

LAND TAX ASSESSMENT AMENDMENT (BUILD-TO-RENT) BILL 2023

Second Reading

Resumed from an earlier stage of the sitting.

MR C.J. TALLENTIRE (Thornlie) [4.05 pm]: I would like to quickly conclude my remarks on this bill. I offer it my full support. I notice an array of initiatives by the Cook government to ensure we have the skill capacity in Western Australia to deliver on important construction projects, including the construction of multi-dwelling homes. Those sorts of properties will benefit from this build-to-rent scheme and the land tax concession, and such initiatives as \$11 million for targeted visa subsidies that will temporarily change the state-sponsored visa scheme to allow easier access for skilled migrants to connect with job vacancies in WA. The WA skilled migration occupation list, under the state nomination migrant program, has been expanded to include 28 building and construction occupations. Those are all important initiatives. I also note a funded target of \$1.5 million for overseas marketing. We now have overseas offices, not only in the UK but also in Frankfurt in the European Union. I think that is important because I want to caution against using those construction methods that are used in the United Kingdom, following the recent scandal over reinforced autoclaved aerated concrete, or RAAC. It was found that some 600 schools in the United Kingdom that were constructed in the 1960s and 1970s at a time when there was a need to quickly construct buildings had used concrete that had air pockets in it. That attracted moisture and the metal reinforcing around the concrete panels corroded and rusted away. Those schools are collapsing, and the UK has suddenly realised it has to replace many buildings in those areas. The UK also had the Grenfell Towers disaster. I caution against using construction techniques deployed in the United Kingdom. I think it is important that we use this expanded network and this capacity to use better building techniques that are used elsewhere in the world, when it comes to building those sorts of buildings.

The detail of the legislation is before us and I see many benefits in having this addition to the array of housing options—this ability for people to choose to be renters for whatever reason. There will be a housing choice that will meet their needs and that is what this concession will help incentivise. It is a welcome initiative and I commend the bill to the house.

MR D.A.E. SCAIFE (Cockburn) [4.09 pm]: It is a pleasure to speak on the Land Tax Assessment Amendment (Build-to-Rent) Bill 2023. I congratulate the Parliamentary Secretary to the Minister for Finance on what I think is another bill. Is this your first bill?

Dr J. Krishnan: Yes.

Mr D.A.E. SCAIFE: Congratulations on your first bill, then, Mr Parliamentary Secretary. It is a great occasion for a parliamentary secretary or indeed a minister to have carriage of their first bill through a chamber, and to have done so before even making it into cabinet is a testament to the great regard that members of the Labor benches in this chamber and the other place have for you. Therefore, congratulations on this bill and congratulations on it being a bill that contributes to solving what is one of the big challenges facing governments right around Australia at the moment, and that is the tough conditions that we are facing in the housing market.

There is no doubt that housing is a core Labor value. The Labor Party has always been the party that has believed in the dignity of ensuring that everybody—whatever the circumstances, whether they are a working person, pensioner or very wealthy person—has the opportunity to have a roof over their head and a place to call home. It is in the spirit of that legacy that the parliamentary secretary on behalf of the minister introduces this bill and we progress it through this chamber.

I want to pick up on the overarching point that the member for Thornlie made. To resolve the challenges that we are facing in the housing market at the moment, we need to have a broad range of approaches, we need to have different solutions and we need to try different methods. The government is doing that, and I am very proud that it is. I am sure that many members of this place have fielded constituents who are struggling to either find housing or complete a build on a house. Perhaps they have been in a rental or are staying with family for an extended period while they wait for a house to be finished. Maybe they have had difficulties because the rent has gone up. I was a renter up until about this time last year. My wife and I are very fortunate to be in a financial position to purchase a property, which we did last year, but one of the things that pushed us to finally make that decision was the incredible amount of money that our landlord wanted to put up our rent by. It had already gone up by 15 per cent or something over the course of our 12-month lease previously, and they wanted to put it up by another 20 per cent or something like that; it was an incredible amount. I do not necessarily blame that particular landlord. Obviously, interest rates have gone up, and if someone has a negatively geared investment property, they need to cover rent to pay the mortgage on that property, but it means that people are put in situations of housing stress, whether that is as a tenant, homebuilder or person who is sleeping rough or couch surfing and is looking for a home. We know that

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that is a challenge that our economy and society faces, and it is a challenge that this government is rising to in a variety of ways.

Early this year or late last year, a motion in private members' business condemned the state government for not using innovative solutions to address the housing issues that we are facing, but I remember remarking at the time when I spoke on that that it was such a strange argument for the opposition to prosecute because the thing that distinguishes this government from others are all the innovative solutions that it is trying and pursuing to attack the housing issues from lots of different angles. Compared with other jurisdictions, we have had success. We have already delivered 1 300 homes under our affordable public housing programs over the last year or so, and we have another 1 000 homes under contract to be constructed, which is favourable compared with some other jurisdictions. Members will find that some other jurisdictions, with much larger populations than Western Australia, under their housing schemes have delivered perhaps only half or less than half of what Western Australia has delivered. By national standards, the Minister for Housing and this government are doing the heavy lifting and successful work in delivering housing. Of course we can always do more, and that is why it is very gratifying to see the Minister for Finance and the parliamentary secretary to the minister working across the cabinet table with the Minister for Housing to deliver innovative solutions.

One of those innovative solutions, obviously, is our proposal to encourage more build-to-rent developments in Western Australia. The way that we achieve that proposal, through this bill, is by providing a 50 per cent concession on land tax to eligible build-to-rent developments. Build-to-rent developments are clearly defined under this bill. They have to be a build that includes at least 40 self-contained dwellings, which must be able to be occupied before 30 June 2032. A condition on leasing those dwellings is: a default lease term of three years must be offered to a tenant. Of course, a tenant can choose to enter into a shorter lease period, but the default option that a tenant will be offered a lease period of at least three years. A build-to-rent development is a clearly defined category of housing option, which will expand the market for people who maybe do not want, or are not in a financial position, to buy their own home or perhaps they are here only temporarily for a couple of years due to work requirements. We will provide that kind of housing option for those people and they will be able to look at, what we hope will be in the future, build-to-rent developments, which will spring up as a result of not just this bill, but also the work the government is doing generally to ensure a greater supply of housing into our housing market.

I will touch on one of the other ways that the government is encouraging more housing supply, and that is through its targeted apartment rebate. I raise the provision of the targeted apartment rebate because, obviously, the build-to-rent concession will provide a concession to developers to build, no doubt, multi-dwelling buildings, likely to be apartments or groups of townhouses, which can be used for rentals. That concession will be complemented by the work that we are doing with the targeted apartment rebate to encourage the building of apartments. We know that we need more apartments in Western Australia. We need more density, particularly in the metropolitan area. In any major capital city around the world, apartments are either very common or, in many cities, the norm. They drive activation, hospitality businesses, cultural precincts and precincts where people can work and live and play in the same area without having to engage in those very long commutes that the member for Thornlie spoke about. Therefore, we know that we need more apartments, and built to rent is a good way forward to encourage the building of more apartments to be available for the rental market. The targeted apartment rebate is also a good way of encouraging apartment developments generally to get off the ground, because we know that once a development goes over two or three storeys, the costs associated with building dwellings increase considerably by virtue of structural and engineering requirements, insurance and other regulatory requirements. Apartments become more and more expensive to build once we build beyond those two or three storeys, and developers are less inclined to invest in those apartments because they are not confident that they will get the commercial return on their investment. Instead, they invest in the traditional model of housing in Western Australia, which is to seek more three by twos, even if they are on ever decreasing-sized blocks. At the moment, developers are incentivised to go with that kind of product because they can get a commercial return on it.

The targeted apartment rebate will provide a \$10 000 rebate to eligible and successful applicants for infrastructure services such as water and power. It will be \$10 000 rebate to the apartment developer for each unit in the apartment block to assist with connecting those vital infrastructure essential services. It is a really good program. The Minister for Housing and the Treasurer earlier this year announced some of the successful applicants. Quite bizarrely, the announcement of those successful applicants led to some criticism from the opposition benches, particularly I think from the member for Cottesloe. Two successful developments as part of the targeted apartment rebate were in McCabe Street, North Fremantle and Ogilvie Road, Mt Pleasant. These areas are more affluent than, for example, areas in the seat of Cockburn that I represent, but these places still need housing. I outline why.

The criticism made of the government was, essentially, that it should not spend taxpayers' money to encourage the development of apartments in more affluent areas where apartments will have a rental or sale value beyond the median buyer. The problem with that criticism is that it fails to appreciate that all sorts of housing options are

needed in the market in order to solve the supply problem. I give an example that relates to those two developments. We know now that one of the biggest barriers to people downsizing is that they do not want to leave the community that they currently live in. People in their 60s or 70s who have lived in North Freo or Mt Pleasant for 30 years or 50 years may be at the point in their life that they are thinking about downsizing but still live in a really big four-by-two family home. Their children have left home; they have gone to university or wherever or have grown up with families of their own. The single biggest thing that discourages these people from downsizing is that they do not want to move out of the community they have been a part of for decades. That is completely understandable.

I know this from my experience with my mother. I grew up in Australind outside Bunbury. It had been the family home for 30 years. It was the family home where my mother raised my sister and me, and the home where Mum cared for my father while he was terminally ill. It is a place of great significance for my family. My sister and I had moved to Perth long ago, and when my father died, Mum was left in this enormous two-storey property. It had a pool, a giant shed and a giant patio area. It was probably a five-by-two or five-by-three property. The only person living in this really big property was my mother. It was unmanageable and costly for Mum. To some extent, I think it was a lonely existence for Mum as well, because she did not have those family supports around her all the time. However, the choice for her to downsize was difficult, because the house was significant to her. If she downsized, she would probably have moved to Perth to be closer to her family, and that would have meant leaving behind her friends, her sister—my aunt, who still lives there—and her social supports and community networks in Australind. It was really something I think she struggled with for a number of years.

Then along came my niece—her first grandchild—which seemed to change the calculation for Mum. She suddenly was very interested in moving to Perth. There you have it! It still took Mum about 12 months after her first grandchild was born to take the plunge, but she eventually downsized to a smaller property just around the corner from me in Beeliar. It goes to that point that many people will not downsize because they want to remain in the neighbourhoods where they have lived their lives.

In North Fremantle and Mt Pleasant, where those two developments are, people have lived in those communities for decades. Those are both very well-established areas in which people have lived and been part of the community for a long time. We know that people occupy houses that are beyond what they currently need. Houses in those suburbs could be taken by families who, if they moved into that property, might then vacate a rental in another community and free up supply for someone who needs that housing. It is about making sure that our housing is utilised properly. We do not want it to be under-utilised. Building apartments in North Freo and Mt Pleasant will drive supply and provide options for people to downsize within their own community, and thus free up other types of housing with a knock-on effect that allows other people in our community to find appropriate housing.

I thought that criticism was misguided, and, frankly, that the Liberal Party was trying to start a class war over housing, which is ridiculous because the Liberal Party have never been the party that cares about ordinary people and their housing options. The Liberal Party should probably pick issues that it has some credibility on.

Mr S.A. Millman interjected.

Mr D.A.E. SCAIFE: There are not many of them, as the member for Mount Lawley averts to! The issues that the Liberal Party have credibility on are thin on the ground, but it should at least try—that certainly would not be at the top of my list if I was in the shoes of members opposite, not that I ever would be!

I put on record that the whole contribution to debate about the targeted apartment rebate was completely misguided and missed the point and the fact that the government and its ministers are driving a reform agenda in housing that tackles the issue from multiple angles.

[Member's time extended.]

Mr D.A.E. SCAIFE: I will contrast the efforts of this government with the efforts of the previous government in housing, particularly as it relates to my electorate. My electorate, in many ways, is not the electorate that it was 20 years ago. For example, most people think that Spearwood is still in my electorate; it is not. The heart of Cockburn is no longer in the seat of Cockburn, because the electorate has changed. New suburbs have sprung up around Success and Hammond Park and areas like Lake Coogee and Muster have subdivisions. As a result of that, over the years my electorate has moved south and to the east, and a suburb like Spearwood is split between the electorates of the members for Willagee and Fremantle. The Cockburn electorate is now different. It is a younger electorate of new families, but it has a diverse range of housing options. This is because it has some established areas—for example, around Yangebup—but also a lot of new housing, such as in those developments I mentioned before. It also has quite a few apartment blocks built in the Cockburn Central and Success areas, and a lot of apartments are around the Cockburn Gateway shopping centre and Cockburn Central train station.

One legacy item from the previous government that this government has to contend with in that part of the electorate is the collapse of, and the debacle of the former government's investment in, Goldmaster. Behind the

Cockburn Gateway shopping centre are a few apartment developments, one of which was the original Goldmaster development. Right in front of that is a large patch of sand. It is just an expanse of vacant land. It is a blight on an area that should be a housing hub because it is close to the shops and the train station on the Mandurah line. It is not that hub because that land was supposed to be developed by Goldmaster, but Goldmaster is in the process of being wound up by the state government because of how terribly it operated. Unfortunately, it was operated in a way that has left the state government, through what was once the Housing Authority, with enormous debts and a legacy of housing never developed into what it should have been.

In August 2010, the Barnett government invested \$18 million in Goldmaster to develop apartments in the Success–Cockburn Central precinct. Less than a year later, in June 2011, through the Housing Authority, the state government entered into a shareholder agreement including terms that the Housing Authority would take up ownership of shares in Goldmaster. In return, it invested money in Goldmaster and basically paid Goldmaster's bills. It took on the debts of Goldmaster, including an amount that Goldmaster was being chased for by the Australian Taxation Office. I just think it is extraordinary that the state government agreed to a shareholder agreement in which they paid a bill that was owed by a private company to the ATO. It is completely astounding that anybody would think that that is a good idea. Clearly, a business that is being chased by the ATO for money is not a business that is in any way a good commercial investment. On its face, it was completely nuts that anybody who looked at that thought that that was a good idea.

On top of that, the data at the time showed that Goldmaster was on track for a \$10.3 million loss over the next 12 months. That was the value of the investment that the state government made under the Barnett Liberal–National regime. In September 2012, just over a year later, an auditor warned that Goldmaster was unlikely to have enough money to continue operating over the next year. They essentially said that Goldmaster was on the verge of being insolvent. I will remind members that the government had already invested \$18 million into Goldmaster two years earlier. Two years later, Goldmaster had an estimated value of \$320 000 through to—does any member of the chamber want to guess what the other end of the range was?

Mr P. Lilburne: Was it \$7?

Mr S.A. Millman: Was it \$600 000?

Mr D.A.E. SCAIFE: The member for Carine was closer. The amount was \$0. The value of Goldmaster two years after the state government invested \$80 million for it to develop apartments and a year after it entered into a shareholder agreement was estimated to be between \$0 and \$319 000. That is just shocking.

I am waiting to hear the full account of what happened from the current Minister for Housing because I know that he has been scrutinising this closely and has said that he will be reporting on the matter when Goldmaster winds up. Inexplicably, after all that, the housing minister at the time under the Liberal–National government approved a further investment of \$19.35 million and a loan of up to \$42.3 million to Goldmaster. That is completely staggering. Of course, in many respects, when we look back it is not surprising, because what happened with Goldmaster was emblematic of the way that the Liberals and Nationals managed money in the last government. It was profligate and lacking in governance and any kind of accountability.

The other day I heard the opposition question the government about a business case for a policy. The opposition would not know a business case if it fell over one. There was no business case for the Goldmaster investments and there was no transparency or questions asked. In the recent report by the Corruption and Crime Commission, the commissioner was very clear in his statement that he did not consider that the minister had done anything wrong, and that instead it was public servants who had failed to provide the necessary details to the minister. However, there are questions in my mind about why the minister at the time did not ask more questions of the department. The minister was willing to sign off on an additional investment of \$19.35 million and a loan of up to \$42.3 million. I think that if I had been the minister, I would have wanted to ask questions about the company that was receiving the benefits of those state government investments.

That was a huge amount of money. As the member for Churchlands said earlier, that was just money down the drain. The state government will never get that money back. It was poured into a worthless company, so the asset it got in return for that money was effectively a worthless company. I think the government was left with something like an 87 per cent stake in Goldmaster. We are winding it up now and I will wait for that final report, but there is no chance of the government ever getting that money back. That was tens of millions of dollars that could have directly been purposed into programs that would have actually resulted in housing being built—whether that was affordable or public housing. That money could have been used to, effectively, pay for concessions like those that we will provide in this bill. Shame on the former Liberal–National government. That was a ghastly oversight that happened on its watch.

I was shocked that when the CCC report came out earlier this year, Hon Dr Steve Thomas—always one to chase a headline—got in with his comments in an article. His questions were along the lines of why it had taken so long for

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this issue to come to light. That is ridiculous for a number of reasons. It happened on the watch of the Liberal–National government, of the parties that Hon Dr Steve Thomas belongs to. Firstly, he should apologise on behalf of his former colleagues. Then he should ask of himself, “How did we let that happen? How do we do better and how do we contribute to government being better to stop that from happening again?” Instead, he tried to turn it around into a political attack on the government and ask why it took so long for this issue to come to light.

The second reason that comment is ridiculous is because five years after 2012, after this happened, it occurred again on the watch of the Barnett government. It was not kicked out until 2017, and this thing started going all pear-shaped in 2012–2013. What did the Liberal–National government do for the four or five years that it was in government to uncover this and deal with it? At this stage, as far as we know, it did nothing. No member of the opposition has been prepared to go out there and say otherwise. I thought that was a completely ridiculous contribution from Hon Dr Steve Thomas. I do not know him well, but I understand him to be a genuinely decent guy, according to people who do know him. However, I thought that was cheap and that Hon Dr Steve Thomas and his colleagues would be much better off just taking on the chin the absolute failure of Goldmaster and how it is the model of what not to do when in government.

Of course, in contrast to that, we luckily now have a government that is delivering and is modelling exactly what should be done when in government, which is to prepare business cases, ask tough questions, make sure the governance arrangements are right and to think hard and act slowly when it comes to driving innovative reform. This bill is another plank in the reform agenda that the government is driving. I congratulate the government on driving that agenda and look forward to, in the future, seeing some build-to-rent developments come to fruition. I am confident that this bill will play a part in making that happen. On that basis, I really encourage members to support this bill. It is a good bill that complements the other work that we are doing.

MR S.A. MILLMAN (Mount Lawley — Parliamentary Secretary) [4.39 pm]: I rise to also make a contribution to the second reading debate on this excellent piece of legislation, the Land Tax Assessment Amendment (Build-to-Rent) Bill 2023, which has been brought to this chamber by the parliamentary secretary representing the Minister for Finance. It is fair to say that on our side of politics, we believe in government that responds to and respects democratic norms, we believe in government that respects the rule of law and we believe in government that puts appropriate emphasis on the efficient and effective functioning of a market economy. As a result of the way in which the then McGowan Labor government, and now the Cook Labor government, have managed our finances, we are in a situation in which we can bring forward legislation that will stimulate activity in the housing market by reducing the land tax burden on some property developers.

I was very pleased to see my predecessor, the former Liberal member for Mount Lawley Hon Michael Sutherland, a former Speaker of this chamber, at a community function on Sunday night. I was pleased to see Michael and his wife, Michelle, because it gave me an opportunity to remind him of comments he made immediately after the 2017 election when he blamed the Liberal Party election loss on the fact that the former Barnett Liberal government increased land tax over three consecutive legislative moves. Not once, not twice, but three times, the former Barnett Liberal government kicked the crap out of property investors and property owners by increasing land tax. Michael Sutherland, as the then member for Mount Lawley, knew that had had a significant deleterious impact on his votes and, in fact, led to the Liberal Party’s loss of the seat of Mount Lawley. So, it gives me great pleasure to stand here today and say, as a member of a Labor government that puts an emphasis on responsible financial management, that thanks to the work of the current Treasurer, the former Premier when he was Treasurer, former Treasurer Ben Wyatt, and the studied fiscal responsibility and discipline that they exercised, we now have the capacity to introduce legislation that puts a cap on land tax when it comes to investing in build-to-rent.

Mr D.A.E. Scaife: I think it’s fair to say there were other factors behind Michael Sutherland’s loss—some of his own making!

Ms C.M. Tonkin interjected.

Mr S.A. MILLMAN: Yes! I thank both the member for Cockburn and the member for Churchlands!

Suffice it to say, members, I am very pleased to have been able to take up the role of the member for Mount Lawley; it was great to see Michael and Michelle on Sunday night, and great to see them doing well.

I want to talk about a couple of things. Firstly, I want to talk about market-oriented responses to the critical housing shortage we have in Western Australia. It is an issue that is not unique to Western Australia but, in fact, is confronting governments all over Australia. I refer to market-led responses like this legislation and what it will do, but also some of the government’s investment in the social and affordable housing sector, which will also drive our government’s concerted and coordinated response to addressing both the housing shortage we are confronted with and the prevalence of homelessness.

I really want to talk about good policy, and what formulates and drives good policy. I refer to an article from ABC news of 7 April 2023 by Dinah Lewis Boucher and Velvet Winter titled “It’s touted as one solution to Australia’s housing crisis, but what is build-to-rent? And can it live up to the hype?” It states —

Australia is in the grip of a housing crisis, hit by rising rents and falling vacancy rates.

Built-to-Rent is a form of rental housing relatively new to Australia.

A newly released Ernest & Young report, commissioned by the Property Council of Australia, says that support for build-to-rent housing could result in an additional 150,000 homes over the next 10 years.

However, some experts are concerned over the accessibility of build-to-rent properties for middle- and low-income earners.

What is build-to-rent?

Build-to-rent housing is when a property is held in single ownership and professionally managed. As an example, the developer builds it and instead of selling off the units individually, keeps the property to rent out.

The idea is, it provides tenants with the flexibility of renting with the security of home ownership, because the property is held for the long term.

There is then a comparison of how build-to-rent looks in similar jurisdictions abroad. The article continues —

“This type of housing is common in the UK and other European countries, as well as in North America,” ...

...

More than 6.3 million apartments have been developed in the United States ...

Over the last 30 years. The article continues —

In the UK, more than 150,000 have been built or are under construction since 2012.

But it is still relatively new in Australia.

Highlighting some of the issues in the housing market at the moment, the nation’s vacancy rate in February was, according to CoreLogic’s figures, a very tight one per cent. Meanwhile, rent values have increased by 24.1 per cent since September 2020, so we have very low vacancies and very steeply increasing rents. To put the rent increases into context, there was an increase of 24.1 per cent between September 2020 and April 2023, while through the whole decade of the 2010s, the average annual growth rate in rent was 2.1 per cent. That means an increase of 24.1 per cent over three years compared with an average rate of 2.1 per cent over the preceding decade. The article continues —

“The short-term challenges we have in Australia’s housing market at the moment include very tight rental markets and sharp increases in rent values over the past couple of years that Australians really haven’t been exposed to,” Eliza Owen, CoreLogic Australia’s Head of Research said.

“The overarching or longer-term issue that we’ve had in Australia is the declining rate of home ownership,” she says.

Build-to-rent could provide thousands of extra homes, property council says

This is research that was commissioned by the Property Council. The article then talks about the commonwealth government’s taxation settings. I will not trouble members further with the article insofar as the federal government’s fiscal policy levers are concerned; suffice it to say that the argument mounted by the Property Council is that encouraging investment and market-led solutions is one way to drive activity in the sector, therefore increasing housing stock, addressing housing shortages, and hopefully putting downward pressure on rental vacancy rates.

Another point made in the article is that although build-to-rent is good for the middle of the market, it does not go to social and affordable housing; it is not as efficient in directing solutions to the social and affordable housing section of the market. That is why I want to commend the federal Albanese Labor government for its Housing Australia Future Fund. Just this week that legislation received the support of the Greens and the crossbench, and will now pass the commonwealth Parliament. This is a commitment by the federal Labor government to allocate \$10 billion to the Housing Australia Future Fund to build social and affordable housing in order to tackle homelessness. I welcome the Greens finally supporting this policy, because it means that they are joining with industry stakeholders like the Master Builders Association, the Property Council and community housing groups. It is diverse coalition of groups that all support the Albanese government’s initiatives for tackling the social and affordable housing shortfall we currently have in Australia as a result of a decade of neglect at both federal and state levels.

I highlight that policy position because this state Labor government is tackling the issue from both directions. The government is investing in social and affordable housing supply at the lower end of the market, and also relying

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on tax breaks that will generate market-led solutions. This is not an ideological position; we are looking at diverse ways to address this issue.

That is great work by the Minister for Finance, but there has also been some great work by the Minister for Housing, who is tackling the issues of homelessness and social and affordable housing. I asked the Minister for Housing a question on this issue as recently as 9 August, about four weeks ago. I asked, in part —

I refer to the Cook Labor government's record \$2.6 billion investment in social housing and homelessness measures in Western Australia. Can the minister advise the house of the steps being taken by this government to bolster the delivery of 4 000 social homes across the state ...

The minister replied, in part —

We want to encourage builders to come forward, but particularly those who already have projects ready or have been approved that the state could adopt. That is what we are trying to do. We are trying to think outside the box.

Industry welcomes it. The community housing sector welcomes it. One person says no. As members can guess, they are a WA Liberal—Hon Steve Martin.

The minister quoted Hon Steve Martin as saying that the Liberal Party was out of ideas. He continued —

Therefore, I thought I would ... go through all the ideas that we —

The Labor government —

have done. We have invested \$2.6 billion for 4 000 homes. We are increasing flexibility with timber frame, modular and prefabs and spot purchasing. We have developed new procurement processes to make it easier for builders. We have made approvals for public and community housing quicker ... We are reviewing and converting government regional officer housing, unlocking lazy land and applying planning reforms to streamline housing supply. We are investing \$150 million in grants for community housing and a range of significant projects ...

That answer is about cutting red tape. It is about making it easier for people to invest in and develop housing and about stimulating the economic activity. I stopped and thought about that. We are stimulating the market, cutting red tape and reducing land tax. We are doing all the things that the Liberal Party claimed it would do when it was in government, but did not do. In fact, as I said before, the Liberal Party raised land tax three times when it was in government. I am glad that the member for Cottesloe is in the chamber. The Liberal Party, led by the member for Cottesloe, with Councillor Brent Fleeton from the City of Perth cheering him on, is doing what it can to block this government's reform agenda and concerted efforts across both market-led and public-led proposals to tackle the issues of housing affordability and social housing, and the housing shortage generally. What we stand for is in stark contrast with what the Liberal Party stands for. It does not have a policy. Policies are coming from the federal Labor government, the Property Council of Australia, the Housing Industry Association and the Master Builders Association. The only entity that has no policy on how to tackle housing affordability and the housing shortage in Western Australia is the Liberal opposition. It is out of ideas; it has no ideas.

It is important that we put all the different policy proposals on the table. One thing this government has demonstrated over time is its preparedness to look at available levers to address critical issues confronting the community. Frankly, the benefits to the community in tackling housing affordability and the housing shortage will be significant. If we can wrestle with this problem and bring it back under control, the potential benefits will be significant. Closing the housing gap could have significant benefits for the Australian economy. It is estimated that increasing the supply of social and affordable housing would lower rental prices and have a limited impact on property prices. The impact of lower rents and prices on inflation would be marginal, with no meaningful change. Additional benefits to closing the housing gap include a reduction in homelessness, improved productivity, economic growth and better health outcomes. No-one could argue against those policy imperatives. That is to say nothing of the fact that if we can work towards multi-dwelling premises—medium-density development in our suburbs close to our public transport infrastructure and all the rest of it—it will have the added environmental benefit of reducing urban sprawl and retaining our urban fringe for more environmentally conscious pursuits. If we look at any Organisation for Economic Cooperation and Development report, we will see that urban sprawl is a problem throughout the developed world and it is getting worse as we become even more reliant on cars and single-dwelling property developments.

In the context of the broader debate, it is great to see that we have market-led solutions and government solutions. One of the more remarkable policy propositions was recently advanced by the national secretary of the Construction, Forestry, Maritime, Mining and Energy Union at the National Press Club on 25 July this year. This policy proposition was articulated by the Australia Institute, the think tank in Sydney, and supported by Oxford Economics. It was a proposal to introduce a 40 per cent super profits tax. I will go through the basis for introducing the policy by referring to the executive summary of *The economic case for investing in social and affordable housing*. So that

members are aware, this is not a state government tax; this would be in the realm of the federal government. The report outlines an estimated gap of 750 000 social and affordable dwellings in 2023. That is 190 000 social dwellings and 559 000 affordable dwellings. The total gap has grown by 114 000 dwellings since 2014 and is expected to grow by another 200 000 by 2041. The report states —

Unmet demand for social and affordable housing is estimated to have increased from 5.6% of total households in 2008 to 7.3% in 2023.

It also states —

Closing the housing gap requires an investment of \$511 billion ...

The total investment is based on 52,600 dwellings being built every year between 2023 and 2041.

The cost of construction is expected to increase over the forecast period adding to the required investment.

The required investment can be reduced by bringing forward construction activity to limit the increasing cost of construction, noting capacity constraints in the sector.

The report states —

Current government policies are not enough to close the housing gap.

Australia's state and territory governments have announced an estimated 30,000 new social dwellings earmarked for completion over the next five years.

The current Federal Government's proposed Housing Australia Future Fund aims to provide 20,000 social houses and 10,000 affordable houses.

[Member's time extended.]

Mr S.A. MILLMAN: There is clearly a challenge confronting policymakers at the commonwealth level. The Oxford Economics report went on to say —

There are many social and economic benefits of closing the housing gap. Importantly, increased supply of social and affordable dwellings will likely put downward pressure on rental growth which is estimated to moderate to 2.0% per annum ...

That is the growth that we have had over the last decade, so in the 2010s. That would bring it back to a historical level. The report also states —

... forecast median price growth of 4.0% per annum would be tempered slightly to 3.8% with the housing gap fully closed.

That means there would not be a significant gap in the growth in the value of properties. It continues —

With minimal impact on house prices and inflation, this is unlikely to hurt investment into the broader property sector.

In addition to property market impacts, research suggests that the provision of social and affordable housing can have additional benefits for the Australian economy. Safe and affordable housing plays an important role in reducing homelessness, improving productivity and economic growth, and driving better health and income equality outcomes.

Further, it states —

... a permanent well-designed general excess profit tax is efficient and does not discourage investment. Any super profits tax should be designed to be fiscally stable to ensure confidence in the tax system and limit market distortions, since discouraging investment would in turn reduce economic activity, wages, jobs and therefore the social welfare it was designed to promote.

This is not a radical proposal; it is a relatively conservative proposal that was thought through by the Australia Institute and Oxford Economics and articulated by a union that has an interest in this field, being the construction union, which is at the front line of building the houses that the community will need for the next three decades. National secretary Zach Smith was out there formulating a policy to throw into the debate. Both the Property Council and the Master Builders Association have been formulating policies as well. We have the Minister for Finance tackling this issue from a market-led perspective and the Minister for Housing increasing the supply of public housing. All across the spectrum, a diverse range of entities are participating in the policy discussion, all with interesting ideas that they are willing to put forward. They might not be the best ideas—none might be the silver bullet—but they are all part of the conversation. They recognise that the community requires policymakers to grapple with this issue. This is an important issue. It is something that comes up in numerous discussions. It is something that materially affects the wellbeing of our community.

One would think that with all those people participating in the policy discussion, the party that puts itself forward as the alternative government would have the capacity to come up with something—anything, really. It could come at it from a public housing perspective—no worries! It could come at it from an investment perspective, a market-led perspective, if the Liberal Party is the party of the free market, which clearly it is not, because all it does is increase red tape and constrain property rights. It could come up with something, for goodness sake. Ministers, unions, think tanks and business associations all contribute to the debate, and the only people who are absent from the field are members of the Liberal Party of Australia, and that is an indictment on their intellectual capacity and their capability to be the alternative government. Unless and until the Liberal Party can fix that, and come to the table with public policy it is prepared to articulate and defend, it will never be fit for government. That is why I am happy to be part of the Cook Labor government, and I am very happy to support this parliamentary secretary and the Minister for Finance for bringing forward this wonderful legislation. I have no hesitation in commending the legislation to the house.

MRS L.M. O'MALLEY (Bicton) [5.00 pm]: I rise to speak on the Land Tax Assessment Amendment (Build-to-Rent) Bill 2023. It is no secret that Western Australia's rental market is under pressure at the moment. As of March 2023, Perth's vacancy rate is sitting at around 0.5 per cent. This is significantly lower than Sydney, Melbourne, and Brisbane respectively, with the national vacancy rate at 1.1 per cent. With the unemployment level in WA at approximately 3.6 per cent, living here can offer many opportunities for those in the workforce. The aftermath of the COVID-19 pandemic has seen the state's population grow, and it needs to be accommodated by adequate housing schemes. The Cook Labor government will ensure housing for renters well into the future by bolstering the capacity of WA's rental market. The Land Tax Assessment Amendment (Build-to-Rent) Bill 2023 seeks to develop the build-to-rent industry in Western Australia, and aims to increase the future supply of rental properties by reducing investment barriers. This amendment bill will help achieve that end for renters and those looking for housing throughout Western Australia. With similar legislation already in force or announced in other jurisdictions, this bill will strengthen the collective national approach and ensure Western Australia's rental housing supply for years to come.

The amendments before Parliament today deal with a pervasive issue amongst the current cost-of-living crisis, that being accessible and available housing for those in and seeking to enter the rental market. Western Australians, including those who live in the electorate of Bicton, should not have to face any barriers to afford a necessity such as suitable housing. These barriers are instilled through a system that does not account for the new build-to-rent development model. The current Land Tax Assessment Act is preventing build-to-rent developments from taking the initiative to begin projects. This bill will directly address these financial barriers by introducing a 50 per cent land tax exemption for land used to develop build-to-rent properties, applying this concession on land tax for the next 20 financial years, with a retrospective removal exemption scheme in place that will encourage the availability of build-to-rent properties for at least 15 years. As a whole, these amendments will substantially lower the amount of land tax payable on build-to-rent developments and bolster the capacity of WA's rental market. The Land Tax Assessment Amendment (Build-to-Rent) Bill 2023, which amends the Land Tax Assessment Act 2002, seeks to introduce a 50 per cent land tax concession for land used to develop build-to-rent properties.

Build-to-rent developments are housing developments constructed for the purpose of providing multiple dwellings for lease under residential tenancy agreements, rather than being sold. Announced as a concession, the amendment proposed a tax exemption for up to 50 per cent of the taxable value of the land. These amendments will apply to new build-to-rent developments from the 2023–24 land tax assessment year if they meet the eligibility requirements. The land must be owned by the same owner, group of owners or management entity, and the development must be constructed for the purpose of providing at least 40 new self-contained dwellings for lease under a residential tenancy agreement, which may be expanded through the building of additional dwellings after qualifying for exemption. The dwellings must be completed and made available to be lawfully occupied between 12 May 2022 and 30 June 2032. The dwellings must be available to rent for a term of three years, but residents may negotiate for shorter lease terms. The dwellings may not be restricted to certain classes of people unless it is for the purpose of ensuring public health and safety if the dwellings are social housing or if any prescribed circumstances are established. The land tax exemption will apply for up to 20 financial years. If a build-to-rent development ceases to qualify for exemption within the first 15 years, the owner is required to pay the land tax under concession. If the land is only partially used for the development of build-to-rent development, the exemption will apply only to that land being used for that development. This includes commercial activities unrelated to the residential accommodation. If a build-to-rent expansion contains fewer than 40 dwellings, it can still receive a separate exemption if all other requirements are met.

I would like to share some data on the current housing and living landscape in the electorate of Bicton, which could easily be applied across many communities in WA. The vacancy rate for the postcode 6157 is 0.3 per cent as of August 2023. It was 0.1 per cent in January 2023. In 2021, 47 per cent of 20 to 24-year-olds lived with parents in the family home versus 42 per cent in 2001. This is from the 2021 Australian Bureau of Statistics census. This has been on a steady increase since 1981. I have one of those young people still living at home with us. He is 21 years old and he will be 22 in January. We have not yet started the clock at which time he will start to live independently. I certainly speak

for a great number of my peer group, people of a similar age with adult children still living at home. That is an absolute reflection of many of the challenges we are facing in supporting our young people to move into independent living.

With the introduction of these amendments, there will be benefits for my local community and all of the communities across WA. Going a bit further into the bill, the retrospective removal of exemption will encourage the availability of build-to-rent properties for at least 15 years; as such, the threat of concession repayment would encourage developers to comply with the eligibility requirements set out in this bill. The amendments aim to increase the future supply of rental properties throughout Western Australia due to lower land tax, which will encourage the commencement of new projects by developers.

With the electorate of Bicton being home to many young families, couples and students, these amendments will give local young adults, like my son, who are working or studying at TAFE or university more options for accommodation and further opportunities to leave home and gain further independence. Likewise, the electorate of Bicton is also home to an ageing population whom these amendments will also benefit by supporting greater diversity of housing and therefore more opportunities to age in place. There are many benefits to be found in maintaining geographical connection to community and place, as well feelings of safety, security and belonging.

I would like to take a moment to expand on the topic of ageing in place, which I am quite interested in and passionate about, as it connects to community and maintains connection to community. This information is from the Heart Foundation's Healthy Active by Design website. It states —

A range of affordable, flexible, well-designed and safe housing, that has a variety of options with excellent connectivity to social services and the broader community, supports increased levels of independence, enhanced walkability and Healthy Active Ageing.

... housing choice with universal design features in dense neighbourhoods provide better ageing environments. Additionally, such communities need less age-segregated, service-supported housing, such as nursing homes and assisted-living facilities.

It goes on to refer to housing diversity. It says —

Providing housing options is important to Healthy Active Ageing. Ageing in the 'right' place might mean the ability to live in the place with the closest fit with a person's needs and preferences, which may or may not be one's own home. Where older people need to relocate to more suitable accommodation, having diverse and innovative housing options within their existing community can enable people to remain socially connected. Creating communities of integration (physical and social), rather than segregation, is generally desirable and supports Healthy Active Ageing. However, in some instances, culturally specific housing for people as they age is required, and this should be provided to enable people to be better supported.

Housing developments which cater for all ages and take into account people's changing needs as they age, such as multi-age precincts and intergenerational cohousing, are seen as proactive solutions to ageing-in-place and in the community. Research suggests that future housing developments should be proactively designed to enable ageing-in-place through whole-of-life design that takes into account accessibility and visibility features.

On the delivery of affordable housing —

Housing affordability and security of tenure are critical for seniors' wellbeing. Likewise, housing assistance for low-income seniors in the community has a significant impact on their ageing outcomes. Where older people feel secure in their homes, they are more likely to engage with the community supporting Healthy Active Ageing outcomes.

That is a slightly different spin on the importance of these amendments for housing diversity as it relates in quite a big way to my electorate, which, as I mentioned, is an ageing population. Quite frankly, we all are, but I have a larger cohort of people over the age of 65 years. It is slightly over the state average.

By decreasing barriers to investment in the area and increasing the alarmingly low vacancy rate, limited supply and high demand can be balanced. With the requirement to offer three-year leases, build-to-rent developers can offer stable leases for longer periods and can encourage tenants to live in a neighbourhood for a lengthier period, thus building stronger long-term community relationships and investment in the surrounding community groups such as sporting clubs, schools and other community-focused organisations.

With the tightening of rental vacancy rates since the pandemic, smart and realistic action is needed to build Western Australia's rental market and increase housing supply. The Cook Labor government is committed to addressing housing supply for those in and seeking to enter the rental market throughout Bicton and beyond. The amendments put forward in this bill are practical and pragmatic reforms that will reduce barriers to investment and increase the future supply of rental properties on the Western Australian market. These reforms will assist

in developing Western Australia's build-to-rent industry, which will benefit those seeking affordable rental accommodation not only in the electorate of Bicton but also throughout Western Australia. With similar build-to-rent tax concessions that already operate or have been announced in other jurisdictions, these amendments will ensure Western Australia is not left behind as others move forward. I also mention the fact that it is a really smart investment. For those who are looking to enter the investment market, there has never been a better time to get behind the collective approach to solving the housing issues that we face.

This bill and its amendments further support the community. It will encourage those living in rental accommodation to lay roots and build long-term relationships with others in and around their neighbourhoods—something I am very supportive of. For the reasons I have given, I emphatically support the amendments in this bill and the aims they seek to achieve, and I commend the bill to the house.

MR T.J. HEALY (Southern River — Parliamentary Secretary) [5.14 pm]: I very proudly rise to speak to the Land Tax Assessment Amendment (Build-to-Rent) Bill 2023 this evening. I commend the bill to the house. I congratulate my colleague the parliamentary secretary and member for Riverton for his second reading speech. There is no doubt that within my community of Southern River, which includes Canning Vale, Southern River, Gosnells and Huntingdale, there is housing and rental stress. Families are struggling with the cost of rental accommodation and the effects of the current state of the economy. I commend the government and I will run through in a moment a number of fantastic things that are being done to assist those struggling with the cost of rentals.

The main thing I emphasise at this stage is that this bill will assist. When more land and more housing is provided—this bill in particular will allow for build-to-rent projects—more private housing supply will lower the price of rentals. This will place positive pressure by making more housing supply available, which will assist families in my electorate. My area is rapidly growing. The member for Thornlie said before that there are still some very large areas of land. I inherited the member for Thornlie's electorate some years ago. The City of Gosnells CEO tells me that my electorate holds the largest private landholding in the metropolitan area—the Della Vedova land, which stretches the entire length of my electorate and is an operating farm. It has the potential for 10 000 homes as well as schools and shopping centres. That is what my electorate looked like 50 years ago. A condolence motion will be moved tomorrow for Judyth Watson. When she was the member representing this area, there were mainly very large sections of farming land. My house in Gosnells is a former orchard space. Over time, larger blocks have been subdivided and become smaller and smaller properties. The average size of a property is getting smaller, as a lot of people want to live within Perth. It is a beautiful place.

As every person in this chamber knows, the south east corridor of Perth is the most beautiful part of Western Australia and is where everyone wants to live. Having 1 000-square-metre blocks is not possible for every family any more. A number of different transit-oriented precincts are being developed with opportunities around them. But I loop back to the Della Vedova land. Large blocks of land will still potentially be available. I met Lucy Della Vedova the other day. I was doorknocking and she was outside on the property. She is still putting in the fence posts to make sure the cows still operating on their family property do not get out. I do not believe the family has any real intent to divide, subdivide or sell parts of their property any time soon, but I can guarantee that a number of people are very interested.

To draw members' attention to some further details in the bill, I come back to the tax concessions that exist for build-to-rent projects. For those who are playing along at home, when the government provides this as an incentive for people to invest in properties and make sure they are available for a set period to rent, it will assist families to have access to a larger number of rental properties. The Parliamentary Secretary to the Minister for Finance and a number of other speakers went through some of the bill's details and the amendments, including tax concessions and eligibility requirements. I commend those to the house.

I will speak a little bit about some of the positive things that this government has done to assist families struggling with mortgage repayments and rental payments. As I have said, there has no doubt a large increase in the average cost of private rentals across all our communities, particularly in the south east corridor and my electorate. I am proud to be part of a government that will not take things for granted and will make sure we do the right things to assist families who are genuinely struggling with the rental crisis and mortgage stresses—something that was not seen a great deal by the previous government—which also couples with cost-of-living increases for milk, fuel and other things. I recall that the previous Liberal government, in its first term, significantly increased power prices and certainly did not provide cost-of-living relief. Under this government that I am proud to be a part of, I see bills like this that will allow us to assist people to go in a better direction. We have programs such as the \$400 energy credit. Every family within my electorate has received at least \$1 400 over the last couple of years. There were credits of \$600 and \$400, and this year we have a credit of \$400. For those people who have not yet realised it, the first \$200 credit arrived in their July Synergy bill. If they cannot find it in their bill, they should contact Synergy or call my office and we will help to find it. The second \$200 credit will land in people's October 2023 Synergy bill to provide relief. Again, if people receive a federal pension, the family tax benefit A or B, or the energy assistance

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payment, they will most likely receive, in two halves, an \$826 credit. I know we have been talking about significant increases in rent each week, but I hope that the energy credit provides some relief.

To those people who are not aware, the hardship utility grant scheme also provides a number of ways for the government to assist them. It requires people to contact their provider, and in my electorate that is Synergy. If a person's electricity bill reaches a certain threshold, or they are on a payment plan, or have expressed genuine bill distress, which I am pretty sure is the majority of Western Australia at this stage, HUGS is another fantastic scheme that helps alleviate the increase in the cost of living.

The WA Seniors Card rebate is available, and every Seniors Card holder in my electorate is eligible for a \$104 or \$156 payment, which would have arrived in their bank account in late July. The amount was increased in the budget this year by this government to acknowledge the rising cost of living and increasing pressure on families. The \$104 is for a single person and the \$156 is for a couple—that is, two WA Seniors Card holders in one home. If a person has a WA Seniors Card, they should check that they have also applied for the annual cost-of-living Seniors Card rebate. It needs to be applied for only once, and it will then be applied every year, but some families in my electorate missed out on the July payment this year because although they have a Seniors Card, they did not apply for the separate rebate. If anyone is unsure whether they have applied for the rebate, they can call and ask the WA Seniors Card team. If they are still unsure, they can email me at terry.healy@mp.wa.gov.au, and we can get them the forms to find out from the Seniors Card team whether they have applied for the rebate. The rebate for this year has been paid already and the deadline has passed, but that amount will be available next year and each year after that, and it will go straight into people's bank accounts as a cost-relief measure.

The Minister for Housing and Minister for Finance have put forward a number of very strong tenancy rights laws and rental reforms, which I commend. Once this bill is in operation, it will limit rent increases to once a year, which will assist families in my community and all communities. I think we have got the right balance between owners and people who are seeking to invest and become landlords who rent out their properties and those people who are seeking to go into the rental market. As I have said, the more private rental supply that we have, the better it is for overall costs. The proposed prohibition on rent bidding is positive, as is the funding boost for tenancy advocates. A number of groups assist people in the rental market with tenancy and financial support advice, and I commend them.

I give a quick shout-out to the CEO of the Gosnells Community Legal Centre, Sarah Patterson. She does an amazing job. I would like to commend her work as the CEO of that organisation, and I would like to commend her staff. I will take a moment to pass on my congratulations. For the last four years, Sarah Patterson has also been a Gosnells councillor. She still serves, and will retire in about a month as she has not nominated for an extension of her term. I would like to say that Sarah Patterson has been a fierce and proud advocate for the Gosnells community. Across the south east corridor, she has advocated in her capacity as CEO of a legal centre and in her capacity as a Gosnells councillor. She is a parent and a great person. I am very sad to hear that we will lose her as a Gosnells councillor; however, we will not lose her as CEO of the Gosnells Community Legal Centre. I am just placing on the record all our appreciation for her work.

I will move on to some other items in a moment, but I would like to speak about another way that this government has proactively provided assistance, and that is our free rapid antigen tests program. My mum sometimes jokes that people cannot eat a RAT—I am talking about the free nasal RATs for COVID. I commend the government for its investment in RATs. We have now given out 155 000 RATs from my electorate office over the last 15 months. The people at my office are probably watching at home now and I think we are almost running out of RATs, so we will have to go and pick up another 5 000 soon! My community is still using and accessing the free RATs. Otherwise, they would have to buy them from the chemist and RATs are still 10 bucks a pop, but we provide them as a government service to my community. For a family that has felt sick and then gone through COVID, being able to get free RATs from my office—a brilliant initiative of this government—is an extra \$100 in their pocket. A family that picks up 20 free RATs saves \$200 to \$250. Although people cannot eat a RAT, the free RATs allow families to spend their funds on things they want to spend it on—sometimes that is rent and sometimes that is other groceries and things like that.

I come back to the overarching theme of my speech. An increase of housing supply and rental supply in the private rental market will assist my community; it will assist families to not necessarily have to face the staggering rental increases that we have seen, which will hopefully reduce soon.

The federal Housing Australia Future Fund Bill is progressing through the Canberra Parliament, and will be a very large investment in housing supply. It is disappointing that the bill is taking this long to progress through the Parliament, but it sounds like an agreement has been reached for the bill to pass through both houses of the federal Parliament, and I commend that. The Western Australian housing minister has always been a leading light in the investment. Well before COVID and well before the times that we are in, this government significantly invested in the social and state housing supply, and it is great to see more of those houses coming online and being made available for families in my electorate. Across the south east corridor, a lot of those housing rebuilds are appearing

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among the older state housing stock in Gosnells, and across my community, more families have access to state housing stock. I loop that to the federal announcement of \$10 billion to be applied nationally, which will see more social housing across the nation, but particularly here in Western Australia. There will be affordable homes for frontline workers, including police and nurses and cleaners; funding for the maintenance and improvement of housing across Indigenous communities; funding for crisis and transitional housing options for family and domestic violence; and I believe a significant allocation is made for veterans as well. I think there is a \$30 million housing fund for specialist services for those experiencing or at risk of homelessness. This means more families will be able to access housing.

[Member's time extended.]

Mr T.J. HEALY: Friends, I am going to talk about a couple of projects in my electorate that open up potential. Great projects are happening within my electorate that will increase the attractiveness for people to invest—namely, to buy houses to rent them out and to buy houses to live in themselves. The south east corridor, as I have said, and the member for Armadale will agree, is the best place in Western Australia to live. It has wonderful facilities and wonderful infrastructure. I will talk about a couple of things happening now, which, for those who are watching at home, if you are not already living within the south east corridor, I know will make you want to move there. This bill will make it easier.

I will speak briefly about the opportunity that exists because of the Western Australian government funding the Gosnells council to move forward with our Barrett Street design. I spoke briefly before about the rural aspect of my community. I still have operational farms, not only on the Della Vedova land, in the rural part of Southern River, which is a beautiful part of my electorate and my community. There is an area that was designated as Bush Forever many years ago. My electorate office is my old friend's house. I would visit them for weekend parties in the late 1990s when it was a very large farm. It is now my office and a high school and about 50 houses. When Bletchley Park estate and a number of the areas around Southern River were developed back in the 1990s in a previous era, a number of parts of my electorate were designated as Bush Forever. It is Bush Forever whether landowners agree or not. Those people like my friend's parents who sold their farm for residential houses had a large number of funds that came to them. It was different for areas that were Bush Forever.

This is where Barrett Street comes in. A number of houses on Barrett Street could not be sold for residential houses. The people who owned the land were made an offer by the state government that was less than they would have made if it were sold for private housing, and, until now, the majority of them have still not accepted the government offer to buy their land at that market value. Their holding out has meant that the council has not added the relevant infrastructure along that part of Barrett Street. There are beautiful houses, small blocks, wonderful parks and infrastructure and schools all around—then right in the middle is this section of Barrett Street. It is a beautiful piece of Bush Forever land, but there is this impasse. I tried to work with the council and suggested that all people who live in this area pay rates so let us build a footpath now. Instead, we have an unsealed road, no lights and no footpath and a number of families with young people must walk on the road to get to and from places within the electorate. There are speeding issues and dangers with people walking on the road when they should be on a footpath. There is also illegal dumping. Some people choose to dump illegally in those areas because they feel it does not get much attention. I have written to the City of Gosnells council over some time, and it is my view that the council should take the opportunity to invest using developer contributions and council reserves and put lighting and footpaths there. This would increase the amount of pedestrian traffic and allow pedestrians to move safely through the area, allow young people to walk on a footpath as opposed to a road when they walk to and from school and shops and allow more people to appreciate what is a beautiful piece of bush without having to park on dirty road reserves.

Without further ado, I commend the state government on the Main Roads regional group grant of \$30 000. The Gosnells council has not been able to move forward with its footpath plans for the last 20 years, and it is something I have advocated for with the Gosnells council CEO for some time—even since I was a Gosnells councillor. I am very happy to announce that the Western Australian government is funding \$30 000 to the Gosnells council for the designs to build the footpath down Barrett Street. Again, for those who are playing along at home, the proposed footpath is a wonderful location between Balfour Street and Lakey Street along the full section of Barrett Street. I say thank you to all the families who raised this with me over the last several years. It is a great option. The council has been given funds from the MRRG grant. I am very proud to say that I support that. The council will now design that footpath. We then have to build it, but the first stage has always been getting that small piece moving forward, and I am very happy that we have done that.

For those who like details, I will be doorknocking throughout Southern River and will be happy to provide a copy of my Barrett Street footpath design plan. The map and the details can be found conveniently on the back. If I can assist with anything, please let me know. Of course, you can email me for any further details.

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We speak about build to rent and building homes. I give a brief shout-out to three couples who have built amazing homes in my electorate. I give a special shout-out to Audrey and Alphonso Cozens in Huntingdale who built their home 50 years ago. We congratulate them on their fiftieth wedding anniversary as they were married on 12 May 1973 at St Patrick's Basilica in Fremantle. On behalf of everyone here at the Parliament of Western Australia, we say congratulations on building your home and making it such a wonderful part of the community.

I congratulate Janice and Bob Henderson from Huntingdale, who recently celebrated their sixtieth wedding anniversary. They built a home in their community of Huntingdale in my electorate. I congratulate them on their wedding anniversary; they were married at Saint Peter's Anglican Church in Victoria Park on 15 June 1963. We wish them all the best.

I finally congratulate Hank and Lyn Hoogland, who celebrated their sixtieth wedding anniversary on 5 September 2023. They are wonderful Canning Vale residents and again, on behalf of the Parliament of Western Australia, and on behalf of the Premier, we say congratulations and thank you.

I now speak about a number of projects increasing the value of property and infrastructure for families. We very recently had a big win. A boundary between my electorate and the member for Jandakot's, between the City of Gosnells and the City of Armadale, is Ranford Road. It is a beautiful road. I remember when Ranford Road was a two-lane unsealed road. It is now a four-lane road currently increasing to three lanes in terms of bus lanes. Those who know me well will know I often mention that further up the road, the Ranford Road Bridge is being built to an eight-lane capacity. I doorknocked a number of residents who have property boundaries that back onto Ranford Road. The shortcut through is that the council is proposing to increase the height of their fences, in most cases, by at least 30 centimetres, to at least 1.8 metres.

Many years ago, when Canning Vale was being developed, a rammed earth fence was built at a lower level at the back of the properties of the residents of West End Parade, Lincoln Place, Brookside Square and a number of other wonderful streets. Over time, more shops, families and houses were built within the area. The addition of a new bus lane—a state government–council project—is bringing traffic closer to their properties. I doorknocked every single house. I also want to commend those who wrote the petition. We have been able to work together with the council and it has put forward a proposal. I support the proposal and I have written to the Commissioner of Main Roads Western Australia because the proposal also talked about a project variation, which I am sure we can also achieve. The proposal states that for approximately \$100 000, each house will have a 30 centimetre boundary. It will depend where the house is along Ranford Road, but the total height will be at least 1.8 metres. That means that those families can have privacy and security, which is a key part of this bill.

I want to commend the council. It has a wonderful CEO and director. We are very blessed to have an amazing mayor and councillors in Gosnells. I appreciate that they listen to families. A number of families spoke about the fear of someone jumping over the fence from the other side and that people in vehicles, buses and trucks can already see over the fence line when driving along Ranford Road. It has not been a huge problem, but as road capacities and housing densities increase, and as vehicle lanes widen and get closer to their properties, it is becoming a big issue. It is always wonderful when tricky public policy problems have a solution and I am very happy to say that the Gosnells council has found that solution. I commend that to the house. I thank each of the residents for talking to me and I thank the council and its staff for bringing that to be.

I have spoken about the many young families who live in my electorate and the benefits of this bill. I would like to close by inviting all the families in my electorate and their friends and my colleagues within this chamber to another event that will raise the property values of my community—that is, the *Frozen* night that will happen at my electorate office on Monday, 13 November. We will have Elsa coming to my office. We have done this for four years in a row. It has assisted all the families who live in my electorate. We will have free face painting and Elsa will come. We had about 150 young people last year and had a Spiderman event in March as well. The event is on Monday, 13 November from 5.00 to 6.30 pm. All the families in my electorate know that it is a free event. Please google "Terry Healy *Frozen*." I think that will get all the RSVP details. Again, I would like to invite all the families to come, enjoy the benefits of this bill and of the free Elsa night. Come and meet Elsa, bring the kids, get dressed up and enjoy yourselves. With that, I commend the bill to the house.

MS E.L. HAMILTON (Joondalup) [5.43 pm]: That is quite a contribution to follow. I rise today to make a contribution to debate on the Land Tax Assessment Amendment (Build-to-Rent) Bill 2023. We know that housing supply is impacting our community in Western Australia and, in fact, this is a broader nationwide issue that governments are working to address. Rental property availability is at an all-time low, which is creating many challenges across the sector and the community. This piece of legislation embodies our state government's commitment to providing secure and affordable housing options for Western Australians and will enable growth of the build-to-rent sector.

This concept is a relatively new model of urban housing in Western Australia in which apartments and other dwellings will be developed to provide rental accommodation rather than being sold. This is an innovative housing model that has proven successful in various parts of the world. Similar build-to-rent land tax concessions operate in New South Wales and Victoria and have been announced in South Australia and Queensland. The model provides a number of benefits such as offering tenants the prospect of high quality long-term rental homes with the added benefit of stability and enhanced living standards. It will support renters to be better protected from changes in the property market, while opening up opportunities for new, innovative housing initiatives. It is focused on delivering diverse housing and high amenity where people want to live, can raise their families and invest in their future.

Our government is supporting these developments with a range of tax incentives that will make it more attractive to consider these types of housing projects. This tax concession for build-to-rent projects aims to reduce the barrier to investment and grow the build-to-rent industry across our state. This bill will amend the Land Tax Assessment Act 2002 to create a favourable environment for build-to-rent developments by introducing targeted land tax incentives. It will introduce a 50 per cent land tax concession for land used for a build-to-rent development. These incentives will encourage private sector investment. The concession was announced by the Cook government as part of the 2022–23 state budget and will apply to eligible new build-to-rent developments from the 2023–24 land tax assessment year. The concession for an eligible development will reduce the taxable value of the land by 50 per cent, substantially lowering the amount of land tax payable.

Over the coming decades, the Perth and Peel regions will experience significant growth as more people choose to live in WA and make the most of the opportunities our state has to offer. This means that we will need to deliver more new homes than ever to accommodate this growth. It is expected that we will need more than 800 000 new homes, but these homes cannot only be built on the ever-growing outer fringes, they must also be delivered in existing city centres and strategic locations within existing suburbs.

We know that Perth is already one of the longest cities in the world, stretching more than 150 kilometres along the coast from Two Rocks in the north to Mandurah in the south. It is not sustainable or suitable to continue to develop only on the urban fringes. A recent study by the New South Wales Productivity Commission has found that developing new greenfields estates in Western Sydney costs \$75 000 more per home compared with increased infill. While this report pertains to the New South Wales housing and construction sector, many of its findings would be near universal truths. The cost of new electricity, water, sewage and other utilities, along with the demand for new schools, public transport options and commercial developments means that to deliver a minimum level of amenity for new developments is not always the best option.

Instead, our government is committed to delivering high-quality housing close to where people work and want to live, and where existing amenities already exist. We cannot continue to build out, but must build up where it makes sense. That is why we have introduced this legislation: to encourage and support better use of our existing city centres to deliver more housing supply. Smart and targeted density where it makes sense will ensure WA meets the needs of current and future residents. It has the potential of creating vibrant new communities around station precincts and revitalise existing ones by breathing new life into ageing neighbourhoods through building on local character and values. This bill will bring a significant injection of capital to boost housing supply in WA, but it is not just about stimulating the economy, it is about ensuring that we are meeting the housing needs of our growing population, including families, young professionals, and seniors who deserve a stable and high-quality living environment.

The bill includes provisions to ensure that the benefits are accessible to a broad range of income levels. We are committed to striking a balance between incentivising investment and safeguarding affordability for residents. Properties often come with higher quality finishes and amenities compared with older, existing rental housing stock. This can include onsite management, communal spaces, and maintenance services. The build-to-rent reforms complement a range of other initiatives the Cook Labor government is implementing to increase housing supply and provide housing for the most vulnerable members of our community.

We are investing a record \$2.6 billion into social housing and homelessness measures, which will see the delivery of 4 000 social homes. Almost 1 300 of these homes have already been delivered and a further 1 000 are currently under contract or construction. We have sped up our delivery of social housing through a range of innovative reform programs, including the timber frame build program, the modular housing program, and continuing our highly successful spot purchasing program.

The housing diversity pipeline was launched to unlock lazy government land, and is being used in conjunction with the \$80 million infrastructure development fund to drive infill and apartment developments in key urban precincts, and workers accommodation in regional areas. The Cook Labor government continues to work with industry to cut red tape and deliver reforms to assist more Western Australians to get into the housing market. A range

Extract from Hansard

[ASSEMBLY — Tuesday, 12 September 2023]

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Mr Chris Tallentire; Mr David Scaife; Mr Simon Millman; Mrs Lisa O'Malley; Mr Terry Healy; Ms Emily Hamilton; Ms Meredith Hammat; Hon Dave Kelly; Ms Christine Tonkin

of tax reforms and incentives have already been implemented to boost housing and land supply, encourage urban infill and improve housing affordability across the state, including changes to the stamp duty rebate thresholds for off-the-plan apartments.

Joondalup is Perth's second CBD and a significant strategic city centre that is primed and ready to support increased and appropriate infill. I have raised this matter on a number of occasions in this place, and the fact that we need to ensure that we work towards and achieve good-quality density and infill in strategic locations in line with community expectations. From a state government point of view, we are well and truly committed to ensuring that Joondalup continues to be the home of a number of important developments that are delivering increases to housing supply close to existing infrastructure and amenities. It just makes sense.

Some of the developments being delivered with the support of our state government locally include the redevelopment of the former Joondalup basketball stadium site, Connect Joondalup, and the Ocean Reef marina development.

In 2020, just across the road from my electorate office, the demolition of the old Joondalup basketball stadium made way for a new mixed-use and multigenerational development for new homes, aged-care, childcare, leisure and medical facilities right in the heart of the Joondalup CBD. The development will help people to downsize without leaving their community, and support people to age in place. It is located near Joondalup Health Campus, Edith Cowan University in Joondalup, and directly across the road from Joondalup train station and Lakeside Shopping Centre. It is the very definition of an important infill development in a strategic location.

Our state government is also actively working on Connect Joondalup, another new mixed-use development in the Joondalup CBD. It is located across the road from the HBF Arena, near Joondalup Health Campus, directly adjacent to the North Metropolitan TAFE McLarty campus, and 900 metres walking distance from our Joondalup train station. We are committed to working through the process of unlocking that land, and I look forward to continuing to work with Minister Carey to make sure that we are looking at possibilities for this site.

One of the largest and most impressive developments, which is well underway, is our \$223 million landmark Ocean Reef marina development, which is set to be a thriving coastal hub, a world-class tourism destination, and most importantly, a wonderful location for our community to enjoy. I really like taking every opportunity to speak about this wonderful project. It is a fantastic development. We have recently seen the completion of the massive breakwaters, and the land-based works have commenced and are well underway. The first of these will be the new facilities for the Ocean Reef Sea Sport Club, Marine Rescue Whitfords, the Joondalup City RSL, the new public beach and Perth's first ocean pool. As works continue, we will also see the preparation of land to the north for the development of residential dwellings that will be incorporated into the marina. They will offer a range of diverse housing that I know my community is keen to hear about. We expect the first residential lots to be released next year.

This year, the City of Joondalup is celebrating its twenty-fifth anniversary. In that time, there have been few truly tall developments in our city centre, but the 17-storey ArtHouse Joondalup apartment building was completed in 2020. It is now Joondalup's tallest building and is really shaping our iconic skyline. This legislation will help more iconic city centre skylines spring up across Perth, including in Joondalup. In many areas there are height limits for development but, importantly, in Joondalup, there are no height limits. By setting the right climate as government, we continue to make sure that new housing and apartments are easy to deliver in existing strategic areas. This legislation will support a range of households, whether owner-occupied or renting, to get into and afford a high-quality home. It means that people can live or downsize in place around family, friends, healthcare and community. It provides the opportunity to live close to high-quality public and road transport options, the stunning coast in Joondalup, or close to Yellagonga Regional Park.

The Australian Bureau of Statistics data tells us that Joondalup has a 25 per cent component of locals under the age of 25 years old. A large number will be young people wanting to enter the housing market, or a student studying at Edith Cowan University. For this cohort, this legislation will make it easier to develop dedicated housing catering to the needs of international and domestic students. Our Cook government is using every lever to increase housing supply, provide more housing options for the WA community and improve housing affordability. The legislation will enable large-scale build-to-rent developments that will increase the availability of long-term rental housing in the state, particularly in areas where there is a shortage of affordable rental properties, delivering the possibility for greater choice and diversity to meet the needs of everyday Western Australians. Build-to-rent opportunities will assist in providing housing choice that will stabilise the rental market and enable more properties to come online to meet demand now and into the future.

As the member for Joondalup, I am proud that we are well positioned, as Perth's second CBD, to support this build-to-rent legislation. I welcome this investment and opportunity in our city centre. The bill is a testament to this government's dedication to the wellbeing of our state, and paves the way for a brighter future for all Western Australians. I commend the bill to the house.

MS M.J. HAMMAT (Mirrabooka — Parliamentary Secretary) [5.55 pm]: I rise to make a contribution to the Land Tax Assessment Amendment (Build-to-Rent) Bill 2023 that is before the house this evening. As others were before me, I am also very excited to talk about this legislation. It is an important part of our work to ensure that we have housing diversity and supply for the people of Western Australia. It is incredibly important to do that, particularly for the people that I represent in my electorate of Mirrabooka.

This bill will ensure that there are tax concessions for build-to-rent projects, aiming to reduce the barrier to investment and grow build-to-rent developments as a feature of our state. It is not common in Western Australia, but it is common in other places. Around the world, the idea of large-scale build-to-rent developments is not unusual. Here, in Western Australia, there is not the same culture of embracing apartment living compared with other parts of Australia. This is a way to provide stimulus to achieve greater investment in build-to-rent developments. It meets a need in the market, one which I have identified very clearly in my electorate of Mirrabooka, where there is a larger number of people in rentals or seeking rentals. The ability to access a rental property and do so long term is incredibly important.

The bill will introduce a 50 per cent land tax concession for build-to-rent land use developments. It was introduced in the state budget, and it will apply to eligible new build-to-rent developments in the 2023–24 land tax assessment year. A list of criteria will have to be met before the concession can be accessed. Others before me have listed and identified those criteria, but I think it is important to have solid criteria so that properties will be built and developed for the purpose of renting. In my view, that is the critical piece to ensure that we increase the supply of rentals, and doing that in way that increases the density of housing generally. One criterion for the concession is that at least 40 self-contained dwellings in the development will be available for lease. It will create a higher density of housing and ensure that those properties will be available for residential purposes.

I will talk a little bit about the Mirrabooka electorate before I talk more broadly about the work that this government is doing around housing. I am very conscious every day of the issues and concerns faced by renters in my electorate. Other members in their contributions today talked about that. The rising costs of living and the general lack of supply—particularly of rental properties at the moment—are no doubt creating challenges for people right across the Perth area, and I definitely get that feedback from the people who I represent as well. A higher number of people in the Mirrabooka electorate rent compared with the greater Perth area. Based on the census data that I saw we have a total of 30 per cent rentals compared with about 25 per cent in the greater Perth area, and a large number of those are in social housing. Again, there is a greater proportion of people in social housing compared with the greater Perth area.

Private rental is the fastest growing category in my electorate compared with home ownership and other forms of rental. It is a substantial number and is increasing more quickly than any other form of home ownership or access to housing. Interestingly, houses are more likely to be on the smaller side. Around the greater Perth area, about 36 per cent of houses have three bedrooms and about 36 per cent have four bedrooms. In Mirrabooka, more than half are three-bedroom homes. I think that reflects on the history of the area—that larger blocks in places like Balga, Girrawheen and Koondoola have been subdivided and infill is taking place. We have seen an increase in density to what would generally be considered—I am no planning expert—medium-density housing.

This proposal will encourage higher-density housing. It is interesting to look around my electorate. We have land in the Mirrabooka town centre that has been sitting vacant for some time. I hope that these proposals will encourage the development of this kind of apartment-style living. I can see a number of blocks in the Mirrabooka town centre that would be ripe for that kind of development. Indeed, the demand for housing clearly exists in my electorate. That is a clear example of how these kinds of proposals are really valuable for stimulating the private sector to step in and build the housing that we need and to start to meet the housing shortage that exists in the community generally.

The government has been doing a number of things in housing, and I want to commend Minister Carey, in particular, for his leadership in the broad range of strategies and approaches that the government is taking to ensure that there is housing for people throughout the community. Everyone wants a place to call home and we are committed to doing everything possible to increase the supply of both social and affordable housing. We are investing a record \$2.6 billion into social housing and homelessness measures, which will deliver a total of 4 000 new social homes. We have already delivered 1 300 new social homes, with a further 1 000 homes under construction or under contract. We are using innovative reform programs to speed up the delivery of social housing, including timber frame builds, modular housing and the spot purchasing program. We have reduced interest rates for the Keystart loan program, to make it easier for people on low incomes to buy their own home, and we have increased income and asset limits for the bond assistance scheme, making it easier for people to get into their own rental property. I am proud to be part of a government that is delivering on housing to the people in our community who need it most, and this bill is another plank in the whole suite of measures that the minister is pursuing. It is really important for stimulating large-scale build-to-rent developments.

This legislation is about increasing the capacity of the rental market and providing more rental properties to meet future demand. Every time there is consideration of housing, one of the key factors is ensuring that we have a diversity of housing supply. We are increasing housing supply, but also ensuring that there is diverse housing because clearly different people have different needs and different aspirations. This is another way of stimulating the market to ensure that we provide that diversity across the board, both in where people live and in the kind of housing they live in. Western Australia, in particular, is very attached to freestanding dwellings on relatively large blocks, but that does not suit everyone. As the population ages, of course, there is more and more demand for apartment-style living, where people do not have the concern of having to look after a large garden or any garden at all. Again, that is one of the issues that this legislation will help to address.

As the population ages, people often do not want to move out of their communities; they have deep attachments to the places in which they live. They have friends and social connections and are part of social groups; they might have family members nearby. They do not want to have to sell the family home and then move a long way away to access an apartment-style or smaller dwelling to live in. People want to stay in their communities where they have all those important social networks, but they often do not want to stay in a large family home. This legislation, again, encourages diversity of housing supply right across the market, recognising that, as our population ages, there is increasing demand for different styles of housing. For those reasons, this is a very good bill that clearly will address what we can see coming.

In the time left to me today I want to talk more broadly about issues around housing. It is an issue that has certainly been on my mind, as member for Mirrabooka, but it has also been a central concern for this government. As I said, we have been doing a range of things to boost housing supply to ensure that we have adequate supplies of social housing and to increase the accessibility of affordable housing so that people are able to access the homes they wish to live in. One of the things that is quite striking about Western Australia is that we have a sprawling metropolitan area. I think one of the members who spoke before me mentioned that the metropolitan area spans 150 kilometres up and down the coast. Typically, people live in single dwelling-style houses, and Western Australia has a substantially different housing profile from that of other states in terms of our love affair with single-style dwellings.

I am just trying to find the statistics—hopefully I will come across them shortly—but in WA about 75 per cent of the housing stock is that style of standalone house. I cannot find the figures but, from memory, in NSW it is about 55 per cent. They have a much smaller proportion of single dwellings and a higher proportion of apartments and medium-density housing. Of course, Sydney has plenty of urban sprawl as well. We have the luxury of space and so we have spread out, but that creates all sorts of other challenges for us as a community. Something that frequently comes up is that that large spread does not facilitate other forms of active transport. Our suburbs are spread out and people choose to get around, for the most part, in cars, so it becomes much more difficult to travel using other active transport means—walking, cycling and what have you. Stimulating an increase in the diversity of housing and increasing housing density will ensure that we are also doing some really great things that will make our suburbs and communities more livable. They will be easier to get around in forms of active transport. I know that one of the things the Minister for Transport is incredibly passionate about is ensuring that, as part of the development of our Metronet projects, we are doing work to have accommodation around the transport hubs that will be created by Metronet. That will ensure that we unlock the potential that comes from the Metronet transport investment by creating hubs around train stations for retail, housing and density around train lines.

Of course, that makes sense. When people visit cities around the world, it is very clear that that ability to live in medium-density housing and use active forms of transport is very important to ensure that people have places to live and a really good quality of life as well. That is positively associated with better health outcomes and better satisfaction overall.

Housing affordability is part of the consideration as well. Increasing housing density and unlocking build-to-rent programs will improve the livability of our communities, but it is clearly also about having a diversity of housing and making housing affordable. I refer to the Bankwest Curtin Economics Centre's report *Housing affordability in Western Australia 2023*, published in May 2023. This very detailed piece of work looked at what housing affordability looks like in WA and how it compares with other states. The report found that although housing affordability has decreased in Western Australia in recent years as a result of both interest rate rises and rent increases, WA remains one of the most affordable cities to live in Australia. The analysis showed that the median dwelling value in greater Perth was just under \$573 000—a whopping \$453 000 less than greater Sydney! Only Darwin had a lower median housing value than Perth; all other capital cities were above Western Australia. There were similar results in regional WA, which is cheaper than everywhere but regional South Australia. Affordability is clearly not uniform across Australia, but in comparative terms, affordability remains very good in WA. We are ahead of other states. It is really important to remember that in the debate about access to housing.

Another key consideration of the report is the structure of dwellings. I refer to the statistics that I was trying to find earlier. The report states —

The housing stock in WA remains dominated by separate houses (75.5 per cent in Greater Perth ...

That means that 75 per cent of our housing is separate houses, as opposed to units or semidetached dwellings. Basically, there has been little change in dwelling structures over the last 10 years. Despite successive governments having a focus on diversifying housing supply, it has not changed over the past 10 years. We have had a long-term attachment to single dwellings. This bill will go a long way towards ensuring that we are able to start making changes and stimulating more density in housing.

[Member's time extended.]

Ms M.J. HAMMAT: I am conscious of the time; I do not want to dwell on this too long.

The other important thing about the BCEC housing affordability report was that it identified that policy settings to stimulate build-to-rent investments should be a priority. BCEC clearly understands the important role that this legislation will play in stimulating alternative kinds of building.

I have already spoken about our government's commitment to social housing, which is the other piece of the puzzle. We are doing a number of things in that space to ensure that we increase the supply of social housing for people who need it.

Ensuring that we have the right kinds of houses in the right places so that people are able to find the homes they need is a complex issue. It is not a simple equation. I again refer to some work done by the Bankwest Curtin Economics Centre—a report titled *Perth infill housing future* and released in 2017. This is a very detailed piece of work—in fact, it is a whole book—that looks at some of the things that are impacting on housing diversity, as well as how to stimulate infill to provide diversity. The report found that it is not as simple as people choosing a particular style of home. People generally consider both the affordability and location of homes. Not surprisingly, if we surveyed people on where they wanted to live, many would say that they would like to live near the CBD, but the price of housing close to the CBD is equally important. When making decisions about housing, people weigh up where they want to live—somewhere that is close to work, schools, family and amenities—versus where they can afford to live. This goes to the heart of the issue about creating more diversity. If we stimulate the development of more medium-density and high-density apartments, we will potentially give people the opportunity to live closer to the city in a more affordable apartment-style home rather than a standalone home. We need to understand that people take into account a whole range of considerations when thinking about where they want to live. My community of Mirrabooka is close to the CBD and has a large amount of land that could be easily and sensibly developed into high-density housing. It would be great to have a train line to go with it.

Mr D.J. Kelly: MAX light rail.

Ms M.J. HAMMAT: Yes, that is right—MAX light rail. It was long promised but never delivered—not by us, I hasten to add for the purposes of *Hansard*. We never promised to deliver that.

Mirrabooka is close to the city and has land available. This proposal to stimulate investment in build-to-rent apartments will be incredibly valuable, particularly for the people who live in my community. People want to find a home that is close to their work, family, schools for their children and what have you. Being able to access housing in the right location at the right price is key to being able to meet people's housing needs.

I will bring my contribution to an end. I really wanted to reflect that the key to satisfying the demand for housing is not about pulling just one lever; we need to pull a number of levers to meet the diversity of demand. The key for people to be able to find the home they want at a price they can afford in the location they need is really about ensuring that we have a diversity of housing, in terms of both where those houses are located and the style of those houses, and the kind of density that comes with it. That is true whether someone is experiencing rental stress, might be in social housing or is ageing and no longer wants to live in a freestanding home. We need to recognise that people will be looking to accommodate a wide range of circumstances in their housing choice. The best way the government can help is by ensuring that it pulls levers that will create a diversity of housing right across the metropolitan area. We understand that we can no longer continue to sprawl the city along the coastal strip by building standalone homes. The only way we can have a sustainable and quality community into the future is by ensuring that we develop different styles of housing in different areas to meet a wide range of community needs. Our government is committed to doing that.

I commend Minister Carey in particular for his work in meeting the need to provide additional social housing. I know that issue is on the minds of many of the people I represent in Mirrabooka. I know that he is doing everything he can to ensure that we meet that need and build homes as fast as we can, to ensure that people have a place to live. I want to commend the parliamentary secretary for his work in bringing this bill before us today. It is great to have the opportunity to talk about some of the things this government is doing in the housing space to meet the need for diverse housing, affordable housing and social housing. With that, I commend the bill to the house.

MR D.J. KELLY (Bassendean) [6.19 pm]: I am very pleased to speak in favour of the Land Tax Assessment Amendment (Build-to-Rent) Bill 2023.

Other speakers have spoken about the importance of secure housing in the lives of most families. I often think about my recollections of growing up. We were a large family on a reasonably modest income, and I remember two things about my childhood that meant I really did not understand that the family did not earn a lot because I did not see us as particularly struggling. One thing was that my father had a secure job. He worked for the Fremantle Port Authority in the customs office. My father was never unemployed, so the family always had a continuing income. The other thing was that we always had a roof over our heads. My father had been in the Second World War, and when he came back, he got access to a veterans' loan. We always had an income, and we always had a roof over our heads. For those reasons, I never really thought that we were in difficult financial circumstances. My mother would sometimes say, "If I ever win the lottery, I am going to buy you nothing but Kentucky Fried Chicken until it comes out of your eyeballs because I am sick of you asking us for it, and we just can't afford it." That memory is there, too, but thankfully we could not afford that rubbish. We did not have a lot of money, but we had a secure income and a secure house.

I really did not understand how difficult housing can be for people until I got my first job out of university in the electorate office of Dr Carmen Lawrence, who was first elected to Parliament in the electorate of Subiaco. I was one of her electorate staff. Her electorate of Subiaco included the apartments in Herdsman Parade, near Wembley. Most of the apartments were private, but some were government apartments. The thing that could change people's lives the most was getting access to a secure government house. Meeting people who were so traumatised by the fact that they did not have a secure roof over their heads was new to my life experience. I think a lot of people in Western Australia who have never experienced potential homelessness do not have an understanding of just how difficult life can be without a secure roof over someone's head. Of course, now I am an MP, I unfortunately see it much too often.

I am very happy to speak on this bill. The bill is one of the measures this government is taking to improve housing supply. It will mean a 50 per cent reduction in the amount of land tax that will be paid on land used for build-to-rent developments. Those developments are not really part of the current housing landscape in Western Australia. Most developments are built to be sold freehold, and the idea that we would try to encourage developers to build significant housing developments and then rent them out on a long-term basis is really quite new. The land tax reduction will apply to developments that have 40 or more dwellings, and the development must be completed between 2 May 2020 and 1 July 2032.

Importantly, dwellings must be offered for three-year residential leases. We are trying to encourage the notion that people can rent and have security. In other countries, people rent all their lives, but they have a secure roof over their heads. Here, renting is seen as an insecure form of housing, and that is partly because leases are so short, so the discount will apply only if the apartments or dwellings are offered for three-year rental leases. I note that there is an option for dwellings to be let for shorter periods at the request of the tenant. When this concession is put into place, I am sure that there will be some way of ensuring or monitoring that, when developers complete the homes and offer them to the market for three years—saying that they will accept shorter lease periods at the request of the tenants—the developers do not offer the leases to the tenants who are prepared to take them on the shortest possible basis. I can imagine that, at the moment, if five rental properties were put on the market and offered for three years, people could offer to take them for shorter periods and might see that as a way to get into the development. Tenants might offer to take it for a year, and the developer then takes everybody who is prepared to accept a lesser period. That would in some way defeat the purposes of the longer term rental option, but I am sure the minister and government have thought of that and will monitor how that plays out.

I note that this concession will exist for 20 years, which shows it is a long-term commitment by the government. It also mirrors land tax concessions in New South Wales, Victoria, South Australia and Queensland that have either been put in place and are available or have been announced.

More broadly, as a government, we are committed to providing more housing options. Other speakers have talked about Perth's sprawl. It often looks like a city that goes from Bunbury to Geraldton. The city lacks options for people who do not want the traditional four-by-two house in a suburb. People want options to have smaller houses closer to transport.

When I was a bit younger, I spent three years living in London, and I was really quite amazed at the housing options in that city. When I got to London, I was lucky enough to stay with some friends of friends, as Australians often do. English people meet one Australian and then for years after that they have a steady stream of Australians knocking on their door. I lived with a guy called Graham who was the same age as me, in his early 30s, and lived in a flat owned by the council. It was a third-floor, three-bedroom flat. He and his two mates lived there, and it was fantastic. It was close to the centre of London and public transport. So many buses went outside their front door that they did not even need a bus timetable. I asked him for the bus timetable for the area and he said, "We don't have them."

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Just go and stand outside the front door, and there will be a bus.” There were eight pubs within 100 metres and supermarkets nearby. It was the ideal living arrangement for a young person who did not want to have the burden of a huge mortgage.

A lot of people in Perth, young and old, would like these housing options close to transport and other amenities. The government was very keen to provide this. In my electorate, the Town of Bassendean is very keen to have these types of developments in the town. It has three train stations—Success Hill, Bassendean and Ashfield. They are all ideally suited to apartment dwellings. This is a little advertisement! There is a 3000-square-metre block of land directly across the road from Bassendean train station, next to Old Perth Road and the Bassendean Hotel, which has recently been refurbished. The land is currently a car park. The town is very keen for it to be developed as apartments. It would be happy to consider proposals for six to eight storeys on that block. The trouble is that with the construction market the way it is, the town is struggling to find a developer willing to develop that block, even though it ticks all the boxes. That is the sort of project that will benefit from this bill, with a reduction in the land tax paid by the developer. I commend the government for bringing this bill forward. The housing minister in particular is fond of saying that he is looking to pull every lever that the government has to increase housing supply, and reducing land tax is one of the levers that the housing minister is using, in conjunction with the Treasurer.

There are other things we are doing. The flip side of building apartments for people to rent is reforms to make the life of renters more secure. I commend the government for the announcement it has made about tenancy reform. We have some of the most antiquated residential tenancy provisions, not only in Australia, but in the world, so tenants in Western Australia feel particularly hard done by. One of the reforms that the Minister for Finance has announced is to allow tenants to make reasonable modifications to apartments or houses they rent—for example, painting the inside of the house or putting pictures on the walls—that now all require the approval of the landlord, but will not under the reforms. Another reform is limiting rent increases to once a year and prohibiting rent bidding by which landlords actively seek to have tenants bid against each other. Unless landlords can show a compelling reason why not, tenants will be allowed tenants. There will be new and quick dispute resolution procedures for the Consumer Protection division. People currently need to go to the Magistrates Court. There will also be an easier process for tenants to access their bonds when they leave.

They are all really good reforms. Other things have been called for, such as the establishment of a minimum standards for energy efficiency or climate resilience in tenancies. They are not part of what has been announced, but I understand the government is still considering those reforms. It is a burden for tenants to live in houses that are draughty and have no insulation in a climate with extremes of weather, and I understand the arguments in favour of those reforms that are still being considered by the government. Likewise, there has been a request that we end no-cause evictions. The current announced reforms do not include that provision. The arguments for ending no-cause evictions are pretty straightforward. It is very difficult for tenants to feel secure and to exercise some of the other rights in the reforms already announced if there is a feeling that at the end of the lease, the landlord can simply evict the tenant without any requirement to show a just cause. The government has said it understands the reasoning behind the request, but the government does not want to implement that reform in the current market circumstances because it does not do anything that would be seen by developers as a disincentive to them building new homes. I certainly understand that argument, but I hope in due course when the market normalises, if you like, and some of the heat goes out, the government looks at that issue again to see what can be done to end no-cause evictions.

I really commend the government and the Minister for Housing in particular for the determination to see more homes built here in Western Australia. There is this reform, the reforms of tenancy legislation and the record investment in public housing at \$2.6 billion, which I understand will build a targeted 4 000 homes. As the Minister for Housing says, this government is pulling every lever it can to increase housing supply. I commend the government for its actions and for this bill.

MS C.M. TONKIN (Churchlands) [6.36 pm]: I rise in support of the Land Tax Assessment Amendment (Build-to-Rent) Bill 2023. More than 800 000 new homes are needed to accommodate the expected growth of the population in Perth and Peel regions to 3.5 million over the next 30 years. That is a phenomenal trajectory of growth. The Cook government is particularly committed to boosting the supply of affordable housing in response to this need and is implementing a number of initiatives accordingly. This includes the concession on land tax for build-to-rent projects introduced in this bill. This concession aims to reduce the barrier to investment and grow the build-to-rent industry across our state. The member for Bassendean highlighted a piece of land that would make an ideal apartment development and indicated that this kind of incentive found in this bill may be useful in attracting a developer. Large-scale build-to-rent developments by which apartments and other dwellings are developed to provide rental accommodation rather than being sold are a relatively new model of urban housing in Western Australia. The model provides a number of benefits, in particular providing more stability for renters who are better protected from changes in the property market and opening up for new innovative housing initiatives.

What will this bill do? The Land Tax Assessment Amendment (Build-to-Rent) Bill 2023 will amend the Land Tax Assessment Act 2002 to introduce a 50 per cent land tax concession for land used for build-to-rent development. The concession was announced by the government as part of its 2022–23 state budget, and will apply to eligible new build-to-rent developments from the 2023–24 land tax assessment year. The concession for eligible development will reduce the taxable value of the land by 50 per cent, substantially lowering the amount of land tax payable.

What is the eligibility criteria? A number of criteria needs to be met to ensure that the benefits of the build-to-rent model can be realised. The land containing the development must be owned by the same owner or group of owners and managed by one management entity. The development must have been constructed or substantially renovated for the purpose of providing at least 40 self-contained dwellings for lease under a residential tenancy agreement. Forty self-contained dwellings is necessarily higher density. The dwellings in the development must be able to be occupied between 12 May 2022 and 30 June 2032. That gives us a few years to get some of these build-to-rent projects off the ground before our population hits 3.5 million. The dwellings must be available for rent for a term of at least three years, although residents can choose a shorter lease, which will provide for greater flexibility.

Importantly, social housing is recognised in the Land Tax Assessment Amendment (Build-to-Rent) Bill 2023, which will allow the development to be restricted for this specific purpose. Tax reform incentives like this can deliver a boost to housing supply, improving choice and building more livable communities in our state. This is a really useful initiative, but build-to-rent developments are much more common in Europe and North America than they are here. In fact, renting is much more common than housing ownership in many parts of the world. In Canada, where I have family, different terminology is used to identify build-to-rent higher density developments from housing that is built to buy. Rentals are called apartments and those that are individually or jointly owned are called condominiums. In the area of Orleans, a part of Ottawa where some of my family lives, I have noticed a large number of new apartment developments in which housing units are available to rent. The growth of these sorts of developments in Ottawa has been occurring over the last few years.

The ABC recently reported on the housing situation in Vienna, Austria, a city where I lived for three years when I was working for the International Atomic Energy Agency. About 60 per cent of Vienna's nearly two million residents live in some form of social housing, which is extraordinary. We see social housing as being at the margins. In Vienna, social housing is part of the way that the majority of people live. In fact, most of the housing in the city is apartments that are rented; it is a city of renters. Social housing in Vienna gives people access to low rents, secure tenure and quality accommodation. People must meet eligibility criteria to initially start renting social housing but they can remain in their apartment for the long term even if their circumstances change. A person who is on a low income when they go into social housing is allowed to stay in their accommodation even if their circumstances change; people can stay for the long term and gain the benefits of stability and quality housing that that delivers.

The extent of social housing in Vienna is a legacy of a city government that came to power after the Second World War. This government built Gemeindebauten, or large-scale public housing estates. The most famous of these is Karl Marx-Hof, which was named after the author of the Communist Manifesto. Completed in 1930, it is a one-kilometre structure that can house thousands of people. It remains one of the longest residential structures in the world and is quite something to behold. The building is in the district of Döbling. It spans four Straßenbahn stops and is built on land that was reclaimed from the Danube River. The building occupies only 18.5 per cent of the site on which it stands and is surrounded by play areas and gardens and includes many community amenities. Apartment living in Vienna is certainly the norm, and it is one of the factors that makes Vienna one of the world's most livable cities.

When I lived there, I rented a fourth-floor apartment in an area close to the city on Lerchenfelder Straße. Each morning, I walked along my long street through the old city and passed the Hofburg to Schwedenplatz to catch the U-Bahn across the Danube River to the Vienna International Centre, where I worked. There was no disadvantage to apartment living in Vienna and certainly no stigma for those living in social housing; it was normal. By contrast, here in Perth we have the vociferous public discourse that denigrates the building of higher density housing, including high-rise apartments, as infill developments. High-rise apartments have a smaller footprint than lower density unit complexes and therefore provide better opportunities for associated amenities, including deep planting landscaping. My colleague the member for Thornlie eloquently explained the pitfalls of contributing to Perth's urban sprawl by building cookie-cutter developments of single houses on vacant land in outer suburbs. Some, like the member for Cottesloe, suggested that high-rise apartments should be built anywhere other than in the western suburbs and certainly not on the coast around Cottesloe. I find those perspectives perplexing because developers do not buy apartments for which there is no demand. High-rise apartments are snapped up because that style of housing meets people's needs. They may want to downsize to stay in their community. A complaint I often hear from older people in my community is that there are limited opportunities for them to downsize and remain in the neighbourhood they know and love. Others may be attracted to an apartment as a more affordable alternative to a house. An affordable apartment is a great option for younger people to either rent or buy. There are investors who see higher density housing as a way of generating a return on investment. Incentives for investing in higher density housing is very necessary to address our current housing shortage but having

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a mix of housing options as infill, especially close to public transport, makes for much more livable cities, and it would certainly present more options for people who want to live in my electorate.

The land tax concession on build-to-rent projects is just one of a number of options that our government is implementing to improve the affordable housing supply. We are investing a record \$2.6 billion in social housing and addressing homelessness. Almost 1 300 dwellings have been delivered, with a further 1 000 under contract. We are limiting unsustainable urban sprawl by encouraging greater density and infill across existing suburbs. The housing density pipeline to unlock lazy land, in conjunction with the \$80 million infrastructure development fund, aims to drive infill and apartment developments in key urban precincts. We must increase housing density to meet the challenges of housing supply in the face of a growing population. Increasing housing density as infill in existing areas is good for the environment and good for us. Having lived in apartments in very densely populated cities around the world, I know and understand the benefits of that and the benefits to the environment. We cannot continue to increase urban sprawl. The concession on land tax for build-to-rent projects will provide yet another lever to achieve this end. I therefore commend this bill to the house.

Debate adjourned, on motion by **Ms C.M. Rowe**.

House adjourned at 6.51 pm

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Questions on notice

Questions and answers are as supplied to Hansard.
