

**DUTIES AMENDMENT (OFF-THE-PLAN CONCESSION
AND FOREIGN PERSONS EXEMPTIONS) BILL 2023**

Second Reading

Resumed from 19 October.

HON DR STEVE THOMAS (South West — Leader of the Opposition) [6.14 pm]: At the outset, I pass on the message that the opposition will be supporting the Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Bill 2023. I do not intend to go on for a long time in my second reading contribution. The intention is that we will go to a relatively short clause 1 debate in Committee of the Whole, probably tomorrow, so the advisers can probably be excused for the night. I do not think that I will be coming up with a blinding flash of brilliance between now and 6.20 pm.

Hon Kyle McGinn: Don't sell yourself short.

Hon Dr STEVE THOMAS: I have got only so many blinding flashes of brilliance, Hon Kyle McGinn, and I have used up a few today already.

Hon Kyle McGinn: I must have missed it.

Hon Dr STEVE THOMAS: I have had to take myself slowly. Hon Kyle McGinn is just extending the debate for tomorrow—that is all—and annoying the Leader of the House.

Hon Kyle McGinn: I am in trouble.

Hon Dr STEVE THOMAS: That is a constant, Hon Kyle McGinn.

The PRESIDENT: The President is also getting a little bit on edge.

Hon Dr STEVE THOMAS: Okay. President, we are dealing with the Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Bill 2023. This is an ongoing process that the government has in place to subsidise the production of higher density living throughout Perth, in particular, but also generally around Western Australia. The focus, of course, is on Perth.

I might start by saying that if we look at the housing density of various capital cities of the world, high-density living in Perth is a very tiny component of the housing market in Western Australia. We have a very low level of high-density housing compared with many other cities in the world, particularly older cities in Europe and throughout the Americas in which they have a large number of apartments and multi-apartment dwellings. In Western Australia, we are a little bit addicted to our quarter-acre or eighth-of-an-acre blocks. Thus, Perth has the kind of spread that it has, and there are many kilometres from one end of it to the other as we go north and south. It goes inland a bit, but we have really spread out along the coast.

The first iteration of this rebate came out of the COVID-19 pandemic, which is a popular topic today. At one level, the government was attempting to stimulate some high-density construction and, at the same time, stimulate the building economy. The first comment that we probably need to make is that it is one of the few areas in which the current Labor government has perhaps been overly successful in its ambitions in that it stimulated the construction economy to the point that it took three years for someone to get a house built and multiple construction companies have gone bankrupt in the interim. Between the state and federal governments, we had multiple building stimulus packages, various duties rebates and even some land tax rebates and reductions.

I was pleased to see the Minister for Finance extend some of those land tax rebates. I called for that at the beginning of this year, so I was pleased to see that the government picked up on that. I will give myself a little tick of credit for that one. I am very pleased to see that there was an extension on that. The government has stimulated the building economy. It has obviously overstimulated the building economy, and that has caused some damage to some of the building sector.

I have to admit that the intention of trying to build higher density in many places is an admirable aim. It is not as easy to deliver as people think, particularly in a market in which people are not used to it. One of the problems in Western Australia is, of course, that we are not used to it. Because we are not used to it, we do not accept it very well. Because we do not accept it very well, people tend to oppose it when it develops, so we get this really interesting cycle. Whether we call it the nimby effect or not, it is the old thing—someone who built last year does not want someone to come in and build this year. It is that age-old argument and is very difficult to do.

Obviously, the opposition will support legislation that reduces government fees, charges and taxes. That is in our DNA. It would be silly to suggest that we will oppose something that reduces taxes, but we will have an interesting conversation about the rebate given to foreign persons. I will be very interested to see, as part of this debate,

probably when we get to clause 1, what the impact of that additional seven per cent stamp duty impost was on the building industry in Western Australia.

Debate adjourned, pursuant to standing orders.