

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

Standing Orders Suspension — Motion

On motion by **Mr D.R. Michael (Minister for Ports)**, resolved —

That so much of standing orders be suspended as is necessary to enable the third reading of the Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Bill 2023 to be moved forthwith following consideration in detail.

Second Reading

Resumed from 9 August.

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 R.S. LOVE: This bill is entitled Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Bill 2023. We know that there are a considerable number of amendments on the notice paper that add to the dimensions of the bill beyond simply being about off-the-plan concessions. Could the parliamentary secretary perhaps outline when the decision was made to expand the scope of this bill?

Dr J. KRISHNAN: I thank the member for his question. In summary, the rebate was always there; it was in existence. People were paying duty and then claiming the rebate. Now, we are moving to a concession, which means that they will not need to pay in the first instance. The rebate could be claimed only after construction was completed and the title transferred. Now, by moving to a concession, the government will be able to capture the exact expense to the taxpayer from the beginning rather than not knowing how many properties are under construction and how many will claim the rebate. The government regularly consults with industry. It decided to reintroduce the under-construction concession after considering feedback from industry on the current state of the apartment market. That consultation highlighted that the current pre-construction concession creates a disincentive for developers to commence construction because buyers would no longer be able to access duty relief. Providing an under-construction concession will address this disincentive, build confidence and attract investors to the sector. The original under-construction rebate was in place from 4 June 2020 until 31 December 2020, and the property industry has been calling for such a rebate to be reinstated.

Clause put and passed.

Clauses 2 and 3 put and passed.

Clause 4: Section 205ZA amended —

Mr R.S. LOVE: Clause 4 refers to substantial refurbishment. Can the parliamentary secretary explain the definition of “substantial refurbishment” a little more? The definition in this clause seems to be almost circuitous. It just says that it is not minor works. What will substantial refurbishment consist of?

Dr J. KRISHNAN: I thank the member for his question. This clause inserts a definition of “substantial refurbishment” for the refurbishment exemption and amends the wording of the exemption to ensure that it will not apply to minor refurbishment work to existing dwellings. The refurbishment exemption is intended to apply only if refurbishment done by a foreign person consists of substantial works to convert a building from a non-residential use to 10 or more dwellings. To clarify, the definition of “substantial refurbishment”, to be inserted into section 205ZA, will not include minor works like painting. We do not want foreign investors to buy a property, paint it and claim an exemption; we want them to redevelop a property to provide 10 or more units. It also will not apply to a single-storey building.

Mr R.S. LOVE: Can the parliamentary secretary explain why the figure of “10 units” in this clause will apply to changes from non-residential to residential or for refurbishment purposes?

Dr J. KRISHNAN: Since the original bill was introduced, the other states have set a benchmark of 50 units. After consultation with the industry, there was a request to bring that figure down. The intention of these amendments is to encourage investment to provide more housing for Western Australians. The number has been reduced to make it more attractive and much easier.

Mr R.S. LOVE: If we go back to the discussion around substantial refurbishment, what process will be undertaken to inspect or ascertain whether it is substantial refurbishment? Who will determine that and what process will they use?

Dr J. KRISHNAN: I thank the member for his question. A developer will need to make an application to the commissioner and the commissioner will assess that development application. There is a compliance process. If false information is provided during that process, penalties will apply.

Mr R.S. Love: I did not quite hear what the parliamentary secretary said and I am still not sure what the process will be.

Dr J. KRISHNAN: The developer will need to apply to the commissioner for a duty exemption. When applying for that exemption, the developer will give details of the development. It will be for the commissioner to decide whether the development fulfils the criteria for major refurbishment. At the same time, if a developer provides false information when claiming an exemption, penalties will apply.

Mr R.S. LOVE: Will some guidance be produced that will outline, beforehand, some of the things that might not qualify for the exemption, or otherwise?

Dr J. KRISHNAN: I thank the member for this question. The exemption already exists; it was introduced in 2019. Guidelines and processes are already available on the website for investors to look through the process.

Clause put and passed.

Clause 5 put and passed.

Clause 6: Section 205ZO amended —

Mr R.S. LOVE: Clause 6 refers to acquisitions of interests in a landholder. Can the parliamentary secretary explain whether this will be a company or some other structure that owns the land, rather than the land itself? Can the parliamentary secretary explain the import of that, please?

Dr J. KRISHNAN: I thank the member for his question. A landholder will be a corporation or a unit trust scheme entitled either directly or indirectly through a linked entity to land in WA of \$2 million or more.

Clause put and passed.

Clause 7: Section 205ZP amended —

Mr R.S. LOVE: Clause 7 will exempt an acquisition in which the residential landholder, linked entity or associate intends to subdivide or complete subdividing a parcel of land for the purposes of constructing 10 or more dwellings. Can the parliamentary secretary explain whether that will apply just to the land and not to the dwellings? It is an intention. A person will have planning approval. What process will be in place to establish that intention?

Visitors — St Mark's Anglican Community School

The ACTING SPEAKER (Ms M.M. Quirk): While the parliamentary secretary is thinking, I welcome students from St Mark's Anglican Community School in the electorate of Hillarys.

Debate Resumed

Dr J. KRISHNAN: If someone is applying for a concession, they need to apply to a commissioner. They should have already subdivided the block, and that should be complete for them to be eligible to apply for a concession. That means that they cannot do it before the subdivision process. Correction: they should have started the subdivision process.

Clause put and passed.

Clause 8: Chapter 6A inserted —

Dr J. KRISHNAN: I move the first amendment to clause 8 —

Page 6, lines 27 and 28 — To delete the lines and substitute —

concessional off-the-plan agreement means —

- (a) a concessional pre-construction agreement; or
- (b) a concessional under construction agreement;

concessional pre-construction agreement has the meaning given in section 266F;

concessional under construction agreement has the meaning given in section 266FA;

Amendment put and passed.

Dr J. KRISHNAN: I will move the second amendment to clause 8 standing in my name on the notice paper.

Mr R.S. LOVE: I am happy to consider all the amendments pertaining to clause 8 en bloc, but perhaps there will be some discussion on the range of options that are to be amended if that is acceptable.

Dr J. KRISHNAN — by leave: I move —

Page 7, after line 25 — To insert —

replacement transaction, in relation to a cancelled transaction, has the meaning given in section 107(1);

Page 7, after line 27 — To insert —

subsale transaction, in relation to a cancelled transaction, has the meaning given in section 107(1);

Page 8, line 3 — To delete “*off-the-plan*” and substitute —

pre-construction

Page 8, line 16 — To delete “*off-the-plan*” and substitute —

pre-construction

Page 8, line 26 — To delete “concessional-off-the-plan” and substitute —

concessional pre-construction

Page 9, lines 4 to 6 — To delete the lines and substitute —

(3) Despite subsections (1) and (2), an agreement (the *relevant agreement*) to which either of those subsections applies is not a *concessional pre-construction agreement* —

Page 9, line 7 — To insert after “the” —

relevant

Page 9, line 19 — To insert after “the” —

relevant

Page 9, lines 21 to 27 — To delete the lines and substitute —

(c) if the relevant agreement is a replacement transaction in relation to a cancelled transaction; or

(d) if the relevant agreement is a subsale transaction in relation to a cancelled transaction that was a concessional pre-construction agreement; or

Page 9, line 29 — To insert before “agreement” —

relevant

Page 10, line 3 — To insert after “the” —

relevant

Page 10, after line 6 — To insert —

or

(f) if the relevant agreement is substantially similar in effect to an earlier cancelled transaction that —

(i) was between all of the same parties as the parties to the relevant agreement, except that the seller was different; and

(ii) was entered into before 23 October 2019.

Page 10, after line 16 — To insert —

266FA. Concessional under construction agreement

(1) An agreement for the transfer of dutiable property is a *concessional under construction agreement* if the agreement is —

(a) an agreement for the purchase, from the owner of land to be subdivided by the registration of a multi-tiered scheme or an amendment of a multi-tiered scheme, of a lot in the scheme on which there will be a new residential unit or apartment; and

(b) entered into after development for the subdivision commences, but before development for the subdivision is completed; and

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- (c) entered into in the period beginning on 31 August 2023 and ending on 30 June 2025.
- (2) An agreement (the *new agreement*) for the transfer of dutiable property is also a *concessional under construction agreement* if —
 - (a) subsection (1)(a) and (b) apply to the new agreement; and
 - (b) the new agreement is substantially similar in effect to an earlier cancelled transaction that —
 - (i) was a concessional under construction agreement under subsection (1); and
 - (ii) was between all of the same parties as the parties to the new agreement, except that the seller was different.
- (3) Despite subsections (1) and (2), an agreement (the *relevant agreement*) to which either of those subsections applies is not a *concessional under construction agreement* if the relevant agreement is —
 - (a) a concessional pre-construction agreement to which section 266F(2) applies; or
 - (b) a replacement transaction in relation to a cancelled transaction; or
 - (c) a subsale transaction in relation to a cancelled transaction that was a concessional off-the-plan agreement; or
 - (d) substantially similar in effect to an earlier cancelled transaction that —
 - (i) was between all of the same parties as the parties to the relevant agreement, except that the seller was different; and
 - (ii) was entered into before 31 August 2023.

Page 10, line 18 — To delete “(2)(a),” and substitute —

(2)(a) and 266FA(1)(a),

Page 11, line 10 — To insert after “or (2)(a)”:

or 266FA(1)(a)

Page 11, line 15 — To delete “to which section 266F(1) applies”.

Page 11, lines 21 to 26 — To delete the lines and substitute —

- (2) This subsection applies to a concessional off-the-plan agreement (the *new agreement*) if the new agreement is substantially similar in effect to an earlier cancelled transaction that —
 - (a) was —
 - (i) if the new agreement is a concessional pre-construction agreement — a concessional pre-construction agreement under section 266F(1); or
 - (ii) if the new agreement is a concessional under construction agreement — a concessional under construction agreement under section 266FA(1);
- and

Page 12, lines 3 to 11 — To delete the lines.

Page 14, line 10 — To delete “off-the-plan” and substitute —

pre-construction

Page 15, line 6 — To delete “off-the-plan” and substitute —

pre-construction

Page 16, line 6 — To delete “off-the-plan” and substitute —

pre-construction

Page 16, after line 6 — To insert —

- (4) Subject to sections 266M(2) and 266N(2)(b), the concession amount for a concessional under construction agreement is the lesser of the following —
 - (a) \$50 000;
 - (b) an amount calculated by —
 - (i) determining the applicable concession percentage under the Table according to the dutiable value of the agreement; and

(ii) multiplying that percentage by the unadjusted duty amount for the agreement.

Table

Item	Dutiable value	Concession percentage (%)
1.	\$650 000 or less	75
2.	More than \$650 000 but less than \$750 000	Z calculated under subsection (5)
3.	\$750 000 or more	37.5

(5) The calculation for the purposes of item 2 in the Table to subsection (4) is as follows —

$$Z = 75 - \left(\frac{V - 650\,000}{100} \times 0.0375 \right)$$

where —

V is the dutiable value of the concessional under construction agreement.

Page 17, lines 4 to 6 — To delete the lines and substitute —

- (i) that relevant property were the subject of a separate concessional pre-construction agreement or concessional under construction agreement (whichever is relevant); and

Mr R.S. LOVE: These are the proposed clauses and amendments to the bill to include apartments under construction as well as off-the-plan apartments. I wonder whether the parliamentary secretary can explain why they are deemed necessary and how many apartments are believed to be potentially involved with the increase to the concessional arrangements. Also, what does the parliamentary secretary expect to be the cost of that expansion?

Dr J. KRISHNAN: There has been extensive consultation with industry to consider this change. To put it in simple language or to give an example, if we had no amendments, a developer would have to complete a construction and then claim the rebate or be eligible for a concession. That, in fact, would disincentivise investors from commencing the property development. This amendment will allow the rebate to be claimed while a development is under construction. That amendment will allow people to get the benefits, will serve the purpose of incentivising investors and will contribute to more houses on the market.

For the under-construction concession, the estimated cost to the budget will be \$13.9 million over the forward estimates, and this will be reported in the 2023–24 midyear review. It will be roughly 1 100 apartments. It is a bit hard to be very accurate about this because until the claims are put through, we will not know how many properties are under construction and who will be claiming in the future.

Mr R.S. LOVE: The \$13.9 million referred to is presumably some indication of the value of the total number of apartments under construction and the total amount that will be available to them. Is that just ones that would necessarily apply? How has the parliamentary secretary arrived at the \$13.9 million? Can he give us an indication of how that number was calculated and whether there is any certainty—he said there was no certainty—or what the uncertainty is about regarding whether it will be \$13.9 million? What is the range and the probabilities involved in that?

Dr J. KRISHNAN: Until 2019, RevenueWA did not collect information about off-the-plan sales because such information was not necessary in determining the application of transfer duties. Treasury, in consultation with industry, has therefore used data from Landgate about the transfer of titles for multiple residential dwellings to estimate how many off-the-plan apartment sales occur each year. That is how the figure was determined.

Mr R.S. LOVE: I thank the parliamentary secretary. The staff of my office had a briefing by the minister's office about the bulk of the amendments on the notice paper because we were all in Parliament House at that stage. I understand that the clauses relate to nothing except the expansion to the under-construction phase. Can the parliamentary secretary confirm that no other aspects are hidden away in the amendments and proposed clauses?

Dr J. KRISHNAN: The member is right. I will not say that there are no other amendments, but all the other amendments are minor and technical. The main thing is about claiming those exemptions.

Amendments put and passed.

Clause, as amended, put and passed.

Clause 9: Schedule 3 Division 12 inserted —

Dr J. KRISHNAN: I move —

Page 21, line 23 to page 22, line 11 — To delete the lines and substitute —

- (1) If a term used in this clause is given a meaning in section 266E, it has the same meaning in this clause.

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- (2) Chapter 6A applies to the imposition of duty on a concessional pre-construction agreement even if the agreement was entered into in the period beginning on 23 October 2019 and ending immediately before commencement day.

Notes for this subclause:

1. An agreement entered into before 23 October 2019 is not a concessional pre-construction agreement under section 266F.
2. Under section 266F(3), certain agreements are excluded from being concessional pre-construction agreements, including —
 - (a) agreements in relation to which a rebate has been paid under the Off-the-Plan Duty Rebate Scheme (see section 266F(3)(a)); and
 - (b) agreements that were not eligible for a rebate under the Off-the-Plan Duty Rebate Scheme where development for the relevant subdivision of land is completed before 31 August 2023 (see section 266F(3)(b)).

- (2A) Chapter 6A applies to the imposition of duty on a concessional under construction agreement even if the agreement was entered into in the period beginning on 31 August 2023 and ending immediately before commencement day.

Note for this subclause:

An agreement entered into before 31 August 2023 is not a concessional under construction agreement under section 266FA.

Mr R.S. LOVE: For the benefit of the chamber, could the parliamentary secretary explain the necessity for this amendment?

The ACTING SPEAKER: I welcome the loud shirt brigade in the Speaker's gallery. I wish I had brought my sunglasses!

Dr J. KRISHNAN: The committee amendments also amend clause 9 of the bill. The amendments insert transitional provisions for the amendments at the end of schedule 3 of the Duties Act 2008. The committee amendments amend the transitional provisions in proposed section 77 to cater for concessional under-construction agreements. The amendments clarify that chapter 6A applies to the imposition of duty on an under construction agreement even if it was entered into between 31 August 2023 and commencement day.

Amendment put and passed.

Dr J. KRISHNAN: I move —

Page 22, lines 22 and 23 — To delete the lines.

Mr R.S. LOVE: Could the parliamentary secretary also explain the reasons for the need for that amendment? It looks straightforward enough.

Dr J. KRISHNAN: The answer I just gave included the second amendment.

Amendment put and passed.

Clause, as amended, put and passed.

Title put and passed.

Third Reading

DR J. KRISHNAN (Riverton — Parliamentary Secretary) [11.02 am]: I move —

That the bill be now read a third time.

MR R.S. LOVE (Moore — Leader of the Opposition) [11.02 am]: I rise to make a brief contribution on the third reading of the Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Bill 2023 in view of the fact that due to a timing issue I was not here for the second reading debate. I put on the record that the opposition thanks the parliamentary secretary and the advisers who provided his support today. The opposition strongly supports the intent of this legislation. We understand that there is very much a shortage of housing of all descriptions in Western Australia, and units and developments of this type are very important. During the discussion in consideration in detail we touched upon a few things such as the conversion of non-residential properties into residential properties and how that may affect the duty payable. We also discussed the change from a rebate to an exemption, which is also seen to be an encouragement for people to invest. I am aware that there are some problems in getting larger dwellings up and running. Having spoken to builders and the like, I understand that a number of projects are stalled. In consideration in detail, the parliamentary secretary referred to the fact that a number of

projects needed a little bit of impetus to get off the ground. We certainly see this as an important measure. It is a bit of a leap into the unknown because, as we discussed in consideration in detail, there is no certainty about the amounts of money either for dwellings off the plan or under construction. Catering to off-the-plan projects was of course the original intent of the bill, but that was expanded between the time the bill was introduced and the time it was discussed in consideration in detail, and a number of amendments seeking to expand the scope of the original bill to include under-construction projects were put on the notice paper. We have had clarity about how they can be defined and about substantial refurbishment provisions to ensure that people do not just buy a set of existing dwellings, give them a lick of paint and claim some rebate. There has to be a proper and substantial amount of work done on the dwelling. We have also discussed how that will be measured.

This is non-contentious legislation. It is important legislation to enable more supply of housing because at the core of the housing issue we face in Western Australia is the insufficient supply of homes. Measures such as this seem practical in what they achieve to do. They have been discussed with industry and seem well supported by it. This is an important step in assisting and encouraging a greater supply of units.

Once again, I thank the parliamentary secretary for his contribution and put on record, again, that this legislation is non-contentious. We were simply trying to talk about some of the things that were not in the explanatory memorandum. I point out that this memorandum gives plenty of examples of how the duty applies, and there is no need to go through all of that. It is all written there, and anybody who wants to understand the examples and formulas will see that they are in great detail. I do not think there is any point going through them all. I accept that the explanatory memorandum offers a good explanation of those matters and point to it, as well as to their extension to the under-construction arrangements detail both in the clauses and where they coincide with the calculations here. With that, I conclude my contribution to the debate, commend the bill to the house and wish it speedy progress in the other place.

MR C.J. TALLENTIRE (Thornlie) [11.07 am]: I am very pleased to speak to this Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Bill 2023 and to contribute to the third reading deliberations. This is important legislation because it will enhance a sector of the housing market that is very exciting—that is, multi-dwelling places with various uses. I will go straightaway to an example—the development going on at the old Shenton Park Rehabilitation Hospital being done by, I believe, Iris Residential. I think 157 properties in Shenton Park will get the name Shenton Quarter, and something of an urban village will sought to be created. It is a very exciting opportunity.

I also congratulate the parliamentary secretary on his smooth handling of this legislation and acknowledge the comments of the Leader of the Opposition, who characterised this bill as entirely non-contentious. I think that is true. From a parliamentary perspective and in terms of our deliberations here there is a great deal of common interest and a view that this is important legislation that will improve the diversity of housing options in Western Australia. It is interesting to note that on ABC 720 radio this very morning Nadia Mitsopoulos had as one of the topics of discussion—I missed it entirely because I had other commitments—some airing of the challenges and difficulties that people face when they buy off the plan. It is interesting to make that comparison. Here as parliamentarians we are saying this is not contentious legislation, but realise that within the broader community there is a concern about the sorts of challenges that people can face when buying off the plan—indeed, the risks that people are taking. I see that the measures contained within this legislation are about rewarding people by providing a very worthy financial incentive to take a bit of risk by buying something that is off the plan. That means they are seeing something that is not completed. It is something on paper or at a partial stage of completion. Keep in mind the sort of issues that I imagine were raised during the course of the ABC program this morning about people buying those properties and then finding that there is some sort of defect—perhaps there is a leak or something like that. People can experience that in the purchase and building of any property, of course, but there are particular challenges that come with purchasing something off the plan. People want to feel that they are going to be protected from risk when it comes to purchasing in this way.

I think it is important that as parliamentarians, with the passage of this legislation, we will further instil a degree of confidence in this sort of purchase in the community. We imagine that investors will factor that in when they buy their properties off the plan, and they will see that they are getting something of a discount compared with if they were to wait and buy the property later on.

Several members interjected.

Mr C.J. TALLENTIRE: I am aware of some side discussions going on; I am not sure whether it is germane to this particular debate, but I will stand advised if there are issues that the Leader of the Opposition and others wish to raise.

There is a need for people to be rewarded for the risk that they take. I think that is important. We see various schemes in the housing sector, such as first home owner bonuses and various grant schemes. There is a strong economic theory and analysis that says that when those schemes are introduced, it often happens that the market—if it is

a \$5 000 first home owner grant—increases the price of a property that a first home owner category 1 can buy, by \$5 000. Those schemes are very popular—that needs to be acknowledged—but in terms of delivering the best outcome with taxpayer money, it is unclear whether that does the job.

I think that is different from what we are proposing. The economic mechanism here—I stand to be corrected if there is some detailed economic analysis on this, which says otherwise—is that when a particular sector is targeted, in this case it is the off-the-plan, apartment-type sector, we are then boosting that sector to its advantage so people will be more likely to choose this sector rather than choosing a property on the outer fringes of the metropolitan area and the various bonuses that might be involved in those sorts of properties. The fact is that people would then see an advantage in this type of off-the-plan purchase. I imagine that many of those off-the-plan purchases for which those concessions would apply are often properties developed in an inner-city setting in which the building industry—I have spoken on this recently—can be a bit shy about doing inner-city developments. There are a lot of dwellings built at the outer limits of the Perth metropolitan area and they are built there because the majority of people in our housing and construction sector find the business model of building properties on large, flat, yellow-sanded areas, on the outer limits of the city, easier to cope with. They find that the profit margins are bigger.

Some of those inner-city developments require another skill set. Fortunately, I think we are seeing an improvement in the capacity in Western Australia of people who have the skills and the entrepreneurial flair to do those dwellings. They have the capacity to do the financing. I think that this legislation—we have learnt through the brief discussion and consideration in detail and through studying the legislation—is about helping the financing of those sorts of dwellings. There are probably other members like me here who have considered doing some sort of subdivision-type development. I had an 850 square metre block in Thornlie. It was feasible to build a complex there with nine dwellings on it. It had been done next door to my property by a builder who was smart and shrewd and was able to buy the block quite cheaply and had the necessary contacts in the building industry to marshal all the different skills and orchestrate things at the right time. It was I think five or seven years ago when the building industry was not as heated as it is now, so it was not as difficult to get the right trade in at the right time to do the essential plumbing, electrical and carpentry work, you name it. Those are all the things that have to be lined up for a major construction project or a construction project that I think would have been in the order of \$1.5 million. It was not a huge development, but one that required a fair bit of financing.

This legislation will help with that sort of financing. It is an essential element. I do not think that this would have helped me as a—I suppose you could style me as a mum and dad—type investor trying to do a housing development; I do not think it works. I was very pleased that in the end I made the decision not to go ahead with that particular development because I do not think I have the skills or building industry contacts to be able to marshal all those particular tradespeople at the right time. Fortunately, I did not proceed. This is going to make it easier for the people who have the right skills to do the financing.

Imagine being able to do an off-the-plan sale in the very early stages and sell an apartment for \$500 000 very early on. That will provide a substantial piece of liquidity in the overall financing of the project at a crucial stage, and take the pressure off. That is something very important in the context of rising interest rates and it will be much appreciated by those who can deliver those sorts of developments. I touched on the point that I imagine those sorts of developments will occur quite often in the more central parts of our metropolis. They will perhaps be within the 20-kilometre radius of the Perth CBD. I think that is the case. As I say, that is where the need is particularly strong. I mentioned in a debate recently the need for us to find ways of getting developments done on those areas of vacant land that are within 20 kilometres of the Perth CBD. I know in my electorate I have a number of sites that are vacant, but we do not see any construction activity occurring. I also hear calls from some elements in the housing development industry for the government to release more land. I find it quite odd that that call is given credence because, as I said, I am aware of vacant land in my electorate that desperately needs developing, yet nothing occurs. This mechanism may help finance those projects. I accept that a significant part of the problem is the availability of tradespeople who have the skills to build these places. It is a bit annoying to hear some people suggest that the problem relates more to land release than the capacity to build on existing vacant areas of land.

The Minister for Housing and I have spoken about the number of blocks in Corfu Way, Maddington, in my electorate, including: lot 221, 4 298 square metres; lot 222, 4 563 square metres; and lot 223, 8 194 square metres. They are all fully serviced. The roads are in, along with sewerage and electricity; everything is there, but the land is vacant—nothing is happening. It is particularly annoying because it is prime land ready for development. I hope that the financing arrangement can really help us develop that land. Similarly, the Maddington oval site is another seven to eight hectares of vacant land, mostly held by the City of Gosnells, that could be used for a really good development. The land is right near the train station, as is the land in Corfu Way. It is perfect for development and would give people an alternative to buying properties at the limits of our incredibly sprawling city. It would be extremely welcome if we could say to people, “If you’re at a stage of your life when you are seeking a medium density lifestyle, if that fits for you, the livability that we’re offering could be fantastic.” We just need the properties to be built.

In the past, I have mentioned other properties, including 2 Stalker Road, which measures 4 026 square metres. Aylesford Way, a property owned by the Department of Planning, Lands and Heritage, measuring 872 square metres, is zoned R20 and R60. If it was owned by a private individual, they would be feeling some pressure. The idea is that rates can be applied to private property owners and they can get rated out. If someone is sitting on vacant land that is potentially zoned for residential purposes, the rates are much higher and it would not be in their financial interests to sit on that land. Speaking of privately owned land, adjoining me is a 600-hectare lot—the Della Vedova land, which has the capacity to accommodate 20 000 people. That land is bounded by Tonkin Highway and Passmore Street in the electorate of the member for Southern River. It is a huge area, privately owned. With that mechanism of rating land—it is zoned either urban or urban-deferred; I forget which—it is possible to incentivise people to carry out some level of development. There is a need to give the community various residential housing styles because it not only meets consumer choice—the needs of people—but can also help ensure that we have developments that are financed in different ways. It is very important to do that.

I am particularly fond of seeing developments within the 15-kilometre radius of Perth. When we think of a radius, we always get the idea that everything has to centre in on the Perth CBD. It is fascinating and extremely worthwhile to hear the discussion on the need to create centres that are not all about the Perth CBD, but that are scattered around Perth, creating a succession of villages around the metropolitan area. I have already touched on this concept, describing it as the 20-minute city, but it has also been referred to as a 15-minute city, which enables people to be close to everything they need—the butcher, baker, candlestick maker—grocery stores, schools for their kids, health services to meet their medical needs, and recreational facilities. To have all those within a 15-minute walk is extremely commendable. It is something that many of us have experienced when overseas. When I lived in Paris from 1986 to 1994, we always had the discussion that the 20 arrondissements of Paris are a series of villages. That is very true. Within each arrondissement, people can get all their needs fulfilled. That idea is being reinforced and helped along by that municipality’s desire to change how people get around, partly thanks to the incredible investment by Mayor Hidalgo, with the incorporation of bike routes. To some extent, that has been paralleled by what we are doing with our various transport initiatives, including the “walk, wheel, ride, thrive” initiative that the Department of Transport and the Minister for Transport are ably guiding. That is absolutely essential to the concept of the 15-minute city.

Curiously, some elements of our community, on the right, have taken great exception to that concept. They are fierce opponents of the 15-minute city. I am trying to work out why. What is their rationale? I think it goes something like this. Some cities that had lockdowns during the COVID-19 pandemic—not so much ours in the west; we were particularly lucky in the way we dealt with COVID under the brilliance of Premier McGowan, and we did not have area-specific lockdowns in place for extended periods—experienced people being told to stay within a particular area, which led to them discovering that community. We heard stories of people realising that their community had attractive parks and great shopping. They realised what was already in place within their local area. They came around and now take great pride in the services, the shopping and the general quality of life in their local area whereas previously, prior to COVID, they had the idea that if they wanted to go out, they had to go towards the city centre or go to another area completely. The idea of enjoying what is within the immediate area of where people live has really taken hold. The right-wing media commentators who hate this concept of the 15-minute city have got hold of the idea—a false idea—that this could lead to future lockdowns, and it is some form of social engineering that would make it easier for people to be locked down in the future. If any member hears criticism of the 15-minute city concept, it is important to know where that argument is coming from and what the erroneous basis for it might be.

I think it is about some people’s suspicion that for some reason government would want to lock them down. It is all part of the same rhetoric that we saw at the referendum on the weekend when some people at booths were telling voters to not use a pencil when casting their vote and writing yes or no. People wearing No t-shirts were actively telling voters, “Write with a biro to write your yes or no”. I think that is part of the undermining of confidence in the political and electoral system coming from the extreme right. I put that anti-15-minute-city discussion very much in the same camp of the extreme right undermining political and government electoral processes. It is all coming from the same sorts of people who are using the Trump playbook. That is where it all comes from; these people have no solutions. Why anyone would ever want to undermine our electoral system is completely beyond me. I am absolutely devastated by the result on the weekend, but I have to accept the reality of it. The rigours of the mechanics of that referendum were second to none with the way the Australian Electoral Commission staff were all trained and ran the thing. There is no question of which way the result went. Nevertheless, it does not change the fact that it is an utterly devastating result.

The whole point of legislation that helps people make a very important investment decision to buy a property off the plan is that it gives them that little bit of extra confidence. There are incentives; they will receive a financial reward for their decision. Of course, we all like that. It is always nice to go on realestate.com or one of those sites and see what the current valuation of your property might be and trust that based on other sales in their area the

algorithms have diligently worked it out and can show a steady increase. Mind you, for those of us who have been property owners for a long time, we have not seen those increases or increases have been very mild, so it is encouraging to see. I think we will see people realising a noticeable increase in the value of their asset when they have purchased off the plan. That is something that we want. That will then help developers and builders ensure that they go ahead with these projects. They feel that they could do that, and with the financing in place, that will be all good.

As I said earlier, I thank the parliamentary secretary for his smooth handling of this bill. I note that in preparing for this legislation, I received some emails from constituents with questions. In one case, the deal was signed, and they did their off-the-plan purchase on 14 September 2021. The property's construction was delayed because of all the delays in this very overheated construction market, and the property still has not been finalised. Some constituents are wondering whether they will be eligible for this concession. From my reading of things so far, the answer is no, they might not be. Perhaps that is something the parliamentary secretary might be able to get information on prior to the conclusion of the third reading debate, or perhaps that is something we can consider elsewhere. We accept that we have to draw the line somewhere. This scheme is due to expire on 24 October, in a few days' time, but with the passage of this legislation it will be extended to 30 June 2025. These are welcome changes. The various other concession arrangements and the changing in the formulas, as the Leader of the Opposition said, were all very well spelt out in the information provided to us.

I am very happy to support this legislation. I believe that it will help enrich the quality and diversity of different habitation types that we have in the Perth metropolitan area and across the whole state. I think it is extremely commendable. As I touched on earlier, the fact that we have such resounding consensus in Parliament about the utility, value and benefit of this legislation needs to be contrasted or carefully analysed against some of the doubts in the community. It will be worth us having a close look at the transcript of the ABC 720 discussion this morning that related to off-the-plan purchases and the mechanisms for complaints that people might have. This touches on something that is difficult for us, in that a number of builders do go bust. That undermines community confidence.

Also, some properties are built and the quality of works is appalling, and people are left with a dreadful legacy of trying to fix a home with foundations that have been badly laid and all sorts of poor works have gone on. Nothing undermines confidence more than that sort of story. We hear in the media about the devastating consequences on the lives of the people who have made massive investments in building a property only to find that they chose the wrong builder and have problems. It also has very serious negative consequences for the overall view of our building industry when these stories get out there. We all have an interest in making sure that the quality of housing is of the highest standard and that the checks and balances are in place. I commend the bill.

MR D.A.E. SCAIFE (Cockburn) [11.37 am]: I rise today to contribute to the third reading debate on the Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Bill 2023. It is always a hard act to follow the member for Thornlie, who is well versed in not just the issues around housing supply and the need for greater density in our communities, but also the concept of the 15-minute city, which has been co-opted by those on the far right of politics into some kind of conspiracy in which the government wants to lock people inside a 15-minute zone in their city, which is really quite bizarre. I am not suggesting that it is a view shared by anyone in mainstream politics, but it was good to listen to his explanation of the issue. It has played out in the United Kingdom lately in some elections and there has been some controversy around it.

In speaking to this bill, I want to start by commending the parliamentary secretary on his carriage of the bill and going through the bill at the consideration in detail stage in a very thorough way in response to questions from the opposition. It was also great to see the parliamentary secretary bring forward amendments that relate to further changes that the government wants to make, extending the concession to apartments that are under construction, for example, which has been welcomed by industry and welcomed by people who are already looking at apartments that are under construction.

I want to first touch on how industry is supportive of the changes that this bill will introduce. I think it is a real feature of both the Cook and McGowan Labor governments that we make a point of listening to all stakeholders. Whether those stakeholders have a different view from us, are in furious agreement with us or agree on some things but disagree on others, we make a point of listening to a variety of views and trying to craft a policy that brings stakeholders with us. Whether that is the general public, not-for-profit organisations that advocate in this space, peak industry groups or unions—any of those organisations—it is always our attempt to craft a policy position that achieves the policy objective, but also brings the stakeholders with us. In that respect, I reflect on the support from industry for the changes and the extension of the concessions that we will introduce through this bill. I note that Cath Hart, the CEO of the Real Estate Institute of Western Australia, said that industry welcomed the move. She said —

“These changes represent significant savings for buyers—over \$18,000 for someone purchasing a \$650,000 apartment—and will encourage off-the plan purchases, facilitating development of these projects,” ...

“With housing supply the greatest challenge facing the market at the moment any action to address the shortage of homes and provide greater housing diversity is to be commended.”

That is a ringing endorsement from REIWA for the work we are doing today.

I turn to an article in *The West Australian* on 10 October and a comment by Sandra Brewer, the Western Australian executive director of the Property Council Australia. She said —

“Industry has been pushing for this initiative (stamp duty concessions for multi-dwelling units under construction) as it will bolster confidence for apartment projects to get under way, and that enables West Australians to get on the housing ladder,” ...

That is an endorsement also from the Property Council of Australia. I want to draw a comparison between those endorsements of the bill we are considering today and the support we also saw for the government’s planning reforms that the Minister for Planning announced on Tuesday. We saw a range of stakeholders like the Property Council represented at the media event, and also stakeholders like St Patrick’s Community Support Centre, which is an outstanding homelessness outreach service based out of Fremantle. I saw the CEO of St Pat’s, Michael Piu, together with Sandra Brewer, the WA executive director of the Property Council of Australia, standing shoulder to shoulder behind the minister, together with other stakeholders, to welcome those planning reforms.

Those planning reforms, in conjunction with these sorts of tax reforms, are all part of the government’s approach to get more housing into the market, because we know that we have two big problems at the moment, and they are related. The first is we simply do not have enough supply. We do not have enough supply of any product in the market. We lack not only single dwellings, but also high-end apartments and mid-range products. We simply do not have enough supply up and down the range of the type and cost of housing, and I will speak on that. I spoke on that previously and I will hopefully speak on it again in a couple of weeks’ time when we come to debate the planning reforms.

I want to contrast the number of stakeholders that support the government’s agenda in this space with how friendless the member for Cottesloe is when it comes to his demonisation of apartment dwellers. For some reason, when I speak on this, it seems to get under the member for Cottesloe’s skin. One thing he likes to remind me is that there are lots of apartments at the train line end of Wellington Street in Mosman Park. He always feels the need to lecture me about that, which I find surprising, because I have actually told the member for Cottesloe several times that for five years during my university years, I lived in those apartments in that part of Wellington Street. I lived in some salmon pink-coloured apartments that were pretty bodgie, surrounded by the public housing apartments there. I lived for many years in the member for Cottesloe’s electorate, after I had moved to Perth as a student to study at the University of Western Australia, and I can tell members now that no-one knows better than me that that end of Wellington Street in Mosman Park is not as salubrious as the other end of Wellington Street in Mosman Park. Once we get to the river, it is chalk and cheese. I am not here to demonise apartment dwellers. I was an apartment occupant; I was a renter in the member for Cottesloe’s electorate. Anyway, we will see how that goes, again, when we get to the bill that introduces the government’s planning reforms, and the member for Cottesloe can lecture me then. The point I want to make is that the member for Cottesloe is always friendless on these issues. To be fair, I think the member for Cottesloe is possibly friendless on every issue, but he is certainly friendless on this issue.

Mr J.N. Carey: He lectures everyone.

Mr D.A.E. SCAIFE: As I just averred to, minister, he lectures me and he lectures others. He lectures you.

Mr J.N. Carey: He is the master. He lectures his own colleagues.

Mr D.A.E. SCAIFE: He does.

Mr J.N. Carey: I’ve heard him.

Mr D.A.E. SCAIFE: It is not a surprise that he does not have support from other members of the opposition.

Point of Order

Mr R.S. LOVE: Point of order.

Several members interjected.

The ACTING SPEAKER (Mr P. Lilburne): Thank you, members. The point of order will be heard in silence.

Mr R.S. LOVE: This is a third reading speech, and I think we are straying a little from the substance of the matter at hand. I ask that the member be brought back to the issue.

The ACTING SPEAKER: Thank you very much, Leader of the Opposition.

If the member for Cockburn could direct his comments on the third reading more specifically to the bill before us, that would be most appreciated. There is no point of order at this time.

Debate Resumed

Mr D.A.E. SCAIFE: I appreciate that, Acting Speaker. It is a bit rich for the Leader of the Opposition to raise a point of order, given the third reading contribution he gave earlier did not even vaguely resemble a third reading contribution. In fact, I believe he started by openly saying that he had missed the second reading debate, so he was giving a third reading contribution in lieu of a second reading contribution. Something about throwing stones in glass houses comes to mind with that point of order. I respect your ruling, Acting Speaker.

The point I make is that this bill is part of the government's broader agenda to drive an increase in the supply of housing into the market. I cannot see how it is not related to the bill, which is specifically about concessions for off-the-plan and under-construction apartment purchases. I refer to the comments that the member for Cottesloe makes, whereby he increasingly and continuously demonises apartment dwellers. I just think it is absurd. I contrast that with the statements that I have referred to from the Property Council of Australia and the Real Estate Institute of Western Australia. Those organisations have commended the government on this bill and on the concessions it will introduce through this bill to encourage the development of apartments and members of the public to look at apartment dwelling as an option.

Anyone who goes to any major city around Australia or the world will see an incredible number of apartments. I was in Brisbane for the ALP national conference a couple of months ago and there are apartments everywhere. The density in major cities overseas puts Perth to shame. We need to encourage people into apartment living. We need to make it attractive for developers to develop apartments in circumstances in which costs are very high and skills and labour are in short supply. The government is making these types of concessions in conjunction with the planning reforms and other measures like our housing diversity pipeline and infrastructure development fund. Together, those policy settings will mean we can encourage developers to develop apartments and people to look at apartment living in contrast to living out in the far suburbs, where people have to travel further and perhaps services are less attractive. I really commend that.

I am very fortunate to have some high-density housing in my electorate, particularly around Cockburn Central and the train line. I previously went into the debacle of Goldmaster under the former Liberal–National government. That has led to some barren plots of land in Success in my electorate. However, other than those barren plots of land there are some apartments around that area. I would love to see more of that development. I know that it is hard to do in areas like Cockburn Central where the value of the land and product is not as high as it might be in the inner city and western suburbs. I certainly hope that policy changes like this and the planning reforms will over time incentivise the creation of higher density living around those Metronet stations. We have the Thornlie–Cockburn line connection at Cockburn Central. There are significant opportunities there, but the government needs to get the policy settings right to make sure that industry feels confident in taking up those opportunities.

I have just touched on the need to encourage people into apartment living. One of the previous observations I have made is that we need to expand the range of housing options available for people. There has been criticism before of the government's infrastructure development fund for supporting developments in areas like North Fremantle, Mt Pleasant and other areas that are higher value in more salubrious parts of the city. The point that I have made before is that we have people in areas like Cottesloe and Applecross who might be occupying big four-by-two or even larger properties because it is the old family home. However, there may only be one or two people living in that house anymore because the kids have grown up and moved out. Those people might want to downsize, but they do not want to downsize and move out of their community. They do not want to move to a suburb that they are not familiar with, where they do not have friends or know the people at the senior citizens' centre and are not involved in the sports club. I think it is hard to move to a new area at any stage of someone's life, but I imagine that moving into a new community at retirement age and trying to build networks would be very challenging. People want to downsize in the communities that they have lived in for decades. Providing apartment options in areas like North Fremantle and Mt Pleasant will actually mean that people who might be occupying four-by-twos in Ardross or Nedlands have an option closer to their community where they can move into an apartment and still stay connected to friends, family and community groups.

I saw the phrase "rightsizing" when I was researching this bill. I had never heard the term rightsizing before. I wonder who was paid a lot of money to come up with that term instead of downsizing. I have to say that it is a term that I wish I came across when I was moving my mother up to Perth from Australind. I can say that the "D word" was a dirty word when trying to convince my Mum that she should move up to Perth. I wish someone had told me about rightsizing as a concept because I could have said to her "Mum, don't worry. It is not that you are downsizing. It is just that you are rightsizing." That is exactly the kind of doublespeak that appeals to me as a member of Parliament.

My point is that it is not just about downsizing; it is about rightsizing and finding the right fit for someone. That is why there needs to be a diversity of options and apartment options. We could have smaller townhouses and unit complexes or nine-storey apartment blocks. Different things appeal to people. I know that some people who are a bit older actually prefer an apartment that is not on the ground floor; they would actually like one with a bit of height, partly for security reasons. They would feel more secure being up and away from the streetscape where people cannot peer into the windows or something like that. There has to be a range of options such as townhouses and

smaller unit developments. People interested in that kind of living might want a bit more space or have a courtyard or garden or something like that. There also needs to be options for people who want to be in a larger apartment block and have access to the amenities that come with that such as communal gyms or swimming facilities. There has to be a diversity of options.

That is where these concessions will be so important. The concessions in this bill will provide a rebate capped at \$50 000. The concession is phased down to 50 per cent of the duty payable for properties valued at \$750 000. That is an increase on the previous value of \$600 000. Developers will get a high concession under the bill for those cheaper apartments, but there will still be some concession, capped at \$50 000, for those higher value apartments as well. I think that is appropriate because it is essentially a form of progressive tax relief. The bill will provide a larger concession for people who are developing and purchasing lower priced dwellings, but will also provide a pretty generous concession for people buying a higher end product. Those people might not need quite as much assistance as a percentage of the value of the property.

That is a really good setting in the bill. I was also pleased when we were putting this legislation through and legislating for these concessions out to 2025 to see that the minister is able to make a pre-enactment determination notice under the Taxation Administration Act 2003. That will allow for concessions to be administered before the bill has passed once the revenue system changes are implemented by 31 August 2023. That is a good example of the government putting policy through the Parliament to make sure that there is legislative certainty over the next couple of years. However, we will also be able to get that scheme underway as of 31 August to get those concessions into the market for developers to access now. It is great that we broadened it to not just off-the-plan developments but also to apartments that are under construction as well. That means that we will get an immediate injection of incentivisation into the market. People will get certainty because we are putting the bill through the house today and it will go to the other place as well. It is pleasing to hear the comments from the Leader of the Opposition that it also has the support of the opposition and there is a consensus there. That hopefully means that there will be a fairly speedy passage through the Legislative Council. That will provide legislative certainty for people that these concessions will exist until at least 2025. It also means that by the minister taking that re-enactment determination, that extra incentivisation has already been injected into the market. That was a really good move by the government there in getting on with the job but doing it in a responsible way.

The third issue that I want to touch on is the issue of quality assurance in apartment building. One of the things that has made people nervous about apartments in recent times has been the discovery of defects or various problems. The Grenfell Tower tragedy in London brought that issue to international attention. That must have been 10 years ago now; it does not seem that long ago, but I guess it probably is. People around the world watched that horrendous situation unfold. That defect—the cladding on the outside of the apartment building—had not been assessed, noticed or rectified and led to an absolutely tragic loss of human life. That was the turning point around the world, when people said that we have to take quality assurance in the construction of apartments really seriously. Apartments have all sorts of extra challenges associated with them that a standalone dwelling does not have. There are obviously extra issues in terms of the foundation and structural integrity of a larger building. There can be issues with cladding. There are often issues with waterproofing and fire resistance. When people saw the Grenfell Tower tragedy, they said, “Look, we have to take this seriously.” Various steps have been taken around the world to give people confidence to purchase apartments.

The bill is squarely focused on giving people confidence and incentives to develop and purchase apartments, but we also have to provide them with assurances about the quality of the product they are purchasing. In that respect, I acknowledge the work of Sam Reece from Australian Apartment Advocacy. I had the pleasure to meet Sam a few years ago when I was representing the Minister for Housing at a function, and I have kept up the relationship with Sam since then. Sam has been a dogged advocate for greater quality assurance when it comes to apartment construction. Like this government, she wants to see more people move into higher density living, but the issue she is squarely focused on, rather than tax concessions, is quality assurance. One thing that Sam has been advocating for is the introduction of apartment construction audits. Such audits would mean that over the life of the construction of an apartment complex, inspectors would come in and have a look at what is going on. They might check the waterproofing and the structural integrity of the apartment complex itself. They would come through periodically and check the work as it is done, such as before the waterproofing gets covered by tiling. They would check that the steel frame, or timber frame in the case of some of the developments that we are seeing going up around the place, was built to a good standard. That would mean that by the end of the construction process a series of audits would have been completed so that when a purchaser makes the investment decision to buy an apartment and take advantage of the concessions in this bill—makes the decision to rightsize to an apartment—they would have certainty that they will be getting a high-quality, safe product that is not going to result in them carrying a \$650 000 rectification bill in 10 years’ time. That is the other thing about apartment dwellings: the defects might not be obvious for 10 or 20 years, and, by that stage, the company that built the apartment block might have gone into administration. There are any number of reasons that an entity might not exist anymore. Owners of apartments might not have an obvious recourse for compensation for defects that have to be rectified in a building, so we end up with the owners, either

through the strata council or individually, having to carry the liability for rectification. I acknowledge Sam for her advocacy.

I understand that Western Australia is the only jurisdiction in Australia, at least amongst the states, that does not have some framework for quality assurance auditing. It can take a variety of different forms, but we do not have that framework here. I ask the parliamentary secretary to relay back to the Minister for Commerce that I know that the minister has been engaging with the whole sector on this issue. I know that the Department of Mines, Industry Regulation and Safety has been engaging with the sector on this issue as well. They have been engaging with the Property Council of Australia, developers, major builders and advocates like Sam to get the policy settings right for the future introduction of an auditing regime. We are not there quite yet. This goes back to the point I made at the beginning—that the approach of this government and the previous McGowan Labor government to legislative and regulatory change has always been to listen to a range of stakeholders and make change conservatively, with an eye to preventing unintended consequences. I pass on my appreciation to the minister, her parliamentary secretary and the officers at DMIRS who are working on the issue of quality assurance in apartment construction. It is a really important issue. I thank Sam Reece for her advocacy. I also thank the organisations that have been working with Sam, like the Australian Steel Institute, for their advocacy. We need to provide people with confidence that they are purchasing a quality product, but we need to introduce audits in a way that will not lead to unintended consequences, such as discouraging development. Audits could be an extra financial impost or impost on the construction time frame and a builder's schedule of work if they have to wait for someone to come in and audit the build, so there is the potential that by introducing audits for apartment buildings, we could discourage development. We need to get the balance right between, on the one hand, quality assurance of apartment buildings and giving people confidence that they will be getting a quality product, and, on the other hand, continuing to encourage development of apartment living as much as possible, as we are trying to achieve through this bill.

In conclusion, I reiterate the point that this bill is just one part of the government's broader agenda around encouraging housing supply and, particularly, a greater density of housing supply, by encouraging the development and purchasing of apartments. This bill, in conjunction with planning reform and potential future reforms to provide quality assurance for apartment buildings, will go a long way towards ensuring that we have greater supply and a greater diversity of supply in our housing market. That is welcome news to my constituents in Cockburn. I think it is welcome news to everybody in Western Australia, including employers who might be looking for places to house employees or attract new labour. I commend the bill to the house.

MS M.J. HAMMAT (Mirrabooka — Parliamentary Secretary) [12.08 pm]: I also rise to make a contribution to the third reading debate on the Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Bill 2023. I am always very keen to talk about housing and the many things that this government is doing to increase housing supply, because housing, generally, remains a very important issue for the people I represent in Mirrabooka. It is an issue of priority and concern. I note that my electorate has a high number of people in private rentals when compared with the greater Perth area—based on the last figures that I saw, it is about 30 per cent of people compared with about 25 per cent across the greater Perth area. It also has a high proportion of people who reside in social housing. This bill is part of a suite of initiatives our government is undertaking to increase housing supply right across the board. Other members before me have spoken about the detail of this legislation and how it will be one plank to increase the supply of affordable housing.

In the 2023–24 state budget, \$33 million was committed to extend the off-the-plan transfer duty rebate and the concession thresholds. This bill will amend the Duties Act 2008 to implement the off-the-plan duty concession that was announced in the 2023–24 state budget and to expand the circumstances in which a refund of foreign buyers' duty is available to foreign developers. It is perhaps a fairly—I do not want to say niche; I think that is the wrong word—small part of an overall picture of work that is being undertaken by our government. All these contributions and initiatives add up to something that will deliver significant change for people who rely on access to social and affordable housing or a general increase in rental properties. That is why I am always very keen to speak about the initiatives undertaken by this government. I am always interested in the work that has been done, in significant part by the Minister for Housing; however, all his cabinet colleagues are part of finding and implementing legislative, budgetary or financial initiatives to address the supply issues that are such an important concern for the people I represent.

This government is committed to making sure that people have a place that they can call home. We know that that is a really significant thing that people want and expect. As part of our suite of initiatives, we will invest a record \$2.6 billion in social housing and homelessness measures. Importantly, that will result in the delivery of 4 000 new social homes. The government is on track to deliver those homes; approximately 1 300 homes have already been built, and a further 1 000 are currently under contract or under construction. We are not stopping there. We are also using a range of innovative programs, like the timber frame build program and the modular housing program, and continuing spot purchasing to increase the housing supply available for people.

The housing diversity pipeline is helping to unlock government land so it can be used in conjunction with the \$80 million infrastructure development fund to drive infill and apartment developments. I will expand on some of those themes in my contribution today. Importantly, the government is working closely with industry to cut red tape and implement a range of tax reforms and incentives that will promote large-scale build-to-rent developments. In his contribution, the member for Cockburn talked quite rightly about the support those initiatives have received from industry because of not just the government's very proactive and energetic work but also the way the government is working closely with industry to identify all the roadblocks to increasing housing supply and make important changes.

Earlier this week, the Deputy Premier and the Minister for Housing announced the establishment of a dedicated housing supply unit in Treasury. The dedicated unit will work across government and with industry to identify and implement policies that will boost housing supply, improve affordability and, importantly, expand workforce capacity so that we can hasten the building of new houses. As we know, because we have discussed it many times in this chamber, the housing market faces significant pressures in WA. We have a tight rental market in the metropolitan area and in regional WA, and a very low number of houses are listed for sale. One challenge, of course, is that many people wish to relocate to Western Australia because it is such a great place to live and because our economy is so strong, and those people are also contributing to the increase in demand for housing. The new unit that was announced earlier this week will report to the residential lands and housing delivery ministerial oversight committee. It will be responsible for producing economic forecasts for WA and developing market-driven housing policies to boost supply and, importantly, improve choice and affordability because these are two essential criteria in addressing housing shortages. It will also make sure that there will be regular consultation with the residential building industry and the property development sector, so barriers to increasing supply can be identified early and quickly. It will work across government agencies and government trading enterprises to address and remove those barriers, so we can get on with the essential task of building more housing.

Importantly, the unit will also work to push for WA's fair share of funding from the commonwealth funding pool. I particularly want to talk a little about the Housing Australia Future Fund, which recently passed through federal Parliament. People will recall that that fund was subject to some difficulties in passing through the Senate, but I am pleased those difficulties were recently overcome. The federal government has now established a \$10-billion fund that will provide 30 000 social and affordable homes around Australia. The project will include 4 000 homes for women and children who have been affected by family and domestic violence and for older women who are at risk of homelessness. We know that older women are one of the fastest growing categories of people facing homelessness at the moment.

The returns from the \$10-billion fund will also help to deliver the federal government's commitment to addressing acute housing needs. They will include \$200 million for the repair, maintenance and improvement of housing in remote Indigenous communities; \$100 million for crisis and transitional housing for women and children; and \$30 million to build housing for veterans who may experience homelessness or be at risk of homelessness.

This federal government announcement of a significant piece of policy work, coupled with the ongoing and extensive work undertaken by the Cook Labor government, really underlines that it is always Labor governments that can be relied on to do the hard work of investing in housing and finding ways to alleviate the cost of living for everyday people. The record investment in housing by both state and federal Labor governments stands in stark contrast with the opposition's comments. The member for Cockburn talked a little about the member for Cottesloe. I also want to make some reflections about the member for Cottesloe, largely because I think the member for Cottesloe is one of the more vocal opponents in this chamber of some of this government's excellent strategies and policies. It is very difficult to listen to some of his contributions, which seem to be based on the idea that although social and affordable housing are great ideas, they should not be in his suburb, thank you very much. On a number of occasions, he has made the point that we need to do more on housing, but he is resistant to anything that might affect his part of the world. That kind of not-in-my-backyard attitude really does the member no service; in fact, it does him a great disservice. I think it really underlines a very self-interested approach to what we know is a fundamental issue facing so many Western Australians right around the state. I urge the member to turn his mind to being able to understand the housing market, the economics of addressing housing supply issues and the complexities of housing policy. His contributions do him no favours when he is so dismissive of the work being done by this government.

To that end, I want to spend a little bit of time on the report by the NSW Productivity Commission. I commend the document to the member for Cottesloe and encourage him to read it. It is simply titled *Building more homes where people want to live*. I congratulate the NSW Productivity Commission for so clearly encapsulating the heart of the issue. If we are to address the issue of housing, it is essential that we build more homes and that we build them where people want to live and, as part of that, at a price they can afford. A key consideration is that housing supply cannot be something that needs to be increased everywhere in the state, including the metropolitan area, except for the suburbs represented by the member for Cottesloe. This document sets out quite clearly fundamental issues behind the challenge of boosting housing supply. It is rudimentary economics to understand that boosting supply

is an essential part of the equation. It obviously provides an adequate number of houses and it will also impact the price of those houses. We know from many different quarters that part of the challenge for people seeking housing in this state is the price they are required to pay. I note that because the people I represent in Mirrabooka are generally on lower incomes and the price of housing is a key consideration of whether they can afford those homes or, indeed, homes anywhere.

This report quite neatly summarises the economics behind addressing supply, and that is why I commend it to the member for Cottesloe. In essence, the challenge is that if existing housing policies do not meet demand and housing is scarce or of inadequate supply, that will drive up prices of both purchasing and renting homes. That is the crux of the problem. To overcome that, it is essential to provide more housing. There are essentially two broad options for doing that. One is that housing can be provided on the outer rim of the metropolitan area. In Sydney, of course, that is a very long way from the CBD, but in WA it is also a long way from the CBD for many people, as our city stretches a long way along the coast. That is one option.

The other option is to locate more new homes in areas with existing housing. The only way to achieve that is by increasing density. There are a lot of reasons why building more homes in existing areas of housing makes good policy sense. As the report title suggests, one of the key considerations is that that is where people want to live. When people are asked where they wish to reside, they identify that the most attractive place for them to live is close to transport, their jobs, their family and their friends. Overwhelmingly, people do not identify that they wish to live a long way from the CBD, with the long commutes and lack of services that often come with that. They would rather live close to the CBD, but they are often driven to parts further out in the metropolitan area by the cost of housing. I say this as someone who has never been able to afford to live in the suburbs represented by the member for Cottesloe.

We all make choices about where we live based on the amenity we seek and the price we have to pay for it. Increasing density is one way of making sure that people have many options about where they choose to live. This is important because as people age, they often want to remain in their communities as that is where they have connections to family, services and seniors' clubs. It is often where they have brought up their children and where they have attended school. It is not possible to remain in those local communities unless there is a diversity of housing supply available. That is why increasing density, with smaller homes without the difficulties that come with gardens and yards, is so very important for making sure there are choices. It is perhaps also important for young people seeking to enter the housing market—people with young families, who will find great attraction in being located next to transport hubs and, importantly, near jobs. Proximity of housing to employment and the ease with which people can travel between work and home is one thing, borne out time and again, that drives people's job choices. For these reasons, the policies being pursued are incredibly important, and the work of this bill increasing density is of particular value.

I want to talk about a concept that is called “filtering”. This is a very helpful concept underlying the very great importance of policies that encourage investment in unit-style and higher density housing. Any new housing will help address shortages and supply, so building more apartments or housing in high-value locations, perhaps like Cottesloe and the suburbs around it, will help improve affordability for people right around the Perth metropolitan area, including the people I represent in Mirrabooka. That is not because people from Mirrabooka will move to those suburbs, but as there is increased density in those high-value areas, it will start a process of people moving into those new locations having vacated other housing that is perhaps a little more affordable, and then people will vacate their houses to move into the next line. There will be this downward filtering effect. Of course, it is not that building houses in and around Cottesloe, for example, will immediately solve the social and affordable housing problems in Mirrabooka, but increasing supply generally allows people to move into more affordable housing in suburbs they desire to live in and creates a cascading effect that ultimately takes pressure off both rental prices and the ability to purchase houses right down the chain, if you like.

One thing that happens at the very bottom is that there are decisions made between purchasing and renting. Perhaps young people, more particularly, will live in rental properties, but if they can afford to buy, then they will buy. Young people talk about how difficult it now seems to be to afford to buy. This process of creating more housing supply, creating a wide range of different options and locating them around the metropolitan area—all of those policy initiatives—will help alleviate the pressure currently experienced with housing broadly around Western Australia. I am particularly passionate about this, because I can see the difference that it will make for the people I represent in Mirrabooka.

I am very unhappy with the contributions from members we hear in this place from time to time suggesting that more affordable housing would be great, more social housing is important, but not to build them in the suburbs they represent. It is essential to solving all the problems across all the suburbs. When new housing is not built, higher income households are able to outbid middle and low-income families for existing stock, and that pushes up purchasing and renting prices. That is a very important consideration that demonstrates that housing affects us all.

I turn to the question of building housing around employment opportunities, which I talked about, and transportation. This government is not just doing great work building transformational railway projects in Metronet that will allow people to move quickly and easily around our city; it is using that development to take advantage of the opportunity to build precincts with affordable housing near those railway stations. I commend all the ministers who have been a part of that. The recognition that Metronet stations are not just stations where people catch trains, but also have the capacity to be precincts for living and moving around the city is excellent policy, and, looking around the world, it is replicated in cities everywhere. This bill will make it easier to increase housing density, and one of the things worth reiterating—a point well made in this report from the New South Wales Productivity Commission—is that there is nothing to fear from increased housing density. Indeed, all around the world cities that are considered some of the world’s most livable have higher density than not just Perth, but Sydney as well. Vancouver, Toronto and Vienna are all named as cities doing better on quality-of-life measures. The key to that is recognising that density in and of itself is not a bad thing, and when it is well done, it can improve the livability of our cities. It can ensure that more people have closer access to services and social and cultural amenities, and that density, and our cities, can be designed in a way that makes them great places to live. That is often a challenging concept in Western Australia because we are spoilt with a lifestyle that allows many people to live close to the beach and many people enjoy, or did enjoy—increasingly fewer people—living on a quarter-acre block. That is not entirely unknown to many people in WA.

It is clear that we need to address the reality that our city is no longer a big country town. We are becoming a city that is a destination of choice for people all around the world. Why not? Our weather is amazing and our natural beauty is outstanding. As part of that, we need to grapple with the issues around building a city that is fit for purpose for a significant population and a city that is incredibly livable. We will not be able to achieve that if we rely on housing policies that require us to continue to extend the urban sprawl. Whether that sprawl goes along the coast or extends eastwards, we know the consequences of ever-expanding urban sprawl are not sustainable. It has a negative impact on productivity and livability, and will not address our supply needs to ensure that people have a place to live.

That is why I feel very energised when I have the opportunity to speak on bills and the work that this government is undertaking to address the issue of housing. We hear a lot of contributions in here from the opposition wanting to position itself as a champion of those who seek housing. It is not good enough for members opposite to come in here and cry into their hanky about alleviating the housing issue; we need policies and approaches from government that will address the issue. I note that the Minister for Housing has talked on many occasions about his commitment to pulling every available lever to ensure that we increase housing supply. I commend him for the work that he has done, because he has been incredibly energetic and focused on doing exactly that. We all know that it takes time to build houses. It is not a quick fix and it never will be, but this government has been taking important steps to address issues of supply, by both investing in social housing and ensuring that we look at things like we are doing now, amending acts to remove roadblocks and make sure that developers can come here and get on with the job.

We know that part of the solution to meeting the demand that we have needs to be medium and higher density housing. As I said, increasing supply is an essential part of making sure that we have affordable housing for all people. We need to have housing available in precincts around the metropolitan area that reflects where people want to live.

I touched on the issue of the construction industry and how a key part of this government’s agenda is making sure that we remove roadblocks to building new properties. We will not only remove red tape and invest in social housing, but also make sure that we have the workforce we need with the skills we need to build houses as quickly as we possibly can. A lot of good work has been done by cabinet ministers, the Minister for Training and others, to ensure we have a range of initiatives that underpin the ability to ramp-up the construction and building workforce numbers. We are also doing what we can to attract existing skilled workers from overseas.

A lot of financial contributions have gone towards that, including \$26.9 million to increase the base employer grant for all third and fourth-year apprentices by 20 per cent—up from \$10 000 to \$12 000—to encourage local businesses to take on local workers. There is \$4.6 million for a one-off \$2 000 completion payment to encourage more apprentices to finish their training in the building industry and for school students to learn about the diverse career options in construction. I want to underline the importance of this, because attracting people into construction apprenticeships is absolutely vital, as is keeping those young people in those apprenticeships until they complete them. We have invested \$2.7 million to boost resources to expedite approvals of occupational licensing and \$11 million for targeted visa subsidies of up to \$10 000 to attract up to 1 100 skilled migrants to the building and construction sector. We are doing a range of things—I am conscious of the time—including investing additional money to expand the existing group training organisation wage subsidy program to include apprenticeships and trainees in the residential and commercial construction industry so that we can open up the program to assist more small to medium-sized businesses. Those are only some of the things we are doing to remove all of the roadblocks that exist, to urgently boost housing supply, particularly in the metropolitan area but right around the state, because this issue affects many regional areas as well.

I will bring my contribution to an end, but this bill is important because it is part of a suite of initiatives that will remove roadblocks. We are doing everything we can to focus on addressing housing supply issues, including investing in affordable housing and establishing the committee—the new group in Treasury that was announced earlier this week. We will make changes with the Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Bill 2023 before the house today. We are investing in initiatives that will assist in building the construction industry workforce by both supporting local workers and encouraging skilled migrants to come here as well. We are doing a range of things designed to boost housing and increase the supply of houses, and an essential part of that must be increasing density. That density can be boosted anywhere around the metropolitan area and it will assist in providing relief to the people in I represent in Mirrabooka.

Housing supply remains an important issue for the people I represent, and I am up for any initiative that will help boost housing supply so we can ensure that all people in Western Australia have a place that they can call home. Whether it is through renting, the purchase of affordable housing or the provision of social housing, all those things are important to ensure that people in this state have a place to call home. With that, I commend the bill to the house and I thank the minister and all the cabinet who are working together on those issues, for the work they are doing, because it is important for addressing what I think is an urgent and critical need for Western Australians.

DR J. KRISHNAN (Riverton — Parliamentary Secretary) [12.37 pm] — in reply: I begin by thanking the Leader of the Opposition for his contribution to the debate on the Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Bill 2023. I also thank the member for Thornlie for his contribution. He mentioned that a few people in his electorate have asked him about the information available to find out who is eligible for the off-the-plan concessions. The information about eligibility can be found on the Western Australian government website. I thank the member for Cockburn for his contribution to this bill. He mentioned that Hon Sue Ellery, the Minister for Finance; Commerce; Women’s Interests, is consulting extensively with industry. I am witness to that as parliamentary secretary to the minister. Such consultation resulted in these recommendations and amendments. We look forward to continuously working with industry in bringing about good changes for the people of Western Australia. I thank the member for Mirrabooka for her contribution. She covered a wide range of things. She covered not only easing roadblocks, but also the areas in which affordable housing should go. She covered training and workforce availability to meet the current demand in the Western Australian market.

This bill aims to increase housing supply by implementing a duty concession for off-the-plan agreements and expanding the circumstances in which a refund of foreign buyers duty will be available to property developers with foreign ownership. I clarify a point I made earlier. The foreign buyers duty exemption for construction, refurbishment or subdivisions can apply to single tier developments as well as multi-tier developments. The off-the-plan duty concession is only available for multi-storey developments. I conclude by once again thanking the Leader of the Opposition for his contribution and support of the bill. I commend this bill to the house.

Question put and passed.

Bill read a third time and transmitted to the Council.