

**LAND TAX ASSESSMENT AMENDMENT
(RESIDENTIAL CONSTRUCTION EXEMPTIONS) BILL 2023**

Second Reading

Resumed from 30 November 2023.

MRS L.M. O'MALLEY (Bicton) [3.51 pm]: I rise to put a couple of points on the public record in support of the Land Tax Assessment Amendment (Residential Construction Exemptions) Bill 2023.

The residential construction market has faced several constraints in recent years, with labour and material shortages limiting the industry's ability to respond to the demand for new housing. This has led to significant delays in construction. I think I reflect the experiences of many of my colleagues here in that my neighbours, my community and many of my constituents across Bicton are really feeling the challenges posed by this constraint. My next-door neighbours' home has been under construction for an extended period of time. They have lived in our wonderful community in Palmyra for a number of years, next door to my family. Their family has grown—they now have three little girls. They have outgrown their home and, like a lot of people—myself included—they did not want to leave our beautiful community of Palmyra in the Bicton electorate, so they made the decision to knock over their home and build a new one, which would fit their growing family. They have been caught up like many families during these difficult times, through no fault of their own. Waiting times for materials and constraints on the skilled labour workforce have meant that they have had to continue to rent, which is putting additional pressure on their family budget.

At the outset, I acknowledge and congratulate the minister for bringing this bill to the house. The Cook Labor government is providing land tax relief for Western Australians building or renovating their homes, whose projects were affected by construction delays. The bill will amend the Land Tax Assessment Act 2002 to temporarily extend the land tax residential construction exemption, as announced by the government on 18 October 2023. Under the Land Tax Assessment Act, an owner can receive an exemption for up to two assessment years for land on which they are building or refurbishing a home. To be eligible, they must not receive a residential exemption on another property they own and they must live in the house when it has been completed. A person who receives a residential exemption for their current home can also receive an exemption for up to two years for other land on which they are building or refurbishing a second residence if they complete construction, move into the new home and sell the old home within two years.

I want to talk a little bit about some of the other initiatives that this government is undertaking to ease pressure and assist with housing supply. Some of the matters relate to the building bonus. In 2020, the state government introduced the building bonus scheme to support Western Australian jobs, businesses and home builders during a time of immense economic uncertainty. At the time, the building bonus program helped many first home buyers realise the dream of owning their own home. The scheme also helped keep the construction industry afloat during an incredibly difficult time and gave builders the confidence they needed to retain staff. As at 16 January 2024, 23 914 applications totalling \$478 200 000 had been paid. I am not going to go there with the opposition—why would we, really!

I want to highlight that the world in which these initiatives were introduced by the then McGowan government was a very different world from what we are facing now in 2024. We needed to keep the supply of construction going. We did what we needed to do at the time, as all Labor governments do. We identified the challenges and the concerns. We needed to keep the economy moving, and we absolutely did that during the COVID years. We now know that we are living in a very different world, and some of the decisions that we made at that time have led to ongoing challenges of a very different nature within the construction market, including, as I said, a shortage of labour and a challenge to our supply chain. This bill will help ease some of the congestion within the construction market.

The bill will introduce a temporary three-year exemption for newly constructed or refurbished homes, which can be extended for a further year in exceptional circumstances, such as builder liquidation, and a temporary two-year extension for a new home that is being built or refurbished while the owner lives in their existing home, which can be extended for a further year in exceptional circumstances, including material or labour shortages caused by current market conditions. A pre-enactment determination notice under the Taxation Administration Act 2003 was applied on 5 December 2023 to allow the exemption to be applied before the legislation is passed. As of 31 January 2024, RevenueWA had applied the temporary exemption to more than 700 owners constructing or refurbishing their homes.

I would again like to thank the minister and the Cook government for the compassionate and commonsense approach taken with the amendments contained in the bill for those in my electorate of Bicton and beyond who find themselves, through no fault of their own, struggling to complete construction of their homes, and for always doing the right thing by West Aussies and all of us in this chamber. I look forward to my neighbours and their three lovely little girls moving back into their home right beside us. At the moment, they have to do the run-around whereby they park

between all the construction vehicles, walk up to Palmyra Primary School, our lovely little community school, and then do the dash back to the car and off they go.

Debate adjourned, pursuant to standing orders.