

Hon Dr Steve Thomas; Hon Rick Mazza; Hon Charles Smith; Hon Tjorn Sibma; Hon Colin Tincknell; Hon Diane Evers; Hon Nick Goiran; Hon Martin Aldridge; Hon Darren West; Deputy President

DUTIES AMENDMENT (ADDITIONAL DUTY FOR FOREIGN PERSONS) BILL 2018

Second Reading

Resumed from 21 August.

HON DR STEVE THOMAS (South West) [12.47 pm]: I thank you, Mr Deputy President, for the opportunity to once again address the chamber. I have been a little reticent this week, so I will take the opportunity to add a little more!

Hon Alannah MacTiernan: You are certainly working for your money!

Hon Dr STEVE THOMAS: I am, and they are not giving me a pay rise, which is terrible. At least, though, I am not one of the 3 000 public servants who are losing their jobs. I wonder what the public sector union thinks of that one. I suspect it is working hard.

Several members interjected.

The DEPUTY PRESIDENT: Order, members! Now that we have all got that out of our systems, I think we are dealing with the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018 and the introductory remarks of Hon Dr Steve Thomas on the question that the bill be read a second time. That is what we will talk about.

Hon Dr STEVE THOMAS: I thank you for your guidance as usual, Mr Deputy President, and your wisdom from the chair. I will attempt to refrain from barnyard analogies today but I make no promises before we move forward!

Let me say from the outset that the Liberal Party, as it did in that other place that shall not be named, will not support the imposition of additional duties on foreign purchases. I wondered whether we might look at an amendment perhaps to change the name of this Duties Amendment (Additional Duty for Foreign Persons) Bill 2018 to the Duties Amendment (Xenophobic Tax Increase) Bill 2018, but I have decided not to do that because I think it might be a step too far and be ruled out of order. This bill will effectively increase the stamp duty payable —

Hon Colin Tincknell interjected.

Hon Dr STEVE THOMAS: Sorry, I cannot hear the member; my hearing is not what it used to be. If he would like to interject, by all means, but he will have to do it at a level I can understand. I am quite happy to debate across the chamber, it may surprise members to know.

The DEPUTY PRESIDENT: Order! I want to know about the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. That is the most blatant case of soliciting unruly interjections I have ever heard in my life! Hon Dr Steve Thomas might like to address his remarks to the Chair.

Hon Dr STEVE THOMAS: Thank you, Mr Deputy President. At least I am winning at something!

This bill will increase the stamp duty paid on foreign purchases of land in Western Australia. I accept that it is an election commitment of a certain party and accept that that is its view. I will talk a little about the economic impact of them, particularly in the marketplace of Western Australia, which, in my view, is different from the real estate marketplace in the eastern states. I particularly look forward to Hon Rick Mazza's contribution, given his experience in the real estate industry, to see where he sits on this issue.

In my view, the eastern states real estate market has been immensely overheated and it can be legitimately argued that foreign buyers have had a significant impact on the Sydney marketplace in particular. I absolutely accept that. It would be difficult to argue otherwise. We have to be a little cautious, though, about anecdotal versus quantifiable evidence, because, in many cases, stories come back from people who say, "We went to the auction and were outbid again by someone of Asian descent." That is why I used the word "xenophobic" a little earlier. In a lot of cases those people of Asian descent are Australian citizens working very hard, doing a good job, paying their taxes and making the state and the country a better place. Honourable members should be a little cautious to make sure that they use quantifiable data that is genuinely about foreign investors, rather than using anecdotal evidence.

Hon Colin Tincknell: There is nothing wrong with foreign investors; we just want them to make a contribution.

Hon Dr STEVE THOMAS: They do make a contribution because they pay their taxes, as do citizens of Western Australia and Australia generally.

Hon Diane Evers: Except they are people from overseas and they are not paying tax here.

Hon Dr STEVE THOMAS: Let us talk specifically about the real estate component. Most people who come to Australia and earn in Australia pay taxes in Australia as long as they meet the various thresholds. We have to be a bit cautious about that because members might have been approached by people with dual citizenship, particularly from America. A few years ago, the US decided to apply a double taxation process in a lot of cases.

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Hon Rick Mazza: Yes.

Hon Dr STEVE THOMAS: I can tell members that in the south west, a number of dual citizen Americans have arrived at my door to say that the American government—mostly because it is broke—has decided that after people have paid tax on a certain income in Australia, it will charge them a second tax in the US. It is very difficult to collect tax from overseas.

Hon Diane Evers: It has been in place for over 50 years. They have always been trying to get tax where they can.

Hon Dr STEVE THOMAS: Yes. I suspect the Inland Revenue Service in the US is probably more active than the Australian Taxation Office. Its people are very good at their jobs. We have to be careful when we start to double tax because we are not always the winners in that process.

Back to the debate about real estate duty in and of itself; it is absolutely reasonable to argue that in Sydney foreign investors have significantly impacted the price in the marketplace. That is a reasonable supposition based on the evidence I have seen. I struggle to see the same impact in Western Australia, particularly in Perth. That becomes significant because the people who have the most to lose from significant foreign investment are young people trying to purchase their first house who are restricted in the marketplace and are looking for an economically priced house.

We have had a lot of discussions—we should have more probably—about the cost of entering the home ownership market. People call home ownership that great American dream, but it is probably more likely the Australian dream. Home ownership is critical not just because it is important for social and mental wellbeing, but also for retirement. The first purchase of a house makes an enormous difference to our standard of life as we come towards the end of it. I will never forget being approached by a couple in the south west many years ago, when I was a member of the other place, who said that they were struggling on the pension. I agreed. I asked, “Do you own your own house?” The income of a pension is low but if people own their own house and are not paying rent, it is a level of income support that people can survive on. If, for example, the pension is in the order of \$30 000 a couple, that is not a lot of money to live on. But if they are paying \$20 000 a year in rent, they are trying to live on the \$10 000 at the end of that, and that is pretty difficult. The first purchase of a house is an absolutely critical component of welfare down the track. Interestingly, in that case, the couple said, “No, we don’t own our own house.” I had enormous sympathy for them at the time. Living with two-thirds of that low income going into rent is really tough. Unfortunately for them, they then said, “We’ve never owned our own house.” It was a couple in their late 60s. I asked whether they had had employment problems. Some people struggle and get missed by the system; I understand that. I might be extremely right wing, but I am not completely heartless. I will not put that to a division!

Hon Colin Tincknell: You may lose!

Hon Dr STEVE THOMAS: Yes; I may lose.

They said no; they had worked for 40-something years—I forget the exact number—for the railways and the railways had always provided accommodation at a peppercorn lease. I said, “Hang on a minute; you’ve had the capacity to look after your future and you haven’t done so.” That is a different kettle of fish from someone who has fallen through the system. I am not suggesting that is everyone, because a lot of people fall through the system for completely valid reasons. My point is that getting into home ownership is absolutely critical.

The group that would probably have the most to gain from the process in this bill is the group trying to purchase their first home, if this legislation has the impact some people suggest—that is, to keep housing prices a bit lower and depress the market. I am not yet convinced that will have a dramatic impact in Western Australia because I am not convinced at this point that foreign ownership in Western Australia has that big an impact on the marketplace, compared with that in Sydney, which I think is at peak; nor compared with that in Melbourne; and certainly not compared with that in Brisbane where foreign ownership also is fairly high. We need to be careful. However, that is the group that, potentially, has the second most to gain from the bill before the house. Obviously, the group that has the most to gain is the McGowan Labor government because it would get additional revenues that it wants to spend somewhere else. That is the group with the most to gain from the bill before the house. The next group is probably the group looking for first home ownership.

Who is the group probably most at risk in this process? People will automatically assume it is foreign purchasers coming in. I do not think that is the case. I think the people with the most to lose are people trying to sell real estate. Most of those people will be domestic Australian citizens. If the impact on the market is to drive down prices, the people who will be the biggest losers in this process will be those trying to sell. In some cases, they may have sold a piece of real estate in central Perth, where that price might have been higher, because they are downsizing for retirement, for example. They will be picked up in that process. Like every piece of legislation —

Hon Pierre Yang: As a foreign buyer, you will not be allowed to buy real estate that is second-hand.

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Hon Dr STEVE THOMAS: True.

Hon Pierre Yang: I think the single biggest group that will be impacted will be developers.

Hon Dr STEVE THOMAS: That is right—commercial investors. There will be an impact in the marketplace.

I think there is a legitimate complaint to be dealt with here. It is funny when we look at people who are opposed to foreign investment. This was highlighted strongly during the debate on foreign investment in agriculture debates that occurred some years ago because there was great concern that foreigners were buying up farmland, particularly in Western Australia, and Australia generally. Obviously, the scare never quite eventuated because it turned out that it was not so easy to farm in Western Australia.

The DEPUTY PRESIDENT: Order! Just before I note the time, I draw members' attention to standing order 26, which states —

No Member or officer shall pass between the Chair and any Member who is speaking, or between the Chair and the Table.

There has been a little bit of slippage in observing that standing order since the new seating in this chamber but the standing order still exists. Members should not pass between the member speaking and the Chair, even if it is tiresome to go the long way round. Although it might work in other forums, bending over ostentatiously while you do it does not make one invisible.

Sitting suspended from 1.01 to 2.00 pm

Hon Dr STEVE THOMAS: Thank you, Mr Acting President. After this morning's very robust debate, I am sure we are looking forward to a great debate this afternoon. I will give a quick recap of where we are at. We are discussing a bill to increase the stamp duty on commercial transactions for foreign investors. I accept, as I said before the break, that this was a policy of a number of parties in the lead-up to the election. I understand that the Labor Party's commitment at the time was for a four per cent levy. However, the bill before the house is not for a four per cent levy. Therefore, we have a few question marks about the veracity of the government and, in particular, its ability to stick to its election commitments.

Hon Colin Tincknell: It obviously saw our commitment.

Hon Dr STEVE THOMAS: One Nation also had a commitment to increase the stamp duty on foreign buyers in a commercial sense.

Hon Alannah MacTiernan: You should be happy that we have followed your idea. We are happy to take ideas from everybody.

Hon Dr STEVE THOMAS: So One Nation is now leading the government—a coalition of the willing? Is that what we are talking about?

Several members interjected.

Hon Dr STEVE THOMAS: Excellent work! It is the left wing and the right wing! I can see the merger now! There are a couple of extra seats on that side if members start to get a bit desperate. I am very pleased to see the linkages between One Nation and the Labor Party. I am sure that the greater community will be appreciative of that.

Several members interjected.

Hon Dr STEVE THOMAS: It is a trend. We may have to redefine "left wing" and "left wing parties". We will have to watch out for that. In this particular case, both parties took to the election—I suspect for different reasons—a commitment to increase stamp duty for foreign investors. In my view, the One Nation party took a somewhat moral and ideological stand on foreign investment. I have no particular problem with that. The government took a purely economic stand, knowing that it would be in its financial interests to follow the policies of One Nation. However, I suspect that although the outcome will be similar, the driving force for the change was remarkably different. If the members of One Nation are going to be leading government policy, I would urge them to push the government along that ideological and impassioned moral position, rather than the pure economic position that the government tries to display. I say that because I think that does the government's reputation no good. That is particularly the case in regional and rural Western Australia, in which the government's reputation is a tad tarnished. Therefore, the government could use all the policy ideas that One Nation is capable of passing on.

This is an important bill. I believe it will have a negative impact on commercial prices, because some foreign investors will be reluctant to engage in the marketplace as they have been doing. I would be interested to see the modelling that has been done by Treasury on the impact of that potential reduction in demand on the revenue-raising capacity of this measure. Perhaps the minister representing will seek to provide that in the fullness

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of time. I take on board the lovely chart that Hon Aaron Stonehouse displayed yesterday. As a man who is appreciative of charts, can I say I am glad I am rubbing off on Hon Aaron Stonehouse—he will be down in the gym regularly before he knows it. The rate of a tax ultimately has an impact on the total revenue raised. The bell curve—normal curve applies also to revenue raising in relation to duties, and particularly property duties. There is a point at which an increased price impost impacts on the marketplace and on the price of property. A revenue-raising measure that also has upsides may impact on people who are trying to sell a property. Therefore, I am always cautious about a government policy that picks winners and losers. I have never been a supporter of a policy that picks winners and losers in a process such as this. In my view, this is the same type of measure. If we remove foreign buyers from the process, it will have an impact.

Hon Charles Smith: That is what it is designed for.

Hon Dr STEVE THOMAS: That is right. This measure needs to have an impact, otherwise it will not enable the government to raise more revenue. The unknown factor is the impact of this revenue-raising measure on total turnover and total tax raised, and what that will do to prices, particularly in a marketplace such as Perth. We are experimenting with financial policy. We do not know what the impact will be. We talk about Perth as the most isolated capital city in Australia, and I think that is true. The impact in Western Australia cannot be measured by the impact in the eastern states. I am sure a member will get up in this debate and talk about the foreign duty surcharge in the eastern states, and that is quite acceptable. However, I do not think that automatically applies in this state to the same extent. We need to be a little cautious in assuming that the same set of parameters exists in the west as it does in the east. As I have said, the Sydney marketplace is different from everywhere else. Therefore, those concerns are legitimate.

I also take on board the philosophical position that the opposition should not necessarily be in the position of assisting the government to raise more taxes. If we are to be true to form in this particular sphere, I do not think we need to assist the government with raising taxes. However, I am more than happy to assist the government to look at its expenditure measures and at those things that might be able to be cut. I think that is an alternative.

Hon Alanna Clohesy interjected.

Hon Dr STEVE THOMAS: I am here to help, Hon Alanna Clohesy.

Hon Darren West: Any suggestions?

Hon Dr STEVE THOMAS: Would the member like a suggestion? I have already put a couple into *Hansard*.

Hon Peter Collier: Local Projects, Local Jobs! Get rid of that!

Hon Dr STEVE THOMAS: There is a few million dollars we might save. I think the member will find that a biomass plant that has been identified for the south west is not a deliverable. There is \$30 million that the government might actually pick up and make savings on, so we are down the path a bit. I do not think it is that difficult to do. In various appropriations speeches I have identified a number of projects that I think the government will struggle to deliver. That money could be diverted into savings that can be picked up without having to increase taxes. Hon Darren West raised a very good point. We have to remember that the Western Australian government has been delivered something of a windfall by the GST arrangements proposed by the current Prime Minister. If Hon Darren West would like some assistance working out where those funds should be spent, what savings should be made and what debt reduction could be put in place on the basis of the estimated additional \$4.7 billion over an eight-and-a-bit-year period, we would be more than happy to provide that economic capacity to help find some good savings. The government will not have to take revenue-raising measures such as this or the proposed increase in the gold tax, which my good friend Hon Robin Scott has opposed to so fiercely in this place. There are other options and capacities.

This proposal will have an impost on the marketplace. I accept that it will be difficult for the government and the Department of Treasury to measure that because we are experimenting with a differential taxation system depending on where people come from. I accept that it is easy to say that we can increase taxes on foreign ownership, but we also have to be careful that we are realistic with it. Honourable members will probably remember the issues around purchases of agricultural land by foreign entities and in particular, discussions about the need for food production in China. People from a number of countries have come to Western Australia and Australia to invest in farmland. In my view, I do not think the Esperance area would have developed as it has without American investment in its early days, particularly the American technology in fertiliser regimes. I think some foreign investment has delivered good outcomes for Western Australia. The mining sector would not exist as it does without some foreign investment. I do not think we should be frightened of foreign investment. Therefore, I do not think we should look at it as just an additional fundraising opportunity. Foreign investment is critical. If we look at the economic position of the world, most countries are so desperate for foreign investment that they subsidise it. We do not need to go to extremes. Most smaller countries that are looking to develop industry

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give tax relief, not additional taxes. In many cases, that gets taken far too far. The last thing that any jurisdiction wants or the world gets a benefit from is a bidding war for the next industrial development. I think that is immensely problematic and we need to make sure that that does not happen. In the same way, we need to make sure that tax havens are no longer an opportunity for companies to cost-shift or hide revenue. That has been happening far too often, and I think that federal governments of both political persuasions have worked on that in previous years. The current federal government has made significant inroads into it. We need to make sure that we do not throw out the good work that has been done to date. At the same time, we need to make sure that we are not frightened of foreign investment. Foreign investment is not bad; for the most part, it is good. It is most appropriate to know what that foreign investment is. I think information about the precise levels of foreign investment has been missing from the debate. It was certainly missing in the debate on foreign investment in agricultural land. The first thing the federal government had to do in 2015 was set up a register of foreign-owned agricultural land because it was very hard to tell who owned what at that time. That information is critical to the decision-making process. That is the first good step.

Although I am not afraid of foreign investment in agricultural land or any other land, it is incumbent upon governments to make sure that we know where it is and to what extent it goes. If my memory serves me correctly, at the time, foreign investment in agricultural land stood at about four per cent of available agricultural land. The argument was that four per cent was a fairly small amount, and I agree with that. I think it is a positive, not a negative. But we might not say the same thing if it got to 10 per cent. If we had not gone through the process of finding out, if it got to 10 per cent and we thought that was too high, it would be too late to do anything about it. It is a good thing that a register exists because we need more information about foreign investment generally. At the same time, we need to not be frightened of it. Our international reputation is important. Our international reputation for being open for business is critical because we do get payback. We see trade dysfunction in the world as governments get more isolationist. At the moment the American government is talking about reciprocal tariffs that will impact on international trade, potentially damaging reputations and disrupting the world's economy. The threat of that is quite serious. The reputation we need to have in place is for being open to trade and at the same time make sure that we are monitoring and being aware. Having an open and frank discussion about that is a happy balance that we have not achieved in Australia yet. I am pleased to see that we have taken some steps in that direction for agricultural land. In my view, we need to go a little bit further. The Foreign Investment Review Board looks at a vast number of these—not all, because there are thresholds in place. In my view, it is very rare for the Foreign Investment Review Board to reject an application for investment. It is not a particularly open organisation. I have always found it incredibly difficult to get accurate information out of FIRB. I do not think it assists the process of being open, even though it puts itself up as the measurer and, sometimes, the adjudicator. That is something the federal government could look at to make this process more open and accountable. At this stage I do not intend to address the amendment on the notice paper. We will come to that in the fullness of time. I reiterate that the Liberal Party does not support this bill. For the reasons that have been stated in this and the other house, we will oppose an increase in duties on foreign investors and we will make sure that the house is aware of that.

HON RICK MAZZA (Agricultural) [2.17 pm]: I rise to make some comments on the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. At face value, the bill will apply a tax on foreign investors who come to Western Australia and buy residential land. One of the calculations that has been made is that it will raise \$123 million. This tax was originally going to be four per cent. It has now been increased to seven per cent, which will take place from 1 January next year. This has been covered a fair bit by Hon Dr Steve Thomas, but the problem Western Australia has is that it has not experienced the capital gains in residential real estate that other states with foreign investor taxes have. In Victoria or New South Wales, an investor could pay the foreign investor tax and know that the capital gain over time will more than cover the taxes they will have to pay when they eventually sell the property. With the fragile state of our real estate market, the \$123 million that has been calculated to be raised over four years will diminish. I did a calculation earlier. On a \$520 000 property, which I think is the Perth median at this time, stamp duty would be \$18 000 and the foreign investor tax would be \$36 400, or around \$55 000, which is a bit over 10 per cent. Given our current fragile market and all the other costs, such as land tax and rates that build up on the property over time, it will take a very long time to make up for the absence of foreign investors. It is not that attractive for a foreign investor to invest in residential real estate in Western Australia. The \$123 million might be diminishing returns in that there will be fewer investors in the marketplace until such time as we have a stronger market.

My main concern is that the government is introducing this tax while the market is fairly fragile. We have already discussed in this place on a number of occasions the mortgage stress that many home owners are suffering. Such home owners probably have a bigger mortgage than what they would get for their property in today's marketplace. When things were good a few years ago, they bought homes and hocked themselves up and now that there has been a decrease in capital gains, they will struggle to get out of those properties.

Everybody seems to think that investment in residential property is an easy way to make money—if people invest in residential real estate, their fortunes will improve and they will make money. That is not always the case; in fact, it has been quite different in Western Australia over the last few years. People who invest, particularly in an investment property, generally borrow 100 per cent. They pay stamp duty—I think there are a few members in the house who might feel that pain—and seek to get a tenant. They get a tenant in and pay their real estate agent's leasing fees, which is generally a couple of week's rent plus GST. They also have to pay land tax and rates. Rents have declined, but I think they have stabilised at about \$100 less than they were a few years ago. There is a shortfall. Everybody talks about the magic of negative gearing, which means that those losses can be offset against tax. Of course, it is only a tax deduction so someone with losses of \$15 000 or \$20 000 a year can only hope that their tax will be reduced. For a person on a 30 per cent tax rate, that might give them a \$6 000 or \$7 000 tax break, but the rest of it is still their money—they have spent it. Over a few years, that builds up and unless they get capital gains on their property to provide them with yield, they are behind. There would be a lot of property investors at this point, particularly with an unemployment rate hovering around six per cent, who may want to get out but cannot. This measure will place a further impost on that market. I think it will damage a lot of people who have either bought an owner-occupied home or an investment property that they want to get out of at some point.

I refer to what has happened in the Agricultural Region over the last few years. House prices in the central wheatbelt have decreased by 13 per cent over the last 12 months, with the average time to sell a house being 133 days. House prices in Geraldton have decreased by 5.6 per cent. It is a little less in the electorate of Moore, with a decline of 0.3 per cent. Overall, the average decrease in house prices in the Agricultural Region is about five per cent. That region has suffered quite a bit. I understand that the decrease in Perth is running at around two per cent. In any case, prices have come down. Adding the extra burden of removing foreign investors from the market will make that worse, and that is why I will not support the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. If we look at multi-residential sales activity in Perth in the metropolitan region, there has been a decline of about 19 per cent over the last 12 months, and that will have an impact as time goes on. Sales in the Peel region have also dropped by about 19 per cent; sales in the south west have dropped by 22 per cent; sales in the Kimberley, goldfields and Esperance regions have dropped by 29 per cent; sales in the Gascoyne have dropped by 36 per cent; sales in the wheatbelt have dropped by 38 per cent; and those in the great southern have dropped by 45 per cent. The Western Australian real estate market is not that cheery at the moment.

I turn to why the government wants to implement this tax. Is it for the revenue that the state wishes to create—as I said, I think there will be diminishing returns on that over time—or is it a populist, political platform of not having foreigners buy Western Australian properties? If it is the populist, political platform of not allowing foreign investors to buy our properties, there may be other ways to deal with that. For example, foreign investors cannot buy freehold properties but can have a 99-year lease or some other title. If the reason is to gain revenue, I do not think this measure will gain a lot of revenue for the state; in fact, I think it might damage the property market further.

Compared with the residential markets in other states that have a foreign investor tax, our residential market is different and unique. As such, we must make decisions in the best interests of the people in this state, which, sometimes, as I said, are very different from those of the people on the east coast.

Alexandra Heath, the head of the economic analysis department at the Urban Development Institute of Australia, provided a speech in July 2018 entitled, "The Outlook for the Housing Market". An article from that presentation featured on the Reserve Bank of Australia website. Ms Heath said —

It is helpful to recognise that there isn't a single national housing market. At the state level, there have been some similarities in the evolution of dwelling investment, but there have also been distinct differences ...

One point of similarity is that the construction of higher-density apartments has been much more important than in the past, especially in the east-coast capitals.

...

One point of difference across states has been the timing of dwelling investment cycles. For New South Wales and Victoria, the level of dwelling investment has been broadly stable at a high level since 2016. In contrast there has been a decline in higher-density construction in Queensland since early 2017. In Western Australia, residential construction peaked in mid 2015, which was well after the end of the mining boom. These differences highlight the fact that there are different demand and supply forces at work across the states.

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Over the past five years, housing price growth has been subdued in Brisbane and Perth ... This is consistent with the fall in population growth coinciding with an increase in the supply of housing.

Ms Heath went on to say that demand for housing is different —

... across states and across regions within states, partly because population trends differ. The effects of the mining investment cycle on population trends and housing markets in Western Australia is a clear-cut illustration of this point.

Our market has some way to go before we reach a more positive growth situation. It is also interesting to note that the major foreign investors in Western Australia come from the United Kingdom, Scotland and New Zealand, not, as many people think, South-East Asian countries or China. Foreign investment in Western Australia is more European and New Zealand-based.

At the moment, the average loan size in Australia is \$397 000. The average loan for first home buyers is a little less at \$345 800. Those are significant amounts of money. There is the possibility of an interest rate rise on the horizon in the medium term because money is becoming more expensive for banks to, for want of a better word, buy as the American economy strengthens. If that happens, there will be significant pressure on families and households to maintain mortgage payments, which will be harder to do. If more properties start coming onto the market and there are more foreclosures—bearing in mind that Western Australia has the highest rate of foreclosures in the country—the housing market is in for further tough times.

I will not be supporting this bill. The timing for this measure is not right. If something like this is introduced, it should be introduced when market conditions improve so that it can be sustained. Bringing such a measure in at this time will simply chase away investors and make things worse for Western Australian home owners and investors.

HON CHARLES SMITH (East Metropolitan) [2.29 pm]: I rise to make a few points and a brief contribution to the debate on the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. It is worth saying at the outset that those people who have spoken thus far are completely missing the point of this bill. The residential property market is not just about investing; sometimes a home is just a home where people live. I will get onto that in a second. I would like to say at the outset that One Nation supports this bill in principle, even though I believe that the government has not gone far enough in prioritising locals over foreigners when it comes to housing.

As members are aware, many other countries and jurisdictions around the globe do not allow foreign nationals to buy residential property in any form. Governments in other parts of the world have the imminently sensible view that their local housing markets should be set by and exist for their own citizens and not foreign buyers. One country that has recently tightened restrictions on foreign ownership is New Zealand, which has now banned the sale of existing houses to non-resident buyers. Speaking on the recent changes, one New Zealand government minister remarked, “We should not be tenants in our own land.” I, for one, certainly agree with such a sentiment. It is the responsibility of governments to ensure that their own citizens can access affordable housing and are not outbid by wealthier people from overseas. Tragically, we have seen how overseas buyers have pushed up house prices in Australia and frozen out locals, particularly in the insanely expensive markets of Sydney and Melbourne. Figures from 2015 showed that 19 per cent of all newly constructed Australian apartments and 14.9 per cent of new homes were purchased by foreign buyers. In many areas, these properties were left vacant. Referring to the practice of leaving apartments and housing empty, a 2017 report by the Dick Smith Fair Go think tank noted, and I quote —

These investors forgo any rental income that they may gain, preferring to simply sit on their asset and watch the price rise (fuelled largely by population growth) before selling down the track and taking full advantage of our generous capital gains tax settings.

The same report also pointed out that some foreign purchases of Australian property are invariably funded with black, corrupt or laundered money from countries whose governments are attempting to crack down on corruption. Indeed, the global anti-money laundering regulator, the Paris-based Financial Action Task Force, found that Australian housing is a haven for laundered money, particularly from China. To quote the Dick Smith Fair Go report again —

It’s almost as if Australia would prefer to cooperate as a launderer of corruption than deal with the negative effects on young first-home buyers.

It saddens me that some politicians, along with certain industry groups, would prefer to side with foreign property speculators over locals seeking to put a roof over their head. Such people are evidently unconcerned about the wider effects of the housing affordability crisis and have no qualms about locking young Western Australians out of financial stability and security.

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I would like to briefly recount a revealing exchange I had in my office with a housing industry lobbyist during recent discussions about this bill. Essentially, the argument put to me by this lobbyist was, “Well, you’re originally from somewhere else, so what right do you have to stop overseas people buying houses here?” In other words, the fact that I was born in another country apparently means that I should support the entire world being given unfettered access to the WA housing market, irrespective of the impact on existing local residents. I said that my job is to represent the people of the East Metropolitan Region and Western Australians, not the interests of foreign citizens, all 7.6 billion of them. This particular lobbyist’s comments were quite striking as they revealed an unashamedly globalist outlook and an indifference to the people of Western Australia. It was also interesting to witness how those engaging in what can only be described as economic rent-seeking attempt to cloak their self-serving behaviour in this moralistic language. To be clear, I do not begrudge members of the housing lobby trying to become wealthier, but they must realise that what is in their narrow commercial interests is not necessarily in the interests of the broader Western Australian community.

Housing affordability is clearly a major concern in Western Australia. A recently released survey of WA residents’ attitudes by the Committee for Economic Development of Australia found that access to stable and affordable housing was an issue of great importance to respondents. Interestingly, stronger regulation to limit foreign ownership of Australian land and assets was also seen as a very important issue by those surveyed. Although the housing market has certainly cooled in Perth and WA since the crazy mining boom peak, it is still very unaffordable by developed world standards, especially in the context of the non-existent wage growth, underemployment and job insecurity that now characterises the local market.

It is sometimes overlooked that housing is not just another sector of the economy; it is a fundamental need. We all need a place to call home. Being in a position to buy one’s own home is a crucial step towards financial security and social stability. It helps with the formation of families and it provides people with an opportunity to grow their own wealth. Being excluded from such wealth-creating opportunities and remaining trapped in the rental cycle often results in poorer life outcomes. Expensive housing also contributes to eye-watering levels of household debt. Australia’s household debt-to-income ratio has now hit nearly 200 per cent, one of the highest in the world. Most of this has been borrowed from overseas, which puts our entire economy in an extremely vulnerable position. Borrowing heavily from overseas to inflate an unproductive, non-tradeable housing sector does not sound like smart economics to me. It may be great for property speculators, but we are all going to pay a high price in the long run.

The fact that some members of this house and the other place are willing to throw aspiring first home owners under the bus is, quite frankly, appalling. The Liberal Party appears to allow vested interests to write its policies rather than try to win back voters who have abandoned the party en masse. The Liberal Party is effectively sending the signal to the electorate that it has been totally captured by property developers. At this rate, the WA Liberals will hand the Labor Party re-election on a platter. The position of the Nationals WA is just as absurd. Does it support in principle an increase in the foreign buyer tax or not? Playing political games is a desperate ploy to manoeuvre One Nation into a corner. It is sad that the Nationals are more interested in virtue signalling than doing what is best for WA.

Although this legislation does not go far enough to rein in foreign ownership, I can take some solace in the fact that it is at least another step in the right direction. The bill will bring WA’s surcharge on foreign buyers in line with those of other states. It is incumbent upon us to learn from the mistakes made by other states and do everything we can to prevent replicating the sort of affordability disaster that has occurred on the east coast.

HON TJORN SIBMA (North Metropolitan) [2.38 pm]: My contribution to the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018 will be very brief. I did not intend to say anything, but I thought I might rise on the basis of the contribution by Hon Charles Smith. The Liberal Party is opposed to this bill because we think it is a flawed bill and completely the wrong kind of bill to bring before this Parliament at this stage of the economic recovery cycle. The housing and construction market in WA is flat and this bill will do nothing but delay its recovery. That is not a view put by vested interests; it is a view put by employers and workers in the industry. We take our responsibility to represent the people of Western Australia very seriously and they are the only people we represent. I cannot help but notice that the argument put that a tax somehow improves housing affordability for new market entrants is a contradiction in terms. The member cannot have it both ways. The cost impost will run through the entire sector and it will make it more difficult for first home buyers to enter the market. I just wanted to make that very brief contribution. The economics of this are completely and utterly flawed, and that has been established for very good reasons, but I take immense exception to any suggestion that we are but the mouthpiece for vested interests. That is, quite frankly, an insult, and it is not one that I will let go unchallenged.

HON COLIN TINCKNELL (South West) [2.39 pm]: I really appreciate the contributions of members to the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018, especially the contribution of one of our

Hon Dr Steve Thomas; Hon Rick Mazza; Hon Charles Smith; Hon Tjorn Sibma; Hon Colin Tincknell; Hon
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One Nation members, Hon Charles Smith. One thing we must remember here is that we promised to our electorate in the last election that we would try to bring in a foreign buyers tax. We asked for a tax in the region of 10 to 15 per cent. The government asked for a tax in the region of four per cent, and it has now increased that to seven per cent. Yes, we are in favour of the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. We are very supportive of this bill passing through the Legislative Council. The main reason is that we believe foreign investors in private residential properties need to make a contribution to the Western Australian public. We have an amazing resource in this country. Virtually every other state in Australia has a tax of seven or eight per cent. In Canada, the tax is 15 to 20 per cent, depending on which state a person is in. In places such as Hong Kong and Singapore, it is about 15 per cent. As members know, New Zealand is not the only country that does not allow foreign buyers to own private property. This is not anything new. This is something that is accepted in many other countries and it has not completely demoralised or destroyed their markets.

The only part of this process that I am not in favour of is that the government said that it was not going to bring in new taxes. However, this is one of those taxes that it has brought in and it has upped it to seven per cent. Of the \$123 million in revenue raised from this new tax, the government mentioned that \$23 million will benefit TAFEs, and I am all in favour of that. I would also like to see the government use the revenue to try to reduce household debt and to assist regional education and first home buyers. It is important to note that we stand for this bill because of what it can bring and contribute to Western Australia. We have a resource in Western Australia that all taxpayers pay for. Foreign buyers have been able to come into this country and make use of that resource, but have paid no taxes up until now. This is a fair and equal system under which those foreign buyers are asked to pay a seven per cent tax. I wish the tax was more like 10 or 15 per cent. However, that is what is in the bill before us now. This is an opportunity for us to allow the government to repair the budget and to not charge householders, who cannot absorb any more costs. Hopefully, the government will be able to use this revenue to alleviate some of the costs and debt that householders have now. As I mentioned before, TAFE needs these funds. I would like to see money spent in the first home buyers area and on regional education and reducing household debt. One Nation will be supporting this bill.

HON DIANE EVERS (South West) [2.43 pm]: I rise as lead speaker for the Greens today to show that we support the introduction of the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. The government will set aside some funds raised from this tax and use them to freeze TAFE fees, which I find to be a very welcome step. When TAFE fees were put up a number of years ago, it severely affected the great southern and south west areas. Freezing those fees may not be enough, but it is a good step. We want to get our young people trained up and we should give them every opportunity to do that. This surcharge is not a separate charge. It is aligned to the existing duty framework. Through the briefing, I found out that the administration of the tax will not be expensive. It was good to hear that it can be put in place easily. That means that in the initial stages of setting up this tax, the government will, hopefully, use the vast majority of the money entrusted to it for good purposes and appropriately. As I have said many times in the past, I hope the government takes into account the regional areas when it does that. However, this tax will not apply to certain transactions. It will apply only to residential properties and not to transactions that are exempt from duty for other reasons or have a nominal duty. It will apply to the chattels, which is the extra furniture and fittings that might be bought with a property, but it is limited to that. The bill is careful in its wording; it is to apply only to foreign investors, and that would be through trusts and companies as well. I feel satisfied that this area has been looked through in detail so that there will not be unintended consequences.

One thing to note about this tax on residential areas is that if a developer is redeveloping or creating new properties of 10 or more residences, they will be able to get a refund. That is a good thing to point out because, as a number of different people have said, we want housing development to continue. If foreign investors have the opportunity to limit their surcharge when developing new properties, that is all the better for our community because we need to ensure that we have affordable housing. I appreciate that the government has used that as an incentive for foreign investors. This limit of 10 residences is different from the situation in a number of other states, which often have a limit of 50. We chose to go with the Foreign Investment Review Board's definition of "commercial land", being land on which 10 or more units are situated. I do not believe that foreign investors are likely to be deterred by the surcharge when they are buying here, because they are interested in investing in this safe and stable environment. One reason they would consider investing in Australia would be a favourable exchange rate at the time or the fact that there will be capital growth in this area. Their main drivers to invest here will continue and foreign investment is just a small portion of investment in residential property in WA. Although it could affect the market, it is likely to be negligible and will probably be absorbed by other people being able to get into the market within a short period.

One of the main reasons behind the rationale for this bill is that we are keeping in line with other states. If other states can have something similar to this, we may as well align ourselves with them so that we do not play ourselves off against them. New South Wales already has an eight per cent tax, and it is seven per cent in Victoria, South Australia and Queensland. Tasmania is still at three per cent but it is following its own path and we will see

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if that changes. A number of these changes have come in over the past few years, and it is not just in Australia that this is happening. Some countries do not even allow foreign investors. We are still giving foreign investors the opportunity to come here and I think they will be happy to take that up, even though there is an additional charge. I see this tax encompassing, in particular, those investors who live overseas, who find it a good economic prospect to invest here and who buy a property that keeps our property prices up. They may not even live in it most of the year. They may just come here now and then and be here for a short time, and that takes that whole property out of the range of possible residential premises for all the people who do live here. I do not see any harm in the surcharge because those people are not paying tax here and they are not actually contributing to our community in any way, so it makes sense to have it.

In conclusion, I am really pleased we have the Foreign Investment Review Board. The Greens pushed for it very strongly, because if we know where foreign investors are investing in this country, we can make appropriate decisions based on that information. Now, based on that information, the government has come to the conclusion that the introduction of this bill will not have that big an impact on the market. It will be fantastic for first home buyers, who possibly will get a lower entry price into the market. For those who live in their own homes and intend to live there for many years, there might be a slight change in the market this year but it will not make that big a difference overall. As for investors who are continually in and out of the market looking for potential investments, they will adjust to it. The duty should raise some much-needed revenue for the government, which hopefully will be used appropriately, and given the amount of interest we are paying on our debt, which is up to about \$1 billion a year, it is very important that we have an opportunity to raise some revenue to deliver the services that we believe are important to all residents of the state.

HON NICK GOIRAN (South Metropolitan) [2.51 pm]: I am delighted to contribute to consideration of the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. In my view, this bill is the latest contender for insertion into the episodes of Pinocchio. On 19 February 2017, not that long ago, there was an article in PerthNow written by journalist Joe Spagnolo, titled “WA election 2017: Labor eyes 4pc foreign buyer surcharge”. The article reads —

FOREIGN buyers of residential property in WA will be hit with a 4 per cent surcharge on property taxes if Labor wins next month’s State election.

Mark McGowan will make the announcement at today’s official election campaign launch, saying the foreign buyers surcharge would boost government coffers by \$21 million in its first year of introduction in 2019.

The surcharge will apply to foreigners only in transactions involving residential land. The surcharge would bring WA into line with Queensland (3 per cent), NSW (4 per cent) and Victoria (7 per cent).

It would mean an overseas buyer buying a home of \$500,000 in Perth would pay \$39,665 in stamp duty, compared with the \$19,665 a West Australian would pay.

Mr McGowan is selling the plan as a new revenue stream for WA, as the State grapples with an expected net debt of \$33 billion by June 30 this year and no recovery in GST revenues until 2019–20.

The article then goes on to quote Mr McGowan, saying —

“This new revenue base will strengthen the State’s finances, without relying on West Australians,” Mr McGowan said.

The article goes on. That was on 19 February 2017. Four days later, on 21 February 2017—I emphasise the number “four” because it is obviously a number that this Labor government finds difficult to comprehend; sometimes it thinks four is seven, but I assure members that is not the case—an article titled “WA election: Labor pledges no new taxes, Premier still looking for action on GST floor” written by Andrew O’Connor appeared on the ABC website. It reads —

WA Labor has pledged not to impose any new taxes or tax increases on West Australians if it wins government in next month’s state election.

Labor leader Mark McGowan made the commitment just 24 hours after announcing a tax hike on foreign investors buying property in the state.

Mr McGowan said Labor would release all of its revenue-raising measures before polling day, but stressed people in WA were already paying enough tax.

“There will be no new taxes on West Australians, full stop. If we are elected, there will be no new taxes on West Australians or increases in taxes on West Australians. If we’re elected, full stop,” he said.

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He goes on to say —

“There’s already been three increases in land tax in the last four years.

The article goes on to say —

Labor has been under scrutiny over the costings of its major election commitment, the \$2.5-billion first stage of the Metronet public rail expansion.

Later in the article, under the heading “Labor adamant plans fully costed”, it says —

But Mr McGowan insisted his party had fully and credibly costed its plans.

The article actually quotes Mr McGowan, saying —

“We have set out a comprehensive plan as to how we will fund our promises. And we set out a whole range of savings initiatives,” he said.

We have before us—I am happy for any member to correct me if I am wrong—a 15-clause bill. The name of the bill is the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. The bill totals some 49 pages, and buried in the policy of the bill is an expectation that people will pay a seven per cent duty. Why is it that in this house we repeatedly have debates about the government’s flagrant unwillingness to stick with its commitments? Why tell the people of Western Australia on and around 19 February last year that there will be a four per cent surcharge on property taxes if it is not true? Why tell them that if the government is really going to impose a seven per cent surcharge?

Hon Colin Tincknell: It’s not on Western Australians; it’s on foreigners.

Hon NICK GOIRAN: What the honourable member has said is correct. However, it does not change the fact that Hon Mark McGowan, the member for Rockingham, on or around 19 February said to everybody, whether they were Western Australian or otherwise, “If we win the election, the tax will be four per cent.” It does not change the fact that we have a bill before us now that has a seven per cent duty.

Hon Pierre Yang: You can’t make a promise to a non-Australian or a non-Western Australian. That’s not an election promise.

Several members interjected.

The ACTING PRESIDENT (Hon Dr Steve Thomas): Order! Honourable members, I know we have had a fairly interesting debate today, but there have been far too many interjections through the day and far too much seeking of interjections, and I am going to crack down on it. I expect the member to be heard in silence unless respectfully asked for. Hon Nick Goiran has the call.

Hon NICK GOIRAN: The proposition from the honourable member opposite is that we have certain types of promises that are made to Western Australians and—I look forward to reading the draft *Hansard* in due course—I understood the honourable member’s interjection to have been that one cannot make a promise to someone who is not a Western Australian. I would suggest to the honourable member that the way in which one makes a promise to a person is by opening one’s mouth to allow words that one means to come out of one’s mouth and then following through on them. A promise is really no more complicated than that, and the nationality of the person that one is speaking to really does not matter; they simply need to have ears with which to hear the words that one is uttering. That is how a promise works.

Hon Alannah MacTiernan: They’re not voting.

Hon NICK GOIRAN: What is staggering is that I was charitably responding to the interjection by the honourable member, but now, incredibly, the Minister for Regional Development is trying to come to his defence! For goodness sake. If that is going to be the case, can we arrange for dictionaries to be provided to members opposite so they can look up “P” for promise and see how the word is defined? I can guarantee that the dictionary entry will not state that it depends on the citizenship of the listener to the promise. That is absolutely absurd.

Hon Mark McGowan uttered those words in February 2017, and either they meant something or they did not. He said four per cent; we did not say that. He said that if he won the election, it would be four per cent, but what we have before us now is seven per cent. The defence by members opposite now is somehow, “Well, we didn’t say that to Western Australians; we’re not interested in anyone who is not a Western Australian.” That is basically the implication.

Hon Simon O’Brien: What if the non-Western Australian was eavesdropping when they heard him say it? Would that count?

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Hon NICK GOIRAN: What if they decided that they were so impressed by the integrity, transparency and accountability of Hon Mark McGowan in February 2017 that they became Australian citizens and came to live in Western Australia?

Hon Simon O'Brien: They got dudded if that was the case!

Hon NICK GOIRAN: Now they would find themselves, on 13 September 2018, dudded indeed, Hon Simon O'Brien, by the member for Rockingham, who said four per cent when he really, in a very sneaky and shifty fashion, meant seven per cent. I do not know whether the member for Rockingham was absent from primary school on the day, most probably in grade 1 or possibly even earlier, when they went through the numerical system and explained to him that seven is greater than four, not equal to four. In fact, there are a few digits in between. My question to members opposite is: why seven? If four is all of a sudden some kind of figure that can be just cast aside, cast adrift, then why seven? Why did they not choose five? Why did they not choose six? Why did they not choose 17? Why seven, suddenly?

Hon Rick Mazza: Ten seems to work out.

Hon NICK GOIRAN: Or 10?

Hon Stephen Dawson: Hon Rick Mazza, are you proposing a 10 per cent surcharge?

Hon NICK GOIRAN: No, the honourable member is exposing this government's hypocrisy. That is what he is doing. It is a disgrace. I find it even more appalling that there are cabinet members opposite who are, in some pathetic fashion, trying to defend this. At least be honest and say, "Our leader in February 2017 made a monumental mistake, and we are sorry for that." I have not heard that during the course of this debate. I have not heard that level of honesty, accountability and transparency. In fact, I have not heard that throughout the term of this government. What I have found throughout the term of this government is plenty of obstruction, limited transparency and attempts to try to defend the indefensible.

Unless the proposition to us by members opposite is that Joe Spagnolo lied in his PerthNow article of February 2017, or that Hon Mark McGowan, the member for Rockingham, was misquoted in that article—again, a proposition that I have not heard from members opposite—then the facts are absolutely clear: the people of Western Australia who voted for this government have been misled. The proposition that, "Oh, actually they're not going to be the ones who are going to be doing the paying", does not mean that they were not misled. What is worse is that there are people who are not Western Australians who have been misled. We now have a situation in which the world was misled by Mark McGowan in February last year.

As I say, I find it quite distasteful—to try to use some charitable language—of members opposite to pretend that this can be defended in some fashion by trying to bury this policy amongst this 49-page, 15-clause bill. That is distasteful in the extreme. The voters of Western Australia and people around the globe should be able to take the Premier of Western Australia—whomever he or she is—at their word. If they say something, they should mean it and follow through on it, and if they do not, they owe an apology and they should provide a comprehensive explanation—none of which I have seen or heard. One would think, after the debacle that unfolded with the former member for Darling Range, that members opposite and indeed their leader, the member for Rockingham, would have learnt a thing or two about the importance of integrity. One would have thought that they would have learnt something about that, because the outcome of that by-election was a wallop delivered on the Labor Party, whose prime candidate was really Hon Mark McGowan; his face was plastered everywhere. One would have thought that they would have learnt something from that, but it appears not. We now have a new member for Darling Range, who is doing a fantastic job, as I understand it—a former member for East Metropolitan Region, my good friend and former member of this place, Alyssa Hayden, now MLA.

Hon Donna Faragher: Outstanding.

Hon NICK GOIRAN: An outstanding performance that she —

Hon Simon O'Brien: Better than the last bloke they had, anyway!

Hon NICK GOIRAN: No sooner was she sworn into the Legislative Assembly than we had this bill brought before us in this house by Hon Stephen Dawson, MLC—the Minister for Environment representing the Minister for Finance. I can well understand that Hon Stephen Dawson would be embarrassed that he has to represent the Minister for Finance on this particular bill. I can well understand if he would have preferred not to have to do this particular job. I can well understand that he would much rather prefer the Leader of the House to do that job; I can understand that.

Hon Stephen Dawson: Member, can I tell you, I love my job.

Hon NICK GOIRAN: I get that sense, from time to time, but I also get the sense from time to time that the honourable member would rather somebody else did some of the heavy lifting. On this occasion, he has to do the heavy lifting because of some very shifty, shifty business by his government. That is not the honourable member's fault, because he is merely representing the Minister for Finance—the good friend of the shifty member for Rockingham. Unfortunately he has to do it, because someone from cabinet has to bring this bill through the Parliament. I feel sorry that the honourable member will be permanently on the record in Western Australia as the minister who brought this bill into the Legislative Council—a bill that will have a seven per cent rate, despite the fact that in February last year, his leader said four per cent. Hon Stephen Dawson will be permanently on the record as the minister who had to do that, and I think that is incredibly unfair. Why should his integrity be impugned because of the behaviour of his leader, who simply uttered some words in February last year? One can only conclude that he clearly did not mean it, because here we are in September 2018 and we find it is quite a different figure altogether. As I have said, the figure 7 is far, far greater than the figure 4. I have not yet had the opportunity to investigate whether we have a supplementary notice paper for this bill.

Hon Martin Aldridge: On the Business Program, there is notice of a reasoned amendment.

Hon NICK GOIRAN: Of course; I thank the honourable member. I had momentarily forgotten about the reasoned amendment. That is not currently before us, but we have been given notice of it. I thank the honourable member for the courtesy of such notice. I am sure the Leader of the House in particular will be delighted about the courtesy the member has afforded her and her team with such notice. We will look at that in due course when the hardworking honourable member moves that reasoned amendment. Nevertheless, no supplementary notice paper has been brought to my notice at this point in time. Should we have to go into Committee of the Whole, I think we will need to interrogate at length just how familiar members opposite and the minister who has carriage of this business are with the number 4 and the number 7. If these two numbers can somehow just be transferred willy-nilly from time to time, I wonder if clause 4 of the bill should be renumbered clause 7, and whether clause 7 is actually supposed to be clause 7. No doubt there are many other places in this bill where we will need to call into question, interrogate and scrutinise at length what the government means when it puts the number 4 there. Is that the “4” from 2018 or is it the “4” from 2017? In February 2017, “4” apparently meant “7”. Now we find something quite different in 2018.

I remain very concerned about what on earth is going on in this government with this situation, which is really a fiasco—that is probably the only word to describe this. The leader of the government was the person elected to that position by members opposite, albeit that Hon Stephen Smith did try to change things there for a little while. Stephen Smith was up to some shifty business. Nevertheless, the member for Rockingham survived all of that. Their leader, whom they fully support, so we are told, told all and sundry in February 2017, both Western Australians and non-Western Australians, that the commitment would be a four per cent surcharge on property taxes if Labor were to win the state election the following month. We cannot simply rewrite history and somehow develop a narrative. The simple fact is that members opposite and their team did win the election in March last year. They were under an obligation at that point in time—that was the trigger—to fulfil their commitments. As I say, it was a highly publicised commitment. This was not buried somewhere or mentioned by a member at a shire function or something like that after having some drinks. It was not just some kind of comment—not at all. This was a highly publicised event at which state reporters were present. It was so highly publicised that, only a few days later, it was repeated in the state press. Why was it repeated? It was because hot on the heels of that, Hon Mark McGowan said there would be no new taxes and no increases in taxes, and that he would reveal all of his revenue-raising measures before polling day. As I said earlier, it is convenient for members to choose to interpret the words of Hon Mark McGowan from February last year as relating solely to Western Australians. I remind them of what he actually said on that day —

“There will be no new taxes on West Australians, full stop. If we are elected, there will be no new taxes on West Australians or increases in taxes on West Australians. If we're elected, full stop,” he said.

If that is all he said, members opposite would have a case. What members opposite conveniently forget is that he also promised, on that same day, that he would release all of his revenue-raising measures before polling day. For this seven per cent tax to stack up as a matter of integrity, we would need his commitment from 19 February 2017 of four per cent and then a separate opportunity, prior to the election in March last year, when Hon Mark McGowan released an additional revenue-raising commitment, promise or policy of three per cent more. Then it would be permissible. Then it would be a matter of true transparency, accountability and honesty. But we have not had that. It has never been put to me by any member opposite that on 19 February Hon Mark McGowan said four per cent and that he later revealed additional revenue-raising policies and initiatives, including saying that there would be an additional three per cent. Four plus three is seven; that is how we come to the conclusion of what we have before us today. Nobody has said that, and that is because it did not happen. All that has ever happened is that we

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had this fake announcement in February last year of four per cent and now we have this shifty bill before us at seven per cent.

It is not as though this is a one-off instance. If I can use an analogy, sometimes high-profile sporting individuals misbehave on the sporting field. Sometimes they have form and sometimes it is a one-off aberration. In this instance, this is no one-off aberration; this is happening all too often with this government. I remember that not too long ago members of this chamber were outraged when Hon Mark McGowan and his team were going to increase the gold royalty rate. If I am not mistaken, the Minister for Finance might have had something to do with that and, if that is the case, poor old Hon Stephen Dawson was probably at the wheel of that particular disaster as well. That was another occasion when there had been no disclosure of that by Mark McGowan prior to the election, yet they went ahead and tried that anyway. On that occasion the house had a debate. Honourable members might assist me here—I think we might have had two debates on that. I think there was even the threat of a third debate. There may have been some shifty business happening during the summer recess. However, I do not want to digress. The point is that there has been form with this lack of integrity. I remember when members were outraged about the gold royalty increase. Here we have yet another occasion when members opposite—no, I will take that back; it is not members opposite. I do not blame all members opposite; that would be uncharitable and unfair. It is not them who spoke in February last year. The member for Rockingham is the one who spoke in February last year. He is the one who needs to be held accountable for what is happening here today.

It is not members opposite.

As I said earlier, I feel sorry for Hon Stephen Dawson, because he has to sit here and put up with this, all because of the activities and the lack of integrity that has been displayed, and is being exposed here, by the member for Rockingham. It is not Hon Stephen Dawson's fault. He did not utter those words in February. His leader did that. It is unfortunate for members opposite that they have to be tarnished by this. Nevertheless, that is what happens when we are in government. Sometimes, things like that will happen. The responsibility of members opposite is to talk to their leader and express their displeasure. We all know they will not be able to do that in this place. To the extent that members opposite will say anything in this chamber, it will just be to put up silly defences like, "We were not talking to foreigners at the time; we were just making promises to Western Australians. We have certain types of promises, depending on whether a person is a Western Australian or not." Maybe members opposite will do that this afternoon. I hope they will not, because that will just be embarrassing, frankly. A far better use of their time would be to knock on the Premier's door and say, "Sorry, member for Rockingham, honourable leader. We have messed this one up. We are sick and tired of having to sit here in the Legislative Council and be lectured about our lack of integrity."

Hon Alannah MacTiernan: That part is true!

Hon NICK GOIRAN: I am sure!

Hon Alannah MacTiernan: We are definitely sick and tired of listening to you!

Hon NICK GOIRAN: I am sure that is true, honourable minister. I am sure the minister and her colleagues would be sick and tired of that. The fault lies with the member for Rockingham. If they are sick and tired of it, they should talk to him. Had the member for Rockingham not done this, I would not have had to make this speech now. I can tell members that I have other things to do than pore over the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018, all 49 pages of it, which apparently we will now have to interrogate and scrutinise at great length in Committee of the Whole. Of course it will all depend on what happens with this famous reasoned amendment, so far be it from me to get ahead of myself. However, the point is that this would not be happening now, and we would be able to deal with other bills, were it not for the lack of integrity of the member for Rockingham. I have been waiting since September last year to debate the Coroners Amendment Bill. That bill could have gone to the Standing Committee on Legislation, of which I am the deputy chair, and I could have asked all my questions in that committee, with my good friend Hon Sally Talbot, and we could have dealt with that a long time before now, but I am still waiting for the Coroners Amendment Bill to come on, all because we now need to have a lengthy debate about the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. We have not finished that debate yet, because my good friend Hon Martin Aldridge will follow me shortly and move a reasoned amendment. Why is this happening? It is because of the member for Rockingham. Therefore, the responsibility of members opposite is to knock on the member for Rockingham's door and say, "We are sick of this. We have had it up to here. Stop doing this. Stop telling lies." That is what they should be telling him. Then we might make some progress.

Hon Martin Aldridge: I think the minister is texting him.

Hon NICK GOIRAN: Good! I hope an urgent text is going to him, saying, "Mark, please stop this. This is outrageous. We are sick of it." It is not complicated, member for Rockingham. Seven does not equal four. Seven is

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greater than four. If the member for Rockingham has any difficulty with that, members opposite should offer their assistance. Buy him a calculator. Get him an abacus. Get him something, for goodness sake! I cannot believe we are in this situation. As members of the Legislative Council of Western Australia, we have a solemn responsibility. We all swore an oath at the beginning of the fortieth Parliament to fulfil our duties with great honour and integrity. That means proper scrutiny of legislation. However, we now have to waste time, all because of the member for Rockingham's silliness about seven per cent and four per cent. This is not on. If members opposite have had enough of it, I can assure them that so have I. However, regrettably that is the situation we find ourselves in, all because the member for Rockingham is unfamiliar with the fact that the number after 4 is 5, the number after 5 is 6, and the number after 6 is 7.

That is what we have in the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018, which Hon Stephen Dawson, MLC, Minister for Environment representing the Minister for Finance, has brought before us and which the Leader of the House, who is away on urgent parliamentary business, has asked us to deal with today, because she put together the Business Program for today. Buried in the Business Program today, deep below the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018, is the Coroners Amendment Bill 2017, which, as I have said, I have been waiting since September last year to deal with. But, no, instead, we are dealing this afternoon with the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. I find it most distasteful that we have to waste our time on that bill this afternoon, all because the member for Rockingham is unfamiliar with the fact that seven is greater than four.

The alternative interpretation is that the member for Rockingham is well aware of the fact that seven is greater than four. Either he is unfamiliar with the fact that those two numbers are different or he is very familiar with that. We may need to tease that out during consideration of the clauses. If the member for Rockingham is familiar with the fact that seven is greater than four, what is the explanation for the fabrications that he made in February last year? Why is there suddenly a lack of integrity and an unwillingness to maintain the commitment that he made in February last year? Why is it the case that when we come to 13 September 2018, a different approach is taken? This explanation has never been provided to this house. That is why our time is being taken up by this matter. Have either the Premier, the Minister for Finance, Hon Stephen Dawson or the Leader of the House asked Joe Spagnolo to correct his article from PerthNow of 19 February 2017? Have any of those ministers said to him, "Stop this nonsense, Mr Spagnolo, about this four per cent. You know perfectly well that on that day, we said seven per cent. Hon Mark McGowan is very aware that seven is greater than four. He would never have uttered four per cent when he meant seven. So stop this business, Mr Spagnolo." Have any of them done that? That may be a good question to ask in the debate on clause 1.

This has to stop. As I have said, this government has form in its flagrant disregard for the commitments that it makes. The members of the Labor Party uttered words before the election. They are now saying, "Great. Terrific. We have now won the election, and we can do whatever the heck we like." That reminds me very much of a conversation by a now former federal Labor minister that was overheard and then reported in the media. He was quite a famous individual. He sang some good songs once upon a time. He was caught out in, I think, the Qantas lounge, saying, "We will just say whatever we want now, and afterwards we will do whatever we like."

Hon Michael Mischin interjected.

Hon NICK GOIRAN: No; it was a federal minister. I do not know how good Hon Mark McGowan is at singing songs. I think he leaves that to Hon Darren West. I digress because of the unruly interjections. The point is that we cannot tolerate a government that flagrantly disregards the commitments that it made before the election. Regardless of whether a person in Western Australia is a citizen, if they hear the Leader of the Opposition say before an election that if his party is elected, it will do certain things, we have to take that person at their word. If we cannot take that person at their word, why have election campaigns and forums and all the paraphernalia that goes out before an election? We might as well dispense with all that. The Greens in particular should be especially outraged at the waste of paper with all the paraphernalia that is distributed prior to an election. If all these promises and commitments are fake and mean nothing, why have these forums and all this paraphernalia going around the electorate? Why have it if it means nothing? If the real outcome of elections is to just put the other side in and then it will do whatever it likes, why do we not all be honest and say that? That is not a standard I will ever subscribe to. I ask members opposite, if they agree, which I believe in their heart of hearts they do, to knock on his door and tell him, "Enough is enough! We are sick of this." Whether it is the gold tax, the foreign buyers tax, the Uber tax or however many other ones this government keeps running with, they should tell him they are sick of it. That is what they should do when they knock on his door and say, "Enough is enough, member for Rockingham." The reality is that he is only there because they want him there. Members opposite know that and he knows that. He is in a particularly vulnerable position because he is not a member aligned with one of the powerful unions. He is only there because members opposite want him there. They have the right to keep him there for as long as they wish. At the next election, I will work very hard to take that away from them so the people of Western Australia

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can decide and say, “We’ve had enough of this guy.” For the time being, members of the Labor Party are the people who get to choose who the leader is. They should knock on his door and tell him that enough is enough and that they will not tolerate this anymore.

As I understand it, members opposite have a caucus. In fact, I think they have a couple of caucuses—one beforehand and one afterwards and so on and so forth. It is quite a complicated system. I do not profess to be an expert in it. When we were in government, matters were brought to our party room and if we did not agree with them, we stood up and said something. And, boy, did I say something! Probably a few too many times—it is a pain to be a pain. I understand that. Nevertheless, members opposite have a responsibility, because bigger issues are at stake. The reputation of the Australian Labor Party is being affected by the member for Rockingham. Members opposite are allowing this to happen because they have this bill before the house. It was brought in by Hon Stephen Dawson, MLC, the Minister for Environment representing the Minister for Finance. He will permanently be on the record as the minister who has brought this bill before the house. It is not because it is his fault; it is because of the member for Rockingham’s arrogance and stubbornness. He thinks that he can simply say four per cent before the election and pretend that people like me and others will not be paying attention afterwards. I assure the member for Rockingham that I am always watching. If he tries this kind of shifty stuff and tries to bring in seven per cent when he said four per cent, I will say something and I will probably take all the time allocated to me to say these things. That is what will happen! It is because of the member for Rockingham’s outrageous arrogance and it has to stop.

I plead with members opposite to assist me, to knock on his door and tell him that they have had enough. They should tell him that it is not just the hardworking members of the opposition, but also they have had it up to here. I understand that they have to deal with these things in a delicate fashion. I know that it is not the done thing and that some members opposite will be waiting for a promotion at the next reshuffle. Forget about all that! It is all short-sighted, short-term stuff. Play the long game. It is a marathon, not a sprint. Members opposite will be here long after the member for Rockingham has retired. In a few years he will lose the election because of his arrogance and his cosiness with —

Hon Alannah MacTiernan: The public will rise up and say, “We want Hon Nick Goiran! We want him to lead the state!”

Several members interjected.

The DEPUTY PRESIDENT: Order! Members, Hon Nick Goiran may have something new he wishes to bring to the house.

Hon NICK GOIRAN: Mr Deputy President, because of the unruly interjection of the Minister for Regional Development, I am almost inclined to seek an extension. In the remaining few moments I have to speak, I want to express my dismay that Hon Alannah MacTiernan, who is a very experienced member of Parliament, seems to take this as a joke. The integrity of her government is at stake and is being exposed. Her leader, whom the honourable member admittedly probably had nothing to do with, is the person responsible for this charade and the pretence that four per cent is the same as seven per cent. If the member thinks, in her heart of hearts, that that is acceptable, my challenge to her is to stand immediately after I finish my contribution and before Hon Martin Aldridge rises to move his reasoned amendment to give a cogent explanation of why it is okay for the member for Rockingham to tell people four per cent in February last year and now say seven per cent and not apologise. If the honourable member tells us that, I will listen with great eagerness. She would be quite entitled to do that, but she should not treat this as a joke.

It is totally unacceptable when the member for Rockingham, the most senior member in the Labor administration, is happy to tell people four per cent when he really means seven per cent. I suspect he knows full well the difference between the two. We are asking for this to stop. We have had enough of it. I am sure that members opposite have had enough of it. If they want to defend it, they are quite entitled to. I, for one, will listen in silence while they defend this indefensible behaviour by their leader. I would much more prefer that we move on to more substantive matters, including the Coroners Amendment Bill, which continues to be buried at the bottom of the notice paper because of the decisions of the Leader of the House.

The DEPUTY PRESIDENT: Was the member seeking leave to extend his time?

Hon NICK GOIRAN: Not on this occasion, Mr Deputy President.

The DEPUTY PRESIDENT: Admirable restraint.

HON MARTIN ALDRIDGE (Agricultural) [3.37 pm]: I hesitated in my rising because I thought that, after all, this is an election commitment of the Labor Party. Members of parties that make election commitments and win governments are usually quick to jump to their feet and tell everybody how proud they are of their election commitments. Nevertheless, I will fill in some time until they are ready to launch their great defence of their election commitments.

Extract from Hansard

[COUNCIL — Thursday, 13 September 2018]

p5783c-5801a

Hon Dr Steve Thomas; Hon Rick Mazza; Hon Charles Smith; Hon Tjorn Sibma; Hon Colin Tincknell; Hon Diane Evers; Hon Nick Goiran; Hon Martin Aldridge; Hon Darren West; Deputy President

I advise the house that I am the lead speaker for the Nationals WA. I look forward to making a contribution to the second reading debate on the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018. I draw members' attention to a reasoned amendment that is sitting on the notice paper and the Business Program in my name, which I intend to move during my second reading address.

The genesis of this commitment by the Labor Party, albeit in an amended form, began at its very own launch of the state Labor campaign on 19 February 2017, some three weeks prior to election day. On the same day that Hon Mark McGowan addressed his party faithful at their campaign launch, he issued a media statement entitled "Mark McGowan and WA Labor to freeze TAFE fees". This media statement, which was issued on Sunday, 19 February 2017 says —

The TAFE fee freeze means there will be no further increases to TAFE fees in the first term of a McGowan Labor Government, giving current and prospective students more certainty and encouraging more people to undertake training.

The TAFE fee freeze will be paid for through the introduction of a new four per cent surcharge on foreign property buyers, for purchases of residential property in Western Australia.

The introduction of the Foreign Buyer Surcharge will bring Western Australia in line with measures introduced successfully in Queensland, New South Wales and Victoria.

It is expected to raise \$21 million in its first year of implementation in 2019–20, with the revenue base to continue to grow. The delayed introduction will allow the market to adjust given the current economic climate.

The Foreign Buyer Surcharge will help pay for key Western Australian services in the future, like health and education. It will fund the TAFE freeze and provide a new ongoing revenue source for the State, strengthening the State's finances and helping reduce Colin Barnett's debt.

He went on to say—these are direct quotes attributable to Mark McGowan in the media statement —

As Premier, I'll freeze TAFE fees and make sure young Western Australians can get the training they need for the jobs of the future.

It is interesting that if this was not the key announcement, it was one of the major announcements that Mark McGowan made at his party's campaign launch in February 2017 as his pitch to become Premier of Western Australia. In the very same calendar year, the Labor Party won government and before the year was out, the Minister for Education and Training announced, only two weeks out from Christmas, \$64 million worth of cuts to education. The irony is the short period from February, when this election commitment was crafted to give effect to the Labor Party's freeze on TAFE fees by introducing this new duty surcharge, to December, when the Labor Party clearly abandoned many education priorities for Western Australia. The media statement went on to say—this is a direct quote attributable to Hon Mark McGowan —

Introducing the Foreign Buyers Surcharge is a tough decision, but a smart and responsible decision—guaranteeing a new revenue source to flow to services that matter to Western Australians.

I would think that as well as a freeze on TAFE fees, which I am sure is a welcome policy initiative for those people studying and paying fees at TAFE, other services that matter to Western Australians would have also been the Schools of the Air, our camp schools, our residential colleges in Moora and Northam and a whole range of other education priorities that did not feature in the February campaign launch speech of Hon Mark McGowan, but certainly featured in the media statement by Hon Sue Ellery, Minister for Education and Training, in December of the same year when she cut their funding.

A lot has been said about the commitment and the change in rate from four to seven per cent. Members would be well aware by now that the change from the 2017–18 state budget, in which four per cent was locked in, to seven per cent in the 2018–19 budget, Labor's second budget, will raise an additional \$50 million. The intent was once again confirmed in the second paragraph of the second reading speech of the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018, which was delivered by Hon Stephen Dawson, Minister for Environment representing the Minister for Finance. He said —

A surcharge of four per cent was announced in the lead-up to the March 2017 election to fund the government's freeze of TAFE fees and to assist with budget repair.

The Labor Party likes to link bills with different outcomes, and we will probably see that when it takes the hatchet to Landgate. It likes to link revenue measures with budget outcomes and, indeed, this bill is no different. The government has directly linked an increase in duty for foreign persons to its policy of freezing TAFE fees, which was announced prior to the election, and that was certainly confirmed in the second reading speech. The second

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reading speech states that the bill will raise the rate to seven per cent. Further on in the second reading speech, there is a paragraph that I wish to quote from. It reads —

The surcharge is estimated to raise around \$123 million net of \$1 million in administration costs over the period from 2018–19 to 2021–22. The increase in the rate from four per cent to seven per cent contributes \$50 million of the estimated \$123 million of revenue over this period.

That was the \$50 million that I mentioned earlier in my contribution. Certainly, one would think that that \$123 million would be more than enough to cover the government's election commitment to freeze TAFE fees. In fact, a question that I asked in this place not all that long ago on 23 August solicited the response that confirmed that \$23 million would be required to freeze TAFE fees over the budget year and the forward estimates out of \$123 million that is projected to be received from this additional duty. In answer to my question, the remaining revenue would be \$8 million in 2018–19, \$28 million in 2019–20, \$29 million in 2020–21 and \$35 million in 2021–22. One hundred million dollars will be raised over the forward estimates surplus to requirements to give effect to the government's freeze on TAFE fees.

Having heard from a lot of the parties today, it is very clear that there is a range of views about this bill. Some members will outright oppose it, some do not oppose the bill's principle but oppose its timing, some want it but want it to be bigger and some just support it. We have not heard from anyone in the Labor Party, apart from the minister, with the exception of an interjection that suggested that we represent only Australians, not other people in our constituencies, which was a rather absurd interjection but one that nevertheless that member can continue to adhere to.

Members would be well aware that the \$64 million in education cuts that I mentioned earlier, which were announced by a media statement in December 2017, were subsequently slightly amended on 11 January 2018 in a joint media statement with the Premier, who likes to deliver the good news. He left his Minister for Education and Training to deliver the bad news in December, but he is the Premier for all Western Australians so he delivered the good news on 11 January 2018. The media statement is titled "Getting the balance right: Education savings measures reversed", and reads —

All measures were estimated to provide a total of \$64 million in savings across the forward estimates. With the decision to reverse some of those measures, the total saving to the Budget is now estimated to be about \$41 million.

That was obviously across the budget years 2017–18 to 2020–21. The media statement went on to say—this is a direct quote attributable to Hon Premier Mark McGowan —

We won't take our eye off the ball when it comes to the finances, but we won't compromise the quality of education in the process.

I am not sure how many members opposite would agree with the Premier's statement on 11 January 2018. Certainly, people in Moora did not agree with that statement, and certainly what inflamed the situation further was Hon Alannah MacTiernan and Hon Darren West telling them to move on. They have moved on because we now know that the government has again had cause to review its decision about Moora Residential College, a position that it was ultimately forced into because once the federal government made it clear that it would invest \$8.7 million in its refurbishment, it was untenable to continue on its path of opposition to the college remaining open. That is despite the fact that on 16 August—not all that long ago, only last month—I asked the Minister for Education and Training —

Has the minister sought any recent advice from the Department of Education to reconsider the planned closure of the college at year end?

The minister replied, "No." Earlier this year, on 15 March, I asked —

Would the government consider revisiting its decision to close Moora Residential College if other sources of funding are identified to carry out the most urgent and necessary works?

The answer was no. The minister was very adamant right until this time last month that she was not going to budge one iota on the residential college in Moora. I think that the minister and the Premier were left in a completely untenable position with that facility once the federal government came to the party and gave it a lifeline. Only yesterday I asked the Minister for Education and Training in question without notice 776 for her to revise the estimated \$41 million in savings measures that she announced in her revised January media statement following her December cuts. Both Hon Donna Faragher and I were pursuing similar lines of questioning earlier this year, which got mixed up in a great big mess of parliamentary questions and corrections.

Hon Donna Faragher: It took over three weeks for the minister to even provide an answer.

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Hon MARTIN ALDRIDGE: Yes; nevertheless, we finally got an answer. Good luck if anyone wants to find it, but we got an answer. That answer refers to some \$43.231 million in savings, or at least the answer references an estimated \$41 million, but when we add up the three tables within the answer, it comes to \$43.231 million. It is clear that not only Hon Mark McGowan has some problems adding up; it is also the Minister for Education and Training, because, clearly, something still does not add up with this answer to Parliament. Contained within the list is a range of cuts that remain from that January media statement. Some of the more notable cuts include \$413 000 from the Herdsman Lake Wildlife Centre; \$1.3 million from Landsdale Farm School; \$17.28 million from camp schools, excluding Broome, which is another interesting debate; \$945 000 for the closure of Moora Residential College; and obviously the raid of \$550 000 on our agricultural college trust fund. A range of other cuts are listed in those tables, but those five things alone, which have been front and centre of the education cuts campaign, amount to \$10.488 million. The government has since reversed its decision, or it has been reported that it has reversed its decision, on Moora Residential College. I have not seen an official media statement issued. I would have thought the Premier would have wanted to take credit for that. But if we assume that the government has reversed the Moora Residential College cuts, that is some \$945 000 in savings that is lost, which brings those five projects to a total saving to the government over the forward estimates of just \$9.5 million.

I asked the minister yesterday what her revised savings figures were, and she answered that it was \$39.66 million and around 105 full-time equivalent positions. The original media statement that kicked all this off stated that the government would save about \$64 million and 170 positions. Then we went to \$41 million and an unknown number of positions. Now we have \$39.66 million in savings measures and 105 full-time equivalent positions are affected. Also since that January media statement, we have seen an announcement on camp schools. It is interesting that the government released a media statement over the weekend, or at least it was given to the media over the weekend. We mere representatives of the Parliament did not get to see it until Monday when it was uploaded to the Department of the Premier and Cabinet website. It announced an agreement between the state and Fairbridge WA for the disposal of or the lease of six —

Point of Order

Hon DARREN WEST: As fascinating as this is to hear about the great Labor achievement in the Agricultural Region, I remind the house that we are here to discuss the foreign buyers —

The DEPUTY PRESIDENT: Order, Hon Darren West. Please, what is your point of order and I will advise the house accordingly?

Hon DARREN WEST: I am seeking to get a ruling on the relevance of the member's material to this debate.

The DEPUTY PRESIDENT: The ruling is that the member is well within the area of relevance of this particular form of bill.

Debate Resumed

Hon MARTIN ALDRIDGE: Thank you, Mr Deputy President. That may be the only contribution Hon Darren West makes to this debate.

I am going to run out of time, because I understand that the house has some more urgent business to deal with, and I have unlimited time, so we will have to have a second go at this next week, but in the time remaining, I want to finish on this point with where we are at with education. We started with a Labor election commitment—two commitments really—to raise taxes to fund an election commitment. That election commitment was in the name of improving education. In the same year, we saw significant cuts to education. I think that there is a direct linkage. Given that it is repeated in the second reading speech and the government is going to raise an additional \$100 million in revenue above and beyond what it needs to freeze TAFE fees across the forward estimates, it would not be unreasonable to request that it give consideration to the now \$39.66 million in budget cuts to education that remain. On a number of occasions we have seen a propensity by the government and the Minister for Education and Training to revisit these decisions, and the list is slowly dwindling, for one reason or another. However, there is a good argument to be had, which I will not be able to complete today, about how we can go forward as a house with this bill. It is unfortunate that the government has not come to the table to discuss this matter. Indeed, government members in the other place did not support it.

Given the advocacy of so many members in this house—members of the minor parties, the crossbench, the opposition and even of the Labor Party at times—to have leaned towards different aspects of the education cuts campaign, I am hopeful that the government would also see a way to support allocating a small proportion of that \$100 million in surplus funding to some of the really important services that will see significant cuts or closure by year end. The camp schools, as I said, have been recently announced. It is interesting that the government has announced this, but when I, and I think Hon Donna Faragher also, asked about that agreement this week, it was

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quite clear that the agreement has not been made. The government is still working it out; nothing has been signed. Yes, today I learnt that it is already directing people to the new proponents, Fairbridge WA, to take bookings. The government has not even finalised the arrangements under which it will lease six camp schools. I find that quite an absurd way to run government in Western Australia. I think there is more to be said about this rushed decision of announcing the disposal or the long-term lease of these six camp schools in Western Australia. It is a shame that the Minister for Education and Training cannot be with us today due to other urgent parliamentary business, but I dare say she will certainly be with us next week and perhaps we can get to the bottom of why the government would announce such an outcome before it even negotiated that outcome.

I think that at the beginning of my contribution, I alluded to my second reading amendment, which is listed on both the notice paper and the Business Program.

I have said to people with whom I engage that it is unfortunate and that I never anticipated that I would want to get to a point at which I would have to move it. I was hopeful that members of this place, particularly those who were more than happy to trot themselves out to Tuesday's education rally and clap away and take photos, would have reflected on the public comments that they made to those people on the steps of Parliament House. Some of them even took the uninvited opportunity to say that they were going to stand up for those people and do the right thing by them, that they understood their issue, that it was terrible what the government was doing to them and that they would never have done it. Then they come in here and find weasel words and excuses, Mr Deputy President.

Hon Alison Xamon interjected.

The DEPUTY PRESIDENT: Order! Keep the interjections down.

Hon MARTIN ALDRIDGE: They find weasel words and excuses to justify their position, which is supporting the government to raise \$100 million more than it needs to achieve its election commitment of freezing TAFE fees and stuff the rest! That is what they are really saying to those people out there. With that said, I seek leave of the house to adjourn my contribution to the next day's sitting.

[Leave granted for the member's speech to be continued at a later sitting.]

Debate adjourned, on motion by **Hon Pierre Yang**.