

LAND LEGISLATION AMENDMENT (TAXING) BILL 2014

Second Reading

Resumed from 12 March.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clauses 1 to 3 put and passed.

Clause 4: Section 22AA amended —

Mr C.J. TALLENTIRE: Proposed section 22AA(2A) states —

To the extent that regulations to which subsection (1) applies prescribe a fee that includes an amount that is a tax, the regulations may impose the tax.

I just want to check that the minister is saying that we are prescribing a fee that has been determined as the actual cost of providing a particular service. Then, on top of that, we add a tax, and that tax is to be retained to enable this over-recovery. If that is the case, I just want some confirmation that a set formula here determines the level of that tax. I am concerned, reading this bill now, that there is an open-endedness about the nature of the tax. I can understand that the prescribed fee—we have had long discussions about that—is subject to a formula and that there is a methodology in its calculation. I am seeking some reassurance on the methodology that determines the extent to which the actual tax is calculated.

Mr D.T. REDMAN: Thank you, member for Gosnells. This component of the bill gives authority to raise fees greater than the cost of recovery to the extent that if the bill does that, it is considered to be a tax, and it allows us to impose that tax. This does not set any fee, any amount or any figure; it just gives authority to raise more than the cost of recovery because the principles say that if the bill does, then that is considered to be a tax. The last bill we passed and the bills it related to referred to the mechanisms for where we draw fees from as far as the activities of Landgate are concerned.

Mr C.J. TALLENTIRE: Is the minister then saying that we are not actually setting a limit on what that tax will be?

Mr D.T. REDMAN: There is no limit provided legislatively for what the fees are because we are saying that, as a product of putting all this in place, we can raise more than cost recovery, but the commitment I have made is that we will not raise those fees more than cost recovery until June 2018. There are also mechanisms in place that if we cannot drive the efficiencies we want to drive in these pricing reforms to help the consumer and all those other things I talked about, then after the review Parliament itself can disallow the rollover of these provisions, which means we go back to where we are with the current legislation. With this bill, we are hoping to drive changes and efficiencies. We are talking now about the legislative authority to raise anything above cost recovery, because that is considered to be a tax.

Clause put and passed.

Clauses 5 to 10 put and passed.

Title put and passed.

Leave denied to proceed forthwith to third reading.