

DUTIES AMENDMENT (ADDITIONAL DUTY FOR FOREIGN PERSONS) BILL 2018

Second Reading

Resumed from 13 June.

MR D.C. NALDER (Bateman) [12.41 pm]: I stand as the opposition lead speaker in response to the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. I would like to say up-front that the opposition will oppose this bill. The job sits with us to now explain the reasons behind our decision to oppose this bill. Fundamentally, there are two reasons. Firstly, there is the impact on the economy. The second reason is to do with promises that were made during the last election campaign, to ensure that the government is held to account on the promises or commitments it made.

With regard to the economy, I will say up-front that it might be convenient to look at generating additional revenue from foreign persons, because it would potentially take pressure off Western Australian citizens if the government were to raise taxes through people who do not reside or live permanently in Western Australia. On the surface, one could say, “Well, this is an easy political thing to do.” However, as the opposition has raised in this chamber in the past, there are second and third-order consequences of the policy decisions the government is making and undertaking. We have the same concerns about this bill as we have had with other policy decisions that the government has undertaken, and I would like to step through some of them.

If we really want to strike at the heart of this, it is what is going on with the Western Australian economy at the moment. What is the potential for this legislation to adversely impact on the economy, particularly in the housing sector, given that we have a subdued housing sector in Western Australia? We have seen that for some time and expect it to continue for at least another year or two.

I will delve into that in a little more detail. More and more Western Australians are coming under mortgage stress. According to information from the Commonwealth Bank, more Western Australians are falling behind on their home loans and the number of Commonwealth Bank customers who are more than 90 days late with their payments blew out by 15 per cent in the June half year to 1.5 per cent of borrowers. Further research by Digital Finance Analytics highlights that the household debt-to-income ratio has reached a new high of 190.1, and that households remain under pressure, with many coping with very large mortgages against stretched incomes. This was exacerbated by rising living costs, notably child care, school fees, fuel, and household charges. We have also raised the issue of the impact this government has had on household charges through its two budgets over the last 12 to 15 months. It has increased household charges by more than 13 times the rate of inflation. We have to remember that this is happening in an environment of very flat real wages growth. That is our concern here. Another reason for our opposition to this legislation is its timing, given the current state of the economy.

Digital Finance Analytics’ regional analysis showed that there are now 132 000 households under mortgage stress in Western Australia, and just in the last month this number has grown a further one per cent, from 129 000. Two Western Australian postcodes fall within the top 10 in the nation for mortgage stress, at third and ninth positions. Interestingly, the third worst postcode in the country for mortgage stress is 6065. This is the area around Wanneroo, including Tapping, Hocking and Landsdale. More than 6 340 households in that area alone are under mortgage stress. The average loan-to-income ratio is around 26 per cent, and more than 13 per cent of them are paying more than 30 per cent of their incomes on their mortgages each month.

This is the causal effect of applying further brakes on the housing sector, as we saw after the government froze the first home owner grant boost; housing finance approvals fell through the floor, and they continue every month, month on month, to decline. We are saying that a number of people out there are suffering mortgage stress. We know from previous data that at least 71 000 home owners in Western Australia have zero to negative equity in their homes.

Further to that, we are starting to see an increase in the number of bankruptcies in Western Australia. In the last quarter alone, 197 debtors entered a new business-related personal insolvency in the greater Perth area. This number rose by 24.7 per cent from the March quarter 2018. We have said that there is a huge impost on households and that they are feeling the stress. There has not been an increase in real wages, yet the government has levied increases in household charges at 13 times the rate of inflation. The only jobs that are increasing in number in Western Australia are part-time or casual positions. We say that anything that may contribute to applying further downward pressure on home values is a risk that this state should not take at this time.

The Baldvis area has one of the highest bankruptcy rates in the state, and that is of real concern. If people are being forced to sell their homes, they do not want to have to sell their homes in an increasingly depressed market. That is one of the issues we have with this legislation: the timing of it and the potential economic impact it might have on Western Australia.

Extract from Hansard

[ASSEMBLY — Wednesday, 15 August 2018]

p4594b-4605a

Mr Dean Nalder; Mr Terry Redman; Mr Vincent Catania; Mrs Liza Harvey; Mrs Alyssa Hayden; Mr Ben Wyatt;
Acting Speaker; Mr Bill Marmion

Further data on housing finance commitments reinforces our concerns around the economy. Seasonally adjusted housing finance commitments decreased by 4.6 per cent between May and June 2018. Commitments fell by 11 per cent in average annual terms and dropped by 5.5 per cent over the three months to June 2018, compared with the previous three months. Trend housing finance commitments decreased by 1.6 per cent between May and June and fell by 11.1 per cent in annual average terms. Housing finance commitments for the month of June are at the lowest level since June 1993. We are talking 25 years. If we look at the population growth of Western Australia and the Perth metropolitan area since 1993, and if it is in absolute terms the lowest that we have seen since then, then it is a much more dire position than we faced back then, because of the current population size. The impact that is having on the state is much greater. In general, building approvals have fallen by 9.2 per cent in average annual terms. This is all coming from the Australian Bureau of Statistics' data. The latest data for June shows 14 straight months of decline, with approvals in the month of June being the lowest since March 2001. Housing starts, as published in the April 2018 update by the Housing Industry Forecasting Group, are well below the 15-year average. In 2016, there were 19 800, with the number of starts forecast to fall in 2017–18 to 19 500. We hope that beyond that we will start to see a recovery, but housing starts will continue to remain below the 15-year average in 2019–20.

Again, I reinforce the point that we are introducing a levy on foreign persons. It is very easy to make the political argument that we are taxing people who do not reside in Western Australia and it is a politically easy and convenient thing to do. We want to reinforce an understanding of the causal effect on the people of Western Australia and on homes in Western Australia. We are already seeing that these policies in the eastern states are having the desired effect, because the principal policy decision in the eastern states that we are looking to follow here, of implementing a policy of putting additional stamp duties on foreign persons purchasing properties within the state, was because of housing affordability. They wanted to stifle demand because housing in New South Wales, and Victoria particularly, was growing beyond a reasonable rate. It is not sustainable and it is creating a real issue for future generations trying to get into the housing sector. They wanted to stifle demand and they have introduced this policy. Yes, it generates additional revenue, but it is achieving what they set out to do—it is stifling demand, bringing back housing prices and reducing the demand for housing in those states. We, on the other hand, are in a different economic situation from those other states. I keep reinforcing that the real concern is the timing of this policy and the impact that it could have in a sector and market that is currently struggling. I believe it could have adverse impacts and put further pressure on households that are being forced to maybe sell their household today. It will unnecessarily put a greater burden on Western Australians themselves. It could be argued that on face value this is something for foreign persons, but our argument is that this could have a major impact on the people of Western Australia who need a higher demand in housing because it is not currently there, and this is likely to exacerbate the negative pressure in the housing sector.

That is our primary argument for opposing this bill. I will move on to a couple of other points that we would like to make on this bill to do with the causal effect and understanding the second and third order consequences of the government's policy decisions. We have said this and this is exactly the same issue that has arisen out of the regional migration policy that the state government undertook. On the surface the policy was about jobs for locals, and we want our local kids to have the local jobs. Again, it is politically convenient. Politically, it looks like the right thing to do, but the government does not understand the consequences. Immediately after this policy was implemented by this government we saw international student numbers fall through the floor. We know from international student numbers that for every international student, on average, we get five international visitors a year. All of a sudden there is a flow-on effect for tourism in Western Australia. Although on the surface this looked like a good policy because we want to protect jobs for Western Australians—we would all agree with that; we all want to do that—it is incumbent on the government to think deeper and have a deeper understanding of the causal effects of the policies it is implementing. That is not occurring by this government. It did not occur when it made the decision about regional migration policy, because we saw the number of international students fall through the floor, we have seen tourism fall off and there is no question that they are linked to that policy decision of the government.

Looking at this bill at a stage in the economy when we have very flat to negative housing financial approvals, sales data and sales activities in the residential property sector, we see that there will be a causal effect that will flow on from further depressed demand in the housing sector and therefore put further downward pressure on housing prices. We are putting the government on notice that we are thinking about the flow-on effect to Western Australians. We acknowledge the politically convenient opportunistic idea of taxing foreign investors and that they are not voters and the government can get away with that—I can hear the government arguing, “We'd rather tax them than tax Western Australians”. I do not disagree with that, but we are arguing that it needs to understand the causal and flowthrough effects. This will have a detrimental effect. The government can be politically convenient and can then hide around some other numbers as it tries to distance itself from that flow-on

Mr Dean Nalder; Mr Terry Redman; Mr Vincent Catania; Mrs Liza Harvey; Mrs Alyssa Hayden; Mr Ben Wyatt;
Acting Speaker; Mr Bill Marmion

effect, but as an opposition we will continually reinforce this issue over and over again based on the policy decisions that this government has been making.

The second concern that we have with this bill goes to the heart of election commitments. On the surface the government can say, “We actually put this as an election commitment.” The government will argue that during the election it made an election commitment that it was going to introduce this. That is correct. The government flagged that it looked to put this in, but it advised that the rate would be at four per cent. It has changed the rate and the government’s argument for changing it is that it brings us in line with all the other states. If we were doing things in line with all the other states, we might allow pokies into Western Australia. But we have always had a position in this state that that is not good for Western Australia. It is a flawed argument to say it is now increasing the rate to seven per cent just to be in line with the other states. We make decisions that are right for this state. We argue that it is not the right time to introduce this type of policy, because of the state of the economy in Western Australia. But we will also reinforce that the government made a commitment that the rate would be four per cent and it has nearly doubled it. That is not in line with its election commitment. That is another reason that we will hold this government to account in saying that this is not right and not appropriate because it is not consistent with the commitments that it made to the people of Western Australia.

Ms A. Sanderson: It was an election commitment.

Mr D.C. NALDER: I think the member for Morley said it is an election commitment. I thought I just reinforced that point that yes, the Labor Party made it an election commitment, that it did state that it was looking to introduce duties for foreign persons. Yes, we acknowledge that, but it stated in the election commitment that it would be at the rate of four per cent. If the Labor Party did not say a number, then it would be on high moral ground. But it committed that it would be at four per cent; it is introducing it at seven per cent and that is not consistent with the election commitment. It is for those reasons that we oppose the bill. As I said, the major reason and our major concern is the flow-on effect it will have on people.

Mr D.J. Kelly: Have you apologised for wrecking the finances yet?

Mr D.C. NALDER: The member for Bassendean wants to divert attention away from the argument. We are putting forward very sound arguments. The member for Bassendean is very concerned about the opposition highlighting the government’s inadequacies and how the government is not thinking through the underlying consequences of its decisions. The member for Bassendean is taking us on a different tangent and further pushing the theories we heard yesterday. Within 30 minutes of being back in this chamber yesterday, the government was crowing about the GST. Everybody in this chamber knows that the federal Liberal–National government did that. It had nothing to do with the state Labor Party. In fact, when we raised the GST share in the past and said that it was having a major impact on the budget bottom line, we knew what was required to fix the bottom line of the budget. The largest impact on this government’s budget at this point in time has nothing to do with what was done; it has everything to do with commonwealth grants.

Mr D.J. Kelly interjected.

Mr D.C. NALDER: It has nothing to do with the activities of this state government. The government’s behaviour has been appalling. It comes in here trying to grandstand and claim the increase in the GST share, and that it is the saviour of the state budget. Let me reinforce this, because under the previous administration —

The ACTING SPEAKER (Mr S.J. Price): Member for Bateman, if you want to the continue to elicit interjections from the minister, keep talking to him; otherwise, speak through the Chair.

Mr D.C. NALDER: Mr Acting Speaker, thank you for your kind guidance. I will talk directly through you.

This government continues to claim that it is the saviour of the Western Australian budget, but let me remind it that the last time the former state Liberal–National government complained to the federal government about the GST situation, the Labor Party said, “You don’t have a revenue problem; you have an expense problem. This is not a revenue problem.” Guess what we are doing today. We are discussing a revenue bill. The government is not bringing in legislation around expenses; it is telling us there was no revenue problem. The government is now crowing about the GST situation and is introducing a revenue bill. In the last term, the then shadow Treasurer stood in this house and said that the state does not have a revenue problem. He has changed his story now. We now have a revenue problem and we have to introduce new taxes. He tried to increase the gold royalty after the Labor Party promised Western Australians and the gold mining sector at the election that it would not do that. But it came into government saying, “The finances are worse than we thought. We need to do this now because suddenly there is a revenue problem.” The government is inconsistent. It is appalling that it is unable to think through the causal effects of the policies it is implementing.

For those reasons, every time the government tries to bring in these types of bills, we will oppose them. It mounts spurious arguments for why these measures are important to Western Australia when households are hurting.

Extract from Hansard

[ASSEMBLY — Wednesday, 15 August 2018]

p4594b-4605a

Mr Dean Nalder; Mr Terry Redman; Mr Vincent Catania; Mrs Liza Harvey; Mrs Alyssa Hayden; Mr Ben Wyatt;
Acting Speaker; Mr Bill Marmion

People are hurting. Families are hurting. There are record numbers of insolvencies, housing finance starts have declined to their lowest levels in 25 years, and there is downward pressure on housing prices, yet the government wants to implement a policy that will further dampen demand in the housing sector and put further downward pressure on housing prices. The opposition is standing up for the people of Western Australia and saying now is not the time to do that. For those reasons, we oppose this bill and we look forward to further debate on the matter.

MR D.T. REDMAN (Warren–Blackwood) [1.04 pm]: I comment on the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018 as the lead speaker for the Nationals WA. I am sure that some of my colleagues will also comment on the bill. The government announced its intention to introduce these provisions prior to the last election, so there was certainly an election commitment to do this and the voters knew what the government intended to do when they went to the polls. On the surface, the bill looks sound.

When it was first raised, the government announced that the purpose of the bill was to impose an additional amount of transfer duty—that is, a foreign transfer duty—at a rate of four per cent on transactions arising from the direct or indirect acquisition of residential property in Western Australia by a foreign person, with the surcharge to be applied on 1 January. The Premier linked that announcement to the importance of ensuring that the bill will have application in areas such as health and education. In fact, on 19 February he announced that the revenue would specifically fund the TAFE fee freeze and provide a new ongoing revenue source for the state. The government linked its announcement of the four per cent foreign duty to freezing TAFE fees, which at the time of the announcement was expected to raise \$21 million in the first year and which would be sufficient to maintain TAFE fees. If we were to flip that argument and not support this measure, would that mean that TAFE fees will increase? Presumably, that might be the government’s position. If this bill does not get through the upper house, it might increase TAFE fees because it has specifically linked this measure to freezing TAFE fees.

Let us look at the merits of the argument for this measure. The merits look sound, as highlighted by the member for Bateman, that this is a tax on foreign buyers. It probably has a certain amount of populist appeal among Western Australians—“I’d rather the government tax them than tax us if we are going to buy something. They come in and buy our land, so let’s put an increased impost on them if they are going to take that up.” That would be rather appealing to the population. The government argued that it would have an impact on only about two per cent of the residential property market, so it would have a relatively minimal impact. The member for Bateman and a number of people who comment publicly on the Australian property market are concerned that this measure is being imposed at a time when the property market is depressed. Were we to layer another potential impost on buyers out there, it could have a depressing effect. I suspect it would but that would depend on what the quantum might be.

There is also commentary about exactly what impact it will have depending on the predetermined parameters the government will put on the numbers. There are a few unknowns, but on the surface it actually looks like a reasonably sound proposition. I am sure the Treasurer will probably argue that because it was announced prior to the election and that it took this matter to the election as a known quantity, therefore the government has a mandate to put it in place. It is very difficult for the opposition to argue against putting a measure in place when the government has a mandate to do it, particularly given when it took that matter to the election. But, of course, a few things have changed since then. The tax is no longer four per cent; it is now seven per cent, and is layering that on top of the argument that that gives some sort of alignment to other states. The government has said that the seven per cent tax will raise something like \$123 million over the forward estimates, which is \$50 million more than the estimates that were based on the four per cent rate. That \$50 million increase as a result of that change is a fairly significant shift from what the government took to the last election and announced to the people of Western Australia before they had a chance to vote. The government made the very smart political move of linking the tax to the freezing of TAFE fees. That makes it a bit easier. A person voting would think, “This Labor Party policy is going to fix up the finances so that it can manage all those services it provides to the people of Western Australia. Let’s tax foreign investors. Let’s use that money to freeze TAFE fees.” After all, that is where their kids are going to get their training to get into the job market and to participate in the economy. People would have thought that was a really sound political position. But, of course, the policy has now changed and the tax rate is now seven per cent. The decision to make that change and to raise \$50 million more was made on 10 May this year. We can only guess what impact that will have, but on the surface it sounds pretty positive.

I share the member for Bateman’s concerns. I understand that this bill is being introduced at a time when it will have a bad impact on the Western Australian economy. It might be fair for people in the eastern states to say that it is okay. There was even some commentary in the Australia China Business News, which suggested that some of these things might be okay in a boosted market but they will certainly have a negative impact on a suppressed market. I think that is one of the challenges. A comment was made by the Premier, I think, suggesting that the delayed introduction of this increase might be a good thing to help with the current climate, and that may be a positive move. On the whole, the government took a reasonably sound policy to the election. I can understand why it would be palatable to the public. The government could argue that there is a mandate to put that in place.

Extract from Hansard

[ASSEMBLY — Wednesday, 15 August 2018]

p4594b-4605a

Mr Dean Nalder; Mr Terry Redman; Mr Vincent Catania; Mrs Liza Harvey; Mrs Alyssa Hayden; Mr Ben Wyatt;
Acting Speaker; Mr Bill Marmion

It hooked it to an educational initiative. The National Party will support this legislation only if the government hooks the increase that it will gain from the seven per cent figure to an educational initiative—that is, the cuts that it has made to education in regional Western Australia.

Amendment to Motion

Mr D.T. REDMAN: I move —

To delete “now” and insert after “time” —

only after the government commits to using the proceeds of this additional duty to reverse its \$41 million cuts to education so as to continue operation of Moora Residential College, camp schools, Landsdale Farm School and Herdsman Lake Wildlife Centre, and restore the 20 per cent raided from the agricultural education farms provision trust

If a party goes to an election and says that it will put in place a four per cent surcharge on foreign buyers of residential property in Western Australia and link that to freezing TAFE fees and then, when it gets into government, shifts that four per cent to seven per cent, which will raise an extra \$50 million, it is only reasonable that the opposition can put a position and say that it will link that extra revenue to the cuts in rural education in Western Australia that this government made in the last two budgets. We know that the government is prepared to look at those issues. We know what happened with the community resource centres. The government backflipped on that decision. We saw what happened with the Schools of the Air and the government’s backflip on that decision. We saw the backflip on senior teachers in schools. We saw the backflip on the cuts of 25 per cent that it was going to make to the gifted and talented education programs. We also saw the backflip on Northam Residential College.

The government is prepared to look at these issues. Here is an opportunity to test the government’s resolve. When the Premier outlined the government’s position and when he took it to the people of Western Australia in February 2017, he referred to the health and education issues. Here is an education issue. To get the National Party’s support, the government should reverse the cuts that it made to a number of initiatives in regional education over the last couple of budgets and use the revenue that it did not expect to have as a product of increasing the figure from four per cent to seven per cent to reinstate the funding from those educational cuts. If this government does that, it will have the support of the National Party in the upper house. That is the challenge for this government.

It is not unreasonable to expect that if the government is linking this change to an educational initiative, such as freezing TAFE fees, and if it is getting extra revenue that it did not see coming, and running a range of arguments around that, it can take up those cuts that were made in the last two budgets for those educational issues that are impacting people in regional Western Australia. Here is a chance for the government to show its resolve. Here is a chance for the Premier and the Treasurer to put their money where their mouths are and link that to an education initiative. If this bill does not get support here or in the upper house, the Treasurer has the option of saying that because the government did not get support, it will increase TAFE fees. If we link the revenue source to putting a cap on TAFE fees, the flipside of that says that the government will increase TAFE fees if it does not. Let us see whether there is policy consistency here. It should support what the National Party is putting up as a reasoned amendment and support reinstating the funding from those cuts that went to the core of education in regional Western Australia. It has heard about that time and again in this house; the National Party has been raising it time and again in regional Western Australia. Those people are feeling it. Here is a chance to change that. The government is getting a new revenue source that it did not expect to get. Let us be fair to education in the regions.

The ACTING SPEAKER: Just to make sure that everyone is clear, the question now before the Chair is that the words to be deleted be deleted.

MR V.A. CATANIA (North West Central) [1.14 pm]: What a great amendment. It is a resolution to the long dispute about regional education. Here is the answer, Treasurer and Premier. They can turn around the mean-spirited way that they approach regional Western Australia—the mean approach they have taken to creating a city–country divide. Here is the answer. We will not harp on the fact that the government has now done another backflip—taking the figure of four per cent to the election but now saying it is seven per cent. We will not harp on that because the National Party will support this legislation if the cuts to regional education are reversed. It is pretty simple and pretty clear and absolutely something that the Western Australian community is calling out for. We know that the community expects the government to keep backflipping. The cuts to the Schools of the Air and the campaign that the whole of Western Australia ran truly did affect the Premier’s view on Schools of the Air because he did a backflip.

We saw the 12-month campaign by the people to keep open community resource centres. This campaign was not only by those from regional Western Australia because community resource centres are used by everyone who visits regions in Western Australia as often they are attached to a visitor centre as well. The pressure has obviously got to the Premier of Western Australia.

Extract from Hansard

[ASSEMBLY — Wednesday, 15 August 2018]

p4594b-4605a

Mr Dean Nalder; Mr Terry Redman; Mr Vincent Catania; Mrs Liza Harvey; Mrs Alyssa Hayden; Mr Ben Wyatt;
Acting Speaker; Mr Bill Marmion

It is great to see the member for Darling Range in the chamber. She obviously tipped the Labor Party over the edge when it came to a lot of these decisions that are now being reversed because a 9.1 per cent swing against the mean-spirited Labor government —

Mrs A.K. Hayden: It was 9.3 per cent.

Mr V.A. CATANIA: It was 9.3 per cent. Sorry, member for Darling Range. It is great to have her in the chamber. We saw a 9.3 per cent swing against the mean-spirited McGowan Labor government, which went to the election saying that it would charge foreigners four per cent if they wanted to invest in residential property. I think that will raise \$21 million. Suddenly that figure has risen to seven per cent, which will raise \$50 million more than expected.

As the member for Warren–Blackwood rightly pointed out, we can see the politics at play. The government will blame this side of the house if the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018 does not get through, and it will increase TAFE fees. I offer this challenge to the Treasurer: we will support this legislation so that TAFE fees will not increase if he supports regional education by supporting the reasoned amendment moved by the member for Warren–Blackwood, who is doing it on behalf of the member for Moore, Shane Love, who has pushed for this. He is at his wit's end because the people of Moora are crying out for attention from this mean-spirited government that is clearly creating the city–country divide.

The Premier said that we do not need community resource centres because everyone has mobile phones. He has changed his tune. He says that we do not need Schools of the Air because they can be operated all the way down in Perth. He says that we need to have the community working together. Clearly, the people of Western Australia have spoken and said that we do. Here is an opportunity. The people of Western Australia are getting sick and tired of the fees and charges that this mean-spirited Labor government is putting forward. The Darling Range by-election was a clear example of that, with a 9.3 per cent swing against the mean-spirited Labor government.

As I have said on a number of occasions in this house, those backbenchers would be getting nervous. I think we are seeing these backflips because these regional education cuts are having an effect on the metropolitan seats held by Labor. Clearly they are. I have been in that caucus room and I know that the revolt is starting to occur. Gosh—9.3 per cent. The member for Bunbury is thinking, “I might be gone at the next election.” I can go right across the backbench when it comes to the Labor Party—9.3 per cent. What would that equate to? How many seats would that be?

Mrs A.K. Hayden: Fifteen.

Mr V.A. CATANIA: Fifteen. How many seats have to be lost to lose government, member for Darling Range?

Mrs A.K. Hayden: Fewer than 15.

Mr V.A. CATANIA: That is right. I think some people are starting to sweat a bit, which is causing angst for the Premier who has now had to find ways to re-fund what has been taken out of regional Western Australia. Here is an extra \$50 million, which this mean-spirited McGowan Labor government was not anticipating, being put back into consolidated revenue. This is not about freezing TAFE fees; this is about trying to find money. When it comes to all the cuts in regional Western Australia, the government's media statements say that it is because it is trying to repair the budget. Looking at media statements when it comes to metropolitan Perth, the government has none of that talk because it is all good news. But when it comes to regional Western Australia, it says it has to make cuts because of the financial difficulties. Regional Western Australians have had enough. They are tired of hearing that because it is excuse after excuse. When it comes to Carnarvon aged care, we hear the government had to cut that. When it comes to Carnarvon Community College, it had to cut that \$13 million. When it comes to regional education, it had to cut that. When it comes to hospitals, it had to cut that. People are getting sick and tired of this rhetoric; hence why we are starting to see the backflips. The Premier is going to backflip on Moora Residential College because it is hurting. Day after day, week after week, letters are written to the editor and there are Facebook and Twitter posts. The quokka selfie of “Save Moora College” is going right around the world. It is really having an influence on the way the Premier is handling regional education. It really does show the mean spirit under which he operates. That came through in the Darling Range by-election—9.3 per cent!

The Treasurer is already taxing people up to \$750 a person in increases to water and power charges and other household charges. He has had two budgets. Geez, if he adds another \$750 to the other two budgets he has left, Western Australians are in a bit of strife. They actually cannot afford him. The Treasurer wants to slug foreigners so that he does not have to increase TAFE fees, but he wants to keep \$50 million in the government's back pocket. I am sure the government has something to announce in Mount Lawley, Rockingham or Victoria Park or wherever and that \$50 million is going to come in handy.

Mr D.J. Kelly interjected.

Extract from Hansard

[ASSEMBLY — Wednesday, 15 August 2018]

p4594b-4605a

Mr Dean Nalder; Mr Terry Redman; Mr Vincent Catania; Mrs Liza Harvey; Mrs Alyssa Hayden; Mr Ben Wyatt;
Acting Speaker; Mr Bill Marmion

Mr V.A. CATANIA: The member for Bassendean has piped up! Stay over that side because you know what, I do not want you to come over this side because I might not be so kind if you want to do what you did last time!

We need to support this reasoned amendment moved by the member for Warren–Blackwood and advocated by the member for Moore. The member for Moore is doing his damndest to ensure that this government backflips on this mean-spirited gesture that it has been offering regional Western Australia, which is nothing. For our support, we want the government to have some consideration and come through and do what is right. The government will receive an extra \$50 million. Some say \$500 000 is what Moora Residential College needs; some say \$750 000. For the pain that the government has put Moora through and for the pain that it has put regional education through, I would say rebuild the school K–12, put some accommodation in to ensure that it is state of the art and build Moora up rather than further damage what it has already done. It has damaged the reputation of Moora. It has damaged those students who have to go elsewhere to find education far away from where they live. It is not fair. What this government has done to regional Western Australia is plainly un-Australian.

Members opposite, do not be mean—be fair. I think an extra \$50 million in exchange for \$500 000 is fair. Treasurer, do not be tagged the same as Premier McGowan—mean-spirited—be sympathetic. I know the Treasurer has some sympathy in his bones. Fund Moora Residential College. It is not a lot of money given the fact the government is raising \$50 million. The National Party obviously supports this reasoned amendment. The member for Moore is absolutely driving this amendment. I am sure that we can strike a deal to see this legislation go through and ensure that Moora Residential College is saved.

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [1.25 pm]: I rise on behalf of the Liberal Party to support this reasoned amendment. I thank our friends the Nationals for bringing it to the chamber. Since this government came in, we have seen an incredibly mean-spirited approach to education. In the last budget, there was a \$280 million cut to the education budget. The government is trying to target those cuts in areas where it thinks it does not matter. Moora Residential College is a case in point. It is not in a Labor seat, it is not a marginal seat—it does not matter. The government thinks it might as well cut funding from places where there are no Labor votes to lose.

We know from the estimates process that the government is expecting to harvest \$154 million worth of savings from cuts to teachers. That was provided to us. Thirty per cent of the total savings from the government's FTE cuts will come from teachers. TAFE lecturers are coughing up \$17 million worth of savings to the government. We stand here and say that during the election campaign this government went out there and said Labor is better at education; Labor is better at TAFE. How is a \$280 million cut to the education budget going to help Labor prove to the electorate that it is better?

Let us look at what has happened in the education space and the reason for this reasoned amendment. Members will recall that the Minister for Education and Training and another minister, with two staffers—two bureaucrats—went on a \$31 000 junket to Sydney. That was \$31 000 on one trip to Sydney to investigate how to build an inner-city high school. How hard is it to build a high school, for goodness sake? Why did the government need to spend \$31 000 to fly to Sydney to learn how to build a high school and put it in the inner city? That was utterly ridiculous expenditure. Look at the big backflip with Perth Modern School. The Labor Party went to the election saying that it would repurpose Perth Modern School. It did not discuss that, obviously, with any alumni from Perth Modern or anyone who has students at Perth Modern. It did a big backflip on that and now a new school will be built in Subiaco. It will be interesting to see how the traffic management around that school works. The government backflipped on repurposing Perth Modern. The opposition is asking the government to do a backflip on these other stupid cuts that came out of poor decision-making by an inept minister. The minister failed on lead in schools.

Let us look at the raft of cuts announced on 13 December. They were sneakily leaked out when schools had risen for the year, hoping that, in the hubris of Christmas and in the hurly-burly of people going on holidays, they would not get noticed. What have we seen? Schools of the Air was going to be de-funded. For goodness sake, Schools of the Air is iconic to Western Australia. The government thought it would not matter because only a couple of kids on pastoral stations would be affected by cuts to Schools of the Air. However, the government underestimated the fact that Western Australians across the entire state believe that all Western Australian children have a fundamental right to access a quality education, in the best circumstances that suit them. The government backflipped on its decision to close Schools of the Air. We want the government to also backflip on its decision to close Moora Residential College. Those students deserve the same kind of attention that the students at Schools of the Air were given, and the minister should reverse that stupid decision.

The minister also made the decision to defund the gifted and talented program at 18 schools and cut funding by 25 per cent. Why on earth would the minister penalise the smartest and most intelligent kids in our community, who will be the innovators of tomorrow and will lead this state and this country in new technologies and discoveries, by making the mean-spirited and stupid decision to defund that program? Thank goodness the government backflipped on that decision.

My colleague the member for Darling Range will talk a bit more about Moora Residential College, so I will not go on for too long about that. However, it is utterly appalling that the Premier said that it will affect only 27 students. They are in a seat that the Labor Party is never going to win, so it does not matter. The inference in the Premier's statement is that those 27 students and their families do not matter.

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Minister!

Mrs L.M. HARVEY: It means they do not matter.

The ACTING SPEAKER: Member for Scarborough, through the Chair, please.

Mrs L.M. HARVEY: The government has also cut the Best and Brightest Award. Once again, this government is penalising the smartest and most intelligent kids in our community by taking away an incentive for them to do their very best at school. This is the sort of chaos that we see in the education portfolio. It is an absolute disgrace.

In this Duties Amendment (Additional Duty for Foreign Persons) Bill, the government is proposing to impose a new tax for international property investors. The government said originally that this new tax would be at the rate of four per cent. The government is now proposing to increase the rate to seven per cent. We are saying to the government that it should repurpose the \$41 million that it has cut from the education portfolio and restore funding for the very important programs that are detailed in this very reasoned amendment. The government should restore the funding to Moora Residential College so that the 27 kids, who are the children of farm workers and people in rural communities, can receive a quality education close to home, and close to a caring and loving community that wants that college to remain.

The government should also restore the funding to Landsdale Farm School so that disabled children who cannot travel for long distances can experience what it is like to be on a farm. It is incredibly mean of the Premier and incredibly ignorant of the Minister for Education and Training that they would remove funding from a program like Landsdale Farm School. This program enables children with a disability and kids in wheelchairs to hold and feed a lamb, see a cow being milked, and see how food is prepared. That unique experience will now not be available to those children. The reason governments have funded Landsdale Farm School is that that kind of opportunity and offering is not sustainable in the private sector. If that school disappears, that opportunity will be gone forever. That will be the result of the decision by this mean-spirited Premier McGowan and his inept education minister.

One issue that I am passionate about and that forms part of this reasoned amendment is Herdsman Lake Wildlife Centre. Herdsman Lake Wildlife Centre is on the edge of my electorate. Members should go to that centre before it is completely shut down and take a Noongar food tour. On that tour, they will learn about the history and importance to Noongar culture of not only Herdsman Lake, but also the string of lakes along the Swan coastal plain. Noongar elders will tell them about the gilgies and native perch they used to catch in those lakes. They will talk about how seasonally they would congregate at those lakes to harvest food from them and meet as a community. They will hear about the other native bush foods that are available at those lakes and have been part of Noongar culture from time immemorial. That funding has been cut. Precious little focus is given in our school programs to Indigenous and Aboriginal culture. However, the one opportunity that was available to every school student was to visit Herdsman Lake Wildlife Centre and listen to the Noongar grandmothers and great-grandmothers and grandfathers and great-grandfathers who know the history and can tell the stories and provide that experience for our kids. Our children will never have the opportunity to learn from the Noongar elders at Herdsman Lake Wildlife Centre what it is like to catch gilgies or native perch, because that opportunity will be lost to them. They will not have the opportunity to hear from people who have the experience and understand the importance to Noongar culture of looking after and protecting our natural assets. That experience should not be defunded by this government.

This duties amendment bill will enable the government to make some coin out of foreign investors. The government should use this bill to reverse these awful decisions, which will penalise vulnerable people in our community. The government should stop penalising the 27 children at Moora Residential College. Moora college needs \$500 000 to bring it up to a habitable standard. That is the same as the cost of 15 junkets to Sydney for government ministers. The government will raise millions of dollars from this foreign investor tax. It should put back some of that money to help vulnerable people in our regional communities. It should put the money back into Landsdale Farm School to enable kids with a disability and other children to enjoy the unique experience of being on a farm, riding on a tractor and understanding what it is like to milk a cow and feed a lamb. The government should give back some confidence to the wonderful Noongar elders who run the Herdsman Lake Wildlife Centre to enable our kids to understand Noongar culture and how to protect our natural assets.

We are not asking for a lot. The government will make from this foreign investor tax well over what it will require to backflip on these three very poor decisions. I will not labour the point; I think my point has been made. If this

Extract from Hansard

[ASSEMBLY — Wednesday, 15 August 2018]

p4594b-4605a

Mr Dean Nalder; Mr Terry Redman; Mr Vincent Catania; Mrs Liza Harvey; Mrs Alyssa Hayden; Mr Ben Wyatt;
Acting Speaker; Mr Bill Marmion

government is to be successful into the future, it needs to have a serious look at this Minister for Education and Training. She is not up to the job. No minister should accept cuts such as this in their agency. These cuts are hurting communities across Western Australia. These cuts go to the heart of the reason that Western Australians pay our taxes. It is because we fundamentally believe that every child has the right to a high-quality education. These savage cuts fly in the face of where all Western Australians believe our taxes should be spent. The minister needs to take a serious look at her decisions. The Premier needs to show some leadership and reverse these cuts and fund these programs from the money the government will make out of its foreign investor tax.

MRS A.K. HAYDEN (Darling Range) [1.38 pm]: I also wish to speak on the Duties Amendment (Additional Duty for Foreign Persons) Bill. I did not think I would have to speak again so soon after I made my inaugural speech last night to defend the people of Darling Range and the community of Western Australia. However, sadly, this government is continuing to show that it does not care about the community of Western Australia and it certainly does not care about our regional communities and our children.

I commend and support the amendment moved by the member for Warren–Blackwood and thank him for bringing it to this place. The Duties Amendment (Additional Duty for Foreign Persons) Bill is, yes, a commitment by this government to raise funds. However, as has been the case with the other commitments made by this government, this commitment is not the same as the commitment that it took to the people of Western Australian on election day. It is not what the government said it would do. Again, in my opinion, it is a broken promise. Many promises have been broken by this government in its first term. That is why I am on my feet. As I said in my speech last night, I will stand on behalf of everyone who voted me into Darling Range on a 9.3 per cent swing.

Mr P. Papalia: You are a lightweight.

The ACTING SPEAKER: Minister!

Mrs A.K. HAYDEN: Lightweight? Let us see how long you last, minister. The people of Darling Range spoke on 23 June; they showed how disappointed they are with this government and its behaviour. They are very disappointed in it already, after just 15 months. Government members should be hanging their heads in shame. It was a 9.3 per cent swing. That was a slap across all their faces. They should be listening to the community.

The ACTING SPEAKER: Member for Darling Range, can you speak through the Chair, please.

Mrs A.K. HAYDEN: I would love to speak through the Chair; thank you for your advice.

The people of Darling Range are disappointed with this government. The result shows that the government is simply not listening. Members opposite stood here today and said that the vote of the people of Darling Range does not count and that their opinion does not count. That shows just how arrogant they are. During the campaign, the Moora Residential College issue was raised. People came to me, wanting to support me. Why did they come to me, even though government members said that Moora Residential College had nothing to do with the Darling Range campaign? How wrong they were, as usual. They came to me because every person and every family in Western Australia understands that every child deserves to have access to education—every child. The mums, dads and grandparents within the seat of Darling Range were appalled by the cuts to Moora Residential College, so much so that they got up and supported that campaign. Not only was I supported by that campaign, but also supporters of Landsdale Farm School came down. I would particularly like to thank Jo Matheson, who came all the way from Bullsbrook day after day with her baby to campaign against Labor and its cuts to education. She is a mum with a little baby and more kids at home. Her husband looked after those children so that she could come down and tell Labor how disappointed she was. Do members know how far people need to be pushed to go to those extremes? Government members are laughing; they think that those people should not be taken seriously. The government is making \$41 million worth of cuts to education. Those cuts are to our children and to our future generations, who are going to be looking after us one day when we are old. Members opposite will need to hope that the people at Moora Residential College do not remember that when they need help with their aged funding. They are the ones who are going to be in government and in power in the future; we need to look after them now.

I commend this amendment to the house. Every member who votes against this amendment is voting against the strong message sent by Darling Range and against the strong message that has been campaigned by an amazing number of people at Moora—they are a small team but they are committed, because this is important to them. The government has a campaign against every disabled child and every other family that accesses the Landsdale Farm School. I would be interested to know how many members on the other side have ever attended Landsdale Farm School or Moora Residential College. I have attended both.

Ms J.J. Shaw: Your campaign team set up in a disabled parking bay on election day!

Mrs A.K. HAYDEN: If you want to go there, be very careful!

The ACTING SPEAKER: Members!

Mr Dean Nalder; Mr Terry Redman; Mr Vincent Catania; Mrs Liza Harvey; Mrs Alyssa Hayden; Mr Ben Wyatt;
Acting Speaker; Mr Bill Marmion

Ms J.J. Shaw: You set up in a disabled parking bay on election day!

Mrs A.K. HAYDEN: Be very careful where you go, member for Swan Hills, because you did yourself an injustice that day.

Several members interjected.

The ACTING SPEAKER: Members! Member for Darling Range!

Several members interjected.

The ACTING SPEAKER: Member for Swan Hills, thank you. Can we keep a little bit of decorum in the debate, please. Member for Darling Range, can you speak through the Chair, please. Do not engage directly with members opposite.

Mrs A.K. HAYDEN: Thank you, Mr Acting Speaker.

Several members interjected.

The ACTING SPEAKER: Members!

Mrs A.K. HAYDEN: Members on the other side need to be very careful what they say about the campaign, because if the stuff that I endured from those on the other side made the media, they would be very embarrassed.

Several members interjected.

The ACTING SPEAKER: Member for Cottesloe!

Mrs A.K. HAYDEN: All that matters is the result of a 9.3 per cent swing against this disgraceful government. That is all that matters.

Ms C.M. Rowe interjected.

The ACTING SPEAKER: Member for Belmont!

Several members interjected.

The ACTING SPEAKER: Member for Swan Hills, I call you for the first time.

Mrs A.K. HAYDEN: Thank you, Mr Acting Speaker. I go back to the matter at hand—that this government has a bill before this place to collect more revenue, while it cuts education funds to our children. I support this amendment. I am asking everyone in this house to support our children, to support our families, and to support regional WA in particular. We cannot continue to walk away from them. The \$41 million that has been cut from education needs to be returned. If this bill is to go through, the money raised cannot simply go into the back pocket as the federal funding for Tonkin Highway has done to date; it needs to go back to restoring the funding cut from education. I support this amendment; I suggest that everyone else in this house should as well.

MR B.S. WYATT (Victoria Park — Minister for Finance) [1.45 pm]: I will be quick. Obviously, the government will not be supporting this amendment. I find it somewhat ironic that the Liberal and National Parties say, “You’ve got to be supporting families; you’ve got to be supporting children; you’ve got to be supporting regional WA”, as they now vote against a bill that would impose a higher rate of tax on foreign buyers of residential property. That is what they would do with this amendment. They are seeking to prioritise foreign investors in residential property over Western Australian families. That is what they have done today!

Several members interjected.

Mr B.S. WYATT: I am stunned that they would do that! I do not think they have given this much thought.

Several members interjected.

The ACTING SPEAKER: Members, can we just keep a bit of a lid on it, please.

Mr B.S. WYATT: I do not think they have given this much thought, because the member for Moore would be here to move this amendment if they had. He is not here. He cannot be bothered with this amendment. I was just having a look; he is at a farm expo. He cannot be bothered coming to the Parliament to make this case. If he had a real issue, he would have come in to raise this.

Point of Order

Mr D.T. REDMAN: I think there is a convention that says that if a member is not here to defend himself, members should not be targeting him in their commentary.

Extract from Hansard

[ASSEMBLY — Wednesday, 15 August 2018]

p4594b-4605a

Mr Dean Nalder; Mr Terry Redman; Mr Vincent Catania; Mrs Liza Harvey; Mrs Alyssa Hayden; Mr Ben Wyatt;
Acting Speaker; Mr Bill Marmion

Mr D.A. Templeman: You ditched those a long time ago, mate!

The ACTING SPEAKER (Mr S.J. Price): There is no point of order.

Debate Resumed

Mr B.S. WYATT: That is what the conservative parties—the Nationals WA and the Western Australian Liberal Party—have done. Let us get this right: they are prioritising foreign investors in residential property over Western Australian families. That is what they have done! They come in now and say, “Because of cuts to other areas, we are now going to try to wreck revenue measures”, including one as careful as this, which particularly seeks to protect Western Australian families and to carve them out from future increases in taxes, because we understand that WA families cannot keep being looked to. Both the National Party and the Liberal Party did the same thing with the gold royalty. Rather than accept that the gold sector should deliver a fair return to Western Australians for that asset, the conservative parties said, “No; WA families should pay for that.” That is what the Liberal and National Parties said. Unbelievably, they have now taken it to a completely different level by saying that foreigners who invest in the residential market in Western Australia—to be honest, there are not actually that many—should be protected and that Western Australian families should be hit even further. That is what they are saying. The reason we are doing this, as I think the member for Warren–Blackwood said in his contribution, is that we are linking it to freezing TAFE fees. Why did we make that commitment? Because the member for Scarborough, the Deputy Leader of the Liberal Party, increased TAFE fees by 500 per cent while she was the minister. We thought that was a sensible, significant decision, in which we actually tax a non-Australian set of people to pay for a benefit for Western Australian families. The Liberals and Nationals are now saying, “No; all those foreigners investing in residential property should be protected and Western Australian families should be hit even harder.” That is the most stunning position that the Liberal and National Parties have taken.

Several members interjected.

The ACTING SPEAKER: Member for North West Central! Member for Bateman!

Mr B.S. WYATT: I am stunned that a conservative opposition, in particular, would articulate that position. I do not know why the opposition is doing this. It makes no sense to me whatsoever—none! I find it interesting because I sat here in silence, listening to the inarticulate case put by the opposition, and now I am being screamed out because I am pointing out the meaning of what it is seeking to do. I get it that the shadow Treasurer is upset by this. He has highlighted that fact. I suspect that out there in his little cohort of friends, he has a lot of foreign investors in residential property. That is probably why he is seeking to protect them today. That is a fair reason because his economic argument does not stack up. I will deal with that ultimately in my second reading reply. The member for Scarborough increased TAFE fees by 500 per cent when she was minister. We took it upon ourselves to fund a freeze.

Mrs L.M. Harvey: That is not accurate and you know it.

Mr B.S. WYATT: Yes, we took it to an election. We have a mandate for that. The member’s problem is that it has gone from four to seven per cent, and that is a fair comment that I will deal with now and probably again in my second reading reply. I meet with all the state Treasurers on a quarterly basis. We have done this because every other state has increased it to seven per cent, including the conservative states that led the charge around this.

Dr M.D. Nahan interjected.

Mr B.S. WYATT: None, absolutely. I did not interject on you—listen!

The Treasurers have made the point that it has had no impact on demand. What has had a greater impact? Between 2015–16 and 2016–17, the Australian dollar exchange rate declined by 9.5 per cent. They reckon that had a bigger impact on Chinese investment in residential property than a small, one-off surcharge. For heaven’s sake, the economic analysis by the Liberal Party has completely collapsed since it was in government, not that it was there then. It rates this case now about consequential impacts, whilst the shadow Treasurer, when he sat on this side of the place, applauded and voted for three consecutive increases in land tax!

Mr W.J. Johnston: He brought one of them in.

Mr B.S. WYATT: He brought one of them in as Minister for Finance. If members want to see an impact on the property sector, they can line up what rents and investment did with each of those land tax increases, one of which was introduced by Dean Nalder, the then Minister for Finance. Opposition members have come into this place and said that for less than 1 000 residential purchases a year at the current rate, this one-off levy, which every other state in the commonwealth has either introduced or is introducing, will somehow have a dramatic impact. Do members know what? Rather than letting it through and going to the next election saying, “We’re going to abolish it”, they are now saying that Western Australian families can take the burden. Rather than those foreign investors in residential property taking the burden, they are now saying that WA families can. I get it that they do not like it, but that is what they have done. The member for North West Central said, “It’s un-Australian!”

Mr D.C. Nalder interjected.

The ACTING SPEAKER: Order! Member for Bateman, I am going to call you for the first time.

Extract from Hansard

[ASSEMBLY — Wednesday, 15 August 2018]

p4594b-4605a

Mr Dean Nalder; Mr Terry Redman; Mr Vincent Catania; Mrs Liza Harvey; Mrs Alyssa Hayden; Mr Ben Wyatt;
Acting Speaker; Mr Bill Marmion

Point of Order

Mr D.T. REDMAN: Mr Acting Speaker, I believe we are talking on the recent amendment that I put forward, which links the argument we made about the extra revenue this government will get from getting the seven per cent, to this government backflipping again on some regional education cuts it made in the last two budgets. That is not what the Treasurer is talking about.

The ACTING SPEAKER (Mr S.J. Price): He is responding to the debate. There is no point of order. Carry on, Treasurer.

Debate Resumed

Mr B.S. WYATT: The member for North West Central said that it is un-Australian. This policy has been designed to protect Western Australian families by applying a tax burden on foreign investments in residential property. The member for North West Central has said that it is un-Australian. I think that highlights where the member for North West Central is hanging out these days, because he now seeks to protect foreign investors in residential property in Western Australia. I am stunned that a conservative party from Western Australia, or even anywhere in Australia, could come up with this position. But if that is the position it has taken, so be it. I, on the other hand, want to ease the burden as much as I can on WA families, and that is what we on this side of the house want to do. That is what we will continue to do and that is why we oppose this clumsy, ham-fisted, cack-handed amendment that simply seeks to transfer the effort for budget repair to WA families and away from foreign people investing in our residential property. WA Labor will absolutely stand up for WA families against this ridiculous amendment moved by the conservative parties in Western Australia.

Amendment put and a division taken with the following result —

Division

Ayes (14)

Mr I.C. Blayney
Mr V.A. Catania
Mrs L.M. Harvey
Mrs A.K. Hayden

Dr D.J. Honey
Mr Z.R.F. Kirkup
Mr A. Krsticevic
Mr S.K. L'Estrange

Mr W.R. Marmion
Dr M.D. Nahan
Mr D.C. Nalder
Mr D.T. Redman

Mr P.J. Rundle
Ms L. Mettam (*Teller*)

Noes (29)

Dr A.D. Buti
Mrs R.M.J. Clarke
Mr R.H. Cook
Ms J. Farrer
Mr M.J. Folkard
Ms J.M. Freeman
Mr M. Hughes
Mr W.J. Johnston

Mr D.J. Kelly
Mr F.M. Logan
Mr M. McGowan
Ms S.F. McGurk
Mr S.A. Millman
Mr Y. Mubarakai
Mr M.P. Murray
Mrs L.M. O'Malley

Mr P. Papalia
Mr S.J. Price
Mr D.T. Punch
Mrs M.H. Roberts
Ms C.M. Rowe
Ms A. Sanderson
Ms J.J. Shaw
Mr C.J. Tallentire

Mr D.A. Templeman
Mr R.R. Whitby
Ms S.E. Winton
Mr B.S. Wyatt
Mr D.R. Michael (*Teller*)

Pairs

Mr R.S. Love
Ms M.J. Davies

Ms R. Saffioti
Mr P.C. Tinley

Amendment thus negatived.

Second Reading Resumed

MR W.R. MARMION (Nedlands) [1.58 pm]: I want to speak on this Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. I am greatly concern about the impact this bill will have on the property sector. In my electorate of Nedlands, we have a lot of foreign students and we actually have a lot of foreign buyers of property. The economy in Western Australia is separate to the economy of New South Wales and Victoria.

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Minister!

Mr W.R. MARMION: I am not taking any interjections, Mr Acting Speaker.

The policy of charging a foreign duty for overseas purchasers was initiated in the eastern states when they had a volatile property market in which prices basically doubled from an average of half a million to \$1 million in Sydney and Melbourne, for instance. I understand a lot of that was to do with units. Nevertheless, there had been a lot of foreign investment and the property market was overheated. The problem with an overheated property market is that it eventually corrects. In a really heated market that corrects a lot, people who invested in property

Extract from *Hansard*

[ASSEMBLY — Wednesday, 15 August 2018]

p4594b-4605a

Mr Dean Nalder; Mr Terry Redman; Mr Vincent Catania; Mrs Liza Harvey; Mrs Alyssa Hayden; Mr Ben Wyatt;
Acting Speaker; Mr Bill Marmion

find that the capital they invested has gone into negative territory. If someone bought a property for \$1 million and the heat came off, it would be worth \$800 000. For instance, if they had borrowed \$900 000 with a \$100 000 deposit, all of a sudden they own a property that they would lose \$100 000 on if it were sold. That is why there was probably a reasonable economic argument for New South Wales and Victoria to bring in a foreign investment tax, but that is also debatable. But in Western Australia, the property market has been flatlining.

Debate interrupted, pursuant to standing orders.

[Continued on page 4618.]