

**LAND LEGISLATION AMENDMENT BILL 2014**

*Consideration in Detail*

Resumed from 12 March.

**Clause 4: Section 94A inserted —**

Debate was adjourned after the clause had been partly considered.

**Mr C.J. TALLENTIRE:** I wanted to check the methodologies and principles that will be used, noting that the clause states that section 22AA of the act will be amended. It states —

- (2A) 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.

Could the minister give us some background —

**Mr D.T. Redman:** We are on clause 4. Which part of clause 4 is that?

**Mr C.J. TALLENTIRE:** I was referring to the taxing bill. We are not on the taxing bill yet, are we? No.

**Ms R. Saffioti:** We are at the bottom of page 3 of the Land Legislation Amendment Bill 2014. Do you want me to ask a question?

**Mr C.J. TALLENTIRE:** Yes, if that is possible. Can I defer to the member for West Swan?

**The ACTING SPEAKER:** Yes.

**Ms R. SAFFIOTI:** I am looking at clause 4 of the Land Legislation Amendment Bill. When we left this bill we were discussing the principles and methodologies applied in determining the prescribed fees. We were trying to get to the bottom of exactly what principles and methodologies will be applied. For example, will the minister look at cost recovery plus a certain percentage, the inflation rate and the required revenue in any given year? What principles will be used to underpin the price setting of fees? This is a departure from full cost recovery. We need to understand what methodology the agency will use each year to determine the fees that are likely to be set.

**Mr D.T. REDMAN:** Time has given me a chance to receive extra information, given this was where the discussion had finished. The actual principles and methodologies have not yet been developed. That is part of the review process, which is what this clause relates to. That will be developed up over the next 18 months or so. The review will be tabled in Parliament, so it will be subject to scrutiny by Parliament. As a consequence of that, if fees and so on are set, that is a disallowable instrument. There is solid scrutiny over the determination of how fees and so on will be set. I might add that the sort of information that I expect Landgate to consider in developing its principles and methodologies over the next 18 months include things such as the Treasurer's publication titled "Costing and Pricing Government Services". I have a copy of that if the member would like a copy.

**Ms R. Saffioti:** I know it well.

**Mr D.T. REDMAN:** I am sure the member would have come across that. Landgate will also consider such things as comparisons with other states to ensure reasonable parity and no price gouging, the cost of providing relevant services underpinned by a dedicated costing model, the possibility of a fair commercial return to the state and a real reduction in fees once it has been established that costs have been significantly reduced, and how any reduction in fees will impact Landgate's overall finances and ability to effectively deliver secure and efficient services. The intent is to have this developed as part of the review and to be absolutely open about how those principles and methodologies are used to work out the price and fee structures in Landgate. As I said in the second reading debate, it is my belief that there are more than enough checks and balances for both Parliament and the community to be assured that good process will sit around this legislation.

**Ms R. SAFFIOTI:** Just to make sure that I understand the process: a review will be undertaken to determine exactly how the prices will be set, then Landgate will come to the Minister for Lands and the legislation will require the minister to have regard to certain principles and methodologies set out after the review. Then, the actual fees—not the principles and methodologies, but the fees—will go to Parliament as a disallowable instrument. Is that how the process will be undertaken?

**Mr D.T. REDMAN:** Yes, as I understand it, bearing in mind that the review will be tabled in Parliament, so it will also be subject to that scrutiny, but the actual fees will be disallowable in Parliament. We are bringing in this amending legislation to give price certainty and create some real reductions in costs to the consumers of these services, so if we do not achieve that, it is clearly something that can be pointed out in the parliamentary process and disallowed.

**Ms R. SAFFIOTI:** I am a little unclear about the review the minister just described. Is it an annual review, or is it some sort of strategic direction document that Landgate undertakes? Is there a legislative requirement for it to

be tabled? I think this relates to an existing section of the Land Information Authority Act. Could the minister tell us the purpose and scope of the review, who undertakes the review and whether it is similar to, for example, a statement of corporate intent that corporatised government trading enterprises might use in the private sector?

**Mr D.T. REDMAN:** It is my understanding that Landgate will do the review. Obviously the minister will direct that and will take advice to sign off on who carries out the review. Of course, the scope is subject to what we are putting in place through this legislation. If I am the minister of the day—I am hoping to be!—I would want it to have an appropriate scope in order to give the public and Parliament confidence that this is not a taxing bill put in place to raise revenue above cost recovery, and that it will actually achieve the outcomes we are trying to achieve.

**Ms R. SAFFIOTI:** I am trying to understand the scope of the review. Is it required under the legislation to be an annual review?

**Mr D.T. Redman:** It's every five years.

**Ms R. SAFFIOTI:** Okay, so every five years —

**Mr D.T. Redman:** That's in place now.

**Ms R. SAFFIOTI:** It is in place in the existing legislation. I am just trying to understand this review. The existing legislation requires a review every five years of the costs and prices of the agency. When it is tabled, is it similar to a strategic development plan of a GTE, or is it simply more of a financial document that outlines predicted activity and costs over the next five years?

**Mr D.T. REDMAN:** I will make a couple of comments. The review as it is at the moment does not include a requirement to review the fees, but the review will be significant to the decision of the minister on extending the provisions that we are outlining in this legislation. In other words, this legislation has a sunset clause providing that, unless the minister chooses to direct that it carries on for another term of five years, it will just roll back to how things used to be. We will have the taxing bill in place and we will be able to over-recover to get benefits to the consumers, but the review will need to inform the minister of that outcome, because if we do not achieve the outcomes we want, it will roll back to how things used to be. As I said in the second reading speech, there are a lot of checks and balances here for the consumer, and one is our undertaking not to increase fees by more than the consumer price index until June 2018. We have a review process that triggers in 2017 and will be tabled at the end of 2017 —

**Ms R. Saffioti:** So that won't be a problem?

**Mr D.T. REDMAN:** We wish! That will be significant for informing the minister's decision about another five-year term of the over-recovery arrangements we have in place to get cost efficiencies.

**Mr C.J. TALLENTIRE:** Is there a chance that the formula methodology might take into account the volume of work coming through the agency for a particular type of service for which there is a prescribed fee? Elevating the fee might be a way of reducing the amount of workload; consumers might choose to forgo a particular service because they might consider the service to be too costly, or they might look to an alternative entity for the provision of the service. In my contribution to the second reading debate, I gave the example of occasions when I went to Landgate, back in the days when colour printers were very rare, and I was able to get Landgate to provide me with an A3 colour photocopy of a property I was interested in. I was amazed at the time because the cost of the service seemed very reasonable; it was only around a \$10 fee. I can imagine that if the agency had lots of people coming in for services of that nature, it might up the fee so that people would think twice about coming in to use Landgate's services. I am just wondering whether that methodology factors in the volume of usage and whether it anticipates some sort of dissuasive angle by using fees as a means of making people think twice about demanding the service.

**Mr D.T. REDMAN:** I reiterate our commitment that we will not increase fees by more than the consumer price index before June 2018. That is on the table now. That is our commitment, and it is not going to happen, which should give confidence to the public that any arrangements that might be referred to as gouging should not play out. The first review was in 2012 and the next one is due by the end of 2017. Part of that will involve setting out the principles and methodologies for setting prescribed fees post-review, and informing the minister about whether the minister should support extending these arrangements for another term of five years. I guess I am highlighting, firstly, our commitment, and, secondly, what I see as a very transparent process for Parliament and the community around future arrangements for setting fees. The fees will be subject to disallowance, but the over-recovery argument will not be grounds for disallowance, because that is what this bill is about.

**Clause put and passed.**

**Clause 5 put and passed.**

**Clause 6: Sections 22AA and 22AB inserted —**

**Mr C.J. TALLENTIRE:** Clause 6 is really the centrepiece of this amendment bill in that it refers to how certain prescribed fees may exceed cost recovery. In doing that, it refers to the Registration of Deeds Act 1856, and the amendments in this part are to that act. I am keen to hear from the minister about proposed section 22AA(1)(a), which refers to the expenditure —

incurred in connection with the matter in relation to which the fee is charged;

How is that defined in relation to the Registration of Deeds Act 1856?

**Mr D.T. REDMAN:** There are very similar provisions in the four pieces of legislation relating to the fee structure through Landgate. Each of these provisions looks very much the same and this is the first of them post the bit we have just debated. This regulation relates to recovering more than cost and to over-recover, because that is the nature of what we are doing here. Proposed paragraphs (a) and (b) relate to the costs of that. I am advised that paragraphs (b)(i) and (b)(ii) refer to the costs. Subparagraph (i) allows more than the cost to be recovered. Do they not word this stuff beautifully!

**Ms R. SAFFIOTI:** As stated during the second reading debate, we are concerned about what will happen to revenue in relation to the funding generated by Landgate over and above cost recovery. From what the minister said in the second reading speech and through the briefing notes, we believe that Treasury—good old Treasury!—might try to get its hands on this additional revenue. Although the intent of raising additional revenue above cost recovery was really about the internal process of Landgate, we believe this is purely another tax that will help the government's struggling bottom line, as it struggles on a day-to-day basis. I must say I do not move too many amendments, but I would like to move an amendment. I move —

Page 5, after line 20 — To insert —

- (1A) Monies received from the charging of fees that is more than the cost of providing the product or service the subject of the fees (the surplus), shall be expended by the authority for the purposes of the authority only, and any such surplus shall not be paid into the consolidated account, and the authority's board of management and the minister shall not take into account any such surplus when recommending or determining the amount of the dividend, if any, that the authority is to pay the consolidated account pursuant to section 71 of the *Land Information Authority Act 2006*.

Basically, this amendment is a bit of a tongue twister and quite long. As members on this side of the house have said, we do want not this bill to be simply another taxing bill for this government. This bill looks like a new tax, smells like a new tax and will probably act like a new tax. Two basic things were said during the second reading debate and in the briefings for the shadow spokesperson on this matter. First of all, Treasury can of course recover additional moneys through the normal budget process. Second, any additional money could be paid through higher dividends through the normal process. We do not believe that this should be just another tax introduced by this government. We believe that any additional revenue over cost recovery should be retained by the agency for its own purposes, whether it be passed on as lower fees for customers, used to cap potential increases in fees or used by the agency to fund capital works programs such as upgrades to information technology systems.

As we have stated, we believe the Landgate service is a very good service, and I have said on a number of occasions that I am a frequent user of it. However, there are enormous opportunities to improve the system and in particular improve information regarding environmental issues, contaminated sites or environmental and agricultural buffers. Enormous expenditure probably needs to be undertaken by the agency to do that. We do not want these funds to be treated in the way that many other funds are currently being treated by this government, with them basically being used as cash reserves for a government that cannot manage its finances. I sought some assistance to get that amendment drafted. The shadow minister will speak to the amendment as well. We are just trying to ensure that this additional cash that can be raised over cost recovery will not be raided by the consolidated account.

**Mr C.J. TALLENTIRE:** I would like to second this amendment put forward by the member for West Swan. We did of course approach the minister and his advisers about this concern that the potential exists for money held by Landgate to eventually be siphoned off and used by another agency. We appreciated the response we got from the chief executive and the minister. It was useful information that went some way to countering our concern, but it is not categorical that what we are concerned about could not happen. The amendment proposed by the member for West Swan is a very useful safety valve to put into the legislation. It is a check that will make sure that siphoning of funds really could not happen. As things stand at the moment, the advice we were given by the chief executive and the minister states that although what I am talking about is unlikely, there is the potential for retained earnings to be protected by Landgate, and the fact is that Landgate can incur only expenditure that has been approved as part of the annual parliamentary budget estimates process. We were also

told that it is within the agency's power under the Land Information Act to invest in a relevant business concern subject to the minister's and the Treasurer's approval. There is that check of the minister's and the Treasurer's approvals, but it could be seen as just politically expedient to send this money to another purpose.

As the member for West Swan outlined, there is enormous potential within Landgate for its services to be broadened in such a way that consumers will really benefit by gaining much more information about properties that they are interested in or hold an interest in. We support that. We want Landgate to be a truly world-class provider of information about properties in this state. To do that, it will be necessary for Landgate to broaden its service provision, and we do not want to see the possibility of a draw on Landgate's surpluses by other agencies diminishing the potential for it to broaden its services.

**Mr D.T. REDMAN:** I thank the member for the amendment. I am not going to support the amendment, and I will give some reasons why. I think that in the briefings we have articulated sound arguments for why we are doing this. I might add that out of the 2012 review, which was the first review of Landgate, the third of a number of recommendations states —

Landgate (in conjunction with the Department of Treasury and Department of Finance) conduct a review of the Landgate's pricing framework with the objective of establishing contemporary pricing structures and ensuring the financial sustainability of the organisation.

That recommendation came out of the first review of Landgate and has driven the desire to look at another pricing model to help with Landgate's sustainability and drive changes that will hopefully get better outcomes for the consumer. Looking at the history of some of the services that we provide, it is significant that the cost of those services have actually doubled over recent years. We are committing in this legislation that we will not increase the cost of services by anything more than the consumer price index until June 2018. Looking at recent history, the cost of services has gone up substantially, but we are committing to increases of no more than CPI. There could be circumstances in which we over-recover, depending on what the market is doing in terms of transactions, and that over-recover could be used to reform and develop Landgate's processes to hopefully provide a much better fee structure for those who use the services. I argue that Landgate is a world-class organisation. A lot of things we do, such as the spatial organisation, is world-class, but we certainly want to improve on that.

To give confidence to the opposition in Parliament and the people of WA, there are a whole heap of checks, not the least of which is the parliamentary process that allows for a disallowance motion to be moved. I think the rollover of the five-year commitment is disallowable as well. The Parliament can actually say that it does not like this if it is not working and disallow it and stop the rollover. I think those checks and balances are there. The intent is to retain surpluses to reform and improve the organisation. Another fundamental point is that the current act has provisions for the Treasurer to have special and interim dividends and, indeed, under section 20 of the Financial Management Act to take extra resources out of Landgate. Those provisions are in the act now. The opposition is asking us to put a provision in this legislation that blocks provisions that are in the existing bill and have nothing to do with what we are promoting here as an organisation. The Treasurer has responsibility for all the trading enterprises that have those mechanisms available to them. I thought the member for West Swan, who has been involved with and worked in Treasury, would be aware that a lot of these principles are simply part of the Treasurer's responsibilities. Therefore, what the member is seeking to amend here is superfluous to the powers that the Treasurer already has. If it was the government's intention to get resources out of Landgate and gouge fees, it could happen irrespective of the member's proposed amendment. It is superfluous to the legislation and we think that there are more than enough checks and balances around our commitments. In addition, there are parliamentary processes available to Parliament if it is not working.

**Mr C.J. TALLENTIRE:** I know that the member for West Swan has some really detailed information to present on this point. We are trying to get across that we do not want it to be the authority's board of management or the minister that takes into account the surplus. I know that we said that the intent is to retain the surplus, but with this amendment we want to really safeguard against the authority's board of management or the minister making a recommendation about what could be done with the surplus. That is why I think the amendment has great merit, and I am happy to defer to the member for West Swan for further detailed analysis.

**Ms R. SAFFIOTI:** Thank you, member for Gosnells. Yes, I did work in Treasury, and that is why I think the legislation needs this amendment. If I were a minister, I would support this amendment, particularly while the Treasurer is not in this place—he is flying over to Canberra to try to kill the story he has ignited about Joe Hockey not disclosing the GST review until after the New South Wales election. What the state Treasurer does in this place is amazing. If I were the minister, and the opposition put forward this amendment while the Treasurer was not around, I would grab it with both hands, because I have worked in Treasury and I know Treasury process and the Expenditure Review Committee process. At least, I know the ERC process run by

a financially responsible government; I am not sure about the Economic and Expenditure Reform Committee process that operates under this government, which does not seem to be rigorous whatsoever.

This amendment will ensure that money raised by Landgate through its pricing mechanisms is retained by Landgate, allowing it to fund its activities into the future. As I said, if I were the minister and the opposition raised this amendment in this place, I would grab it with both hands—ensuring the Treasurer was not aware of it—and support the amendment. I would hope that it passed in the dead of night when nobody would know about it until the budget process, when the Treasurer would try to grab that money from Landgate, and then I would say, “Hang on, there was an amendment to that legislation.” I think this amendment will ensure that money is retained in the agency. If were the minister, I would take the opportunity while the Treasurer is wounded and trying to put out the bushfire he lit today about Joe Hockey trying to hide that GST review before the New South Wales election. I would seize the moment. Seize the day, minister. Grab this amendment and keep that revenue in Landgate. Do not let Treasury try to use it to balance the bottom line or reduce net debt. Grab the opportunity. The opposition is giving the minister a chance, and if I were him, I would grab it. As I said, I know Treasury and it will grab any dollars that it can. Before the minister knows it, there will be special little interim dividends coming from Landgate in a couple of years’ time. Money will be flowing in the midyear review and there will be small adjustments to cover a few things; that is what is going to happen. I am giving the minister a chance—take the money. Take the money while the Treasurer is not here.

**The ACTING SPEAKER (Mr P. Abetz):** Which TV show is this?

**Ms R. SAFFIOTI:** It is the money or the box.

The Treasurer is not here, he is wounded and trying to recover from today’s incredible statement in which he let the cat out of the bag that Joe Hockey is sitting with the GST review on his desk until after the New South Wales election. That is incredible stuff. I think it will make the national news. I think it might have already made the national news. Minister, take the opportunity to keep the money in Landgate. The minister is going through the battle of collecting revenue and he does not want Treasury to take any excess—or maybe not so excess—money from those special dividends. The minister should support the amendment because it is the right thing to do.

**The ACTING SPEAKER:** Minister, has it tempted you?

**Mr D.T. REDMAN:** As much as I could be tempted.

Looking at how the pricing structures work—I think we talked about it and it would have been in the briefings—the fluctuating property market allows for different levels of transaction activity, and that significantly impacts Landgate’s revenue. We go through cycles tracking the market and at certain points it over-recovers and at certain point it under-recovers, but it is required to set fees at cost recovery up to 18 months ahead of the time it is trying to predict what is happening in the market. In recent times, that has led to fee structures for consumers that have doubled for some basic transactions. The current legislation has provision for the Treasurer to issue directives and use his powers to take resources out of Landgate. That is in the legislation. Putting this amendment in place would not diminish the Treasurer’s capacity, with the authority that he currently has, to take resources out of Landgate. It would not change that.

I understand why the member is moving the amendment; it is a matter of the opposition trusting the government to put up a taxing bill to over-recover. The government has tried to articulate to the member the reasons that we are doing that, which is to get price certainty and to give a commitment that the government will not increase fees for a time, and provide a disallowable mechanism through the parliamentary process. That means that when we pop out the other side, if there are over-recovered fees, they will be used to help reform Landgate to deliver better services more efficiently to the people who use those services. The other interesting mechanism is that the Treasurer is able to not approve expenditure under his current authority. Arguably, he could ask Landgate to not spend as much as it does spend. The Treasurer currently has a whole heap of mechanisms to be able to do it. The member has taunted me with the notion of being able to keep some money in my portfolio. Unfortunately, I am advised that the Treasurer can use a whole range of mechanisms to take resources out of Landgate. The intent here is not to do that; the intent is to try to improve the services and the efficiencies of those services, and, when there can be efficiencies, to pass them on to the consumer. I think the government has been absolutely up-front about that, so it will not be supporting the amendment.

Amendment put and a division taken with the following result —

**Extract from Hansard**  
[ASSEMBLY — Tuesday, 17 March 2015]  
p1479b-1490a  
Mr Chris Tallentire; Ms Rita Saffioti; Mr Terry Redman

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Ayes (18)

Ms L.L. Baker  
Dr A.D. Buti  
Mr R.H. Cook  
Ms J. Farrer  
Ms J.M. Freeman

Mr F.M. Logan  
Mr M. McGowan  
Ms S.F. McGurk  
Mr M.P. Murray  
Mr P. Papalia

Ms M.M. Quirk  
Mrs M.H. Roberts  
Ms R. Saffioti  
Mr C.J. Tallentire  
Mr P.C. Tinley

Mr P.B. Watson  
Mr B.S. Wyatt  
Mr D.A. Templeman (*Teller*)

Noes (32)

Mr P. Abetz  
Mr F.A. Alban  
Mr C.J. Barnett  
Mr I.C. Blayney  
Mr I.M. Britza  
Mr G.M. Castrilli  
Mr M.J. Cowper  
Mr J.H.D. Day

Ms W.M. Duncan  
Ms E. Evangel  
Mr J.M. Francis  
Mrs G.J. Godfrey  
Mr B.J. Grylls  
Dr K.D. Hames  
Mrs L.M. Harvey  
Mr C.D. Hatton

Mr A.P. Jacob  
Dr G.G. Jacobs  
Mr S.K. L'Estrange  
Mr R.S. Love  
Mr W.R. Marmion  
Ms L. Mettam  
Mr P.T. Miles  
Ms A.R. Mitchell

Mr N.W. Morton  
Dr M.D. Nahan  
Mr J. Norberger  
Mr D.T. Redman  
Mr A.J. Simpson  
Mr M.H. Taylor  
Mr T.K. Waldron  
Mr A. Krsticevic (*Teller*)

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Pairs

Mr W.J. Johnston  
Mr D.J. Kelly  
Mr J.R. Quigley

Mr V.A. Catania  
Ms M.J. Davies  
Mr D.C. Nalder

**Amendment put and negatived.**

**Clause put and passed.**

**Clause 7: Act amended —**

**Mr C.J. TALLENTIRE:** Clause 7 simply states that this part amends the Strata Titles Act 1985. During the second reading debate, we touched on the significant changes that are in the pipeline for the Strata Titles Act. I think it would be useful to put on record that the opposition is keen for the comments that were submitted as part of the discussion paper to be collated and a report published as soon as possible. The question must be asked: why is clause 7 amending the Strata Titles Act when we know that in the very near future more significant changes will be necessary to bring the Strata Titles Act into contemporary operation? I know there is a high degree of urgency to bring about those other amendments and people I spoke to have raised a whole host of issues concerning the management of strata complexes and the styles of dwellings we have. One issue that comes up is the need for the licensing of strata managers. All these things are being talked about and there is a strong desire in the community to see the necessary amendments come to this place in a very prompt fashion. We are making just one small amendment to the Strata Titles Act. I ask the minister why we cannot ensure that the major amendments come forward and perhaps we should be making the Land Legislation Amendment Bill amendments at the same time as we do the main amendments to the Strata Titles Act.

**Mr D.T. REDMAN:** The member is aware that this is a pricing reform arrangement as far as Landgate is concerned. That is the principle and that is why we have a taxing bill attached for over-recovered fees. Therefore, minor amendments need to be made to all those pieces of legislation that relate to fees and the fee structure for Landgate. This legislation simply relates to an amendment to the Strata Titles Act, as it relates to fees and over-recovery. I am looking forward to the member's strong support for strata title reform. As members know, aside from the issue here, we have engaged with all the stakeholders in the community in a strong consultation process. I am collating that information and by the end of March I will have the outcomes of that consultation work. That will inform what the government chooses to put in place to reform of the Strata Titles Act. Even the member for West Swan has asked me a question in this place about issues that she has had with strata titles in her constituency. That is something that needs to be tackled. We are having a go at that as well, but that does not relate to the question here.

**Clause put and passed.**

**Clause 8: Sections 131A and 131B inserted —**

**Mr C.J. TALLENTIRE:** I will stick with the theme of strata titles. Recognising the need for services that an organisation such as Landgate will be called upon to provide to help people make decisions on purchasing into a strata complex, and to make the management of strata complexes much easier, is there not a case here for certainty about Landgate's ability to retain the fees and not have them hived off to another agency? Is it not stronger here than in other clauses? We know this is a fast-evolving area, and I know that the minister has given us assurances that there is the disallowance potential should someone want to hive off the money to another agency, but is there not some merit in making sure that the funds are available specifically to strata complexes? As the minister has mentioned, there is a capacity for the Treasurer to dip in anyway, so maybe we should be

looking to make amendments to the legislation before us so that the Treasurer cannot do that. Without the benefit of the collated submissions to the report, we know that there will be dramatic changes in this area such that the quality of information that people will require in the future will be far broader than is the case at the moment. Very good quality information will be needed, and it will take a lot of money from Landgate to provide that. Is there not a good case for the strata title provisions to be absolutely rock-solid, and to put the necessary ring-fencing around the surplus so that the Treasurer cannot grab that money at any stage, so that the quality of service provision can meet the expectations of the many people buying into strata complexes?

**Mr D.T. REDMAN:** I thank the member for the question. There is a lot of latitude in the question as it relates to strata title reform, and as the member can see from the nature of this part of the bill, it is in very similar format to the clause we just debated and passed, but in this case it applies to the Strata Titles Act. This is about over cost recovery, and the amendments needed to put in place the mechanisms to achieve that. A range of things will happen around strata title reform, and they will be subject to the parliamentary process. This, as the fee structure that applies to Landgate, is quite distinct from strata title reform. I have not seen, and nor do I support the notion, that this carries any more weight than any of the other components in here, where we are choosing to put in an over-recovery to manage reform within Landgate as an organisation.

**Ms R. SAFFIOTI:** I want to give the minister a second chance to keep the money. Hearing that the regions get only one per cent of the entire state budget astounded me today. I was a bit shocked by that. This is the minister's chance of keeping a bit more money. I think it is worth having another look at the issue of having Landgate keep the excess revenue and ensuring that Treasury and the consolidated account does not raid the account. I have never seen a minister not want more money for their portfolio, so I am shocked by the minister's reluctance.

**Mr D.T. Redman:** I am chasing efficiencies and improvements.

**Ms R. SAFFIOTI:** The minister is a National Party member and a member of the Barnett government; that is not what he does. He spends a lot of money.

**Mr D.T. Redman:** It is really important stuff.

**Ms R. SAFFIOTI:** Yes, those Pelago apartments are making a lot of money for some of those Liberal Party and National Party donors.

Like I said, I am giving the minister another chance. Does the member for Swan Hills know the phrase "acqua al vento"? That is how I always want to say it. Sorry, Hansard, that was Italian, so I am not going to —

An opposition member: There must be a rule about that.

**Ms R. SAFFIOTI:** I know there is.

To go back to the key point, this is an opportunity to support an amendment. I will move another amendment.

**The ACTING SPEAKER (Mr P. Abetz):** The same one?

**Ms R. SAFFIOTI:** It is a different clause—clause 8. I move —

Page 7, after line 21 — To insert —

- (2A) Monies received from the charging of fees that is more than the cost of providing the product or service the subject of the fees (the surplus), shall be expended by the Authority for the purposes of the Authority only, and any such surplus shall not be paid into the Consolidated Account, and the Authority's board of management and the Minister shall not take into account any such surplus when recommending or determining the amount of the dividend, if any, that the Authority is to pay to the Consolidated Account pursuant to section 71 of the *Land Information Authority Act 2006*.

It is similar in concept. It is almost word for word the same as my previous amendment, and it has the same intention. Never have I seen a minister reject more money for their portfolio, but that is what the minister is doing today. He is saying that he will let Treasury grab all that money. I know what he said about other sections of the act but I think if Parliament expressed a direct intention tonight that all the money raised by Landgate above cost recovery should be retained by Landgate for its own expenditure, anyone would be hard pressed trying to take that money away from the minister. We are giving the minister another opportunity, and we might even give him a third opportunity if he rejects this again. I will give the minister a second chance tonight to see that this makes a lot of sense. We are bringing in a bill that will allow our agency to recover more than costs, and this is pretty much a new taxing bill. Sure, we are doing that. I said that we are doing it to allow the agency to grow its functions and be more effective. This amendment will make sure that all those things can happen, and

make sure that the agency can keep its revenue. Is that not what it is all about? I know that the member for Gosnells will speak to this amendment again, but I ask that the minister seriously consider this. He rejected at the first time, although I am not saying it was because of poor advice. He should consider accepting it this time.

**Mr C.J. TALLENTIRE:** I want to support the words of the member for West Swan, and refer again to the review of the Strata Titles Act. In discussions I have had with various contributors to the inquiry—I am sure that the minister will be seeing this as he reads through the collated submissions—there is a very strong desire amongst strata managers for a licensing regime to be brought in, to apply to strata managers. It does not exist at the moment. We have licensing regimes for real estate agents, but not for strata managers. Good quality professional strata managers want to see that licensing regime. They canvassed this with me and said that there is great support for it. The Real Estate Institute of Western Australia supports the licensing regime. Members of Strata Communities Australia support the licensing regime. All sorts of groups, the Property Council and many other bodies, support the idea. I asked the question: who is not supportive? The answer has come back that it seems to be Treasury. We have heard that the bureaucrats in Landgate are supportive of the licensing regime, but the answer has come back that Treasury does not like the idea of the licensing regime because it will be an additional cost. That demonstrates that if we are talking about Treasury's attitude towards the activities of Landgate, we have got to acknowledge that there is a problem. Treasury does not necessarily see the significance of the work that Landgate does, and does not want it to be broadened out to include a licensing regime because it sees that that would be cost negative.

I have it on good authority that most strata managers would be happy to pay something like a \$600 annual licensing fee. We think that would achieve the goal of meeting the costs of running the registration service. Nevertheless, there is a possibility that there will need to be some additional funds to pay for the licensing of strata managers. The problem is that Treasury does not get it. That is a demonstration of why we need this amendment. The registering of strata managers is an important proposal. It has been talked about in the community. There is great support for it, including in Landgate. However, there is a fear that Treasury will not support the idea. That means that we will not have this very necessary licensing regime for strata managers. The purpose of the amendment put forward by the member for West Swan is to protect the capacity of Landgate to retain funds and to apply those funds in a number of ways. I particularly nominate the use of those funds for the running of this very important licensing regime for strata managers.

**Mr D.T. REDMAN:** I thank members for their comments on this amendment. I am not going to support the amendment, for the same reason that the previous amendment was not supported by this side of the house. I might add a bit of information. It is interesting that the act that this bill will amend is the Land Information Authority Act 2006. That act was put in place by the Labor Party when it was last in government. Hon Michelle Roberts put that act through Parliament. The Land Information Authority Act 2006 is the act under which Landgate was set up. That act provides for special interim dividends, for an amount fixed, to be taken out of Landgate, with the Treasurer's concurrence, and put into the consolidated account. Therefore, all the mechanisms that the member is talking about with this amendment were put into the act by the former Labor government when it introduced the bill to set up Landgate.

**Mr C.J. Tallentire:** It is the Strata Titles Act 1985 that is to be amended by this part.

**Mr D.T. REDMAN:** I am making the point that this bill proposes to change all the land acts that relate to fees. The Strata Titles Act is included because it relates to the fee structure of Landgate. Landgate was set up by an act of the former government. Members opposite are asking us to make an amendment that will not allow any of the over-recovered fees to be put back into the consolidated fund. I understand the principle of what the member is saying. The point I am making is that it is superfluous, because the act that the former Labor government put into Parliament and that set up Landgate provides that fees can be taken out as dividends. Therefore, that is already in the act. It is already part of Landgate's principles under the current legislation. Members opposite are asking us to make an amendment to protect something that they put into the act themselves.

**Mr C.J. Tallentire:** That is the Strata Titles Act.

**Mr D.T. REDMAN:** The Strata Titles Act component is about Landgate getting fees as they relate to strata titles—in this case, over-recovering. But the dividends that are paid to government from Landgate come out of the Land Information Authority Act—the act that set up Landgate. Members opposite are seeking through this amendment to ensure that any over-recovery of fees stays in Landgate and does not go into the consolidated fund. Landgate already has—due to the legislation that the former government took through Parliament in 1986—the capacity to take out those fees as dividends. That is the reason I do not support the amendment moved by the member for West Swan.

**Mr C.J. TALLENTIRE:** Minister, we need to look at the chronology here. In 2006, I do not think anyone anticipated the need for this example that I have put forward for a licensing regime.

**Mr D.T. Redman:** Your party put in the act the capacity to have a review. This is exactly the same.

**Mr C.J. TALLENTIRE:** The point I am making is that we had not anticipated that there would be this broad community enthusiasm for a licensing regime for strata managers, and that there might be some cost to that. That information has come forward only in the last 12 months. The minister might have been aware of it before then —

**Mr D.T. Redman:** That is irrelevant to what we are putting up here. That has the capacity to be part of strata title reform should that be what the government chooses to do. But that is irrelevant to what we are talking about here.

**Mr C.J. TALLENTIRE:** I am already hearing that the excuse for not doing this in the strata title reform process is that Treasury is opposed, because Treasury thinks there will be extra costs. I am saying let us anticipate that and head it off at the pass by ensuring that there is no taking away of those funds and they are retained in the Landgate agency. That will nullify the claim that is being put out at the moment that Treasury is opposed to a licensing regime on the basis of cost. That is Treasury's only argument. Treasury is not philosophically opposed to a licensing regime. I think Treasury probably understands it. It just does not want to accept the risk that there will be a cost. This amendment will ensure that there is the retention of funds to help pay for that licensing regime, should it be found that the fees—which the strata managers are quite happy to pay—are not adequate to cover the cost of the licensing service.

**Mr D.T. REDMAN:** There is a disconnect in the argument that the member is running, which relates to strata title reform and all the issues that are related to strata titles, some of which have been raised in this place. The reason that there is a consequential amendment to the Strata Titles Act, which is the bit that we are looking at now, is that in order to make the reforms in Landgate that we are talking about, we need to have the ability to over-recover in all the elements and pieces of legislation from which fees are generated. An example of a fee that is generated from the Strata Titles Act is the lodgement of a strata plan. Under the Strata Titles General Regulations 1996, it costs \$260 to lodge a strata plan. The Strata Titles Act is included in the amendments allowing for over-recovery because we want to provide fee certainty within Landgate. Therefore, I do not support the amendment. As I have said, the act that the Labor Party put in place when in government makes provision for dividends to be paid back to government from Landgate, with the concurrence of the Treasurer. In fact, the Treasurer also has power under other acts to take resources out of agencies such as Landgate. Therefore, this amendment is superfluous. It will not achieve what members opposite are trying to achieve. Firstly, we want to provide fee certainty for consumers. Secondly, we believe that there are already more than enough checks and balances to ensure that gouging does not occur. It will also be subject to the parliamentary process. That should give members opposite confidence to allow this clause to go through, because it is in the interests of consumers for us to do so.

**Mr C.J. TALLENTIRE:** I thank the minister for that response. Could the minister comment on the need for funds to be available to manage that licensing service, should that be one of the final recommendations?

**Mr D.T. REDMAN:** the member is talking about part of the strata title reform. That is a very different process from what we are talking about here. That is a review of the Strata Titles Act to try to make it contemporary, and that is how all the issues that the member has talked about will be raised. That consultation has happened. As I have said, at the end of March I will get a report that consolidates all that feedback, and we will work out the government's position. That is also subject to the cabinet process. That is very separate from what we are talking about here. In fact, it is irrelevant to what we are talking about here. I reiterate that I do not support the amendment.

**Mr C.J. TALLENTIRE:** Will the minister express his view on the need for licensing, because Treasury is saying it might not happen?

**Mr D.T. REDMAN:** The reason I am not going to do that is, firstly, it is irrelevant to what we are talking about here, and, secondly, I have to take that through the cabinet process and work out the government's position as we move towards strata title reform.

**Ms R. SAFFIOTI:** I have a further question. The minister went back to the fact that it was a Labor Party act. But the key point here is that the minister is bringing in legislation to allow for more than cost recovery. So the fact that dividends are applicable under the legislation that created Landgate is a point, but it is quite irrelevant to the fact that the minister is bringing in legislation that allows for a new tax. That is what the government is doing. If the minister wants to come into this place and make a political point—I am surprised the advisors wanted to do that —

**Mr D.T. Redman:** Can I interject, member?

**Ms R. SAFFIOTI:** No, let me finish. If the minister wants to come in and make a political point, the key point is that the government is actually bringing in legislation that means cost recovery can be exceeded. We have concerns that, basically, as long as there is broad agreement on the principles and methodology, the government can charge more than cost recovery, that it is a mechanism to recover more money for Treasury, and it is only an

issue because the Land Legislation Amendment Bill 2014 allows for charges to exceed cost recovery. That is the point we are making. The dividends are applicable for cost recovery, which is fair enough, but when the government goes beyond cost recovery, that is the point that is concerning.

**Mr D.T. REDMAN:** I absolutely understand why the member is raising this. I think a fair question from the opposition and the consumer is: If the government is to bring in a bill that means it will over-recover on what it costs to provide the service, what is it going to do with the extra money? Will it be wasted or will it go back to support the broad consolidated fund? I have given the member a whole heap of commitments on where the fee structure is, to give fee certainty. We have also mentioned that a whole heap of things are in place, including the capacity to disallow. This bill has a sunset clause that will not allow it to go for another term of five years.

All those checks and balances are in place because our genuine commitment here is to improve—based on the review done in 2012; it was in the legislation that the Labor Party put in place—the costing structure and the financial stability of Landgate, and to hopefully get efficiencies and deliver better services to the people who use it. The point I am making is that the amendment the member for West Swan is putting in place here, which we are talking about now, does not achieve the ends the member is talking about. It does not achieve those ends because components of the bill allow us to have interim dividends, and that is an element of the bill that Hon Michelle Roberts put in place when she was the minister who took it through.

**Mr C.J. TALLENTIRE:** The minister just mentioned the sunset clause, but I wanted to ask the minister about proposed new section 131B(4), which refers to there being no limit on “the number of times the expiry of section 131A may be postponed”. It then reads, “but each postponement cannot be for longer than 5 years”. Does that define when that sunset clause will be; and, if so, when is the latest date the sunset clause could apply?

**Mr D.T. REDMAN:** If the bill becomes an act, it will have a sunset clause that states that unless we make a decision to roll it over for another five years, it stops on 31 December 2019. As we lead up to that point, there will be a review of the act and the pricing mechanisms. Principles and methodologies will be applied to how we are going to do business. That will be tabled in Parliament, and the decision to roll it over for another term of five years is subject to disallowance. So, if we get to the point that leads up to 31 December 2019 and I make the decision, because the information I have been provided out of the review is that it is going well and we think it is going to get the efficiencies we want and good outcomes for the consumer, I make the call to roll it over, that will get tabled in Parliament and that will be subject to disallowance. In other words, Parliament can say, “No, it’s not good enough”, in which case it will not happen and it will all fall apart. I think there are more than enough checks for both the consumer and the opposition. I note and understand the reason that the member would try to move amendments to get some sort of legislative surety that anything that is over-recovered stays in Landgate for Landgate’s purposes. Indeed, the member for West Swan prosecuted the argument very strongly that it might be a good way for the minister to hold some money in his own portfolio. But despite that, I think the provisions in the current act, which was a Labor-driven piece of legislation, and indeed the powers the Treasurer currently has, make the amendment superfluous.

**Amendment put and negatived.**

**Clause put and passed.**

**Clause 9: Act amended —**

**Mr C.J. TALLENTIRE:** I want clarification from the minister that these amendments to the Transfer of Land Act 1893 will be consistent with amendments that we saw to enable electronic conveyancing to be established. I am pretty sure that was established under the Transfer of Land Act. I want clarification that the bedding down of that system is running smoothly and that the funding arrangements are in place—I know we had a fairly complex way of funding the whole electronic conveyancing platform. I want to be assured that there will not be a sudden need for a major item in the budget to upgrade the capacities of that electronic conveyancing system.

**Mr D.T. REDMAN:** As the member is aware, I took legislation through this chamber that allowed Western Australia to undertake electronic conveyancing. That does not relate to this bill at all; this bill relates to the fee structure of Landgate. Clause 9 relates to the fee structure and the over-recovery of the fee components that relate to the Transfer of Land Act 1893; it is just fees that relate to that and just over-recovery. But I strongly advise the member that if he wants to get an update of the electronic conveyancing and the value of that—I believe it will reduce costs to consumers simply because of electronic lodgement and processes around our e-conveyancing as distinct from the old mechanisms—I am happy to provide all the advice I possibly can to him.

**Clause put and passed.**

**Clause 10: Sections 182AA and 182AB inserted —**

**Mr C.J. TALLENTIRE:** This is going to seem like a bit of a re-run of the previous two amendments.

**Mr D.T. Redman:** It is.

**Mr C.J. TALLENTIRE:** We have an amendment that I will leave to the member for West Swan to introduce. The concerns remain the same, though: yes, the minister tells us that electronic conveyancing is not directly relevant to this clause, but, as I said, if it is found that the capacity of that highly computerised system is not delivering—I thank the minister for the offer of a briefing on how successful the introduction of electronic conveyancing has been—given the track record of all sorts of information technologies, it is not impossible that we will find that we need to upgrade the system quite shortly after its introduction. If that is the case, where are we going to get the money from to fund that upgrade? One of the ways will be to go to the state budget and look for some assistance from consolidated revenue. Another way would be to use some of this money that has been gathered together through the over-recovery system that we are bringing about through the passage of this bill. If the latter is the case, are we then going to want to be sure that the money cannot be lost? I think, again, that the amendment that is about to be read is of great value because it means there will be no question about the availability of funds should we find we need to upgrade our newly introduced electronic conveyancing system.

**Mr D.T. REDMAN:** Again, the member can see the format here is very similar to the ones we have just talked about. In this case, the fees and the provision to over-recover fees relates to the Transfer of Land Act. The sorts of fees that can be incurred here relate to transfer of land, obviously; for example, to mortgages, discharge of mortgages, caveats on titles and to title searches. Again, the same thing applies: the intent of having this is to provide price certainty. If there is over-recovery of fees—obviously, we are committing until June 2018 that it will not be more than the consumer price index—the intent is to invest resources into things such as the information systems and so on within Landgate in order to provide better services more efficiently.

**Ms R. SAFFIOTI:** Mr Acting Speaker —

**Mr D.T. Redman:** I think I could probably word this, couldn't I?

**Ms R. SAFFIOTI:** The minister could; he could move the amendment and then he would be very hard pressed to vote against it!

**Mr D.T. Redman:** I am going to get taunted four times tonight.

**Ms R. SAFFIOTI:** We are doing it only three times. To complete the picture tonight, I move —

Page 9, after line 19 — To insert —

- (1A) Monies received from the charging of fees that is more than the cost of providing the product or service the subject of the fees (the surplus), shall be expended by the Authority for the purposes of the Authority only, and any such surplus shall not be paid into the Consolidated Account, and the Authority's board of management and the Minister shall not take into account any such surplus when recommending or determining the amount of the dividend, if any, that the Authority is to pay the Consolidated Account pursuant to section 71 of the *Land Information Authority Act 2006*.

I will not go through it again. The minister has one more chance to grab the money. If I were him, I would take it. The Treasurer is not around; as I said, he is trying to put out that bushfire he lit today. It is a sensible amendment. It would prevent Treasury from grabbing additional funds created through this new provision that will allow the agency to charge more than cost recovery. I am giving the minister a massive opportunity to take the money. If we do not divide, no-one will know. We will support it. When Treasury tries to grab that money through the budget process, the minister can say that this is what happened at 8.20 pm on 17 March and that Treasury cannot do that. It would be a very clever thing to do. We are giving the minister the opportunity. We can only give people opportunities.

**Mr P.C. Tinley** interjected.

**Ms R. SAFFIOTI:** He does not care about financial responsibility, so it will not be an issue for him. I am giving the minister a huge opportunity; if he wants to take it, he can take it.

**Mr C.J. Tallentire:** It's the St Patrick's Day clause.

**Ms R. SAFFIOTI:** It is the St Patrick's Day clause. I am giving him the opportunity. If he wants to take it, he can take it; and, if not, he cannot ever say that we have not tried to help him and that we have not been acting in a very bipartisan way with the minister. It is a huge opportunity. I would not say no to that opportunity. Again, I give the minister the opportunity to stand and vote for it while no-one is looking.

**Mr D.T. REDMAN:** I thank the member for West Swan. Despite her assurance that third time lucky might get it up, I will not support this amendment for the same reasons as I did not support the other amendments. As she is aware, the clause relates to the fee structure as it relates to the Transfer of Land Act, and there are amendments

to that act. We have put in place more than enough provisions to protect the consumer, and I have already talked about those. Even if I was pushed across the line and agreed to put this in place, and even if the lolly was big enough and there would be more resources in an agency under my portfolio, it would not change the mechanisms that the Treasurer and the minister have to allow resources to be taken back into the consolidated fund should the government see fit.

**Amendment put and negatived.**

**Clause put and passed.**

**Clauses 11 and 12 put and passed.**

**Title put and passed.**

Leave granted to proceed forthwith to third reading.

*Third Reading*

Bill read a third time, on motion by **Mr D.T. Redman (Minister for Lands)**, and transmitted to the Council.