

Division 22: Western Australian Land Information Authority, \$32 314 000 —

Mr I.M. Britza, Chairman.

Mr B.J. Grylls, Minister for Lands.

Miss J. Cant, Acting Chief Executive.

Mr M. Smith, Chief Finance Officer.

Mr J. Fortuna, Manager, Financial Services.

[Witnesses introduced.]

The CHAIRMAN: The first question is from the member for Central Wheatbelt.

Ms M.J. DAVIES: The second dot point on page 258 under “Significant Issues Impacting the Agency” refers to maintaining the integrity of the Land Titles Register and minimising the risk of fraud and other improper land title dealings in WA. Could the minister please advise what actions have been introduced by the WA Land Information Authority to combat this fraud?

Mr B.J. GRYLLES: This has been a major issue for Landgate over the last couple of years. I think most people in the state are aware of property fraud being undertaken, with fraudsters stealing the identities of property owners, selling their properties and obviously putting the money into their own bank accounts. It was very concerning that our system of land titling and property transactions could be infiltrated like that. The moment we became aware of this, we put in place immediate action. The action was seen by some in the industry, both real estate agents and settlement agents, as difficult and too onerous, but we made no apology to ensure that the integrity of our system could stand up. Landgate has now introduced restricted witnessing requirements for land transaction documents that are signed overseas by Australian consular officials. Essentially, the biggest risk is with overseas land transactions and we are making people go to the Australian consulate to try to get some level of identity verification. There is now an option for travelling landowners who think they are at risk of having their identity stolen to put caveats on their properties to ensure that their property cannot be sold while they are away—especially for people travelling to Africa, which is where our problems seem to have come from. We have a code of conduct for both real estate agents and settlement agents, which essentially requires them to do much more stringent identity checks. Previously, a person could list their property for sale by making a phone call to a real estate agent and giving some title details. All of a sudden the property was listed for sale off the back of a phone call. We have made that process more onerous and we have put some requirements on real estate agents. We have made it more difficult to get duplications of titles if someone says that they have lost their title. We have strengthened that and we have had a major fraud awareness campaign right across the industry, which has been partnered by Landgate, the Consumer Protection Division and the major fraud squad. A lot of work has been done. Initially, there was some pushback from that to me, as minister, and to Landgate. After all that work, the verification of identity practice was formally introduced from 2 January this year. Just last week a Nigerian who had essentially done that was arrested. He had looked to steal an identity and to make representation to a real estate agent to sell a property. The real estate agent identified that they were concerned. The fraud squad was involved and ran quite an operation. I might get Jodi to give some details about that, because it is an important issue for the Land Information Authority, Landgate, and to its credit, I hope we have come up with a system that gives all Western Australians confidence in their titles.

[3.00 pm]

Miss J. Cant: Since we have put in the verification of identity process, we have been made aware that there have been four attempts, none of which was successful. In these cases, they are being stopped right at the beginning of the process, which is the best outcome for all. It does take more time and resources to do that, but from our perspective, with the value of people’s property often being their major asset, it is well worth the time and effort.

[Ms J.M. Freeman took the chair.]

Mr C.J. TALLENTIRE: I refer to page 258 and the second line item under the heading “Service Summary”, which reads “Valuations”. I refer to a problem that the agency experienced with errors in the valuation of land, which affected the rate notices of quite a number of landholders. I understand that some 30 properties were affected. An endeavour was made to correct things. The error that occurred affected people’s rateable values from 1 July 2011, yet the correction was not made retrospectively. Why has no consideration been given to doing the right thing by these property owners and reimbursing them for whatever amount they have been out of pocket since the error occurred back in July 2011?

Mr B.J. GRYLLES: I am broadly aware of that. I think I may have sent off a letter to someone —

Mr C.J. TALLENTIRE: Indeed you have, minister. I am aware of that letter.

Mr B.J. GRYLLS: I do not know whether I can give the member any details on that. It sounds as though that is a question for the Valuer-General rather than Landgate. The member's specific question was about whether consideration has been given to recompensing these people, because essentially their council rates have come out based on an incorrect valuation.

Mr C.J. TALLENTIRE: That is right. Even though the wrong information was received from the Valuer-General, essentially Landgate is at fault here, so I think it rests with Landgate to do the reimbursing or the recompensing to make things right. If it would help the minister's office, I am happy to refer to the case of Bradley Anstey, of 5 Eneabba Place, Armadale. Yes, I know the minister did write to Mr Anstey quite recently about this. Mr Anstey feels that a correction should be made and he should be reimbursed based on the error that goes back to 1 July 2011.

Mr B.J. GRYLLS: The advice I have received—the member for Gosnells might be able to give me more information—is that they have given one year's reimbursement, but they cannot go back further than one year. Obviously, the local government has based its rates on the valuation that was done. Therefore, the other question I would ask the member—not that this is his job today—is: has Mr Anstey spoken to the local government and been given a response?

The CHAIRMAN: Is that a question on notice?

Mr B.J. GRYLLS: I do not think I can ask that of the member for Gosnells. But I thought he might like to share that with me as part of his next question.

Mr C.J. TALLENTIRE: No; I will leave it at that.

Mr M.P. MURRAY: I refer to the fourth dot point on page 259. It states that one of the recommendations from the review of the LIA act was that there be “an assessment of the legislative framework to ensure it is aligned with Landgate's objectives, supports government policies and meets stakeholder expectations”. Has that review been done; and, if so, when will the report of the review be tabled?

Dr G.G. JACOBS: Just as a point of clarification, this comes under the Western Australian Land Information Authority, and that is in another division.

Mr M.P. MURRAY: Sorry. I apologise.

Mr B.J. GRYLLS: I had a very good answer for it!

Mr C.J. TALLENTIRE: I refer to page 258 and the first line item under the heading “Service Summary”, which reads “Land Information”. This relates to the issue about strata titles that was raised by my colleague the member for Bassendean. I imagine that “Land Information” covers the administration of the Strata Titles Act. Is the Strata Titles Act under review; and, if so, what are the time frames around that review? Also, can the minister indicate to us how many residential properties in Western Australia are covered by the Strata Titles Act?

Mr B.J. GRYLLS: My advice is that it is about 37 per cent of all titles, which would equate to around 400 000 properties. We have been undertaking a review of the Strata Titles Act, and some action is pending on that, subject to cabinet approval.

The CHAIRMAN: Member for Collie–Preston, I think you were on the right division when you asked your question earlier.

Mr M.P. MURRAY: I was a bit confused. So I was right! I was being misled from the left, for a change!

The CHAIRMAN: I apologise for not being able to call that at the time, but I had only just taken over as Chairman. Would you like to answer that question, minister?

Mr B.J. GRYLLS: The member had better ask it again.

Mr M.P. MURRAY: I was referring to the review of the Land Information Authority Act. The minister has said previously that there will be a review. Has that review been done; and, if so, when will it be tabled?

Mr B.J. GRYLLS: The fourth dot point on page 259 refers to the tabling of the review.

Mr M.P. MURRAY: The way I read it, there has been one review, and the minister is going to do a further one.

Mr B.J. GRYLLS: Is it about the assessment of the legislative framework?

Mr M.P. MURRAY: Yes.

Mr B.J. GRYLLS: I will ask the acting director general to answer that question.

Miss J. Cant: The review report in 2012, which the member referred to, recommended that we review and modernise our legislative framework to ensure alignment with our act. That is around appropriately defining statutory officers as well. The outcome that the review sought is a modern legislative framework. The initiatives that we talked about earlier—namely, national electronic conveyancing, pricing reform, and the amendments that we are making to the Strata Titles Act—all feed into that. So it is a body of work that will review and reform our act as appropriate. That is underway. Preliminary work started last year and continues in 2013–14, and the broad program has been agreed.

Dr G.G. JACOBS: I refer to the heading “Details of Controlled Grants and Subsidies” on page 178, and the item that deals with the Goldfields–Esperance revitalisation.

The CHAIRMAN: Member, we are not there yet. We are still on the Western Australian Land Information Authority.

Dr G.G. JACOBS: In that case, I will hold my question.

Mr C.J. TALLENTIRE: I refer to page 257, the fifth item under the heading “Spending Changes”, which is the strategic development plan. I am trying to understand why there has been such a dramatic reduction in funding—almost a \$7 million negative—in the 2016–17 out year. Could the minister explain that, please?

[3.10 pm]

Mr B.J. GRYLLS: Which page?

Mr C.J. TALLENTIRE: It is page 257. In the table under the heading “Spending Changes”, there is an item for the 2013–14 to 2016–17 strategic development plan. The estimated actual for 2012–13 is negative \$2.5 million, and then there is negative \$1.3 million and \$340 000. What I am most curious about is how the minister could possibly know that in 2016–17, money will be taken out for a strategic development plan to the tune of \$7 million.

Mr B.J. GRYLLS: That refers to the strategic development plan of the agency. My notes tell me that a reduction in the authority’s expenditure of \$10.3 million over the forward estimates has been approved to be achieved through microeconomic reforms such as the COAG initiative known as national electronic conveyancing, which will be implemented during 2013–14. Further to that, we are looking to go to a digitally based system of land conveyancing rather than the current paper-based system. I assume that we are showing in our forward plan that that will have significant savings to the agency, which is why we are undertaking it. It is very good work by Landgate, and I hope in the member’s follow-up question, he can give me the chance to give the acting director general the chance to talk about it.

Mr C.J. TALLENTIRE: Perhaps so, minister, because I am interested to know whether Western Australia’s 15.9 per cent shareholding in National e-Conveyancing Development Ltd —

Mr B.J. GRYLLS: NECDL.

Mr C.J. TALLENTIRE: — is paying a dividend and what sorts of profits Western Australian taxpayers can expect. Perhaps that explains why it is a negative, but I do not really understand why we would have a negative \$7 million so far out in the 2016–17 financial year.

Mr B.J. GRYLLS: National electronic conveyancing will be a substantial change to the way that we process land transfers not just in the state, but across the nation. Landgate has been at the leading edge of this and has helped drive that program of reform. It is a reform that every state is undertaking. Essentially, at the moment if a person sells their property, their settlement agent and banker turn up with the other party’s settlement agent and documents are passed over and put in safety deposit boxes and the like. We are looking to modernise the system and go to a computer-based and digital system. Obviously, that will be a huge saving just in that process. NECDL is essentially building the computer database to enable that to work. We need legislative change to move from a paper-based system to an electronic system. Landgate has been a key driver of that. It essentially formed a company, and the state is a percentage owner of that company. That project is progressing. As I have said, we are looking to have that implemented towards the end of this year. I will let the acting director general add more to the NECDL project.

Miss J. Cant: Landgate will roll in at the beginning of next year in March. The first state to roll in was Victoria, and that happened in June. The shareholders of NECDL are the major states and also the four major banks, with Macquarie Bank being the largest shareholder. Landgate viewed that the opportunity to invest further in the company was significant. To this date, our shareholding has increased on paper—unrealised—to a \$9.6 million profit. That is significant for the agency and we believe is proof that backing our money in the first instance for the value of Western Australia was definitely there.

Ms M.J. DAVIES: The second dot point on page 259 refers to the Shared Land Information Platform framework SLIP Enabler. I am looking for a bit more information on that particular service.

Mr B.J. GRYLLS: SLIP is another quite innovative project of Landgate. It essentially looks at all the layers of information on land that are held and tries to make all the different levels of information available so it can be better used by the community and government agencies. I would be happy to give members who are interested an example of what we are trying to do. We are trying to make it easier to access all the different information on a piece of land that will be held by agencies of government, including titles, mineral aspects in remote areas and planning issues and the like in urban areas. Again, Landgate has been very innovative in the way it has driven its agency. It is a credit to the former government, which set up Landgate; it has done a good job. It chose Monty House as the first chairperson, which was a very good choice. Landgate continues to deliver it. I will let the acting director general give a little more advice on the SLIP project.

Miss J. Cant: The original version of SLIP was world leading at the time. It has been around for a few years now and deals out many hundreds of datasets from government agencies. The new SLIP Future, which is funded by the location information strategy, is being built on a Google Maps engine, which means, in terms of usability, it will be like using Google Maps, which consumers are very confident with; it is very intuitive. In our work with Google, Google's comment on Landgate's work with SLIP Future was that it is the most innovative project that Google is currently working on in the world, which we think is pretty impressive. It will deliver for the state a seamless delivery mechanism for all land information and, hopefully, will cut costs across government and save money.

Mr B.J. GRYLLS: Landgate has been able to build on my extensive technical expertise as minister to drive this project, which is why Google is so interested in it. There are many examples of how savings can be made by making all the datasets available to consumers of that information, local government and state government departments and the like. It will be good to give interested members some test runs of that project.

Mr M.P. MURRAY: One of the line items in the table at the bottom of page 257 refers to the capping of leave at 2011–12 levels. Will this include the same sort of capping of staff leave as is happening in electorate offices, whereby a person cannot be replaced if they take short-term leave of under four weeks? Will that be included in this directive?

Mr B.J. GRYLLS: The division that we are referring to does not involve electorate offices, but I know the point that the member is making; it has been made to me very strongly. Obviously, across government we are looking at leave liabilities as a challenge in managing the state's finances. Obviously, Landgate has been asked to manage its leave provisions, which, I assume, involves asking people to take their leave.

Mr C.J. TALLENTIRE: On page 259 there is reference to the collaboration with the land information strategy and the Western Australian Land Information System community. I note the minister's previous comments about the use of spatial analysis and spatial mapping. I recall that during the election campaign, a commitment was made to a biophysical virtual library that would be accessible to proponents, developers and the general community. If it is the intention of those at Landgate to ensure that the LIS works with that biophysical virtual library promised by the conservative parties at the election, what has their role been so far and is there provision in the budget papers for that work?

Mr B.J. GRYLLS: I knew the biophysical virtual library question was coming! I do not think we have made any provision for that commitment in the current budget papers, but if that was a commitment of the Liberal Party at the election, I am sure that we will look forward to implementing that in this term of government.

[3.20 pm]

Mr C.J. TALLENTIRE: Can I ask the minister why there is the potential here for parallel systems to be in development? The minister has already spoken at length about how wonderful the Google system is with his land information system, and I can well imagine that that is the case, but how could it be that he is allowing that system to develop while apparently being ignorant of government expenditure elsewhere through other agencies on what would have to be quite a complex project—the biophysical library? My recollection is that the government's commitment was for \$8 million towards the development of that project; how can it be that we have two quite similar projects under development and the minister is unaware of what is happening with one of them?

Mr B.J. GRYLLS: As I said, I am not aware of a biophysical library commitment in the forward estimates and the budget that we are investigating today. I am sure that that is a discussion that will be undertaken in the future.

Mr C.J. TALLENTIRE: Is the minister not fearful that we could have some crazy bureaucratic duplication here, with one agency having one system and another with another, and the two not meshing together? There is quite a potential for that sort of thing in the IT world, and it is my understanding that systems are not always

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Chairman; Ms Mia Davies; Mr Brendon Grylls; Mr Chris Tallentire; Mr Mick Murray; Dr Graham Jacobs

compatible. Would it not be better to make sure that we develop these things in full collaboration, not just the collaboration the minister referred to under the first dot point on page 259?

Mr B.J. GRYLLS: After discovering many of those types of outcomes when we came to government, we made sure as a new government that we would not do that in the future.

Ms M.J. DAVIES: I was just going to suggest that if committee members were ready, we might like to move on to the Department of Regional Development.

The appropriation was recommended.