



Parliamentary Debates

(HANSARD)

FORTIETH PARLIAMENT
FIRST SESSION
2019

LEGISLATIVE ASSEMBLY

Wednesday, 3 April 2019

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Legislative Assembly

Wednesday, 3 April 2019

THE SPEAKER (Mr P.B. Watson) took the chair at 12.00 noon, acknowledged country and read prayers.

PAPERS TABLED

Papers were tabled and ordered to lie upon the table of the house.

TOURISM AND HOSPITALITY WORKERS

Notice of Motion

Ms L. Mettam gave notice that at the next sitting of the house she would move —

That this house —

1. notes the career opportunities presented by the hospitality and tourism industry;
2. acknowledges the professionalism, politeness, friendliness and engaging qualities of Western Australia's tourism and hospitality workers; and
3. condemns the Minister for Tourism for his condescending remarks insinuating Western Australia's tourism and hospitality workers lack courtesy, decorum and friendliness.

KIMBERLEY SUICIDE PREVENTION ROUND TABLE

Statement by Acting Premier

MR R.H. COOK (Kwinana — Acting Premier) [12.02 pm]: I rise to inform members of the house that on 13 March, I attended the Kimberley suicide prevention round table in Broome. The round table is the community engagement aspect of the Kimberley suicide prevention trial. It has 40 members from both government and community and is chaired by the federal minister for indigenous health, Hon Ken Wyatt, MP. This was the first working group meeting following the release of the State Coroner's report, "Inquest into the deaths of: Thirteen Children and Young Persons in the Kimberley Region, Western Australia". It was attended by Senator Patrick Dodson and Ms Josie Farrer, MLA, member for the Kimberley. To sit alongside three eminently respected Aboriginal leaders to discuss such an important issue was a privilege.

Aboriginal children and young people continue to take their own lives at an unfathomable rate. I extend my deepest sympathies to those families and communities affected. I commend the State Coroner, Ms Ros Fogliani, for the dedication she has shown in her assessment of this complex and highly emotional issue. The coroner has made 42 recommendations for how we can move forward in addressing youth suicide in the Kimberley. The findings cover a range of issues and risk factors, including the harmful effects of alcohol, the need for improved resources, and better coordination and culturally appropriate services. They add to the recommendations of the 2016 parliamentary report into Aboriginal youth suicide, "Learnings from the Message Stick: The Report of the Inquiry into Aboriginal Youth Suicide in Remote Areas". They affirm what Aboriginal people continue to tell us: Aboriginal youth suicide is not solely a mental health issue; it is an outcome of complex, interrelated factors arising from intergenerational trauma. Although improving clinical services remains essential, our approach must go deeper. We must draw on the expertise, leadership and capabilities of Aboriginal people, communities and organisations. Our efforts must focus on emphasising the vital role of culture in building resilience as well as having the capability and resources to respond to those most in need. Later this year, the government will publish its preliminary response to the coroner's report along with its first response to the message stick report.

In closing, the end result must be a comprehensive response, informed by community, designed by community and driven by community. As a government united on the importance of this issue, we stand ready to support these efforts for current and future generations.

STOP THE VIOLENCE INITIATIVE

Statement by Minister for Police

MRS M.H. ROBERTS (Midland — Minister for Police) [12.05 pm]: All too often I hear stories of violent crime and the devastating impact on members of our community. Lives can be changed in an instant with a single malicious act. Last week, I met a group of young people who had stepped forward to make a difference. Last Tuesday, 26 March, it was my pleasure to launch the Stop the Violence video at Balga Senior High School. The video is the combined effort of Balga Senior High School, Mirrabooka District Police and the Organisation of African Communities. The Stop the Violence initiative was formulated by the Organisation of African Communities following the death of teenager Kuol

Akut in 2016. The event also reflected on the untimely death of Jacob Cummins, who was struck by a motor vehicle in Canning Vale 2017. Kuol's mother, Naomi, and Jacob's mother, Aisling, attended the event. They both appear in the video, sending a powerful message to stop the cycle of violence. Former world boxing champion Danny Green also appears in the video, having donated his time to narrate the film and work with youth through his Stop the Coward's Punch campaign. The video was produced by Balga students, with the help of a \$23 473 grant from the government's community crime prevention fund. I send my congratulations to everyone involved in the project. In particular, I thank Joe Tuazama of the Organisation of African Communities, Inspector Don Emanuel-Smith of Mirrabooka Police, and the staff of Balga Senior High School. I want to especially especially thank Hermela Mebrahtu, a school student and friend of Jacob Cummins, who gave a passionate speech calling for young people to realise the consequences of their actions, and warned of how small events can quickly spiral out of control.

Police can enforce the law, but it is by building values of kindness that we can create a safer community. It was wonderful to see how the project had brought people together. I hope that the DVD will encourage young people to think about responsibility. I note that the DVD is dedicated to Karen Merrin, who is a very worthy subject of the Attorney General's ministerial statement.

KAREN MERRIN — TRIBUTE

Statement by Attorney General

MR J.R. QUIGLEY (Butler — Attorney General) [12.07 pm]: On behalf of the Western Australian government I would like to acknowledge and pay tribute to Karen Merrin, a tireless champion of the community services sector, who has recently passed away. Karen was the inaugural manager of the Northern Suburbs Community Legal Centre in Mirrabooka when it first opened in 1996. The centre delivers advice, advocacy and representation to thousands of people each year. The centre also delivers education and training on a range of subjects for its clients and supports those from many culturally and linguistically diverse communities.

Over 20 years, under Karen's leadership, the centre expanded to Edith Cowan University in Joondalup and in Wanneroo, eventually employing 20 people, including lawyers, advocates, tenancy workers, educators and client service officers. For her work and leadership in managing the centre, and her wider community service, Karen was the deserved recipient of the Rona Okely Award at the 2017 Consumer Protection Awards. The Rona Okely Award is awarded to individuals who have given their time, energy and experience for the betterment of others. The betterment of others underlay the philosophy that Karen worked by, which was "never forget that we are here because of the client so stand in their shoes when you make a decision or decide on the delivery of a program".

Karen's positive impact on the Western Australian community was widespread. She assisted with the establishment of community legal centres in the goldfields and the wheatbelt, and was chairperson of the association of community legal centres for many years. She was also instrumental in setting up Tenancy WA, the Women's Law Centre of Western Australia, the Employment Law Centre of WA (Inc), as well as a special domestic violence and health justice partnership with Legal Aid Western Australia. Karen helped improve the lives of countless people over many years, particularly those who were new arrivals in our country. Karen's legacy will be a lasting one.

I would conclude by offering, on behalf of Parliament, my sincere and heartfelt condolences to Karen's family and her many friends. Vale, Karen Merrin.

<002> N/F

LEGAL AID — MORTGAGE HARDSHIP SERVICE

Statement by Attorney General

MR J.R. QUIGLEY (Butler — Attorney General) [12.10 pm]: I rise to share with members the latest of Legal Aid WA's innovations that will meet the changing needs of people throughout our state. In the last financial year, 4 020 Western Australians went bankrupt. Baldvis recorded the highest number of personal bankruptcies in Australia, with Ellenbrook, Byford, Gosnells and Butler not far behind. As we know so well from speaking with our constituents, for every personal bankruptcy, many more people are struggling to pay bills and make ends meet. Legal Aid WA has responded to this difficult environment by dedicating resources to create a mortgage hardship service to provide free specialist legal advice and assistance. In providing this service, Legal Aid is working closely with financial counsellors to provide a joined-up service, with focused outreach in high bankruptcy locations, including Baldvis, Merriwa and Midland. The mortgage hardship service provides legal advice on what to do if a person is experiencing mortgage stress, is in arrears with mortgage payments, has been served with a default notice or notice that their home may be repossessed, or has provided a guarantee for someone else's loan and is now at risk of their home being repossessed. Through this service, Legal Aid will, on behalf of vulnerable Western Australians, be able to negotiate with a bank's lawyers, facilitate pro bono assistance when an arguable defence to claims for mortgage possession is made in the Supreme Court, and support clients to lodge disputes with the Australian Financial Complaints Authority. This new service will make a significant difference for many Western Australian families who are struggling under the weight of debt and quick-to-sue creditors.

On behalf of the government of Western Australia, I personally thank Dr Graham Hill, the relatively new director of Legal Aid, who fortunately was recruited by our relatively new chair of Legal Aid, Hon Jane Crisford, SC, and the board and staff of Legal Aid for their commitment and adaptability as they work to meet the legal needs of all Western Australians. This latest service is only one of a number of new services that have been introduced by the very innovative director of Legal Aid, Dr Graham Hill. I commend him for his work and leadership of the commission.

AUSTRALIAN TOURISM EXCHANGE

Statement by Minister for Tourism

MR P. PAPALIA (Warnbro — Minister for Tourism) [12.13 pm]: I wish to inform the house that the Australian Tourism Exchange, Australia's largest annual travel and tourism business-to-business event, will be held at the Perth Convention and Exhibition Centre from 8 to 12 April 2019. Owned and managed by Tourism Australia, ATE, as it is known, brings together Australian tourism operators and tourism wholesalers and retailers from around the world through a series of business appointments and networking events. Australian tourism businesses, or sellers, such as accommodation properties, airlines, tour companies and transport providers, meet with international wholesalers and retailers, or buyers, to showcase their products and services, strengthen existing business relationships and negotiate new business deals. ATE also provides international travel buyers and media with the chance to experience firsthand the host destination's tourism offerings through pre and post-event familiarisation visits to key locations and attractions. Over 90 familiarisation visits have been organised to all parts of Western Australia for this year's ATE. Around 1 400 delegates from approximately 550 Australian tourism businesses and travel organisations will be attending, together with approximately 600 buyers and 70 media representatives from more than 30 countries around the world. Tourism Australia estimates that the economic impact of hosting ATE is around \$9 million for the duration of the event. Tourism Australia further estimates, based on ATE application data, that ATE buyers collectively deliver between 2.7 million and four million passengers with an estimated pre-arrival spend of between \$6 billion and \$9 billion.

Perth last hosted ATE in 2012 when the state was experiencing a mining boom. At that time there was a shortage of available accommodation, and hotels and restaurants were charging premium prices. Perth is a much different city today and this is our opportunity to reset perceptions and impressions, and raise Perth and Western Australia's profile as a world-class tourism destination. I wish all Western Australian tourism operators attending ATE a successful week in promoting their product to international buyers, and I want to sincerely thank the sponsor hotels and other partners who are participating in the familiarisations program. I am also grateful to the staff at Tourism Western Australia, who have put in place some outstanding plans to maximise this opportunity and who will be working very hard to showcase our city and state. We want international delegates to have no doubt that Western Australia is a must-see destination for their clients. The McGowan government is very proud to host ATE and to introduce international buyers and media to Western Australia's extraordinary destinations, tourism product and experiences.

2019 ACHIEVER AWARDS

Statement by Minister for Child Protection

MS S.F. MCGURK (Fremantle — Minister for Child Protection) [12.16 pm]: I rise to inform the house of the Department of Communities' Achiever Awards program. Last week I attended the presentation event, now in its twenty-ninth year. This one-of-a-kind program celebrates the efforts of young Western Australians with a care experience who are pursuing further education and training. I have had the privilege to attend three Achiever Award presentation events as the Minister for Child Protection and I continue to be inspired by the incredible resilience and determination of the young people involved, despite the personal obstacles that have been placed in their way. This year's Achiever Awards recognised the achievements of no less than 46 young people with a care experience. Each award winner received a financial incentive of up to \$4 000 towards further education or training courses. Of course, the Achiever Awards would not be possible without the support of its generous corporate partners, whom I would like to thank publicly in this place. They include, in particular, the Foster Care Association of WA, Murdoch University, the Chamber of Commerce and Industry of Western Australia's apprenticeship support network, Curtin University, Graduate Women WA, Edith Cowan University, the University of Notre Dame, the Leeuwin Ocean Adventure Foundation and RTRFM. Although the awards acknowledge the efforts of young people, they also recognise the significant role of those who help these young people to reach their goals. I also want to acknowledge the foster and family carers, case workers and education officers who support those young people who received awards. I am extremely proud that the Department of Communities continues to support and acknowledge young people with a care experience who strive for their career goals and ambitions. They are an inspiration to us all.

DR BERNARD BOWEN

Statement by Minister for Fisheries

MR D.J. KELLY (Bassendean — Minister for Fisheries) [12.18 pm]: It is with great sadness that I acknowledge the passing of Dr Bernard Bowen on 19 March 2019. Dr Bowen was renowned for being one of the country's finest science administrators, who presided over scientific advances ranging from the oceans to the skies in a career that spanned more than half a century. He was the Western Australian government's first marine scientist and spent 23 years at the helm

of what was the then Department of Fisheries. Dr Bowen went on to become the deputy chair of the Western Australian Environmental Protection Authority between 1994 and 1997 and its chair between 1997 and 2003. As a result of his achievements in these roles, the state government asked him in 2005 to establish the Western Australian Marine Science Institution, of which he became the founding chair. Dr Bowen's passion for science was not limited to the marine environment. He was passionate about astronomy and was instrumental in the establishment of the International Centre for Radio Astronomy Research, and was the chair of its board from 2009. In recognition of his contribution to science in the state, he was appointed a Member of the Order of Australia in 1991, awarded an Australian Centenary Medal in 2003, and inducted into the Western Australian Science Hall of Fame in 2011. Dr Bowen will be remembered for his patience, negotiating skills and lifelong work in and commitment to supporting science in this state. The government sends its sincere condolences to his wife and family. Dr Bowen's accomplishments will benefit Western Australians for generations to come.

<003> I/S

WESTERN AUSTRALIAN HERITAGE AWARDS

Statement by Minister for Heritage

MR D.A. TEMPLEMAN (Mandurah — Minister for Heritage) [12.20 pm]: It gives me great pleasure to advise members of this house that on Friday, 29 March, I presented awards to honour the many dedicated members of the heritage industry and community who have been instrumental in elevating the value of Western Australia's heritage. The 2019 Western Australian Heritage Awards marks the twenty-seventh year of this prestigious event, which recognises the exceptional contribution by heritage professionals, volunteers and organisations and celebrates their commitment to heritage conservation, adaptive re-use, interpretation and tourism across Western Australia. The people and projects that come to light during the heritage awards are defined by a passion and dedication to heritage, to conserving and restoring heritage places and telling the stories that articulate Western Australia's identity through its history and development.

Twenty individuals and heritage projects were honoured at the 2019 event. The adaptive and imaginative reuse of the historic Katanning Roller Flour Mill into the Premier Mill Hotel was recognised across three categories, receiving the prestigious Gerry Gauntlett award, acknowledging excellence in the area of conservation or adaptation of a heritage place. The Katanning Roller Flour Mill has been the heart of Katanning since its foundation in 1891. It has now been creatively conserved and gives visitors the chance to stay in an old grain silo.

I commend Rail Heritage WA, which received the judges' award—the Professor David Dolan award—for its excellent ongoing work in preserving our important rail heritage. I also commend RPS Group Australia, which received a commendation for professional contribution in recognition of its work on one of Australia's largest repatriation efforts at Fitzroy Crossing Pioneer Cemetery. The judges noted the complexity of the project, which required RPS Group Australia to use innovative technology, including advanced geomatics, to assist with the identification of potential human burial locations, which were then reinterred in a newer cemetery location, safe from flooding. I again congratulate all those who were recognised on the night and wish our WA conservation projects the very best of luck for the UNESCO awards.

PAY-ROLL TAX ASSESSMENT AMENDMENT BILL 2019

Introduction and First Reading

Bill introduced, on motion by **Mr B.S. Wyatt (Minister for Finance)**, and read a first time.

Explanatory memorandum presented by the minister.

Second Reading

MR B.S. WYATT (Victoria Park — Minister for Finance) [12.23 pm]: I move —

That the bill be now read a second time.

The Pay-roll Tax Assessment Amendment Bill 2019 seeks to amend the Pay-roll Tax Assessment Act 2002 to remove the payroll tax exemption for new worker trainees, with effect from 1 July 2019. The savings from this change will be used to establish a new employer incentive scheme that will assist a broader range of businesses to train our future workforce by taking on an apprentice or trainee.

Members may recall that amendments were made in 2018 to remove the payroll tax exemption for existing worker trainees and to limit the exemption for trainees to new workers earning up to \$100 000 per annum. The amendments took effect from 1 December 2017 and closed a loophole that saw companies avoid paying their fair share of payroll tax. Those savings were redirected to fund training places to help offset a reduction in commonwealth funding, following the cessation of a previous national partnership agreement in 2017.

As announced on 30 November 2017, the government has worked with industry to develop an employer incentive scheme that is proposed to replace the exemption for new worker trainees, better target skill gaps in the economy, and be accessible by all employers, not just those paying payroll tax. In accordance with the commitment given by the

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government during debate on the previous amendments, wages paid to apprentices will continue to be exempt from payroll tax. The review was undertaken in consultation with key stakeholders, including industry peak bodies, group training organisations, industry training councils and training providers.

It is proposed to introduce an employer incentive scheme with effect from 1 July 2019, with the following design features. Employers below the payroll tax exemption threshold will be eligible for an incentive for both their apprentices and new worker trainees. Employers paying payroll tax will be eligible for an incentive payment for new worker trainees only. The payroll tax exemption for their apprentices will still apply. All group training organisations registered with the Department of Training and Workforce Development will be eligible for incentive payments for both their apprentices and new worker trainees. Extra loadings will apply to industry priority areas, determined in consultation with industry. Extra loadings will apply for Aboriginal workers, regional areas, people with a disability and people aged between 21 and 30 years undertaking an apprenticeship or traineeship.

There will be an online payment system linked to existing administrative processes that will minimise red tape for employers. Transitional arrangements will apply, whereby businesses that have registered a new worker training contract with the Department of Training and Workforce Development before 1 July 2019 will continue to receive the payroll tax exemption, rather than the employer incentive scheme, for the nominal duration of that training contract. The employer incentive scheme will be administered within the current framework of the Vocational Education and Training Act 1996. The proposed scheme addresses a key recommendation in the State Training Board's 2018 report, "Strategies to grow apprenticeships and traineeships in Western Australia", to reduce the costs for employers who are prepared to train an apprentice or trainee. The scheme is a more transparent and equitable approach to providing assistance to employers. A major benefit of the employer incentive scheme is that it will provide much needed financial assistance to small businesses that fall beneath the payroll tax threshold.

Through the Building and Construction Industry Training Fund levy, the state government provides funding for employer incentives in construction trades and the resources sector. To ensure a targeted and equitable allocation of the new employer incentive scheme, apprentices and trainees eligible for the Building and Construction Industry Training Fund grant will not be eligible for the employer incentive scheme. Some employers are unable to commit to the direct indenture of apprentices and trainees but are still prepared to take on someone for a shorter period. Group training organisations bridge this gap by hosting out their apprentices and trainees to these employers, which expands the number of employers that can offer valuable on-the-job training to help people get qualified. Group training organisations also assist employers to navigate the administrative processes involved in taking on apprentices and trainees. For these reasons, all group training organisations will be eligible for the employer incentive scheme. As a condition of eligibility, these organisations will be required to pass on the incentives to host employers and meet nationally agreed standards for group training organisations.

The scheme will extend the reach of financial assistance to a greater number of Western Australian employers, from approximately 2 600 employers currently receiving payroll tax exemptions to potentially 5 900 employers, who will receive either the payroll tax exemption for apprentices or the new employer incentive scheme for apprentices and trainees. The scheme will be funded through redirecting the savings from the removal of the new trainee worker payroll tax exemption, estimated to be \$109 million over the period 2019–20 to 2022–23, as well as additional commonwealth funding. Importantly, the commonwealth government has recognised the redirected funding as Western Australia's matching contribution under the National Partnership on the Skilling Australians Fund. This will result in additional funding of \$110 million to the state for the period 2018–19 to 2021–22.

In closing, an employer incentive scheme is a more transparent and equitable approach to providing assistance to employers. A major benefit of the employer incentive scheme is that it will make assistance available to small businesses that fall beneath the payroll tax threshold. Furthermore, it will provide a more effective use of government funds by targeting real skill gaps in the economy. Finally, removing the payroll tax exemption for new worker trainees will see \$110 million from the national partnership flow into the state's economy. This money will pay for the increase in training delivery costs from the anticipated growth in apprenticeship and traineeship commencements, and will also contribute to the employer incentive scheme. The associated explanatory memorandum contains further details on the amendments. I commend the bill to the house.

Debate adjourned, on motion by **Ms L. Mettam**.

<004> T/2

REVENUE LAWS AMENDMENT BILL 2018
TAXATION ADMINISTRATION AMENDMENT BILL 2018

Cognate Debate — Motion

On motion by **Mr B.S. Wyatt (Minister for Finance)**, resolved —

That leave be granted for Revenue Laws Amendment Bill 2018 and Taxation Administration Amendment Bill 2018 to be dealt with cognately.

Second Reading — Cognate Debate

Resumed from 29 November 2018.

MR D.C. NALDER (Bateman) [12.30 pm]: I stand to make my contribution to the second reading debate on the Revenue Laws Amendment Bill 2018 and the Taxation Administration Amendment Bill 2018. Having read those bills and received a briefing from the Department of Finance, I concur with the minister's intent to curtail unnecessary debate and do it cognately. I think it makes a lot of sense.

To clarify, the Revenue Laws Amendment Bill 2018 contains a package of amendments to address a significant duty leakage, ensure that certain taxpayer exemptions and concessions apply correctly, and improve the efficiency of the state's taxation legislation. The bill is complemented by the Taxation Administration Amendment Bill 2018, which contains amendments to improve the administration and enforcement arrangements for the state's taxes.

Based on the advice that we received from the department, our party supports this bill's passage through the chamber. The provisions of the current legislation—before these amendments—do not reflect modern corporate structures, which are becoming substantially more complex. Unfortunately, that has allowed some taxpayers to reduce duties on landholder acquisitions by using a combination of subsidiary entities to dilute the interest a landholder has in other entities that hold land. As a result, these entities cannot be linked to the landholder. This has had the effect of reducing the value of the land to which the landholder is entitled. Duty applies to the value of land and chattels held by a landholder. However, if land is acquired indirectly through a landholder but the chattels are acquired directly, duty does not apply to the chattels. Some taxpayers have therefore deliberately structured their transactions to achieve an outcome in which they are not paying the full applicable duties. In one example that was provided by the minister it resulted in a loss of revenue of \$4 million to the state, which otherwise would have been collected. To address these issues, the bill broadens the linked entity provisions to ensure landholder duty applies to modern corporate structures involving an entity that is entitled to land through a combination of direct and indirect interests in another entity. This bill will also restore the correct duty treatment for these acquisitions to ensure that landholder duty applies fairly, regardless of whether the acquirer is related to the seller.

The bill has a number of amendments, with most of the changes positively impacting taxpayers. The most significant amendments involve the family farm exemption from duties. When the exemption was introduced in 1994, its purpose—to remove a financial barrier—unfortunately went awry. In the case of *West* and Commissioner of State Revenue it was found that although the intent of the bill was to provide an exemption for family farms, the carriage of the legislation precluded that when those entities are held in family trusts and so forth. It looked at it only when it was a specific person to person. But most family farm structures are held in family trusts. The intent was always to allow farmers to pass farms on, but we found that that was not the case. This bill looks to address that issue. During the consideration in detail stage I will pursue this to make sure that the change is there, because I struggled to find it adequately in the bill.

On 18 November 2018 I wrote to the minister because when I visited the Dowerin Field Day last year the issue was raised with me by a series of farmers who were concerned by this issue and the succession of their farms.

Mr B.S. Wyatt: That's where they'll raise it!

Mr D.C. NALDER: Yes, I got cornered. I am sure that a few Labor members did as well.

I wrote to the minister on 18 November. I will put that and the minister's reply on the record. I wrote —

It has recently come to my attention that the Act's intent of allowing for transfers of family farms, exempt of transfer duty, is being hampered through poor wording of the Act.

While the legislation was intended to, and historically did, allow for inter-generational (or similar) transfers of farming land within family groups without the application of transfer duties under most circumstances, it is my understanding that this has been severely curtailed following the decision of *West v Commissioner of State Revenue* [2015] WASAT 36. In *West*, the State Administrative Tribunal ruled in favour of the Office of State Revenue's interpretation of the Act as disallowing a duty exemption within a family group if a family member's interest is held by a trading entity, such as a trust or company, as the Act requires parties be natural persons.

Whilst legally sound, the decision in *West* has brought to light two major drafting faults in the Act which are unintentionally denying exemptions from transfer duties for a majority of transactions which the Act intended to help. The first error lies in the Act's requirement that transactions be between family members, with 'family member' limited to natural persons in section 100 of the Act. The limitation to natural persons was intended to ensure transfers occurred between family members only and not non-family parties who form part of trust entities. Unfortunately, as it is common practice for family members to hold their interests in such entities, they cannot be a party of the transfer, even if they, as family members, own the entity in its entirety.

The second issue is with the meaning of a ‘related party’ within section 102 of the Act. Within section 102, the use of the words ‘transferor’ and ‘transferee’, and their requirement that these two parties be family members, are used in a way which excludes a family member making a transaction from themselves to an entity, such as a partnership, that they are involved in, as the ‘transferor’ cannot be related to themselves as ‘transferee’.

These two issues combined have meant that proper succession planning and orderly financial arrangements within family farming entities is limited and may see that family farms are held onto and dealt with via inheritance, thus impeding agricultural productivity and efficiency.

With the variety of amendments that would address these concerns, rather than propose any myself, it would be more appropriate to suggest a meeting —

To see what arrangements can be made.

I sent that letter in November 2018 and I received a response in the same month. I appreciate that speedy response from the minister, which stated —

A Bill containing these amendments will be introduced this month. Included in these measures are amendments to address the outcome of the *West* case as the provisions apply to partnerships ... it will no longer be necessary for a partnership to be comprised only of natural person family members. Transfers may be made to a family member or to a family trust of that person.

I will leave it until we go through the consideration in detail stage to ensure that it is there accurately. I assume that although the letter from the minister talks about family trusts, it is also when family entities are in company structures held entirely by that sole family. I want to make sure that is not just specifically family trusts. I need to clarify where that is in the legislation because I could not see it in my reading of it. I must admit that it is quite a thick piece of legislation, so I have possibly overlooked it. I will seek to ensure that it is there adequately.

In closing, I confirm that the Liberal Party supports the passage of this bill. It deals with loopholes that exist and we believe it is adequate to resolve them. We support the government in its efforts to close those loopholes and to ensure a consistent approach to tax and dealing with the family farming issues so that farmers can plan for succession and pass on a farm to family members without incurring the duties.

<005> Q/S

MR R.R. WHITBY (Baldivis — Parliamentary Secretary) [12.39 pm]: I rise to speak on the Revenue Laws Amendment Bill 2018 and the associated Taxation Administration Amendment Bill 2018. I note the comment from our opposition friends that this legislation has broad support, is non-contentious and is about getting the best deal for the taxpayer and a fairer tax system. The amendments address significant duty leakage and ensure that certain taxpayer exemptions and concessions are applied correctly to improve the state’s taxation legislation. Taxpayers never want to see their taxes go to waste and we need a fair system to collect that revenue. This is about ensuring that taxpayers have a system that they recognise works, is consistent, fair and reasonable, and applies across the board in a just way. It is important to get this right and it is good to see that around the chamber we are getting broad support for this measure to have a more just, simpler and fairer tax system that makes sense to people.

The Revenue Laws Amendment Bill is complemented by the Taxation Administration Amendment Bill 2018, which contains measures to improve administration and enforcement arrangements for the state’s taxes, and this is an important area. We know how difficult it is to find the money for many things that we do in this state. We also know that there is a great reluctance to introduce new taxation in this state and for a good reason: we understand that taxpayers are hardworking and any taxation they pay to the state should be measured and appropriate. If we have measures to collect revenue in place, why would we not ensure that they are operating efficiently? If they are operating efficiently and if we minimise leakage, we reduce the need to increase taxation and introduce new measures of taxation. This government is determined to keep the tax burden of Western Australian citizens to a bare minimum. We have a large debt and we are doing as much as we can to pay that down. This legislation makes sense in ensuring that we receive the taxation that the state is due under the current arrangements. That is why this legislation is important. It is the most comprehensive change that we have seen in this area since 1921. It is certainly time to look at this area and something that needs to occur.

The other legislation that is attached to this deals with the duties on family farms being passed on from one generation to the next. With friends in the rural community, I know that this can be quite a contentious and painful area. I am sure that Mr Acting Speaker (Mr I.C. Blayney) and others know that when a farmer has multiple children, there is a question of equity within that family and certain tax obligations arise from the transfer of property. It becomes a difficult issue to deal with and that alone is a complex and difficult matter for a family to determine. They need to consider: Which sibling receives the farm? Which sibling wants the farm? What can parents pass on as an asset to other members of the family so that there is a sense of fairness and equity in passing on assets to the next generation? That alone is a difficult and complex area for many rural families to get through, and the last thing they need is a more complex and unfair tax

system that will that process worse. This legislation is about providing relief to Western Australian farmers and making changes to better reflect the current practices of secondary producers. The Revenue Laws Amendment Bill 2018 contains a package of amendments to simplify some of the complex transfer duty arrangements currently in place. One of the most significant changes included will be to provide transfer duty exemptions for the progressive transfer of a farm from one family member to another. As I said, this has meant serious concerns to many farming families over many years. It will continue to be a point of contention, but anything we can do from a state level to make that easier will be welcome.

The bills are well balanced, because the amendments address government concerns about revenue integrity as well as the problems that taxpayers and people who have to pay these duties encounter. These amendments close loopholes and clarify the law for complex high-value transfer duty and landholder duty transactions. This will make the assessment process less contentious and allow a more timely collection of revenue. The last thing we need is more difficulty in interpreting our laws, especially revenue issues, and clogging up our courts with taxpayers taking action because they disagree with rulings, which delays any revenue that could come to the state and causes unnecessary costs to the taxpayer, not to mention extra costs and court time in the judicial jurisdiction. This is complex and detailed legislation.

[Quorum formed.]

Mr R.R. WHITBY: As I was saying as I was winding up, this is complex legislation and the explanatory memorandum is very thick, so we will need to go through the detail during the consideration in detail stage.

Mr D.C. Nalder: I look forward to you helping me.

Mr R.R. WHITBY: Indeed. I commend the bills to the house.

MR R.S. LOVE (Moore) [12.47 pm]: I will make a few comments about the Revenue Laws Amendment Bill 2018 and the Taxation Administration Amendment Bill 2018. I must point out that I was not expecting to be talking on this legislation, so I have to express my gratitude to a couple of other members of Parliament who have given me some information about the matter, including the member for Warren–Blackwood. The Revenue Laws Amendment Bill 2018 seeks to clarify some of the conditions around the indirect acquisition of land through the purchase of a majority interest in companies and trusts et cetera including mining tenements of \$2 million or more. Apparently, there has been some leakage of duty from the system because of some contrived structures in the past. This bill seeks to overturn those and ensure that the proper amount of duty is paid to the Western Australian Treasury and the taxpayers of Western Australia are not left unsupported because of these arrangements. I understand that the resultant revenue is in the order of \$10 million per annum, which is a significant cost to the Western Australian taxpayer. The National Party have no difficulty with this legislation. I think we will support this bill throughout its progress in the house, in general terms.

I would just like to turn to the other aspect of the legislation, which is that some of the changes will provide some simplification of the transfer duty exemptions for farming families, which is something that we as a party representing rural people greatly support.

<006> A/F

In fact, succession planning is a very difficult situation for many families. If we can address the barriers that are in place and that impose extra costs on succession planning, I am sure it will improve productivity. It will enable the younger generation to take an ownership interest in the land and enable farmers to benefit from their youth, enthusiasm and progressive methods to increase the productivity of the land. Notwithstanding the wisdom of the ages, it is good to get younger people involved in farming. Working farmers are typically older than the average age of the workforce. Therefore, ensuring that there is a generational change in farming families is a very good thing. That has been supported by the National Party going back to the days of the Sir Charles Court government, which introduced this measure to enable the single transfer of land between family members. This legislation will modify some of those exemptions to meet some of the more complex structures in which family farms are now held and the ways in which succession planning might go forward.

One matter that has been raised with members of my party, including with me, over the years is the fishing industry. As members know, fishing is a primary production industry. However, in the rock lobster industry, for example, the transfer of assets such as pots and fishing entitlements is not exempt in the same way that the transfer of farmland or assets in aquaculture or other primary production industries is exempt.

I refer to a constituent in my electorate who contacted Hon Martin Aldridge, a member for the Agricultural Region, about transfer duty on their family cray licence. The family had been working on their cray boat since 1980. The father transferred 100 cray pots into the name of his son. No money changed hands, because both were in a family trust situation; however, the constituent received a \$305 000 transfer duty bill. The constituent's point was that if they had been a farming family, they would have been exempt from paying duty. Many farming families also have links to the crayfishing industry and own cray pots. However, for those fisherpeople, there is no such exemption. The National Party would like this anomaly to be addressed. In fact, in November 2018, following on from that contact, Hon Martin Aldridge wrote to the Treasurer about this issue and received confirmation that fishing families are not eligible for the

transfer duty exemption in the same way that family farms are exempt. The Treasurer confirmed that is indeed the case and fishing families are treated differently from other primary producers.

I turn now to an article that was published quite recently, on Saturday, 30 March, on the ABC news website. The article is headed “Crayfish Kerfuffle”. It refers to a Landline story and states —

Australia’s biggest commercial fishery —

That is the western rock lobster fishery —

is fighting for legislation to give its licensed operators secure rights to their quota, following a failed attempt by the West Australian Government to take a bigger slice of the multi-million-dollar rock lobster export industry.

That goes to show that fishing families see their licence as their capital asset. When that capital asset was threatened recently by certain government decisions, and the industry’s value was severely undermined, that was the equivalent of someone putting an imposition on their land, if you like. It had a direct effect on the value of their asset. Fishing families see not only their fishing boat but also their licence and entitlement as part of their asset base, in exactly the same way that farmers see their land as being their asset base.

If we follow on from that, it is disappointing that there is no recognition of that in this legislation. It may be the case that as discussions ensue about this matter, perhaps in the other place, some amendments are made to this legislation to reflect the fact that fishing families should be given the same stamp duty exemption when transferring assets among family members as is given to farmers. I have had conversations with my colleagues in the upper house about how that might be advanced as this bill goes through its processes. I do not think I have time now to outline a potential amendment, but I flag that that may happen in another place.

Overall, we are very supportive of the bill as far as it goes, but with the rider that it seems inequitable that fishing families are not able to claim the same types of exemptions that other primary producers are able to claim.

MR B.S. WYATT (Victoria Park — Minister for Finance) [12.55 pm] — in reply: I thank members for their contribution and support for the Revenue Laws Amendment Bill 2018 and the Taxation Administration Amendment Bill 2018. As has been pointed out by, I think, all members, legislation that has been passed around duties, for example, is frozen in time, if you like, and is no longer adequate to deal with the changing nature and complexity of duties. The case that has perhaps garnered the most interest is the capacity to transfer the family farm, because those structures have also become more complicated. Therefore, from time to time Parliament needs to make a series of amendments to deal with those matters, and that is what we are seeking to do in these bills. I am not surprised—I am pleased—with the support of the opposition for these bills. I suspect that some of these issues were developed in the term of the previous government, because these things take some time to get up. There is also a range of broader housekeeping amendments.

I want to deal with a couple of issues that hopefully will resolve some of the matters that were raised. As the member for Bateman pointed out, the main focus in this legislation is probably the family farm exemption. The member for Bateman has written to me about this issue, as he pointed out, as has the member for Warren–Blackwood. I want to deal with a couple of things that might answer some of the questions raised by the member for Bateman. The issue of not continuing a farming business after the transfer of the farming land to a family member is being resolved. I will go to another briefing note in a minute to explain that to the member. The second issue, namely partnership, and that farming the land cannot consist of non-family members or entities, is also being resolved in clause 39 of the Revenue Laws Amendment Bill, which seeks to amend section 102 of the Duties Act 2008. In respect of the first issue I raised, I want to put something on the record that will hopefully be of benefit to the member. The proposed amendments to the exemption mean that it will no longer be necessary for a partnership that is farming the land to comprise only natural person family members. The amendments also permit the transferor to continue in the family farm business following a transfer. This will facilitate succession planning arrangements that allow for the progressive transition of the family farm to a family member. Therefore, once this legislation is passed, it will not necessarily need to be a natural person.

The issue raised by the member for Moore around fishing is quite correct. However, I want to make one point that hopefully will assuage his concerns. The member for Moore made the same point that has been raised by Hon Martin Aldridge, who has also written to me around this issue. I want to put this on the record. The family farm exemption was introduced in 1994 to remove the financial barrier created by stamp duty to transfer ownership of the family farm from a farmer to the younger generation. The exemption was specifically introduced to recognise the capital-intensive nature and relatively low return of the farming industry, which other industries may not experience. The family farm exemption is available for the transfer of business assets between family members in the aquaculture industry if the business activities involve the breeding, rearing or maintenance of fish or shellfish for the purpose of selling them or their progeny for food, or for the production or collection of their skin, shells or bodily produce. However, the exemption is not available for the transfer of business assets between family members in the fishing industry if the business does not involve those activities. Therefore, I think most of the issues that I suspect Hon Martin Aldridge might be concerned about will still attract the exemption. Hopefully that resolves that issue.

<007> U/S

Mr R.S. Love interjected.

Mr B.S. WYATT: If their business activities involve the breeding, rearing or maintenance of shellfish—some of them will do, I suspect.

Mr R.S. Love: Harvesting?

Mr B.S. WYATT: Harvesting, no, but some of them, I suspect, will have a breeding program of some form or another. Hopefully, although that may not resolve the issue, it explains the issue that the member for Moore has raised. For the record, we will not be accepting any amendments in another place on this. If there are amendments to it, the bill will stop and will not be brought back for debate, which means that the other amendments will not be dealt with in depth through Parliament. The nature of this legislation is already incredibly complicated, and I am not going to accept amendments from the floor without due consideration now. In due course, as the member for Moore pointed out, there may be decisions made, but that will not result from amendments from the floor of Parliament. This is the bill as is. If it makes its way through Parliament, I think it is good, and everybody can see that, but I am not going to accept amendments to the bill.

Having said that, I think there are some questions for the consideration in detail stage. Again, I thank the member for Bateman, the member for Moore and the member for Baldivis for their contributions to this debate.

Question put and passed.

Bill (Revenue Laws Amendment Bill 2018) read a second time.

Leave denied to proceed forthwith to third reading.

REVENUE LAWS AMENDMENT BILL 2018

Consideration in Detail

Clause 1 put and passed.

Clause 2: Commencement —

Mr B.S. WYATT: I move —

Page 2, after line 15 — To insert —

(ca) Part 3 division 4 —

- (i) if the *Community Titles Act 2018* section 219(3) comes into operation on or before 1 July 2019 — on 1 July 2019; or
- (ii) otherwise — when that section comes into operation;

For the benefit of the member for Bateman, the amendment proposed at clause 2 proposes to insert paragraph (ca) into clause 2 to provide the commencement date for new part 3, division 4, which I will move after clause 142. The new division after clause 142 amends clause 2(2) of the glossary to the Land Tax Assessment Act to include a reference to a lot defined in a community title scheme plan or amendment of a scheme plan. These lots will then be included in the definition of “lot” for land tax purposes when section 219(3) of the Community Titles Act 2018 comes into operation.

The member may recall that the Community Titles Act went through last year. The amendment to clause 2 of the glossary in the Land Tax Assessment Act is catching up to that, taking into account the Community Titles Act coming into operation.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 3 put and passed.

Clause 4: Section 3 amended —

Mr B.S. WYATT: I move —

Page 3, after line 25 — To insert —

relocatable home means a relocatable home as defined in the *Residential Parks (Long-stay Tenants) Act 2006* Glossary;

residential park site means a site (as defined in the *Residential Parks (Long-stay Tenants) Act 2006* Glossary) in a residential park (as defined in that Glossary);

For the benefit of those members here, section 3 of the Duties Act defines terms for the purposes of the act. Clause 4, which we are amending here, amends some definitions and inserts new definitions into that section. The bill itself

introduces a fixed-to-land model into the Duties Act. This amendment proposes to amend clause 4 of the bill by inserting definitions of “relocatable home” and “residential park sites”. “Relocatable home” takes its meaning from the Residential Parks (Long-stay Tenants) Act 2006. It is defined to mean —

... a vehicle, building, tent or other structure that is fitted or designed for use as a residence (whether or not it includes bathroom or toilet facilities) and that is or can be parked, assembled or erected on a site in a residential park;

“Residential park site” means a site in a residential park; “residential park” is defined in the Residential Parks (Long-stay Tenants) Act to mean “a caravan park in which there are long-stay sites”. These terms are used in the proposed amendment to clause 5 of the bill.

Mr D.C. NALDER: Just to seek clarification, I understand the definition of the terms, but can the Treasurer please provide an explanation of how this will be applied? What is the meaning of this being included?

Mr B.S. WYATT: Clause 4 amends the definitions section. Clause 5 inserts the operative section, if you like. Currently, relocatable homes and residential park sites are not subject to duty. We are just confirming that that will remain the case.

Mr D.C. NALDER: That they will be exempt?

Mr B.S. WYATT: They will still be exempt, and I will put a bit more on the record at clause 5 to clarify that.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 5: Section 3A inserted —

Mr B.S. WYATT: I move —

Page 5, after line 17 — To insert —

(ba) a relocatable home fixed to a residential park site, or an addition or structure fixed or attached to the home or site for the use or enjoyment of the occupier of the home, that does not constitute a fixture at law;

I want to put a bit of information on the record. Clause 5 inserts proposed section 3A into the Duties Act to expand the definition of the term “land”. Proposed section 3A(1)(f) provides that “land” includes a thing fixed to land, whether or not that thing constitutes a fixture at law, is owned separately from the land, or is notionally severed or considered to legally separate from the land as a result of the operation of state or commonwealth law. This amendment proposes to insert new paragraph (ba) into section 3A(4) to exclude a relocatable home fixed to a residential park site or an addition or structure fixed or attached to the home or site if those things do not constitute a fixture at law.

A relocatable home is generally a chattel, which means duty does not apply when the home is acquired, unless there is also a dutiable transaction for other dutiable property such as land or a mining tenement. Tenants who buy a relocatable home also lease a site in the residential park. The relationship between the park operator and the tenant is governed by the Residential Parks (Long-stay Tenants) Act, which prohibits a park operator from charging a tenant anything other than rent and a security bond for entering into or renewing a long-stay agreement. Because there is no consideration, grants of these leases are not dutiable transactions. We are effectively keeping the status quo.

<008> J/3

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 6 to 12 put and passed.

Clause 13: Section 18A inserted —

Mr D.C. NALDER: Proposed section 18A is titled “Things fixed to land that are to be permanently removed”. As I am not a solicitor, I am trying to gain a simple understanding of proposed subsection (1). I really struggled to understand what it was telling me. Could the minister explain in common language how clause 13 applies?

Mr B.S. WYATT: Hopefully I can do that in a way that makes it clear. Land now includes “a thing fixed to land, or an estate or interest in such a thing”. An acquisition of a thing fixed to land will be subject to transfer duty as land even where the thing is acquired without the underlying land to which it is fixed. An example has been given to me of a backyard shed that somebody wants to sell. Say I want to buy the shed. I arrive to remove the shed, and pretty much at the point of the transaction I hand over the money and take the shed. At that point it is not subject to duty because it is not something that is fixed to land. That is probably the best example I can give. There might be others along the way. Solicitors will no doubt have dozens of examples.

Mr D.C. NALDER: I understand how that applies. If the land were sold with the shed on it and that shed formed part of the overall value—it improved the value of that land—I assume the shed is dutiable?

Mr B.S. Wyatt: Yes.

Mr D.C. NALDER: I will just clarify this: it is only being removed on the basis that it is sold separate from a transaction of land to —

Mr B.S. Wyatt: Involving the land.

Mr D.C. NALDER: But I assume we are also saying that if they sold the shed to person A and, separately, person A buys the land, will it be picked up? How will that apply and what time period would apply?

Mr B.S. WYATT: The aggregation provisions would pick that up. Under this clause, to become a chattel, it has to be permanently removed from the location. If that scenario the member put to the house involving person A buying it and separately buying the land, the aggregation provisions will aggregate the full value. Duty would be paid on the full value.

Mr D.C. Nalder: And is that picked up somewhere else in the provision?

Mr B.S. WYATT: Yes. The aggregation is in existing provisions of the act.

Mr D.C. NALDER: I know this is not specific to this clause, but it is related to it. I want to ensure that I am interpreting it correctly. I understand that a time period also applies, from the aggregation perspective, for dutiable value. I want to ensure I have a clear understanding of how that applies in this provision.

Mr B.S. WYATT: The general aggregation provision has no limit, but if the time of the transactions occur within 12 months of each other and it is the same purchaser, the aggregation deeming will take effect.

Clause put and passed.

Clauses 14 to 38 put and passed.

Clause 39: Section 102 amended —

Mr D.C. NALDER: I appreciated the minister covering clause 39 during his closing of the second reading debate. I had missed it in my reading of it; that was my shortcoming. Proposed section 102(3)(b) states —

through a trust or corporation ... to which the transferor or transferee, as is relevant, is related under section 102A; or

One thing that we have been caught by in fixing this legislation is that it is very specific. We know that things change over time. Have we perhaps made this one a little too specific in that it is a trust or corporation, or could there be other related vehicles that means it is still wholly a family relationship? I cannot define one at this particular point. Should there be room for changes in legal entities where it may be called some other vehicle that is not specifically considered a trust or corporation? It is a fine point. If other things come into play, this will require further amendments in the future. I just want the minister to clarify that.

Mr B.S. WYATT: The member is right. The point I was trying to make in my second reading reply was that these amendments relate effectively not just to the family farm exemption but to a range of others around duty generally. The member would have seen mining rights in the bill. That is reacting to exactly that scenario when new structures are created et cetera that make it difficult for existing laws to apply. The member is probably right that we need a balance between something specific enough so that the Office of State Revenue can apply it, and not too general, which means we could create the sorts of loopholes that we are now trying to close. I suspect the member is right: maybe in another 10 years, due to the development of the ownership structures of farms, it may need to be amended again. I suspect at the moment we are probably covering off on the vast majority of structures, if not all of them, that currently family farms are held and transferred, but Parliament may need to deal with this in another decade or so if other structures emerge. There is that balance between certainty so the OSR knows what it is doing and how it applies the law, and not just something too general that creates opportunities for exploitation.

Mr D.C. NALDER: I just want to make a statement: the definition that the minister provided earlier on farming involved in the breeding and rearing —

Mr B.S. Wyatt: On the agriculture?

Mr D.C. NALDER: Yes. I just wanted to share that that definition helped me close the loop on this issue. That was one of the concerns that I wanted to get into. I appreciate that. That really covers this clause for me.

Mr B.S. WYATT: As I pointed out, a range of representations were made by members, unsurprisingly, on this issue—the member for Bateman was one. All the issues raised by members, of which there were 12 or 13, have been dealt with, except the issue raised by the member for Moore that the exemption should be extended to include fishing or aquaculture industries. Other than the issue I raised—that is, if the business activity involves the breeding, rearing or maintenance of fish or shellfish—an exemption still applies but not further than that. The other one was a request from

a lawyer group that the exemption should be extended to allow other related entities to hold an interest in an entity that is carrying on the farming business on the land. That has not been resolved either, but all the other 14 or 15 issues have been. That was from a legal group.

Mr D.C. NALDER: Based on what the minister just said, I support the member for Moore's arguments. I think it will require future debate and even policy positions by the respective parties on how it is applied to other business entities. I understand the difficulties involved: where does it stop? It could be a manufacturing business that is passing from father to son and assets are being sold. I understand that. I recognise the contribution made by the member for Moore that fishing families do have that succession issue. This whole succession issue, which is probably much broader than just fishing families, needs to be considered by future governments.

<009> O/2

Mr B.S. WYATT: That was worth putting on the record as well. The member made a good point. The question then is how far does it go? The family farm exemption exists—why it was introduced in 1994—to recognise the particularly capital-intensive nature and low returns, particularly on that capital investment, in the farming industry. No doubt I will get letters for saying this, but generally that is what made it unique. Now that I have said that, it may be that other areas will be drawn to my attention that will highlight areas that are very similar, very capital intensive and with very low returns. That is the history of why the exemption was introduced in 1994. It applies to the agricultural industry in those scenarios that I articulated before, but at this point we are not proposing to broaden it any further. The member is right; it may be that Parliament has to deal with that at some point in the future.

Mr D.C. NALDER: On that, I think we would support consideration in the future of any succession business costs on a family when it is a continuation of that business by a member of the family, whether it is a son or a daughter. I acknowledge the return on capital for farming is very low; historically, it has been around one per cent. Mind you, in the last 12 months it may have been a lot better than that. Historically it is a very low return, and I understand that. There is the broader issue of the importance of families, and I think businesses that are passed on and do not necessarily involve a transfer of money in relation to the true value of the business is something that we need to consider more broadly. We would encourage further discussions on these issues taking place.

Clause put and passed.

Clauses 40 to 124 put and passed.

Clause 125: Section 264A inserted —

Mr B.S. WYATT: I move —

Page 122, lines 22 and 23 — To delete the lines and substitute —

- (3) This section does not apply —
 - (a) to a notifiable event that results from a public float; or
 - (b) in prescribed circumstances.

This proposed amendment deals with the connected entities exemption in the Duties Act, which applies to certain transactions involving tightly controlled groups. The commissioner must be advised of the specific notifiable events that occur within three years after an exempt transaction. This proposed amendment inserts a regulation-making power to exclude other events from automatically revoking an exemption under proposed section 264A. This will allow government to respond promptly if it is identified after the legislation is passed that automatically revoking an exemption in a particular case is inconsistent with the policy. These regulations can apply retrospectively when they benefit taxpayers.

Other amendments in the bill mean that a dutiable acquisition does not occur when persons acquire their interests in a landholder as the result of a public float or in prescribed circumstances. The commissioner's usual practice is to treat public floats and certain demergers of listed entities consistently for the purposes of the connected entities exemption and for a landholder duty. To preserve this approach, a regulation will be made after the bill is enacted to exclude certain listed demergers from automatically revoking a connected entities exemption. A corresponding regulation will be made in the landholder duty chapter to exclude these types of demergers from being dutiable landholder acquisitions. The exemption will be backdated to the commencement of the bill.

Mr D.C. NALDER: Again, I am a simple person; can you explain to me what that means and give an example because I struggled to interpret that?

Mr B.S. WYATT: We are dealing with automatic revocations. A public float will not automatically invoke an automatic exemption. We are seeking to create a regulation-making power to allow other events beyond a public float; for example, when a demerger occurs it can be automatically excluded by way of regulation. It is for very specific transactions, obviously. We are dealing with public floats and demergers, which are inherently complicated and complex. If we were to try to legislate those circumstances, it would be very, very complicated legislation. The idea is to put that in regulations. That will also mean that the commissioner may decide that other soon-to-be-prescribed

circumstances should not be revoked. If that makes sense? Probably not. I have tried to clumsily outline what that provision is.

Mr D.C. NALDER: I notice that the amendment refers to “a public float” but it does not refer to demergers. Is that a prescribed circumstance?

Mr B.S. Wyatt: That’s an example of a prescribed circumstance.

Mr D.C. NALDER: In a demerger situation, if an entity is going through a process of a demerger and an asset is sold—I am trying to think of this in terms of the application of duties—how would that change things, because it is still held by the parent company? Is the minister saying that they are still totally separate entities with different shareholdings?

Mr B.S. Wyatt: That’s right.

Mr D.C. NALDER: Therefore, on the basis that they demerged, are duties payable or will the government retain the right to be able to go back and determine whether any appropriate duties are payable? I am not quite sure what that means.

Mr B.S. WYATT: At the moment, no duty is payable if people acquire interest in a landholder as a result of a public float. At the point of a public float if an interest is acquired as a landholder, there is no duty payable.

Mr D.C. Nalder: Is it at the point of a public float currently and in the future?

Mr B.S. WYATT: For the benefit of the status quo, this does maintain the status quo. This provision does not actually raise extra revenue; this is confirming the current system. There is one entity and two separate entities are created in that demerger. If they transfer assets from that entity into one of the two new entities, they will still be exempt.

<010> L/3

Mr D.C. Nalder: Will they still be exempt?

Mr B.S. WYATT: They will still be exempt.

Mr D.C. Nalder: Because they are now in the two?

Mr B.S. WYATT: As opposed to selling to a third party, that is right. If they are selling to a third party, it will clearly attract —

Mr D.C. Nalder: If they had subsidiary companies, they could transfer assets between them at the moment and be exempt, so what you are allowing is a merger and then the transfer assets and that would be exempt?

Mr B.S. WYATT: Correct.

Mr D.C. NALDER: I get that, but I will ask one more question, because the minister just raised something that prompted a further question. The minister is telling me that at the point of a public float, if that entity purchased another property, the entity is not subject to paying duties on that. Is that what the minister just said a minute ago?

Mr B.S. WYATT: If the entity purchased a piece of land—any land—the duty is payable, but if shares are bought in float, it is not payable at that point; it is already paid in duty.

Mr D.C. Nalder: Does the entity pay it?

Mr B.S. WYATT: Yes, the entity pays it.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 126 to 142 put and passed.

New Clause 142A —

Mr B.S. WYATT: I move —

Page 147, after line 9 — To insert —

Division 4 — Amendment commencing when *Community Titles Act 2018* s. 219(3) commences

142A. Glossary clause 2 amended

In the Glossary clause 2(2)(a) and (b) delete “paragraph (a)(vii)” and insert:
paragraph (a)(via), (vii)

Clause 142 of the bill inserts clause 2(2) into the glossary of the Land Tax Assessment Act to provide that a parent lot that is subdivided into a new lot ceases to be a lot for land tax purposes when the new lots come into existence. This amendment proposes to amend clause 2(2) of the glossary to include a reference to a community title lot. We introduced the first amendment in the Community Titles Bill 2018 we dealt with last year. We are trying to catch up with that bill, now an act, which went through Parliament last year. The amendment was unable to be included in this bill, as the

Community Titles Bill had not passed when the drafting of this bill was finalised. We have had to catch up to a bill that became an act last year. The effect of the amendment is that a parent lot that is subdivided or amalgamated, resulting in new community title lots, ceases to be a lot for land tax purposes when the new lots come into existence. It is the same; it is effectively the status quo. We are taking into account the new community lot.

Mr D.C. NALDER: I think I understand it; I will just repeat it. This is just a line in this bill referring to the Community Titles Act 2018 and making sure it is consistent.

Mr B.S. WYATT: Yes. I apologise that it is slightly clumsy that we have had to amend the bill, but it was just because of the timing of the passage of the other bill going through Parliament that we had to amend this one.

New clause put and passed.

Clauses 143 and 144 put and passed.

Title put and passed.

TAXATION ADMINISTRATION AMENDMENT BILL 2018

Second Reading

Resumed from an earlier stage of the sitting.

Question put and passed.

Bill read a second time.

Leave granted to proceed forthwith to third reading.

Third Reading

MR B.S. WYATT (Victoria Park — Minister for Finance) [1.37 pm]: I move —

That the bill be now read a third time.

I thank colleagues for the debate on this. This is the secondary bill of the cognate debate, which covers the administrative side of things, so I do not really have much further to add. The main bill will, of course, come back on at a later point, bearing in mind we made some amendments on the floor of Parliament today. I thank members.

Question put and passed.

Bill read a third time and transmitted to the Council.

ADMINISTRATION AMENDMENT BILL 2018

Second Reading

Resumed from 27 June 2018.

MR P.A. KATSAMBANIS (Hillarys) [1.38 pm]: I rise as the lead speaker for the opposition on the Administration Amendment Bill 2018. It is a very short bill, but an extraordinarily important one, because it attempts to bring into contemporary financial parity the statutory legacies paid to spouses of people who die intestate, as well as, in some more limited circumstances, parents of people who die intestate.

<011> P/3

An intestacy is when somebody dies without having made a valid will at all, or there can be a partial intestacy when some aspects of someone's estate are dealt with by a will but other parts remain to be dealt with. In certain sections of the community there is a bit of a misnomer that if someone dies without a will—dies intestate—their money supposedly goes to the state. That is an urban myth, but it is out there in certain sections of the community. Over many years—more than a century—legislatures within the Westminster tradition have taken it upon themselves to make a backstop provision for those people who die without a will or when some parts of their estate have not been dealt with by a will for one reason or another. In modern times, there is usually a catch-all provision at the bottom of a will, which usually avoids intestacy. However, the statutory formula does not work for everybody. In fact, it may not work for most people if they fall into the trap.

When we delve into the minutiae of the Administration Act 1903, it simply reinforces the point that if someone wants to make sure their loved ones benefit from their estate upon their passing and that their wishes are respected regarding how their estate is distributed, they ought to make a will. They ought to seek advice, make a valid will and keep updating it to make sure that it reflects their personal circumstances.

Mr J.R. Quigley: Hear, hear!

Mr P.A. KATSAMBANIS: Yes, I think I speak for everyone when I say that. I am quite passionate about the subject of reforming our succession laws. I have been involved in succession laws from almost the start of the 1991 process when the old Standing Committee of Attorneys-General put together a process. I was admitted to practice in 1991, after

having completed my articles of clerkship. As many people did back then, I did not complete my articles at a law firm; I completed them in a trustee company. I know others—very famous people—who completed them at gas and fuel corporations and the like.

Dr A.D. Buti: I thought you were going to say you completed it at Collingwood Football Club!

Mr P.A. KATSAMBANIS: I probably got different articles at Collingwood Football Club. The terraces of Victoria Park teach us from a very early age how to deal particularly with warring families regarding things like intestacy and the administration of deceased estates generally. We know that, in their grief, people can unfortunately end up in extremely acrimonious circumstances. Although I did not practice exclusively the area of wills and estates, I could not avoid being involved in the whole debate about how we could do it better. Since 1991, across Australia, various jurisdictions have been talking about it. In his second reading speech, the Attorney General outlined some of these processes, including the processes here in Western Australia. The work that has been done has culminated in some reforms over time. We have had model wills bills and the like. When I was in the Victorian Parliament, I was involved later on in some modernisation of the Wills Act. I have been informed that some of my comments during the second reading debate have been referred to by judges in the Victorian Supreme Court in determining matters. They were not referred to in jest, so I take that as a bit of a compliment.

Despite all the publicity from legal firms, small firms out in the suburbs and the great work done by the Public Trustee's office to raise awareness about the need to have a will and update it regularly—at the very least, to check it regularly to make sure it still meets your wishes and, if it does not, to update it—there is still a group of people in our community who do not make a will or do not make a valid will. Unfortunately, they die intestate. The only solution the state has in those circumstances is to bring forward legislation that creates a statutory formula for the distribution of someone's estate when they have not left a document—a will—that indicates their desire for how their estate is to be distributed. Effectively, the state takes a guess. At the heart of what the state does in introducing a statutory formula under the Administration Act 1903 is to ensure that the beneficiaries of that deceased person do get the benefit of the person's estate. The starting point is a delineation of the funds that are handed over or the assets represented by funds that are handed over to the partner or spouse of the deceased person, and then any children or other bloodline beneficiaries. I think it has always been an axiom that the surviving partner of a deceased person should be entitled to a portion of the estate. In Western Australia, although we subscribe fully to that concept and that theory, unfortunately the statutory legacy amount has not kept pace with inflation or the purchasing power of money. It was set many years ago at \$75 000 when someone has died without leaving issue—children of their own. It is as low as \$50 000 when the person who died did leave children or other lineal descendants—children, children of children, or grandchildren of children. These circumstances happen. People can die late in life after their own children have passed away. The money goes to their grandchildren and often it goes to adult children. In those cases, \$50 000 or \$75 000 to the surviving partner—the widow or widower—is a very small amount. We cannot assess everyone's personal circumstances but, in many cases, that money may have to provide for that person to buy a property. People might have been in a relationship for a long time—married or living de facto—but only one person had ownership of their property. If they need to sell the assets to provide some money for the surviving partner and other money for the children or grandchildren of the deceased person, the statutory guarantee of \$50 000 or \$75 000 is not going to allow the surviving partner to purchase a home in the modern-day environment, let alone set aside other funds, perhaps as the couple intended would be set aside. If there was no will or a failure in the will—either for technical reasons or some assets were simply not contemplated—the surviving spouse will be left high and dry by the failure of our own laws to keep up with the pace of inflation.

<012> N/3

I do not know the exact date on which the statutory legacy for the surviving spouse was set, but I know that the parental statutory legacy was set in 1982 and, after looking at the figures, I guess that the amounts of \$50 000 and \$75 000 were set also around that time. That was 37 years ago, and it does not cut it today. Someone could buy significant property for \$50 000 back then; they would struggle to pay a deposit on a house with \$50 000 now, especially with the way banks are going at the moment. With the effluxion of time, what may have been an appropriate distribution between someone's surviving spouse and their children or grandchildren has become completely inappropriate and unfair for a surviving spouse. Of course, after the statutory legacy, the spouse, depending on the children and the types of dependants, will also be entitled to some percentage of the rest of the estate, but their guaranteed amount will be very low. That is just not good enough and this bill recognises that. Since I have been in this place I have often stood up and spoken on similar legislation and said that we need to do better to ensure that amounts that are set in legislation keep up with the pace of inflation and should be reflective in the future of the purchasing power that they reflect today. I will address that in a minute, because I think this bill does that.

The bill increases the statutory legacy for a partner to \$435 000 when there are other issues—that is, when there are children and grandchildren—with the intestate person, the person who died without a valid will, or valid provisions to distribute part of their estate, and \$650 000 when there is no issue, where there are no children, particularly dependent children. Either in his summing up of the second reading debate or in consideration in detail, perhaps the Attorney General could enlighten us on why these amounts have been chosen. Why is it \$435 000 and \$650 000 respectively rather than other amounts? I refer to what I said earlier. If the intention is to allow the spouse to get on with their life

without financial penalty, perhaps to be able to buy a property, a widow or widower could get appropriate housing with \$435 000, or if there is no issue—there are no children or grandchildren to deal with—they could be entitled to a minimum of \$650 000. Again, that is a good start. It does not mean that they will be flush with funds, but at least they will be able to purchase their own home if they need to or do other things.

The bill does not deal very easily with the case of joint proprietorship in property; that is, when a couple—a husband and wife, or de facto or same-sex partners—are joint tenants in a property. Immediately upon the death of the first, the title of a house passes outside of a will, outside of this process, to the surviving owner of the property in a joint tenancy. In that case, if we are to look at the rest of the estate, apart from the family home, some people might say that getting the family home and \$435 000 is too much. But, again, if we are dealing with adult children, it is probably fair that the majority of the funds goes to the spouse. An easy solution for not copping the statutory formula is for people to make sure that they have a valid will. In valid wills people can express their intentions. Wills are not concrete and some things can be defeated—our courts are full of cases of people challenging wills—but at the very least a testator can make their intentions clear. A very, very high threshold has to be proven for those intentions to be defeated, especially when a person has tried to balance competing interests. I have spoken before in this place and in other forums about how complex these competing interests have become with merged and mixed families, for people marrying or partnering later in life, or for people who go on to have another partner after their first partner has died. A person's own circumstances are best solved by them. It is best that they sit down with their loved ones and make an agreement. Do not leave it up to the statutory formula. It is a backstop; an emergency. Please treat it as that sort of backstop and emergency.

Another area on which this legislation touches—because it does not change any formula used to distribute an intestate estate amongst various beneficiaries; it just touches on the statutory amounts—is the parental statutory legacy. That is when parents are entitled to an estate when there is no spouse or children after a young person has died in, say, a motor vehicle or workplace accident or from the effects of a congenital disease. Since 1982, the legacy for parents, before other participants share in the distribution, has been set at \$6 000. Today, \$6 000 is not a substantial sum. In fact, in the administration of most estates, it is just a complicating factor. It is clear that the people who drafted this bill considered that it was still appropriate a deceased person's parents should participate in the distribution of their child's estate. At the very least, it will not compensate them for the loss of their child, but they will get some financial recompense. The statutory legacy has been increased from \$6 000 to \$52 000, which equates roughly in percentage terms to the uplift in the statutory legacy for spouses. It is a more substantial sum. Again, perhaps the minister might want to enlighten us in his summing up and during the consideration in detail stage why \$52 000 was chosen. It is obviously better than it was, but I am sure that the Attorney General will say—he uses this line occasionally—that it is very hard to work out how long is a piece of string and that they had to set the amount somewhere. I think it is a good start.

Another provision of the bill that I want to speak about quickly is clause 5, which inserts a formula for an uplift factor. I will talk to the Attorney General about the actual factors in this uplift clause during the consideration in detail stage, but essentially it tries to make sure that we do not fall into the trap that we fell into in the past whereby inflation would erode the statutory sum of money. There is a mechanism whereby the minister can make an order, using the statutory formula, to uplift the amounts of \$435 000, \$650 000 and \$52 000 to keep pace with inflation so that they can still be relevant and provide properly for a deceased person's family members. This is a good provision. I would like to see this sort of formula applied to more legislation, whether it be via benefits as in the case of the Administration Act, or penalties as in the case of many, many other acts.

There is no point in holding up the passage of this legislation. As I indicated, the opposition would like to go into the consideration in detail stage simply to tease out some of the operations of the provisions. We support what the Attorney General is doing in this bill. It is the culmination of work that started a long time ago. Neither side of government can say that they have done a good job in this area. The matter has been hanging around since the 2000s and for most of this decade. We are getting to it now, and this bill is a good start. Again, I indicate that the opposition will support the passage of this bill.

<013> T/S

DR A.D. BUTI (Armadale) [1.59 pm]: I rise to contribute to the second reading debate on the Administration Amendment Bill 2018. I echo the member for Hillarys' contribution. It is about time that we moved from statutory legacy amounts. The member for Hillarys asked why the government has arrived at the amounts that it has in the amendments. It will be interesting to find that out at the consideration in detail stage. I know that in some jurisdictions over east, it is fixed to the average cost of the family home. Looking at what has been proposed, maybe that is the case. Who knows?

Mr P.A. Katsambanis: It can go down too!

Dr A.D. BUTI: Yes, that is right. It certainly had to move on from what we currently have.

Debate adjourned, pursuant to standing orders.

[Continued on page 29.]

VISITORS — GREAT SOUTHERN PRIMARY SCHOOLS*Statement by Speaker*

THE SPEAKER (Mr P.B. Watson) [2.00 pm]: Before I start question time, I would like to welcome to the Speaker's gallery today students from four very special schools in my electorate: Mount Manypeaks Primary School, South Stirling Primary School, Wellstead Primary School, and Bremer Bay Primary School. They are some of the small schools in the bush that keep the education system going. I am sure that everyone will allow me that little bit of lenience.

QUESTIONS WITHOUT NOTICE

HUAWEI — STATE SOLICITOR'S OFFICE — ADVICE

220. Mrs L.M. HARVEY to the Minister for Transport:

I refer to the alarming comments made by the State Solicitor in the Public Accounts Committee public hearings this morning that the State Solicitor's Office was not asked for and did not provide any advice on the awarding of a \$200-million contract to Huawei, a company with significant national and international security concerns.

- (1) Why was the advice of the State Solicitor's Office not sought on this major contract?
- (2) Will the minister refer the contract to the State Solicitor for advice?
- (3) If no to (2), why not?

Ms R. SAFFIOTI replied:

(1)–(3) I thank the member for that question. I did not hear the advice given in the committee hearing this morning. I know there is a cross-government team involving the State Solicitor's Office, Treasury, the Department of the Premier and Cabinet and the Public Transport Authority in the governance of this contract. The PTA has received its own legal advice and that is what it has been doing in the past. That is what I understand to be the case. Again, if members opposite have any particular issues about that contract, they should bring them to Parliament and we will debate them once again.

HUAWEI — STATE SOLICITOR'S OFFICE — ADVICE

221. Mrs L.M. HARVEY to the Minister for Transport:

I have a supplementary question. Why did the minister seek the advice of the State Solicitor's Office in order to refuse Parliament access to simple minutes from the Metronet task force —

Mr D.J. Kelly interjected.

The SPEAKER: Minister!

Mrs L.M. HARVEY: — yet she fails to ensure that advice is sought from the SSO on a significant \$200-million contract about which there are national and international security concerns?

Mr P.C. Tinley: It is a preamble—not a supplementary!

The SPEAKER: I will decide that.

Ms R. SAFFIOTI replied:

I do not agree with the premise of that question. The member for Scarborough has come into Parliament again and again and failed to demonstrate anything worthy of further consideration. The member is again trying to undermine contracts of the government, and we will not stand for that.

TRANSPORT — FEDERAL FUNDING

222. Ms J.J. SHAW to the Minister for Transport:

I refer to the McGowan Labor government's fight to secure its fair share of federal funding for its job-creating, congestion-busting road and rail projects. Can the minister outline to the house to what extent this government's investment in transport projects has been matched in the 2019–20 federal budget?

Ms R. SAFFIOTI replied:

I thank the member for that question. There has been a lot of discussion about federal funding coming to Western Australia. We are very happy that we have put money on the table for a number of projects, while we wait for that federal funding to come. The Albany ring-road is the best demonstration of that. We put \$35 million on the table for that project—doing the work! The federal member for that area —

Several members interjected.

The SPEAKER: Members!

Ms R. SAFFIOTI: He is going around blaming the state government —

Several members interjected.

The SPEAKER: Members, I know you think it is a chat fest, but I want to hear the minister's answer. It is a very good one.

Ms R. SAFFIOTI: He was going around saying that it was all our fault that the project was not being done and he is now claiming credit somehow for this project. I will go through that in a minute.

We remember the tweet from the member for Scarborough about the Albany ring-road.

Several members interjected.

The SPEAKER: Members!

Ms R. SAFFIOTI: It said, "Why'd you secure funding for Albany ring-road when the State Labor Government hasn't given a cent yet?" I will go through how many times we announced the \$35 million for Albany. On 30 May 2017, we announced \$35 million for the Albany ring-road. On 30 May, it was on Peter Watson MLA's Facebook page. The 2017–18 state budget has that money in it. The media statement relating to the state budget has it in. The "Investing in WA Roads" information pamphlet has it in. The 2018–19 state budget has it in. The 2018–19 fact sheet on the budget has it in. The media statement of 30 August 2018 has that funding in it. But the member for Scarborough —

Several members interjected.

The SPEAKER: Members, that is enough.

Ms R. SAFFIOTI: The member for Scarborough said, "Why'd you secure funding for Albany ring-road when the State Labor Government hasn't given a cent yet?" The member has deleted the tweet! We went back to see why she should be so keen to delete that tweet, given that it is not the first silly thing that she might have said through social media. The tweet was done at 12.47 am on 29 March 2019.

Several members interjected.

The SPEAKER: Members!

Ms R. SAFFIOTI: Either the member's phone and Twitter were set to New York time, or something very strange happens in the middle of the night when the member for Scarborough is tweeting about the Albany ring-road.

Several members interjected.

The SPEAKER: Members!

Ms R. SAFFIOTI: Unlike Donald Trump, at least she had the ability to delete that fake news that she tweeted. We will be putting out more information, but the cash flows being put forward by the federal government are a tad disappointing. Rick Wilson is saying, "Build it now!" when the first dollars from the federal government for this project will start flowing in 2021–22 and the majority of the funding is outside the forward estimates. Yesterday the member for Central Wheatbelt asked what we were doing on regional road safety. The member will be interested to know that the majority of the \$70 million funding is beyond the forward estimates—in 2023–24. We are disappointed that this budget does not have the funding in the forward estimates to deliver the projects. Even though federal government members are saying we should build it now, the funding will not be flowing for three or four years. But we will get on with the job with the planning and environmental approvals. We will get our funding there to make sure that we get on with the job and deliver these essential projects.

POLICE — COCKBURN GATEWAY INCIDENT

223. Mr P.A. KATSAMBANIS to the Minister for Police:

Before I ask my question, on behalf of the member for South Perth, I would like to welcome the year 6 students from Wesley College, who are in the gallery today.

I refer to the violent rampage that occurred on Monday afternoon in the Cockburn Gateway Shopping City precinct involving a gang of youths, which resulted in at least eight serious assaults and left vulnerable people terrorised.

- (1) Has the minister met with police to seek an explanation of why it took more than 30 minutes for police to respond to an incident that occurred fewer than 500 metres from the Cockburn Central Police Station?
- (2) What is the reason for the delay in the police response?

Mrs M.H. ROBERTS replied:

I thank the member for Hillarys for the question.

- (1)–(2) I received a briefing note on that incident yesterday morning and was advised of that rampage by a large group of youths. It is certainly a very concerning matter. I understand that police arrested—from memory—seven or eight people and I was advised by police yesterday that they have charged two people. I believe those initial

charges were for theft or similar offences of that nature. They are also reviewing video footage, CCTV cameras and the like, so the possibility exists that other charges will be laid by police.

<014> Q/3

It is possible some charges may have been laid in the last few hours; I do not have an update from this morning. Police take this matter very, very seriously. It has further been brought to my attention that a number of retailers and shop owners in that area claim that police took up to 35 minutes to arrive. If that is the case, I would be highly concerned about that. My staff have sought information from WA Police about whether that is a fact, because if that is a fact, that would be concerning. As we speak, information is being sought from the local Cockburn police officers to get an update and some advice about how long it took them to arrive on scene. I note that Cockburn is a very large and well-resourced police station. I would find it unlikely that police would take so long to attend what appears to be a serious event. I am, however, reassured by the actions of police officers in taking this matter very seriously in mobilising significant resources as the event evolved and arresting at least seven persons, already charging two of those young people.

POLICE — COCKBURN GATEWAY INCIDENT

224. Mr P.A. KATSAMBANIS to the Minister for Police:

I have a supplementary question. Given the significant budget cuts the government has imposed on police and the minister's failure to deliver on her election promise to recruit more police, will the minister immediately commit more resources to Cockburn Police Station to ensure that more police are out on the beat, not just sitting behind desks?

Several members interjected.

The SPEAKER: Members.

Mrs M.H. ROBERTS replied:

Once again the member for Hillarys is peddling lies and mistruths. There has been no cut to the WA Police budget. In fact, there have been only significant increases to the Western Australian police budget. The only people who were going to cut the WA Police budget in future years were members of the previous government. They should look at their own midyear review from December 2016 and at their pre-election budget, and then look at the significant extra funds that we have given WA Police. I note this: the previous government's pre-election budget did not include a single dollar for a single extra police officer.

Mr P.A. Katsambanis interjected.

The SPEAKER: Member for Hillarys!

Mrs M.H. ROBERTS: We are recruiting 137 additional police officers and we have increased the police budget by over \$100 million.

STATE ECONOMY — GST DISTRIBUTION

225. Mr T.J. HEALY to the Treasurer:

Before I commence, I acknowledge the student leadership team from Caladenia Primary School in my electorate. I also acknowledge the Darlington car club, on behalf of the member for Kalamunda.

I refer to the McGowan Labor government's success in finally securing a fairer share of GST from the federal government.

- (1) Can the Treasurer outline to the house what impact the 2019–20 federal budget will have on Western Australia?
- (2) Can the Treasurer advise the house whether Western Australia is no longer under fiscal stress, as claimed by the Leader of the Opposition?

Mr B.S. WYATT replied:

(1)–(2) I thank the member for a very good question. Clearly, the relationship that has developed between this government and the current commonwealth government has been, as I think most would reflect upon, a successful relationship. In the space of two short years we have managed to resolve a sore on our fiscal relationship for a fairer share of the GST, ensuring that we now get a floor of 70¢ in the dollar, a floor that the Liberal Party opposed, members may recall. Secondly, we are getting a much fairer share of infrastructure payments.

Several members interjected.

The SPEAKER: Members on my right.

Mr B.S. WYATT: I note that the opposition told us at the time that there is no way the federal Liberal government would allow us to reallocate the Roe 8 money to other projects that the Minister for Transport is now busily spending on other projects—that happened. Despite that, we are somewhat disappointed with the cash flow via some of the

projects announced in last night's budget. Indeed, it is a budget that assumes the current government will be re-elected two more times before it gets to deliver some of the infrastructure money to Western Australia and that suggests to me that this budget may not really survive, regardless of the election outcome.

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition.

Mr B.S. WYATT: But I was particularly chuffed, I can only say, when I heard the Leader of the Opposition say that we are under no more fiscal stress in Western Australia.

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition!

Mr B.S. WYATT: I can only assume that he was complimenting me and the government on the efforts that we have gone to to ensure that the finances are back on track. I want to remind people that the Leader of the Opposition, the man responsible for the fiscal stress that our state is under, the man responsible for the record debt and deficits that we inherited when we came into government, that, you know what? The job is not done. There is this kneejerk reaction that goes to the core of the Leader of the Opposition's DNA that as soon as a \$5 note is waved under his nose, he wants to spend \$10.

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition.

Mr B.S. WYATT: I know exactly what is going on there.

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition, I warned you four times; I thought you would learn. I call you to order for the first time..

Mr B.S. WYATT: He does not learn well, because as soon as that \$5 note is waved, he wants to spend it twice. I assure all members of Parliament and the people of Western Australia that the efforts of budget repair continue. I am surprised to see a commonwealth budget, to be honest, that is contradictory in its economic assumptions and its assumptions around revenue. I dare say the federal government may be disappointed again with some of the revenue that it is assuming across the forward estimates.

Mr D.C. Nalder interjected.

The SPEAKER: Member for Bateman, it was quiet yesterday.

Mr B.S. WYATT: I dare say the federal government will be very disappointed, regardless of the outcome of the election. While I have to sometimes react and point out the usually incorrect commentary from the Leader of the Opposition, I want to highlight one point: the work around fiscal repair continues. I say to the Leader of the Opposition that the one thing that he should know is that he is living proof that it is much easier to predict a surplus than it is to deliver one.

KURRA VILLAGE

226. Ms M.J. DAVIES to the Minister for Lands:

I refer to Kurra Village in Newman and the expiry of the transient workers accommodation lease on 31 December last year.

- (1) Has the government again extended the lease?
- (2) If yes, what is the new expiry date and what are the conditions of that lease?
- (3) Has the minister met with BHP or the Shire of East Pilbara about the Kurra lease since taking over the lands portfolio in December?

Mr B.S. WYATT replied:

- (1)–(3) No. I have met with neither BHP nor the shire around Kurra Village, but a decision will be made on that and I will announce it shortly.

KURRA VILLAGE

227. Ms M.J. DAVIES to the Minister for Lands:

That was very succinct! Thank you, minister. I have a supplementary question. Why, almost three years after BHP announced it would close Kurra Village, is the state government not holding BHP to its commitment to the community of Newman to shut this camp?

Mr B.S. WYATT replied:

I want to reflect for a minute, because I cannot help but reflect for a minute, that I recall the relationship BHP had with the former government, in particular led by the National Party. For whatever reason, the National Party had taken it upon itself to have a very hostile relationship with our state's largest employers. We are not in that position.

Ms M.J. Davies interjected.

The SPEAKER: Leader of the Nationals WA, you have asked a question; listen to the answer.

Mr B.S. WYATT: We are not going to take that position in which we just have an openly hostile relationship with our largest employers. Clearly we will have disputes along the way, and I think the member has seen some of those play out already, but as I said, I have not met with the shire, I have not met with BHP, but no doubt I probably will with both in due course.

JOONDALUP HEALTH CAMPUS — STROKE UNIT

228. Ms E. HAMILTON to the Minister for Health:

I refer to the commitment by the McGowan Labor government to open a new stroke unit at Joondalup Health Campus, a commitment that the government delivered last week that has been well received by my community.

- (1) Can the minister advise the house how this new unit will provide care close to home for patients in the northern suburbs?
- (2) Can the minister outline to the house how the new stroke unit will support this government's \$158 million redevelopment of Joondalup Health Campus?

Mr R.H. COOK replied:

- (1)–(2) I thank the rather triumphant member for Joondalup for the question, and I congratulate her for this outstanding development in, once again, the McGowan government keeping its election commitments. For many years people of the northern suburbs lacked for a stroke unit in the northern suburbs, so I am delighted to say that the McGowan government just the other day delivered once again on its election commitments and opened the new 12-bed stroke unit at Joondalup Health Campus. Many members will not be aware, but strokes kill more women than breast cancer and more men than prostate cancer. It is the leading cause of disability in our community. It is important that we have these services close to where people live in their communities, so that they can get the help they need when they need it.

<015> F/3

This 12-bed unit has a co-located therapy space, which includes a gymnasium and functional training unit where patients have the opportunity to undertake therapeutic activities to help them maximise their potential for daily living, remembering that a lot of the patients who are recovering from a stroke have to learn to do everyday tasks once again. This is a terrific outcome for that community. In 2018, Joondalup Health Campus treated about 200 stroke patients in general medical wards. This number is expected to rise in the future. The opportunity to now treat patients in a specialised unit at Joondalup hospital is a terrific outcome for the people of that community. The stroke service at Joondalup Health Campus now includes two outpatient clinics—one that will focus on medical follow-up and another that will provide specialist allied health rehabilitation services, such as physiotherapy, occupational therapy, speech therapy and dietetics.

This is the fifth stroke unit in WA, and its availability will cut travel time by an hour each way for patients who would otherwise need to attend Sir Charles Gairdner Hospital or Fiona Stanley Hospital. When a person has a stroke, time is brain. It is important that we get help to them as quickly as possible. For every minute that treatment is delayed following a stroke, up to 1.9 million brain cells die. Therefore, having this stroke unit at Joondalup hospital is a really important initiative.

I congratulate Dr Andrew Wesseldine, the director of the WA stroke services project. I also want to congratulate the folks of the northern suburbs stroke support group, and particularly Sally Allen and Lara Cole, who have campaigned tirelessly for this unit. I want to do a big shout-out to the former member for Joondalup, Tony O'Gorman. Tony was responsible for sponsoring a campaign when he was elected. If it had not been for some rather sad political turn in 2007, we would have had this stroke unit in 2009. If the people of the northern suburbs are wondering whom to vote for in the seat of Moore, clearly they know that in Tony O'Gorman they will have someone who listens to the community and acts on their behalf.

Several members interjected.

Mr R.H. COOK: Just to be slightly political for a second!

The SPEAKER: I am sure the minister will get back to the topic.

Mr R.H. COOK: Of course, this comes ahead of the work we are doing to redevelop the Joondalup hospital—the \$158 million commitment we made at the last state election to bring Joondalup Health Campus up to the next stage of

development, to increase the number of inpatient beds and mental health beds at that hospital in particular, so that it can continue to provide great health services for the people in the community. Congratulations to all involved.

TONKIN HIGHWAY EXTENSION — FEDERAL FUNDING

229. Mrs A.K. HAYDEN to the Minister for Transport:

I refer to the additional \$151.5 million secured by the federal member for Canning, Andrew Hastie.

Several members interjected.

The SPEAKER: Members!

Several members interjected.

The SPEAKER: Preamble, perhaps?

Mrs A.K. HAYDEN: Not at all, Mr Speaker. The great member for Canning, Andrew Hastie —

Several members interjected.

The SPEAKER: Member for Armadale! Members! Start again, member.

Mrs A.K. HAYDEN: Thank you, Mr Speaker. I refer to the additional \$151.5 million secured by the federal member for Canning, Andrew Hastie, to extend Tonkin Highway south from Thomas Road, in addition to the —

Mr M.P. Murray: What about Bussell Highway? Where's the money for Bussell Highway?

The SPEAKER: Members!

Mr P.C. Tinley: He's with me; it's okay.

The SPEAKER: I call the Minister for Sport and Recreation and the Minister for Housing to order for the first time. If you keep doing that when I am on my feet, I will call you three times at once and send you home. We will have a bit of discipline around here. So, who was talking?

Mrs A.K. HAYDEN: Me! In addition to the \$151.5 million, Andrew Hastie secured \$252.5 million last year. When is the state government going to stop punishing the people of Darling Range for the loss at the by-election —

Several members interjected.

The SPEAKER: Members!

Mrs A.K. HAYDEN: —and honour its commitment to the people of Darling Range and make this important project a priority, like it promised?

Ms R. SAFFIOTI replied:

I very much thank the member for the question! People might not be aware, but she was the member who represented that region for eight and a half years and she never mentioned it.

Several members interjected.

The SPEAKER: Member for Darling Range, you have asked a question; listen to the answer. You said controversial things; the minister might do, too.

Ms R. SAFFIOTI: She was there doing the cocktail circuit of the hills, as we know, but she did not secure —

Point of Order

Mrs A.K. HAYDEN: I have a point of order.

Several members interjected.

The SPEAKER: Members, I will hear it in silence.

Mrs A.K. HAYDEN: In the hills, we do not drink cocktails; we drink wine.

Several members interjected.

The SPEAKER: I am on my feet. Member, that was a frivolous point of order. Next time, I will call you to order.

Questions without Notice Resumed

Ms R. SAFFIOTI: The member for Darling Range was the member for the region for eight and a half years. She denigrated and undermined the Ellenbrook rail line.

Mrs A.K. Hayden interjected.

Ms R. SAFFIOTI: Yes, you did! It is on the record. You did not believe it should happen!

Several members interjected.

The SPEAKER: Member for Darling Range, I call you to order for the first time.

Ms R. SAFFIOTI: She did not do anything for eight and half years. Then she appeared at the Darling Range by-election and said, “This project is shovel-ready. I don’t know what’s happened to it!” The member never did any work on it when she was in government. What did we do?

Mrs A.K. Hayden: You promised it. You promised it twice.

The SPEAKER: Member for Darling Range, I call you to order for the second time.

Ms R. SAFFIOTI: In opposition? We promised it twice in opposition?

Mrs A.K. Hayden: You promised it with your Barry Urban.

Ms R. SAFFIOTI: You don’t understand the basics!

The SPEAKER: Minister! Member for Darling Range, I call you to order for the third time.

Ms R. SAFFIOTI: We are absolutely committed to the project, unlike that member, who did nothing.

Dr M.D. Nahan: When?

The SPEAKER: Members!

Ms R. SAFFIOTI: When we won, we put it on our list for priority funding. That is what we did. Then the Premier went back and said, “We don’t want just 50 per cent, we want 80 per cent.” Look what happened: we got it! There are a number of Tonkin Highway projects—the gap project, the interchanges on Hale Road, Kelvin Road and Welshpool Road East, and the extension, which is absolutely incredible. We will do the work. If people have not noticed, things are changing out there. There are roadworks everywhere in this state, because we are on the job.

Mr D.C. Nalder: You’re welcome.

Ms R. SAFFIOTI: Honestly! You guys wake up every morning and you think you are so good. You look in the mirror and think, “Geez, that was a good day yesterday. I’m going to go in tomorrow and do the same.” If I had that ego!

Member for Darling Range, this is a huge project for us. We are absolutely committed.

Dr M.D. Nahan: When are you going to start it?

The SPEAKER: Leader of the Opposition, I call you to order for the second time.

Ms R. SAFFIOTI: When was the last time that Tonkin Highway was extended? It was when we were in government last. It is like all these projects. When was the last time work was done on the Karratha–Tom Price road? Under us. When was the last time there was a project for Tonkin Highway? Under us.

Several members interjected.

The SPEAKER: Member for Bateman!

Ms R. SAFFIOTI: Of course we are committed to it, because we put it on the agenda. We are absolutely committed to improving road safety and reducing congestion across the suburbs and the state of WA.

TONKIN HIGHWAY EXTENSION — FEDERAL FUNDING

230. Mrs A.K. HAYDEN to the Minister for Transport:

I have a supplementary question. Given that the business case for this project was completed more than three years ago and Andrew Hastie has delivered more than \$400 million—more than the 50–50 promise made between the Premier and the Prime Minister for federal funding—why has the minister refused to make it a priority, and when will work start?

Ms R. SAFFIOTI replied:

Did anyone actually listen to what I just said? Let us go through it again. You did nothing—nothing, nothing, nothing—for eight and a half years when you were meant to represent that region. All you did was host cocktail parties; that is all you did.

Several members interjected.

Point of Order

Mr S.K. L’ESTRANGE: The point of order is on relevance. The minister was simply asked when the project will start. She has not answered yet.

The SPEAKER: I am sure the minister will get back to the answer.

Ms R. SAFFIOTI: The member for Darling Range talked about priorities. We have made it a priority. We have got the funding. We will get on with it, as opposed to that member, who did not deliver any infrastructure for that region. She undermined calls for infrastructure. In eight and a half years, she did no work at all and everyone knows that.

<016> J/F

Several members interjected.

Mr S.A. Millman: Mr Speaker.

The SPEAKER: Hold on. I want to find out whether the member for Darling Range has any more comments to make when she is sitting on three calls.

Mrs A.K. Hayden: No.

POLICE — BODY-WORN CAMERAS

231. **Mr S.A. MILLMAN to the Minister for Police:**

I refer to the McGowan Labor government's commitment to ensuring that the WA Police Force has the resources it needs to keep our communities safe.

- (1) Can the minister update the house on the rollout of body-worn cameras for frontline police officers?
- (2) Can the minister advise the house how these cameras will provide greater protection to both police and members of the community?

Mrs M.H. ROBERTS replied:

- (1)–(2) I thank the member for Mount Lawley for that question and for his support of our police officers. Body-worn cameras are something that should have been rolled out in Western Australia some years ago. Indeed, they have been rolled out in every other Australian jurisdiction. Unfortunately, although the former government talked about them back in 2016, it did not put any in the budget and did not actually roll them out. It left the state \$40 billion in debt from spending big on its big projects, but there was simply no money for body-worn cameras. There was no plan for delivery and no timetable for delivery of body-worn cameras whatsoever.

The fact of the matter is our government takes the safety of our police officers very seriously. We also want the public to be very confident in their dealings with police officers. From time to time there are allegations by members of the public, a very small minority of which are proved to be true. They disappoint me, and they certainly have an impact on public confidence if an individual police officer does the wrong thing. We are finding more and more with social media, mobile phones, tablets and other devices that people are recording some of their interactions with police officers. Some of that is put before the court and presented in evidence. Those snippets are not necessarily the full story; they do not necessarily capture the full interaction. I think it is in the public interest that those full interactions are covered.

We will be rolling out 4 200 body-worn cameras. The first officers to receive those body-worn cameras will be in the Perth police district, obviously covering that central area of Perth and Northbridge where there is a lot of interaction between police and patrons of nightclubs and other venues. The traffic enforcement group will simultaneously get that rollout because, again, those officers in the traffic enforcement group have very regular interaction with people at their car window when they are pulled over for an offence.

I am pleased to inform the member for Pilbara that the first rollout of body-worn cameras in the country will be into the Pilbara region by June, when 200 cameras are expected to be delivered. These devices will record real-time audio and video. In an Australian first, our devices will automatically start recording when a pistol is removed from its holster. I think that is very important and is a safeguard for both the police officer and anyone who is unfortunately injured as a result of a police shooting. A police officer will press on the device. They will not record every incident all of the time. We do not necessarily want a recording every time police are in attendance. Some of those situations will involve sensitive matters around the assaults of women and children and the like. Sometimes they will be of use. Discretion has to be taken into account. If a police officer, in the heat of the moment, presses the body-worn camera to engage, it will also automatically upload the previous 30 seconds of footage.

These cameras will provide a significant safeguard for police officers. Hopefully people will think twice before assaulting or taking some action against a police officer if they know it is likely that their actions are being recorded and can be used as evidence in court. I also hope that this may reduce some court time. When evidence is produced of somebody actually committing an offence, people are generally more inclined to plead guilty early, rather than trying to argue the toss in court, at enormous cost in police time and court time. I am thrilled that our government is going to deliver 4 200 cameras into the field. We expect all of the cameras to be delivered by June 2021.

Mr J.R. Quigley: Congratulations!

The SPEAKER: To you, too, Attorney General!

DEPARTMENT OF FIRE AND EMERGENCY SERVICES — MULTIPURPOSE FACILITY — COLLIE

232. Mr D.T. PUNCH to the Minister for Emergency Services:

I refer to the McGowan Labor government's commitment to supporting the community of Collie. Can the minister outline to the house how a new multipurpose Department of Fire and Emergency Services facility in Collie will not only create local jobs but also ensure the region has the state-of-the-art resources it needs to manage large-scale bushfires and protect the community?

Mr F.M. LOGAN replied:

Thank you very much indeed, member for Bunbury. I thank the member for his support for all the emergency workers in the south west.

It was a great announcement that we made in Collie last Thursday, member for Collie–Preston, for a new head office and facility for emergency service workers in Collie. As the member for Collie–Preston knows, that guarantees jobs for Collie, it improves the economy of Collie, and, most importantly, it improves the emergency services responses for Collie. We intend to invest \$8 million into a facility that will deliver three things. Firstly, it will establish a level 3 incident control facility. That comes after volunteers in Collie, from both the Collie Volunteer Fire and Rescue Service and the bush fire brigade, lobbied the Shire of Collie for a facility that dealt with level 2 incidents in and around the Collie vicinity and in the south west. The proposition that was put to the Shire of Collie was knocked back because of the funding required for that facility. Of course the next week, coincidentally, we announced that the McGowan government would be providing a level 3 incident control facility. To say that the volunteers in Collie are happy about that is a major understatement—they are absolutely over the moon, as is the Shire of Collie. It is a fantastic outcome for emergency services in the south west.

The second part of the \$8 million investment is an emergency driver training school. Where that will be is subject to negotiation with businesses, the people of Collie and the Shire of Collie. It means that all emergency service workers—particularly those who fall under the Department of Fire and Emergency Services, and I hope other agencies as well—who need, for example, four-wheel drive training or other forms of driver training, will go through Collie. They will go to Collie to undertake that training, which is a significant boost to the economy of Collie. It is a great outcome.

The third component of this investment is the relocation of the high fire season fleet from O'Connor to Collie. About 80 vehicles will be located in Collie, which means that their accessibility to other emergency service volunteers in and around the south west and the rest of the state will be far easier. It also means that the types of skills that are currently in Collie, where people may well be losing their jobs as a result of the changing nature of the economy of Collie, can be used within the Department of Fire and Emergency Services. It is about the repair and replacement of equipment on those vehicles. It is a great place to be able to locate the high fire season fleet. It is a great announcement, member for Collie–Preston. I was very, very pleased to be able to do that. As I say, it is confidence in the town of Collie, it is confidence in the economy of Collie and it is confidence in a far better outcome for emergency service workers in the south west.

<017> O/S

The SPEAKER: Member for Roe, my apologies for missing you before.

ATP CUP

233. Mr P.J. RUNDLE to the Minister for Tourism:

Thank you, Mr Speaker. I refer to the loss of Western Australia's iconic tennis event of more than 30 years, the Hopman Cup.

- (1) Can the minister inform the house what actions he undertook to retain the Hopman Cup in Western Australia?
- (2) Can the minister assure the Western Australian public that he will reinstate a Women's Tennis Association tour event to cover the loss of top-quality women's tennis in Perth?
- (3) Will the minister, Treasurer and Minister for Sport and Recreation assist Tennis West in upgrading courts at the State Tennis Centre, which will be required to support the ATP team event?

Mr P. PAPALIA replied:

I thank the member for the question.

- (1)–(3) I have actually been pretty open and made prominent comments regarding the progress of the tennis tournament from the day that the ATP Cup was announced. I am pretty certain the member would have seen that in the media; I said it many times.

The major point I made at the time was that the moment the Association of Tennis Professionals announced that it was going to have a world cup, attracting the top-100 male players in the world to that event, at exactly the same time as the Hopman Cup, the world changed. The terrain changed and there was no possibility at all

of retaining the Hopman Cup. The reality is that we would not be able to attract anyone above 100 in the world in the men's competition, so that was not going to happen. Tennis Australia made the determination that it needed to be part of that event, because, otherwise, the summer of tennis would have been completely compromised. Several nations around the world were competing for the ATP Cup and they would have taken the top-100 men to those nations had they won and had Tennis Australia not competed for the event. Fortunately, Tennis Australia determined it had to compete, and, fortunately, it was successful. We are retaining a top men's tennis event in the lead-up to the Australian Open, which is essential for maintaining the integrity of tennis in Australia and the Australian Open as the premier event that it is.

The ATP world cup will be the biggest tennis event in the world outside the grand slam tournaments; it will be a significant event. It will be a completely new event from the one on which it was modelled. It will attract significant ATP ranking points, so all the players will want to be part of it. There is significant prize money; I think it is in the order of \$22 million in prize money. It will be the biggest thing outside the grand slams, and we will be part of that. For six days, Brisbane and Perth will be hosting that event, and in the last four days the finals will be in Sydney. For six days, Perth will be part of the biggest event outside the grand slams. That is a good thing. I regret that we were unable to have the Hopman Cup. That had nothing to do with the government.

With respect to the WTA event, the Women's Tennis Association had not commenced negotiations with anyone about a world cup-like event until such time as the ATP Cup was announced earlier this year. It is about two years behind in discussions on the whole concept and it has not got anywhere near being able to commit to an event. That aside, we have made it known to Tennis Australia that we would like to retain top-tier women's tennis in Perth at that time of the year in anticipation of a WTA world cup eventually being delivered at some time in the future. We want to retain top-tier women's tennis in some form. We have asked Tennis Australia, via Tourism WA, to provide us with a proposal, and it is doing that. I anticipate that any day now it will do that. We anticipate that it will provide it to us by the end of April. As soon as I know about that, I will then be able to look at the proposal. Tourism WA will assess the proposal. The moment we know something about that, we will tell everyone. We have not been backward in telling everyone in Western Australia that, firstly, we are disappointed that the Hopman Cup ended as a consequence of the announcement of the ATP world cup. We are keen to retain a women's event of some description until such time as a WTA event is delivered, at which time, we will bid for it.

ATP CUP

234. Mr P.J. RUNDLE to the Minister for Tourism:

I have a supplementary question. I did not quite get an answer to the third part of the question about the facilities at the State Tennis Centre that will need to be upgraded in response to that event. My original supplementary question is: can the minister confirm that Roger Federer was paid approximately \$2 million for his appearance at the 2019 —

Several members interjected.

The SPEAKER: Members, I have been pretty lenient on supplementary questions. You asked about three questions in there. Could you just narrow it down to one, please?

Mr P.J. RUNDLE: Sorry. The facilities at the State Tennis Centre will require upgrades to support the ATP team event.

Mr B.S. Wyatt interjected.

The SPEAKER: Treasurer!

Several members interjected.

The SPEAKER: Members, when someone is asking a question in this place, I expect silence. I call to order the Treasurer and the Attorney General for the first time.

Mr P. PAPALIA replied:

I do not know whether the member saw it but I was standing next to the CEO of Tennis Australia announcing that Perth will host the ATP world cup, and no-one advised us of any requirement for the State Tennis Centre. It will be hosted at RAC Arena, which is the single best tennis arena in the country, if not the world. It was purpose-designed to host tennis. This event is going to be over a period of six days. About 40 of the top players in the world will be here for that event. They will be able to schedule it in a way that it is accommodated inside RAC Arena. I have had no advice or indication from anyone about the State Tennis Centre needing to be upgraded for the purposes of the event.

WESTERN ROCK LOBSTER FISHERY — REFORM

235. Mr I.C. BLAYNEY to the Minister for Fisheries:

I refer to the minister's incompetent attempt to nationalise the crayfishing industry and the need for the Premier to take control following that failure.

Mr P. Papalia interjected.

The SPEAKER: Minister of Tourism, you have been on your feet for a while, but now I call you to order for the first time.

Mr I.C. BLAYNEY: Will the minister please explain to the house why the Premier's task force has not yet met and outline when they will meet, or is the minister unaware of when it will meet?

Mr D.J. KELLY replied:

I thank the member for the question. I am pleased that he has shown an interest in something while he has been here this term of government.

The agreement that we reached with the industry when the Premier and I met was that 315 tonnes would be allocated, the majority of which would go to the domestic market. There was agreement around the table that that should happen. The agreement was that the details of how that would be allocated would be worked out by the end of March. There was also an agreement that a task force would be established to look at other issues and other ways of creating jobs and better utilising the resource. The timetable for that to conclude was the end of September. The industry has subsequently come back to us and said that it was unable to reach agreement on the terms of domestic supply by the end of March, so the Premier agreed to extend that deadline until the end of April. We are still in discussions with the industry about how that domestic supply might work.

On the issue of the task force, it has been my understanding that the department has appointed a facilitator to chair that task force. That person has had meetings with individual industry players and my understanding is that the task force will meet some time in the beginning of May. Given that the industry has said that it was having trouble dedicating the resources to sorting out domestic lobster issues, I would have thought it is in its interest—I would hope the member would be encouraging them—to sit down with us to nut out the details of a domestic supply arrangement by the end of April. One of the questions I have for the member is: does he actually support a domestic supply allocation for Western Australians?

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Certainly, the feedback I get from a lot of people in the midwest and a lot of people in Geraldton is that they are very excited about the tourism and hospitality opportunities there would be if more lobster were available in the local market. My question to the member for Geraldton —

Point of Order

Mr S.K. L'ESTRANGE: Standing order 75 does not permit questions asked to opposition members.

Mr M.P. Murray: It is rhetorical.

Mr S.K. L'ESTRANGE: No, it is not. He is asking a question. Under the standing orders he is not allowed to.

The SPEAKER: It is just part of the debate. That standing order actually means that the government cannot ask you, an opposition member, a question, but you can debate. You can talk and ask questions like that. You cannot ask an official question of the 11 questions that we have during the day.

Mr S.K. L'Estrange: He is actually trying to get the member for Geraldton to answer.

The SPEAKER: That happens all the time.

Mr S.K. L'Estrange: He is not allowed to answer, that is all.

The SPEAKER: He does not have to answer.

Several members interjected.

The SPEAKER: Members!

Several members interjected.

The SPEAKER: The standing order, as I explained, is that the government cannot ask the opposition a question. That is what the standing order is. Minister, will you finish quickly, please.

Questions without Notice Resumed

Mr D.J. KELLY: We on this side of house support there being a domestic supply. The majority of the catch will always go to China, but we could have a percentage of it here in Western Australia —

Several members interjected.

The SPEAKER: Members!

Mr D.J. KELLY: — for tourism operators, many of whom operate out of the midwest, out of Geraldton, who want to be able to offer a crayfish experience to attract tourism and to attract jobs —

Mr D.C. Nalder interjected.

The SPEAKER: Members!

Mr D.J. KELLY: — who need to be able to access some crayfish locally.

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition!

Mr D.J. KELLY: We are determined to get that available here in WA to boost Western Australian jobs and local businesses. We support that on this side of the house.

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition, I call you to order for the third time.

Mr D.J. KELLY: The question to the opposition is: does it support that job creation here in Western Australia or not?

WESTERN ROCK LOBSTER FISHERY — REFORM

236. **Mr I.C. BLAYNEY to the Minister for Fisheries:**

I have a supplementary question. I refer to the Premier's task force. We are aware that the deadline for the WA domestic supply system design has been extended for a month. Can the minister explain to the house why it is taking so long to resolve this mess that he created?

Mr D.J. KELLY replied:

I say to the member again: does he support us —

Mr P.A. Katsambanis interjected.

The SPEAKER: Member for Hillarys, I call you to order for the first time.

Mr D.J. KELLY: — getting some more domestic supply available in Western Australia? The local businesses from Geraldton have come to see me and said they would love to have local lobster available to them in their restaurants as part of their tourism operations, but they just cannot because it all goes overseas and at those prices they simply cannot compete. They say they have tourists coming to them seeking local western rock lobster, but they just cannot get it. The question is: Does the member for Geraldton support those local businesses? Does he? Does he want us to create jobs out of this outstanding Western Australian resource or not? If he does, I suggest he encourage the local industry to sit down with us to work out the details of the local supply. Let us get it done so that this summer we can have that domestic supply in place.

The SPEAKER: That is the end of question time.

ADMINISTRATION AMENDMENT BILL 2018

Second Reading

Resumed from an earlier stage of the sitting.

DR A.D. BUTI (Armadale) [2.53 pm]: I was very eager to get the call because I know there is probably a lot of interest in this Administration Amendment Bill 2018 before the house. I am very interested in this bill. There can often be a lot of emotional energy spent on the part of the surviving members of the family when people die and do not leave a will. As the member for Hillarys mentioned, people think that if a person dies without a will, the money will go to the state. That is not the case, but the issue is how the estate of the deceased is to be distributed among the surviving members of the family. The whole idea of a statutory legacy is that a fixed net sum of the deceased's estate should go to the surviving spouse or civil partner, and it is set out in legislation. This bill seeks to increase the current statutory partner's legacy that is operational in Western Australia. At the moment it is very low, at only \$50 000 when the intestate dies leaving issue. That means the person's children are the lineal descendants. It can be as high as \$75 000 when the intestate does not leave any issues such as children or other descendants. We are seeking to increase that to something much more acceptable in contemporary Western Australia. This goes back to 2003, when the then Attorney General, Hon Jim McGinty, established a working group to examine the law of succession in Western Australia and to make recommendations for consideration by government. It is interesting, there was a conference in Perth, I think, about two weeks ago on succession law. I was speaking to a retired judge from New South Wales, Thomas Gray, and his wife, who both came here to make a contribution. They were saying that they were interested in the progress of our legislation and were surprised we had not enacted it at this stage. Obviously, they hope we will come into more modern times in order to ensure that people receive something a bit more appropriate in 2019. In this bill before the house we seek to do that by increasing the amount that we are going to statutorily provide if someone dies intestate, which obviously means without a will. That does not take preference over a will. The will is there to give legal force to the intention of

the deceased, but as we know many people do not get around to drawing up a will. The amount of lawyers who do not get around to drawing up a will is surprising. They drop a lot of other people's wills, but they do not draw up their own wills. I have to say that I have drafted a lot of wills for people, but for a long time I never had a will myself.

Mr P.A. Katsambanis: I hope you have got one now.

Dr A.D. BUTI: I do have one now, but I am very poor, so there is not a lot to leave to anyone! It is surprising, is it not?

Mr P.A. Katsambanis: I agree.

Dr A.D. BUTI: Yes, we get so busy. We look after everyone else and forget about doing a will ourselves.

Mr P.A. Katsambanis: I have done letters of administration for deceased lawyers.

Dr A.D. BUTI: Yes.

As I think the member for Hillarys mentioned, and the Attorney General got up to agree or shouted from his sitting position, we should encourage people to have a will in place. It is very, very important. As we know, we can encourage and help people to ensure they have their financial matters in place in case they leave this earth, but that is not always the case and that is why it is important that we have things such as statutory legacies, also known as partner legacies, in Western Australia.

The last review of the parental legacy was back in 1982, and it is of course time that we also look at the parental statutory legacy. The parental statutory legacy amounts to the legacy left from the estate of the deceased child. It currently sits at \$6 000, so consideration has been given whether to increase that \$6 000 to where it is financially beneficial or to abolish the statutory legacy.

<019> P/3

We are changing the statutory legacy of what is to be left to the partner, known as the partner legacy, from the miserly amount of \$50 000 if there are children who are still alive, or up to \$75 000 when there are no children, to something that is much more acceptable. It will be \$435 000 when the intestate dies leaving issue, which means leaving children, or \$650 000 when there are no children.

As I said, the parental statutory legacy was last reviewed back in 1982 and it is currently \$6 000. That is a small amount and obviously it would not be of any great financial benefit. The question was whether we increase that figure or abolish it. It is a very emotional time for the parent of a deceased child having to deal with that emotional trauma. There are also financial issues to deal with, so it is good to have some statutory guidance. Obviously, children also may not leave wills, which is why we need the parental statutory legacy. The Administration Amendment Bill 2018 seeks to amend the amount from \$6 000 to \$52 000, because we have decided that it should be increased so that it has some financial benefit. This bill will also insert a new provision into the Administration Act 1903, which sets out a form that will calculate the amount of statutory legacy from time to time in the future.

As I said, if people have legal wills, they do not need to worry about these sorts of matters. People tend to think that wills need to be complicated. The legality of a will is determined by the Wills Act. Basically, a person needs to have beneficiaries, an executor and ensure it is signed and dated.

Mr P.A. Katsambanis: And witnesses.

Dr A.D. BUTI: And witnesses, of course. People do not need to go to a lawyer, but it is advisable —

Ms J.M. Freeman: It can end up costing you, though.

Dr A.D. BUTI: It can. It depends.

Ms J.M. Freeman: That's the problem, if it becomes costly.

Dr A.D. BUTI: It will not necessarily become costly. A lot of suburban solicitors will do wills cheaply, but it depends where the member goes. I agree that it can be costly, but not all suburban solicitors are costly. Some of them will do it for a reasonable cost. At my children's primary school, many moons ago when my daughter was in pre-primary school, as a fundraiser, I offered to do wills for the parents. That was about 18 years ago and it was \$50 a pop, which was not bad! I said I would do only simple wills; in other words, wills that leave an estate to the wife or the husband.

Mr T.J. Healy: Can you still do that rate? Do you still do wills?

Dr A.D. BUTI: I will not be doing it at that rate now, member for Southern River, but we could negotiate.

Mr P.A. Katsambanis: Do you have a practising certificate?

Dr A.D. BUTI: That is another problem. I could still draft a will, but members would be aware that I am not doing it as a lawyer.

Mr W.R. Marmion: If they make you a minister, you'll do it for fifty bucks!

Dr A.D. BUTI: I do not think ministerial decisions are going for \$50.

We raised a significant amount of money, although there was one particular person who kept wanting to change her will. I changed it about three or four times over two weeks. I said, “I’m charging you only \$50 here!” If she had gone to a lawyer, it would probably have come to about \$1 000 considering the number of times she had contacted me.

Ms J.M. Freeman: And the rest.

Dr A.D. BUTI: Member for Mirrabooka, it may be the case, but a lot of solicitors will do wills for under \$500.

Ms J.M. Freeman: No.

Dr A.D. BUTI: Maybe not in the northern suburbs.

Mr P.A. Katsambanis: I will give the member some names and contact details; there are some, including in the northern suburbs.

Dr A.D. BUTI: Yes, they will do simple wills, but not if they are complicated because they are being put into trust for someone else, or a guardian needs to be put in place and the shares have to be distributed and so forth. If it is purely a simple will that states, “I leave my estate to my wife”, it can be done quite cheaply. It just depends where people go. The member can even go to the Citizens Advice Bureau of WA. It will do wills for a lot cheaper. The Citizens Advice Bureau in Armadale does not charge \$1 000 for a will, I can assure the member. Getting back to it, the member can do it herself if it is a simple will. Obviously, as we said, it has to be witnessed, signed and dated and we need to make sure there is an executor and beneficiaries. That will be a valid will. We should encourage people to do that because people should ensure that the people whom they want to benefit from their estate—their property when they are alive—should benefit from it.

It is interesting that very few law schools now do succession law as a topic. It is an elective. I am not sure how many Western Australian law schools do it. A lot have incorporated it into equity and trusts or it is sometimes incorporated into property law. It is obviously very important.

Mr P.A. Katsambanis: Back in the Dark Ages when I was at law school, it was incorporated into equity and trusts.

Dr A.D. BUTI: When I taught equity and trusts—that was my staple at law school—we did a bit of succession law but we did not go through the mechanics of wills. We talked about what was needed under the Wills Act to ensure it was a valid will.

Although this bill is very brief, it is very important. It is about time that this state comes in line with some other jurisdictions. I think Victoria has amended the legislation to refer to the average price of a suburban home but I am not 100 per cent sure of that. When I was having a discussion with a former South Australian judge and his wife, I think that was what they were saying. There was also talk about having a national scheme. The problem with that, obviously, is if it is based on the price of an average home. There will be great variation in the average cost of a home in Perth, Adelaide, Melbourne or Sydney. Although it makes sense at one level to have a national scheme, it is a problem if it is based on the cost of an average home, if people move from state to state. If it were based on a numerical figure, we probably could have national conformity. Obviously, the cost of living is different in different states but I think that would be pretty agreeable. There is no difference in welfare payments between the states. I assume the Newstart Allowance is the same for people in Western Australia and Victoria. I am not sure whether there is variation in the housing allowance. Everyone would receive the same allowance nationally but the cost of living is obviously different from state to state. For people on the Newstart Allowance who live in Western Australia or Sydney, it may be a lot harder in Sydney.

Ms J.M. Freeman: Member for Armadale, can you explain this to me? If I owned property in New South Wales and came to live over here but my husband died here and did not have a will, would I get what is paid in New South Wales or would I get what is paid here for an intestate?

Dr A.D. BUTI: I am not sure —

<020> N/F

Mr P.A. Katsambanis: I can answer that for you.

Ms J.M. Freeman: Okay, member for Hillarys, would you like to answer that for us?

Dr A.D. BUTI: Go on, member for Hillarys.

Mr P.A. Katsambanis: You would ordinarily prove the will in the state where the deceased died. You would then have to re-present it for a reseal of probate in New South Wales in order to transact on their land registry to transfer the title according to the wishes of the deceased. If you had property in both states, it would be a dual process, but it has become pretty streamlined.

Dr A.D. BUTI: Yes.

Mr P.A. Katsambanis: It’s all based on land registries, because the majority of assets are property based.

Ms J.M. Freeman: But if my assets were over there too—that’s the thing about the assets—would I get the New South Wales intestate division or the Western Australian division?

The DEPUTY SPEAKER: Members, excuse me!

Several members interjected.

The DEPUTY SPEAKER: Members! Hansard is trying to track who is speaking, so if people want to be on their feet in the middle of the member for Armadale’s speech any more than they have already done so, I will need to change the standing orders.

Dr A.D. BUTI: I thought the member for Mirrabooka’s question was about fixing the statutory legacy at the cost of an average home.

Ms J.M. Freeman: Yes; that was my question.

Mr P.A. Katsambanis: That would be wherever you did the probate on the will.

Dr A.D. BUTI: It would be where the probate was done.

Several members interjected.

The DEPUTY SPEAKER: Members for Mirrabooka, Hillarys and Nedlands, can we please just let the member speak.

Dr A.D. BUTI: The point is, though, the amendments before the house today will not be doing that. The Attorney General has set a threshold of financial recompense for the deceased’s relatives, whether it is the parental legacy or the statutory legacy for the surviving partner generally. In Western Australia, it is an amount—\$435 000 or \$650 000. With those comments, I think the member for Mirrabooka is ready to make a significant contribution to this debate.

MS J.M. FREEMAN (Mirrabooka) [3.11 pm]: I, too, rise to speak on the Administration Amendment Bill 2018. It is a very important bill. I understand from the brief exchange we just had that one of the issues with the bill, apart from the fact that it will increase the amount of statutory legacy payable on intestacy—that is, when someone dies and they do not have a will and the estate comes under the Administration Act—is that a partner or a wife will get the house and a sum of money straightaway upon their spouse’s death. At this point in time, that amount is extraordinarily low, around \$50 000, when the intestate dies leaving issue—that is, a person’s children or other lineal descendants—and as high as \$75 000 when the intestate dies leaving no issue. I gather “issue” is the proceeds after a person’s death. Now, people have superannuation payments, so that money will be available. When people die, the families seek the proceeds from that property, income or any financial or other assets. I understand that this bill introduces a none-too-soon change that will increase that payment. However, I will enjoy hearing from the Attorney General—the members for Hillarys and Armadale discussed this—about how this fits Australia-wide, because I gather that WA is way behind other states on this issue.

I am always drawn to the idea that because we live in a nation of many states, residents of Western Australia are often disadvantaged by this dual system. That leads me to ask whether there is some way that we can create harmonisation in the whole issue of dying intestate and not having a will. We have sought to harmonise many laws. Recently we introduced consumer protection legislation that will ensure that changes to the law in WA occur concurrently with changes to laws in other states. That will ensure the laws in WA are current and that people in Western Australia are not disadvantaged. It seems as though this bill is a relic of the past, when we did things very much on a state-by-state basis. I understand it is all bound up in the fact that there is different land administration and property legislation in different states, but it concerns me that such a disadvantage should have existed for such a long period of time.

I note with some cheekiness that these amounts were last adjusted in 1982. Last night members discussed the first concerts that they ever saw. Today, as I sit here thinking about this, 1982 was about the time that I, as a 53-year-old now, went to my first concert.

Mr P.A. Katsambanis: And you paid \$5 for a ticket.

Ms J.M. FREEMAN: Or whatever. But it seems outrageous that we are only now dealing with something as important as what happens to property when people die without a will. Since that time, the payment of compulsory superannuation was introduced. The reality is that people in stable relationships who have children usually have a property and will have made some sort of will—they will have got their will in order. In my own case, when I entered into my relationship with my partner, there were no de facto laws in Western Australia. It was a long time ago, member for Dawesville! There were no de facto laws in terms of property, so we did not have the same rights as married couples in Western Australia. If one party of a married couple died, the property instantly went to the wife or husband, unless there was a reason to contest that. When my partner and I bought a house together, I ran the risk of his family getting the proceeds of the property if he died suddenly. At that time, I was working at the Welfare Rights and Advocacy Service, a great community legal centre in East Perth. There was a case of a woman who had been in a de facto relationship for something like 20-odd years, but her name had not been recorded on the title of their property or that she had any interest in that title. When her partner died, the family—his children, not hers—claimed that she had no right to that

property and sought to evict her from that property, even though she had been in a de facto relationship with that man for 20 years.

<021> T/2

When I became aware of that I was in a de facto relationship. We wanted to buy a house together so we sought legal advice. At the time we were told that it did not matter whether we wanted to make an agreement. The law would assess it at the time. It was fraught with argument over who contributed what. There was no idea that once a couple had been together for a certain time they agree to share assets, so we went into a tenants in common agreement to purchase our house, which cost us a bit more. Thankfully, that changed.

My son is now 23 years old. At the time, I knew Jim McGinty quite well and had worked for him. I think I have told the story in this house before, but Jim McGinty often asked me when I was going to get married because he liked weddings. I told him that I was a good feminist so I was not going to get married and be a wife. When he changed the de facto laws he said, “See? I knew you’d get married.” We had our child about five years after we bought our house together. When my son was in school he asked us whether we were married and we said, “Yes, we’re married. Father Jim married us. We didn’t go to a church, but Father Jim married us.” Years later, when Thomas was much older, he met Jim McGinty. I said, “This is Father Jim.” My son said, “You married my mum and dad!” All of those things have to be considered when someone dies without a will.

Mr P.A. Katsambanis: It is very important for the public to know that if they have made a will in a relationship, upon an actual marriage, that will becomes automatically invalid unless it was made in contemplation of the marriage and it is clear that it was. That is another trap. Good legal advice is very important in this area.

Ms J.M. FREEMAN: That is really interesting. Obviously, we made wills at that time so that it was clear where our assets would go. In addition to a tenants in common agreement, we made a will. We made a will when Thomas was born that has stood the test of time. We have looked at it and no changes are required. It is interesting that the member for Hillarys has said that, and I am sure that is the case. If a couple is in a de facto relationship and they subsequently married, does that will no longer apply?

Mr P.A. Katsambanis: Yes.

Ms J.M. FREEMAN: Does that mean that if a person dies, they effectively die intestate?

Mr P.A. Katsambanis: Intestate—yes. Unless they make a new will.

Ms J.M. FREEMAN: That is really important to know. The South Sudanese community have what are called cultural marriages versus Australian marriages. They call them traditional marriages. That is a very complex set of arrangements with the family. It involves how many cows should be exchanged to the parents of the wife—not the wife in law, but the traditional wife—because the father is paid for the investment they have made in their daughter. There are a whole series of issues that have to be negotiated.

Mr P.A. Katsambanis: The dowry negotiations.

Ms J.M. FREEMAN: It is more than a dowry, though. It is whether it is appropriate, what impact it will have on the collective community, and the responsibilities of both sides of the family that will carry through if someone dies. There are many responsibilities and other aspects. Because that process is expensive, many South Sudanese people just do a traditional marriage and then live in a de facto relationship in Australia for a long time. They buy houses and have kids and when they feel as if they can afford it they get married. I went to a wedding of a couple who had adult children.

Mr P.A. Katsambanis: Ditto. I’ve been to those weddings.

Ms J.M. FREEMAN: Yes. The member is telling me that at that time, if they had a will—they may or may not have—that will would have become invalid despite the fact that, as far as they were concerned, they have been in a marriage relationship for the whole time. I think our concept of wills is very much based on a British cultural heritage. It would be interesting to talk to the member for Hillarys about how that fits into the Greek cultural heritage. In Afghani society, if the husband dies, the brother has a responsibility, if they are unmarried, to marry the wife to look after them. There are big responsibilities for other family members. Who gets those assets?

Mr P.A. Katsambanis: It’s a really good point. It rarely happens anymore, but in traditional Greek culture the dowry payment and exchange of property may happen a significant period before the wedding ceremony. If the groom who received the dowry passes away before the marriage, there is no legally married couple and no spouse. Our modern Wills Act has some provisions, but they are clumsy, which is why people need advice. Taking the South Sudanese example, as long as people understand the circumstances and put in the right clauses, a will can be drafted that can survive whether the couple do or do not have a formal marriage in the future. It is complicated.

Ms J.M. FREEMAN: It is quite likely that they are not marrying at the time of their traditional marriage because they do not have the finances. We return to the point we were debating. Despite the fact that I have a very close relationship with the South Sudanese community, I do not have a large South Sudanese community in Mirrabooka and Balga any

longer because they have now settled into the community and can afford to buy houses. They have moved to Ellenbrook, Butler, and Mandurah and purchased properties.

[Member's time extended.]

The DEPUTY SPEAKER: You may have an extension, member for Mirrabooka. Would you like one too, member for Hillarys?

Mr P.A. Katsambanis: We need to do some consideration.

Ms J.M. FREEMAN: If the minister would like to go on to the consideration in detail stage, I am happy for him to indicate when I should sit down. I am not sure whether the minister wants to consider that.

De facto relationships changed a very traditional aspect of will writing. If people were married, it was fine to die intestate. This is fixing the amount of money people would get if someone dies intestate. But if people are married, most traditional people would think that if they die their wife or husband will get their assets, because they have that expectation.

<022> Q/1

For a classic working-class family with a house, a car, furniture and a bit of money in the bank—it has been made more complex because superannuation has been thrown into the mix—wills were not really a necessity. People got married and marriages were for life—“‘til death do us part”—so people did not need a complex document that distributed assets because their financial affairs were quite simple, but now there are all these different ways of having relationships and different aspects of our financial affairs. We sometimes come into relationships with financial assets that we want to protect. We often have combined families and children from previous marriages and all that sort of stuff. As we become much more of a multicultural community, wills become quite important documents. But they are complex. For example, I have a constituent in Mirrabooka whose wife's will left her son as the executor. The wife now has Alzheimer's, so she is not able to change it, and the son has passed away. The husband would like to change the will, but he cannot, and he keeps getting told that he cannot change the will. I think there is some other reason that he wants to change it, such as there being another family member or some other complexity—I cannot remember exactly, but he basically has to let her die intestate.

Mr P.A. Katsambanis: In that case there would be other provisions that come into play, in which a third party could come in and prove the will and it would be letters of administration with the will annexed, so the intentions allowed for in the will could still be given effect in those circumstances, but, again, it depends on the individual circumstances and you need specific advice. Maybe the member for Armadale and I could come down and run a little clinic one day!

Ms J.M. FREEMAN: People walk into our office every day with very simple queries. I cannot give legal advice; I am not a lawyer, but if I could give advice to them, I would say to them, “If this is about you and your wife, you don't need a will. It will be fixed.” I always understood that assets go to the surviving spouse.

Mr P.A. Katsambanis: That's only if the house is in a joint tenancy. What if it's tenants in common, which it might be; you don't know.

Ms J.M. FREEMAN: No, most traditional marriages were joint tenancies.

Mr P.A. Katsambanis: They were, that's true, but not all of them.

Ms J.M. FREEMAN: In our case, no, but, yes, that is right.

This is a great piece of legislation; it is something that we need to do. It is a problem that we are not keeping up with the rest of the country with provisions that are unfair and unquestionably wrong, but we also have a system that is set up for a cultural group that exists less and less, which is a man and a woman married for years, ‘til death do them part, who marry in a traditional church way. In Australia, that is occurring less and less, with different cultural groups, de facto relationships and blended families. People come into my office who say they need to get a will, and we say that the Law Society sets up a caravan in Perth one week a year. People can go there and it will help them out with a will. We know when it is, so we will tell people when that is going to be, but other than that, the cost is prohibitive on quite a few people. That really worries me.

I will wrap up, but before I finish I would really appreciate if the Attorney General would tell me the process for separating de facto couples with superannuation, and how we are progressing with changes to that. If he does not have those notes here today, he knows what I am talking about, because that is the additional issue. Now that we have de facto laws, pretty much everything that applies to a married couple applies to de facto couples, but if my partner and I split, we do not get to split our superannuation; I get no capacity. Superannuation gets taken as a whole asset and all of that sort of stuff. When we have assets, that is okay, but it is really unfair for de facto couples because they cannot do superannuation splitting like people in marriages can. It would be worthwhile to get an understanding of where that is at.

I thank the house. It was a very interesting discussion, member for Hillarys. I am still of the view that the idea of the will probably needs a much more contemporary look at it, in how it applies to many of our newly arrived Australians,

particularly with their different relationship arrangements, large families and different responsibilities, to ensure it is a contemporary and understandable document. Most people would just make assumptions; that is what happens. For many of the people I represent, the idea of going to a lawyer is not something that they would see as mainstream. Most people do not come into contact with lawyers. We need to remind ourselves that the electorate of Mirrabooka is just above Kimberley for the lowest socioeconomic indicators. Churchlands is up the top. Many people are struggling with their day-to-day lives and making ends meet. The concept of doing a will is not something at the forefront of their mind, but if they have spent any time in the workforce, all of them now have an asset, which is their superannuation. They may not own a house, so they might not think they need to have a will, but pretty much all Australians will die with an asset, which is their superannuation.

Mr P.A. Katsambanis: Except that superannuation is most often, not always, distributed outside any estate.

Ms J.M. FREEMAN: Yes, that is true.

Mr P.A. Katsambanis: It's distributed by the superannuation trustees.

Ms J.M. FREEMAN: The superannuation company will distribute it to the beneficiaries, and they will make a decision about what the beneficiaries are.

Mr P.A. Katsambanis: That can get complicated.

Ms J.M. FREEMAN: And horrible! I was at a superannuation company 10-odd years ago that used to have these very sad situations in which people would have \$2 000 or \$3 000 in their super or insurance—not much; it was very little—and five people were fighting over who got the provisions of that. If the parent had given some indication of where they thought that money should go—in most cases it goes to a dependant, not to non-dependent children—there would not suddenly be people fighting over a small amount of assets. There must be some other mechanism that is not as complex as a will for people like that.

MR J.R. QUIGLEY (Butler — Attorney General) [3.38 pm] — in reply: Some very interesting points were raised during the second reading debate on the Administration Amendment Bill 2018. I understand that there are a couple of questions for the consideration in detail stage, so I will not take the chamber's time too long in replying. I do, however, wish to stress the initial point made by the member for Hillarys that what the bill is doing today is dealing with assets of those who died intestate. Should a living person wish to have their estate divided in another way, not in accordance with this legislation, they can simply make a will during their lifetime.

<023> E/2

The bill before the chamber this afternoon is a very small portion of a more extensive reform package of the Administration Act. We wanted to bring this package forward and fit it into the legislative agenda quickly to avoid further injustices to surviving spouses, children or parents. I assure the member for Hillarys and all others in the chamber that a very active working group within the Department of Justice has been working on this issue. That working group and committee comprises senior practitioners around the city who meet regularly on a wide range of reforms, and I hope to be in the possession of drafting instructions to take to cabinet for approval within a month or two. It has been a complex process, but we have picked out this little area as a discrete area that we could deal with expeditiously in the Parliament.

We will come to this in consideration in detail, but the member for Hillarys said that he would want to ask questions on how we arrived at \$435 000 when there is a spouse and issue, and \$650 000 in the absence of issue. This came from the working group. I have just adopted what the working group presented to the government in this area. I accept that it has been the subject of extensive inquiry and deliberations by the working group. I refer to the jurisdiction in which the member for Hillarys was first admitted—Victoria. In that jurisdiction the reserved amount under sections 70J to 70M of that state's Administration Probate Act 1958 is \$463 308, so \$435 000 is a ballpark figure. In New South Wales the reserved amount is \$476 000. Some other states have not yet dealt with this issue. In Queensland, where it would be expected that housing would be a bit more expensive than in Western Australia at the moment, the figure is \$150 000, with no formula for review. In South Australia, there is no formula for review, but under section 72(g) of its act, \$100 000 is the base figure, but it can be raised by prescribed regulation. In Tasmania the figure is \$423 000; in the Northern Territory, \$350 000, and \$500 000 if there are no siblings; and in the ACT, \$200 000. There are a range of figures around the nation. It is a bit arbitrary, but we must strike a figure that will see the surviving spouse able to secure accommodation for his or her lifetime.

Mr P.A. Katsambanis interjected.

Mr J.R. QUIGLEY: I do not know that \$435 000 would buy a house in Hillarys. It certainly would buy one further up the coast at Alkimos. We are not trying to get a Cottesloe house.

Mr P.A. Katsambanis: It would buy a very good unit in Hillarys or Sorrento. It would almost buy an entire house in a few of the suburbs in my electorate. It is very good buying, and highly recommended—Craigie, Padbury—very good buying.

Mr J.R. QUIGLEY: That is so. We must come to a figure at which the surviving spouse is at least looked after in a situation of intestacy.

We can go into consideration in detail because I have advisers present, and I would like to see this passed this afternoon if possible, but I just want to touch upon the point raised by the member for Mirrabooka about de facto relationships. This Parliament has now passed a referral to the commonwealth, because it deals with marriages, to give it the powers to deal with the splitting of superannuation for de facto couples. I am advised by the federal Attorney-General, Hon Christian Porter, that that matter is in the cabinet process in the federal government. It is attending to that, but I am sure that it has other things occupying front and centre at the moment.

I thank members for their contributions. I am keeping a bit of an eye on the clock because I would like to see this out of this chamber this afternoon, because we want to look after spouses. I will wind up my reply to the second reading debate and we will go into consideration in detail.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clause 1: Short title —

Mr P.A. KATSAMBANIS: With the Attorney General's indulgence, picking up on his comments about the working group that will come up with some drafting instructions for a more complete overhaul of the Administration Act 1903, obviously things could change, but is it the current intention that whatever comes out of the drafting process will be produced as a green bill, or will it be introduced as direct legislation into this place?

Mr J.R. QUIGLEY: It will be introduced as direct legislation. I want to try to get it through in the life of this Parliament, because this has been hanging around for a long while. We do not want to do a green bill that then goes on the back burner. We will bring a bill into the Parliament, and members will have ample opportunity to peruse it.

Mr P.A. KATSAMBANIS: We are already at that ticking clock, even though we are almost two years out from an election, so I welcome that. I thank the minister.

Clause put and passed.

Clauses 2 and 3 put and passed.

Clause 4: Section 14 amended —

Mr P.A. KATSAMBANIS: This is the clause that effectively updates the table to the new figures. The Attorney General rightly pointed out that the amounts he has included in this legislation came out of the recommendations of the working group. He indicated that they roughly approximate the amounts in some of the other states that have addressed this issue. Queensland has not really addressed it as yet, and South Australia, I think, is in the process of doing so. States such as Victoria, New South Wales and Tasmania have addressed the issue and have figures around about that \$400 000 to \$500 000 mark for the bottom end.

<024> J/S

Can the Attorney General confirm whether the intention here is really to approximate the cost of getting a decent property for the surviving spouse or partner, and that is why that minimum amount has been set?

Mr J.R. QUIGLEY: That is approximately right—and also to strike a balance between the surviving spouse and other people in the family. The amount was arrived at after consideration, as the member said, of legislation elsewhere. The Law Reform Commission of Western Australia's reports informed the national committee's report. In consultation with the working group, it was considered to strike a reasonable balance between competing claims of family members. We note that it is 8.7 times greater than the current reserved amount. This will provide a lot of relief for surviving spouses of intestate people.

Mr P.A. KATSAMBANIS: For completeness for anyone reading this who wants to be guided by it, can the Attorney General confirm that if the value of a deceased estate is below \$435 000 and there are other issues, and below \$650 000 but there are no other issues, the surviving spouse or partner gets looked after first and they get the entirety of the estate to the exclusion of any other potential beneficiaries?

Mr J.R. QUIGLEY: The member for Hillarys is quite right, and of course there is that old saying: a river can't rise above the level of its bank. When the estate has only a couple of hundred thousand dollars in it, the surviving spouse will get the couple of hundred thousand dollars. If the estate, however, has a lot greater than these figures, there can also be challenges under the family provisions legislation by other members of the family who feel they have not been adequately provided for. We are not changing the family provisions legislation; that will be there for recourse in large estates. Where the estate only would satisfy that, or a lesser sum, that is what the spouse will receive.

Clause put and passed.

Clause 5: Section 14A inserted —

Mr P.A. KATSAMBANIS: Clause 5, which I spoke about in my second reading contribution, allows for an uplift factor. I note at the outset that the clause relies on the responsible minister of the day making an order declaring that the sum has been uplifted. It is not an automatic uplift; the provision allows the minister of the day to do it without coming back to Parliament and passing specific legislation. I seek from the Attorney General, firstly, an explanation about why this mechanism leaving it to the discretion of the responsible minister was chosen as opposed to, say, an annual, biannual or five-yearly automatic review? Secondly, what is the Attorney General's intention around how often he thinks he will exercise this power whilst he is the responsible minister for declaring these sorts of orders?

Mr J.R. QUIGLEY: For the sake of stability, rather than it just being automatically changed to on an almost monthly basis or a six-monthly basis or whatever, it was left in the hands of the minister with a prescribed formula. I am sure that if this bill were already legislated and the government had not dealt with it for two or three years, for example, a diligent shadow such as the member for Hillarys would ask during question time, "Why have you not used your formula? People out there are suffering." It is also important to draw the member's attention to what will become section 14A(4). In the minister making the declaration, it will be subsidiary legislation and therefore will be subject to disapproval by the Legislative Council.

Mr P.A. Katsambanis: That is a good thing.

Mr J.R. QUIGLEY: I am sure that a diligent shadow would press a minister to review, and attack him if he did not. Once he had struck the amount in accordance with the formula, it would lay on the table of the Council.

Mr P.A. KATSAMBANIS: I will get to the final part that I wanted to make sure we had clarity on, which is the formula itself. First of all, I commend the Attorney General for the fact that it includes an automatic rounding-up to the nearest \$500 so that we do not end up with that silly situation in which the amount might be \$483 912.73, as happens in some jurisdictions and is really confusing for everyone involved. We need a good, round figure. That is a good thing. The uplift formula is based on the average weekly total earnings of full-time adult employees in Australia, which is sometimes colloquially referred to AWTE. The sum is uplifted by that estimate that is most recently published by the Australian Statistician. Firstly, why are we using the Australian figure rather than the Western Australian figure; and, secondly, the denominator is a number of \$1 632.10. I assume that represents the average weekly total earnings of full-time adult employees at a particular point in time. Can the Attorney General confirm whether that is the case; and, if it is, which month in which year was that \$1 632.10 figure of average weekly total earnings?

Mr J.R. QUIGLEY: Firstly, the member commenced with a commendation, but the commendation should go to the working group. I cannot claim credit for that. I have accepted the working group's recommendations in that regard. As the member would appreciate, drafting takes a while. To give the exact date, it was the average weekly earnings published by the Australian Bureau of Statistics when the cabinet submission was handed to me to go to cabinet in November 2017—about 16 months ago. It is relatively contemporary having regard to how long ago the statutorily reserved amount was made.

Mr P.A. KATSAMBANIS: I think it is a good idea for the denominator of the formula to be contemporaneous with the time that the amount was struck rather than the time the legislation is passed. Obviously, it will be in the hands of the Attorney General or any other responsible minister in the future to ensure that those orders are made, and, as he pointed out, an adequate shadow would also push for it to happen. Thank you for that explanation.

Clause put and passed.

Title put and passed.

<025> O/1

Leave granted to proceed forthwith to third reading.

Third Reading

MR J.R. QUIGLEY (Butler — Attorney General) [3.59 pm]: I move —

That the bill be now read a third time.

MR P.A. KATSAMBANIS (Hillarys) [3.59 pm]: Very quickly, we support the Administration Amendment Bill 2018 and we wish it speedy passage. There a couple of the points that have been made that need to be reiterated. Members of the public, do not rely on this backstop legislation—seek advice and make a will so that you can distribute your assets in the way that you want to see them distributed. We also look forward to seeing the fruits of the working party's group reviewing the Administration Act.

Question put and passed.

Bill read a third time and transmitted to the Council.

The ACTING SPEAKER (Ms J.M. Freeman): Leader of the House.

Mr D.A. TEMPLEMAN: Can I compliment the Acting Speaker on her wonderful stewardship of the house, particularly of that bill.

The ACTING SPEAKER: Given the time, we are on private members' business.

McGOWAN GOVERNMENT — PERFORMANCE — FEDERAL LABOR POLICIES

Motion

DR M.D. NAHAN (Riverton — Leader of the Opposition) [4.00 pm]: I compliment the Acting Speaker on her timing. I move —

That this house condemns the McGowan government for its failure to stand up to Bill Shorten and federal Labor for advocating policies that will have a detrimental impact on Western Australia.

Yesterday, we saw a very impressive commonwealth budget that supports Western Australia in many significant ways. Indeed, let me go through a few of these. The Treasurer in question time put some doubts on these and took responsibility for a large section of the commonwealth budget, particularly as it impacts on Western Australia, but he did not really emphasise the extent to which the Morrison government has not only injected significant funds into the McGowan government's coffers, but also helped the public generally in Western Australia—indeed, it compensated for some of the many detrimental policies the McGowan government has imposed on struggling households and small businesses in particular.

Comparing the commonwealth's 2019–20 budget with its 2018–19 budget, we can see that the commonwealth in one year gave the state \$4.1 billion in additional funds. All up, over four years, that is a 22 per cent increase in commonwealth grants to the state. That includes GST payments, as usual, according to the old methodology, and the GST top-up that has been widely discussed. There are also extensive increases in payments to the state for essential services—Gonski 2.0, health funding and a raft of other services—and \$1.6 billion in additional infrastructure spending beyond the moneys provided to this state by previous federal Liberal–National governments.

In the first year of the McGowan government, the then Turnbull government decided, under duress, to redirect funding for Roe 8, or the Perth Freight Link, to a range of other purposes. The government did so under duress; it did not want to do it because that was a major project. It will have to be built someday. Nonetheless, the choice the Turnbull government faced was the McGowan government ripping up a contract and destroying thousands of jobs or redirecting that money and sustaining or creating jobs. The commonwealth government chose to redirect over \$2 billion. Then, of course, in the next year, there was Metronet funding of over \$4 billion. Much of that money is yet to be spent. The funding was not just for Metronet; it was for a whole range of road spending, including the Tonkin Highway upgrade. Much of the money provided by the commonwealth in a matching arrangement has been booked, but not spent by the McGowan government. This year, thanks to its good fiscal management, the Morrison government has stepped up and committed an additional \$1.6 billion in funding for road and rail projects in Western Australia. Most of those, in fact all of them, will go through the state government. This is the largest increase in funding to the State of Western Australia in either absolute or relative terms by any federal government in history. It is even more than the Whitlam government way back then, when it expanded the program. It is huge.

If we include iron ore royalties on top of that—that has to be estimated in the upcoming state budget; we are looking at the commonwealth budget—the largest source of additional flow of money, other than, I might add, from tobacco taxes, which have gone up sharply, actually comes from coal, iron ore and LNG exports—our resources. Particularly in Western Australia, it is from iron ore. The iron ore price is over \$A100 a tonne. I might add that is \$US80 or so and nearly \$20 over the state government's forecast for this year. For each additional dollar above the forecast, the government will get \$70 million. This year alone, on top of the \$4.1 billion from the commonwealth, the state government will get an additional about \$1.5 billion windfall from iron ore royalties. All told, that is \$5.5 billion of additional revenue, and the government can do whatever it wishes with most of it. Much of it is the government's money from iron ore; the GST revenue is general-purpose and essential services funding. This is a gift. We thank the Morrison government for its contribution to this state and we want the McGowan government to spend it well. Spend it well; spend it now. The government no longer has fiscal stress. With an additional \$5.5 billion in its pocket, it is well into surplus. There are no fiscal problems here. I might add, with the reform to the GST calculation going forward, whatever the iron ore price is, the government will get a floor of 70 per cent of its GST going towards 75 per cent guaranteed by both parties in Canberra. The government is in a structural surplus going forward. It has an overflow of money.

Before I get on to Shorten's policies, I plead with the government to look at its policies to max the funding that the commonwealth has committed to. The government has repeatedly committed to advancing the Tonkin Highway expansion. Last year, the government took money from the commonwealth. This year, it will receive additional money. The government has had a business plan ready to go for three years, but it has sat on its hands. The government took the money, counted and cashed it and bragged about it as a way to reduce the deficit, but it is sitting on the cash. The Morrison government is not giving the state government money for the Treasurer to act like Scrooge and sit in his

coffers counting the coins. The commonwealth funding is to create jobs, put in needed infrastructure and advance the state. The commonwealth is paying 80 per cent of it and the state government is sitting on it. It is a disgrace. Instead of creating jobs and building infrastructure, the government is taking the money and bragging about it, but doing nothing with it and using it to say it has solved the budget problem.

I might add that in this budget we have a significant further increase in tied grants, particularly for education and health. There is a large increase in funding for Gonski 2.0 and additional health spending. We know what the government has been doing. This is not the first time that the McGowan government has received additional funds from the commonwealth.

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We know what the government is doing. It is taking additional money from the commonwealth and cutting the equivalent money from state expenditure. The government is taking additional money from the commonwealth and cutting its own expenditure, so spending on our hospitals and schools is flatlining. The government is cost shifting. It is trying to shift expenditure away from itself and onto the commonwealth. That is not acceptable. The government no longer faces fiscal stress. It is awash with cash. Its problems have been solved thanks to the Liberal–National government in Canberra. It is time for the government to act like a mature government and do what a mature government should do—that is, look after the provision of essential services to its constituents and the society of Western Australia. Ramping at hospitals is not, as the health minister said, due to the flu, hot weather or the summer flu, or the fact that it is not his responsibility; it is due to a lack of spending in those facilities. It is as simple as that. The minister is running out of excuses. He did run out of excuses last week, but he will probably come up with some extra ones. Next it will be sunspots! It is because of a failure to spend. Now, the commonwealth, like it did with infrastructure and the GST, has bailed the government out on health and education. The government should spend, not cut, its own money and provide the services that it went to the last election promising to deliver.

I would now like to get on to Mr Shorten. He has been interesting. We have to give Shorten credit that he has not sat on his hands and said nothing until the last minute. He went out there way back before the last election in 2016 and made a whole bunch of pronouncements. He has not been lazy in putting together policy.

Dr D.J. Honey: Just scary!

Dr M.D. NAHAN: Just scary!

To a large extent, his problem is that he is beholden to the union movement like no Labor leader in the last 30 years. Importantly, he made a lot of his policies in the context of an overheated economy in Sydney and Melbourne way back in 2015 and 2016—that no longer applies. To get to the energy policy, he has pretty predictably altered from a carbon tax to a de facto carbon tax at even higher levels. I will go through some of these things. Firstly, we saw from the Morrison government yesterday very large cuts to income tax for middle income earners. Effectively, individuals earning below \$120 000 or \$130 000 pay tax of no more than 30 per cent. Basically, 80 per cent to 90 per cent of households have a tax of no more than 30 per cent. That is a substantial reduction on the effective tax rates of Western Australians and Australians. This is generating additional revenue of \$1 000 to \$2 000 that is getting put in the pockets of households; that is per household. This is a huge benefit to struggling Western Australian households, and we would like to thank the Morrison government for doing this. We, in Western Australia, particularly need this. We know that households in Western Australia, which on average have about 20 per cent to 30 per cent higher incomes than people in the eastern states, have been struggling because they cannot meet their bills. That is in large part because of the electricity, water and public transport charges imposed on them by the McGowan government, as well as a whole raft of taxes that have been increased. The Morrison government has provided tax relief in a timely manner to take the pressure off struggling households. He has also done that to small business. He has continued the instant asset write-off. He has not only continued it for another year or so, but also increased it from \$25 000 to \$30 000. That is a huge benefit to the many struggling small businesses in retail and hospitality in Western Australia. They simply have not been able to meet the demands of investing in their businesses. As a result, they have not done so, and as a result of that, they have not employed people. The Morrison government has done a great job compensating for many of the detrimental aspects and impacts that the McGowan government has imposed on the Western Australian community.

We have not seen what Bill Shorten is proposing—that will be announced tomorrow—but so far, and maybe he will deviate from this, he has proposed to wipe out many of the gains that Morrison has offered. In particular, Labor will force workers earning between \$90 000 and \$180 000 to pay 37¢ in the dollar rather than 30¢. In other words, this is the bulk of Western Australians. We have to recognise that in Western Australia, particularly on a household basis, more couples work and we have a higher participation and wage rate. We have higher individual and family incomes than those in Melbourne, Sydney and Brisbane; therefore, these top marginal rates impact us—working class families—more significantly than they do over there. If the tax rate is increased from 30 per cent—which is Morrison’s rate—to 37 per cent, there will be a disproportionately negative impact on Western Australia. That is what Bill Shorten is doing. A couple of weeks ago there was a joint cabinet meeting between the cabinet of the McGowan government and some selected members of Shorten’s shadow cabinet. They got together and agreed to a pact. They are one and the same—McGowan and Shorten. We see the bus driving around our suburbs. There are McGowan and Shorten. They are a tag

team. They are one and the same. They are putting the same policies together. The McGowan government is supporting an increase in taxation for Western Australians.

Dr D.J. Honey: They are going to tax us to prosperity.

Dr M.D. NAHAN: They are going to tax us to prosperity.

The total increase in taxation proposed by the Shorten opposition is \$200 billion. A large amount, a disproportionate amount, will come from WA. Morrison giveth; McGowan and Shorten taketh away!

Mr D.R. Michael: Prime Minister Morrison to you!

Dr M.D. NAHAN: He is not the Prime Minister. Morrison is the Prime Minister.

Several members interjected.

Dr M.D. NAHAN: Probably the most onerous tax is the retiree tax. We have a large number of retirees. We probably do not have as many as in the eastern states, but we have a disproportionate number of self-funded retirees. Again, that is because of our prosperity. We owe a lot to those people, because they saved, they worked hard and they are taking care of themselves in their retirement. They are minimising their draw on taxpayers, which is significantly beneficial for us who remain working, and particularly our children, who will, as time goes by, have to pick up an increasing burden of paying for the retirees. We should bias policies in their favour, not against them. Some years ago, a Labor government introduced a policy of imputation credits. Way back in the 1980s, a government including Keating decided not to tax dividends from businesses twice. That sounds really reasonable, and that government bragged about it. It was good policy. It was really leading the world. Then, in the late 1990s, under the Howard government, an increasing number of people retired, particularly those with self-managed funds but also individuals more generally, and they had imputation credits but no income liabilities to offset those. The Howard government said that because those people had earned these credits and tax had been paid by the firm they had a share in, it would allow them to get a payment for those imputation credits.

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This was strongly supported repeatedly by Labor. In fact, Labor went to the 1999 election with that policy. Over the years, it has said that this is a good idea and it supports self-funded retirees and people who do not have the income to not get taxed twice on their shares, and it allows them to get these payments from the commonwealth. That is a reasonable policy. Well, desperate for money, the Shorten government is going to not only wipe out those imputation credits, but do so selectively. A person in an industry fund—read union-dominated fund—can get those credits, but if they are in a self-managed fund, they cannot. Someone in an industry fund like Cbus or others can get these credits, because of its union mates, but a working-class person who has saved in their own super fund gets no extra benefits from having their own managed fund as opposed to an industry fund. They cannot get it under Shorten.

Mr W.R. Marmion: It's an envy tax.

Dr M.D. NAHAN: It is an envy tax. Basically, they are saying "Close down your super fund and get into our industry funds. Close it down and put it in there." It is rigging the system for your mates, at the expense of people who have worked hard all their lives to take care of themselves in full in retirement. They have pushed quite significantly on this. Over 10 years, it is going to raise \$56 billion; in other words, \$56 billion is going to be ripped out of retirees' income. I have met many people where this represents 20 to 30 per cent of their total income in retirement. The problem with this is that once a person retires and actually earns this, they have a difficult time restructuring. Many of them are going into dividend-heavy stocks—banks, Telstra and others—and they have relied on these imputation credits and other dividends to keep themselves alive. They will close down their self-managed funds, probably go into industry funds, but actually restructure the thing so that they go onto welfare and the pension.

About a month ago, when exposed to this pressure, Shorten said that people on part pensions would be given those imputation credits. Someone with a self-managed fund who takes care of themselves would not get them, unless they move over to Cbus or an industry fund—Labor's union mates. Then a Labor government would give them to people. But someone who decides to structure their assets so that they are on the pension can get the imputation credits. That is a clear signal: do not take care of yourself, do not save and want to be self-sufficient in retirement; under a Shorten government it is better to restructure one's assets, hand them to one's kids, go on a cruise, blow the money, go on the pension and get more money. It is stupid.

By the way, again, because of our income and the structure of our society, this impacts Western Australia more than it impacts the eastern states. Again, the Morrison government giveth; the Shorten government, if it ever is government, will taketh away. People who have worked all their lives to be self-sufficient will be penalised by a Shorten government. This is disgraceful. It will impact over 200 000 self-managed funds in Australia and over 900 000 people. That is a Shorten government.

Have we heard any of the leaders or ministers in this house, such as the Minister for Housing or the Minister for Seniors and Ageing, stand up to this and say, "Not on my watch"? No. They stood up in tandem and said, "We are with you, Shorten! We want to rip off the self-managed funds. Either go back on the pension or go into an industry fund, or we

don't care about you. We're going to rip out your money." That would be a Shorten Labor government, and the McGowan government is not doing the right thing and standing up to it. The Premier likes to stand up and say, "I am fighting for WA." This is a fight he squibbed. This is a fight that he needed to take on for his constituency and for our society, and he squibbed it. He is putting his party above the people.

I will talk about other things that go through. We are in a very strange position in the housing market in Australia and in Western Australia. We have had an overheated market in Sydney and Melbourne. Over four years, Sydney house prices went up by 75 per cent or more and Melbourne house prices went up by something similar. It was a bubble. Something had to be done. There are many ways that one can measure this. The median house price in Sydney—I expect that is in some of the inner-city suburbs in the larger Sydney metropolitan area—is over \$1.1 million. It is ridiculous. Sydney now has the highest house prices relative to median income in the world, other than Hong Kong. Hong Kong is a bit special; Sydney is not. It has a lot of land. We have an overpriced market in Sydney and Melbourne by far; it had to come down and it has. On the other hand, the growth of house prices in Perth peaked in 2006–07 and since then we have had, on average, a decline in house prices. In fact, over the last 10 years, house prices in metropolitan Perth went down by 17.7 per cent on average. It is a large decline—the largest in living memory.

Houses are special because they are the asset base and the key source of wealth for households, and it is upon wealth that people feel optimistic or pessimistic, spend or do not spend. Of course, it is not just an asset; it is their home. It is something that people aspire to and raise a family in. It is the jewel in the crown of families. Over a long time, we have had very high levels of household ownership and households aspiring to own their own homes. However, for 10 years we have seen a decline in house prices. I know that the Treasurer has stood up in this place many times and said, "Everything is great. I cannot find any source of data that is not anything but positive." Either he is misleading us or he has misled himself, but the reality is that even though we had all hoped that the housing market had hit the bottom and was going to come back up, it is going through the bottom. It is setting a new bottom.

Over the last quarter, median house prices in the metropolitan area declined by 3.5 per cent. That number is still falling. Housing approvals vacillate year by year, but housing starts by the Housing Industry Association are expected to decline again this year and next year, with about 16 000 housing starts expected in 2019–20, which is 50 per cent less than what it was at its peak about three years ago. Our housing market is in deep trouble. It is driven by a number of things. First, thanks to the McGowan government's restrictions on migration, our population growth is low, at 0.8 per cent. We are still losing people to the eastern states. We put a limit on the categories of migrants who can come here. We eliminated Perth as a regional centre that gave preference to people to come to Perth, and people are leaving Perth or skipping and overflying it and going to Adelaide and Hobart instead. That is the reality. Without people, there is less demand for housing.

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We also know that because of changes in the Australian Prudential Regulation Authority's prudential requirements and the fact that the banking royal commission has scared them, banks are significantly altering, reducing and tightening their requirements for loans for housing and small business. It has been in the news repeatedly—in fact, the Premier indicated that he now recognises it—that we are approaching a credit crunch from the banks. Hopefully the regulators will ease off, but it is there. The banks have reduced the valuation required to get a house and they have done the same thing to small business; therefore, most small businesses are using their house as collateral for their business, so that is having a deleterious impact on the small business and household sectors. That is why we are not getting expenditure, and that is why state final demand and the pace of the economy has shrunk in each of the last four quarters. Again, the Treasurer is in complete denial. He is spinning a story that is off in the stratosphere, but he will be caught out.

My point here is that the Shorten opposition has proposed a series of policies that will make this worse. They might have made sense in Sydney and Melbourne in 2016, but they would not have made any sense in WA in 2016 and they make no sense now. They are going to reduce the capital gains tax bonus—policies put in place by the Howard government all those years ago. If you owned an asset, house or investment property, you got a discount on the capital gains tax of 50 per cent. A Shorten government will reduce that discount to 25 per cent, at a time of collapsing house prices, a time of declining investment in housing, and at a time when, in Western Australia at least, rents are going up and new house construction is stagnant. Rent increases are impacting upon low-income people to a large extent, no-one is building new houses, and the Shorten opposition wants to take away one of the incentives for investors to build new housing stock. No wonder house starts are in decline for both detached and attached housing.

The Shorten opposition also wants to take away negative gearing provisions. We could have a long debate about negative gearing, but one thing is clear. A study was conducted by the Reserve Bank of Australia and the results were published in the Reserve Bank's *Bulletin* of 17 November 2017, so it is relatively new. It looked at this issue very extensively. It said that if we were to remove the negative gearing provisions, as the Shorten opposition is proposing to do, and allow it only on new housing, it would lead to lowering house prices and increasing rents.

Life is all about timing; policy is all about timing. We have a housing market that is undergoing the largest decline in our state's history—a 17.7 per cent decline over 10 years, and 3.5 per cent over the last quarter—rents that are going up and no building, and the federal opposition is coming in with a policy that augments that decline, increases rents,

and lowers prices. That is idiotic and disastrous. It is coming in with this policy in the context of a credit crunch, which means that it will significantly harm thousands and thousands of Western Australians.

This is not rocket science; this is the bleeding obvious, and there is no way of rationalising it. That is the impact. What has the state government done? It has stood shoulder-to-shoulder with Shorten and said, “Let’s do it. Let’s impose a tax on the housing sector that will drive prices lower and rents higher and undermine builds at a time when we are already at record lows.” That is the McGowan government. Again, it is more interested in helping its Labor mates than in helping Western Australia.

We do not know what Shorten will do; God forbid that he is elected. Hopefully, people will look at this and say, “This is mad”. He has had two years to refute these policies, but he has stuck with them because he needs the money as part of the \$200 million that he is desperately trying to get. We would expect the leader of the Western Australian government, irrespective of his party, to stand up and say to his mate Shorten, “This is not right. If you impose this on Western Australia, you will kick the guts out of the economy.” The McGowan government has done a pretty good job of that already, but the WA economy cannot withstand another kick like this. The Premier has to stand up for us; that is why he was elected. He can go off to Shanghai and talk to the big and mighty, the billionaires up there, but what really counts is what is happening here in our suburbs and our constituencies. In about six weeks or so we will have an federal election, and the party that the state government is closest to is proposing significant hurt to our state economy at the worst possible time. But what does the state government do? It blindly supports the federal Labor Party irrespective of its impact on Western Australia.

Another issue I would like to mention is the proposed changes to discretionary trusts; I think there was some discussion about this today. Thousands of tradies rely on family trusts to organise their business. Most farms do the same thing. They have a trust that owns the business or the farm, the money comes into the trust—it is usually a family trust—and there is discretion by which they allocate any proceeds from the trust to individuals. That is the major mechanism by which small businesses and farms are organised. It is really characteristic of the Australian income tax system.

In the past a tradie—for example, an electrician—and his wife did the books, the main income would come into the trust, and it was up to the discretion of the trust to allocate the money to the husband, the wife, or maybe the children. Of course, income tax varies with income, so if the wife did not have very much income outside the discretionary trust and the trust provided income to the wife in exchange for bookkeeping services, that was taxed at a lower rate than applied to the husband, who got more money. This is the basis of our small business sector. The Shorten government is proposing to put a floor of 30 per cent minimum tax on all trusts. That means that the wife in the example I used, who might have another job and is on \$20 000 a year from the trust, will have to pay \$6 000 tax on that. In other words, the federal opposition wants to put in a policy that will discriminate against small business structures—payments to family members; that is, it will tax them at a higher rate than it will tax people who receive money outside that sort of arrangement.

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Given that the Western Australian economy is really a small-business economy based upon a particularly large trading community, more so than in any other place in Australia, one would expect the Premier of our state to say, “Wait a minute. This is not right. Why are you discriminating against small business or farmers? Why are you doing that?” That is what they are doing, and they are doing it with their eyes wide open. What have we heard from the McGowan government? Nothing—except for seeing pictures of the Premier on the bus with Shorten, driving around our suburbs. In effect, he is saying that the McGowan government supports all these moves. It supports the increase in tax—the 37 per cent tax rate—for people with incomes over \$90 000. The McGowan government supports the removal of dividend imputations for people with self-managed funds. It supports the increase in capital gains tax and the negative impacts that will have on households and house production. It supports the minimum 30 per cent tax on discretionary trusts. Government members should stand with Shorten and say that they support all those policies. I support Morrison—we all do. We support the Morrison government. The federal budget that came down is great. I support all aspects of it. Members opposite are doing the same thing for the Shorten opposition. They support his policy.

Dr A.D. Buti: Do you support reduction in penalty rates? Do you support an underspend in the NDIS?

The ACTING SPEAKER: I would have thought you would have been a bit careful, member for Armadale. We have it on record now. Thank you very much. Let us listen to the Leader of the Opposition.

Dr M.D. NAHAN: I listened to the ABC this morning and the National Disability Insurance Scheme issue came up. Both Bill Shorten and, I think, Treasurer Frydenberg stated that there is a bipartisan approach to the NDIS. It is demand driven: if the demand is there, the money is there and they all agree to it. There are no cuts to the NDIS and no reduction of the NDIS. The Morrison government is 100 per cent committed to the NDIS program—no doubt about it.

Dr A.D. Buti interjected.

Dr M.D. NAHAN: As for penalty rates, the person who tried to cut penalty rates is the federal leader of the member opposite’s party: Bill Shorten. As the industrial relations minister way back in the Gillard government, he instructed the Fair Work Commission to start an inquiry into penalty rates and stated that they needed rationalisation. He stated

that he would accept whatever the Fair Work Commission found. The commission came out with a report—after Shorten got tossed out, of course—and recommended cuts to the penalty rates in certain conditions. Of course, he backflipped for political reasons, but there have been no cuts to penalty rates. That is a furphy from the Labor Party.

Mr D.R. Michael: Sorry; say that again.

Dr M.D. NAHAN: There have been no cuts.

Mr D.R. Michael: Absolutely cooked.

Dr M.D. NAHAN: Yes, no cuts to penalty rates. The member will find out in this budget whether there is any commitment to discuss penalty rates.

Mr D.R. Michael: The federal government doesn't pay penalty rates.

Dr M.D. NAHAN: It does. Let me go to another area that is going to hit the Western Australian economy even harder than those tax changes—electricity and carbon tax issues. We have had a long debate in this nation about how to address greenhouse issues. The Morrison government has committed to a 26 per cent to 28 per cent reduction in carbon emissions by 2030, as per the Paris Agreement.

Ms J.J. Shaw: It is on track to hit four per cent

Dr M.D. NAHAN: The member can talk later. Do not interrupt me. She should just listen. The commitment to a 26 per cent to 28 per cent reduction, which varies between measurements, would have a significant impact on the economy. That policy is being implemented by the commonwealth in a whole range of areas. That is what is incentivising renewables to some extent. Other factors include commerciality—solar-on-rooftop and large-scale solar—investments and a whole range of mitigating factors. That is what the Morrison government has committed to. But the Shorten government has stepped that up to a target of a 45 per cent reduction in carbon emissions by 2030.

Mr D.R. Michael: The Shorten what?

Dr M.D. NAHAN: The Shorten opposition. They also have a 50 per cent renewables policy.

Mr W.R. Marmion: What impact is that going to have?

Dr M.D. NAHAN: That is a good question, member for Nedlands. Remember before the last election, the shadow Minister for Energy was going around Western Australia saying, "If we get elected, our policy will be a 50 per cent renewables policy." That trouble was he did that right before the election, and I do not think he talked to his leader very clearly about it. Nonetheless, the impact of that was made clear to all Western Australians in South Australia. South Australia pursued exactly the same policy and had statewide blackouts.

Mr W.R. Marmion: The lights went out.

Dr M.D. NAHAN: The lights went out. Everybody looked at the policy and said, "Good God! How does a state have a total blackout?" Even though it has a competitive energy market, how does it still have some of the highest electricity prices in the world? How does that happen? It was due to the 50 per cent renewables policy.

Ms J.J. Shaw interjected.

Point of Order

Dr D.J. HONEY: These constant interjections from the member for West Swan are going unabated and unaffected.

Ms J.J. Shaw: The member for West Swan is not in the chamber.

Dr D.J. HONEY: I mean Swan Hills.

The ACTING SPEAKER (Ms J.M. Freeman): Member for Swan Hills, a point of order is heard in silence.

A government member interjected.

The ACTING SPEAKER: Order! When the Acting Speaker is on her feet, no-one moves and no-one speaks. Leader of the Opposition, please continue.

Debate Resumed

Dr M.D. NAHAN: Right before the election, when it became clear that the then McGowan Labor opposition's 50 per cent renewables policy would be a disaster for the state, it backed away from it.

Ms J.J. Shaw: That was not its policy.

Dr M.D. NAHAN: Yes it was.

Ms J.J. Shaw interjected.

The ACTING SPEAKER: Member! One more time and I will call you—cease and desist!

Dr M.D. NAHAN: Thank you for the protection.

The McGowan opposition backed away from it. The opposition basically said that it would not have a state-based policy and that it would adopt whatever the commonwealth has. Right now, it is adopting a 26 per cent to 28 per cent reduction in carbon emissions from the Paris Agreement. Shorten has come along with his 45 per cent reduction in carbon emissions, which is significantly higher than the existing policy, and on top of that a 50 per cent renewables policy. That is the McGowan government's policy. The government has said, "We are in step with Shorten. On a state basis, we are going to do what he wants us to do. We're just not going to take leadership on it. We're going to follow him." The Premier more recently said that he is going to have to do something on greenhouse emissions at a state level. Shorten's policies are this government's policies. What is the impact of this significant increase in carbon dioxide abatement and renewables policy? We asked the question to the Minister for Energy, who was dumped for a while but who is back on the portfolio, probably to implement Shorten's policies. He criticised me as the former energy minister for doing the same thing that he is planning to do. Wrong! We never had a 50 per cent renewables policy. We accepted that greenhouse issues are a commonwealth responsibility. The commonwealth government was addressing this and it was leading to a significant increase in renewables adoption in this state, and we supported that. It is the pace that we are arguing for, not the direction. Premier McGowan supports Shorten's 50 per cent renewables policy, in tandem with a 45 per cent reduction in carbon emissions. That will do far worse to this state than what happened in South Australia all those years ago.

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I will give members some estimates. The impact on the economy of the Morrison policies is about \$19 billion over 10 years to 2030. That is significant. However, the impact of the Shorten policies is in the vicinity of \$400 billion. The issue is the pace of adjustment—\$400 billion. The differential impact between the Morrison and Shorten policies is a 50 per cent increase in electricity prices. In other words, we expect the member for Cannington; Minister for Energy to tell the people of Western Australia that despite the increases in electricity prices by over 19 per cent, and probably over 20 per cent after this coming budget, Shorten is proposing to implement a policy that will jack up electricity prices by another 50 per cent. At a time when households are struggling with income, despite the Morrison tax cuts, and with lower house prices, Shorten's policies will hit them with a 50 per cent increase in electricity prices.

I will finish on this. The other day, the Environmental Protection Authority came out with a policy to cap emissions from large projects that produce over 100 000 tonnes of CO₂. The Premier said he knew nothing about that until he read about it in the paper. We will deal with that in the future. I think it was another action by the Premier of saying, "I will pretend to know nothing"—like Sergeant Schultz—when he and his party were intimately involved in that process. Shorten is proposing to implement a policy that is even worse than the EPA policy. The Morrison government also has a policy, which it will impose selectively, that large projects with emissions of over 100 000 tonnes of CO₂ will need to mitigate those emissions somehow. That sounds very similar to what the EPA was proposing, but with offsets and exemptions for electricity, coal and a range of other industries, including gas and LNG. The Shorten government is proposing to reduce the cap from 100 000 tonnes to 25 000 tonnes.

Mr P. Papalia: The Shorten government?

Dr M.D. NAHAN: The Shorten opposition.

Several members interjected.

Dr M.D. NAHAN: The Premier stood up for industry when the EPA proposed a cap of 100 000 tonnes. Shorten is going to lower the cap to 25 000 tonnes.

Mr W.R. Marmion: That's why he's in China.

Dr M.D. NAHAN: Yes, that is why the Premier is in China and not here. In other words, the EPA's policy was minor compared with what Shorten is going to impose on the same industries. What has the mob across the aisle said about that? Nothing!

Mr W.R. Marmion: Crickets!

Dr M.D. NAHAN: Yes, crickets! The state of Western Australia is by necessity, and appropriately, energy intensive. We process renewable and non-renewable resources, in large volumes.

Mr W.R. Marmion: We're the LNG hub.

Dr M.D. NAHAN: Yes. That is why the Premier is in Shanghai.

Ms J.J. Shaw interjected.

Dr M.D. NAHAN: Pigs are flying over there! Shorten has come up with a policy of capping and a 400 per cent offset of any emissions over 25 000 tonnes. That is one quarter of what the EPA proposed. That is what he proposed, and, if he gets into power, he will enforce that. He has reinforced repeatedly that this is what he will do. He has a \$300 million fund that he will flip around to try to assist us. He has exempted electricity. However, our large manufacturers of LNG and aluminium, and hopefully urea, some day, will be hit hard, as will our energy and mineral resources.

Dr D.J. Honey: Assisted by AWU and AMWU dollars!

Dr M.D. NAHAN: Yes. That is a policy that members opposite are supporting. The Premier failed to stand up against the EPA two weeks ago, but he is now supporting in full a more draconian policy. The Premier is putting the jobs of Shorten and his future ministers over jobs in Western Australia.

Mrs R.M.J. Clarke: You haven't got any time for Morrison, have you?

Dr M.D. NAHAN: Morrison is doing a great job. We stand by him 100 per cent on his renewable policies, on his CO₂ policies and on his tax policies. The people of Western Australia know that the government is standing shoulder to shoulder with Shorten on a whole range of policies, as we are standing shoulder to shoulder with Morrison. Be honest! If members opposite support Shorten, speak up! The Premier's picture is on the bus. Shorten is probably the biggest threat to the Western Australian economy in modern times, and members opposite will be accountable for that.

Several members interjected.

The ACTING SPEAKER: Member for Kingsley, I call you for the first time, and I call the member for Swan Hills for the first time. That is enough.

Dr M.D. NAHAN: I expect the member for Swan Hills to stand up next time Shorten is in town and say, "I support your renewable policy of 50 per cent. I support your reduction in carbon tax by 45 per cent by 2030. I support your increase in income tax. I support all those policies." We will go to the member for Swan Hills' electorate in two years' time and remind them of the member's support for those policies.

Ms J.J. Shaw interjected.

Dr M.D. NAHAN: It is in *Hansard* now. The member for Swan Hills supports a 50 per cent increase in electricity prices.

Ms J.J. Shaw interjected.

Dr M.D. NAHAN: The member supports higher taxation for her own constituents.

Point of Order

Dr D.J. HONEY: Mr Acting Speaker, I cannot hear the leader for the injections from the member opposite.

Ms J.J. Shaw interjected.

The ACTING SPEAKER (Ms J.M. Freeman): Member for Swan Hills, a point of order shall be heard in silence. I call you for the second time, and that shall be enough.

Debate Resumed

Dr M.D. NAHAN: Members opposite should stand up and support their leader in Canberra, Bill Shorten. They should be honest and be held accountable for the policies he will implement, if he is ever elected, and for the pain they will wreak on our economy.

MR P.C. TINLEY (Willagee — Minister for Housing) [4.58 pm]: I am the lead speaker for the government on the motion moved by the opposition today, in particular in relation to the federal opposition's policies. One of the things I find very interesting in these motions is that they range fairly widely. It is probably appropriate in this chamber that we debate federal matters in so far as they affect our state, or in so far as we think they might affect our state. It is very important when we are in the shadow of a federal election that we put ourselves on the record, as the Leader of the Opposition has said, and say where we think the federal opposition is doing the right thing and where its policies will have a positive impact, or any impact, on Western Australia.

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I find it really interesting, in the tenor of the questions asked in the last couple of weeks by the opposition, and very much ensconced in this motion, that the opposition appears to accept that a Shorten government is inevitable. In all their questions, and in all their negativity, carping on about the Shorten–Bowen plan in various policy areas, members opposite seem to accept that a Shorten government is an absolute inevitability in six or so weeks. They are moving consistently with their negativity as an opposition on these matters. I look forward to hearing members opposite stand up and support the Morrison government.

Dr M.D. Nahan: I did.

Mr P.C. TINLEY: The Leader of the Opposition has had a little stab at it, but he could not help himself, because 90 per cent of his contribution in this chamber was spent carping on about the negativity, the "sky-is-going-to-fall-in" scenario, and the Armageddon that will be the advent of a Shorten government. When will he have his face on Morrison's campaign bus? When will he become part of a graphic on the side of a campaign bus, on a DL in a letterbox, or in an ad with the Prime Minister of Australia, showing that he supports the Morrison government and everything that it does? Mark McGowan, the Premier of Western Australia, has shown absolute leadership, commitment and solidarity with Bill Shorten and his team to ensure that this country gets the government it deserves, as opposed to the last six years —

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition, you are on three calls.

Mr P.C. TINLEY: We have had six years of a revolving-door prime ministership, and the rats leaving the ship. Nothing gives more confidence to the people of Western Australia that we will get a Shorten government than the number of senior Liberals who could not see their way clear to stand in the coming election.

The SPEAKER: Page two.

Mr P.C. TINLEY: I am still on page one. I have got to get it more organised.

Mr D.C. Nalder: Do you have to read it?

Mr P.C. TINLEY: Yes, I do, actually. I will put my spectacles on.

Mr D.C. Nalder: The Premier's office didn't do a very good job, did they?

Mr P.C. TINLEY: The Premier's office? I do not know what the member did when he was in government. He should do his own work.

I have been on my feet answering questions, and also speaking in public on the area of housing policy, specifically negative gearing and capital gains tax discount for investors in the property market. The Leader of the Opposition made a significant commentary about the impact he felt that this was going to have on the housing market nationally, and from a Western Australian perspective. However, it is really important that we put this whole policy area into context, and consider it not just on the national level, and not just on the impacts it will have on a subnational level, here in Western Australia, but also on how it works in other jurisdictions. Are we alone? Are we the only country that has these arrangements? In fact, that is not the case. Japan and New Zealand have negative gearing arrangements for property. They are the only other two countries that I could find—I would stand corrected by interjection if there are others—where losses on an income property can be offset against all other income. Let us think about that for a moment. We are using taxpayer money to subsidise a loss-making investment. We are saying that people can pay this money, make a loss and offset it against their income. What investment advice is that? I say to my friends and family who are in business that I hope they pay \$1 million in tax, because that would mean they have made a heap of money. They have made more than they have paid in tax. Why do we have a structural flaw in our system that creates the circumstance in which we can pay net income on a loss-making venture? It is axiomatic that this will create a demand-side arrangement that will naturally inflate the supply of housing.

We must look at the facts here, and the reason there needs to be a structural shift in the way we allow these sorts of incentives in the tax system. No less a person than Saul Eslake has been very vocal on this. No-one here who reads these sorts of things would not know where Saul Eslake sits on these matters. He has had a 30-year campaign, maybe more, against negative gearing. His seminal paper is worth reading, and I recommend it to everybody. It is titled "Australian Housing Policy: 50 Years of Failure". In it, he discusses the structural issues that have created the circumstances in which our children will be dispossessed of the opportunity to enter the housing market. Members in this chamber with children, or who are connected with children—aunts and uncles—who are reaching the age at which they are looking to enter the property market should talk to them. My 25-year-old son is a very good example, with his friends. I always use them as little focus group when they come around to raid my refrigerator. I sit down and talk to them about their aspirations and expectations for wealth creation in the future. To a person, they have discounted ever owning a property. It is not that they might do so some time in the future; they have resigned themselves to looking for other forms of investment, as opposed to, as the Leader of the Opposition talked about, the innate centrality of our home. My son is better at crypto currency investment than knowing about which are the leading suburbs in Western Australia, or anywhere else, where he might want to get into the property market. These fundamental things need to be considered when we are contemplating the idea of a structural shift in arrangements around taxation and tax offsets, particularly in that most precious of commodities, our homes—the roofs over our heads. There are now officially more renters in Australia than home owners or people paying off mortgages. Officially, more than 50 per cent of householders in this country now rent. That should worry us. The home ownership rate has been in a strong decline for many years.

The other point we need to talk about is the effect on the public accounts. Using Treasury figures, Saul Eslake calculates that the effect of this tax offset is somewhere between \$4 billion and \$5 billion a year. That is just on the negative gearing. When we load into that the 50 per cent discount on capital gains tax from the sales of those properties, that is something in the order of \$11 billion a year that the taxpayer is funding for a loss-making investment. We need to contemplate that. Is that a fair system? They talk about structural tax neutrality and those sorts of things, but this is clearly not one of those things. This is one of the things that needs to be pulled into a neutral environment, or driven to a point at which it is actually achieving a policy outcome. Governments send signals to the market every time they put out a policy. Every decision a government makes sends a signal to some market of some kind, and this is no different. Negative gearing and capital gains tax discounts have sent, for many years, a signal to the market that has inflated the price and put pressure on the demand side that creates that pressure. We will always be in supply deficit, because we will always be chasing that circumstance. Look at the multiple of average household income required to buy a median house today, as opposed to five or 10 years ago. I do not have the stats at hand, but we all know that that multiple has

gone up significantly, from two or three times annual household income to something like seven times. It is a big number. It is a structural problem we have to attend to.

Dr M.D. Nahan: It actually occurred over about a 30-year period. In the early 80s it was about three to one in Western Australia. It peaked at about seven or eight to one, and it has come down to about six now.

Mr P.C. TINLEY: That reduction or retraction is the reflection of a couple of arrangements, but the long-term average would be very consistently staying at that point.

The other thing that we need to drive us here is that this has a consequential impact on other parts of the property market and the economy. As people move to rental as a common base by which they will house themselves, we create a circumstance in which the rental price and the rental vacancy rate become acutely important. We know that in this state rental vacancy is around 2.8 per cent.

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Anybody in real estate will tell us that once rental vacancies dip below three per cent, there is a supply constraint and that drives up those property prices. The Leader of the Opposition interjected about the 30-year-long average for home ownership. The majority of that ownership happened in the late 1920s and early 1930s when those people entered the property market. The home ownership rate among people aged 25 to 55 years has fallen by an average of nine percentage points since the 1991 census. There has been a significant decline in the number of people who own their own home.

I go back to my point about \$11 billion of forgone tax revenue to promote increased investment in rental properties that are available to rent. When we look at the evidence for this policy position on offsets in the property market, we see that 90 per cent of people who invest in property and use it as an offset for other income make up the established market. They bought in the established market. Bill Shorten and Chris Bowen have seen this. They have looked at the evidence and taken advice. They realised that this is not incentivising construction of new dwellings or the density arguments that we keep talking about and are trying to move towards—I will talk about that in a moment. It is incentivising the established market to the tune of 90 per cent of all geared investors in the established market. That should be a worrying piece of evidence. All they are doing is buying established homes. They are not investing in construction in the numbers that we need to move the supply side of the argument. They are not investing in multi-unit sites, medium-density sites or large apartments. They are investing in established homes. The reason is that the average investor is going to buy a renter, as they say—I should declare that I am one of them. Many people of my age, in my cohort, have done that. That has been a well-trodden path for wealth creation for people sitting in this chamber.

Mr J.E. McGrath: Battlers like us!

Mr P.C. TINLEY: Battlers like us, on the modest sums that we get—yes, member for South Perth!

The offsets are there. However, when we look at it, we realise that we need to contemplate restructuring and rebalancing the system. That takes courage. It takes a certain amount of leadership, luck—I get it—and perseverance to see it through. None of us in this chamber can accurately predict with any of the modelling that anyone has talked about what the long-term effect of this will be. In the modelling that has been presented to us, we can go on what all the experts are saying, and we can make an educated guess on the basis of the evidence presented.

I want to move on to where this impacts on tax brackets. I want to talk about how this will impact on people. Statements have been made about how it is going to get low to middle-income earners and those sorts of people. Again, if we look at the facts, the figures show that someone in the top income tax bracket with a taxable income exceeding \$180 000 a year is almost three times more likely to be a negatively geared landlord than someone with a taxable income of below \$80 000 a year. They are three times more likely to be negatively geared than a low-income earner—if we think \$80 000 a year is a low income. I am talking about individuals. Of course, for the purpose of the argument, I would have to make the counterargument that 80 per cent of the beneficiaries of negative gearing have a total taxable income, including income from the negatively geared property, of less than \$150 000 per year. The tax office statistics suggest that 64.3 per cent of taxpayers who have rental property losses have taxable incomes of less than \$80 000 a year. That is not surprising given that people with taxable incomes of less than \$80 000 a year account for just over 80 per cent of all taxpayers. Therefore, 80 per cent of all taxpayers are in that bracket, so it is not surprising that 64.3 per cent of them would make up that number.

If we flip that again using that same set of figures—of course, we can use figures very creatively—people with taxable incomes of less than \$80 000 a year make up less than eight per cent of negatively geared landlords. Let us put that number out there again. People on \$80 000 a year make up only eight per cent of negatively geared landlords. This is clearly a tax for the rich. This is not of benefit to those people who are higher income earners, whereas 23 per cent of those people with taxable incomes over \$180 000 a year are negatively geared landlords. Eight per cent are at the low end and 23 per cent are at the high end. This is a tax for those who are wealthy by community standards. They are not billionaire miner wealthy; they are wealthy by community standards. If we go down the street to street-corner meetings and tell those people what we earn as a backbencher in this Parliament, plus all the allowances, which they can find out publicly, they will realise that we are chasing \$190 000 a year. Everybody in this chamber is in that bracket. We are, by community standards, wealthy. We are probably in the top five per cent.

The evidence is clear: 90 per cent of negatively geared landlords are in established properties. The reason they are in established properties is that when they borrow and make those investment choices, they want to have a rental history. Therefore, investing in new construction is a more precarious possibility. It is more difficult for them to try to define the risk of going into a new property, particularly in some of the new suburbs where people are still developing the social infrastructure and the community. Anybody going into an investment property is acutely focused on the historical value of that property and the intrinsic attraction for somebody to rent in that area. Matters of debt servicing and the ticket price of the house are secondary to some of those considerations. In Western Australia, there are many examples in which people have branched out from the metro area to find better value in some of the regional towns such as Bunbury and Albany. Again, they are only looking at established properties, and the numbers show that.

We come to federal Labor's affordable housing plans. In talking about negative gearing, it is important to understand, if we accept what I have been saying, that there is a structural problem in our system in which the multiples of income have made home ownership and entry into the housing market very difficult for our kids and their kids. We accept that the tax incentives for negative gearing are in the order of \$11 billion a year to fund people to go into a loss-making investment—I want to reinforce that. The fundamental issue is that we are using taxpayer money to fund a loss-making outcome, as opposed to the occasional loss that sometimes happens through the investment decisions for which the tax system was originally established—not a structural tax loss in order to minimise a person's regular income or any other income that person might have.

The other aspect is that it creates a circumstance in which it is focused only on established properties. It does not promote growth. It does not promote construction, jobs and the sorts of things that are activated around those areas. Another point to note is that it does not stand in isolation. I do not have the modelling with me; however, I suspect that the changes to the capital gains tax discount will have a bigger impact than will negative gearing on the whole system of affordable housing. The Shorten–Bowen team is focused on taking the policy lever, using it as a market signal—an incentive—and pointing it towards the sorts of outcomes that we are trying to create. We are trying to create a market.

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Bill Shorten's policy is actually about affordable housing, and, to give due credit, that goes back to the current Prime Minister's first budget, when he put housing affordability at the centre of the particular policy setting and recognised, as we all do in politics, the growing importance of affordable housing and the housing stress that many in our community find themselves in. For example, a significant number of people both in rental accommodation and with mortgages are now claiming that they are experiencing housing stress. We are seeing an increasing amount of negative equity, particularly in some of the outer suburbs north of Joondalup and south of Rockingham, and that is impacting significantly on some of the lending practices of the banks. These are all part of a constellation of things that we need to consider.

Bill Shorten announced at the national Labor conference in Adelaide an affordable housing policy that would produce 250 000 dwellings over the next 10 years. Going back, that understands two things. I am surprised that no-one on that side of the chamber made this argument, and I give this as a little hint for further speakers on that side: get up and defend and promote the National Housing Finance and Investment Corporation. It is a very good initiative of the current federal government that will, if it is applied properly, get a significant outcome through the community housing sector, and I will explain how that will work soon. In fact, I note that the NHFIC released its first \$300 million investment package just last week or the week before.

Having an affordable housing plan is fundamentally important to set the arrangements under which it will be used. Do not forget, as the Leader of the Opposition said, that this is not a new initiative from the Shorten opposition. It took it to the previous election. If someone had told me 10 years ago, or even five years ago, that an opposition leader would be promoting and taking to the ballot box at an election that holy cow—that shibboleth—of wealth creation in this country that is gearing and capital gains tax, I would have thought they were crazy. It is hard to have that sort of conversation with the community. Also, it is about strong leadership. It is a very clear-eyed view about what is needed. Whether it is right or wrong, it is a clear-eyed view of what is needed and a plan to achieve it. He took that to the last election and did very well. In fact, all the research post-election from the Labor side found that that was a significant vote mover for younger people. Take heed of that. Younger people feel dispossessed in this community not only over the environment and climate change and the world they are going to inherit, but also about things like their access to the opportunities that we enjoy. I ask people over the age of 50 years to reflect on their grandparents' time. The single biggest uplift in our standard of living has occurred in one generation. Since the Second World War, purchasing power in parity terms per capita has gone through the roof, plus in the last 28 years, there has been uninterrupted growth and consistent wage growth in a low-interest environment through some policy initiatives of various governments, not the least of which was the Hawke–Keating government's floating the dollar, deregulating the banks—although I am not quite sure that that worked out so well—and some of the other initiatives that created the environment of atmospheric conditions that created genuine business in this country.

These plans have been announced previously. The affordable housing plan was not taken to the last election, but the tax reforms were and they were accepted. The point that was noted was that reforming these concessions will make the tax system fairer, as 70 per cent of the benefits of the CGT discount go to the top 10 per cent of income earners. We are

taking that opportunity. Again, I point members to the \$11 billion a year it will create as budgetary ullage, as we call it—free space—to apply to the sorts of things that the community expects from progressive governments.

It has also been well regarded. There has been no end of commentary about it. It is great that we are having a public debate. Various suspects, such as the Institute of Public Administration, the Master Builders Association and the Housing Industry Association, all have positions on it and various modelling has been commissioned. Some of the assumptions in that modelling are very interesting once we break into them and understand how the conclusions have been reached. The assumptions are fundamentally important to understand the contention recommendations and outputs from that modelling. As recently as last month, no less than independent economists like Saul Eslake and international economic agencies like the International Monetary Fund have called for reforms of Australia's overly generous property tax concessions because they encourage the leverage of real estate investment.

At the next election, there will be a choice between a federal Labor government led by Bill Shorten, Chris Bowen and a very experienced team and a tired, sad, broken Liberal government that is bereft of ideas. I will just segue and talk about how poorly the current federal government has performed. This came out this morning. It must have been nine hours after Josh Frydenberg got to his feet and delivered his first budget. There was meant to be a one-off payment of \$75 for singles and \$125 for couples to offset —

Dr A.D. Buti: It was an election bribe—come on!

Mr P.C. TINLEY: The member might say that. I might write to the Electoral Commission about that one.

The idea was a budget sweetener worth \$75 for singles and \$125 for couples. The people who were excluded from that were the people on the Newstart allowance. Young people were excluded. When Chris Bowen spotted that from a mile away, he was right on the front foot. In fact, he crafted an amendment to the budget to bring to Parliament tomorrow to make sure that young people trying to get a start in this world get access to the one-off assistance payment. For those who are unfamiliar with it, it is assistance for power bills. It relates to the cost of power. Nothing is more emblematic of a government that has lost its way and is out of touch. Not only is Newstart a very tough gig to be on, but also even employers are driven nuts by the number of people who just turn up or who swamp them with their CVs and job applications, because those young people need to get a tick in a box to make sure that they continue to receive some assistance while they look for a real job. Newstart is an inefficient system. It is unfair, it is mean spirited and it does not attend to the policy outcome of genuine employment for everyone.

I want to move on to talk about the policy on negative gearing. It was identified that 90 per cent of geared properties are established houses. A market signal needed to be created to say that it would apply to newly constructed dwellings. I want to move away from the word “housing” because it contemplates a single lot, single plot dwelling. We are so much more than that now; Australia certainly is and Perth is moving towards that. It is about a dwelling, which could be a multi-unit dwelling, high-rise apartments et cetera. The policy is skewed to support only the construction industry. It is a modification of existing arrangements whereby it will move away from established properties and apply only to newly constructed properties. When I look at that from a state-based policy point of view, I think that is a great opportunity. We have Metronet. I am just talking about the city, but I will move on to the regions, because there is a definite plan for renewal in large regional towns in particular. In the city, there is nearly \$3 billion of urban rail infrastructure, with 14 new Metronet precincts.

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Imagine the signal that will send. Once the legacy stock in those transport-oriented developments is taken out, or even before that, and those precincts around the train line are cleared out, with any land that is available, there will be a different incentive for people in Western Australia to take advantage of a Bill Shorten-led federal government policy change that will create the sort of thoughtful densification that this city needs to ensure that it no longer grows at the rate it has grown. I am not suggesting that it will not grow—it will not be the end of greenfields sites—but we have to retard the growth of the outer rim, the Perth metropolitan area, which is 147 kilometres long. Our land area is long and skinny but we are bigger than Los Angeles, which is a crazy prospect. We have the highest number—44 per cent—of single lot dwellings of any capital city in Australia. That needs to be attended to in a structural sense by limiting the gearing arrangements of the tax concessions that are afforded to people who invest in property. New construction is a singularly brilliant idea that creates the circumstances that will deliver the outcomes.

When state and federal policy is aligned or in harmony—in some cases by chance and happenstance rather than by design, which is quite often a feature of our federated system—a distinct variety of housing will be available to people in Western Australia. I am talking about how we are attending to the density inside the city—the 10 to 13-kilometre ring around the CBD—but also, even in the outer areas where people are prepared to supposedly compromise on the size or nature of their dwelling and trade for the amenity of the community they might live in. That 10 to 13-kilometre ring is not confined to the inner metropolitan area. Out in Ellenbrook, for example, the Housing Authority and the Department of Communities launched a joint venture with the Buckeridge Group of Companies called Now Living, which promotes 80 square metre micro lots. People might think that is tiny and wonder why we would do that out at Ellenbrook, 26 kilometres from the CBD. When we go out to Ellenbrook, we see what a magnificent community it is in built form. It is an internationally awarded master plan community. That is a significant feather in the cap of the

Western Australian property sector and the development sector. People might think that an 80 square metre micro lot is quite bizarre and wonder how they could live in something that size. The normal size for an apartment is around 40 to 50 square metres, and people happily live in that. That 80 square metre lot is over two levels. Including a car park, it is a two-storey arrangement. It is a very large apartment on the ground.

Dr A.D. Buti: You don't have to worry about a lawnmower.

Mr P.C. TINLEY: People can watch somebody mow the lawn because a park is right opposite. They are walking distance from a train station—the future Ellenbrook rail line. They are also walking distance from the amenities that a village such as Ellenbrook affords. Imagine investors looking at the sorts of opportunities in an area such as this that would allow them to get a tax incentive for offsetting other losses against that investment. It will be skewed towards places such as Ellenbrook where there is still plenty of dirt left and plenty of opportunity. When the train arrives in Ellenbrook, courtesy of Minister Rita Saffioti and Mark McGowan's leadership, people will see an opportunity to really profit from that arrangement. In fact, when we think about it, it has never been more affordable to buy a house in Perth than right now. That is something we should all reflect on.

I pulled up a 1930 subdivision from the Coolbellup library—one of those old images from the archives. It was called Bibra Lake back then. Sections were being sold off for about £6. The interest rate was six per cent. I do not think anybody would have thought that was terribly affordable, but it was on the edge of the Fremantle district. This is a different set-up. Nobody has done the modelling on this. If people get the purchase price at the right point relative to the return from the rent, we might find a large number of investment properties or investment decisions will go from a negative gearing situation to a positive geared arrangement, with people making a surplus. That would be novel—renting out a house and making money out of it and having to paying tax on surplus income rather than going to the taxpayer and getting a rebate because they invested in a loss-making venture. These are not the sorts of things that are impossible to imagine should we get a Shorten government and get this embedded.

The other thing that is worth talking about is the timing. The Leader of the Opposition talked with time phase issues and the unintended consequences of when policy is brought to book. It takes time. It takes between three to four months from an investment decision to the commencement of construction, and some constructions can take longer. The flow-on benefits from this have to be modelled and the leading edge of when those benefits would impact on taxation all have to be considered, and at a volume that will move the dial on taxable income and its impacts. This is an incentive for new construction and an opportunity for Western Australia to take advantage of it.

People in country towns such as Albany and Bunbury can buy a significantly good investment and it will be positively geared. In fact, people in smaller towns such as Manjimup are doing very well because the price point is below the rental yield and the rental yield is paying for the mortgage itself and sometimes producing surplus income.

The other point to note about timing, picking up the Leader of the Opposition's point about the time-phased impacts of policy, is that the Shorten negative gearing policy and CGT reform will not take effect until January 2020. When we throw forward into that year, as I was saying, and see the impacts that will have on the tax bill of the nation, I do not think we will see any great movement in the needle until at least the middle or the second half of 2020, when we will see the effect at the bank.

The other point to note about the policy is that anybody in this chamber who has a rental property will be subject to a grandfather, or grandmother, arrangement. They will have the benefit of that 50 per cent capital gains tax discount in perpetuity with that geared arrangement. If they shoehorn their kids into an apartment and get them going, they will achieve that full discount.

The other point to note—this is not often talked about—is that it does not affect existing capital gains tax; it is a discount that applies to superannuation funds. I also note the commentary around small business, particularly that 50 per cent active asset reduction concession that applies to small businesses. This is a very well thought through policy that aims to achieve a market response and then at the same time moves slowly to a structural rebalance of something that has created a circumstance of people not being structurally excluded from the property market. This policy has been fully costed by the Parliamentary Budget Office. By its estimation, it will raise \$2.9 billion over the current forward estimates, out to 2022–23.

Mrs L.M. Harvey: I could do with one of them here.

Mr P.C. TINLEY: That is a good idea. We asked the former government for one.

More importantly, this policy will raise \$35.1 billion over the medium term—that is, out to 2029–30. That talks about the flywheel effect that would occur over time as these concessions come in and we see the market responses.

<035> G/F

That is \$35 billion between now and 2030, and we can do a lot with that. Arguments about the goods and services tax and so on are very important, but that fight seems to have been largely won. Bill Shorten, courtesy of a significant progressive tax reform, will give successive governments the opportunity to invest in the sorts of things that Australians want.

There is another point that is often not talked about but is fundamentally important. I said that we now have more renters than buyers in the Australian market. The other part we need to look at is the rental situation and what we are doing to assist the rental situation. A Morrison government decision created the circumstance in which we were falling behind, and we will continue to fall behind until it is redressed, hopefully by a Shorten government, in managed investment trusts. The withholding tax discount afforded in other countries has created a build-to-rent sector—that is, when commercial businesses see it as a viable investment to build dwellings and rent them out. This is an important distinction. If we are going to have more renters than buyers and if we are going to have a cohort of people who prefer to rent because they want the amenity of a location rather than the cost of ownership, we have to make sure that we understand the circumstances and framework by which businesses make that investment. In this case, managed investment trusts—they are called real estate investment trusts in the United Kingdom but they are the same sort of arrangement—will get some treatment from a Shorten government, which would move to reduce the withholding rate for an entity from 30 per cent to 15 per cent; that is, the amount that the entity or trust must withhold for the purposes of taxation will reduce from 30 per cent to 15 per cent. This is really important because under trust arrangements, 85 per cent of a trust's income must be distributed as dividends—that is what will happen when the arrangements change—which leaves 15 per cent, and that will create a circumstance in which mum-and-dad investors, as members might want to call them, will have a genuine opportunity to invest in a trust, knowing that the taxation arrangements under that trust will be quite favourable. If they do it at the right point in time and they are structured in the right way, particularly at certain points in life, the arrangements around superannuation will significantly amplify the return that an individual investor will get going into a managed investment trust. That is fundamentally important to us from a public policy point of view, because with the densification of Perth and other large regional towns, we need to create an incentive to deliver affordable rentals. The implementation of these arrangements must be tailored. The advocacy that I would make to any federal government in this space would be to make sure that there is an affordable component to the tax offset—an incentivisation for affordable rent. Affordable, in relative terms, is less than 30 per cent of an individual's income, but to me, affordability should be placed in the medium and bottom two quartiles of income, which is the 30 per cent mark. Affordability should even be placed in the bottom quartile.

When somebody makes an investment decision in a build-to-rent arrangement, the incentive is to not changeover tenants or to not sell the dwelling and achieve a capital gain. Rather, the incentive is a profit-and-loss arrangement—profit through the income, and reducing the loss or the cost of the business by making sure that tenants are constantly rotating in and out. The landlord, the investor, is incentivised to have long-running tenancies, and that has been a significant problem for the rental market and consumers in the rental market. Security of tenure is a fundamentally important point; it is not just the price or the conditions by which they can get access to a dwelling, but also the security of tenure, and that is why public housing at the lower end of income is so attractive. I see this time and again as a local member with constituents trying to get into public housing, and I certainly see it is as the Minister for Housing. When we look at the finances of so many of the clients who come to us, they can actually afford a modest rental cost, but when we quiz them, they want to go into public housing simply because they want certainty in their future and security of tenure. A proper tax treatment for managed investment trusts will incentivise the build-to-rent community and bring us in line with other jurisdictions, such as the US. Australian superannuation funds are investing more in managed investment trusts in the US, Canada and other jurisdictions than they are in Australia—it is an appalling state of affairs. Australians' superannuation investments, which are some of the best in the world, are going offshore. I understand that is absolutely essential in a balanced portfolio sense, but not when we look at the rates of investment in managed investment trusts or the sorts of things in the affordable housing end that are fundamentally important to Australians and Western Australians. The tax arrangement reforms for properties that Bill Shorten is looking to bring in are wideranging and, as I said, they not only encompass the CGT and negative gearing arrangements and skew towards new-only construction, but also look at all the other treatments of managed investment trusts to make sure that the structural arrangements incentivise an outcome. The Parliamentary Budget Office has also advised that the build-to-rent policy would have an unquantifiable financial impact—it cannot quantify exactly how much it will improve the circumstances of the books.

As I said yesterday during an answer to a question, the industry has spoken about a lot of this; some agree, some disagree. The modelling industry seems to agree with whoever is paying its bills. There are some interesting skews in the findings on the basis of the assumptions. In its commentary, Deutsche Bank, with its usual Teutonic stoicalness, said —

Our sense is that the relative attractiveness of new dwelling investment compared with investment in established dwellings should be a positive, at least at the margin, for new dwelling construction ...

That is a ringing endorsement. Well-known Sydney developer, Capio Property Group, said —

“This reform is exactly what the market needs ... it's a shot in the arm for what is a depleted off-the-plan market,” ...

The off-the-plan market is the medium and higher-density properties for which they cannot get project finance or when the funding arrangements for the construction of these things is contingent on presales. This is a very good example in which presales will be forthcoming, which has been a significant problem. As I have said in here many times, Mark

Steinert, the chief executive officer of Stockland, which is one of the largest listed property developers in the country, said of these reforms —

“Our business will rip,” ...

“We’re all about new product. At the end of the day, half our buyers are first-time buyers, and 80 per cent of our buyers are owner-occupiers. If the investors are going to participate in the market like they have in the past, that means they’re all pointing at our product and other developers’ products.”

When Danielle Wood from the Grattan Institute talked about the positive impact of Labor’s policy on the majority of Australians, she made a very simple point—that it is a win for first home buyers. Thomas Helbling, who is the International Monetary Fund’s mission chief to Australia for those who are not familiar with him, said —

“Australia would benefit from broader tax reform, including revisiting tax concessions that favour leveraged investment by households,” ...

That came from an article in *The Australian Financial Review* in November 2018, which is headed, “IMF backs negative gearing curbs in broader tax reform”. Of course, in the Morrison government’s attempt to tear down a good idea and rip it apart with scaremongering, Liberal minister Kelly O’Dwyer made some statements that were entirely inconsistent with the advice that she was given. I refer to an FOI email from federal Treasury to the minister, which reads —

The (Liberal Minister Kelly O’Dwyer’s) statement is not consistent with our advice. We did not say that the proposed (Labor) policies ‘will’ reduce house prices. We said that they ‘could’ put downward pressure on house prices in the short-term depending on what else was going on in the market at the time. But in the long-term they were unlikely to have much impact.

<036> I/F

We know that Treasuries do not always get it right. They do as much modelling as everyone else, but even the federal Treasury has belled the cat on the scaremongering of the Morrison government and endorsed that the impacts of Labor’s policy are consistent with what Bill Shorten and Chris Bowen have been saying.

The member for Darling Range was on her feet yesterday, talking about modelling by SQM Research.

Mrs A.K. Hayden: Don’t tell me you’ve read it.

Mr P.C. TINLEY: I am really surprised that the member would actually say anything like that. Did she actually read it? Did she read the assumptions in it? Did she read what Master Builders Australia said? Let us go to the MBA.

Mrs A.K. Hayden interjected.

The SPEAKER: Members! The member over there I think is on three calls; do not encourage her to talk.

Mr D.R. Michael interjected.

The SPEAKER: Member for Balcatta!

Mr P.C. TINLEY: I will just talk about the SQM modelling, which talks about the idea that Labor’s policy would drive rents up and push dwelling construction down, which is completely ridiculous when we actually read into it. Labor’s policy will redirect negative gearing tax benefits into newly constructed dwellings, as I have said, which would make new dwellings relatively more attractive to would-be investors, thereby helping to increase construction and lower rents. That is the contention at the heart of the Shorten–Bowen reform. SQM for some reason ignored that fact and argued that housing construction, in its own words —

... would likely fall further due to the lack of investor demand —

Because of —

... the likely losses investors in those properties would face come resale time to those who won’t have the tax concession.

Just think about that: the likely losses investors in those properties would face, come resale time, to those who will not have the tax concession. The statement contradicts itself. One cannot argue on one hand that investors will avoid new dwellings for fear of having to sell at a loss, which is what they made, but on the other hand that there may be a brief rally in the lead-up to the proposed changes to negative gearing as a result of grandfathering opportunities. SQM is saying that investors will not invest in new properties because they will not have the opportunities for resale to somebody else who might buy them for a geared arrangement, as those buyers will not be given the same tax incentives as the investor. That defies understanding. If that is the case, why are they not going pell-mell on the grandfathering arrangements for the investment property market now, when it has never been more affordable? It is not; the market just has not responded to it. As I have already mentioned, there is no end of people in the industry who are saying that Labor’s policy on negative gearing for new builds will boost dwelling construction, thereby lowering rents.

I turn now to the Master Builders Australia's modelling, which the member for Darling Range said she had read and understood and presented in a way that was open and transparent. Chris Bowen, in rebutting the MBA's assertions, had this to say in an ABC online news article of 24 October 2018 —

“Labor's policy is to limit negative gearing to new properties going forward, but to fully grandfather all existing investments,” ...

That is a really important point to note. He continued —

“It's a fatal flaw in the modelling and it's a very fundamental issue. You can't claim that you've modelled Labor's policies when in fact your own document says you haven't.”

If the member for Darling Range had actually read the MBA document, she would have known that it did not model Labor's policy, and said so. On 24 October 2018, MBA chief executive Denita Wawn conceded that the research did not include Labor's grandfathering of negative gearing. It is no wonder Chris Bowen slammed the research commissioned by Master Builders Australia that argued that the proposed reforms to negative gearing and capital gains tax would result in fewer new homes and prompt a serious decline in building. It did not include the totality of the impact—that is, all existing dwellings being grandfathered going forward—of access to negative gearing arrangements. It is just bizarre.

As I said, the National Housing Finance and Investment Corporation is something that the Leader of the Opposition and members opposite should take note of. It is the one shining light in the legacy, if you like, of the hopefully outgoing federal Liberal–National government in Canberra. It was established in the 2017–18 budget, following work between the commonwealth and state Treasuries. I would be very interested to hear whether the Leader of the Opposition has had any experience of this. The important point is that it comes alongside the community housing sector. The community housing sector is there to provide affordable accommodation for people on low to moderate incomes. The two largest providers—Access Housing and Foundation Housing—have more than 3 000 dwellings in Western Australia between them, and stand to significantly benefit from this arrangement. Right now those assets can be geared to only 40 per cent; that is the standard at which the community housing sector can go out and borrow from the banks, and that is because the banks have already discounted the amount that they will leverage to these not-for-profit organisations, because they have said that they do not want to be the ones to foreclose on not-for-profit organisations. They cannot get a gearing above 50 per cent or 60 per cent, and therefore they are not able to grow the assets. It is a lazy balance sheet in some form. NHFIC now has the capacity to come alongside and accept that level of risk and produce discounted money that will go directly to the community housing sector. That is very important to the community housing sector and the State Housing Authority. They are working closely together to make sure that they are maximising that. That does not go alone, because it is also coupled with the Bowen national rental affordability scheme, which will be shifted to provide a rental offset of about \$8 500 per year, per dwelling, to those dwellings that provide rent at 20 to 25 per cent of the market rate. That is a significant opportunity for people in the not-for-profit sector to deliver on the densification required in this city around some of those communities of interest, to activate those communities and allow the use of the commonwealth rental assistance, which is a further offset of around \$60 per week to a dwelling. That, in totality, creates a circumstance in which affordable housing for some of the lowest income earners is a genuine reality; not just on the outer rim of the universe, but also in the more liveable parts where we all enjoy the amenity of the precinct.

DR A.D. BUTI (Armadale) [5.57 pm]: I thank the opposition for allowing me to speak; I will only take about 10 minutes.

Mr Z.R.F. Kirkup interjected.

Dr A.D. BUTI: Thank you very much, member for Dawesville. It was very enjoyable listening to the minister set out the benefits of many of the tax policies of the federal Labor opposition, which may or may not be the government within a couple of months. I want to spend some time talking about the imputation reforms that federal Labor proposes, but before I do that I will just mention the National Disability Insurance Scheme; the Leader of the Opposition and I had a slight exchange on that. It is bipartisan, which is fantastic, and it is probably one of the greatest social reforms in Australian history. However, it is not working at this stage. The reason the money has not been spent is that the system has not been set up properly. It is unconscionable that the supposed surplus of the budget is on the back of this money that is not being spent on the disabled.

Dr M.D. Nahan interjected.

Dr A.D. BUTI: I am more than happy to take the Leader of the Opposition's interjection.

Dr M.D. Nahan: I think it was Bill Shorten who said that there are a lot of teething problems associated with it, and there is unspent money because of those. But it is also a transitional arrangement where people are shifting from what they had to that. He was actually quite complimentary of the bipartisan approach to it. The budget was forecast on what they think will happen, but if it's better than that, then the money is there.

<037> M/2

Dr A.D. BUTI: Let us just hope that it does work. It has to work. It is very complicated. It is very complex but it has to work because it is a much-needed policy.

Labor has proposed an imputation reform. Over the last month or so, the opposition has talked about it being a pensioner tax. That could not be further from the truth. People on pensions are not going to be subject to this imputation reform.

Dr M.D. Nahan: I mentioned that.

Dr A.D. BUTI: I know the Leader of the Opposition mentioned that, but other members in questions without notice over the last month or two have talked about it being a pensioner tax. Let us just go through this very clearly. I want to spend only 10 minutes going through what this is all about. This impacts only those people who receive cash tax refunds from the government after paying no income tax. They pay no income tax, but they will receive a government refund.

Mr Z.R.F. Kirkup interjected.

Dr A.D. BUTI: I have only 10 minutes. In the member's contribution —

Mr Z.R.F. Kirkup: You won't be here.

Dr A.D. BUTI: I know I will not be here but I will listen to it. I always listen to the member for Dawesville's contributions.

Under Labor's proposal, there is a tax at the company end—that was the whole idea. Keating and Hawke brought in the credit scheme so that there would be no double tax, so it was a great reform. At the company end there is a tax, but to prevent a person from being taxed at the individual end, the Keating government made those reforms to avoid a double tax. But if a person is not paying tax, they should not receive a refund. It is like saying to someone on a low income who does not pay tax and does not even have any cash withdrawn by an employer, that they should then get a refund from the government. It is absurd!

Mr I.C. Blayney interjected.

Dr A.D. BUTI: Under this reform, member for Geraldton, no-one will pay a single cent more tax. No-one will lose a single cent from their super contribution. No-one will lose a single cent from their pension—so to call it a pensioner tax is misleading and dishonest. No-one will lose a single cent from their share dividends. None of that will happen. Not a single cent more tax will be paid.

Mr Speaker, often I do not mind interjections, but because my time is short, I seek your protection from interjections for the few minutes that I have left.

The SPEAKER: You have got it.

Dr A.D. BUTI: At the moment, the way the system works is definitely skewed towards wealthy Australians. An analysis shows that 80 per cent of the benefit accrues to the wealthiest 20 per cent of retirees, and 90 per cent of all cash refunds to superannuation funds accrues to self-managed super funds. Just 10 per cent goes to funds regulated by the Australian Prudential Regulation Authority despite the self-managed super funds accounting for less than 10 per cent of the overall superannuation in Australia. The top one per cent of self-managed super funds receive a cash refund of \$83 000—that is the average—which is more than the average full-time salary in Australia. It is quite absurd. If there is another country that does this, let me know. I do not know if there is one where a person does not pay tax but receives a government refund on top of that. The reforms of the Labor Hawke–Keating government to stop the double taxation were very sensible. It is taxed at the company end and the individual is not taxed at the dividend end, and that is great. But if a person's income is set up to not pay income tax, they should not then receive a refund from the government. What is more is the cost to the country.

Mr S.K. L'Estrange interjected.

The ACTING SPEAKER (Mr T.J. Healy): Member, I overheard as I was coming to the Chair that you are not seeking to take interjections.

Dr A.D. BUTI: That is right.

Mr S.K. L'Estrange: We will give you an extra two minutes to explain it.

The ACTING SPEAKER: Very noble.

Dr A.D. BUTI: I am not seeking interjections because I do not have the time.

The ACTING SPEAKER: The member has indicated that he is not taking interjections. Member, please direct your comments to the Chair.

Dr A.D. BUTI: The cost to the Australian public of having this system in place is phenomenal. It has been reported that we will forego \$8 billion in tax revenue. What could we do with that \$8 billion? Just think of the amount that we could put into education and hospitals. The \$8 billion that will be foregone is more than that spent on the Australian Federal Police—the total budget of the Australian Federal Police. It is absurd to see this as a tax on pensioners because

pensioners do not receive the refund; therefore it is not a pensioner tax. I went through the statistics that show that the benefit accrues to the wealthiest 20 per cent of retirees. The wealthiest 20 per cent of the retirees will receive 80 per cent of this benefit. If anyone can tell me that that is an equitable taxation system, I do not know what equity means. I thought we basically agreed that Australia has a progressive, equitable taxation system. That cannot be considered to be part of an equitable taxation system. How did this come about? It came about because the Howard–Costello regime had this excess money and wanted to know what it should do with it, so it put in place this welfare payment. I would think that the Liberal Party would be opposed to middle or wealthy welfare payments. The Liberal Party is always talking about means testing welfare: “You should be means testing welfare.” How can this not be welfare when the government is paying a refund? How can that not be welfare? Obviously it is welfare and it is welfare that is going to the richest 20 per cent of retirees.

Opposition members interjected.

The ACTING SPEAKER: Members!

Dr A.D. BUTI: I thank the opposition for allowing me to jump up before they did. I want to talk about how the Shorten government will ensure that pensioners are taken care of.

Mr W.R. Marmion interjected.

Dr A.D. BUTI: I am not taking an interjection, but I think “Armadale” was mentioned just then. If the member for Nedlands comes to Armadale, he will find out that most of the people who live in Armadale are not receiving this assistance.

Mr K.M. O’Donnell interjected.

Dr A.D. BUTI: It is called the cocktail phenomenon. If the member had studied psychology, he would know about the cocktail phenomenon. When a person’s name or something is mentioned from afar, they can pick it up. That is why we should not speak about someone in a crowded room.

Mr D.R. Michael interjected.

Dr A.D. BUTI: Yes, a cocktail phenomenon.

Under the pensioner guarantee, every recipient of an Australian government pension or allowance with individual shareholdings will still be able to benefit from the cash refund. This includes individuals receiving the aged pension, the disability support pension, the carer payment, the parenting payment, the Newstart allowance and the sickness allowance. Self-managed superannuation funds with at least one pensioner or allowance recipient before 28 March 2018, will, I think, be exempt from the changes. I think that date might be changed. This is just absurd and inequitable. Give me the name of another jurisdiction or another country that has this system. If there is one then that is fine, but let me know. I do not know of any other country that gives a person a refund because they are not paying any more tax on a dividend. The government keeps saying that low-income earners are the ones who are being penalised in this. That is rubbish!

<038> A/2

Several members interjected.

The ACTING SPEAKER: Members!

Dr A.D. BUTI: That is absolute rubbish, and members opposite know it is rubbish.

The ACTING SPEAKER (Mr T.J. Healy): Member, you have indicated that you are not taking interjections, so you cannot pose questions. Please talk to the Chair.

Dr A.D. BUTI: I did not pose a question. I made a statement. Mr Acting Speaker, you are the one who said today that we cannot ask questions in a point of order.

The ACTING SPEAKER: Member!

Dr A.D. BUTI: Okay.

I thank the opposition for its indulgence in allowing me to go first. I note that it really hurts members opposite, because I usually do engage in exchange with them across the floor, but due to the fact that I have another appointment to go to, I am unable to do that.

Mr D.A. Templeman: Where are you off to? Did you tell the Whip?

Dr A.D. BUTI: Yes. The appointment is here. It is on campus, leader.

Several members interjected.

The ACTING SPEAKER: Members on my right, the member is not taking interjections.

Dr A.D. BUTI: If the bells ring, I will be back in here.

The Leader of the Opposition invited members on this side to stand up if we believe in and want to stand side by side with Bill Shorten. I proudly stand beside the federal Labor opposition, because I am incredibly proud that the federal opposition has put out its tax policies. I realise that the federal coalition government, which has been an incredibly dysfunctional government over the last six years —

Mr S.K. L'Estrange: Which has a budget surplus!

Dr A.D. BUTI: Yes, on the back of not paying out the NDIS. That is why it has a budget surplus.

Mr D.R. Michael interjected.

The ACTING SPEAKER: Member for Balcatta, the member for Armadale has indicated that he is not taking interjections. Please allow him to continue.

Dr A.D. BUTI: The fact is that the federal government will be running an almighty scare campaign against the policies of the federal opposition. Regardless of whether members agree with the policies of the federal opposition, they would have to agree, when they consider the dysfunction of the federal coalition government, that the federal opposition would be tempted to be a small target. But, no—the federal Labor opposition has decided that it will go to the election with a raft of policies. I believe its taxation policies will make this country a more equitable and just society. It will also have a mandate, unlike the incoming Abbott government in 2013, which said no funding cuts to the SBS and ABC et cetera. We all know the political consequences of that action, although we could argue that Joe Hockey, the architect of the 2014 budget, did not suffer much of a punishment, because he ended up in the Australian embassy in Washington, DC, and by all accounts is ensuring that the budget of that embassy is being well spent, as we find out every now and again. Tony Abbott is still in his seat. We know that many people in the Liberal Party wish he would lose his seat at the next election, as he may do, to the international skier who is running against him, who won a gold or a bronze medal in the Winter Olympics some time ago.

Several members interjected.

Dr A.D. BUTI: Was it gold? I do not think it was gold. I do not Australia has won a gold medal in skiing. It is Steggall.

Mr D.A. Templeman: Yes, I think we have.

Dr A.D. BUTI: Did she win a gold?

Mr D.A. Templeman: It was a Victorian. She became a member of Parliament .

Dr A.D. BUTI: No. I am talking about Steggall, who is running against Tony Abbott. We have won gold in other pursuits, but not in skiing. I am sure that many people in the Liberal Party, including the former Prime Minister, Malcolm Turnbull, will have a bottle of champagne if she does defeat Tony Abbott.

On that note, thank you very much.

MR Z.R.F. KIRKUP (Dawesville) [6.14 pm]: I, too, rise to speak to the motion moved by the Leader of the Opposition —

That the house condemns the McGowan government for its failure to stand up to Bill Shorten and federal Labor who are advocating policies that will have a detrimental impact on the state of Western Australia.

I found the member for Armadale's contribution enthralling, as always, although he has taken what I like to call the member for Carine's version of five minutes—that is, turning five minutes into 15 minutes. Nonetheless, it was interesting to hear his perspective on things. Of course, we disagree with a number of the statements made by the member for Armadale. I appreciate that he will not be here to listen to our rebuttal, but I take him at his word when he said that he will listen to every word of it after his next appointment.

How fantastic it is that the budget is back in the black. The budget is back in surplus.

Mr R.R. Whitby interjected.

Mr Z.R.F. KIRKUP: How fantastic it is, member for Baldivis, that we are back in the black. It is great. It is a thing of beauty. The last time a federal Labor government delivered any sort of surplus was when I was aged two. Here I am, aged 32, and we are back in the black, thanks to the coalition government. Fantastic effort. The benefits of that good economic stewardship are now being sown throughout Australia, in particular in infrastructure and road spending, investment in new medicines on the pharmaceutical benefits scheme, and great outcomes for the country at large. I have to say absolutely, as the Leader of the Opposition pointed out, that we are very proud to stand shoulder to shoulder with our Prime Minister and the federal Liberal Party and all the candidates in the upcoming federal election who are standing for Senate and House of Representatives seats in Western Australia. I am certain that all members on our side will do our very best to support the re-election of the incumbent members and the election of those candidates throughout the state of Western Australia. It will be fantastic to see an outcome, perhaps on 11 May or 18 May, or even on 25 May, which has been mooted, or whenever the federal election is held in the next couple of weeks, in which the federal Liberal members for Western Australia are returned to their seats. Hopefully, we will even pick up seats like Cowan, which would be great, as the Prime Minister has forecast.

We should contrast a possible federal Labor government with the fantastic Liberal–National coalition government, which has been able to pay down a significant amount of the debt that the Labor Party managed to accrue when it was last in government. The interest bill on that debt was \$18 billion a year. That was the equivalent of 500 schools or 10 or so hospitals. The federal coalition government has not only paid down that debt but also created millions of new jobs and new opportunities. It has kept our borders safe and secure. It has invested in new roads, schools and hospitals across the country, and indeed in Western Australia. That is great to see. Of course when I have the great opportunity of talking to people in my community, they say they want a government that invests in roads and hospitals. The Labor government in Western Australia has failed to deliver on anything like that for Mandurah. Thankfully, the federal coalition government is delivering that for them. I will go through some of the things that Andrew Hastie, the fantastic member for Canning, has managed to achieve for my community. Under the Morrison coalition government, 1.2 million more Australians are in employment. That number is higher than it was before this government was elected. Nearly 60 per cent of those 1.2 million jobs have been full time. That is a fantastic achievement. In 2017 alone, 412 000 new jobs were created. The federal coalition government has increased access to important services like childcare and healthcare. The budget that was handed down yesterday outlines the tax relief that will be generated from a re-elected Morrison government. That will have a real impact on people in my community. That tax relief is nothing to sneeze at. More than 10 million Australians will receive immediately more than \$1 000 in tax relief from a re-elected Morrison government. That is a great outcome. Of course, this is happening only because we have a strong economic manager in the coalition government. In fact, as the Leader of the Opposition has quite rightly really pointed out, a prospective federal Labor government is one of the biggest threats this country has faced in recent history. I have not seen an alternative Prime Minister who presents a bigger threat to the future of the Australian economy than Bill Shorten.

<039> E/S

Not only does his militant union background concern me—he is controlled by union puppetmasters, as we know—but his ability to tax and spend does also. Every time Bill Shorten opens his mouth, all we hear is “tax, tax, tax” and “spend, spend, spend”. He thinks he knows better than Australian citizens about how they should spend their money. Contrast that with the reduction in taxes thanks to the coalition government, which has managed to invest in things such as education, better defence, stronger borders, roads and health care.

I talk about health care and Peel Health Campus a fair bit. It is important to see that since 2013–14, we have seen a 76 per cent increase in public hospital services funded thanks to the coalition government. We have seen it go from \$13.3 billion to \$23.4 billion invested by the coalition government. That is not an insignificant investment in the national health system. Importantly, a lot of that has been invested in places where it is most needed—that is, our hospitals and emergency departments. The benefits have been seen particularly in my community, with Andrew Hastie securing \$25 million from the federal government to expand the Peel Health Campus emergency department. That is five times as much money as the state Labor government is offering. We have seen federal Labor completely missing in action, once again, when it comes to the people of Mandurah and their health concerns at our local hospital. More than that, we have seen, because of the exceptional economic stewardship of the federal government, more than 1 900 new drugs have been listed on the pharmaceutical benefits scheme. That is a really great outcome that can be delivered only by a government that is a strong economic manager, and one that makes sure that important economic settings are in place so that small businesses can thrive, working families pay less tax so they can spend more in the economy, and people are employed. We have seen millions of new jobs created. Contrast that with where Labor is at. With a prospective Labor government, all we will see is a government that is high spending and high taxing and a threat to the economy of Western Australia in particular and, more broadly speaking, the national economy.

I find the member for Armadale’s contribution on the retiree tax interesting. There can be no doubt in anybody’s mind that the policy that Labor is taking to this election unashamedly and almost bullishly demeans senior Australians who have worked hard to make sure that they have set themselves up for the future without relying on social security, and they are going to be targeted. Higher taxes on retiree savings have been mooted by the federal opposition leader, and that will have a very real impact in my community. It will have a very real impact in Canning, the division that my seat is in, and across Western Australia more broadly speaking. That means that the Labor Party will try to generate somewhere around \$45 billion in revenue by focusing on retirees. I have yet to see a prospective alternative government, in the time I have been involved in politics, specifically target individuals the way that the federal Labor Party is doing now. It is very happy to cherry-pick what it sees as the groups that it can afford to lose politically. It does not seem to care about the impact it will have on people’s lives in our community. To me, that is an amazing way for the party to conduct itself in opposition. One can only fear what will happen if the Labor Party manages to get into government. In Western Australia, this Liberal Party will fight tooth and nail to make sure that that does not occur, and I am certain that will happen right across the commonwealth. When we think about the retirement savings that will be penalised, as the member for Cottesloe and I have been discussing, and the targeting of franked dividends and things like that, we realise that it is hitting those seniors who have made sure that they have saved enough money so that they are not reliant on social security or the pension.

On the other side of things, things like negative gearing and increasing capital gains tax will impact those younger families who might be needing to rent or looking to get into the new housing market. I refer to the Minister for Housing’s

rationale, going through the impact of negative gearing. Like many people in this place, I have read the differences in opinions here of people with different political persuasions and different perspectives on economic theory, in terms of certain institutes and think tanks. However, the underlying unifier of all those opinions on whether people think it will be good or bad, or the long-term impact, is that ultimately people's existing residential property values will go down. This is bringing in negative gearing at a time when the Australian housing market in particular is falling. We have seen Sydney and Melbourne property prices now, I think, at 15-year lows, and in Western Australia we have seen a significant hit to our property prices. Of course, property is the asset class that is primarily invested in by mums and dads and families as a vehicle to store their wealth. The federal Labor Party is saying that it is very happy to bring about policy settings that will eat away at property values.

Families have invested a significant amount of money in paying off their mortgages and might stay in a house for decades. My parents are examples. They have relied on their home alone, because they do not have superannuation. They rely on the value of their property alone to ensure that when they sell it, or whatever that looks like, they can live off the proceeds of that sale for their future. The federal Labor Party is saying that it wants to target that in particular with things like the increases to capital gains tax and negative gearing. That means the property values will fall. That is the underlying assumption that I have read in every think tank's work on the impact of negative gearing. That means that Labor is going to take away those future possible savings from people like my parents, who have never earned an exceptional amount of money by any stretch, have saved and invested as diligently as possible in their home, which would be worth about \$450 000, and rely on that income to help set them up for the future. Their properties will be impacted by a prospective resumption of negative gearing, and that is a real concern for them, and why would it not be?

Labor has again said it is very willing to target those individuals. I cannot imagine how this policy is going to have any positive impact for them in Western Australia, in particular, where we are already hurting in our household and residential property prices here. My parents, I suspect, at some point in time will find themselves on the pension. It might be a part pension if their home sells and the proceeds can set them up for the future, but if that property price takes a hit, they might find themselves in a position where they do not have the means to continue in a certain lifestyle, whatever that might be, or they will have a stronger reliance on social security. I find it interesting that we want to ensure that there is more pressure on things like the age pension and we want to penalise people who have gone through the diligent means of saving, of accruing property to make sure that they have a future lifestyle and do not have to rely on the taxpayer to get by.

I find it interesting that the Minister for Housing in particular quotes the Master Builders Association. Having been in the residential construction sector for two and a half years before I found myself in this place, the Housing Industry Association and the MBA have very differing views on this. The MBA has put out its views, but we had a typical view from the company for which I worked for a number of years. We were the largest residential builder in Western Australia, and we were only a member, I think, or certainly an advocate member, with the HIA for a number of those years. The HIA says that rents will increase. I think it was in October last year the HIA said that with an increase in at least capital gains tax and some issues with negative gearing, rents would increase. Again, the federal Labor Party is deciding to target specific groups, and bring about high pain, I suppose, to those who it will impact, particularly those retirees and those who might be saving for a home.

Dr D.J. Honey: And those people who saved for their retirement.

Mr Z.R.F. KIRKUP: Indeed, as the member for Cottesloe quite rightly points out, it will punish those who have saved for their retirement, who I think all of us would consider have done the right thing by wanting to make sure they make solid financial decisions to look after themselves and try to not be reliant on the taxpayer. Every Western Australian would want to support that occurring in the first instance, but of course the alternative government—the main opposition party, the federal Labor Party—wants to make sure that we punish those people. I find that fascinating.

Mr W.R. Marmion: They should get a gold watch. f

Mr Z.R.F. KIRKUP: That is right, member for Nedlands—quite right. The impact of the Labor Party and its tax agenda in my district of Dawesville—we are a part of the division of Canning, represented by Andrew Hastie—will be very significant.

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I understand that Treasury estimates that in excess of 51 000 retirees will be impacted by Labor's retiree tax that abolishes tax refunds for share dividends. That affects thousands of people in my community. I suspect a large majority of those will be in the district of Dawesville. It moves the goalposts, punishes those people who have saved hard for their retirement and increases pressure on the age pension. The more than 8 500 residents in Canning who have invested in a rental house or flat and use negative gearing at the moment will also be negatively impacted by Labor's wish to abolish negative gearing as we know it, and increase capital gains tax.

Mr R.R. Whitby: How?

Mr Z.R.F. KIRKUP: I have gone through it, member for Baldivis. I find it interesting that the member for Baldivis, when the number of repossessions in his district is higher than it is anywhere else in Western Australia, is willing to stand shoulder to shoulder with the Australian Labor Party and support its policy of a regressive tax agenda that will harm more people in Western Australia than it helps. He is part of a government that has voted to increase fees and charges on households by more than \$700, yet the member for Baldivis is the only member in this chamber who has had to host a financial assistance forum because people in his district are hurting more than anywhere else and he is happy —

Mr R.R. Whitby interjected.

The ACTING SPEAKER (Mr T.J. Healy): Member, I am on my feet. Member, do you seek to take interjections?

Mr Z.R.F. KIRKUP: I am fine. That is fine.

The ACTING SPEAKER: So, you do seek to take interjections?

Mr Z.R.F. KIRKUP: I will proceed as I am, Acting Speaker.

The ACTING SPEAKER: I ask you to please direct questions to the Chair so that Hansard can record comments.

Mr Z.R.F. KIRKUP: I find it interesting that the member for Baldivis is the only member of this chamber who has had to hold a financial assistance forum because he has voted for fees and charges to be increased on vulnerable people in his community a number of times. The outcome in Baldivis is that the number of repossessions is higher in that postcode than it is anywhere else in Western Australia. That is fascinating and I am certain we will make an issue of that in 710 days when we go to the next election. I look forward to that being a campaign issue. I promise the member that until he stands on this side and works with the Liberal Party and ensures that there is downwards pressure on fees and charges and does not join his Labor comrades in jacking up fees and charges, we will make that is an issue for him every day from now until the state election. People in Baldivis are remembering it because they are unable to pay their mortgages in droves because of the fees and charges that the member for Baldivis voted for. That is a real shame. We will remind the people of Baldivis of that at every turn. I will get back to the point.

As I have said, the 8 500 residents in Canning who have invested in a rental house or flat and used negative gearing will be worse off as a result of this policy. If members had been here before, they would know that we have gone through the negative gearing and capital gains tax changes.

[Member's time extended.]

Mr Z.R.F. KIRKUP: As I have said previously, Labor's housing taxes will also reduce property values, push up rents and, ultimately, damage our economy. That will have a very real impact in Canning, in my district, and I expect in the member for Baldivis's electorate in particular. In Canning, more than 4 100 residents receive net capital gain on investments. Labor wants to increase those capital gains taxes and make them some of the highest in the world. That will have a negative impact on those people. The budget repair levy that Labor would reintroduce would have a negative impact on more than 2 500 people in the division of Canning. Federal Labor has said that despite fact that we are back in black, thanks to the strong financial management of the coalition government, it will still reintroduce that budget repair levy. This would again increase the top rate of tax to more than 49 per cent.

Mr J.N. Carey: "We love you, Andrew. I am the president of the fan club."

Mr Z.R.F. KIRKUP: Well done, member for Perth. It is great to have him back. When we talk about Canning, we have to talk about small businesses. More than 1 900 small businesses with a turnover of less than —

Mr J.N. Carey: "And I love you!"

The ACTING SPEAKER: Member for Perth!

Mr J.N. Carey: *The Love Boat!*

Mr Z.R.F. KIRKUP: I appreciate the interjections, member for Perth. More than 1 900 small businesses in Canning will be worse off because of Labor's agenda to attack small business. Again, the impact that this will have in my community in Dawesville is significant but that is a microcosm within Canning more broadly of what the impact will be like throughout Western Australia and indeed across the Federation. As I said at the very top of my contribution, I am yet to find an alternative Prime Minister who has ever been so bold to ensure that he is hand in hand with the militant union movement that wants to bring about regressive taxation and target individual groups to make them worse off in particular. I do not understand that. I am certain that we will see the Liberal Party hold and possibly gain seats within Western Australia at the upcoming federal election in May, whenever it might be.

I think in the final minutes that I have, I think it is worth contrasting —

Mr J.N. Carey: Mention Andrew a few more times.

Mr Z.R.F. KIRKUP: I am going to mention the member for Canning once again, much to the member for Perth's excitement.

Several members interjected.

Mr J.N. Carey: “We love you, Andrew. You can do no wrong!”

Mr Z.R.F. KIRKUP: I think it is important —

Mr D.A. Templeman: He’s upset one of our local priests though.

Mr J.N. Carey: How shameful. He attacked a local priest. That’s his dignity—attacking the local priest!

Mr Z.R.F. KIRKUP: If the member for Perth had read the article beyond the headline, he would know he —

Mr J.N. Carey interjected.

The ACTING SPEAKER: There seems to be a very healthy dialogue in the chamber. For Hansard to continue to record, member, please address the Chair.

Mr Z.R.F. KIRKUP: If the member for Perth reads beyond the headline, he will see the circumstances that occurred. In any case, I think it is important to outline some of the achievements that have been delivered by the federal coalition government and in particular the member for Canning in my district and the division, more broadly speaking, that could have come about only through the strong economic management of the coalition government and the strong leadership of Prime Minister Scott Morrison. We know right now that the tax relief that has been legislated by the federal government is benefiting more than 13 000 small and medium-sized businesses in the division of Canning. More than 13 000 small businesses have benefited from the instant asset write-off. That is more than 60 000 taxpayers within Canning, which is by far more than the majority of the electors in Canning, will benefit from the tax relief in 2018–19 as a result of, once again, the federal government’s strong economic management and the enhanced personal income tax plans. About 21 500 people in Canning will receive the full tax asset of \$1 080 over the coming financial year.

Since we have come to office, the more than 20 000 aged pensioners who live in Canning are all better off thanks to the coalition government and, in particular, Andrew Hastie, who has delivered for the community. Our local hospital in Peel has seen a significant investment by the government, which I have gone through. The GP bulk-billing rate has increased to 91 per cent since the coalition federal government came to office, which is a great outcome. We have seen funding for all 39 public schools increased by around 70 per cent per student in Canning. That is another example of the coalition government investing in our community and Canning more broadly speaking. The coalition has delivered these very important outcomes. They are perhaps not as tangible as the infrastructure on the ground, and that is why in my final minutes I would like to recap the outstanding achievements by Andrew Hastie in infrastructure right throughout the Canning division. I will start at the top.

We have seen \$33.2 million invested in key road locations right across his electorate. These are smaller roads. We have seen \$20 000 for the Roleystone Men’s Community Shed; \$17 000 for the Bedforddale Hall; \$15 000 for the playground at Roleystone Country Club; \$11 500 for the Roleystone Gymnastics Club; \$6 000 for the Roleystone Netball Club; and \$25 million invested in Peel Health Campus. As I have gone through a number of times in this place, that investment will have an immeasurable benefit for our community. The federal Minister for Health, Greg Hunt, and the member for Canning made a joint announcement today about the urgent care clinic being delivered and funded in Mandurah, provided by St John of God Health Care. That is an outstanding achievement and a game changer for our community that will relieve pressure on emergency departments. An amount of \$16 million has been invested in the train station car park at Mandurah; \$10 million has been allocated to stage 1 of Lakelands train station; \$10.3 million to help workers re-skill and find new jobs; \$3.3 million for the Mandurah trade skills centre; and \$2 million for the Peel Youth Medical Health Hub. That is an outstanding achievement, once again, that helps youth at risk and mental health risk in our community.

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There was \$1 million for the Port Bouvard Surf Lifesaving Club; \$750 000 for the new performing arts centre at Foundation Christian College; \$520 000 for the commercialisation of a local business product in our community; \$20 000 to replace the vehicle to transport Indigenous patients in particular; \$15 000 to upgrade local dinghies at Port Bouvard Surf Lifesaving Club, which is a very important club in my district; \$10 500 for Mums Cottage in Mandurah; \$9 200 for upgrades at the Port Bouvard Recreation and Sporting Club; and \$2 600 for the community garden in Coodanup. We are seeing a commitment from Andrew Hastie and the Liberal Party in Mandurah and right across the Canning division not just for those big-ticket items that are important, such as roads and hospitals. Right down to the street level, the Liberal Party cares about our community. Andrew Hastie cares about our community and he delivers.

People might think that the list stops there —

Mr J.N. Carey interjected.

Mr Z.R.F. KIRKUP: These things have already been delivered, member for Perth.

In the Shire of Murray, \$21.75 million was invested in Peel Business Park and there was \$3.5 million for the Beddingfeld Park aged-care facility, which was on top of the 264 places that were delivered by the coalition government for two new aged-care facilities in Halls Head and Dawesville, two suburbs in my electorate. That will have a very real impact

in ensuring that people can age in place in my community. There was \$4.7 million for the Dwellingup National Trails Centre to ensure that that part of the Peel region is an outstanding centre of excellence for new mountain bike trails; \$2.5 million for the North Dandalup Centre for Innovation in Agriculture; \$1 million to build a practical skills building at Austin Cove Baptist College; \$20 000 for Don Spark Reserve in Coolup; \$20 000 for the North Yunderup BMX park; \$404 million to extend Tonkin Highway and connect it to South Western Highway south of Mundijong Road, which I know the member for Darling Range has been very fierce in advocating for and worked very closely with the member for Canning in helping to deliver; \$241 million to extend the Armadale train line to Byford; \$183 million for further interchange upgrades at Tonkin Highway; \$10 million for the Thomas Road–Nicholson Road intersection upgrades; \$5.5 million to help road safety by fixing 18 black spots throughout our community; \$1.6 million for a new bridge in Byford; \$245 000 for a new kitchen at the Byford and Districts Country Club; \$20 000 for a community garden in Byford; \$20 000 for the activity centre in Karrakup; \$15 000 for the pre-race staging area for the motorcycle club in Whitby; \$15 000 for lighting upgrades at Mundijong Oval; and \$7 000 for upgrades at a childcare facility at Byford.

There was \$1.6 million to expand aged-care services at Quambie Park in Waroona; \$200 000 for the Waroona Men's Shed; \$95 000 for a community centre at Preston Beach; \$23 000 for the installation of new closed-circuit television in Waroona; and \$10 000 to renovate the kitchen at the Waroona Youth Centre.

Dr D.J. Honey interjected.

Mr Z.R.F. KIRKUP: Absolutely.

Grants valued from \$10 000 right through to hundreds of millions of dollars are being delivered by Andrew Hastie and the Liberal Party in our community. Of course, the Liberal Party can deliver this because it is a strong economic manager and can provide tax relief and good economic environments for businesses, particularly small and medium-sized businesses, to thrive. We can invest in things such as education, hospitals and roads. In fact, since being elected in 2016, Andrew Hastie has delivered more than \$1 billion for the Canning area. That is a not insignificant investment that has been brought about because of his advocacy, because he is fighting for us in Canberra and, in particular, because this coalition government, through Prime Minister Scott Morrison, whom, as the Leader of the Opposition rightly said before, all of us on this side of the chamber are proud to stand shoulder to shoulder with, has delivered for our community and for Western Australia. The results will be seen in 38 days' time on 11 May. When this federal government goes to the polls, it will be re-elected, I suspect, across the nation and in particular in Western Australia. We will fight tooth and nail to ensure that federal members of the Liberal Party in this state are re-elected to both their Senate spots and their House of Representatives seats, and we might be in a position to gain a new seat like Cowan. I think that will be an outstanding achievement by the Liberal Party. The work is not done; there is still more to do. I look forward to the contest at the coming election. I am certain that the people of Western Australia understand the real threat that the Labor Party presents and that they will vote wisely and re-elect the Scott Morrison Liberal government once again on 11 May, 18 May or 25 May.

MS J.J. SHAW (Swan Hills) [6.44 pm]: It is a privilege to speak to this motion. It has been fascinating listening to the debate, particularly the Leader of the Opposition's speech. I was fascinated by the comments he made on energy policy and pleased that he introduced it into this debate. I have been thinking about why the Liberal Party is so very uncomfortable with what is being said about energy policy. I think it is because there are two concepts that are very unfamiliar to those opposite—unity of purpose and shared vision. When this motion calls on the McGowan Labor government to condemn Shorten—the Leader of the Opposition kept saying the “Shorten government”, which was wishful thinking, and certainly we on this side are wishing for it—the problem members opposite have is that they fail to understand that on energy and climate change in particular, we have in the Labor Party, at both a state and federal level, unity of purpose and a shared vision. They are two alien concepts. The Leader of the Opposition talked about the fact that a joint state cabinet and federal shadow cabinet meeting was held in Perth at which both federal and state colleagues worked together on the sorts of things that Western Australia needs, what our unity of purpose is and what our shared vision is. I would have thought that the voters of Western Australia would expect that of their leaders; they should expect that the federal and state tiers of government can work together and that political parties in particular are internally aligned on something as fundamental to the economic development of this state as energy policy.

Having come from the energy sector, it has been a privilege to be part of a government that has announced a raft of really exciting innovations in energy policy. I want to clip through a few of them because they will echo through what a Shorten government announced just days ago its vision would be for energy and climate change.

In August 2017, Minister MacTiernan kicked us off and talked about prospects for exporting Pilbara sunlight to the world, recognising that we have some of the best renewable resources in the world and that we should think big about a strategy for renewables in Western Australia. In November, Minister Wyatt announced that we would be investing in our renewable future with the Warradarge wind farm and stage 2 of the Greenough River solar farm. In November, he announced the trial of the state's first utility-grade energy storage battery in Carnarvon. This is world-leading stuff. In January, recognising that the Collie community will be affected by a transition to a renewable future, he announced the Collie Futures Economic Advisory Committee, ensuring that we commit to principles of just transition. Some \$20 million has been set aside in the Collie futures fund to assist that community to transition. This is interesting,

innovative stuff that demonstrates the Labor Party's commitment to the people of Collie. In March, the minister announced a demonstration project of 60 standalone power systems in regional WA. Again, that is a significant innovation. These energy solutions for the future are groundbreaking stuff. In April, another set of large-scale renewable energy projects was announced, including stage 2 of the Greenough River solar farm and the refurbishment of the Albany wind farm. Again in April, Minister MacTiernan announced support for pilot sequestration offset projects. In October, there was the release of pastoral leases to support those, so we are looking at carbon sequestration opportunities. In May, \$500 000 was announced for a Kalgoorlie virtual power plant proposal development. What a fascinating investment that is—putting solar photovoltaics and batteries on rooftops in Kalgoorlie and targeting social and affordable housing in particular. We are looking at ways to make energy cheaper for those most vulnerable members of our community. This is the sort of innovative thinking that we need to be looking towards. In July, the minister opened stage 1 of the Onslow microgrid project. Again, that is another world-class, groundbreaking project. In August, the minister established a council to drive the hydrogen industry in Western Australia. In October, the minister announced the power bank trial, an Australian first. It is a community-level battery on a grid scale that local households can subscribe to for \$1 a day.

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That project had to be brought forward by months because in less than two weeks, it was fully subscribed. There was that much enthusiasm from the community seeking leadership on climate change. In December, the minister announced a peer-to-peer energy trading project in Fremantle with 40 households. Also in December, Minister Dawson announced the commencement of the Labor government's consultation on climate change policy. In March new Minister Johnston announced 13 micro power systems in Esperance replacing old powerlines. Significantly, in March Minister Johnston also announced the WA energy transformation strategy, a whole of system plan, which is long overdue, together with a distributed energy road map.

In energy and climate change, the McGowan Labor government has indicated its commitment to large-scale renewables, carbon farming projects, microgrid projects, network transformation, battery storage systems, smart grids and battery scales for both grids and households, bold ideas for hydrogen, peer-to-peer trading platforms, virtual power plants, community energy projects, the Collie community's "just transition" plan and the WA energy transformation strategy—a whole-of-system plan coupled with a distributed energy road map.

We on this side of the chamber have a unity of purpose and a shared vision about where the energy industry needs to go. It is important to point out that although the Leader of the Opposition calls on us to condemn the Shorten opposition for policies that will have a detrimental impact on Western Australia, we should welcome the innovative approach that it announced in the last few days and recognise the fact that it is backing Western Australia in a way that the federal Liberal government has not been able to do for any of its state governments, predominantly because internally it cannot agree if climate change is real. It lost a conga line of leaders for their inability to come up with an internally consistent and unified energy policy trajectory. By contrast, in November last year federal Labor announced its plan for more renewable energy and cheaper power. It had four elements. Firstly, and most importantly, was an investment strategy designed to deliver industry with certainty over a period of 10 years. Nothing will kill economic growth both nationally and, more importantly, here in Western Australia more than a lack of certainty. That is one thing that the federal Liberal government has been completely unable to deliver. The federal Labor Party's plan is based on the National Energy Guarantee, which was called for by industry, which the federal Labor Party offered to negotiate but which the federal Liberal Party seemed incapable of wrapping its head around and marshalling behind. The plan also included a doubling of investment in the Clean Energy Finance Corporation to \$10 billion, supporting large-scale generation and storage programs, a household battery program that will again make these renewable energy technologies of the future accessible to the most vulnerable in our community—does that sound familiar?—and it also targeted increasing expenditure towards energy efficiency measures.

The Shorten Labor opposition also announced that it would set up an independent energy security and modernisation fund to facilitate investment in transmission and distribution, consistent with the Australian Energy Market Operator's system-wide plan. Again, at both the state and federal level, the Labor Party recognises that we need to take system-wide approaches to planning and we need to invest in our transmission and distribution systems to facilitate the emergence of the energy technologies of the future.

The final element of the Shorten opposition's energy plan was an energy productivity agenda. That is some really visionary stuff. I encourage everyone to read Mark Butler's book *Climate Wars* for a bit of an insight into the thoughts of the federal shadow Minister for Climate Change and Energy on energy policy. It is a very good read—an accessible, well-written piece of work that provides an insight into the thinking behind the federal Labor Party's plan.

More recently, in the past few days, Bill Shorten announced the Labor Party's climate change action plan. Again, we see shared vision and unity of purpose in the Labor Party at both the state and federal level. There are 10 points in this plan. I will not purport to go through all of them but I will mention the ones in which I see considerable synergies between the McGowan Labor government and the Shorten opposition. The first point is a big vision for the energy industry in Australia, much as ministers in the McGowan Labor government have a big vision for the energy industry in Western Australia. Principle 1 is to make Australia a renewable energy superpower, ensuring that 50 per cent of

energy is sourced from renewable sources by 2030 across the nation, resulting in cleaner and cheaper power and more than 70 000 jobs due to renewable energy investment. A Shorten government will also double the original investment in the Clean Energy Finance Corporation by \$10 billion, supporting, as I said before, new generation and storage. It will set aside \$5 billion of funding to create an independent energy security and modernisation fund to upgrade the transmission and distribution system. It will encourage the uptake of household solar and battery systems by setting a target of one million household battery systems by 2025 and providing a \$2 000 rebate for 100 000 households on incomes of less than \$180 000 a year to purchase and install battery systems as well as low-cost loans for households, aligned between the state and the federal government, along with the sorts of technologies that will considerably alleviate poverty for the most vulnerable members of the community.

A Shorten Labor government will also establish a neighbourhood renewables program to ensure renters and social housing residents benefit from cheaper and cleaner renewable energy, and establish community power hubs to support the development of projects in local communities such as solar gardens on apartment rooftops, community windfarms and energy efficiency upgrades for social housing, again, directly translating an energy vision into local action consistent with the actions that are being taken by the McGowan Labor government.

The second point of the Shorten opposition's action plan is to support the transition to cleaner and cheaper power by implementing Labor's national energy plan and ensuring an orderly transition for industries, communities and workers. As I mentioned before, there are similarities at both the state and federal level, recognising the need for proper planning. Most importantly, ensuring an orderly transition for industries, communities and workers, the McGowan Labor government has committed to a "just transition" plan and is working with the community of Collie on what "just transition" involves. The Shorten opposition's policy expressly recognises the need to assist the community of Collie. Contrast that with the Liberal Party's express riding instructions that it gave to the Department of Foreign Affairs and Trade representatives at the Paris Agreement negotiations to not support just transition, and ensure that it was excluded from the terms of the Paris Agreement. The Liberal Party has never demonstrated any sort of willingness or initiative at the state or federal level to protect that community. It is absolutely shameful. It shows a lack of vision and a lack of unity and can be contrasted with the shared vision and the unity of purpose that can be seen at the state and federal level in the Labor Party.

The next significant pillar of the Shorten Labor opposition's climate change action plan is to build jobs and industry by partnering with industry to help businesses find innovative solutions to bring down pollution, support trade-exposed industries and build the jobs and industries of the future. There is an express commitment in the policy to consult extensively with industry and ensure tailored treatment for emissions-intensive trade-exposed companies as part of the safeguard mechanisms. Members may remember that when emissions trading was live under the Gillard government, an extensive exercise was undertaken by the Labor Party to engage with industry, understand its concerns and the implications of trade-exposed emissions-intensive industries. It is very pleasing to see that the Shorten opposition recognises the need to engage with industry and undertake initiatives that will support competitiveness and cut pollution.

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The Shorten opposition is also committed to establishing a strategic industry reserve fund of \$300 million over six years to support the ongoing competitiveness of strategic industries to help deliver on industry-specific low carbon strategies. A whole raft of initiatives in the policy announced by the Shorten opposition indicate an alignment, a unity of purpose and a vision. This can be contrasted directly with the dysfunction that we saw in the Liberal Party with Tony Abbott, the greatest climate denier known to Australian political history, who flip-flopped whenever it was politically convenient by saying, "Climate change is crap" then "Climate change is real" and then "Climate change might actually be a good thing." Can members believe that he would say that on the public record?

Debate adjourned, pursuant to standing orders.

House adjourned at 7.00 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

SHARKS — HAZARD MITIGATION — DRUM LINES — MINISTERIAL MEETINGS

4764. Ms L. Mettam to the Minister for Fisheries:

- (1) Has the Minister and/or any staff member or placement within the Minister's Office, had any contact or meetings with the following organisations since 12 March 2017 to discuss SMART drumlines:
- (a) Sea Shepherd;
 - (b) Conservation Council WA;
 - (c) Healthy Oceans Need Sharks;
 - (d) South West Safe Shark Group; and
 - (e) Other interest groups?
- (2) If yes to (1):
- (a) what were the dates of the contact(s) or meeting(s); and
 - (b) what were the names of all people present and which organisation did they represent?

Mr D.J. Kelly replied:

- (1)
- (a) Yes.
 - (b) Yes.
 - (c) Yes.
 - (d) Yes.
 - (e) Yes.
- (2) (a)–(b) The Minister and his Ministerial staff may have had contact with these organisations for administrative purposes only or may have had incidental or irregular social contact in which case this is not listed. Indirect contact, including phone calls, have not been recorded for the purpose of this question.

[See tabled paper no 2352.]

POLICE — KIM TRAVERS

4825. Mr P.A. Katsambanis to the Minister for Police; Road Safety:

Is the endorsed Labor candidate for the federal electorate of Pearce, Ms Kim Travers, still employed as a Police Officer by the Western Australian Police Force and if yes:

- (a) what position and location is the candidate employed in;
- (b) on what days and hours does the candidate work and in what capacity (ie full-time, part-time);
- (c) during the hours of her employment what processes, plans or policies are in place to ensure the candidate does not conduct federal election campaign work during her employment;
- (d) what processes, plans or policies are in place to ensure the candidate is not using Western Australian Police Force property, equipment, or other Western Australian Police staff during her hours of employment for matters related to her campaign;
- (e) has the candidate signed a statement outlining how conflicts of interest will be managed as they arise during the campaign;
- (f) if yes to (e), what undertakings has the candidate given to her line managers or other relevant officers regarding potential conflicts of interest; and
- (g) if no to (e), on what date did Ms Travers terminate her employment with the Western Australian Police Force?

Mrs M.H. Roberts replied:

No. I am advised Superintendent Travers resigned with effect from 1 March 2019.

- (a)–(g) Not applicable.

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