

LAND LEGISLATION AMENDMENT (TAXING) BILL 2014

Third Reading

MR D.T. REDMAN (Warren–Blackwood — Minister for Lands) [12.17 pm]: I move —

That the bill be now read a third time.

MR C.J. TALLENTIRE (Gosnells) [12.17 pm]: I rise to make a brief third reading speech on the cognate bills before us, the Land Legislation Amendment (Taxing) Bill and, I believe, the Land Legislation Amendment Bill.

The SPEAKER: Before you carry on, member, I remind you that we are dealing with the Land Legislation Amendment (Taxing) Bill 2014. The other one has been dealt with.

Mr C.J. TALLENTIRE: Thank you for that, Mr Speaker.

The opportunity to make a third reading contribution to sum up the discussions we had through consideration in detail is an important opportunity. The minister was a little concerned that we did not finish our deliberations last night. I thought it was important that we had an opportunity to consult with various stakeholders who have been in touch with us throughout the consideration of the two bills. I acknowledge that we are focussing on the taxing bill on this occasion. The bills gave us an opportunity to touch on some related areas. I acknowledge that the opposition supports the two pieces of legislation, but we had an opportunity to delve into related matters. One of the most significant of those was the scope of Landgate's work. After all, we are talking about the funding arrangements for Landgate. We agree that there is a necessity for Landgate to over-recover and use money to pay for its activities—to invest in the quality of service it provides. We support that. But missing from the minister's contributions was a bit more detail about the kinds of services we are looking to see into the future. It is all very well to make generalised statements about world-class service, but it is important to indicate where that is going.

We on this side of the house touched on all kinds of services that we would like to see, but during the debate we did not hear a direct response from the minister indicating future areas that will enrich the quality of service and, therefore, justify this taxing bill. We know, and have discussed at length, how unusual it might seem to the Western Australian public that, on the one hand, the government talks about being against taxes and looks to eliminate taxes, but time and again we see that in fact the government supports taxation. There are times when taxation is necessary because that is how we deliver quality services. To explain that to the Western Australian public the government needs to outline what kinds of services it will deliver. I do not think that was properly done. It was definitely the job of the government to do it during this debate but I do not believe it was properly done. Nevertheless, the opposition supports the legislation because we have a vision for the kinds of services that could be delivered by Landgate, how those services could be broadened out, and how they could help property owners across the state understand more about the properties they own and make better informed decisions in the future. That is an important point to make.

I acknowledge the assistance provided by officers from Landgate and the minister's office. It was particularly useful to be given not just a briefing but also a video. This could be a new trend in our briefings about legislation, so that when shadow ministers are being briefed, they are not left with just the bill, the explanatory memorandum and the minister's second reading speech. The information is communicated in a more visual form, in this case an animated PowerPoint presentation, which I found particularly useful; I think my colleagues appreciated it as well. It was particularly handy to be able to share it with colleagues who were not able to make it to the briefing for one reason or another.

I am very happy to say that the opposition supports the legislation, but I hope the minister will take the opportunity to outline some of the services that he sees as being part of the newly well-funded Landgate. There were some other missed opportunities in the course of the debate. I heard the minister say that some matters would have to go to cabinet before he could unveil the government's position. The most obvious example there was in the discussion of the need to license strata managers. A number of stakeholders have asked me about that issue, and I am sure the minister has been asked as well. If we are saying that we cannot even begin to discuss that issue until it has been to cabinet, we are stymieing the community discussion on that issue. I accept that submissions to a report on the matter are being collated, but I think it was unfortunate for the minister to not want to at least outline something of a vision, or to discuss the alternatives, or to respond to the point that I made that it seemed that everyone was in support of the notion of licensing arrangement except the Treasury. The minister could have made that response without pre-empting a decision. He could have just canvassed the options, and that would have enriched the community discussion. It would have meant that people who look at our debates in this place would have seen that they are really applicable to the issues that they are concerned about.

People understand that we are all supportive of the additional funding arrangements for Landgate, but they also want to see where we are going in the future. We let ourselves down somewhat, because of the responses from the

other side, in not taking the opportunity to elaborate on the breadth of services that would be provided and failing to tackle some of the live issues relevant to the activities of Landgate and the stakeholders following this debate. That is a slight disappointment that I have with the discussion, but otherwise I am very happy to support the bill.

MR D.T. REDMAN (Warren–Blackwood — Minister for Lands) [12.25 pm] — in reply: I thank the member for Gosnells for his contribution to this debate, and also the member for West Swan in her absence. I think there was also a very short contribution from the member for Cannington. This is the third reading of the Land Legislation Amendment (Taxing) Bill 2014, but, as the member highlighted, it is a cognate debate linked to another bill that allows the government to over-recover on costs. Just to reiterate very quickly, there are a number of good reasons for introducing this bill. I am very pleased that we have been able to mount the argument that allows the opposition to support us in this pathway, because I think it is the right move.

Notably, the reason for introducing this bill is that the revenue that Landgate takes in is significantly tied to a fluctuating property market. That delivers fee uncertainty to consumers. Landgate has to predict up to 18 months ahead what is happening in the market in order to predict its revenue. As a consequence, fees have doubled over the past five or six years. One of the things we want to try to drive through this reform is fee certainty. There is also very little incentive for Landgate to reduce its costs. It was pointed out in the second reading debate by a couple of speakers for the opposition that I made the point in my second reading speech that if Landgate reduces its costs, it must pass the saving straight on to the consumer. It might sound like a silly statement to make, but the premise is still right: what is the incentive to reduce costs? It does not help Landgate's financial position, but it still has to be taken into account in the assessment of the fees for the next cycle. By allowing Landgate to over-recover costs at the points in the cycle when that happens, it is able to deliver fee certainty and also drive some cost efficiencies that we believe over time will allow the consumer to get a better product at a better price.

Given that the average consumer uses those services only every seven or so years at a fairly low fee, we do not believe that that imposition is significant at the points in the cycle where it actually occurs. One of the other challenges is that at times of low trading activity, there has to be a very significant fee increase. It is a very significantly fluctuating market, particularly at times of low trading activity. The challenge of assessing that is very difficult. That has led us to put in place some reforms that we want to deliver fee certainty, internal efficiency and better service delivery to the consumer.

The commitment that the government has given—I think it is one of the reasons the opposition has seen to support this bill—is that until June 2018 we are not committing to any increase in fees greater than the consumer price index. I am hoping that it will be less than or the same as the CPI, unless there is a global financial crisis or some totally unpredicted event that is right outside the control of Landgate. One of the other controls is that fees are reviewed annually, which means that they come into this place and are subject to disallowance—so there is annual scrutiny over the fee structure of Landgate. Any member of the opposition can hold me to account for comments I have made during the passage of these two bills. Fee increases, of course, are also approved by the minister and the Treasurer and go through the Economic and Expenditure Reform Committee process, so there is quite a rigorous process for approving fees. It is not *carte blanche* for the minister to go out and do what he wants; it does not happen like that. They are also, as I said, subject to disallowance, which is really important.

There is a sunset clause in this bill that allows the minister, following a review that will be completed by the end of 2017, to make a decision based on that review to allow these provisions to carry over for another term of five years. That decision is also disallowable. It is a good piece of insurance for the community and the opposition. If the statements that I am making, the efficiencies we are trying to drive and the cost reductions for consumers do not play out, the opposition can quite rightly raise a disallowance in this place to prevent these provisions from rolling over.

The member for Gosnells talked about me outlining the services to be offered by Landgate. I offer the member, as I will offer all members, a briefing from Landgate about the services it offers, the reforms it wants to put in place, and the other activities it is doing, in particular bringing other agencies into utilising its very powerful spatial database as a tool to better provide services and also offering it to the private sector, because there are a number of commercial activities. I would be perfectly happy to give the member a full briefing on that if he wants to take that up, which will hopefully give him some assurance about the directions of this government agency.

The member for Gosnells also talked in debate last night about strata reform. It is entirely different from what we are talking about here. I understand why the member would want to trigger that discussion. He made the point in his third reading contribution about why we would not trigger debate or discussion about that subject, making the assumption that I would take something to cabinet before having a chance for the public and the opposition to make comment. We have been out to a consultation process on strata reform. It has been out there for anyone to make a contribution. I think, from memory, some 350 individuals and groups made contributions to that discussion paper on strata reform. That will be collated now, and will come back to me at the end of March.

We have been consultative. It has been out in the marketplace and people have made comments on it. A whole range of issues, including termination of strata plans and licensing of strata managers, have been worked through and teased out. Once that information comes back to me, the government will look at the information that has been fed back and will make decisions through the cabinet process. I challenge what was said, because there has been consultation. The government has been public about that consultation and is at the point of bringing it back in-house to start making decisions about how to move forward.

I thank the opposition for its support for these two bills, which have been debated concurrently, and I am pleased to commend the bill to the house.

Question put and passed.

Bill read a third time and transmitted to the Council.