

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

REVENUE LAWS AMENDMENT BILL 2015

Appropriations

Message from the Governor received and read recommending appropriations for the purposes of the bill.

Second Reading

Resumed from 12 August.

MS R. SAFFIOTI (West Swan) [4.17 pm]: I rise to speak to the Revenue Laws Amendment Bill 2015, which is yet another revenue-raising bill introduced by the Liberal–National government. It is always a surprise when I come back from a parliamentary break after a couple of weeks and I walk in and find that a briefing is organised with my good friends from the Office of State Revenue and the Department of Treasury, who I see more often than many members of my family nowadays, for a briefing on yet another taxation bill being introduced by the Liberal–National government.

It is another taxation bill being introduced because of the government's poor financial management. In a sense, this is another taxation bill because what the government said to the public at the time of the 2013 election was absolutely an untruth. The government intentionally misled the public about its promises being fully funded and fully costed, and so we are here debating another revenue-raising bill. It seems as though it was only the last parliamentary session, because it was only the last parliamentary session, when we were debating the Land Tax Amendment Bill, which saw a massive increase in land tax revenue and land tax collections of over \$800 million. That was a bill that collected an extra \$800 million and now we have another revenue-raising bill from the Liberal–National government. Who is the government hitting this time? The government has gone through and impacted pretty much every Western Australian, but who in particular is in the government's sights in this bill? First home owners and pensioners in Western Australia are the targets of this new bill.

Again, let us go through the financial situation of the state. Every time the government brings in another revenue-raising bill, we will outline its terrible financial record and the legacy it will leave to the people of Western Australia—the highest debt level in the state's history. As we have said on numerous occasions, this government has never had a revenue problem; it has had a spending problem and it has had a management problem. We saw today the continued dismissal of ministers' own jobs. The Minister for Health was so worried about cancer services that he commissioned a report in, I think, April this year but has not followed it up to even read it. He was so worried about cancer services that he commissioned a report in April and talked about it to his director general in July, but he has not read the report. That is an absolutely blatant disregard for someone's job. What we have seen and continue to see from this government is chaotic management of the state. People just want it to end. The government is not growing the economy. State final demand is falling and private investment is falling. The government has done nothing to diversify the economy. It has wrecked the finances. We commenced the Reid review into the building program for a number of general hospitals, but this government could not handle the transition. It could not figure it out. It was the best blueprint for reform ever in the health system and this government is stuffing it up.

Mr C.J. Barnett: Charming!

Ms R. SAFFIOTI: Charming! Honestly, go and look in the mirror! A person as full of hate as the Premier is should not talk to other people in this place about being charming.

Mr C.J. Barnett: It's your language I'm referring to.

Ms R. SAFFIOTI: The Premier should look at his conduct. I do not know what bubble the Premier is living in, but he continually insults other people about their conduct. Does he ever look in the mirror at his performance and how he acts as the Premier of this state?

Mr C.J. Barnett: I'm very proud of the way I act. I do not have an odour of corruption around me, which the Labor Party does.

The ACTING SPEAKER (Ms L.L. Baker): Member for West Swan, do you wish to take interjections?

Ms R. SAFFIOTI: Yes, I will take interjections. I am not afraid of this man.

The ACTING SPEAKER: Can you keep the debate to the bill.

Ms R. SAFFIOTI: The Premier can sledge and throw mud all he likes, but people know what he is like. I was at a fair on Saturday and people came up to me unprompted and told me what he is like, so much so that I was embarrassed by the language they used about him.

Mr C.J. Barnett: You're a real charmer. Never mind; we'll be ready at the next state election.

Extract from Hansard

[ASSEMBLY — Tuesday, 8 September 2015]

p5872c-5919a

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Ms R. SAFFIOTI: Seriously. Look at the Premier. He is threatening and full of hate. What is he there for? Does he not want to do good for people? All he does is hate people. He hates his own side. He hates our side; that is obvious. He also has no respect for the people of Western Australia. He is contemptuous of all of them, and everyone knows that. He hates them all. He is there because it is an ego thing for him; that is all he is there for. People have seen through it. The Premier can try to allege whatever he likes, but people see through that. People know what he is like and if he wants to throw dirt, it will come back on him.

Mr C.J. Barnett: I don't throw dirt; I tell the truth. You're the ones who are entertaining a sleaze campaign to do with corrective services. We'll just wait for the sleaze to come out, because it will come.

Ms R. SAFFIOTI: The Premier cannot handle accountability.

Mr C.J. Barnett: I don't think you're qualified to talk on accountability.

Ms R. SAFFIOTI: Honestly! Bring on the debate.

Mr C.J. Barnett: No; we'll wait for the election.

Ms R. SAFFIOTI: The Premier just threatens and threatens. Does he think that we are going to walk away and that we are afraid of him? Is that what he thinks—that we are afraid of him, just like his backbenchers? We are not afraid of him, as has been demonstrated time and again. We will debate him on any issue at any time—his sexist comments about women of merit or his continued bullying and intimidation. He never debates the policy issues.

Mr C.J. Barnett: You didn't even ask me a question today.

Ms R. SAFFIOTI: We did not ask a question today?

Several members interjected.

The ACTING SPEAKER: Members! Member for Victoria Park, I am on my feet. Hansard is attempting to record the dialogue. It is a bit difficult when three people are speaking over each other at times. Can we bring it back to the bill that is being debated, please.

Ms R. SAFFIOTI: The Revenue Laws Amendment Bill again demonstrates that this government lied to the public at the 2013 election when it said that its promises were fully funded and fully costed. Again, that is another example of the government not telling the truth to the public. As I have said, the Premier can sit there and be as bitter as he wants. We see it every day. Everyone sees it; it is not only us. Everyone sees his erratic rants. It is now becoming a comedy in a sense because it is so pathetic. The Premier cannot debate policy issues and he just threatens and intimidates and tries to bully. He thinks that we will all run away, like his backbenchers do when he threatens them in the party room. We are not going to do that. We will debate any policy issue at any time. That is the key point I keep making—any policy issue at any time—because we have a better team than the Premier's team, and today it was demonstrated yet again. The report into cancer services basically shows that the government has sent those services into chaos. The first comment from the minister when he stood up was about the Leader of the Opposition, without assessing the issue.

Mr B.S. Wyatt: He hadn't read the report.

Ms R. SAFFIOTI: He had not read the report. The minister was so worried about the issue that he commissioned the report in April, but it is now September and he has not read the report.

As I said, this bill attacks first home owners in WA. This bill is part of the entire revenue-raising package in this budget. I will go through the measures again. The new revenue-raising and savings measures as part of the 2015–16 budget include the removal of the cellar door subsidy, with an \$11 million impact over four years; the removal of the first home owner grant for established homes, which is worth \$109 million over four years; agency expenditure reviews, which are worth \$137 million over four years; and the revised land tax scale, which is worth \$826 million over four years. As I have said, we have recently debated that land tax increase in this place. It is the highest increase in land tax in the state's history and will raise another \$826 million in land tax revenue. The other revenue-raising measures include the increase in the loan guarantee fee for local governments, universities and Keystart, which is worth \$24 million; and the reform of social concessions, which is worth \$199 million and will impact on pensioners.

The impact of the revenue-raising and savings measures in this budget is \$1.3 billion. As my colleague the member for Victoria Park outlined, it is part of the \$4.4 billion in revenue-raising and savings measures that this government has introduced since the 2013 election, when the government said to everyone that its promises were fully funded and fully costed. It promised things such as the Metro Area Express light rail, which apparently was a fully funded and fully costed promise. Now it is nowhere to be seen. The transport portfolio is in absolute

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chaos. Again, I received unprompted feedback at my fair day. People may think that I am very political, and that is fair enough, but at my fair day, I engaged not in a political manner. It is incredible what people come up and say to me, unprompted, about the Premier and the Minister for Transport. I know that not everyone on the Liberal Party side will believe that, but it is like watching the last days of the Roman Empire. I know they cannot believe it, but people are being turned off this government. They are being turned off the Premier because everything the Liberal Party said to people in the 2013 election campaign was a lie. Someone put it to me that the Liberal Party in WA is a very good campaign machine, and I do not doubt that. It raises a lot of money and it is very good at putting things in letterboxes and flying planes with advertising banners overhead, but what it is not very good at is policy and running the place.

Let us talk about the Reid health reform. The Premier acknowledged at first that it was a very good report. I was on the Reid health reform committee, but I acknowledge that many of its assumptions are actually outdated, particularly with regard to population forecasts. The government has been here for seven years and has not updated that reform. What is the plan now? It has completely stuffed up the transition from Royal Perth Hospital to Fiona Stanley Hospital; we saw that with the cancer services. It entered into a contract with Serco that is going to cost the state more money, and that is why we need the Revenue Laws Amendment Bill 2015; we need to raise more revenue to pay for the mistakes that have been made by the Liberal–National government.

The Reid report was done many years ago; about 2003 or 2004, if I remember correctly. We upgraded and built new hospitals as part of that reform, but Fiona Stanley Hospital was, of course, the big one, and it took a bit of planning. Has the Liberal–National government updated its vision since then? It has been relying on the Reid reform, Labor’s policy document, for all its projects, and it actually has not done anything because there has been so much chaos and dysfunction in the health portfolio. It has done nothing to prepare us for the next decade or two decades to come; it just points to Fiona Stanley Hospital. I was part of that decision, and I acknowledge that it was a good decision, but it is not the entirety of the health system; we have to move on. We have to make sure that we have good coordination of our services throughout the community.

Another reason for this revenue-raising bill is that the Liberal Party lied to the public about its public transport plans. It is very interesting to go back to the 2008 Liberal Party policies and the first 100-days plan. Do members know what the Liberal Party committed to starting development of within its first 100 days in government? An integrated, coordinated public transport plan for WA. It committed to that within its first 100 days in government—that it would start an integrated, coordinated public transport plan for WA. We are still waiting for it seven years later.

The government’s response over the past eight days to Labor’s Metronet plan is a demonstration that it is all at sea. We had the Minister for Transport saying that the costing was not correct, until it was pointed out to him that they were Treasury costings and he had to retreat. We heard the government say that Ellenbrook does not deserve a rail line for another 20 years! What an incredible statement.

Mr B.S. Wyatt interjected.

Ms R. SAFFIOTI: I do not think any of them have been to Ellenbrook, member for Victoria Park. I have to agree. The government has no understanding of growth in that area. New homes are being built every week in that corridor, yet the government has no understanding of it. It is all over the place, which is why it has to keep introducing these revenue-raising bills. It has no plan; it just has this bitter man we call the Premier, full of hatred and spite —

Mrs G.J. Godfrey: That’s a bit rich.

Ms R. SAFFIOTI: Oh, come on. The member for Belmont is a fair person; even she knows that.

Mrs G.J. Godfrey: Where’s your good Christian ethics, talking about somebody like that?

Ms R. SAFFIOTI: Good Christian ethics? The member should not talk to me about Christianity, given what members on that side say about me. There are people in here who pretend to be Christians and act poorly every day, so do not talk to me about that. I do not like hypocrites in this place, so do not talk to me about Christianity. I know what I know and I know how I act and what I say, and I am proud of everything, I can tell the member.

To return to this issue, we see a government that has failed to properly plan for this state, so it has to continually come in here and increase revenue and taxation measures. I turn to the first home owner grant, which has an interesting history. The first home owner grant was introduced in 2000, as I recall. I was meant to have a document on the history of the first home owner grant, but it never arrived. I thought we were family! I was meant to have a very good document on the history of the first home owner grant that my advisers committed to

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sending to me before two o'clock today, but it has not yet arrived, so I will go through it from memory, because I have been around for a while.

The Howard government introduced the GST in 2000, and a key part of it was a compensation measure for the impact the GST would have on the cost of housing—not only the cost of new housing, but also the existing home market. Working from memory, a \$10 000 grant was introduced for first home buyers of both existing homes and new houses. Over time that grant has been played with by both state and federal governments. As I understand it, the Howard government boosted the package in about 2003–04. Under Prime Minister Kevin Rudd, the first home owner grant was increased to, I think, \$14 000 for a time, to help Australia get through the global financial crisis. It has been adjusted over time, but normally increased rather than decreased.

In 2013–14 the Western Australian state government decreased the first home owner grant from \$7 000 to \$3 000.

Mr W.R. Marmion: For established homes.

Ms R. SAFFIOTI: For established homes, that is right.

The package for new homes increased from \$7 000 to \$10 000, with effect from 2013. That basically abolished assistance for first home buyers buying existing homes. It is important to note that the GST impacted on housing prices in Australia, and that is why this compensation package was developed. It was basically ripping away the last bit of compensation that was developed for first home buyers entering the housing market. That will deliver approximately \$25 million in 2015–16 and \$109 million over four years. Again, that was another thing that this government did not tell the public at the time of the 2013 election campaign. It did not go out and say that it was going to reduce the first home owner grant from \$7 000 to \$3 000, and then from \$3 000 to completely abolishing it for existing homes. It did not tell the public that. That is yet another outcome of this government's absolutely crazy financial management and its complete contempt for the Western Australian public. I understand that it will significantly impact 10 000 first home buyers who will purchase established homes in 2015–16 around Western Australia.

The next key issue is the change to pensioner concessions. Again, this is not something that the Liberal Party told the public about, and in particular told pensioners about, in 2013. The Liberal Party often talks in its campaign material about how it is supporting pensioners. The reality is that the Liberal Party has done nothing to support pensioners. In fact, the Liberal Party is making life harder for pensioners. There is no better demonstration of that than the capping of concessions for pensioners in Western Australia. Currently, Western Australian pensioners receive a 50 per cent concession for local government rates. This measure will cap that concession at \$550. That will impact most on pensioners whose local government charges have gone up a high rate or whose property has a high gross rental value. As we know, GRV is driven by a number of factors. A pensioner may have lived in their family home for a long time and that home may now have a high gross rental value. The Liberal Party pretends to support pensioners, yet pensioners will be hit the most by this measure. Approximately 47 000 pensioner households will be impacted by this change. The average impact will be \$142 and the median impact will be \$84; and of course some people will be impacted more significantly than that. I am sorry that the member for Murray–Wellington is not in the chamber. The member has highlighted how one pensioner household will be impacted by \$8 000.

Mr B.S. Wyatt: It's probably the member! He's not selling stuff so that he can pay for it, is he?

Ms R. SAFFIOTI: That is an incredible amount of money, \$8 000. It must be a large home, or have a high GRV. As I have said, the impact will differ depending on the person.

I will talk about local government rates in the first instance. The local government areas in which pensioners will be impacted the most are the City of Wanneroo, with 6 288 pensioner households; the City of Mandurah, with 3 419; the City of Stirling, with 2 397; the City of Swan, with 2 309; the City of Joondalup, with 2 288; the Shire of Mundaring, with 1 982—that is a significant number—and the City of Armadale, with 1 853. There will be a significant impact across the metropolitan area.

I want to know whether the Liberal Party will be telling people, in the glossy pamphlets that it produces, that this is what the government will be doing. Will Liberal members be saying to the pensioner households from whom they seek support at each election, "By the way, because of our poor financial management, we will be reducing your concessions and you will have to pay in some cases hundreds of dollars more"? Will the member for Wanneroo be telling the 6 288 pensioner households in the City of Wanneroo that they will be impacted by this change? Will the member for Dawesville —

Mr P.C. Tinley: He's retiring!

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Ms R. SAFFIOTI: I do not think the member for Dawesville has ever raised any Mandurah issues in this house. If we assume that the Mandurah city council includes most of his electorate, 3 419 pensioner households will be impacted by this change. I wonder whether the Member for Dawesville, who has never raised a Dawesville issue in this place, has told any of his electors that this is what the government is doing. The next one is Stirling city council. Has the member for Balcatta told anybody that the Liberal Party is removing these concessions?

Mr C.D. Hatton: No-one has inquired at all because no-one is worried about it.

Ms R. SAFFIOTI: No-one is worried about it?

Several members interjected.

The ACTING SPEAKER: (Ms J.M. Freeman): Members! The member for West Swan has the call.

Ms R. SAFFIOTI: That is noted! The member for Balcatta is not concerned about the impact.

Mr C.D. Hatton: If I thought there would be an impact of that nature, I would be concerned.

Ms R. SAFFIOTI: It is interesting that the member for Balcatta would support a measure that says that pensioners —

Mr C.D. Hatton: No. I did not say I support it.

Ms R. SAFFIOTI: So the member does not support it? Will he cross the floor?

Mr C.D. Hatton: I can't support all the stuff that comes out from over there. What you're saying is just rubbish.

Ms R. SAFFIOTI: This is a clear fact.

Mr C.D. Hatton: It's a fact? You're reading from a book, are you?

Ms R. SAFFIOTI: I am reading from the legislation and from information that the minister's office sent to me, so I must assume it is a fact. Obviously, according to the member for Balcatta, the pensioners in Balcatta should not be worried about an increase in their council rates of hundreds of dollars.

Mr C.D. Hatton: They get a lot of concessions already. They get the best concessions in Australia.

Ms R. SAFFIOTI: Where is the member for Carine? Where is that Whip? He is watching television. I wonder whether he has told his electorate that the government will be taking away some of their concessions and that many people will have to pay a lot more for council rates because of this Liberal Party decision. Member for Swan Hills, how are you?

Mr F.A. Alban: I'm okay. How are you going?

Ms R. SAFFIOTI: I am going very well.

Mr F.A. Alban: You're like me, aren't you? We're in the wilderness. Do you think anyone cares about your electorate and my electorate out there?

Ms R. SAFFIOTI: I know I care and I know Labor cares.

Mr F.A. Alban: That's a start.

Ms R. SAFFIOTI: Yes. But I do not think the Premier cares much about it. Anyway, Labor cares, and that is why Labor has recommitted to the Ellenbrook rail line, member for Swan Hills. There are 2 309 pensioner households that will be impacted by this increase in local government rates. Some of those will be my constituents, and I assure the member that I will be telling them. Will the Liberal Party be telling all the people in the member for Swan Hills' seat about the increase in local government rates as a result of this state government decision? The Shire of Mundaring has already announced that 1 982 pensioner households will be impacted. That is a staggering number. The next is Armadale city council. I am sure the member for Armadale will be communicating effectively with his electorate about this Liberal Party hit on pensioners. The next is Greater Geraldton city council. The member for Geraldton is not here, but I am sure he will be communicating with everybody about the increase in local government rates. The member for Bunbury is a very active member, so I am sure he will be communicating with his electorate about the impact of the increase in local government rates. The member for Alfred Cove is not here—or Bateman; I do get confused.

Mr B.S. Wyatt: Which bit—the bit with Applecross or the bit without Applecross?

Ms R. SAFFIOTI: I honestly do get confused. Bateman is my good friend to my left and Alfred Cove is the Minister for Transport. Is that right?

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Mr B.S. Wyatt: At the moment.

Ms R. SAFFIOTI: Yes, at the moment. The Liberal Party is so convinced that it is going to smash Labor at the next election that the Minister for Transport does not want to defend a 10 per cent seat. That is incredible! I heard the Premier say—I did not hear him exactly because I do not listen to everything he says, but I saw it reported—that the third term is a given for the Liberal Party. It is good to see confidence from the other side. It is good to see that arrogance come out.

Ms S.F. McGurk: Pride comes before a fall.

Ms R. SAFFIOTI: It is good to see that arrogance when the Premier stands up. The biggest negative about someone is their arrogance. What does the Premier do? He stands up and says that the third term is a given.

Mr P.C. Tinley: It's a lock.

Ms R. SAFFIOTI: It is a lock. It is good to see that performance; we like to see that type of performance. That is the best example of someone reinforcing their negative: the Premier standing up, when everyone says he is the most arrogant person in WA, assuming that he will win a third term. The good thing is that most of that side believe it too! I like that confidence in people, but some of the public see it as arrogance. Go figure! The Premier has stood up, after being called an emperor and arrogant, and has said, "We're going to win the third term; don't you worry about it." That is exactly what he has done. Good on him for his confidence.

I will keep going through this list of pensioner households that will be affected by rate increases. The next figure is for the member for Kalamunda, the Minister for Planning, who is not in the chamber at the moment. In the Shire of Kalamunda, 831 pensioner households will be impacted by the increase in rates. I am sure that the member for Kalamunda, who loves communicating—we cannot stop him —

Mr P.C. Tinley: The great communicator.

Ms R. SAFFIOTI: The great communicator will be talking to everyone in his electorate about what the Liberal Party is doing to council rates.

The member for Victoria Park might want to know, although he will not be happy to know, that 806 pensioner households in his electorate will now be paying higher rates under this Liberal government. Member for Gosnells, 1 112 pensioner households in Gosnells will be paying higher rates. I am sure that if the member for Southern River does not effectively communicate this throughout the area, the member for Gosnells will help effectively communicate that. The member for Fremantle who sits behind me in this chamber may also like to know that 1 206 pensioner households in her electorate will be paying more as a result of the Liberal Party.

Ms S.F. McGurk: Plus some in Cockburn, East Fremantle and Melville.

Ms R. SAFFIOTI: Yes. I will keep going. In the City of Albany —

Mr P.B. Watson: Seventeen hundred and fifty.

Ms R. SAFFIOTI: The figure is 1 754, member for Albany. I hope he does not miss those last four when he effectively communicates that.

Mr P.B. Watson: I am one of those four!

Ms R. SAFFIOTI: The member for Albany will effectively communicate to 1 754 households in his electorate that the Liberal government will be increasing their rates. I will keep going through the list. In Subiaco, the figure is 490; in Cottesloe, it is 335; in the Shire of Harvey, it is 298; in Canning—I think this is a result of lower gross rental values or lower rates—the figure is 216 pensioner households.

Mr W.J. Johnston: What a disgrace!

Ms R. SAFFIOTI: But I am sure that the member for Cannington will effectively communicate that to his electorate.

Mr W.J. Johnston: Half of those people would be in the member for Riverton's electorate, and he is the one who came up with the policy in the bill!

Ms R. SAFFIOTI: I am sure that the member for Cannington will let people know that. In Cockburn, the figure is 188; in East Fremantle—member for Fremantle, again—it is 370; and in Kwinana, it is 337 pensioner households. All will be paying more.

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Is the idea to introduce a cap new? No, it is not; but this government is implementing it and it is walking away from the people in the community it pretends to be friends with. How much will the government collect? In 2015–16, it will be \$41 million, although of course that will be impacted upon by the timing of the passage of this legislation. In 2016–17, \$52 million will be collected; in 2017–18, \$53 million will be collected; and in 2018–19, \$53 million will be collected—a total of \$199 million. Of course, that is only from local government rates. I have not started on the water rates, but I will do so in a minute. There will be 47 000 people, approximately 25 per cent of all pensioner households in WA, paying more as a result of this Liberal Party.

I do not often quote newspapers, but I will do so now. This article has to be read in the context of what has happened in the Abbott budget as well. As I said, I do not often quote editorials in particular, but I will use this opportunity to read in the editorial of *The West Australian* of 19 May this year, which states —

It was a horror week for older West Australians, many of whom could be hundreds of dollars out of pocket under State Budget changes to rebates and allowances. And they face losing the pension if they own too much in assets under tightening of eligibility rules in the Federal Budget.

Analysis by this newspaper has shown that some retirees could be as much as \$16,000 a year worse off under the double whammy of State and Federal changes.

...

Many more pensioners will be affected by the limits the Barnett Government has put on the 50 per cent rebates on water and council rates bills. From July 1, these will be capped at \$550 a year for rates and \$600 for water, meaning anyone with an annual bill of more than \$1100 for rates and \$1200 for water will be worse off. Seniors who do not get Commonwealth concessions will also lose access to the \$227 cost of living allowance.

That is a key point. Not only have we seen this removal of concessions but also there has been the impact on the cost-of-living allowance by this state government.

What we are seeing is a deliberate and coordinated attack on seniors and pensioners in Western Australia. Of course, we could think that the government would be doing this only if it were keeping utility charges to a minimum. We could think that the government could justify these massive impacts on pensioners and seniors in Western Australia only if it was not going to have an impact on other key charges, such as water and electricity. But, again, year after year we have seen massive increases in household charges. It is something that is raised with me unprompted: this government cannot continue to increase charges for typical households. What has the government done with the money? Its revenue has increased, it has increased household charges and now it is taking money from seniors and pensioners in WA to pay for its financial mismanagement. The more we look at it we see that that is what the government has done.

People understand that this government has increased debt by an astronomical amount. What do we have to show for it? Is our economy so well diversified that it is providing job certainty for our population? No. Has the government improved the public transport system so much that we can plan and deliver the suburbs we need for the future? No. Has the government developed a health system ready to sustain continued population growth? No. It has not even been able to get the Fiona Stanley Hospital contract right. The government made an ideological decision to contract out what is known as non-clinical services—it has been put to me that there is no such thing as non-clinical services in a hospital—not based on economics but based on ideology, and that means that it is costing the state more and more. The Labor Party is out there with its plans for public transport in the metropolitan area. I find it incredible that the government could even question the affordability of those plans; it is a government that commits to the Perth Freight Link and wants to sign contracts by December this year and it does not even know the route. The government found \$700 million just like that for a project that was never in its state budget and that it did not commit to at the state election. That is why we continue to see these revenue-raising bills. The government is hitting pensioners and seniors in WA because it has not properly managed finances. As I said, the government has increased debt to astronomical amounts. It has not diversified the economy to provide the job certainty Western Australians deserve. It has cut money to core services such as education, and is not delivering new schools in particular suburbs when they are needed. The Labor government left this government the blueprint for health, and even the Premier said it was a fantastic blueprint. All the government had to do was continue the building program that we started and fill it up—but this government cannot get it right. It went on this ideological obsession of contracting out. That is what I find very interesting about debates in this place. Liberal Party people like to throw the term “obsession with unions” to this side, but, seriously, in relation to Fiona Stanley, this government has an obsession with contracting out with no sound economic basis. We would never have done that; we could not have got away with it—yet this government does it time and time again when making decisions. Perth Freight Link is an example. Again, roads in my electorate

Extract from Hansard

[ASSEMBLY — Tuesday, 8 September 2015]

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Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

like Lord Street are absolutely desperate for an upgrade. As someone asked me, “How many Lord Street upgrades could you fund from a Perth Freight Link?” All these key roads out there connecting suburb to suburb are being neglected, whether it be Armadale Road, a grade separation of a level crossing like at Denny Avenue, Lord Street in my electorate or the finishing of the duplication of Reid Highway. Work on all those roads has been pushed back because of some crazy deal struck between the federal and state Liberal Parties with a few powerbrokers.

Let us talk about how decisions are made in the Liberal Party. The Premier and the Minister for Transport get told what to do by Mathias Cormann. That is what happens and that is how the Perth Freight Link was created: it was by a powerbroker in a meeting with the state transport minister. These financial mistakes continue to cost the state money and deliver the wrong priorities, and continue to cause the government to introduce such revenue bills. The government has already increased land tax three times and now it is abolishing the first home owner grant for established homes, even though it was part of the GST package and the GST is still there. People are still paying the embedded GST in established homes, but with no compensation, even though that was in the design of the compensation package put together back in 2000. Even worse on that front, Liberal Party members are out there indicating that they want to increase the GST to 15 per cent. Imagine the impact that would have on our housing market and housing affordability—that is, the abolition of the FHOG payment for existing homes and the possible increase of GST under two Liberal governments.

That is why, again, the Labor Party opposes this bill in this place. We oppose it because it is a manifestation of the untruths told by the Liberal Party at the election. As I said, the Liberal Party is very good at campaigning. It can produce the best pamphlet I have ever seen. I remember the “We will build the rail line to Ellenbrook” pamphlet, member for Swan Hills. I remember it; it was a very nice pamphlet.

Mr F.A. Alban: You saw it before I did; so you’re doing okay!

Several members interjected.

Ms R. SAFFIOTI: As I said, the Liberal Party machine operates well—centrally. It ignores members of Parliament; let us face it.

Several members interjected.

The DEPUTY SPEAKER: Order, members!

Ms R. SAFFIOTI: Unions are people; they are not some sort of weird machine. They are people—and many union members live in the member for Balcatta’s electorate.

Ms S.F. McGurk interjected.

The DEPUTY SPEAKER: Order, member for Fremantle; the member for West Swan has the floor.

Mr C.D. Hatton interjected.

The DEPUTY SPEAKER: Order, member for Balcatta.

Mr F.A. Alban interjected.

The DEPUTY SPEAKER: Thank you, members. That is enough; we want to hear from the member for West Swan.

Mr F.A. Alban interjected.

The DEPUTY SPEAKER: Member for Swan Hills, I have asked you to be quiet. Thank you.

Ms R. SAFFIOTI: As I said, the Liberal Party has a good campaign machine; there is no doubt about that. We know that it has a good campaign machine, whether it is security guards patrolling polling booths at night, cars done up very well or pamphlets in letterboxes, but the Liberal Party cannot deliver on policy.

Mr F.A. Alban: All the policies on earth are not going to build anything.

Mr P.B. Watson interjected.

The DEPUTY SPEAKER: Thank you, member for Albany.

Ms R. SAFFIOTI: All the policies on earth are not going to be able to build anything! Policy is building things; it is a precursor to building.

Mr F.A. Alban interjected.

The DEPUTY SPEAKER: Member for Swan Hills—thank you!

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Ms R. SAFFIOTI: But I do not understand.

Mr P.B. Watson interjected.

The DEPUTY SPEAKER: Member for Albany, if you want to criticise the Chair, you can move a motion. Will you just allow me to deal with that as I see fit, thank you.

Ms R. SAFFIOTI: The Liberal Party will put anything in a letterbox. It will say and do anything; we know that. I have never seen a more ruthless bunch than this Liberal Party. As someone said, they are the worst Liberals, Tories, in the nation. I quote that: the worst Tories in the nation. That is right. These guys are ruthless. They have no shame and have more front than Myer. They just say anything. They will say anything to get elected, but what has happened this time? They have been totally caught out. They promised a Metro Area Express light rail and said it had the best cost–benefit ratio. The Premier told people to go and buy land in Mirrabooka, and then the Liberal Party had an animation done.

Mr B.S. Wyatt: Beautiful!

Ms R. SAFFIOTI: It was a great animation! The Liberal Party had a name for it: MAX—named after my little puppy Max! It was beautiful, but the Liberal Party had no intention to deliver it—absolutely not. The Liberal Party promised the rail line to the airport—after we did. Do members know what? One thing I have discovered is that there was a bid to Infrastructure Australia in, I think, November 2012, three or four months before the election, and on the list were all those projects that had some sort of work done by government—the member for Southern River is here—like the extension of the Thornlie line to Cockburn. That bid was sent up to the minister. Of course, the Perth Freight Link was not part of it, member for Fremantle, because the Liberal Party had no plan to build that.

Ms S.F. McGurk: It was not even a twinkle in the minister’s eye!

Ms R. SAFFIOTI: It was not even a twinkle in the minister’s eye—very funny. There was not that project, but there were all these other projects that had systematically been worked on; as I recall, the Ellenbrook bus rapid transit was on that list. Then there was a handwritten note at the bottom of the bid form by the Minister for Transport that said “airport rail”. That is the amount of work this government had done on that project. It heard that we had been speaking to a few people about airport rail, so the minister thought he would cover his bets and stick in a handwritten line.

Mr P.C. Tinley: “Where’s that pencil?”

Ms R. SAFFIOTI: “Where’s that pencil?” The minister stuck in a handwritten line—“airport rail”—and sent the submission off. Funnily enough, the federal government did not think that that one line scribbled crookedly on that submission provided enough justification to fund it at that time. It is absolute chaos and now the member for Forrestfield is walking around as though it was his idea. He had no idea what was coming. It was again a decision made by central office because the government was spooked by Metronet and it went out on that. The government made promises it could not deliver, such as Metro Area Express. When I saw the Minister for Transport trying to say the government would consider putting in light rail in the Hay Street Mall, I knew his plan was starting to come undone—that he would walk out of his Cotton On clothing company and smack into light rail.

Ms S.F. McGurk interjected.

Ms R. SAFFIOTI: Yes. I was not a transport expert and I do not pretend to be one now, but when I heard members opposite say that we could walk out of Cotton On and light rail would be running at our feet, I thought that it was not a well thought out plan. Obviously it was not, but the government committed to it and put out the brochures. MAX light rail was going to be there in 2018 picking up commuters; it was going to be fantastic and it was going to be beautiful. Of course, the airport rail was going to be delivered by 2018, but the government had done no work on it because it committed to it only after we had. But do not worry, should we win the election, we will make the airport rail a reality. Do members opposite know what? We will probably design Forrestfield north train station a bit better so that the whole area is not sterilised for 20 years to come; we will try to get density around that train station. Go figure! There is complete chaos under this minister. He cannot even design a station that taxpayers are paying \$2 billion for and the government cannot get any density around it. Give me a break.

I will quote from *The West Australian* again, “Seniors are entitled to be angry”, about this issue. *The West* wrote that. I do not often quote editorials—just in case—we never know what will come tomorrow.

Mr B.S. Wyatt interjected.

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Ms R. SAFFIOTI: Yes. I will not be quoting it, especially tomorrow. “Seniors are entitled to be angry”, wrote *The West Australian*. This is a government that has completely lost its way.

The DEPUTY SPEAKER: Order, members! Your conversation is becoming a bit distracting in the corner here.

Ms R. SAFFIOTI: In the past couple of weeks I have been to a lot of community events. I have been to the City of Wanneroo, a fantastic city, where people do not seem to be very happy with this government’s priorities. I have been to a few areas, including down Mandurah way. People there seem to be very happy with Matt Keogh, our candidate for the Canning by-election. I have been to a few fairs and was at the Dowerin Field Day. As I said, what struck me about the Liberal Party having more front than Myer was when I walked past the Liberal tent and was shocked to see a big sign that said, “Liberals support grain on freight”—that the Liberals support the freight rail network.

Ms S.F. McGurk: They forgot to tell them to take down the sign.

Ms R. SAFFIOTI: Liberal members were standing there. I am saying that they do not care about reality. They are a campaign machine; they do not care about what they are doing.

Mr A.J. Simpson: What is this bill for?

Ms R. SAFFIOTI: It is the Revenue Laws Amendment Bill.

Mr B.S. Wyatt interjected.

Ms R. SAFFIOTI: It is the bill the minister is handling. Is he the Minister for Seniors and Volunteering?

The DEPUTY SPEAKER: Order members! Member for West Swan, you know what the bill is.

Ms R. SAFFIOTI: To make it clear, the Minister for Seniors and Volunteering; Local Government has come in on a bill that we are debating and pointing out that this Liberal Party’s policy will impact on 47 000 pensioner households throughout Western Australia with increased rates. The Minister for Seniors and Volunteering has come in and asked what this bill is about. I hope the minister pays a bit more attention during cabinet meetings. The Treasurer says, “We need to make more investment in Elizabeth Quay; let’s go and whack those pensioners”, what was the minister doing? He was worrying about council amalgamations.

Mr A.J. Simpson: You’re talking about grain freight, which has nothing to do with the bill.

Ms S.F. McGurk: Financial counselling will be handed over to this minister.

Ms R. SAFFIOTI: If they are handing over financial counselling to this minister, jeez, I worry about that as well. I hope the minister sat in the cabinet meeting and said, “Let’s think about those pensioners.” I hope someone from the back bench questioned the Premier.

Mr B.S. Wyatt: No.

Ms R. SAFFIOTI: Do we think? No.

Mrs G.J. Godfrey interjected.

Ms R. SAFFIOTI: I heard that. Shall I repeat it? I think the member for Belmont said, “Backbenchers in cabinet? No such thing.”

We are seeing another bill that will have an impact on the most vulnerable in this state. As I said, the Premier stands up and believes he has the third term sewn up. As I also said, that is a strange thing to say by someone who people often criticise as arrogant. The Minister for Health is obviously obsessed with polling because today he was talking a lot about polling. I wonder whether one of the pollsters pulled the Premier aside and said, “Premier, I don’t think being the most arrogant man in Western Australia will dissuade people from thinking you’re the most arrogant man in Western Australia.”

The member for Murray–Wellington has just walked in. A few pensioner households in his electorate will be impacted by this Revenue Laws Amendment Bill. I think one will be affected by \$8 000. That is an interesting little side issue. Many constituents from the electorates of all members in this house, particularly the Liberal Party side, will pay hundreds of dollars in extra government rates. It is a deliberate and calculated attack by the Liberal Party on pensioners and seniors in this state to pay for this government’s financial mismanagement. The member for Swan Hills let the cat out of the bag when he said, “Who cares about policy?”

Mr F.A. Alban: I said, “Who cares about our electorates?”

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Ms R. SAFFIOTI: That is better! People on my side care deeply about our constituents.

Mr F.A. Alban interjected.

The DEPUTY SPEAKER: Order, member for Swan Hills.

Ms R. SAFFIOTI: Continued financial mismanagement means that everyone in Western Australia is hurting. There is significant economic uncertainty. No-one knows where future jobs will come from. The Premier stood today and gave what can only be described as another bizarre performance.

Mr P.B. Watson interjected.

The DEPUTY SPEAKER: Order! This is not a general conversation.

Ms R. SAFFIOTI: It was another bizarre performance. I do not know what is happening, but he seemed pretty angry. He will say all these things about us as though he has no record. We might think that he would be proud of his record, but he is not because he is full of hate and bitterness. If he thinks he can get through an election by just attacking the Labor Party, given the performance on that side of the house, and ministers making decisions about companies they own shares in—things worse than any accusations made on this side—let him start that debate if he wants to. This bill is another attack on Western Australians and more financial uncertainty for pensioners and seniors in WA from a government that does not care.

MR B.S. WYATT (Victoria Park) [5.17 pm]: I rise to speak on the Revenue Laws Amendment Bill 2015. The amount of \$4.4 billion is the total in revenue measures the government has implemented since the fully funded, fully costed election campaign of 2013. That does not include any so-called savings measures; it is revenue measures alone. The member for West Swan pointed out that every time we come back from a break, we are dealing with another revenue bill. The one thing the government seems to have some level of consistency and competence in is the introduction of legislation that taxes more, that brings in more revenue to the state. I remind members about that \$4.4 billion in extra revenue. In the 2013–14 budget, as part of the fiscal action plan, there was \$1.594 billion in revenue measures just a few months after the fully funded, fully costed election campaign. That included tax deferrals, the first of three land tax increases. In the 2014–15 budget there was \$1.113 billion in revenue measures, which included a second increase in land tax—a 12.5 per cent increase in 2013–14, followed by another 10 per cent increase in the 2014–15 budget. There were increases in dividends, in the landfill levy, and in the Perth parking levy. The 2014–15 *Government Mid-year Financial Projections Statement* contained another \$557 million in revenue measures. Now, still squeezing its way through the parliamentary process, we have the measures included in the 2015–16 budget, which total another \$1.095 billion in revenue. They included the third and most significant land tax increase that will generate a further \$826 million, as well as an increase in loan guarantee fees and the removal of the cellar door subsidy.

Today, through the Revenue Laws Amendment Bill 2015, the government is doing two things: removing the first home owner grant for all established homes and capping local government rebates for seniors. Interestingly, the Minister for Seniors and Volunteering stumbled into this chamber and by way of interjection wanted to know what this legislation does—it was extraordinary! No wonder it got through cabinet lickety-split. The minister did not have the foggiest idea what was in this legislation. It was probably Finance or Treasury staff who were so kind as to provide the opposition with a table, and I recommend that they provide it to the Minister for Seniors because it is quite a useful document that may flesh out what this legislation is actually doing for the minister. It highlights in quite some detail the number of pensioner households per local government area that will be impacted by the local government rates cap. In fact, Madam Deputy Speaker, I am trying to find your figures. I would have thought your main area would be the City of Kalgoorlie-Boulder that has 41 pensioner households. It is a small number compared with some of the bigger numbers that we have here. The member for West Swan has outlined that the City of Wanneroo, with 6 288 pensioner households, will be the most dramatically impacted. The City of Stirling has 2 397 pensioner households, the City of Mandurah 3 419, the City of Swan 2 309 and the City of Joondalup 2 288. We are talking about a significant numbers of households. The Town of Victoria Park in my electorate has 806 pensioner households. It is certainly not at the level of Wanneroo and Mandurah, but it is not an insignificant number. The City of Canning, which is also part of my electorate, has 216 pensioner households. The member for Balcatta said that this bill will not impact on his pensioners. By way of interjection in a discussion with the member for West Swan he said there would be no impact and that no-one has complained about this to him, even though he represents an area with the third highest number of pensioner households impacted by this government's tax increase.

I will continue to remind Parliament about this because this government went to the election saying that everything it had committed to was fully funded and fully costed. At no point during that debate did I hear the words, "Subject to \$4.4 billion in revenue measures to be introduced in three consecutive budgets." I never heard that debate. Time and again in this place I have relived the debate I had with the former Treasurer Troy Buswell.

Extract from *Hansard*

[ASSEMBLY — Tuesday, 8 September 2015]

p5872c-5919a

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

BusinessNews hosted a debate between me and Troy, the former Treasurer, at the Hyatt Regency Perth, which was compered by Peter Kennedy and attended by about 600 people. During that debate, Troy talked about the fully funded, fully costed election campaign and he announced a payroll tax cut. Peter Kennedy, as he does in his style, asked, “Mr Wyatt, will you be doing the same thing? Will WA Labor be matching that payroll tax cut?” Members must remember that this was a room full of business owners. I said, “No we won’t”, because I knew then that the trajectory of finances was going a certain way. If I knew that as shadow Treasurer, this government sure as hell knew it. I knew it would be irresponsible of me as shadow Treasurer to debt fund a tax cut. We are not the federal government; we do not have a grand suite of revenue sources that respond to stimulus. I knew that that was an irresponsible thing to do and I was honest. I probably did not win over many friends but I was honest in that room that day. Do members know what Western Australians were entitled to think every time something arrived in their letterboxes with the Premier’s grinning head on it and the words, “fully funding, fully costed”? They thought, “We can have all this and there will be no tax increases or service cuts because it is fully funded and fully costed.” But it was not and the government damn well knew it, and that is why the Premier has been crab walking away from that statement. He says, “Well I never said it. It was a slogan only.”

Mr C.J. Barnett: I didn’t say it at all.

Mr B.S. WYATT: He did not say it at all! I still have all the glossies with his grinning head on them and the words “fully funded, fully costed”. Remember the words on this sign, Premier? Right next to the Premier’s grinning head are the words “fully funded, fully costed”—I will leave it there on the seat—and we all saw it. I am quite interested in the methodology that has been applied since the 2013 election. The Minister for Transport is running it out now about the Metro Area Express. He is now saying, “Well, that wasn’t promised by me. That was promised by a former transport minister.” It is as though this Liberal brand is to be ignored. There is no longer a Liberal ticket but individual ministers running individual policy programs, and when there is a reshuffle they all reset. I have looked back through some of the glossies I have at home. They are massive! The member for West Swan pointed out that the Liberal Party machine is impressive. It has lots of money and it puts lots of glossy stuff in our letterboxes. I looked for the hashtag down the bottom stating, “Subject to \$4.4 billion in revenue measures to be introduced in three consecutive budgets”, but I did not see it. This government’s mandate to do these things is compromised when it states specifically the opposite during the campaign. I note this recent trend of the Premier, and now the Prime Minister who said he wanted to model himself on the Premier, when he gets through an election campaign saying whatever but then he governs very differently. That is quite new. Generally, governments change positions and alter or abandon promises, but they explain it and set it out. But certainly not when there has been a fully funded, fully costed stamp attached to it. The federal government has abandoned that strategy, which is why there will be punishment and why we will continue to remind this government about what it said during that campaign. This government knows as well as I do that that this semi-official document, which has a wax seal and everything on it, was its seal of commitment of delivery. For example, when MAX was committed to on 2 September 2012, the *Sunday Times* ran it on the front page. I watched the news that night because it was a big announcement: “Light rail in Perth.” I watched the Premier say on Channel Seven, “I give you some advice, Western Australians: buy property around Mirrabooka now because we are not just thinking about MAX.” As the transport minister Troy Buswell said in that front page article in the *Sunday Times* —

“Under the current timeline, contracts will be awarded in late 2015 with construction starting in 2016 and completion towards the end of 2018,”

Mr C.J. Barnett: Yes.

Mr B.S. WYATT: “Yes”, the Premier says, living in some parallel universe. He said that it would be fully funded and fully costed—and it was on 2 September 2012. According to that particular timetable, contracts must have been very close to being signed. I note the comments by the current Minister for Transport, the member for Bateman —

Mr I.C. Blayney: Bateman?

Mr B.S. WYATT: The member for Alfred Cove; sorry. It was a Freudian slip! On the wonderful plan for Metronet, the member for Alfred Cove, the current transport minister, was reported in *The West Australian* as saying that the absence of clear deadlines meant there was a lack of commitment surrounding the Metronet policy. A lack of commitment! It just jumped into my mind. It was not fully funded and fully costed and it was not just the member for Cottesloe advising real estate purchasers because there was a timetable for the Metro Area Express; it was that wonderful interview that Troy Buswell did on 720 ABC the day after it was announced that MAX would be built. When we are talking about project costings, I have a personal favourite. Perhaps it was then that I should have started to think that fully costed may not actually mean fully costed,

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because when Troy Buswell, who was at the time not just the transport minister but also Treasurer, was asked by Geoff Hutchison what this would cost, he replied —

I think it will be over a billion dollars or at least a billion dollars or more than a billion dollars ...

That was the fully funded, fully costed MAX commitment on 2 September 2012 by the then Treasurer and Minister for Transport. That is what the Premier was advising people to buy real estate on—a project that the then Treasurer thought would cost over a billion dollars or at least a billion dollars or more than a billion dollars.

Is there any wonder that we are here again debating another revenue bill? I am not surprised. It probably will not be the last before the 2017 election. The government will bring more on because it is starved of revenue to match its spending. It has made commitments. It has deceived the people of Western Australia. During question time today, the Premier said—I wrote this down—that Labor tricked and misled the people of Western Australia about Fiona Stanley Hospital, yet he advised the people of Mirrabooka to purchase property on the back of that fully funded, fully costed MAX commitment. It was going to happen. We have had \$4.4 billion in revenue measures since the Liberal Party's fully funded, fully costed election campaign. That is not a small amount of money, yet it is still not delivering MAX. I will give the Premier one out. What I found interesting—it did not come out, of course, until a couple of days before the election—was that this fully funded, fully costed election campaign was predicated on something quite significant that the Premier did not tell anyone about; that is, the commonwealth would pay for it all. Remember that small but significant detail? The government could build all these projects because the commonwealth was going to pay for them. Talk about an abrogation of responsibility for what a party says during an election campaign! It may as well have made a commitment that it would do this on the basis that the United States, Britain or China would pay for it. When is it going to end? Every time the government brings on these pieces of legislation, we will let all those seniors in all those local governments that I referred to a moment ago know that they were lied to by the Liberal Party during that election campaign. They were entitled to think on the basis of this official stamp next to the picture of the Premier's head on the advertising material that was shoved into their letterboxes day after day that they would get all this, it would be free and there would be no consequence because someone else would be paying. Out of all the projects—some crackers have been announced and abandoned, or delayed, deferred or changed—the best for me is still MAX.

[Member's time extended.]

Mr B.S. WYATT: The Premier played real estate agent and said, “Buy there; build here. This is all good”, and Troy wandered down the Hay Street Mall and talked about where it would go and fought with the Lord Mayor about it. All these wonderful things about it were shoved in letterboxes. There were front pages and acres of advertising material. I remember the Bigger Picture ads. That is why the Premier announced it. Let us be frank. He had to shove out the announcement because the ads were coming out. That is why Troy boy was a bit perplexed on Geoff Hutchison's program when the Treasurer said, “I think it will be over a billion dollars or at least a billion dollars or more than a billion dollars.”

Ms M.M. Quirk: I suspect these days, member, he might be a greater advocate for public transport.

Mr B.S. WYATT: I suspect the member is right, but I suspect he is probably also a greater advocate for a government that knows what it is making decisions about. MAX is my favourite in terms of how not to go about managing a project. I think it was transformational.

Mr C.J. Barnett: It is.

Mr B.S. WYATT: It is! It is out there. We are transformed. MAX is happening.

It is a curious place that the Liberal Party finds itself in. No-one expects anything serious from the National Party. Let us be frank. No-one does; hence, the ridiculous statements about state agreements that the Premier could not even bring himself to reject today. Nobody expects anything from the National Party. However, the Liberal Party is a big taxer and spender, which is very interesting because philosophically that clashes with pretty much all the first speeches of members opposite. That is fine. If that is what they want to be, they should go to the election on that basis. They should say that they are going to raise taxes and that they are going to do this and that. They should not put this rubbish out and be deceitful and predicate everything on the federal government paying for their promises. They should be honest and up-front when they get to their feet in this place and say that they have done this and that and that they paid more for this because that is what they do and it was a good thing and then tell us what they would not have done. If that is what they want to be, they should take that to the election. They should not go to the election saying that they will cut payroll tax and that everything is fully funded and fully costed and that there will be no consequence for what they do. They should be honest about what they have become. In that way, there would be a bit more credibility when the poor old

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Minister for Finance comes in after each parliamentary recess and introduces another bill to raise taxes on one point or another. He does his best, but he has to do what the Treasurer is demanding—that is, to raise taxes.

I want to make a couple of quick comments about the GST, because we had some conversation earlier around it. What is lost in this debate is that a broader conversation around tax reform is not coming from government. It is raising taxes here, it is eliminating entitlements there et cetera. But it gave up its only chance since the Court Liberal government signed up to the GST to exercise some pressure to change the GST distribution when it said that it would allow the GST to apply to online goods. I understand the pressure it is getting from the retail industry. I get the same stuff as well.

Mr C.J. Barnett: We get a pro rata share on that.

Mr B.S. WYATT: Yes, but this is what the Premier does not understand. The government gets a pro rata share of the revenue from that tax on anything under \$1 000.

Mr C.J. Barnett: Correct.

Mr B.S. WYATT: Correct; thank you. I do not think the Treasurer quite understood that when I questioned him on this the other week, but I will assume for a moment that he did understand, but I thank the Premier for confirming that.

What has the state government given up? With the federal government and other states desperate to change the goods on which the GST applies, the state government has a bargaining position. Instead of holding out and saying, “Actually, rather than just handing over more, what we want is a better return on the GST we already pay”, what has it given up? The government keeps putting this in the budget, which is interesting. In the 2015–16 budget, the government keeps making the point about the redistribution of resources across the states by the commonwealth. In 2013–14, Western Australia redistributed a total of all taxes—it is in the chart I have here—of \$27.2 billion. That is the redistribution of wealth from Western Australia to the other states and the commonwealth. It is all here in the government’s own document. What did the government give it up for? What did the government give up the opportunity to fix that redistribution for? A per capita return on online purchases under \$1 000.

Mr C.J. Barnett: No we didn’t.

Mr B.S. WYATT: The Premier just confirmed that.

Mr C.J. Barnett: It’s \$3.7 billion on GST.

Mr B.S. WYATT: No.

Mr C.J. Barnett interjected.

Mr B.S. WYATT: Okay, \$3.6 billion, let us go with that. Fine, I do not care what figure we use. Let us stick with the GST. I will take that.

We have redistributed \$3.6 billion in GST. We have heard the Premier. We have all said it. I have heard it; the first speech in this place I heard was Eric Ripper making the same complaint. What did the government give up the opportunity to fix that \$3.6 billion redistribution for? What did the government give it up for? To get 10 per cent of potentially \$1 billion.

Mr C.J. Barnett: You’re wrong, Ben.

Mr B.S. WYATT: No, I am not wrong, Premier! I have read what Joe Hockey has said about this. There are two lines of thought. I will be interested to hear about this. When the Minister for Finance gets the detail, he might have something to say about this—maybe. However, there are two lines of thought. The Productivity Commission made the point back in 2011—not that long ago—looking at this very issue saying, “Don’t do it yet, because the costs of collecting that GST will far outweigh anything you raise.”

Mr C.J. Barnett interjected.

Mr B.S. WYATT: Listen, Premier. This is the Premier’s problem: he does not listen. That is what the business community says to me.

Mr C.J. Barnett interjected.

Mr B.S. WYATT: Listen. That is what the Productivity Commission said in 2011. That is what it said.

Mr C.J. Barnett: They are wrong.

Mr B.S. WYATT: No, it is not wrong because what has happened is technology has changed since 2011. The Productivity Commission was right then.

Mr C.J. Barnett interjected.

Extract from Hansard

[ASSEMBLY — Tuesday, 8 September 2015]

p5872c-5919a

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Mr B.S. WYATT: Listen! Honestly, it is like I am in kindergarten.

That is what the Productivity Commission said in 2011. It was right, but what has happened since then? Joe Hockey said that G20 has allowed us to collect at the supplier, so we can go to Amazon et cetera and get those suppliers to collect and pay the tax. Okay, so the government can potentially reduce that cost. Joe Hockey has said what we have got. In 2015–16, the figure of total revenue raised on those online products costing under \$1 000 may be \$1 billion. On average, that is 10 per cent, so we get \$100 million, rising to \$1.7 billion over four years to 2020. Let us say that will be between \$100 million and \$200 million. The state government gave up the chance to fix the \$3.6 billion for potentially \$100 million to \$200 million. That is what the government did.

Mr C.J. Barnett: No, we didn't.

Mr B.S. WYATT: That is what the government did, Premier.

The fact that the Premier does not understand that and does not get that confirms to me that he never had a real interest in fixing the GST beyond simply the politics of it.

Mr C.J. Barnett: We got \$500 million.

Mr B.S. WYATT: The government got \$500 million? What?

Mr C.J. Barnett: It is a start.

Mr B.S. WYATT: Yes, the government's debt is \$30 million! That is a start? This is the problem. The Premier grabs his little lolly, but does not look at the long-term fix. That has been my continuous critique of the Premier. He worries about today, but not about the forward estimates. He wonders how to get through the budget of this year so he can continue spending \$500 million. Do not worry about where the finances are heading; do not worry about a forward plan!

Mr C.J. Barnett: The bargaining point is the rate of the GST; that is the issue.

Mr B.S. WYATT: Oh, come on! The Premier will give up on that as well. The application of GST to online purchases was a huge bargaining position that the Premier threw away.

Mr C.J. Barnett interjected.

The DEPUTY SPEAKER: Order, Premier! That is enough.

Mr B.S. WYATT: That is why Mr Topsy-Turvy finds himself in this position where he has now got the smallest capital works program in nearly 10 years.

Mr C.J. Barnett: Count the cranes.

Mr B.S. WYATT: It does not matter how we measure it. It can be measured as a percentage of total public sector revenue or as a percentage of gross state product. We could measure it on any level. Right now, our 2015–16 capital works asset investment program is the smallest it has been in nearly 10 years. Private sector spending has fallen off the cliff. For the first time in eight quarters, we finally saw some state final demand growth.

Ms R. Saffioti: Don't worry about ABS stats.

Mr B.S. WYATT: This is it. The frustration with the Premier is that there was a time when he would debate this issue on the statistics, like the Productivity Commission, like the ABS, like the incredible information he can try to get his hands on. Now he sits there and says, "No, no. MAX is being built right now. If you go there; it's being built." That is the Premier's response; it is ludicrous. Now he says, "I have got another \$500 million." Have a view of the finances that extends beyond the Premier's own political career. That is all I have asked of the Liberal Party, and it has never delivered once on that. As I said, no-one expects anything of the National Party, but we do expect something of the Liberal Party and we expect it to govern for a government beyond its own. We expect it to govern for Western Australians beyond the 2017 election. That is what this government has always failed to do. The Liberal Party goes to campaign on this quasi Liberal philosophy, "Everything is fully funded, everything is fully costed. You are going to get tax cuts and you are going to get big spending and it is all okay." The government comes into this place with yet another revenue bill, bringing to \$4.4 billion of revenue decisions since that fully funded, fully costed election campaign. Is there any wonder people actually do not know who the government is anymore? I do not know who the government is anymore.

Mr C.D. Hatton: Hospitals, jobs—\$8 billion into hospitals. You have forgotten them; you didn't even produce one hospital.

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Mr B.S. WYATT: I thank the member for Balcatta. I will take that interjection because what the member just said is a ludicrous statement. Even the minister today said we built hospitals. The government is incapable of debating this issue on merit, in a properly informed debate, because it just does not happen. Government members get up and say, “This is what we are going to do and we’ll keep doing it to keep raising money.” The government needs to work out what it is. Is it a Liberal government? Is it a tax-and-spend government? The government needs to work out what it is because, ultimately, what it is not is a government that is managing the finances for Western Australians beyond the political career of the member for Cottesloe.

DR A.D. BUTI (Armadale) [5.47 pm]: The member for Victoria Park asked a question and I think he answered that question in regard to what this government is. It definitely is not a fiscally responsible government and it definitely does not believe in complying with its election promises—the so-called fully funded, fully costed promises. That turned out not to be true and the Premier is famous for saying that people do not actually listen to election promises, so it does not matter what people say during elections because the electors do not listen to them. Maybe they did not listen to them, but I can assure the Premier that if he goes to the next election, they will be listening very carefully, and it is unlikely that they will believe what he says. The Liberal Party’s track record on delivering its election promises is not that great, and what is even worse is breaking its election promises.

Mr C.J. Barnett: Tell us the ones we have not delivered.

Dr A.D. BUTI: I can tell the Premier one thing: the Liberal Party did not go to the election promising what is in the Revenue Laws Amendment Bill 2015.

Mr C.J. Barnett interjected.

Dr A.D. BUTI: It did not go to the election promising to change the First Home Owner Grant Act 2000. It did not go to the election —

Several members interjected.

The DEPUTY SPEAKER: Order, members!

Point of Order

Mr P.B. WATSON: We listen to the other side of the house when its members have their say. Every time that the Premier —

Mr C.J. Barnett interjected.

Mr P.B. WATSON: The Premier puts his sooky face on, but he is the one who is about standards in Parliament and he breaks them all the time.

The DEPUTY SPEAKER: Member for Albany, what is your point of order?

Mr P.B. WATSON: Could we have some consistency?

The DEPUTY SPEAKER: The member for Armadale was engaging the Premier. If he does not want to —

Mr P.B. WATSON: Still on the point of order, Madam Deputy Speaker, the Speaker says that it does not matter whether a member is called on by the member on their feet. If a member interjects, the Speaker has told us the member is called to order. Could you please check with the Speaker to make sure that is carried right through for everybody and not just for some.

The DEPUTY SPEAKER: Thank you, member for Albany.

Dr A.D. BUTI: Madam Deputy Speaker, just because I am referring to the Premier does not mean that I am seeking an interjection. I am just referring to how the Premier stated in the election “fully funded, fully costed”. That does not give the Premier the right then to interject; if it did, we could not mention anyone on the other side, if you believe that —

The DEPUTY SPEAKER: Member, direct your remarks to the Chair, thank you.

Dr A.D. BUTI: Thank you, Madam Deputy Speaker.

Debate Resumed

Dr A.D. BUTI: We know that the fully funded, fully costed dictum that the Premier put to the people at the last election is untrue, and we know that the Premier does not believe that election promises should count for anything, so we wonder what his concept of democracy and honesty in government actually means.

Extract from Hansard

[ASSEMBLY — Tuesday, 8 September 2015]

p5872c-5919a

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

I want to concentrate on the rates and charges aspect of the bill before the house. This is another decision by this government that will have a significant impact on pensioners. Pensioners traditionally do not complain too much because they are stoic. The pensioners of this generation have gone through a lot and they have not experienced as many good times as maybe the younger generation has experienced. However, I can tell the government that pensioners will be complaining to the government about what will happen to local government rates rebates and water service charges as a result of this bill. This government did not go to the last election and tell people what it is seeking to do through this bill.

It is interesting that Julie Bishop has mentioned that she believes the Labor Party is running dead in Canning. I am sure the member for Mandurah would not believe, and I do not believe, that the Labor Party is running dead in Canning. However, the Labor Party does not have the resources of the Liberal Party.

Mr D.A. Templeman: We don't have a plane!

Dr A.D. BUTI: We do not have a plane. That is certainly right. We do not have the finances to have three direct mail-outs in the space of two weeks. We do not have the finances to have a plane ruin people's afternoon on Father's Day by circling Westfield Shopping Centre and also Mandurah for two hours.

Mr J.R. Quigley: We don't have the money to buy the votes!

Dr A.D. BUTI: Exactly, member for Butler. We do not have the money to buy the votes.

The DEPUTY SPEAKER: Order, member! Can you direct your remarks to the bill, please.

Dr A.D. BUTI: It is very interesting. I was in my office listening to an interview with the Labor candidate for Canning, Matt Keogh, on Radio National, and the question that was put to him was, "Are you running dead in Canning?" From my office, I have a view of Albany Highway —

The DEPUTY SPEAKER: Member for Armadale, can you relate your remarks to the bill, please.

Dr A.D. BUTI: I am, Madam Deputy Speaker, but I think that generally a bit of leeway is allowed.

As Matt Keogh was answering the question by saying that we do not have the resources, what did I see going past my office on Albany Highway but a massive lorry that was decked out —

Mr A. Krsticevic interjected.

The DEPUTY SPEAKER: Order, member for Carine!

Dr A.D. BUTI: It is interesting that the member for Carine interjected, Madam Deputy Speaker, because during the last term of this government, when Labor was in federal Parliament, he talked constantly about how badly the federal Labor government was going. However, since September 2013, he has never given a speech. That is because he cannot talk about how great the federal Liberal government is going under Tony Abbott, whom most members opposite do not want as Prime Minister.

The DEPUTY SPEAKER: Order! Member for Armadale, will you direct your remarks to the bill, and member for Carine, will you be silent.

Dr A.D. BUTI: A massive lorry went past, pasted with the colours of the Liberal Party and with the name of the Liberal candidate for Canning. We do not have those resources. That is why we seek to fight elections on policy and on telling the truth. That is what we seek to do.

Talking about Canning, it is interesting to note that in the seat of Canning, 6 492 pensioner households will be impacted by the measures in this bill. In the City of Mandurah, 3 419 pensioner households will be affected by these measures by the Barnett state government. In the City of Armadale—my patch—1 853 pensioner households will be affected. In the Shire of Serpentine—Jarrahdale, the number is 645; in the Shire of Murray, the number is 454; and in the Shire of Waroona, the number is 110. In the Shire of Boddington, the number is 11. That may not sound like a lot, but when we consider the number of people who live in Boddington, that is probably quite a high number. The increase in water service charges will also impact on pensioner households in the seat of Canning. It will also impact in Boddington, with 62 pensioner households; in Mandurah, with 3 145; in Murray, with 1 483; in Waroona, with 277; in Armadale, with 4 059; and in Serpentine—Jarrahdale, with 513. That is a total of 9 497 pensioner households.

The government can put out as many beautiful pamphlets as it wants, it can have as many aeroplanes fly over as it wants, and it can have as many billboards as it wants, but this is what people are worried about. This is what affects them—not glossy advertisements and glossy campaign slogans. The Premier has said that it does not matter what we say during an election campaign. I wonder why the Liberal Party bothers to put out so much material if nobody seems to be concerned about promises made during an election campaign.

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

We need to remember what this bill seeks to do. This bill seeks to amend the Rates and Charges (Rebates and Deferments) Act 1992 by placing a cap on the concession that pensioners receive for their local government rates. Of course, this is the beginning of this government's measures to try to increase revenue or claw back expenditure. The concession will be capped at 50 per cent, to a maximum of \$550 for the current financial year and \$600 for the 2016–17 financial year. There is nothing to say that it will not change again next year as the government seeks to claw back expenditure and take measures to remedy its sloppy and irresponsible handling of the budget over its seven years in government. As the member for Victoria Park stated, we do not know what the Liberal Party stands for anymore. We know that the National Party has always been the party of spending big and not worrying about where the money is coming from. The Liberal Party allegedly had the reputation of being a good financial manager. I always thought that was a bit of a myth. Certainly, the Barnett government has thrown away any of that mantra of being a good economic manager.

Mr C.J. Barnett interjected.

Dr A.D. BUTI: Madam Deputy Speaker, I am not seeking any interjections.

The DEPUTY SPEAKER: The member for Armadale.

Dr A.D. BUTI: The Premier seems to think that because the opposition is opposed to the irresponsible financial management of this government, we do not want the government to do anything. Of course governments should provide schools and hospitals et cetera. However, that does not mean that it should do that in an irresponsible manner. What the government has announced so far in Armadale with regard to schools is very positive. However, it is very modest. The government should be able to find the revenue to pay for that.

Mr C.J. Barnett interjected.

The DEPUTY SPEAKER: Premier!

Dr A.D. BUTI: When it comes to the cost blowout on the football stadium, that is a different issue. We are not complaining about the proper role of government. The proper role of government is to provide education and health et cetera. However, that should be done in a balanced and responsible financial manner, not by running up huge debt on vanity projects in the CBD. That is what I am not applauding. I am applauding, of course, any measure that will improve education facilities in Armadale, and I would applaud that in all electorates, because education is a very important issue. If the government concentrated on that rather than on its vanity projects, we might not be in the debt situation that we are in today. If the Premier focused on what is really important in health and education, we might not be in the situation that we are in today. The Premier was told, and there was dissension within cabinet, about the cost blowout on the football stadium. We do not know the full costing of that stadium. However, it will be far more than what the Premier has stated so far.

Sitting suspended from 6.00 to 7.00 pm

Dr A.D. BUTI: I have some concluding comments to make in the debate on the Revenue Laws Amendment Bill 2015. As we know, this bill deals with the first home owner grant scheme and also with council rates and water service charges for pensioners. This will definitely be a slug on pensioners, which the Premier and responsible ministers of course never alluded to in their election manifesto, promises or statements.

[Quorum formed.]

Dr A.D. BUTI: The people who will be affected by this are pensioners. As I mentioned previously, the councils that make up the federal electorate of Canning would be particularly interested in what the Liberal government is imposing on their residents. Residents in that electorate can make their displeasure known at the ballot box on 19 September.

The ACTING SPEAKER (Mr N.W. Morton): Members, can you just take your conversations outside or zip them.

Dr A.D. BUTI: The number of households in the Canning electorate that will be affected by the local government rate changes is 6 492, and the water service charges will affect 9 497 households. I will definitely let the pensioners in my electorate know what this government has in store for them. The City of Armadale has one of the highest rates of pensioners to be affected by this change, but, of course, the City of Mandurah has the second highest rate. Where is the member for Wanneroo? He will have the highest number of pensioner households affected by the change in the rates cap, being 6 288. I suspect the member for Wanneroo would show his displeasure and speak against this bill if he truly represented his constituents. The government has not provided a case or any justification for why it should bring in this legislation without forewarning the electors back in 2013. Everything back then was rosy—fully funded, fully costed. As we know, that has proven not to be the case. Since then, the government has been seeking to raise revenue to pay for some of the vanity projects that

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Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

the Premier wishes to impose on the people of Western Australia and which some of his own cabinet members are not necessarily in agreement with. At the 2017 state election the voters can cast their judgement on the various decisions that this government has made, including pensioners because of how they will be affected by the changes to the rebates for water service charges. The voters of Canning can commence the process on 19 September.

MS M.M. QUIRK (Girrawheen) [7.05 pm]: I particularly want to focus on clause 17 of the Revenue Laws Amendment Bill 2015 that amends section 40 of the Rates and Charges (Rebates and Deferments) Act 1992. Section 40 currently provides that eligible pensioners are entitled to a rebate of 50 per cent of the emergency services levy, local government rates and water supply, sewerage and drainage charges. However, under these amendments, these rebates may be capped to a limit that is prescribed by regulation. The intention of the government was announced in the 2015–16 budget—that is, the application of rebate caps of \$550 for local government rates and \$600 for water service charges for eligible pensioners will commence in the 2016–17 rating year. We have already heard a number of community complaints about the level of local government rates this year. Of course, the public, and in particular pensioners, will be in for another shock next year as a result of these amendments. The rationale for these changes is contained in the minister’s second reading speech, which he gave last month. He said in part —

With the proportion of seniors in the state expected to double from its current 458 000 to 865 000 in the next two decades, supporting an ageing population is a significant policy challenge faced by all levels of government ... These concessions are in the form of rebates, discounts, subsidies and direct payments that improve the affordability of services and help reduce the cost of living for individuals and families.

He further said —

A number of reforms were announced in the 2015–16 state budget to better target social concessions to those most in need and to ensure the sustainability of these concessions over the longer term.

Finally, he said in this regard —

These reforms include proposed amendments to the Rates and Charges (Rebates and Deferments) Act to introduce a provision for capping rebates for pensioners ... Capping arrangements currently apply to water and local government rates paid by seniors, as distinct from pensioners, up to the lesser of 25 per cent or an annually reviewed capped amount.

That is the rationale and it evidences two things that are of major concern: firstly, the ad hoc way in which this government deals with matters such as seniors’ and pensioner concessions; and, secondly, that the government is now panicking and has no real policy settings for an ageing community. This is very unfortunate. The second reading speech contains a sentence that outlines that the number of aged people in Western Australia is increasing and that the government is not going to be able to afford it, so it had better do something now. However, it does not have any of the other policy settings that need to be in place. In particular I refer to the fact that there was a concession review. The concession review did not do any major consultation with seniors or seniors’ advocacy groups. It did not look at equity issues. It was a rather ham-fisted attempt to try to save some money because the budget has been so badly mismanaged.

Last year, the Community Development and Justice Standing Committee put out a report called “Age-friendly WA? A challenge for government”. The report contains some 45 recommendations and its overall conclusion is that the government is inadequately preparing for an ageing population, it has no vision and it is not interested in implementing policies to ameliorate the additional costs that might accompany an ageing population. Also, it has not looked at policies for which, in fact, those costs might be minimised. Finding 28 of the report states —

The approach to concessions for seniors is poorly planned and controlled.

The recommendation following states —

The State Government needs to design a concessions policy and framework that will ensure concessions for seniors target the people most in need.

Hitting pensioners in this way is not properly targeted and this initiative in the 2015–16 budget was a knee-jerk reaction to budgetary problems. It was not some sophisticated, well-planned, well-considered policy reaction that is needed to rationalise concessions. I am not the only one who has said that. The Council on the Ageing, which is a very well respected policy and advocacy group for seniors, made the same observation. For example, it said that it was not consulted in the so-called review of concessions and that, in any event, these planned cuts to local government rates will cause undue hardship. In that regard, the initial response to the proposed removal of

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concessions is that if pensioners cannot afford to pay the rates, they can defer them. Of course, the rates will then be deferred year after year, which then becomes what I call “death taxes by stealth”. That is not a satisfactory situation. It provides undue anxiety and concern amongst our pensioners and seniors population. As my colleagues have said previously, the cuts were not announced by the government prior to the 2013 election. As we have heard, more than 45 000 pensioners are affected by these cuts. As we have also heard, in my own electorate in the City of Wanneroo, over 6 200 ratepayers will be worse off under these cuts. That is a significant impost to those people.

Government members also tend to say that Western Australia has the most generous seniors’ concessions in the country. Since I have heard that proposition on a number of occasions, I thought I would try to get to the bottom of the basis for this assertion. In August, my colleague in the other house Hon Martin Pritchard asked the Minister for Seniors and Volunteering —

I refer to the government’s frequently made claim that the state government still provides the most generous concessions to seniors in the country.

- (1) How is that calculated and when was that calculation made?
- (2) Is it based only on the number of concessions and discounts available, including those provided by private business as Seniors Card discounts, or is it calculated on the quantum of savings an average senior receives?
- (3) In monetary terms, how much directly does the state government give each senior?
- (4) How is the comparison with other states undertaken?

These are all reasonable questions, I might add. The response was —

- (1)–(2) The comparison takes into account a range of factors, including the number and value of state government concessions and the eligibility criteria for a Western Australian Seniors Card. The last comparison was made in July 2015.

There is nothing further. Although the answer sets out what some of the concessions and rebates are, it does not answer the question by saying how the calculations were made and why it is asserted that this state government is the most generous anywhere in Australia with concessions and rebates. There is simply no evidence to back up that statement.

The Revenue Laws Amendment Bill 2015 is further evidence that the Liberal Party takes senior Western Australians and pensioners for granted and regards them as invisible. Frankly, it does not care how much hardship they need to endure. Seniors are doing it tough. We frequently hear the Premier on talkback radio saying that he emphasises with seniors and understands their problems, yet his and his government’s actions clearly show that they do not understand the impact of these kinds of cuts. Cuts have been made at not only a state level, but also a federal level. The Canning by-election might be a good time for these invisible seniors to rear up and show the Liberals that they do not like being treated with contempt or being taken advantage of. For example, last year the Abbott government tore out \$20 million that would normally be provided to fund state government concessions. All other states top-up that amount so that they can maintain the existing concession levels. Western Australia chose not to top-up that \$20 million cut by the federal government. The Abbott government also withdrew the payroll subsidy for aged-care homes that assisted in keeping adequate staffing levels. That payroll subsidy had been in place for a number of years. People in the aged-care industry tell me that they had no warning or hint that this would happen. The federal government also removed the supplementary loading given to aged-care patients with dementia. Those who are familiar with dementia know that, certainly in some cases, their care is more demanding and requires additional assistance and help. That was the intention of the loading. That has been taken away at the very time that the ageing population is increasing and the increasing instances of dementia are such that by 2050, a million Australians will be suffering from some form of dementia. The federal government also attempted to remove indexation from old-age pensions, thereby reducing the amount of payments in the long term. That has been contested in the Senate and has not yet been introduced, but it was certainly the Abbott government’s intention to take money out of the pockets of those who could least afford it.

The attitude of older Australians is summed up by a statement by Deputy Prime Minister, Warren Truss. He is reported as saying that older Australians are relying on the age pension because they are blowing their super on cruises and luxury items. Nothing could be further from the truth. At a state level, the cuts that we are talking about in this legislation tonight are but one example. This government also raised the age at which people are entitled to a Seniors Card. As we have heard tonight, it is capping the concessions on local government rates, which will impact more than 45 000 pensioners. This is, of course, on top of seven years of major increases in

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utility charges, which impact greatly on pensioners and seniors who spend a lot of time at home. The state government has further restricted energy rebate concessions to Commonwealth Seniors Health Card holders. Also, last year it halved the rebate to all seniors to partially offset the cost-of-living pressures. It has also created conditions whereby many seniors can no longer access affordable housing.

Senior Western Australians and pensioners have been treated with contempt by the Liberals, be it state or federal governments. They have disproportionately had to shoulder the outcomes of very poor and ill-advised budget mismanagement and the government's pursuit of wrong priorities. They are not being listened to. They are the forgotten people and they are treated with contempt and disdain. I will certainly be saying to seniors whom I see on the hustings in the next few weeks that they can put these issues front and centre and that they can send a message loud and clear that the arrogant and distant Liberals have treated seniors and pensioners with contempt. These are the very people who have worked long and hard to make our community what it is and they deserve better.

MR W.J. JOHNSTON (Cannington) [7.20 pm]: I rise to make some remarks on the Revenue Laws Amendment Bill 2015. Is it not a joy that once again we are back here to increase costs on Western Australians as we are doing today? It seems to be the only thing the Liberal Party gets any joy out of—that is, bringing in yet another bill that will break its election promises and increase costs on the Western Australian community.

I want to start by reminding the house the reason we have a first home owner grant scheme. It has been presented to this chamber, both in this bill and in others that have come recently to the chamber, as an incentive for first home owners to build new houses. However, people have forgotten why the first home owner grant scheme was introduced as part of the GST package in 2000. The reason it was introduced was the need for intergenerational fairness. If people are like me and they purchased their house prior to 1 July 2000, they did not pay GST on any of the inputs into the construction of that house. I bought my house in 1996 and my wife and I extended it later on in 1999. That meant that all the materials that went into that house were not taxed for the GST. Of course, if I were to sell that house and buy another one, there would be no need to compensate me because the uplift in the value of my house since the introduction of the GST would be captured by myself and my wife, and when we purchased a new property, the uplift in the value of the property would be reflected in the GST component of the building materials that would then be paid on the new property; so we are protected. But a first home owner entering the property market for the first time since 1 July 2000 does not have that benefit because they buy a property that includes the GST embedded in the building materials et cetera of that property. That is why there is compensation for first home owners, and it was deliberately structured by the Liberal Party, by John Howard the then Prime Minister, into the GST system. Those schemes were administered in each state—there are lots of variations in different states—and we have ended up here.

Now, rather than being compensated for the embedded GST that new home buyers are paying, which older Australians have not had to be compensated for because they never paid it, it is now being removed from young people. The first home owner grant is now becoming some sort of market incentive mechanism to benefit property developers, because, as the Treasurer has pointed out on a number of occasions in this chamber, the effect of the first home owner grant is, as he explains, to increase the price paid for the house. If we in Australia are going to deal with the question of affordability, then we have to think about all these policies. I make the point that there is much commentary in the media at the moment about politicians needing to grasp the nettle on reform, but what we are seeing again today is the government refusing to grasp the nettle of reform. I remind the chamber that the Economic Regulation Authority produced a report for the government that outlines a range of reforms the government could introduce to deal with housing affordability in Western Australia. Some of those ideas are things that I do not think will work, and some of those ideas are things that are worth exploring further. However, I make the point: the government is not exploring any of them. It has not dealt with any of those issues.

The Minister for Finance was previously also the Minister for Housing, and the government had an affordable housing strategy. I asked about that strategy. I asked: what was the price point of blocks of land produced through the affordable housing strategy? Some of those blocks of land are over \$1 million. The government has said, "The affordable housing strategy is not about affordable housing; it is an affordable housing strategy. So you don't have to produce affordable housing in accordance with the affordable housing strategy because that is not what it is about. It is about an affordable housing strategy; it's not about affordable housing." That is the ridiculous approach this government has taken. Let me explain it to the Minister for Finance. The Barnett government is happy to claim that a \$1 million block of land is part of the affordable housing strategy. When we say that that is not an affordable block of land, the government says, "Ah, yes. But we didn't say it was about producing affordable housing; we said it was about an affordable housing strategy." So it does not matter what the outcome is; it's the input that is important—the input being the word "strategy" so that they can go out

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and constantly talk about an affordable housing strategy. The government is not doing anything about affordable housing.

Mr W.R. Marmion: So 20 000 houses—that doesn't count?

Mr W.J. JOHNSTON: So what? The government built 20 000 houses. How many houses were built in the four-year period prior to that affordable housing strategy?

Ms J.M. Freeman: Not many of them were affordable.

Mr W.J. JOHNSTON: Before we get to the question of affordability, how many have been ordinarily made in Western Australia over a four-year period? That is the problem. There is no data. We cannot have an affordable housing strategy that is simply designed to create 20 000 dwellings when 20 000 dwellings would have been created even if we did not have the strategy. The only benefit of the strategy was so that the government could put out a media release. Time and again this government fails, fails, fails. Sure, the government got its headline; sure, the minister got to cut a ribbon. So what? The affordable housing strategy, as we understand it, includes the Pelago units in Karratha. For crying out loud! They include, apparently for the first time ever, the Department of Housing buying a privately owned company.

Ms J.M. Freeman: They include student accommodation at UWA in Nedlands.

Mr W.J. JOHNSTON: For crying out loud! That is not affordable housing; that is an affordable housing strategy that produces million-dollar blocks. I would say to the minister that if he thinks million-dollar blocks are affordable housing, he is absolutely crazy. He is absolutely crazy to say that a \$1 million block of land is affordable housing. It is not.

Mr W.R. Marmion: Student accommodation is.

Mr W.J. JOHNSTON: Affordable housing is about the long-term viability of the accommodation that we are providing in this state, and there has been no structural change to the housing system in Western Australia. Western Australia has the lowest level of apartment construction when compared with any other mainland state capital. That is what is being achieved in Western Australia: individual landlords are building or buying individual properties for the rental market. That is the exact same structure that is all around the country. The government has not discussed what it wants to do with negative gearing or the outrageous capital gains tax concessions that have driven up the cost of housing in Australia. None of those things have been contemplated by this government. If we look at any section of the government's website, where do we find the discussion on these things? The point I am making is that it is no wonder the community is becoming exasperated by the weak attitude of this state Liberal government and the federal Liberal government to the economic reform that is needed in this country. We will never see genuine economic reform from this state Liberal government and we are certainly not seeing it from the federal Liberal government. They are missing opportunity after opportunity.

What is the government's position on changing the structure of the profile of housing in Western Australia? What does it want to achieve? It has been asked before what outcomes in price points it was trying to achieve and it would not answer. In 2008, Hon Troy Buswell, the former member for Vasse, attacked the former Labor government over rentals. Rentals are higher now than they were then. That is what has happened in Western Australia. Again, if we look at the profile of the owners of investment properties in Western Australia, we can see they have the same profile—mum-and-dad investors using the federal tax arrangements, as they are entitled to do, to invest in the property market—but there is no structural change. Again, we are getting away from the intention of the first home owner grant. We may well need additional incentives to assist people to get a deposit together to build a new property. There may be many good reasons to argue that there should be a higher incentive for new build properties than there are for existing properties but it still does not overcome the simple fact that the first home owner grant was introduced as a GST compensation mechanism; it was not introduced as a market support mechanism.

Mr W.R. Marmion: By the commonwealth.

Mr W.J. JOHNSTON: Yes, and administered by the states. That is the way the system was introduced. The government was so proud of these changes that it never spoke to the electorate —

Mr W.R. Marmion interjected.

Mr W.J. JOHNSTON: Mr Acting Speaker, could I please have some protection? I have not asked for any interjections from the minister.

The ACTING SPEAKER (Mr N.W. Morton): You have been directing comments to the minister.

Mr W.J. JOHNSTON: No, I have not.

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The ACTING SPEAKER: If you do not want to seek interjections, direct your comments to me and I will protect you.

Mr W.J. JOHNSTON: I have not sought any interjections, Mr Acting Speaker. I am not asking for any interjections. As has been pointed out on a number of occasions, just because one side of the chamber raises issues about the other side is not an invitation for interjections. I simply want to get on the record the fact that this government has reneged on the community's demands for economic reform. It has had the review from the Economic Regulation Authority. As I said, I do not think some of the ideas will work and some of the ideas need to be explored further. What is the government's response to that? The government's response is to do nothing—to squib it. No wonder the community is exasperated by the failure of the Liberal Party in Western Australia and the failure of the Liberal Party federally to do anything about economic reform. Sadly, that is how we are getting ourselves into these positions. I make the point that there are lots of opportunities. Commentators, economists, academics and members of the property sector are all debating how we can make changes to the structure of the way governments administer the housing sector and to achieve change and fresh outcomes in the housing sector, yet we do not have any of that from this government.

I want to go on to some commentary about the changes that will impact senior Australians. These reductions in benefits to senior Western Australians in respect of local government charges are not the only changes outlined in this year's budget. In fact, of the \$199 million worth of savings from seniors over the next four years, this saving is \$26 million of that saving. The other two savings are \$92 million in cuts to the seniors' cost-of-living rebate and \$80 million in the energy assistance payment. I draw your attention, Mr Acting Speaker, to the budget speech delivered on 19 May 2011 by the then Treasurer, Hon Christian Porter, in which he stated —

In recognition of the cost of living pressures faced by many seniors on low or fixed incomes, the Government is also increasing the Seniors Cost of Living Rebate at an estimated cost of \$40 million. This year the rebate will be increased from \$105 to \$150 for singles, and from \$157 to \$225 for couples.

That COLA payment morphed into the energy assistance payment in a future budget. I make the point that in this year's budget, the government is saying that cost-of-living assistance for seniors needs to be targeted. The government criticised the Labor Party in the estimates process and said, "How dare the Labor Party say that seniors who are not pensioners should get benefits from the state government and that it was only fair to target the benefits to pensioners." That was not the position when the government introduced these rebates. That is not what it talked about. It never talked about that four years ago. At what point did it change its mind on this and, as the member for Girrawheen outlined, why did it not have any conversations with the community before it made the announcement? No wonder seniors across all our electorates are very upset about the massive reductions in benefits from this government, none of which were foreshadowed at the time of the election and none of which can be justified because of the financial state of Western Australia.

Let me make it clear that the government's plan is to take \$199 million out of the pockets of senior Western Australians over the next four years. That is a reduction of \$50 million a year from the spending capacity of seniors in Western Australia. The government thinks that is a plan.

[Member's time extended.]

Mr W.J. JOHNSTON: The government thinks that is the appropriate response to a situation in which the government of Western Australia has the highest level of income in the history of the state. I mentioned to this chamber previously that recently I was fortunate, with the member for Churchlands, to attend a conference in Malta for the Public Accounts Committee. One of the interesting presentations at the conference was from the Natural Resource Governance Institute, a non-government organisation based in New York. It gave a very interesting presentation on managing economies with a large resource endowment to try to avoid the so-called resources curse. One of its strong recommendations is that when we end a boom period for income from natural resources, we do not want to end up with a large level of debt. It put up all these charts from different countries that have suffered from the resource curse, which showed that as the income from the natural resource extraction increased, so did the debt and when the natural resource income turned down, the debt continued to rise because the debt still had to be serviced but there was no income to do it. That is exactly what has happened here in Western Australia.

Mr S.K. L'Estrange: Not quite.

Mr W.J. JOHNSTON: That is exactly what happened here in Western Australia. If the member for Churchlands is interested, I am very happy to talk to him offline at tomorrow's meeting. I am happy to show him the presentation that I was very appreciative of getting through the secretariat of the committee. I am very happy to share that with any member of the chamber because it just shows how those countries did that, and that is

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exactly where we are at. Let us understand that Western Australia is the richest state in the country, but it still has the highest level of taxation in the country and the highest government income in the country. What is the response of the government? It will save \$200 million—\$50 million a year over the next four years—out of the pockets of seniors. I was interested to read recently the opinion piece by Peter Kennedy on the back page of *WA Business News* in which he critiques a book about the changing voting patterns of seniors. The argument put by Mark Butler, the federal Labor shadow Minister for Environment, Climate Change and Water, was that rather than senior Australians being welded on to voting for the Liberal Party, which is the general political assumption, that senior Australians are much more likely to vote based on the views they held in their youth and, in fact, as the baby boomer generation is moving into their retirement years, that seniors' voting patterns will start to change. I will tell members what: if this government takes \$50 million a year out of the pockets of seniors in Western Australia, it is no wonder that that might occur. That is not the way to run a budget. I remind the chamber that the government is spending \$230 million, not to build something new but to move the bus station in Wellington Street from above the ground to below the ground. I have asked the Minister for Transport, on the decision to spend \$230 million on a bus station—the answer is not due back until next week—how many additional services will be provided by that bus station. It will be interesting to hear the answer, because I imagine it will be none. Let us understand that senior Western Australians are paying for the cost of burying that bus station, and that the \$200 million taken from seniors over four years is only slightly less than the \$230 million that the government will spend on the bus station. This is a bus station that I expect will not provide one additional service in any suburb of Western Australia. If the government thinks that the way to run the economy and the state's finances is to spend \$230 million, not to add any bus services to Western Australia, and to pay for that bus station by taking it out of the pockets of seniors, it is just crazy.

I am also interested in the minister's second reading speech, in which he said —

This measure is one of a number of new revenue and savings measures announced in the 2015–16 state budget. It was estimated to save \$25 million in 2015–16 if it applied for the full year, and \$109 million over the four years to 2018–19. However, the estimated savings will now be lower given the unavoidable delay in introducing the legislation. For every month of delay, it is estimated that the savings would reduce by around \$3 million. These delays primarily reflect the complexity in amending the Duties Act to ensure that the transfer duty concession continues for first home buyers of established homes.

The opposition is in the extraordinary position that if it were to delay this legislation, every month in which it delayed it, the people of Western Australia would be \$3 million better off. That is quite an extraordinary position to be in. What an incentive to delay this bill!

Ms S.F. McGurk: It shows how sophisticated their budget management is!

Mr W.J. JOHNSTON: Indeed, member for Fremantle, it does demonstrate the sophistication of the government's budget management! It also reflects an interesting issue, which perhaps the minister might help us with in his response to the second reading debate. I expect that this matter has been developed by Treasury and then handed to the Minister for Finance for carriage through the chamber, but when was the decision made to make these changes? I understand the budget cut-off date would have been the middle of April. Was it made only at budget cut-off or earlier? When were the drafting instructions prepared? When were the drafting instructions sent to the parliamentary draftsman? Given that a number of other bills that arose out of the budget have already passed through this chamber, why were those bills preferred over this legislation? It will be interesting to hear the minister's reply to the second reading debate. The minister might also be able to outline what level of benefit will continue to apply for first home owners through duty relief and whether the Treasury advice to the minister is that that duty relief will have the effect of driving up house values or is it expected to flow on to first home owners. I raise that because the Treasurer has told us that the first home owner grant has the effect of driving up the price of houses and not providing any benefit to consumers. I wonder whether the government has the same view about stamp duty relief. I must say, minister, that the government's argument is very cheeky, that the reason that concessions provided to seniors will be reduced is because the number of seniors is expected to go up from 458 000 to 865 000 in the next 20 years. It might well be that that is an argument for a reduction in other budgetary activity and there might be another way of saving budget money, rather than picking on seniors.

I am also interested in the number of seniors receiving concessions. I understand that during the briefing on the bill, a note was provided by the department on the numbers, per local government area, of seniors impacted by the proposed changes. I note that in the City of Canning, 216 pensioner householders will have a reduction in local government rates and the water service charge rebate. That compares with 6 288 in the City of Wanneroo, which is the district with the largest number of affected householders. I note that the water service cap will affect

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546 seniors in the City of Canning. I also have a small portion of the City of Gosnells in my electorate, and obviously the City of Canning is split between my electorate and the electorates of Riverton and Victoria Park, but the largest part is in my electorate and that of the member for Riverton. I imagine that probably 40 per cent of those people will be affected. From the briefing document, “Impact of rebate caps on local government rates and water services for pensions” provided by the bureaucrats, in my electorate 100 seniors in the City of Canning will be affected by the local government rate cap and probably about 200-odd will be affected by the water services cap, and probably another 20 or 30 people in the City of Gosnells—so quite a large number of people will be impacted in this way. I imagine that when the phone calls start coming in when seniors are paying the extra cash, I will know who they should raise their concerns with. This is a betrayal, if you think about it, because the Liberal Party likes to present itself as being the hero of senior Australians, yet they are the people the government has come to to pay for the underground bus station. It just does not make any sense. Why would the government spend all that money on a bus station that does not have any bus services and then ask senior Western Australians to pay for it? That might be the financial plan of the Liberal Party, but it really does not make any sense. I look forward to the minister’s second reading reply for the answers to the questions I have raised.

We will continue to advocate on behalf of our constituents because what marks us out on this side of the chamber is that we are interested in our constituents. We are interested in the impact of budget decisions on ordinary Western Australians because we do not think it is fair to pick on them as the first choice.

MR R.F. JOHNSON (Hillarys) [7.50 pm]: Members might think I am getting up to bash the government on the Revenue Laws Amendment Bill 2015; let me assure them that I am not.

Mr R.H. Cook: Sorry.

Mr R.F. JOHNSON: Yes, I am sorry to disappoint members opposite!

We all realise, given the dire financial situation this state finds itself in at the moment, that we have to find some funds from somewhere. Either the government has to make cutbacks in its spending and what it gives away, or it has to increase its income by charging and taxing people more. Let me first of all say that the people I feel most sorry for in relation to this part of our budget are our pensioners. They are probably amongst the most vulnerable people in our society and are on very low fixed incomes, and they will be the people who will suffer when it comes to paying their rates if they are lucky enough to own their own home. They may have used all their savings to buy and be in their own home, and I think will they will be enormously disadvantaged. I have been approached by many, many pensioners in my electorate. Some people think Hillarys is a wealthy electorate: let me assure members that it is not. Some suburbs in my electorate are very, very middle class, if I can put it that way, and they are the people who pay the most. I do not have many rich people in my electorate; they are middle class, and there are some very low-income families. Those people will suffer more than anything, particularly the seniors and pensioners given the discontinuance of their rates rebate. They have received that for many, many years and it has helped them through the year.

It is not only the abolition of that rates rebate that will cost them dearly, but also the increases in power, water and all other services charges they will have to pay—most of them above inflation. We have broken a promise there—yes, we certainly have—and I realise that the situation is dire and we have to try to find some money from somewhere. Somebody has to pay for the largesse that the government has shown.

The people I feel most sorry for are the pensioners and hard-up people, some of whom will be disadvantaged in a second way. If they have a home they want to sell to move down to a smaller unit, home or care-home facility, they will have a harder job selling their property. Properties are not selling at the moment, least of all expensive ones. Only the very, very low-cost properties are selling, and that is a situation faced by many people. People with expensive homes will lose a lot of money given the market value of those homes. Some people who built their homes in the last couple of years or so are facing a deficit in the value of their home if they try to sell it; they would not get back the money they have spent on the home—the money they borrowed from the bank to build their home. These are the people I feel sorry for. If we can do something for them, I think we need to. Self-funded retirees are on a very limited income. Interest rates are the lowest we have seen in decades, and it is my prediction that they will decrease another one per cent before the next 12 months is up. Some people say that is good news, but it is actually bad news. Interest rates have been between zero and one per cent in Europe and America for the last five years or so, and those places are in dire situations. I do not want to see Australia end up like Greece, Italy, France, Ireland, Portugal, Spain or some of these other countries that are suffering enormously. We are, and should be, a wealthy state in Australia. We have enormous resources under the ground and a lot of expertise, but we need buyers for all those things and unfortunately the buyers are just not there at

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the moment. If they are, they are buying at a much, much cheaper rate than they were. We should have foreseen this a long, long time ago.

As I said, I feel sorry for people who are in that position and trying to sell to first home buyers, but the first home owner grant is to be abolished. All they will then be left with is trying to find a buyer who does not need the benefit of the first home owner grant. Who will benefit from the first home owner grant being available to new properties—land and house sales? I can tell members who it is. It will not necessarily be the first home buyers; it will be the property developers. They will make the money on those sales. Some property developers are making hundreds of millions of dollars every year on the sales of their land and land and house packages. I suggest that it is time for them to come to the party. They know the situation the state is now in, and they have benefited greatly from this state. That is why many property developers openly—perhaps not always openly, but certainly some of them do it openly—make large political donations to various political parties at election time. They do not do that for nothing; they do it because they want to get something back. Very few people give money away for nothing. So I think it is time that they took their turn and helped the first home buyers in Western Australia—the ones who really need it. They are making that money on every block they sell.

The first home owner grant was anathema to me when it came in, in about 2000. As the member for Morley quite rightly said, it was to do with the goods and services tax and trying to ease people into the situation of having to pay GST on all the components of the house they were building. That was not the situation for a house that was already built because there was no GST there, apart from some of the fees and charges within that transaction. I think that was the purpose of the first home owner grant in 2000. We are 15 years on now. We keep talking about how we need to reform, and we do need to reform. I think, now, the party is over; we are not awash with funds in this state anymore, unfortunately—we should be, but we are not—and we are now in dire straits. Our debts and budget deficit will grow bigger and bigger and bigger, so we do have to find funds.

I suggest that one of the best ways to find funds and be fair and equitable to everybody, because I do not think it should be the pensioners who pay through their taxes and the rebates they will not get anymore, is to abolish the first home owner grant. Why should pensioners pay for that? It is not fair. They have done their piece; they have done their bit for this state and this country. Most people in this chamber, I would suggest, did not get a first home owner grant. I would say all members probably bought their houses before 2000—I would imagine they did; maybe one or two did not. But most members did, as I did—I never got the first home owner grant and I would not have expected one. It was completely new to me. But it is past time for that situation to exist. I think a member opposite raised—I hate saying that I agree with them all the time—various instances of this government having deliberately helped out property developers. Let them do their bit now! Let them find the first home owner grant. They will do it if we cancel the first home owner grant across the board and say to them that this is the level playing field now when people buy a property, whether it is a new or existing one. Many young people want to buy an existing property because they want to live near their families, near where they work and near where their friends live. They do not all want to go and live out in Woop Woop; some do, but the majority do not. Most of them like to live where their family and friends are, and I understand that. They need that family and friendship support to see them through life. When they have young children they like to have them mix with other relatives—cousins and all sorts of things. That is why I think it is unfair that those younger first home buyers are forced into getting a first home owner grant for a house and land package that at the end of the day, I believe, really only benefits the property developers.

I have no sympathy for property developers. As I say, they make hundreds of millions of dollars every year and they lavish money all over the place: private boxes here and private boxes there. Many ministers in this chamber—perhaps members from both sides of the house—have been guests of some of those property developers. Let me say that I have never been in anybody's box down in the south west or anywhere. I have never drunk too much and fallen over or anything like that at all—ever! I am fortunate in saying that. I have never got so wound up and interwoven with some developers that I have gone out, got drunk and smashed up loads of cars. I like to behave responsibly, and I think people should do that all the time.

What I am saying is that I believe the people who are going to benefit from this situation are the ones who should be paying to assist first home buyers. Let me assure members that if we cancel the first home buyer grant tomorrow, the property developers will come to the party. Somehow they will find some incentive—cash funds—to give to these first home buyer people because I assure members that they make a lot more than \$10 000 on a house and land package—miles more than that. That is why they are worth hundreds of millions of dollars. So let them do their part for younger people.

Another thing I want to say before I sit down is this: many younger people do not need the first home buyer grant.

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Mr C.D. Hatton interjected.

Mr R.F. JOHNSON: I am sorry, my friend, I did not ask for an interjection, but I tell the member for Balcatta that many young people do not need the first home buyer grant because they come from wealthy families. However, under our system they are entitled to it by the law. Even if they are millionaires, they are entitled to the first home buyer grant. They really are. The member for Balcatta cannot argue with the truth. He tries to.

Mr C.D. Hatton: All our jobs!

Mr R.F. JOHNSON: There are 25 000 people who lost their job in the last two years, my friend. A lot of people out my way lost their job. A lot of fly in, fly out workers have lost their job.

Mr C.D. Hatton interjected.

Mr R.F. JOHNSON: Yes, and they may be losing jobs out in the member for Balcatta's way. The member for Balcatta may be losing his job in about 18 months, so he needs to get out there and speak up for the people in his electorate. But he should not interject on me because he knows that what I am saying is true. If he can show me that anything I have said is not true —

The ACTING SPEAKER (Mr I.M. Britza): Member for Hillarys, I cannot protect you. Are you taking interjections?

Mr R.F. JOHNSON: No, I was not, but the member for Balcatta kept on going, Mr Acting Speaker.

The ACTING SPEAKER: Okay, I will protect you.

Mr R.F. JOHNSON: I desperately need your assistance, Mr Acting Speaker.

The ACTING SPEAKER: Thank you, member for Balcatta.

Mr R.F. JOHNSON: I feel I am being bullied. I prefer it sometimes when members on my side clear out of the chamber when I get up to speak!

Several members interjected.

The ACTING SPEAKER: Okay, thank you, members!

Mr R.F. JOHNSON: I feel more harmonious, but they are not.

The ACTING SPEAKER: Thank you, member for Hillarys.

Mr R.F. JOHNSON: I have the right to speak on behalf of my constituents, as every other member has the right to speak on behalf of their constituents. That is what I will do in this place until I leave this place. I will speak on behalf of my constituents. They are the people who elected me. They are the people I represent. They are the ones who I feel sorry for. As I said, many first home buyers do not actually need the first home buyer grant. They come from wealthy families. My kids did not need the first home buyer grant because I helped them out. I helped all four of them out financially. They did not need the grant, and I know many other families who are like that. An amount of \$10 000 is not exactly the end of the world today. Perhaps 15 or 20 years ago it was worth a lot more, but today it is not. So let us help our pensioners; the people who desperately need the help now. Let us help them by abolishing the first home buyer grant. It never was there before the year 2000. Now we are abolishing one grant and leaving in another one. As I said, that is only for the benefit of some people who give big political donations. I think that is wrong—absolutely wrong. I do not care on which side of politics we are, we should not be doing that sort of thing.

I do believe that we should abolish the first home buyer grant. It is time now to do it. We have had 15 years to adjust to not needing it anymore. We do not need it anymore because I believe that if developers want to sell their house and land packages, they will offer the assistance that is needed. Members should just go into their finances and see how much they are worth. They will see exactly how much they are worth. It will not cost developers much to give a \$10 000 donation, or whatever we want to call it, to any first home buyer—only to them—on the house and land packages that they are desperately trying to sell in the outer suburbs, away from Perth itself or the inner metropolitan area. That is where they are expanding and that is where they want to sell them. The block sizes are much smaller and the land costs are much smaller than if they are buying and building in the inner metropolitan area, so they can afford to do it if they want to. They will not want to because nobody in business wants to spend money unless they absolutely have to.

Please, I say to the government, let us look after our pensioners. They are the people who have worked hard all their lives. They are the ones who desperately deserve our help. Some of the younger people will muddle through somehow. They have families who can help them but, more importantly, they have developers who have hundreds of millions of dollars. They can help them first and foremost and that is what they should be doing.

Extract from Hansard

[ASSEMBLY — Tuesday, 8 September 2015]

p5872c-5919a

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

MS S.F. McGURK (Fremantle) [8.04 pm]: I would like to make a brief contribution to the Revenue Laws Amendment Bill 2015. As other speakers have outlined, we are now aware of the exact number of constituents who will be affected by the changes to the local government rates cap. It is not a policy that the government was so confident of that it was prepared to take it to the election. The government gave everyone the impression that its policies were, as we know, fully funded, fully costed and were all sorted. However, soon after the first budget following the election and in the most current state budget we have these changes to a raft of concessions applying across the board, and that has hit pensioners particularly hard. I do not know the exact number of constituents affected in my electorate, but in the four councils that are included in my electorate almost 1 400 seniors in the City of Melville will be affected by the changes to the introduction of a cap to the rebate for local government rates; 1 200 ratepayers in the City of Fremantle; 370 in the Town of East Fremantle; and 188 in the City of Cockburn. In those four councils alone, which include some of my constituents, 3 156 ratepayers will be worse off, some up to \$900 a year, as a result of the changes proposed in this bill and outlined by this government in the last state budget.

We know that this state budget along with the federal budget hit pensioners hard. It was the combined impact of pension and concession changes in both the Liberal state and federal budgets that have, as I said, really hit pensioners hard and have left some retirees worse off. An analysis done by *The West Australian* back in May, just after the two budgets, indicated that those changes could leave some retirees more than \$16 000 a year worse off. In particular the Abbott government's changes to those eligible for the age pension resulted in some retired couples losing annual payments of between \$1 892 and \$14 467 a year; and single pensioners losing between \$410 and \$10 042 a year. However, these changes in the federal budget to eligibility for the pension added insult to injury when the state government announced a range of cuts to discounts that seniors were getting. We have already debated the charges to electricity bills and also the concessions to water and local government rates relating to the bill before us today. As I said, the particular changes to the local government rebates allowed previously could leave some pensioners worse off by up to \$900 a year. People do not take kindly to that.

I am one of many members in regular contact with seniors in their electorate. I am a relatively new member of this place and I would like to get to know more of them. We held a forum for people in some suburbs in my electorate some months ago, and people there were very clear about the impact that the cost of living increases are having on their day-to-day life and about who is dishing out those increases—so they are under no illusion about that. I do not know the number of seniors in Western Australia at the moment, but looking back at some of the media reports after the May budget, I think there are about 460 000 seniors in Western Australia who could be affected by the changes. Everyone has been affected by general cost-of-living increases. There have been cost-of-living and concessions means-testing and capping. The age eligibility criterion for the WA Seniors Card changed because the age of eligibility for new applicants rose to 61 on 1 July, and it will continue to rise every two years. That will affect people and reduce the number of people who are eligible for a Seniors Card. Seniors were thrown a titbit when they were allowed free travel on public transport between 7.00 pm and 6.00 am every weekday. I do not how many people avail themselves of that, but it is a pretty modest concession because the rest of the news is bad. The safety and security rebate was scrapped and there was a small window—it was a farcical situation—whereby people could reapply for the safety and security rebate on the condition that they had applied for it before. That is a pretty remarkable criterion.

Mr R.H. Cook: It was bizarre.

Ms S.F. McGURK: It is a bizarre criterion. I do not know who thought of it, but it was pretty insulting to anyone who thought that they could get assistance to put in extra security measures in their house.

It is really disappointing that Western Australia is faced with a government that decides it needs to service the considerable state debt that it has drawn up by taking money out of the state's concession system and making things difficult for our seniors. The household fees and charges that everyone endures, including our seniors, went up despite the Premier's assurance that electricity, for instance, would be capped at or about the rate of inflation. The increases in the last budget were 4.5 per cent for electricity, six per cent for water and about four per cent for transport. Vehicle registrations also went up. They all went up higher than the rate of inflation. Similarly, people in public housing experienced increased costs. The cuts to the concessions that were available from local councils are disappointing. Those cuts will not be lost on pensioners and will be remembered by them at the next state election.

Another component of the bill before us this evening is the change to the first home owner grant, which has been reduced in successive stages by this government since 2013. Eligibility for the grant will now be restricted to those who are buying a newly built home. The government tried to sell this proposal by arguing that it was consistent with the state government's policy of encouraging more first home buyers to build or buy a new home. I am not sure about the government's policy. I understand that it would want some new build and that

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there would be some employment associated with that, but the government also has a policy of increasing density within existing built areas. The government needs to encourage people to move into existing built areas, so to withdraw the first home owner grant for those people looking at buying their first home in an existing building runs contrary to the policy—for many reasons and all of them good—of increasing density in our city.

A first home owner grant as a way of increasing housing affordability is a pretty blunt instrument and it is questionable how much it assists with affordability of the overall market. There is a good argument that it simply increases the cost for everyone rather than making housing more affordable relative to people's incomes. We might need to look at some federal issues with negative gearing if we are really serious about increasing the number of housing stock and dealing with housing affordability. A policy that is practical to increase housing affordability is to look at the types of homes that are available and where they are available, which goes to the question of increasing density in the city. As I said, I am not sure how the policy of restricting the first home owner grant to people who are building a new home will sit with the policy of increasing density, particularly in our metropolitan area. It seems pretty obvious that it is not about a housing policy at all, but simply about managing the government's debt budget debacle. It is about scraping back a few extra dollars at the expense of first home owners, even though many of them voted in the last election with an understanding of the first home owner grant for which they would be eligible, but a few state budgets later, they are not eligible at all.

The decisions being made are amazing; the government is scraping back concessions and increasing the cost of living, and these changes are felt most keenly by low income earners and seniors, as we have discussed in the debate on the bill. Why is that the case? It is because the state budget is in the mess that it is in. I think it was the member for West Swan who referred to the state government's decision to come up with more than \$600 million to contribute to Perth Freight Link, money that was not budgeted for in the 2014 state budget and was not part of the government's state election policy. The federal government came down and enticed the state government with more than \$900 million for the project and all of a sudden it can come up with its component of the \$1.6 billion or \$1.7 billion project. The point I make is that the many design and planning flaws in Perth Freight Link have been well canvassed here and publicly. I am very impressed by the level of understanding of some of my constituents about the problems with Perth Freight Link. They are very well aware of the challenges that the government has brought on itself with that project. What is astounding is that the government manages its budget in such a way that it is forcing the increased cost of living, reducing concessions and putting pressure on low income earners and pensioners, but at the same time it can come up with over \$600 million for a road project that is so flawed and, frankly, so unnecessary in its scale to a 120-year-old port.

A good example of the government's poor attitude to its budget struck me a couple of weeks ago when the Premier and I both attended a meeting of North Fremantle residents to discuss the Perth Freight Link. A couple of hundred people were there and the Premier addressed that group. People highlighted many problems with the second stage of the Perth Freight Link, not least of which is the fact that the government does not have a third stage to actually get to the port. The Premier was keen to play down the second stage and to say, "Look, it's still in the planning stages. Don't worry. There's still a lot of work to be done. I don't know how we're going to get to the port, and I agree that's a significant problem, but we'll get there eventually. But Roe 8 is definitely going ahead; the first stage of the Perth Freight Link is definitely going ahead". In fact, he said, "We didn't really need federal money to go ahead with that element of the project; we could've done that ourselves." The Premier said, "We could've gone ahead with Roe 8 ourselves. It's that important and it's that good a project that we could've done it ourselves." If that is the case, Premier, why did the government not do it? It was not planned for in any of the state budgets; there has been no allocation for it in any of the state budgets since the Liberal-National government came to power in 2008. It was not in the 2014-15 state budget, which was delivered within weeks of the Perth Freight Link announcement being made. If Roe 8 is that good a project, why did the state government not come up with the money and make —

The ACTING SPEAKER (Mr I.M. Britza): Member, you are sailing very close. You are going onto a budget issue and this bill deals with revenue, so you really do need to come back to the point, please.

Ms S.F. McGURK: Thank you, Mr Acting Speaker. The point I am making is in both the examples I gave.

[Member's time extended.]

Ms S.F. McGURK: The government could come up with more than \$600 million for the Perth Freight Link without having allocated that amount in its 2014-15 budget. The Premier can make comments to say, "We could've funded Roe 8 and we could've done that ourselves; it's no big deal to fund the first element of the Perth Freight Link."

The government's attitude to budget management is astounding. These are major infrastructure pieces, and apart from whether they are necessary or worthwhile projects, the Premier's and the government's attitude towards

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how infrastructure spending is allocated is astounding. It is that attitude that has brought this government's budget into such disrepair and has made it necessary for the government to bring yet another bill before this house to source increased revenue. It did not go to the election on this; it did not have the courage to go to the election and argue why it needed to change the first home owner grant or pensioner concessions or rebates. Many elements of the Perth Freight Link are frustrating, but the fact that people have to endure cuts and cost-of-living pressures while the state government allocates such a huge amount of money to a project which is so flawed, so divisive and so unwanted, and which leaves a major component—the outer harbour—completely untouched, is infuriating.

Mr C.J. Barnett: How would you know that? How would you know what the government is doing with the outer harbour?

Mr R.H. Cook: You're not doing anything!

Mr C.J. Barnett: Of course we're doing work on the outer harbour.

Ms S.F. McGURK: The Premier has just interjected and said, "Of course we're doing work on the outer harbour." The Premier has been in office since 2008 and there has been no decision on the outer harbour and no concrete planning on the outer harbour. The metropolitan freight strategy has been outstanding for I do not know how long, but at least for as long as the current Minister for Transport has held his position, a metropolitan freight strategy paper has been sitting on his desk, and we have not seen it. Nevertheless, the government has decided to go ahead with a \$1.7 billion road that divides communities —

Mr C.J. Barnett interjected.

Ms S.F. McGURK: For the outer harbour we need to use Tonkin Highway —

Several members interjected.

The ACTING SPEAKER: Members! Member for Fremantle, can you come back through the Chair and stay on this? If you are going to take the interjection, I cannot protect you.

Ms S.F. McGURK: I am very keen to hear what the Premier has to say about the outer harbour. Labor has proposed for a number of years that a decision be made and that work commence on the outer harbour. A lot of planning work was done when Labor was last in government and we would welcome any announcement on the outer harbour —

Several members interjected.

The ACTING SPEAKER: Members!

Ms S.F. McGURK: It will be interesting to see what this government will do with the outer harbour because its plan so far for dealing with freight management —

Several members interjected.

The ACTING SPEAKER: Members, the member for Fremantle is on her feet.

Ms S.F. McGURK: The government's plan so far for the outer harbour is to spend hundreds of millions of dollars taking a bridge across important remnant wetlands, which will drive traffic in a north-west direction, when it really should be heading south. It needs to run from Roe Highway down Tonkin Highway to either Anketell Road, Thomas Road or Rowley Road. That is a solution that would not divide communities, would take trucks away from built-up residential areas, and would be a sensible solution.

The ACTING SPEAKER: Member, I know the argument about the budget, but I want to stick to the debate, which is dealing with the first home owner grant. I direct you to keep to that.

Ms S.F. McGURK: As I said, I am looking forward to hearing what this government has to say about the outer harbour. If it is going to expedite an announcement about that, it is only because the Perth Freight Link campaign is biting. It has become so obvious to people —

Mr J.H.D. Day: Lots of work has been done over the last three years.

Ms S.F. McGURK: We would not know it. I hope the Leader of the House is holding that argument up in cabinet.

Several members interjected.

The ACTING SPEAKER: Members, I just want to hear the member for Fremantle on this. I tell you again, member for Fremantle, that when you go off the subject of housing, you are going to get interjections. It is very

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difficult to protect you on that when you are straying away from the point, so I just ask you to come back to the Revenue Laws Amendment Bill 2015.

Ms S.F. McGURK: I do not think I need protection at this stage; I am quite enjoying the opportunity to hear some information.

The ACTING SPEAKER: Member for Fremantle, you may be enjoying it, but it is my role to keep the debate going where it needs to go.

Ms S.F. McGURK: My point is that we are debating this revenue-seeking bill this evening for the reason that this government has handled its budget so badly, just as it has handled its infrastructure planning so badly and just as it has had such poor priorities that it has decided to sink bus stations, to spend money on Elizabeth Quay, to spend money it does not have on Roe 8, and to allocate no money nor make any plans for the outer harbour. That is the work that needs to be done, and that should be the priority of this government.

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [8.29 pm]: I have never seen a Premier so ably rattled by an opposition member! To recap what the Premier said, I think he is saying that the government is going to build Roe 8 across very highly valued wetlands in a north–west direction, but secretly, deep down in the bowels of his government, there is a plan to build the outer harbour in a south–west direction. This must be one of the greatest infrastructure stuff-ups I have ever heard of! I assume this is only because the Premier, like the Minister for Transport, is completely flummoxed about what to do once the Perth Freight Link has been built. That road to nowhere will hit Fremantle, and then the government either will be faced with extraordinary changes to the transport infrastructure works of the inner harbour to try to jam those trucks through, or it could have taken a more rational approach, which was always to develop the outer harbour from day one.

Point of Order

Dr K.D. HAMES: The comments the member is making bear no resemblance to the bill before the house.

Mr W.J. JOHNSTON: As the member explained, he is dealing with a bill to raise \$199 million of additional revenue for the government. He is making the point that the reason the government has to raise this money by taking it out of the pockets of seniors in Western Australia is that it has the wrong financial priorities. It seems to me to be completely related to the point that he is making.

The ACTING SPEAKER (Mr I.M. Britza): Member for Kwinana, I tend to take the position that we need to stay with the bill, and Roe 8 is not the deal we are talking about. I would like to bring it back.

Debate Resumed

Mr R.H. COOK: Thank you for your guidance, Mr Acting Speaker. It is an important point that this is a revenue bill. Revenue is being raised to, in part, pay for one of the most nonsensical pieces of transport infrastructure that has ever been developed in this state. As the member for Fremantle said, Roe 8 is going through valuable wetlands, dividing communities and essentially wasting the taxpayers' money that the government seeks to raise through this bill.

We have seen today the member for Nedlands, on behalf the government, taking on a couple of gruesome tasks, for which he is not well made. The first was in question time, when the member for Nedlands was sent in to savage the opposition. Such was the browbeating and the tongue-lashing from the member for Nedlands, we were all shocked. As we all know, the member for Nedlands is usually a mild-mannered, smiling member of the parliamentary community, so it was shocking to see him frothing at the mouth, spittle flying hither and yon across the chamber, all in the name of recasting his parliamentary brand. He offered “Wild Bill” as a possible name for himself earlier today, but I thought what he was doing reminded me more of a mad dog, such was the venom he was spitting at us.

After the Parliament had regathered itself after the tongue-lashing from “Wild Bill”, we saw the member for Nedlands, as the Minister for Finance, sent in to perform another unsavoury task today, which is to see this piece of legislation through. It is an unsavoury task, because it is an exercise in self-loathing. We have here a Liberal government—yes, I repeat, a Liberal government—embarking on revenue-raising exercises to extract itself from what it knows is a horribly disastrous piece of financial management. Two issues come together here that are at the heart of the government's political branding. The first is that the Liberal Party is the low-taxing party when in government, repudiating efforts by any other government to raise taxes, and the second is that it is the party of good financial management when in government. However, here we see the Minister for Finance coming into this place to perform one of the most unsavoury of tasks, which is to repudiate every aspect of the political branding the government has nurtured ever since Bob Menzies pulled the Liberal Party together.

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Dr A.D. Buti: It's got to be a furphy.

Mr R.H. COOK: Clearly, this is a great example, member for Armadale, of what a furphy it is. This government has run up record levels of debt at a time when it was enjoying record levels of revenue. It would be expected that any prudent government, particularly one that values its political branding around good financial management, would say to itself that this could not last forever, so it should not be trying to build in structural debt arrangements based on an extraordinary period of high revenue. Yet, that is what it did. In particular, we saw the development of some pieces of infrastructure that were non-financial assets, on which we will not see a capital return.

Mr C.J. Barnett: What are they? Schools? They don't provide a return.

Mr R.H. COOK: If I may take that interjection: if the government used some of its capital-raising capacity to develop good economic assets such as the outer harbour, the user model for that would not only reposition the Western Australian economy to take advantage of trading opportunities in South-East Asia, but also would be using a period of high revenue growth to put money into assets that will continue to pay dividends down the line.

Mr C.J. Barnett: Rather than schools or hospitals?

Mr R.H. COOK: Rather than Elizabeth Quay, bus stations and other vanity projects that the government has undertaken at the expense of the ordinary taxpayer.

Mr C.J. Barnett: Can we just get on the record that you oppose Elizabeth Quay, and you oppose the stadium? Is that the case?

Mr J.H.D. Day: And the WA Museum?

Mr R.H. COOK: There are so many interjections to choose from!

Several members interjected.

The ACTING SPEAKER: Thank you, members. I will be guided by the member for Kwinana.

Mr R.H. COOK: Thank you, Mr Acting Speaker. I will not entertain the interjections from the Premier. However, once the Minister for Planning gets involved, then we know that the place is going to pot.

I do not support the ramping up of state debt off the back of such vanity, inner-city projects that the Premier now wants the pensioners of the outer suburbs to pay for. No pensioner has come to me in the electorate of Kwinana and said, "Thank God we've got Elizabeth Quay, because now I can pay higher rates."

Several members interjected.

The ACTING SPEAKER: Order! Members, I do not want any of that kind of acknowledgement, thank you.

Mr R.H. COOK: Now we are in dire financial circumstances, as set out by the member for Hillarys, and what have we got to show for it? We have record levels of debt and high unemployment. The economy is starting to slow, and we have no capacity to respond to that. Having repudiated one of the values that the Liberal Party says it stands for, which is prudent and sound financial management, we now come to the other side of its branding, which is that it is the low-taxing political party of Australia. Because this government has basically driven itself into such debt and is now stuck with the problem of high debt and lower revenues, it has turned to the only other strategy available to it, which is to undertake measures to raise revenue—increased taxes. The hapless Minister for Finance—"Wild Bill" as he refers to himself; "Mad Dog" as we know him—has been forced to come into this place and undertake this bill. This modest exercise in raising revenue—I say "modest" only in the context of the overall debt—will hit those people who we would ordinarily believe are least able to afford it. The pensioners of Western Australia have been asked to shoulder the burden of a government that has mismanaged the finances. They have been asked to carry that burden in the form of caps to their rates rebates and the rebates on their water service charges. In the area that I represent, that is quite a number of households and people. In Rockingham, over 400 pensioner households will be impacted by these revenue-raising exercises and in the City of Kwinana, over 330 pensioner households will be impacted by these revenue-raising measures. It is ironic, is it not, that the party that considers itself the low-taxing party in government and the prudent financial manager, goes to pensioners to try to extract the government's sad and sorry behinds out of the debt crisis. Why is the government trying to raise these extra moneys from pensioners? We have seen that council rates have been an area of particularly high growth. At the same time that the government is capping the rates rebates, particularly in areas such as mine where there is a very high need to develop social infrastructure in communities in which people live, councils in Rockingham and Kwinana have implemented above-average increases in their rates. Pensioners will ultimately pay for that.

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I was pleased to read the Premier's comments on 16 July in which he criticised the council for raising its rates. He suggested in his commentary that a cap be applied to increases on council rates.

Mr C.J. Barnett: No, I didn't. The minister spoke about caps.

Mr R.H. COOK: The Premier did as well. The article states that the Western Australia government is looking at forcing local governments to cap rate increases. The Premier said the rate hikes were "not acceptable" and that the government was looking at imposing restrictions.

Several members interjected.

The ACTING SPEAKER: Okay members, thank you. Members! The member for Kwinana is on his feet. The debate has gone away.

Mr R.H. COOK: Thank you, Mr Acting Speaker —

Mr C.J. Barnett interjected.

Point of Order

Mr W.J. JOHNSTON: At what point will the Premier be called to order for his constant interjections? Every other member of this chamber has been called to order, but I have not heard the Premier called. I am asking at what point he will be called to order.

The ACTING SPEAKER (Mr I.M. Britza): Thank you, I have heard your point.

Debate Resumed

Mr R.H. COOK: I am indebted to the member for Cannington and the Premier for describing the fees and charges that have been put on local government.

Mr S.K. L'Estrange interjected.

Mr R.H. COOK: We so seldom hear from the member for Churchlands and there was a squeak so I thought perhaps there was something coming from over there!

Mr S.K. L'Estrange interjected.

Mr R.H. COOK: That was my mistake!

The ACTING SPEAKER: Member for Churchlands!

Mr S.K. L'Estrange interjected.

The ACTING SPEAKER: Member for Churchlands, I call you —

Several members interjected.

The ACTING SPEAKER: Member for Armadale, I am on my feet!

Dr A.D. Buti interjected.

The ACTING SPEAKER: Members! Member for Churchlands, you are down here for two; I am calling you for the third time —

Mr S.K. L'Estrange interjected.

The ACTING SPEAKER: I have not finished! I know what I am doing. I call you for the third time. Member for Armadale, you interjected while I was on my feet; I call you for the second time. Member for West Swan, that is your second call.

Mr R.H. COOK: Thank you, Mr Acting Speaker. I wanted to say that I support the Premier's comments about restricting the increases in council rates. It is unfortunate that the Premier and his government put so many extra charges onto council rates, but the Labor Party's policies at the last election to back a rate cap were particularly good. It is very pleasing to see the Premier, in July, coming in line with that.

Ms R. Saffioti: It is an interesting point that this bill actually increases rates for all these pensioners well beyond any government rebates.

Mr R.H. COOK: Indeed, that is right.

Several members interjected.

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The ACTING SPEAKER: Members, the member for Kwinana is on his feet. I do not think he needs to be helped unless you want to speak again. Have you already spoken, member for West Swan?

Ms R. Saffioti: Yes.

The ACTING SPEAKER: I do not think you should have to speak anymore. I think the member for Kwinana knows exactly what he is doing.

Mr R.H. COOK: As the member for West Swan points out, for those particular pensioners this bill will see huge increases in their rates because of the cap on their rebates. I personally agreed with the Leader of the Opposition at the last election about capping the increases on council rates and with the Premier's comments in July implicitly supporting the Leader of the Opposition. I also agree with the Premier about his choice for preselection in Churchlands! I agree with him on two points tonight. I find myself in unusual territory!

Like the member for Cannington, I want to seek the government's guidance on or the minister's response to why there was an unavoidable delay in introducing this legislation. I notice the minister states in his second reading speech —

However, the estimated savings will now be lower given the unavoidable delay in introducing the legislation. For every month of delay, it is estimated that the savings would reduce by around \$3 million.

As the member for Cannington observes, we are strangely holding back the tide of revenue legislation by perhaps speaking too long on this particular bill.

[Member's time extended.]

Mr W.R. Marmion: By way of interjection, if you read the next paragraph, it will give you the answer.

Mr R.H. COOK: Is the minister saying that he thought of this at the last minute in relation to the budget because he states that it is a very complex area to legislate and he just did not have enough time?

Mr W.R. Marmion: No, it does not say that. You read it out.

Mr R.H. COOK: It states —

These delays primarily reflect the complexity in amending the Duties Act ...

At the last minute perhaps the minister thought that because the government was running a deficit budget, it had better find some revenue-saving measures quick smart. Perhaps the government discovered these particular measures on 14 April or perhaps this is part of long-term, prudent, sound financial management and the minister's public servants were working on this for some time to ensure that he understood the complexities of this policy and was on top of the game so he did not have these so-called unavoidable delays.

This policy is not what we would define as an election policy. Poor old "Wild Bill" has to come into this place —

The ACTING SPEAKER: Minister.

Mr R.H. COOK: The minister is self-titled "Wild Bill". That is why I am not using the term "Mad Dog", Mr Acting Speaker, because that is our term. The Minister for Finance has to come into this place not only to repudiate all the Liberal Party branding about sound financial management and that it is the low-taxing government, but now he also has to put his hand up and say, "This is an incredibly dishonest government." This government made no mention of increasing taxes for pensioners prior to the election, yet this government comes in and wrecks the state's finances and gets elected off the back of a range of Liberal Party lies. Now the minister has come into this house with no mandate from the people of Western Australia to introduce these new taxes and increase the tax burden on pensioners—the people in our community who are least able to afford extra revenue measures.

As I said, this is really an exercise in self-loathing. This is really about a government that has run out of options. This is about a government that has nowhere to run and nowhere to hide. It is trapped in a corner by its own financial mess and the only way it can get itself out of that mess is by going back to the people of Western Australia and increasing revenues. A lot of pensioners got their first home in life in areas such as Kwinana and they are still living in their homes today, often because the kids have left home and they are the only people left in what is usually a two or three-bedroom house. Though they have been able to afford that house, there is nowhere for them to downsize in the area so they are stuck in that house. At least they used to have the refuge of a rates rebate and a water services charge rebate. Now they do not even have that refuge because this government is seeking to increase the tax burden upon pensioners.

Extract from Hansard

[ASSEMBLY — Tuesday, 8 September 2015]

p5872c-5919a

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Mr W.J. Johnston: Shame, shame, shame.

Mr R.H. COOK: It is absolutely shameful. We have seen the poor, hapless Minister for Finance come into this place and deliver what is an absolutely shameful piece of legislation to fulfil a non-election promise. Some would say that it is essentially a broken promise because of the absence of the government saying, in the context of the election, that it will afford its election policies by raising taxes.

Mr C.J. Barnett: I think that's disgraceful. I think you're right. Can you remember Geoff Gallop's premium property tax? Did he raise that in the 2001 election?

Point of Order

Mr W.J. JOHNSTON: Mr Acting Speaker, I draw your attention to the Premier's interjection, which was not asked for by the member for Kwinana.

The ACTING SPEAKER (Mr I.M. Britza): Thank you, member for Cannington.

Several members interjected.

The ACTING SPEAKER: I will be guided by the member if he is taking interjections, and I am looking at him constantly for this. As soon as he tells me that he does not want the interjection, that is when I will move.

Mr W.J. JOHNSTON: How does one know whether a member has accepted an interjection when there has been no request for it? I am just trying to establish this so I understand how things should happen. Is it that we interject and then we find out whether they are accepted, or is it that we interject only after we have been asked for an interjection? I am just trying to seek clarification.

The ACTING SPEAKER: I understand. I think you are being a bit facetious but I will give you the answer. Number one: when the speaker is on his feet, no matter who is in the chamber, even on your side, if you drown him out, you are out of order. I have allowed you to even speak behind his back. When a government member speaks, I look at the member to see whether he is taking the interjection. I do not care about anybody else; I am looking at the speaker on his feet. If the speaker on his feet says, "I am not taking interjections", I can protect him, and I will. You have drowned out your own speaker several times and I have let it go because I have looked at him and I will continue to look at the speaker on his feet. Thank you, member for Kwinana.

Debate Resumed

Mr R.H. COOK: Just to recap for members, the interjection from the Premier was about the premium property tax. I was not in politics when the premium property tax was proposed; I know that the Premier was. Given his grumpy disposition tonight, perhaps he has been here too long. I understand that the premium property tax was a tax on very high value properties. If we are going to have a battle of policy ideas about whether we do something like that versus whether we place a heavier tax burden on pensioners, I think we are in the right corner. But on the question of honesty, the last person we will take a lecture from in this place is a political party and its leader who used the term "fully costed, fully funded" in its election promises. As we have seen through the excellent work by Dan Emerson at *The West Australian* and the long, drawn-out freedom of information battles that the newspaper had against the government, which desperately wanted to withhold the information, we know that emails were flying backwards and forwards because at the time the government knew it was not true. There might be big lies and little lies. Perhaps this is a little lie because this is a government saying, "We've stuffed up the finances and we have to get out of it somehow. We know we didn't talk about this before but we've got to do this." The fully costed, fully funded exercise, however, was a piece of conspiracy to mislead the people of Western Australia. The fully costed, fully funded policies were on the issue of public transport which we now know this government had absolutely no commitment to at all. At the same time as it went off on the exercise of the airport line to Forrestfield, it completely forgot about any election commitments to Metro Area Express light rail. These are the last people we would take a lecture from about the issue of honesty, particularly around election policy.

As I said, the Minister for Finance has had a very unenviable job. He had two jobs today. The first was to try to recast himself as the hit man for the government at question time. We all saw the disastrous and somewhat lacklustre situation that that brought about. The second job he had was to bring in this legislation, which is essentially about having to raise taxes on the people in our community who can least afford them. These are not the people who will be sipping cappuccinos in Elizabeth Quay. These are not the people who said, "Bring on the high cost of living as a result of the mining boom." These are the people who have been doing it tough on fixed incomes, struggling to deal with the high cost of living in Western Australia. What is their reward for surviving that period of high cost growth? It is extra taxes.

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

There have to be questions of competency around whether this is good prudent financial management and about the policy in this bill. Were the people of Western Australia given an opportunity, in the context of an election campaign, to make a decision about whether these fees and charges should be levied? There have to be questions, at a time that the government has mismanaged the state's finances, around why it is now going to some of the poorest people in our community—those people on fixed incomes, pensioners—to try to flog them for extra revenue through this bill. This is an unconscionable exercise by the Minister for Finance, and he knows it. He is paid enough to bring these difficult pieces of legislation into this place, and just as being the attack dog for the Liberal Party does not suit him, neither does bringing in this sort of disingenuous legislation.

MR D.A. TEMPLEMAN (Mandurah) [9.00 pm]: I would like to make a contribution tonight to the debate on the Revenue Laws Amendment Bill 2015. As has been highlighted by a number of speakers in this debate, this bill is yet another example of a broken promise. Indeed, it seems that whenever we come back from a two or three-week break we have another tax bill on the agenda that was not canvassed with the electorate before the state election in March 2013, and another message to Western Australians that this government is not only out of control in its custodianship of the state's finances, but also cementing itself as one of the worst, if not the worst, government in the history of Western Australia in its capacity to manage the state's finances. It is interesting that when members come in —

Several members interjected.

The ACTING SPEAKER (Mr P. Abetz): Members! The member for Mandurah has the floor.

Mr D.A. TEMPLEMAN: When I have guests here at Parliament House, it is always great to bring them past the photographs of the long line of Premiers of the state that ring the corridor at the entrance to this chamber. They start with the first Premier of Western Australia, Sir John Forrest, and the line curls around the perimeter in order. On a few occasions, in jest—only recently with some seniors from Mandurah—I have pointed to the honourable Sir Hal Colebatch, who was Premier of Western Australia from 17 April 1919 to 17 May 1919, the only Premier of the state to have served as Premier from the other place, the Legislative Council. I do not know whether members have looked at the photograph of Hal Colebatch—some members should try it to see whether they can take anyone in—but I like to tell them about a very little known fact. A problem with the engraved titles on the photographs of our Premiers is that people cannot read them very well, which works in favour of my little stunt that I use every now and again. I point to the photograph of the honourable Sir Hal Colebatch and say, “Many of you wouldn't be aware of this, but for a very short time Ronnie Barker was Premier of Western Australia—only for a month.” And they all go, “He wasn't, was he?”

The ACTING SPEAKER: Member, I draw your attention to the fact that we are discussing this bill.

Mr D.A. TEMPLEMAN: Yes, and I am getting to that.

The ACTING SPEAKER: I hope this is leading us back to that.

Mr D.A. TEMPLEMAN: This is a long lead-in, Mr Acting Speaker. They look very closely at the photograph and for a short period of time they are intrigued and then they realise that they have been had. If Mr Acting Speaker goes out and has a look, I am sure he will scissor kick over the pole, the Bar of the House, which we know he is skilled at doing. After you have vacated the chair and have had a look, you will see that Sir Hal Colebatch looks exactly like Ronnie Barker from *The Two Ronnies*.

Why is this related to this bill? When we go further around we pass other Premiers and then we get to the entrance to the chamber where we come to the previous Premier and the present Premier. I have to say that people's response to this Premier's photograph is not necessarily complimentary. The reason for that is that it has dawned on so many Western Australians that this government that promised everything to everyone in the March 2013 election has delivered them state finances that are in a parlous state. That is very sad, because many of them placed their trust in the Liberal–National government. We know that, and it is very clear from the number of government members in this place. However, many feel that they will not be hoodwinked again. The problem the Liberal Party has now with bills such as this is that it has no credibility anymore.

The government has introduced a bill that seeks to attack the budgets of people in our community—in this case I am speaking of the capping of the local government rates rebate, which was never mentioned in the manifesto of the Liberal Party in the lead-up to the 2013 election. The government did not say to pensioners in Western Australia, “By the way, one of the measures of the Liberal Party will be to introduce in government if we are re-elected on 9 March a bill to cap the local government and water rates of pensioners.” I did not hear or see any of that mentioned, but we know this bill is part of a long conga line of bills in which this government has moved to do that. We now know about the Premier's infamous throwaway lines, “Well, no-one really takes

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notice of election promises and takes to heart the promises that are made.” All of those throwaway lines do one thing, which is to rub salt into the wounds.

It was interesting to hear the exchange earlier tonight between the member for Balcatta and the member for Hillarys when the member for Hillarys was talking, from his perspective, on a whole range of issues associated with the impact on people of measures such as those in this bill before the house. The member for Balcatta simply dismissed the member for Hillarys’ comments because, of course, he is still following the line of paying homage to his leader rather than thinking for himself and thinking about the impact that bills such as this and measures such as this will have on first home buyers and pensioners.

Some members tonight have set out the impact of some of these measures, but I want to set this in a greater context; that is, the context of so many Western Australians who find that their budgets are so stretched because of the additional costs of the basics, whether it is the utilities of electricity, gas and water or indeed those measures that allow them to receive a concession, such as for local government rates. We have to look at it in the context of the cumulative impact on household budgets. I want to highlight the case of a lady who wrote to me about where she is at. She is a Mandurah lady with whom I had a chat on the phone the other day about the fact that she is struggling, like many, many other people. The context I set is that numerous people in various sectors of our community are affected by the decisions of government and, if they relate to their budgets, many people find themselves in this situation. Many are pensioners and people on low and fixed incomes. I will not mention this lady’s name, but I asked whether I could use her words. She wrote —

...Would like to express concerns that work colleagues and myself have with new discussions to come up in the not so distant future regarding our wages (in age care industry).

She specifically talked about penalty rates. She continued —

As you may be aware we are not highly paid .Most people in this industry are not in it for the money but for the reward of helping the elderly and the sick. However we do have to survive and that is what most of us are doing at this moment just surviving .Most are in debt just trying to pay utility bills .Rent ,petrol and maintenance to cars etc. oh’ health insurance(which by the way I pay top hospital) have been in a health fund since I was 17 and have had to pay hospital bills for two health issues with cancer but however the treatment done in day clinic so not labelled hospital as cosmetic or what ever —

She mentions stage 3 malignant melanoma. The email continues —

I ask why am I still paying good money for insurance, and don’t forget food. I myself try to work 2 jobs but this main job in looking after residents full time in the dementia unit find myself too burnt out some times to be able to work the second job . I have had no such thing as a holiday since 2007 and I am unable to save .Through circumstances I know longer own my own home so I pay rent .Others are in this same situation .We have hardly any super and when the government suggest we pay into what super we do have we can’t as this money we need now —

To survive. The email continues —

People may find that hard to understand but when they say just put say 20 dollars in each pay or what ever we need that money to live on now. I have no savings and I have paid for my son’s training to help in his career when he was younger and no help from centre link as he didn’t want to be labelled even when I tried to explain I have paid taxes in my life time .How ever did understand how he was feeling. I used all what savings I had then which you do for your children I do realise that I am still far better off that some . The government need to really look at how they can help .Thank You for listening and for any support you can bring about to help people on these low incomes.

This is a single lady in a low-income job. As she explained, she relies on the current wage system to make ends meet, but she is still in debt. Her story is not an isolated one. There will be stories such as this in communities across Western Australia. Therefore, when the minister introduces into this Parliament yet another taxing bill—another bill that attacks people’s household budgets; the Revenue Laws Amendment Bill 2015 will impact pensioners—it has an effect. The problem is that we never hear from any of the backbenchers of the Liberal Party and we never hear from the members of the National Party—those great saviours of regional Western Australia. We never hear anything from them.

Let us go into some of the capping statistics. During the estimates hearings, when I asked the Minister for Local Government for more detail on local government capping, he was unable to answer most, if not all, of the questions. I asked him questions about the number of people who will be affected. He was not quite sure at that time. I asked him about his claim that some people were getting \$7 000 or \$8 000 rebates. I said, “If that’s the case, yes, that’s not fair—any sensible person would know that—but tell us how many. Give us some examples.”

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There was silence. I understand that some other peak groups, including Western Australia Self Funded Retirees Inc and others, have been trying to get the answers to these questions, too. They want to know how many, because —

Ms R. Saffioti: There's only one.

Mr D.A. TEMPLEMAN: The member for West Swan thinks there is only one.

This rhetoric is thrown back at the opposition when it is asking sensible questions about the rhetoric that the government spins on this. Those questions should be answered honestly and transparently. We asked the government how many people are getting the \$8 000 or \$7 000 rebates. If it is only one or two, goodness me, there is no argument about those. However, the government will be impacting more than 6 000 City of Wanneroo pensioners, and in my own electorate of Mandurah, there are over 3 419. I might point out that in terms of Mandurah, after the budget announcement about the capping of the pensioner rate offered at local government level, the City of Mandurah came back with some higher figures than those shown in the tables I have seen. I will quote from the email I received from Mr David Prattent from the City of Mandurah. David is the very competent manager of financial services at the City of Mandurah. He wrote —

Good afternoon David, I hope you are well —

Yes, thank you, David; I am! The email continues —

With regard to your email dated 3 June 2015, there are two issues with the proposed pensioner rebate cap:

I hope the member for Dawesville; Deputy Premier is listening to this because it affects his constituents, too. They are included in the City of Mandurah. The email continues —

1. Our modelling shows that if this cap were introduced at the moment —

This is at the moment —

and assuming this cap applies to seniors also, it would cause 5,094 pensioners and seniors (47% of all pensioners and seniors) to be affected, at an average household cost of approximately \$110 for the year.

To some of us, \$110 may not sound like much, but I have to tell members—members heard the other email from a low-income, low-paid person in Mandurah—that \$110 makes a lot of difference in a budget that is already stretched because of the increases to electricity, water and gas charges imposed by this government over the last eight years.

In the second paragraph of the email, Mr David Prattent makes an important point, which states —

2. We are also concerned that this cap may act to push up the number of rate deferrals.

I think this is a real issue for local government —

Although a pensioner forfeits the rebate if he or she elects to defer, it pushes the liability to pay out until the property is vacated. This is fine except that if there is a spike in the number of deferrals, it adversely affects the City's day-to-day cash flow and adds to the difficulty of financing operations and capital.

That means there is a deferral of the income to be received.

[Member's time extended.]

Mr D.A. TEMPLEMAN: That is an important point to make. The City of Mandurah recognises that one of the threats to this rate capping that is to be introduced is the potential for residents to simply say they will defer their rates until they die, effectively, or until they sell the property. I have said to the City of Mandurah—I have written to most local governments about this—that it needs to now, particularly when the Revenue Laws Amendment Bill 2015 becomes law and these measures come into being in the next financial year, keep very close records of the impact of this measure. I think we will need to look very closely at the impact on communities of this particular measure of deferring rates.

The other thing in the budget that affects local government and is another example of cost shift is, of course, the move by the government—totally unannounced and totally done without any consultation whatsoever—to increase the interest rate of the government guarantee fee, known as the GGF, on local councils. This year's budget applied that to not only new loans—that is, new loans that local government may take out with the state government through the government guarantee fee—but also existing loans. The impact that the increase in this government guarantee fee has on local government on new and existing loans—that is, existing loans to community groups, sporting organisations and club rooms that are being paid back on a low-interest loan—has to be passed on to the organisations. Many of them already had their budgets set, and the loan repayments for

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loans under this particular guarantee were already set. Therefore, a number of councils are either absorbing the extra interest cost or have had to pass on that extra cost. That amount of that extra cost will vary. It may be a couple of hundred dollars or it may be a couple of thousand dollars. However, a local community group or organisation would not have budgeted for that extra cost and will be expected to step up with the additional increase in cost if it is not absorbed by the relevant council.

Let us look at some other figures on this local government rate cap that I understand will affect pensioners. We need to bear in mind that this will be an aggressive tax into the future because, of course, with gross rental values changing and being reviewed, as time goes on more and more pensioners will be tipped over the threshold and the increase in their rates will result in them paying an increased gap between the capped rebate and whatever increase has been made to their rates. On preliminary figures the member for West Swan said that around 48 000 pensioners in the state will be affected, but we know that figure will increase over time.

Who introduced this bill? Mr Acting Speaker (Peter Abetz), it is your party, the Liberal–National government, that has done this. We on the Labor side believe very strongly that it is our duty to ensure that pensioners in your electorate and in all of the electorates in the state are reminded of the architect of this particular broken promise. Actually, it was not even a broken promise because it was something that pensioners were never told about. The government broke a promise to tell the truth, and then of course it introduced a new measure aimed at clawing back money from pensioners, which will be an increasing number of pensioners as time goes on. It is very interesting to note the list of councils that will be affected. Many are in the metropolitan area. The member for Balcatta is not in the chamber, but the councils on the list are the City of Stirling, the City of Swan, the Shire of Mundaring, the City of Albany, the City of Bunbury and the City of Busselton. Busselton has a large number of pensioners. The member for Vasse, as a new member of this place, should be absolutely beside herself when she sees that a thousand or more pensioners will be directly affected. But, member for Vasse, it will be more. It will be more, and she will have to answer the question at the next election for why she supported this attack on pensioners in her electorate. Busselton has a large number of pensioners. They do not all live on Geographe Bay overlooking the beach; some do but not all of them. As time goes on, the member for Vasse will have to defend this additional tax on those people in her community. That is why the member for West Swan very clearly and very eloquently explained exactly why the opposition will be opposing this particular bill. It is because the government did not tell the people of Western Australia it was going to do this. It did not tell them at all. It came into this place and introduced this bill without telling them.

I think they will remember at the next election. I hope that a lot of them remember at the Canning by-election in less than two weeks. As the member for Armadale highlighted, thousands of people in Canning will be impacted by this measure, and we will be reminding them over the following nine or 10 days, “Just remember, if you are going to go into that ballot box and vote for the Liberal Party, you’re voting for a party that didn’t tell you the truth at the last election and can’t be trusted in regard to the state’s finances either.” We will therefore be opposing this bill. It will be very interesting to see whether anybody on the other side of the house understands the implications of this bill for their communities.

MS J.M. FREEMAN (Mirrabooka) [9.25 pm]: I also rise to speak on the Revenue Laws Amendment Bill 2015. I thank the advisers for the information they gave us at the briefing just recently. I am not as familiar with the advisers as the member for West Swan is. It was the third of these briefings that I have attended. Simply because I took an interest in one, they come so quickly that I thought I might as well come along again and have a discussion with them about this next piece of legislation. I will not quote them word for word but they were pretty candid that this bill is just a revenue-raising law. The bill’s title is “Revenue Laws Amendment Bill” but it should be “Revenue Raising Laws Amendment Bill” because it is exactly intended to pay for the excesses of this government in its projects. As we all heard from many contributors, those projects were not fully funded and fully costed, but now those in the community who can least afford them will have to pay for them.

I want to very quickly point out a couple of things. One is the change to the first home owner grant by taking it away from people buying existing homes. In doing that, I wanted to give a bit of history about first home owner programs and their funding. It is interesting to note that much contention surrounds the effectiveness of first home owner grants. The member for Hillarys stood in this place and made an impassioned contribution when he suggested that we should be making a much greater policy review of the first home owner grant. I note that Saul Eslake made a contribution to this debate on 16 March 2011 in *The Sydney Morning Herald*. It is interesting to put a bit more history on the record. As we know, the current first home owner grant was introduced as compensation for the implementation of the GST, as outlined by the member for Cannington. However, it is interesting to note that Saul Eslake states —

The Commonwealth Government started giving cash grants to first home buyers in 1964 when, at the urging of the New South Wales Division of the Young Liberal Movement (whose President at the time

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was a young John Howard), the Menzies Government began paying Home Savings Grants of up to \$500 to ‘married or engaged couples under the age of 36’ on the basis of \$1 for every \$3 saved in an ‘approved form’ (generally, with a financial institution whose major business was lending for housing) in the three years prior to buying their first home, provided that the home was valued at no more than \$14,000.

It would have therefore acted as a way to encourage saving. It is quite interesting to note the current debate about the ability of first home owners to access retirement income. Obviously that is not something that would come before this house. It is interesting to go on and see that it was abolished by the Whitlam government in 1973, reintroduced by the Fraser government in 1976 under the name of a home deposit assistance grant and replaced by the Hawke government in 1983 with a first home owner assistance scheme, which initially involved a maximum grant of \$7 000. As we know, it was reintroduced as the first home owner grant by the Howard government in 2000. Whereas previously there was an income test or upper limit on the purchase price of homes acquired, ostensibly as compensation for the introduction of GST, the first home owner grant was without any income test. Saul Eslake continues in his article —

Governments have thus been providing cash handouts to first-time home buyers for almost half a century. Yet, strikingly, the home ownership rate has never been higher than the 72 per cent recorded at the time of the 1961 census, three years before the first of these schemes began. At every census since then, it has fluctuated between a low of 68 per cent (in 1976) and 72 per cent (in 1971). At the past two censuses (in 2001 and 2006), it stood at 70 per cent.

He further states the following, which is what I wanted to bring to the attention of the house —

Contrast this with what happened during the 1950s and early 1960s, when the Commonwealth government provided low-interest loans to state governments to build houses for sale to eligible first home buyers. The home ownership rate rose from just under 53 per cent at the time of the 1947 census (a level unchanged from that reported in the first Commonwealth census in 1911) to 72 per cent at the time of the 1961 census. In other words, policies that added directly to the supply of housing worked.

That is a really interesting aspect; I have certainly advantaged from the government providing state housing houses that people could buy with loans. My parents still live in what my father likes to describe as a “Menzies breeding pen”. That security, safety and stability has been part of the economic and social success of everyone in my family. We in Western Australia understand the importance of home ownership. I have taken members through that history because one of the most important people who I have the privilege of representing in Mirrabooka is the newly arrived migrants. The Minister for Finance knows—he was at a function with me the other evening—that if migrants are to establish themselves, their professional and personal security is very important and vital to their ongoing success as Australians and to their contribution to Australian society. It gives them a sense of place and a sense of achievement and they then strive to better not only our community, but also in many cases the diaspora of the other countries that they have come from and they try to build on that achievement. I am concerned about this change to the first home owner grant because the grant will no longer be available for those who look to buy existing housing. I get the debate about whether it has advantaged first home buyers, but these first home buyers are not young necessarily, although quite a few newly arrived Australians are young. They are people who come to Australia and who need assistance to establish themselves. It is the same assistance that my parents were easily granted. It seems to me that by taking the grant away from those who wish to buy existing housing, the government is consigning newly arrived Australians to the margins of our urban spaces where there are not as many education, employment, transport and community facilities. In the area that I represent, I have large Vietnamese, Macedonian, Indian and African communities. In fact, I was just looking at the census today. There are Burmese, Sudanese, Indian, Vietnamese, Filipinos, Thais, Macedonians and Afghanis just in the suburb of Balga. In Mirrabooka there are Vietnamese, Burmese, Iraqis, Sudanese, Macedonians, Bosnians and Herzegovinians, Indians, Filipinos, Afghanis, Malaysians, Somalians and Thais. That is just two suburbs in the electorate that I have the privilege of representing.

The argument that I am trying to make is that just making the grant about new homes will involve substantive discrimination. I also note that when the government made a change to the grant in 2013, it increased the existing first home owner grant from \$7 000 to \$10 000 but provided a \$3 000 grant to purchase an established home. In this case the government is cutting it altogether for existing homes to the benefit of no-one in the community. The benefits that many newly arrived migrants and long-term residents had in the past—I refer to my parents; we are seventh generation Australians—that were gained through housing affordability schemes and encouragements to buy a home are no longer there for those in the community, some of whom are in the greatest need. That is my first contribution to that particular aspect of the legislation. It is really concerning and it has not been looked at from the point of view of substantive equity.

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

The other contribution I want to make relates to the Rates and Charges (Rebates and Deferments) Act. I do not want to add too much to what a lot of my colleagues said, except to say that the areas that will be impacted are primarily in the areas that I represent. Alexander Heights and Koondoola are in the Mirrabooka electorate where some 6 288 households will be impacted.

The ACTING SPEAKER (Mr P. Abetz): Members keep your voices down, please, or take them outside.

Ms J.M. FREEMAN: Of that number, the average impact for all those households is about \$142. Across the City of Wanneroo, which includes Koondoola and Alexander Heights, there are 6 288 households. I am not even sure of the population. Can the minister ask his advisers to google the population of the whole of the City of Wanneroo, because that is a huge percentage? The impact will be an average of \$142 for all of those residents. There are 2 397 households in Stirling. I will go back to Wanneroo, because in Wanneroo, as I understand it, 3 727 households will be \$100 worse off and 2 488 households will be between \$100 and \$500 worse off. It will be interesting to ask what the average impact will be in Wanneroo, because I imagine that the average impact is for all the areas.

Dr K.D. Hames: It is 187 392.

Ms J.M. FREEMAN: That is not households.

Ms R. Saffioti interjected.

Ms J.M. FREEMAN: This is the number of pensioner households, so 6 288 —

Dr K.D. Hames interjected.

Ms J.M. FREEMAN: Okay; I did not ask the right question. It is always a problem when one never asks the right questions in this place; I am not very good at asking the right questions when I do questions without notice, either.

Ms R. Saffioti interjected.

Ms J.M. FREEMAN: Yes, so how many households in the City of Wanneroo; 70 or 80, so we are looking at 10 per cent. Of those 10 per cent of people who are going to be affected, some will be up to \$500 worse off, and 2 488 will be \$100 to \$500 worse off, as I understand it. That was from a question without notice asked by Hon Ken Travers in the other place. The rate increase in 2015–16 in Wanneroo will be 4.6 per cent. These people will have not only a reduction in the amount of their rebate, but also this increase in what they have to pay. That is really concerning for those seniors, and we did indeed hold a seniors' forum in Alexander Heights and many people turned up. The member for Girrawheen was able to give quite a lot of information to the seniors. It is depressing to have to go and talk to people in one's community and say, "Yes, the government's going to cut your rebate. You'll have increased rates. They're culling the Seniors Card. They had volunteers in the seniors' centres that they sent home and employed people to come in and go through all the seniors' applications so that they could cull the number of people on the Seniors Card because they didn't believe their volunteers would be up to that task."

I put that question to the Minister for Seniors and Volunteering during the estimates hearings and he pointed out that I was right and that the government had sent volunteers at the seniors' centres home so that it could go through and check whether those applications were correct. The government is culling the Seniors Card, cutting the rebate, and increasing the WA Seniors Card age eligibility from 60 to 65 years over the next eight years, so that will decrease the amount of rebate it gives. Then there are other changes, including the loss of the safety and security rebate, the means-testing of energy assistance payments and an increase in the average cost of household fees and charges to around \$250 a week.

How depressing that was to tell a whole bunch of people. We could say, "Well, the government's been in power since 2008; you've got to change this government."

[Member's time extended.]

Ms J.M. FREEMAN: We could say, "The government came in on something that was a mistruth for you. It has paid for Elizabeth Quay and the stadium and all those sorts of things on the back of you." Frankly, just for the record, those people told me that they would not be particularly visiting Elizabeth Quay. I have told the story in this house before of when one of the schools in my electorate took the kids on a bus to the Zoo. It was the first time ever that they had come into the city with their families from Mirrabooka and when they got on the Narrows Bridge they asked, "Are we going to another country?" The government is building Elizabeth Quay for the western suburbs; it is not building it for the people —

Mr J.H.D. Day: That's where the most vocal opposition is!

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Mr W.R. Marmion: Everyone who goes to the Zoo would catch the ferry.

Ms J.M. FREEMAN: Yes, they may catch the ferry, but they did not go to the Zoo on the ferry. That is the impression I get when I speak to the community—that that was not their priority. As the member for Mirrabooka, if the government had delivered on its promise of the Metro Area Express, I would not be standing here having such a mighty big whinge. But the government did not deliver on that promise or on other promises it made to the community; it has delivered frivolous things instead of good infrastructure that creates jobs and builds capacity in the community that I represent.

Mr J.H.D. Day interjected.

Ms J.M. FREEMAN: They would have been employed building MAX. Hopefully, the Department of Housing will get its act together and sell some land so we can have an aged-care facility in Mirrabooka, and there will be good, local employment opportunities there. Frankly, people in my electorate cannot get into the city because there is no efficient transport for them.

Anyway, let us not get caught up in that; let us stay on the issue here. I turn now to the City of Stirling, which interestingly has considerably fewer households that will be impacted. In the City of Wanneroo, the figure is 6 288; in the City of Stirling, the figure is 2 397. I find that quite amazing considering that the average rates in the City of Stirling in 2015–16 were \$1 225.32; then we add domestic waste collection of \$315.98 and security of \$29.50, for a total of \$1 570.80. Correct me if I am wrong, but I understand that the rebate will apply to the amount of \$1 570.80, not \$1 225.32, so the rebate will include the domestic waste collection and the security aspect of that.

Mr W.R. Marmion: The rebate is capped, though.

Ms J.M. FREEMAN: I know; that is what I am saying. The rebate is capped at —

Mr W.R. Marmion: That's what you get.

Ms J.M. FREEMAN: But the current 50 per cent is on the total, not on the rate.

Mr W.R. Marmion: On your rates.

Dr K.D. Hames: You take it on the rates; it's not on the waste collection or security. That's my understanding.

Mr W.R. Marmion: I can confirm that in consideration in detail.

Ms J.M. FREEMAN: Okay, I will ask that during consideration in detail. Let us just go to average rates. In 2015–16, the average rate in the City of Stirling is \$1 225.32, and the government is going to cap it at \$550. It just does not seem to make any sense if we are looking at the budget and the average rate and we are affecting only 2 397 households, whereas the City of Wanneroo sits at 6 288 households that will be impacted, so what are the average rates in the City of Wanneroo? I could not find the average rate.

Mr W.R. Marmion interjected.

Ms J.M. FREEMAN: That would be good too. If the minister can get them —

Dr K.D. Hames interjected.

Ms J.M. FREEMAN: That is right, but it is the third highest here. The City of Stirling may have one of the lowest rates and says it has had only a 1.9 per cent increase this year, but it had a 3.48 per cent increase. If we add all those other increases over the last two years, it has had an almost 14 per cent increase in its domestic waste collection rate with going to the two-bin system and around a five per cent increase in security costs. Effectively, more than half of the residents are affected quite considerably, as I understand from the minister's advisers, by around \$2 000, which is quite interesting, but the average impact is around \$142. It seems to me that if the average rate is \$1 225, the average person will be losing \$700 to pay for the government to build its effigies in the city. There we go. They are pensioners paying for the government to build not MAX but those other sorts of things, just to save \$26 million.

We have not even talked about the impact of this on water charges and it has nothing to do with water consumption, so people have no control over how much that is going to change. They cannot change their consumption behaviour, which would be a really good thing to do in Western Australia, given that we have water shortages and a need to conserve water. It has nothing to do with that. It would just have an impact on their fixed water charges. There is no good news in this bill at all.

Mr W.R. Marmion: It is capped at \$600. You still get a 50 per cent rebate, but once it's \$600, if your rates are \$1 200, you get \$600 back. That's not bad.

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Ms J.M. FREEMAN: It is not bad, minister, when they used to get the whole lot! The minister said it is not bad for pensioners—they have never had it so good. Let them eat cake! That is what he should say. That is such a let-them-eat-cake statement.

Mr W.R. Marmion: It's still better than most other states.

Ms J.M. FREEMAN: That is right. Other states have got light rail systems as well, and we do not. We will not support this bill because of the impact it has on the community. It does not deliver on the promises the government made in the lead-up to the election. This measure will now pay for other things that are not of as great a benefit as they would be if people continued to receive their rebates.

MR W.R. MARMION (Nedlands — Minister for Finance) [9.51 pm] — in reply: I will give a brief response to the 10 or so opposition speakers on the Revenue Laws Amendment Bill 2015. First of all, I should cover what the bill is about. Some speakers did not address the substance of the bill perhaps as much as the last speaker did. This bill is very simple.

Mr R.H. Cook interjected.

Dr K.D. Hames: Are you taking interjections?

Mr W.R. MARMION: No, I am not taking interjections; otherwise I would take too long.

This is a fairly simple bill. Unfortunately, it has quite a few clauses, but it seeks to do only two things. The first is to remove the \$3 000 concession to first home owners who are buying an established house. The second thing the bill does, although in two parts, is to cap pensioner concessions in two areas—local government rates and water service charges. There is a third thing that the bill maintains. It maintains the stamp duty on the transfer of a house. For people who qualify for a first home owner grant, the Duties Act has been amended—it has a massive number of clauses—just to maintain the stamp duty concession for someone buying an established home. Someone who is buying an established home still qualifies for the concession. The bill changes two things and keeps a third.

How does that compare with other states? I will deal firstly with the \$3 000 that has been removed as a payment for established homes. Currently, Western Australia is the only state or territory in the whole of Australia that offers first home buyers assistance for established homes. All we are doing now by removing the \$3 000 grant is bringing Western Australia into line with the rest of Australia. I will provide some data on new homes, because there has been some discussion about whether that is good or bad. We heard a comment about Saul Eslake's position on that, and everyone has a different position. Nevertheless, one can say that the \$10 000 that first home buyers get for new homes is added to the deposit. The grant is \$10 000, and it can be argued that it adds to the purchase price; nevertheless, every other state seems to have about the same. Queensland and South Australia offer \$15 000. Western Australia offers \$10 000, as does Victoria. New South Wales and Tasmania offer more than that at the moment, but they are both going to \$10 000. Interestingly, the Northern Territory offers \$26 000, so it is quite high. There has not been a big change in Western Australia compared with every other state.

I will move on to the capping of concessions. I will deal with the local government rates first. Currently, Western Australia is the only state that does not cap concessions on rates. No other state has capping. What are the caps that some of the other states have?

Dr K.D. Hames: Do you mean every other state has capping?

Mr W.R. MARMION: Every other state has capping.

Dr K.D. Hames: You said that no other state has capping.

Mr W.R. MARMION: Sorry; every other state has capping. The cap on local government rates concessions is \$250 in New South Wales, \$213 in Victoria, \$200 in Queensland and \$280 in Tasmania. We fall behind the Australian Capital Territory, which caps its rates concessions at \$798, because our cap is \$550. The Northern Territory offers a single discount of \$200, which is essentially a cap of \$200. Western Australia is very generous in that area, despite the comments from speakers on the other side. We have a very generous concession for pensioners for local government rates. To finish off, in the area of water service charges, the only other state with an uncapped concession is New South Wales.

We have to leave out the territories, because we cannot determine their water charges, as they have different ways of measuring and charging for water. New South Wales has a cap on concessions for its water service charges, which are rebated at 100 per cent as long as the charge does not amount to more than \$25 a quarter, but its other concessions are not capped, so I will leave out New South Wales. Our concession is 50 per cent of water service

Extract from Hansard

[ASSEMBLY — Tuesday, 8 September 2015]

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Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

charges, which is to be capped at \$600. Currently, the cap is \$298 in Victoria, \$120 in Queensland, \$405 in South Australia and \$183 in Tasmania. We are fairly generous in what we provide. The minister has highlighted more than once in this chamber that the concessions the Western Australian Liberal–National government gives to pensioners and seniors are very generous.

I will address some of the other issues raised by members. The only one that my advisers gave me notes on was the lack of consultation raised by the member for Girrawheen. I have been advised that the Seniors Ministerial Advisory Council was consulted about the social concessions review. There has been consultation.

Mr R.H. Cook: What was that council called?

Mr W.R. MARMION: They call it SMAC—the Seniors Ministerial Advisory Council.

Some of the other points members opposite made were a little bit off the track of the bill. The member for Cannington commented that the government had done nothing on affordable housing. One component of that is useful to put on the record. Under the previous Labor government, the number of public rental dwellings increased by 362. According to the answer to a question on notice, as at February 2012, the Liberal–National government had increased the social housing stock by over 3 000. We have a very good record of delivering social housing. I do not think I need to answer the comment about the bus station. On the issue of whether transfer duty concessions and first home owner grants translate into house prices, the advice I have is that they are of benefit. The argument is that first home owner grants may be capitalised on the cost of the homes, but my advice is that it is not fully captured, so there is a benefit to that as well.

The last point I wish to make is very important. The member for Mirrabooka raised some points but she is not quite right. She suggested that the problem with removing the \$3 000 grant for established homes discriminates against people and forces them to buy a new home outside the metropolitan area. The reason the Liberal–National government increased the first home owner grant for new homes from \$7 000 to \$10 000 is that it creates more construction activity, more jobs and, indeed, more houses. When a new house is built, we get more housing stock. That helps to reduce the rental costs and also houses are more affordable because there is more housing stock on the market.

The suggestion that that forces people to move to the outer regions of the metropolitan area where the new houses are is fallacious because the first home owner grant applies to apartments as well. An enormous number of apartments are being built in the Perth CBD and in surrounding areas. They are affordable apartments. This bill does not discriminate against the people who cannot afford a house and who do not want to move to the suburbs. They can buy an apartment.

I commend the bill to the house. I think it is a prudent approach by the government to support our well-constructed budget.

Division

Question put and a division taken, the Deputy Speaker casting her vote with the ayes, with the following result —

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Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Ayes (30)

Mr P. Abetz	Mr J.H.D. Day	Dr G.G. Jacobs	Mr J. Norberger
Mr F.A. Alban	Ms W.M. Duncan	Mr S.K. L'Estrange	Mr D.T. Redman
Mr I.C. Blayney	Ms E. Evangel	Mr W.R. Marmion	Mr A.J. Simpson
Mr I.M. Britza	Mr J.M. Francis	Ms L. Mettam	Mr M.H. Taylor
Mr G.M. Castrilli	Mr B.J. Grylls	Mr P.T. Miles	Mr T.K. Waldron
Mr V.A. Catania	Dr K.D. Hames	Ms A.R. Mitchell	Mr A. Krsticevic (<i>Teller</i>)
Mr M.J. Cowper	Mr C.D. Hatton	Mr N.W. Morton	
Ms M.J. Davies	Mr A.P. Jacob	Mr D.C. Nalder	

Noes (16)

Dr A.D. Buti	Mr F.M. Logan	Mr J.R. Quigley	Mr C.J. Tallentire
Mr R.H. Cook	Ms S.F. McGurk	Ms M.M. Quirk	Mr P.B. Watson
Ms J.M. Freeman	Mr M.P. Murray	Ms M.H. Roberts	Mr B.S. Wyatt
Mr W.J. Johnston	Mr P. Papalia	Ms R. Saffioti	Mr D.A. Templeman (<i>Teller</i>)

Pairs

Mr R.S. Love	Ms J. Farrer
Mr R.F. Johnson	Ms L.L. Baker
Mrs L.M. Harvey	Mr M. McGowan
Dr M.D. Nahan	Mr D.J. Kelly
Mrs G.J. Godfrey	Mr P.C. Tinley

Question thus passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clause 1: Short title —

Ms R. SAFFIOTI: What process was undertaken in developing the title of this bill? When was the last time a revenue laws amendment bill was introduced? When is the next one planned to be introduced?

Mr W.R. MARMION: The bill was given its title by Parliamentary Counsel, as it normally is. The last revenue laws amendment bill was introduced in 2014. Obviously, I do not know what year the next one will be introduced. If a revenue laws amendment bill is introduced in the next year, it will become an act for whatever year in which it is passed.

Clause put and passed.

Clause 2: Commencement —

Mr W.J. JOHNSTON: Part 3 of the bill relates to the proposed rebates for pensioners. Given that rate notices have effectively already gone out in many local government areas, why would the government not choose to have part 3 commence from 1 July next year? I note in the 2015–16 budget fact sheet on social concessions reform that local government rates and water service charges rebates are not budgeted to have any saving in the 2015–16 financial year. I wonder why it is intended that part 3 of the bill comes into effect on the day after royal assent and why part 3 would not come in on 1 July next year.

Mr W.R. MARMION: That is a sneaky question—no, it is very clever. The member is jumping to the next part of the bill.

Mr W.J. Johnston: No, I am asking about the intention.

Mr W.R. MARMION: I am not saying that the member is wrong, so please do not get defensive about everything.

Mr W.J. Johnston: You said “sneaky” and I take offence at that.

Mr W.R. MARMION: I know the member does, and every time we say something, he says that we are attacking him. It is a very good question. The member has jumped to part 3 and asked why it does not come into effect on 1 July. It is because part 3 amends the Rates and Charges (Rebates and Deferments) Act 1992 only for the regulation to bring in the capping. Once part 3 comes into effect, which will be the day after assent, my department can draft the regulations and get it all done before the rating season starts on 1 July 2016.

Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Mr W.J. JOHNSTON: Does the minister have a draft of those regulations? I know the minister will tell me that when the regulation comes in, we will have an opportunity to look at that, but what are we being asked to approve? I do not understand why the power that we are dealing with, which, as I pointed out to the minister, is not specified in this fact sheet, is not the later date. I could find this in budget paper No 3, where the same chart is repeated, as I have read it there, but I just happen to have this fact sheet in my hand instead. It seems sensible not to deal with the power before we need to deal with it. However, if the minister is saying that it is a regulation-making power, why does the regulation-making power not come in at a time that we are able to do that?

Mr W.R. Marmion: Madam Deputy Speaker, can I answer the question or is he going to ask another one?

Mr W.J. JOHNSTON: I am going to ask another. I am on my feet and I have three minutes and 44 seconds on the clock.

The DEPUTY SPEAKER: Continue, member for Cannington.

Mr W.J. JOHNSTON: Why in the second reading speech did the minister not make it clear that that is the way he is operating? The minister's second reading speech states —

A number of reforms were announced in the 2015–16 state budget to better target social concessions to those most in need and to ensure the sustainability of these concessions over the longer term.

I am not quite sure anything in the second reading speech or anything the minister just said to me says that we need to have this power before it will be used.

Mr W.R. MARMION: It is fairly clear to me. It has to go through a process if we are not putting the cap in the bill. The idea is not to prescribe in the bill the amounts of \$550 and \$600, and doing it by regulation means we do not have to keep bringing bills into this place. However, once the bill becomes an act, the regulations are drafted. The regulations can be disallowed, and by going through this process we are giving everybody plenty of notice. Councils can get a heads-up on the government's intention and the bill will be through, hopefully, by the end of the year when we can put the regulations through before 30 June 2016. I think that answers the member's question, and it is a reasonable way to operate.

Ms R. SAFFIOTI: My question relates to clause 2(a) and part 1. I understand that the budget is predicated on the first home owner grant being abolished from 1 July this year, and that because the budget seems to have been out of date as soon as it was produced, there will be a reduction in anticipated revenue from this financial year.

Mr W.R. MARMION: The answer is yes; the member is right.

Ms R. SAFFIOTI: How much is that expected to impact on the state budget for this financial year?

Mr W.R. MARMION: The \$3 million per month, which is what Treasury calculated, was based on the act coming into operation on 1 October. If it does not come into operation on 1 October—we are assuming people will jump in to buy established homes before this bill goes through—it may be an overestimate on a monthly basis if it goes through October and November. The estimate is that the budget reduction will be \$3 million a month after 1 July.

Mr W.J. JOHNSTON: The government, of course, has a history of getting these transitions into difficulty. I remind the minister of the problem with the solar feed-in tariffs. What is expected to happen with those people? I will come to the words of the bill later—I am not raising that—I am raising the issue of when it will come into effect. Is the minister expecting a transition for that period? I give the example of a person who has entered into a contract for the sale of a house but the transaction has not settled. Is the minister saying that that person will miss out on the grant on the basis that the day after the act is assented to, it will come into operation, so that only people who have completed a transaction will benefit from the grant? I wonder whether the minister thinks that arrangement is the best way to deal with the implementation of that change.

Mr W.R. MARMION: When the offer and acceptance for the purchase goes through, that is the date. An established home will qualify for it on or before the assent date. A day after the assent day, it will not. That was deemed to be a sensible way to handle the process and is how parliamentary counsel has written the legislation.

Ms R. SAFFIOTI: Did Treasury provide advice when preparing the budget papers, or did the minister take advice to cabinet saying that it was unlikely that this legislation would be passed by 1 July? Why would the department continue to write numbers in the budget papers that were automatically pretty much out of date as soon as the budget was presented? There seems to be a pattern in which numbers are written into the budget when there is absolutely no chance of achieving the budget numbers written into the government's own state budget. Was advice taken on the likely commencement date of this legislation?

Extract from Hansard

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Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

Mr W.R. MARMION: I will have to ask Treasury for advice; I am not the Treasurer. I am advised that Treasury officials believed it could be drafted to get it in before July, but they had difficulty, as is written in the second reading speech, in that part 3—sorry; the duties section was quite complex. It was a massive difficulty for parliamentary counsel to draft the Revenue Laws Amendment Bill 2015, and that is why it went over the time.

Mr W.J. JOHNSTON: Minister, you said part 3.

Mr W.R. MARMION: No, the one to do with the Duties Act—that is, division 2, “Duties Act 2008 amended”. Eight clauses were needed to maintain the concession for a first home owner who buys an established home. It is quite amazing, and it surprised me. When my advisers explained the bill to me, I asked them why it was so complicated, and the advice from parliamentary counsel was that this is the way they wanted to run it. For a first home buyer who buys an established home—they do not get a first home owner grant for an established home—parliamentary counsel wanted to keep the wording such that people could still be eligible. That terminology is used so that the definitions jump across. That massive number of clauses maintains that a first home buyer who buys an established home will still get the stamp duty concession within the rules of that, for homes with a purchase price from \$430 000 to \$530 000.

Mr W.J. JOHNSTON: During my contribution to the second reading debate, I asked about when cabinet considered the drafting instructions for this legislation. The minister may have misheard or not understood my question, because I understand that the minister did not refer to that matter in his second reading reply. Could the minister let us know when cabinet approved the drafting instructions for the legislation?

Mr W.R. MARMION: That is cabinet-in-confidence; I cannot give the member that information.

Mr W.J. JOHNSTON: It is not. I think the minister might have misunderstood. I have not asked for the deliberations of cabinet; I have asked for the date of the decision. The reason that cannot be cabinet-in-confidence is that the decision of cabinet was given to the parliamentary draftsman, otherwise the legislation would not be in front of us. I am not seeking cabinet information and I am not asking for the deliberations of cabinet; I am asking for the date of the decision. That is a standard question; it is nothing to do with cabinet confidentiality. If the idea was that the decision of cabinet was confidential, that would mean that nobody other than cabinet would ever know about the decisions, and that means legislation would never get drafted because the parliamentary draftsman could not be told. So, it is not accurate. It is wrong to say that the date of the decision is confidential. It is impossible. The fact that the bill is in front of the chamber shows that it was not a confidential matter, because the parliamentary draftsman is not a member of cabinet. I am not asking for the deliberation, for who said what or for the information put to the cabinet in a briefing note. I am not asking for any of those things. All I am asking for is a simple answer to this question: on what date did cabinet approve the draft instructions? We know the date on which cabinet approves the budget, which is well understood, and we know the date on which cabinet’s submissions for the budget close. We know all that information because it is regularly provided. So there is no reason for the minister not to answer the following question: on what date did cabinet approve drafting instructions?

Mr W.R. MARMION: I will clarify the process. Cabinet did not approve drafting instructions but it did approve the budget, as the member said, and then the bill came up through the Economic and Expenditure Reform Committee process. The overall budget is approved by cabinet without drafting instructions for this particular bill. Parliamentary Counsel’s Office was advised on 5 May to commence drafting. That is how the process works and once drafting is finished, it goes to cabinet for approval to print.

Mr W.J. JOHNSTON: That is very good—5 May. I appreciate getting that information. Obviously, because it was a budget matter, the drafting instructions did not come from cabinet but rather the endorsement of the budget. The drafting instructions were then created to comply with the decisions of the budget. The budget came out around 15 May—I cannot remember the exact date—which is after the drafting instructions had gone to the draftsman. The minister said in his second reading speech, as we discussed, that the drafting ended up being more complex than he thought. I can understand that that might be true but my point is that that is no excuse. I do not understand why the budget did not reflect reality. Is the minister saying that by the time the budget came down, he did not have a clue that the matters would be more complex than they were? This goes to the heart of one of the problems with the budget: over the last seven years no budget has met its targets by the time the budget starts on 1 July each year. The targets never get met. Do members remember the sweet financial action plan? Do they remember the torrid attack on the government’s political will by the ratings agency? We remember all these things and this seems to be another example of where the budget has been signed off by cabinet to save \$3 million a month, yet it was based more on a wish and a hope rather than a plan. This government overloads the parliamentary draftsman with all these different tax revenue bills that this Parliament has had to deal with, so is it any wonder that the parliamentary draftsman cannot cope with the demands of the

Extract from Hansard

[ASSEMBLY — Tuesday, 8 September 2015]

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Ms Rita Saffioti; Mr Ben Wyatt; Dr Tony Buti; Mr Peter Watson; Deputy Speaker; Ms Margaret Quirk; Mr Bill Johnston; Mr Rob Johnson; Ms Simone McGurk; Mr Roger Cook; Dr Kim Hames; Acting Speaker; Mr David Templeman; Ms Janine Freeman; Mr Bill Marmion

government to reap more and more money out of the pensioners and business people of Western Australia? Does this not highlight the fundamental problem, which is that this government has been continually looking down, as the member for Victoria Park describes it, the back of the lounge chair for the spare change? This is another spare change bill for \$3 million a month, but when we add it all up, it comes to \$200 million over four years. Why was a more considered approach to this issue not taken? If there was not enough time between 5 May and 30 June, fair enough, but why then stick this in the budget and claim the money when there was no plan to get the bill written?

Mr W.R. MARMION: That is a question the member will have to ask the Treasurer. I am not the Treasurer.

Mr B.S. WYATT: Can the minister confirm that I am reading from the second reading speech under his name, Hon Bill Marmion, Minister for Finance, and that this is what he said. I quote from his second reading speech —

However, the estimated savings will now be lower given the unavoidable delay in introducing the legislation. For every month of delay, it is estimated that the savings would reduce by around \$3 million.

This is the minister's speech that he gave to Parliament. The member for Cannington made a very valid point that time and again we see budgets introduced but when 1 July kicks around, they are effectively out of date and we all wait for the midyear review for everything to be updated again. The date of drafting instructions for this bill was 5 May. The cut-off date for the budget would have been, I assume, around early to mid-April; so the money for this would have had a cut-off date in April. To be frank, and with the greatest respect to the minister's advisers, it is not actually a complicated bill. Part 2 is a few pages long and not enormously complex. We have amended the first home owner grant a few times before. It is not something new to the Department of Finance or the Department of Treasury. I am therefore not entirely sure about what was particularly complicated in light of the cut-off date for the budget being early to mid-April, I would have thought. I do not accept the minister's answer that he does not know and that I must ask the Treasurer when it is his second reading speech that tells us all that there was an unavoidable delay in introducing the legislation.

Mr W.J. Johnston: And he's a member of the EERC.

Mr B.S. WYATT: And the minister is a member of the Economic and Expenditure Reform Committee. In light of the fact that the minister has jumped up, I look forward to his answer.

Mr W.R. MARMION: I answered the question that I did not put the figure in the budget. What the member read out is exactly true. The reason it took so long is that it is complicated. I told the member that it is complicated. That is the rule. It is in the second reading speech. It is complicated to me. Maybe for a lawyer such as the member it would have been easier, but it is complicated.

Mr B.S. Wyatt: It's not actually a complicated thing to do.

Mr W.R. MARMION: I am told it was, and that is the answer: it is complicated. It is in the second reading speech. That is the answer. If the member does not like the answer, I cannot give him another answer. That is the answer. I cannot make up one for the member. He might not like the answer, but that is the answer.

Mr B.S. WYATT: The cut-off date for the budget was early to mid-April. After the government booked the revenue in early April, when did it realise it was complicated?

Mr W.R. Marmion: Are you talking to me?

Mr B.S. WYATT: Yes, I am.

Mr W.R. Marmion: That's a question.

Mr B.S. WYATT: You are the minister; of course I am talking to you. Do not be ridiculous.

Mr W.R. Marmion: I will get up and answer the question.

The DEPUTY SPEAKER: The member has five minutes to put his question.

Mr B.S. WYATT: The minister made the point that there was an unavoidable delay. The budget cut-off date is early April. He locks it away in early April for revenue savings that he said are going to come in by 1 July. When did the government suddenly realise, "Oh my God, this is complicated; we're not going to get the revenue as booked in the budget in early April"?

Mr W.R. MARMION: The advice I am getting from the Treasury advisers, as they did it, was the cut-off —

Mr D.A. Templeman: It's their fault!

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Mr W.R. MARMION: Sorry?

Mr D.A. Templeman: It's their fault!

Mr W.R. MARMION: The cut-off date was late April.

Mr B.S. Wyatt: April, whenever it was.

Mr W.R. MARMION: I cannot give any exact date. I cannot get advice on the exact dates.

Mr B.S. Wyatt: At some point it was obviously realised there was a problem.

Mr W.R. MARMION: Yes. We do not know the exact date, but the answer to why it had not gone according to Hoyle is that it was complicated for parliamentary counsel to draft division 2 of part 2 of the bill. It is a long division. Division 2 is all about retaining the stamp duty exemption for a first home buyer who buys an established home. I would have thought that would be one sentence in one clause but no, it apparently needed all those clauses in division 2.

Ms R. SAFFIOTI: This question goes to the key point of how this government operates. I am looking at the time frame for legislation to increase revenue. I speak from some experience of sitting around the EERC table for a number of years and watching our ministers say, "This is not likely to get passed by this particular date." In particular, the former Leader of the House Mr John Kobelke was a member of the EERC and he actually provided advice on when legislation would likely be passed. Did the government believe that it could get the land tax and this bill passed by 1 July? I am not asking about the bureaucrats, because it is not the bureaucrats' decision. Did a minister or the Premier at the Economic and Expenditure Reform Committee table not understand that they would not have this legislation passed by 1 July?

Mr W.R. MARMION: Obviously, the EERC approves the scope of what we want it to draft. It does not know in advance. Apparently, there were seven drafts. It looked at all sorts of options. This is the option it chose, which is quite complex. Seven different drafts went through, and that takes a long time. Seven drafts were done since 5 May. If it had been simple, it would have done one draft. I have been advised that there were seven drafts and it looked at different iterations to keep the concession in the game and it chose to do it in this quite complex way. That is the answer. I do not know what the member is trying to get at.

Ms R. SAFFIOTI: I am not worried about the further complexity of the bill; that always happens. What I do not understand is how a government, with ministers who have been around Parliament, would think that it would pass the appropriation bills, a massive land tax increase of \$836 million and this bill by 1 July, even if the bill had been drafted. The government had a late budget in the middle of May. With the way that legislation moves, would a minister—Treasury and Finance would not provide this advice—not say, "It is unlikely that this legislation will be passed by 1 July so let us not book the revenue in because yet again our revenue will be out"? It will be interesting, because the total revenue impact in this financial year will be \$9 million, which is equivalent to taking out the premium property tax for one year. I know that the Premier wants to talk about the premium property tax in relation to this bill; he drew the comparison. This bill will have a far worse impact than the premium property tax. It will affect 47 000 households and all pensioners, so it will have a worse impact. Minister for Planning, we can talk about this —

Mr J.H.D. Day: It doesn't affect all pensioners.

Ms R. SAFFIOTI: Yes, it does. The total impact of the premium property tax was on 1 000 homes in that year, but this bill will affect 47 000 homes and those 47 000 homes are all pensioners' homes, whereas the 1 000 homes were not all pensioners' homes, and the magnitude of the dollars is far greater. I do not think the Premier is on this planet at the moment. Why are we bringing in the premium property tax debate when what the government is doing is far worse? This will have an annual impact.

A member interjected.

The DEPUTY SPEAKER: Member for Mandurah, if you want to make comment, return to your seat, please.

Ms R. SAFFIOTI: This will be far worse than the premium property tax. It will affect more people and all pensioners and it will have an annual impact. That is what the government is approving today, and it does not even get it. That is why it is so interesting that the Premier has brought this into the debate.

Let us go back to the key point. Who is running this government? Is the Leader of the House on the EERC? Does someone not understand the legislative process so that we do not continually have to deal with a budget that is out of date a few months after it is passed? This is not a criticism of the advisers or the department; this is a criticism of the ministers on the EERC. Who is driving this car? The message about royal assent was received

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today for the appropriation bills for 2015–16, well after the beginning of the financial year. How anyone would think that this bill could have been passed by 1 July is absolutely beyond me.

Mr W.J. JOHNSTON: I notice that the minister is not going to explain himself, but that is okay.

Mr W.R. Marmion: That was a statement.

Mr W.J. JOHNSTON: It was not. It was a question.

Given the minister's desperate need to fill in the budget holes, I wonder whether the government gave consideration—as it has done in many budgets—to announcing a revenue issue from a particular date and to having the legislation come in at a later date. The Land Tax Amendment Bill had that arrangement, and we passed that bill before the land tax invoices were sent out, and it was to have effect from 1 July. Was any consideration given to trying to line up what the budget said would happen, with the legislation that would make it happen, so that the government would protect that \$9 million and effectively these changes would take place on 1 July regardless of when the legislation was passed? I am not saying that was a good idea. I am just asking whether that was considered; and, if it was considered, why it was not adopted.

Mr W.R. MARMION: That is a good question.

Mr W.J. Johnston: All my questions are good, minister!

Mr W.R. MARMION: Not always, but this one is on the money. Yes, it was considered, because obviously that would be the preference, would it not? However, unfortunately it was deemed that because the Commissioner of State Revenue has no discretion to refuse a person who qualifies, we need to get it back. Therefore, it was decided that rather than have retrospective legislation, it was preferable to go down this route so that it would come into effect the day after the legislation receives royal assent. But, yes, it was considered, member.

Clause put and passed.

Debate adjourned, on motion by **Mr J.H.D. Day (Leader of the House)**.