
Hon Matthew Swinbourn
Hon Dr Sally Talbot
Hon Colin Tincknell
Hon Darren West

Hon Alison Xamon
Hon Pierre Yang (*Teller*)

Pairs

Hon Jacqui Boydell
Hon Simon O'Brien
Hon Jim Chown

Hon Kyle McGinn
Hon Alannah MacTiernan
Hon Samantha Rowe

Amendment thus negated.

Second Reading Resumed

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment) [3.31 pm] — in reply: I thank members for all their contributions over the past couple of weeks to what has been a good debate on the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. I took copious notes and I want to try to address the issues that various members raised during the debate. I thank Hon Dr Steve Thomas for his

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contribution. Although the impact of foreign buyers on the Western Australian market may not be as big as on the market in Sydney, I am advised that, nonetheless, there is an impact.

I will put on the record the foreign persons surcharge in other states. When it was introduced in Victoria on 1 July 2015, it was three per cent. From 1 July 2016, it was raised to seven per cent. When it was introduced in New South Wales on 21 June 2016, it was four per cent. It was raised to eight per cent from 1 July 2017. In Queensland the surcharge was three per cent from 1 October 2016. It was seven per cent from 1 July 2018. South Australia introduced it at seven per cent from 1 January 2018. It was initially announced at four per cent, but it was introduced at seven per cent. Tasmania's surcharge came in from 1 July this year and was three per cent. As members have rightly pointed out, a surcharge of four per cent was announced as an election commitment to fund the government's freeze on TAFE fees and to assist with budget repair. However, in light of the surcharge increases in the other states, the government reconsidered and we have the seven per cent duty in front of us.

During the second reading debate, Hon Dr Steve Thomas labelled the surcharge as a "xenophobic tax". It is a fact that foreign investors in residential real estate are treated differently in a number of countries around the world. Some countries, including China and India, do not allow any foreign investment in residential real estate at all.

Hon Dr Steve Thomas: Let's not consider that a goal.

Hon STEPHEN DAWSON: I am responding to comments that were made during the second reading debate.

Hong Kong, Singapore and the Canadian state of Ontario have a 15 per cent tax for foreign buyers. British Columbia has a 20 per cent tax. A number of places around the world already have these taxes in place. As Hon Colin Tincknell pointed out during his contribution, taxing foreign purchasers of residential real estate at a higher rate than citizens is a common theme in countries around the world. I have just advised the house of the figures elsewhere.

As I briefly mentioned in my comments on the amendment we have just dealt with, we believe it is reasonable that there is a rate in various places around the world. Foreign buyers should contribute to the cost of the infrastructure and services from which they directly benefit. Infrastructure and services have been developed and funded by Western Australian taxpayers over a long period. We think it is time that foreign buyers contributed to that too.

Hon Dr Steve Thomas also raised a concern that the people with the most to lose from the surcharge are the people trying to sell real estate, the majority of which will be Australian citizens. The member's comments are on the basis that the impact of the surcharge on the market will drive down prices. However, Australia's foreign investment laws generally prohibit foreign persons from purchasing established dwellings, and any reduction in the number of foreign buyers is unlikely to have a material impact on the prices of established homes. The member's assertion that the people with the most to lose from the surcharge are Western Australians trying to sell real estate is incorrect. The honourable member also raised concerns that the surcharge would have a negative impact on the Western Australian property market and questioned the timing of the introduction of the tax. The surcharge is expected to have a very minimal impact on the Western Australian housing market. Data from the Foreign Investment Review Board and Landgate show that foreign buyers are a very small part of the property market in Western Australia and are estimated at 1.26 per cent of the total residential property transactions in 2016–17. It is no surprise that a 2017 report by Acil Allen Consulting—a report commissioned by the Property Council of Australia—noted —

... the amount that foreign buyers add to prices is minor and may actually be better described as rounding error ...

... overall, the notion that foreign investors add to dwelling prices is unfounded.

Hon Dr Steve Thomas also claimed the government is experimenting with financial policy. However, we know from the experience of the other states that there is no evidence that the introduction of a surcharge in those jurisdictions has had a material impact on foreign investment. I note that both Hon Dr Steve Thomas and Hon Rick Mazza said that the Western Australian residential market is different from other states, such as New South Wales and Victoria—or Sydney and Melbourne, I think were the words used—where property markets have seen considerable price growth. However, South Australia, which is a market that is more similar to Western Australia's, also introduced a seven per cent surcharge from 1 January this year. In July this year, the South Australian Valuer-General revealed that median house values had hit a historic high in that state. They were up 2.41 per cent in the June quarter from the same quarter last year. In commenting on the June quarter results, the CEO of the Real Estate Institute of South Australia said that the June quarter had been nothing short of spectacular. A one-off surcharge is unlikely to be a decisive factor for foreign persons investing in residential real estate. Other factors, such as capital growth prospects and exchange rates are expected to be more important considerations for foreign purchasers.

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I want to address Hon Tjorn Sibma's comment that the cost of the surcharge will have a flow-on effect in the housing sector, which will make it more difficult for first home buyers to enter the market, and Hon Colin Tincknell's request for the government to use the revenue raised to assist first home buyers. I reiterate that the impact of the surcharge on the housing sector or on house prices is expected to be minimal, given that foreign buyers make up a very small part of the Western Australian property market. As I said, it is estimated at less than two per cent. First home buyers already receive generous assistance from the government with the \$10 000 grant for the purchases of new dwellings. There are also transfer duty concessions for first home buyers who purchase homes with a value of \$530 000 or less or who purchase vacant land with a value of \$400 000 or less. Further, I add that housing affordability in Western Australia is currently as good as it has been for many years. I think this is favourable for all home buyers, including first home buyers.

During his contribution, Hon Nick Goiran asked why the government had increased the rate to seven per cent. As announced in this year's budget, the rate increased from four to seven per cent to achieve national consistency. Other states and most jurisdictions I have previously outlined introduced a rate of three or four per cent, and subsequently raised their rate to seven or eight per cent.

Hon Nick Goiran: That's not what you said before the election.

Hon STEPHEN DAWSON: No, and I have said that; absolutely. I have said the commitment we made at the last election was four per cent. Since then other states have raised their rates. Western Australia wanted to be competitive, so we too raised our rates. Unashamedly, we have said our commitment was four per cent, but we have gone with seven per cent, and that is in the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018 now before us.

I have a couple of other notes I wanted to put on the record. I thank Hon Charles Smith for his contributions on the bill. I appreciate that he supports the bill, but believes it did not go far enough. We have no intention of raising it to the 10 or 15 per cent suggested, but I appreciate the member's comments and contribution in relation to this bill.

Hon Martin Aldridge made a comment about deals being done. Absolutely no deals were done with minor parties or anybody else to get this legislation through. People have voted it through on its merits. I wanted to place that on the record.

Hon Charles Smith also talked about foreign investors leaving their properties empty. That was a good point to make. Of course, Hon Charles Smith has previously been on the record, including in September last year, urging the government to strongly consider the introduction of a significant foreign buyer tax.

I appreciate the acknowledgment of Hon Diane Evers that some of the income will go towards freezing TAFE fees. We made that commitment, and I think that will be beneficial to many, many Western Australians, many of whom have been priced out of TAFE education for the last little while. Hopefully, the money raised through this bill will help those people. The honourable member also indicated that she did not believe foreign buyers would be deterred, in that the main drivers for investing remained. I agree with her comments.

I thank Hon Martin Aldridge for his contribution to the debate. I got a sense that he was generally unhappy about the state of affairs. I said earlier on that members seem to forget the last eight and a half years, and the fact that we are trying to address the financial situation we find ourselves in.

With those comments, I again thank all members for —

Hon Simon O'Brien: Just before you sit down, where did the \$41 billion come from?

Hon STEPHEN DAWSON: It is not question time, member. But I will happily —

Hon Nick Goiran: Clause 1, forthwith!

Hon STEPHEN DAWSON: — answer that for the member at another time.

I again thank all members for their contributions to the second reading debate today and over the last few days. I commend the bill to the house.

Division

Question put and a division taken, the Acting President (Hon Martin Aldridge) casting his vote with the noes, with the following result —

Extract from Hansard

[COUNCIL — Thursday, 20 September 2018]

p6414a-6436a

Hon Martin Aldridge; Hon Charles Smith; Acting President; Hon Peter Collier; Hon Rick Mazza; Hon Alison Xamon; Hon Colin Tincknell; Hon Stephen Dawson; Hon Simon O'Brien; Hon Colin Holt; Hon Michael Mischin

Ayes (17)

Hon Robin Chapple
Hon Tim Clifford
Hon Alanna Clohesy
Hon Stephen Dawson
Hon Sue Ellery

Hon Diane Evers
Hon Adele Farina
Hon Laurie Graham
Hon Martin Pritchard
Hon Robin Scott

Hon Charles Smith
Hon Matthew Swinbourn
Hon Dr Sally Talbot
Hon Colin Tincknell
Hon Darren West

Hon Alison Xamon
Hon Pierre Yang (*Teller*)

Noes (11)

Hon Martin Aldridge
Hon Peter Collier
Hon Colin de Grussa

Hon Donna Faragher
Hon Nick Goiran
Hon Colin Holt

Hon Rick Mazza
Hon Michael Mischin
Hon Tjorn Sibma

Hon Dr Steve Thomas
Hon Ken Baston (*Teller*)

Pairs

Hon Alannah MacTiernan
Hon Samantha Rowe
Hon Kyle McGinn

Hon Jacqui Boydell
Hon Jim Chown
Hon Simon O'Brien

Question thus passed.

Bill read a second time.

Committee

The Deputy Chair of Committees (Hon Martin Aldridge) in the chair; Hon Stephen Dawson (Minister for Environment) in charge of the bill.

Clause 1: Short title —

Hon SIMON O'BRIEN: During the minister's second reading response he told us that one of the main purposes of this bill is to address a state debt that at the end of the forward estimates will stand at \$41 billion. I thought it was part of the minister's script that it was \$40 billion, or, alternatively, forty thousand million dollars. Can the minister explain how it is now \$41 billion?

Hon Nick Goiran: Don't use the number "4"—people get confused.

Hon Simon O'Brien: You promised you would answer me.

Hon STEPHEN DAWSON: I thank Hon Simon O'Brien for his question. I am advised, member, that the \$41 billion figure was in relation to the debt forecast by the end of the forward estimates period. It resulted from figures released in the *Pre-election Financial Projections Statement*, which referred to this figure of between \$40 billion and \$41 billion at the end of the forward estimates period.

Hon SIMON O'BRIEN: When did the government become aware that it was \$41 billion and not the \$40 million that the Premier and everyone else now says it is?

Hon STEPHEN DAWSON: I think the member probably misspoke; it was never \$40 million.

Hon Simon O'Brien: Billion, yes.

Hon STEPHEN DAWSON: The member did say \$40 million. It was between \$40 billion and \$41 billion. It has been that figure; it was rounded up in the contribution I made today, but it was between \$40 billion and \$41 billion. However, since then, of course, that figure has dropped.

Several members interjected.

Hon MICHAEL MISCHIN: If I may, the —

Hon Peter Collier: At this rate, we'll have no debt by the end of the day!

Hon MICHAEL MISCHIN: It depends, doesn't it?

Several members interjected.

Hon MICHAEL MISCHIN: If I could just understand that, is the minister saying at the pre-election —

Several members interjected.

Hon STEPHEN DAWSON: Sorry; I cannot hear what the member is saying. I seek your guidance, Mr Deputy Chair, to make sure that the member can be heard in silence so that we can answer his questions.

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The DEPUTY CHAIR: Thank you, members. Hon Michael Mischin has the call.

Hon MICHAEL MISCHIN: I would like to get some clarity on this because the minister was saying it was in the pre-election financial forecast; is that right?

Hon Stephen Dawson: Yes.

Hon MICHAEL MISCHIN: Something that was created and obtained prior to the March 2017 election is the basis for the comment that, at the end of four years, the debt would be \$41 billion; is that correct? It is hardly current information; would the minister agree with that?

Hon Stephen Dawson: Yes.

Hon MICHAEL MISCHIN: Things have happened since, haven't they?

Hon Stephen Dawson: Things have happened since.

Hon MICHAEL MISCHIN: It has been 18 months under this current government, so this current government should have made some inroads into that figure, yet that figure is still being touted by government members as the debt due to the previous government.

Hon STEPHEN DAWSON: Looking at this year's budget papers for 2018–19, in budget paper No 3, the forecast net debt is \$40.853 billion in 2020 and \$40.413 billion in 2020–21. Obviously since the election last year, the figures have changed, but certainly the figures I raised earlier related to the *Pre-election Financial Projections Statement*.

Hon MICHAEL MISCHIN: It is still not even \$41 billion. We are talking about \$40.8 billion and then \$40.4 billion. Where does the minister get the \$41 billion from? Is that the pre-election estimate?

Hon STEPHEN DAWSON: The member was obviously not listening when I mentioned earlier that I did round up those figures. Yes, I rounded up those figures, but the fact remains that the debt is significant for this state and the bill before us seeks to start addressing that debt.

Hon MICHAEL MISCHIN: What was the debt at the time that the McGowan government came into office in March last year?

Hon STEPHEN DAWSON: Again, the PFPS estimates were the figures that we based ourselves on. This bill before us does not mention the finances at the time we came into government. The member can ask his questions but I do not have advisers with me who can go back to those dates; the advisers I have with me now are adept at answering questions on the bill that is before us.

Hon MICHAEL MISCHIN: Thank you, but I would have thought it was germane to the bill because the second reading speech—the policy behind the bill—states that the surcharge of four per cent was announced in the lead-up to the March 2017 election —

... to fund the government's freeze of TAFE fees and to assist with budget repair.

Can the minister not tell us the figure that the government was trying to fix? Can the minister not tell us what the debt was when the government inherited office?

Hon STEPHEN DAWSON: I can tell the member that this bill will bring in approximately \$123 million, which will go towards repairing the debt that the PFPS and this year's budget papers highlight. The bill before us will bring in \$123 million but, obviously, since the election, a number of things have changed. Contributions have been made by the federal government and money has been taken away by the federal government. The money has fluctuated over that period but, regarding the bill before us today, I am advised that we estimate about \$123 million will come in, of which \$23 million will go towards freezing TAFE fees. The extra \$100 million, if the surcharge brings in what we anticipate, will go towards budget repair.

Hon MICHAEL MISCHIN: I understand that, but I also understand that it has been spruiked on numerous occasions that the government inherited a debt of \$40 billion. That suggests it was that at the time that the government took office. Relying on 18-month-old projections, the minister is saying that it will be \$41 billion, rounded up, but even now, after a year and a half in office, he cannot tell us the debt that the government inherited and yet the government is blaming us for a debt in the order of \$40 billion, give or take a few billion, because the rounding figure is pretty fuzzy—half a billion dollars here and half a billion dollars there. Is the minister able to say whether the McGowan government inherited a debt of \$40 billion, or not?

Hon STEPHEN DAWSON: I can give the member only the same answer I gave him before; that is, we rely on the figures that were provided in the *Pre-election Financial Projections Statement*. The figure is extremely high

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and the bill before us seeks to remedy that by repairing the budget and also paying for a freeze of TAFE fees, which I think will be supported by many Western Australians.

Hon MICHAEL MISCHIN: I think this is important because part of the point that Hon Martin Aldridge made in moving his reasoned amendment was an objection to the second reading speech. It is on the basis of that and certain assumptions that have been made in the second reading that we have been asked to support this bill. It is also important because the figure of \$40 billion is constantly bandied about by the Treasurer and others, and in debate in this place. Now, when there are Treasury officials here to deal with a revenue bill, the minister cannot tell us whether that figure is correct. We are not supposed to worry about whether the fundamentals that underlie this policy are correct; we are supposed to look at the end product that it will help in some way. It is important because, as recently as 17 August, the Treasurer, using the government media office media release facility as an avenue for informing the public, publicly criticised our questioning of this legislation's policy by saying —

It is ... of great disappointment that after leaving the State with a record \$40 billion of debt, the Liberal and Nationals parties are now trying to block a measure that would require foreign property buyers to help pay down that debt.

The Treasurer is saying that, as at March last year, there was \$40 billion of debt. Is that correct or not, or can the minister not say?

Hon STEPHEN DAWSON: I cannot comment on a media statement that the Treasurer put out. I do not have it before me. Certainly, as the minister representing the Treasurer in this place, that is all I do—simply represent the Treasurer. I cannot comment on what he has put out, whether it is through the government media office or anything else. He obviously stands by the statement he put out. I can only tell the member what I have told him before, so I cannot give him any further answers in relation to this issue.

Hon MICHAEL MISCHIN: So when we hear the words “\$40 billion worth of debt inherited” or “\$40 billion debt left by the Barnett government”, we cannot be confident that that is correct. Let us get to the bill and perhaps the minister can help us with that. Was it an election commitment to impose this duty on foreign buyers in order to freeze TAFE fees?

Hon STEPHEN DAWSON: The commitment was in two parts. It was made around freezing TAFE fees and budget repair. We knew that the debt was significant so we said we would bring in this surcharge, and that would pay for both those things—repairing the budget and freezing TAFE fees.

Hon COLIN TINCKNELL: I refer to the exemption relating to subdivisions for the purposes of the construction of 10 or more dwellings. Why do we have an exemption for 10 when in other states it is quite a bit more than that?

Hon STEPHEN DAWSON: I am told that the purpose of the residential development exemption is to limit any negative impact of the surcharge on the construction industry in Western Australia. Ten or more dwellings was chosen as the threshold for the exemption because it aligns with the definition of “commercial land” for Foreign Investment Review Board purposes. This is consistent with the approach of not applying the surcharge to commercial property. A lower threshold of 10 or more dwellings, compared with 50 or more dwellings in other jurisdictions, was adopted to ensure that the surcharge would not impact significantly on the new housing market, which would obviously have flow-on effects for jobs and the construction industry in this state. We were very mindful of not having an impact on those. Exemptions for commercial property transactions, including large residential developments, will ensure that Western Australians are not indirectly paying the surcharge through increased prices for housing, goods and services.

Hon COLIN TINCKNELL: The exemption would not apply if the residents were foreigners, or not Western Australians or Australians?

Hon STEPHEN DAWSON: If there is an exemption for the building, even if a foreign person buys into that building, they will have to pay the surcharge. Even though the building, by virtue of its size, may escape the surcharge, the individual who is purchasing a unit in that building will not escape the surcharge and so will have to pay it.

Hon MICHAEL MISCHIN: I would like to get back to understanding exactly how this election commitment ties in with those other commitments. Is the minister saying that at the time of the election there was a commitment to freeze TAFE fees?

Hon STEPHEN DAWSON: I am advised that was the case.

Hon MICHAEL MISCHIN: Is the minister saying that there was an election commitment to impose a levy, surcharge or tax on foreign homeowners or buyers?

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Hon STEPHEN DAWSON: Yes, that is the case.

Hon MICHAEL MISCHIN: Is the minister saying that the two were linked—that the freeze on TAFE fees was dependent upon or connected with the commitment to impose this tax?

Hon STEPHEN DAWSON: Again, yes, that is the case.

Hon MICHAEL MISCHIN: The government is raising a projected \$123 million over four years—is that right?

Hon STEPHEN DAWSON: Yes.

Hon MICHAEL MISCHIN: How much of that is necessary to maintain TAFE fees at their current level?

Hon STEPHEN DAWSON: If I may, I outlined this earlier. In fact, I have outlined it a number of times during the debate, but I am again happy to outline it for the member this afternoon: that figure is \$23 million, or thereabouts.

Hon MICHAEL MISCHIN: Is that over the same period that the levy is being claimed?

Hon Stephen Dawson: Yes.

Hon MICHAEL MISCHIN: The minister says \$100 million, give or take, is going towards budget repair; \$100 million is going to be applied to what the minister describes as budget repair.

Hon STEPHEN DAWSON: Yes, member. That is correct.

Hon MICHAEL MISCHIN: What does “budget repair” involve?

Hon STEPHEN DAWSON: It involves paying down the debt that Western Australia owes. It is—we have had this conversation—around \$40 billion to \$41 billion. It is a significant debt owed by the state, so this money will be put towards that and hopefully will go some way towards decreasing the interest we pay.

Hon MICHAEL MISCHIN: I thank the minister, but remember, we could not come to a figure as to what the debt was. We had an 18-month-old pre-election forecast that it would, all things being equal, be \$41 billion, or actually less than that; \$40.8 billion or \$40.45 billion, or something. The minister cannot in fact tell us what the debt was at the time, but we are looking at \$100 million to supposedly pay down whatever the debt was. How is it going to do that? Is it going to be earmarked and banked into an account in some way to pay down debt, or is it going to be available to consolidated revenue to apply to other purposes?

Hon STEPHEN DAWSON: I am advised that this money will go into consolidated revenue, but regardless, the debt will be approximately \$100 million less if this bill passes through this house.

Hon MICHAEL MISCHIN: If it goes into consolidated revenue, it will be available for the ordinary budget process, will it not? If it turns out that the Department of Education, for example, decides it needs some money for a Local Projects, Local Jobs, money-for-votes project, it will be available for that too, will it not?

Hon STEPHEN DAWSON: As a result of the bill before us, the money will go into the consolidated revenue account, the debt will be lowered, and we will have to pay less interest. That is essentially it. It is in consolidated revenue, but there is a commitment by government to lowering the debt we were left with, and this will bring that amount down by \$100 million over the next four years.

Hon MICHAEL MISCHIN: In fact, it will bring it down by \$100 million over the next four years until the government spends it on something else, because it is not being hypothecated; it is not being banked away in a debt-reduction account, is it? It is being made available in consolidated revenue to be spent as the government thinks fit at the time, correct?

Hon STEPHEN DAWSON: It is not being hypothecated; it is going into consolidated revenue. Again, I say the government is committed to using this money to reduce debt.

Hon MICHAEL MISCHIN: Is the government planning? For example, we heard a great deal about a windfall account that the Treasurer announced after the election. Any funds that happened to become available and that would be necessary to pay down debt would be put into it and dedicated to the function of paying off the debt, whatever that may happen to be. Is that happening with any of this \$100 million?

Hon STEPHEN DAWSON: There is an account already. A debt reduction account exists. This money is going into consolidated revenue, but we are committed to paying down debt and also putting some money into the account, as I mentioned.

Hon MICHAEL MISCHIN: How much does this debt reduction account have in it at the moment after it has been operating for the last 18 months?

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Hon STEPHEN DAWSON: I am advised that \$98 million went in last year and \$355 million will go in in 2018–19.

Hon MICHAEL MISCHIN: Will the \$100 million gained from this levy over the next four years that the government is not spending on freezing TAFE fees go into it?

Hon Stephen Dawson: No, it is not going in there. It is going into consolidated revenue to help pay down debt.

Hon MICHAEL MISCHIN: I noted the concern of many that there were education cuts. Is it expected that any of this money will go towards reversing those cuts in the education department?

Hon STEPHEN DAWSON: As previously stated, this money is not to be spent on education. It will simply go into consolidated revenue, so our debt will be \$100 million less and therefore we will be paying less interest as a state.

Hon MICHAEL MISCHIN: When the minister says it is going to be paying off debt, who does it get paid to? It goes into consolidated revenue. Does the government pay it to anyone in particular? How is it being applied to reduce the debt?

Hon STEPHEN DAWSON: If this bill ever passes this place, we will have an extra \$100 million in consolidated revenue. That then means that we will have less money to borrow and, as a result of borrowing less, we will have to pay less interest.

Hon COLIN TINCKNELL: Farms are commercial enterprises, but also residences. Will this bill apply to farms?

Hon STEPHEN DAWSON: The answer is simply no, it does not apply to farms.

Hon MICHAEL MISCHIN: I just had a couple more questions about the assumptions upon which this is being based. The minister answered a question without notice on 13 September. He was asked a question with reference to the foreign buyer surcharge and the fact that Landgate and the Foreign Investment Review Board do not collect data on the number of properties that will attract the foreign buyer surcharge. It asked on what basis Treasury arrived at the estimate that 1 000 properties would attract a surcharge and how Treasury forecast the total revenue. The response was —

The Department of Treasury estimate was based on Foreign Investment Review Board approvals data, which was adjusted in accordance with assumptions on foreign investment in residential real estate used in the commonwealth government's House of Representatives Standing Committee on Economics' report. It was also informed through discussions with other state treasuries.

Can the minister give us some more information about how the figure of 1 000 was arrived at, based on that information?

Progress reported and leave granted to sit again, on motion by Hon Stephen Dawson (Minister for Environment).

Sitting suspended from 4.15 to 4.30 pm