

BUILDING SERVICES (COMPLAINT RESOLUTION AND ADMINISTRATION) BILL 2010
BUILDING SERVICES (REGISTRATION) BILL 2010
BUILDING SERVICES LEVY BILL 2010

Second Reading — Cognate Debate

Resumed from an earlier stage of the sitting.

MS R. SAFFIOTI (West Swan) [3.12 pm]: I continue my remarks from before the lunchbreak; I do not think I have 30 minutes because I was speaking beforehand. I finished speaking about the Building Commission.

Mr R.F. Johnson: I don't think it was 30 minutes.

Ms R. SAFFIOTI: No; I do not have 30 minutes of material. I might do what everyone else does: speak for 30 minutes with two minutes of material.

Basically, I was talking about the relationship of the Building Commission with local government. As I said, that will probably be further explained in the Building Bill 2010, which we are not currently debating. I understand that the Building Commission will be the regulator and local governments will continue to issue building licences. I want to understand the relationship between when the building surveyors come out from local government to check that everything is done, and the Building Commission and the disputes process that leads from there.

Another issue relates to owner-builders. Just to declare an interest, many of my relatives are in the building industry as tradies, builders and project members. One issue I return to in relation to owner-builders is the emergence in the owner-builder industry of project managers. These people are employed by owner-builders to manage the project on behalf of their owner-builder.

Mr M. McGOWAN: In light of the absence of a minister, I draw your attention to the state of the house.

[Quorum formed.]

Ms R. SAFFIOTI: I was expecting a rush of people to come to listen to my speech. There is still no minister, though.

As I said, an increasing number of people in the owner-builder industry use what are known as project managers or people assisting owner-builders. This legislation does not cover that aspect of the industry. An area of the legislation that probably needs to be looked at is the relationship between a project manager and the owner-builder in managing buildings. I will touch upon that when the minister returns to the chamber, because I think it is probably worthwhile.

The other things I would like to talk about relate to the building services levy. I do not think the member for Rockingham or I have received any information about how the levy will be set and how it compares to the current rate. I understand that under the current system the levy is a proportion of the total value of the construction costs, but I am not sure how that will be set and how it will fund the commission. I do not have information on whether it is hypothecated revenue to the Building Commission. I would like to get that information from the minister in his second reading response.

The last bit of my speech is in relation to the Building Services (Complaint Resolution and Administration) Bill.

The ACTING SPEAKER (Ms L.L. Baker): Order! Can members please take their conversations outside the chamber.

Ms R. SAFFIOTI: I have not received a lot of complaints about the dispute and resolution process, but, in relation to the balcony collapse, there seemed to be a real gap in where people can go for information. Any process by which disputes can be handled in a quicker and more efficient way is a good thing. Having that step before the State Administrative Tribunal is a good thing. The legislation allows for the Building Commissioner to receive complaints in their initial form. That is a very good thing.

Overall, this package of reforms seems to be streamlining the process and making it easier for people. There is a lot of contention in relation to owner-builders. As I said, I support owner-builders; with a family full of tradespeople, of course I support owner-builders. A lot of detail needs to be worked out on how these owner-builder courses will operate. A key question will be: what type and length of course will an owner-builder need to undertake before getting a licence? The owner-builder industry has seen the emergence of the project manager—someone who facilitates a project on behalf of the owner-builder. That aspect is not mentioned in this legislation, but is happening more and more in the community.

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It is very good to have more financial controls in relation to builders. We talked about the clause covering the capacity of builders to manage multiple contracts and ensuring that, as is often demonstrated on programs such as *Today Tonight* and *A Current Affair*, families are not left with half-completed homes or homes built in an unsatisfactory way. I had wanted to ask the Minister for Housing a few questions about the owner–builder aspect and also about the local government aspect, but he is not in the chamber.

Mr R.F. Johnson: He will be back in about a minute, I'm told.

Ms R. SAFFIOTI: I also have a message for the minister from Mabel! I am sure he would want to hear it!

Mr M.P. Whitely: Mabel?

Ms R. SAFFIOTI: Mabel has something to say, from this morning! Mabel received the information that the minister is very keen to fix the bus stop issue, and Mabel said, "This minister must be a very good man"!

Mr R.F. Johnson: She is absolutely right!

Ms R. SAFFIOTI: Pardon?

Mr R.F. Johnson: Mabel is right!

Ms R. SAFFIOTI: She does not agree with some of the previous comments of the Minister for Police! That is all I have to say about these three bills. As I said, I had wanted to do the Mabel joke while the minister was in the house, but he is not here.

Mr R.F. Johnson: You will have to leave that until a later stage!

Ms R. SAFFIOTI: We will pass, thanks.

MR M.P. WHITELEY (Bassendean) [3.20 pm]: It is a little disturbing that we are talking about the Building Services (Complaint Resolution and Administration) Bill 2010, the Building Services (Registration) Bill 2010 and the Building Services Levy Bill 2010 when the Minister for Transport is not in the house. The Leader of the House has said that he will be here in a minute or so. I want to outline some concerns that I have with the Building Services (Complaint Resolution and Administration) Bill 2010. I will try to keep this brief, because I do not want to delay the house. But to actually achieve anything, we need to have the ear of the minister. The minister needs to be sitting here, listening to this debate.

Mr R.F. Johnson: The minister's advisers are taking note of everything you say, I can assure you.

Mr M.P. WHITELEY: I am grateful that the minister has now come into the house, so I will stop complaining about his non-attendance.

The member for West Swan made some very good points about some of the possible implications of these bills for owner–builders. The minister did not have the opportunity to hear those points, so the member for West Swan will now have to rehash those points in consideration in detail, and the minister will not have an opportunity to respond at the end of the second reading debate.

I have a strong interest in housing affordability, not only because that is one of my responsibilities on behalf of the opposition, but also because it is a key issue in my electorate. Many low and middle income people are being locked out of the housing market. That is largely a result of the massive growth in the median house price. I believe—this is just from memory, so members should not take this as a precise measure—that over the past 20 years, the cost of housing in Perth has increased from 3.5 or four times annual average earnings, to about seven or eight times average annual earnings.

Homeswest, and other not-for-profit housing providers, such as Foundation Housing, which have in the past been providing housing of last resort, are now increasingly taking on the role of providing housing as the first and only resort. However, they are failing in that role, because they cannot keep up with the demand due to the massive growth in house prices and the consequent fall in housing affordability.

Mr T.R. Buswell interjected.

Mr M.P. WHITELEY: The minister should control his excitement about Mabel! She has declined to meet him, actually!

Mr T.R. Buswell: That is not what I just heard! What was your comment about community housing?

Mr M.P. WHITELEY: It is simply that an increasing burden is falling on community housing providers, be they Homeswest or the not-for-profit sector. That is evident in my electorate office every day when we get requests from people who are trying to get a house. I have to be blunt with all but the most desperate of those people and say that their chances of getting a house in the short term are not very good. As I have said, I have a keen interest

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in this issue, not only as a local member, but also because I have responsibility for this portfolio on behalf of the opposition. The issue of housing prices is a double-edged sword. To use a decline in housing prices as a mechanism for making homes more affordable is not a desirable outcome. I say that because for many people, their home is their main financial asset. I include myself in that, I might add. I was one of that fortunate generation who bought into the Perth housing market when housing was very affordable. That has allowed many people on middle and modest incomes to accumulate a considerable amount of private wealth as a consequence of the rapid growth in house prices not only in Perth, but also in regional Western Australia. However, that has effectively locked out many people in the next generation. I have a 20-year-old son and a 16-year-old son. When the time comes for them to buy their first home, they possibly will not be able to do that unless they are on a high income or have the support of their parents. That is not an ideal situation, because it means that people who are not born into wealthy, or at least moderately wealthy, backgrounds will not have the opportunity of first home ownership. Another reason that it is not desirable to have a decline in house prices is that many of the people who bought into the housing market subsequent to 2007, when there was a housing price peak in Perth, could end up with negative equity in their home, and that could destroy their prospect of using the equity in their home to finance small business opportunities and the like.

As I have said, it is not desirable to have a decline in housing prices. However, we need to find ways of making homeownership more affordable. There are not any simple solutions. The first home owner scheme has come in at various times and at different levels. It is debatable how much that scheme actually benefits first home owners and how much it is just a transfer of wealth from taxpayers into the pockets of existing homeowners and developers. I am sure that empirical studies have been done on the effect of the first home owner scheme. I am not privy to those studies, but I am certain that the increase in house prices as a result of first home owner subsidies is limiting the benefit that first home owners derive from that system.

The key to making houses more affordable may be to build housing stock that reflects the demographic movements in our society. The size of households is decreasing at the same time as the size of houses is increasing. In other words, the average number of people living in a dwelling is declining rapidly.

Mr T.R. Buswell: The average number of square meters per person.

Mr M.P. WHITELY: Yes. That is occurring at the same time as the number of bedrooms and bathrooms in the average dwelling is increasing rapidly. Previous generations, in which five kids were brought up in a two bedroom or three-bedroom house, are now being replaced by a mum, a dad and one kid in a four bedroom, two-bathroom house, with a family room and a games room and all the other trappings. Perhaps we need to encourage a change in the housing mix to reflect that changing demographic.

There are a lot of options, not always easy, when it comes to making housing more affordable. It is obvious that anything that increases the quality of building but not the cost of building is unambiguously good, and anything that increases the cost of building but not the quality of building is unambiguously bad. I do not believe that this legislation will have any deleterious impacts on housing affordability. However, there are some questions that I will be taking up with the minister during consideration in detail.

I turn now to the Building Services (Complaint Resolution and Administration) Bill 2010. The then Minister for Commerce, Hon Bill Marmion, said in his second reading speech that the key reform in this bill is to improve the building complaint and dispute handling process. I understand that the new process is going to be a two-stage process, with the introduction of a conciliation process followed by, if conciliation does not work, a handing over of the dispute to the State Administrative Tribunal. On the face of it, that presents a good option; conciliation is preferable to adversarial processes and is certainly preferable to civil redress through the courts. On the face of it, that looks like a good initiative that may actually help to take some of the pressure off the cost of getting justice in respect of building-related issues.

The second issue that was raised in the second reading speech for the Building Services (Complaint Resolution and Administration) Bill 2010 relates to the establishment of a building services account, together with a building services levy, which replaces the Builders' Registration Board levy. I believe that that is covered in the second bill, the Building Services Levy Bill. Those two bills together cover the introduction of the building services levy.

I have no philosophical objection to the introduction of this levy and the replacement of the Builders' Registration Board levy, but as the member for West Swan pointed out during the minister's absence, we need to know the detail of that levy—how it is going to be imposed, whether it is going to be imposed in the same way as the Builders' Registration Board levy, whether the level of revenue generated will be the same, whether the funds in the building services account will be dedicated to specific purposes, who will control it, what the mechanisms will be for changing the rates, and what the mechanisms will be for distributing funds from it. I

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believe that is going to be covered by regulation, and although I do not have any specific concerns, I want to hear from the minister that there will be no extra imposts on people seeking to build houses as a result of that change.

The third bill, the Building Services (Registration) Bill, outlines processes for the Building Services Board that will replace a number of other boards. Again, on the face of it, that seems like a streamlining of the process. It may involve some economies of scale and savings, so it may well be a good thing, but I want to hear some detail from the minister about exactly how the single Building Services Board will work, to make sure that it does what the former minister said in his second reading speech it would do, which was to enhance the standard of building and housing affordability in this state. Ultimately, that is one of the tests the opposition will apply to the detail of this bill—that it does, in fact, enhance the standard of building and housing affordability in this state.

I do not intend to make any further comments other than to say that I welcome some response from the minister, in his reply to the second reading debate, to the specific issues I have raised. I will also undoubtedly seek some further clarification of those issues during consideration in detail.

DR A.D. BUTI (Armadale) [3.33 pm]: The speakers before me dealt with a number of issues and I will try to not repeat what they have said, but it will be difficult not to repeat some things, and it may assist the minister to hear a different slant on some of the issues that have been discussed. We are dealing with a raft of bills today and we have another bill to deal with, which is the actual Building Bill 2010, which is more comprehensive and probably the key element in this raft of legislation. It was, of course, instigated by the previous minister. We now have a new minister to carry this legislation through the house.

In respect of the three bills that we are debating concurrently, the former minister said in his second reading speech for the Building Services (Registration) Bill that the bill would provide a modern and flexible scheme for regulating building industry occupations, and that it would support other reforms dealt with in this package of bills that are aimed at streamlining the building process and dealing with building disputes and would, ultimately, enhance the standard of building and housing affordability in this state. I do not think anyone in this house would disagree that that is a target or plan we should proceed with. Of course, the devil is always in the detail, which we will examine during consideration in detail.

When we consider housing, we need to look at three main issues: firstly, and obviously, affordability. Secondly, environmental matters. As we know, that has become more important. Whether one is or is not a climate change sceptic, one has to agree that we live in an age in which environmental issues are becoming more and more important. I will touch on that issue again when I make some comments on the recent bushfires in the Kelmscott–Roleystone area. Thirdly, there is the issue of the general landscape, in which housing has a particular role to play. Housing can be a very significant determinant of the urban landscape—buildings, obviously, and housing. If we do not get it right, it really affects what we see, and what we see often affects the mood and general flavour of communities, and whether we actually have communities.

One of the problems that has slowly but surely been generated, as mentioned by the member for Bassendean, is that we are living in bigger and bigger homes—the “McMansions” that are becoming more prevalent in the suburbs within, for example, the electorate of the member for Southern River. Even the member for Darling Range has “McMansions” in certain parts of his electorate. One of the problems is that they are often built with high surrounding walls, so that they become like a gated community. They are not gated communities of the kind that exist in the US, but that will shortly come to the fore in Western Australia at some point if we are not careful.

That has an effect on communities; you cannot develop a community if you are living within a gated community. I know that that may sound contradictory, but it is not, because people living within such communities only ever communicate with people living in a very small area, and the evidence from America suggests that people rarely communicate with their neighbours in such communities. They are merely places from which people travel to work, work all day and then come home. We have to look to see how we can, through legislation and policies, build homes that will increase community spirit and force people to engage with their neighbours and communities. Members who have been fortunate enough to travel to cities in Europe will have found that in the evening people are out on the street, talking to one another, for the reason that they do not have big backyards, so they do not turn inwards to entertain in their own homes; they have to get out into the community. When we talk about legislation to deal with building, we need to take into consideration those very strong principles of affordability and environment, but also the urban landscape, because that has a major effect on many issues, including community spirit.

These bills will, in many respects, increase flexibility within the industry. Often there is too much red tape, which results in a slowing down of the building process, which can in turn affect affordability. There are a number of measures for increasing flexibility within these various bills, and we will examine them during

consideration in detail. Of course, the flipside of flexibility is that we want to ensure that proper regulation is maintained. There is no reason why we cannot have flexibility and proper compliance with regulations, but sometimes it can be a fine line.

The member for West Swan talked about owner-builders, who are, of course, a major component of our building industry. The member for West Swan mentioned that she has many relatives in the building industry. Being of Italian origin, she probably would have many relatives in the building industry. Being of Italian heritage myself, I also know a lot of people in the building industry. One thing the member for West Swan did not mention was the issue of building brokers. I did not know they existed. There are now people who practise as building brokers. People go to building brokers and give them the design of the house they want. The broker draws it up into a more detailed design and then goes out and tries to get the appropriate builder and subcontractors et cetera. I am not quite sure whether we will need to look at the regulation of building brokers at some stage. Has the minister heard of building brokers? It is something that I have only recently come across.

Mr T.R. Buswell: No, but a similar role is often performed by what you call a project manager, whom the owner-builder may engage. It would be fair to say that in some jurisdictions, project managers are licensed. That is not the intent of the bill, but there is the power within the bill to introduce additional classes of people to be licensed if we have to. There are also national occupational licensing laws coming along. I am aware of it. I just got a briefing note about it.

Dr A.D. BUTI: Thank you, minister. There is nothing in the Building Services Levy Bill 2010 with which I particularly have a great issue. The cost of demolition work has become an important issue following the bushfires in the Armadale-Roleystone area. The cost of demolition work can be quite prohibitive. Demolition work is often necessary. A person may buy a home that needs to be demolished before a new home can be built, or the builder who is building new homes may have to demolish existing homes and will pass on any additional costs to the final purchasers of the new homes. When I went to some of the briefings at the City of Armadale I was quite surprised about the cost of demolition work. The levy cost is a bit of an impost. Of course, that levy is needed, but we must always consider that every levy we impose will have red tape necessarily attached to it, which will result in further costs. Just digressing for a second, what was interesting about the demolition costs in the bushfire area was that if a person's home was uninsured, the demolition costs would be funded by the Western Australian natural disaster relief fund, but if a person's home was insured, not only was he unable to access that fund, but also the insurance company would not pay for the demolition work. We had a situation whereby if people were insured, they had to cover their own demolition costs and the insurance companies would not cover those costs, but if people were uninsured, they would qualify under the Western Australian natural disaster relief fund. The City of Armadale has tried to overcome this in conjunction with the government, and the government should be congratulated for this. As long as some asbestos can be found in the building or the building is of a certain age, it will come under the national funding relief compensation scheme.

Ms J.M. Freeman: It is not hard to find some asbestos in Western Australia.

Dr A.D. BUTI: No, it is not hard at all to do that in Western Australia. For a number of years I was on the board of the Armadale Redevelopment Authority, which was set up under the ministerial responsibilities of my predecessor, the former member for Armadale, Hon Alannah MacTiernan. It was really interesting to be on that board because I saw how red tape in the building industry can really slow development. It not only slows development—I do not think we should have development at all costs—but also does not result in the best or highest quality form of building. The member for Gosnells has just come back into the chamber. He is particularly interested in the urban form in Western Australia and also environmental considerations. Under the jurisdiction of the Armadale Redevelopment Authority, we were able to have greater control in producing high-quality buildings in terms of environmental considerations and urban form. I am not sure whether it would be appropriate under this legislation, but we should try to not only look at affordability of housing, which is incredibly important, but also improve the quality of our homes from both an environmental point of view and urban form. On the west side of the railway line in Armadale is an area of land of which a significant portion is owned by one person. Of course, if he does not agree to X, Y or Z, that area will not be developed. He wanted to put in low-quality housing—but he may now have changed his mind—and the authority and the city tried to engage him to put in high-quality housing. When I say high-quality housing, it does not necessarily have to be high-cost housing. We should be able to have high-quality housing without necessarily imposing a significant impost on the builder and final purchaser of the home. I hope that as we go through this raft of legislation we will find that that process will be assisted. As we debate and consider this legislation in detail, the things I will be holding utmost in my mind will be affordability, environmental considerations and the general urban form.

MS J.M. FREEMAN (Nollamara) [3.46 pm]: Thank you, Madam Acting Speaker, for giving me the opportunity to speak on the Building Services (Complaint Resolution and Administration) Bill 2010, the

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Building Services (Registration) Bill 2010 and the Building Services Levy Bill 2010. I think my colleagues have been correct in saying that there are quite a few complexities in these three, if not four, bills. It has taken a considerable amount of time to get an understanding of these bills. One issue is that there is a regulation arm, the paying for that regulation arm, the dispute resolution arm and the new standards arm, which comes under the Building Bill 2010. I am trying to look at it in that context. A fifth element is missing in all these things because we separate planning from building. For many of the issues my colleagues have raised today, the answer will be that it is a planning matter and not a building matter. That is the difficulty when we separate these things. It is also a difficulty for many of the people whom we represent in our electorates. They come to us with issues and sometimes it is a planning matter, sometimes it is a building matter and, in the worst-case scenario, sometimes it is a combination of the two and therefore becomes even more complex. What I am saying to the minister is that whilst such a major change is welcomed, it is probably a missed opportunity to do a really big change, which is to try to bring —

Mr T.R. Buswell: I don't mean to interrupt. This process was already in train when we came to government. It was then altered a little as the scope expanded to include the Building Disputes Tribunal. It has been a massively long process. If we made it any bigger, we would physically get to a point at which we could not do anything.

Ms J.M. FREEMAN: I acknowledge that, minister. I acknowledge that these things are steps along a continuum.

Mr T.R. Buswell: We are all companions on the journey.

Ms J.M. FREEMAN: I am not sure that I am the minister's companion, but I will not go there.

Mr T.R. Buswell: It is a hymn. They are the words of a hymn.

Ms J.M. FREEMAN: It is a hymn! I was not aware of that, minister.

Mr T.R. Buswell: I'd sing it to you, but I'm an awful singer.

Ms J.M. FREEMAN: The minister digresses and I am trying to keep to the point.

Mr W.J. Johnston: That about sums up his life!

Ms J.M. FREEMAN: Onwards and upwards!

I want to raise a number of things about the Building Services (Complaint Resolution and Administration) Bill, but first I want to digress for a moment and jump back to what we were saying before. I understand what the minister is saying about this having been a long and arduous process. There is no doubt that there are many and very good aspects to these bills. I know from prior experience that the difficulty when we separate out particular areas of legislation is that people fail to cross the divide. In my case, it was industrial relations and workers' compensation legislation. We would often find that a supposed workers' comp issue was an industrial relations issue, but people—including bureaucrats and employers—would not cross the divide. Therefore, the people who mattered, the people who we represent and who are on the ground trying to deal with the disputes and the issues, saw only a bureaucratic divide that did not lead to an outcome or a resolution. In the context of this bill and building services complaint resolution, if the commissioner is to be placed in a situation in which he has to say that something is not a building issue but a planning issue, how will the Building Services' Complaints Tribunal deal with that responsibly, thereby giving people guidance and ensuring a resolution or outcome, rather than simply batting them off, leaving them frustrated and confused about the process?

I note that the minister might not be listening to me, but obviously his advisers will be so this is worthwhile.

The ACTING SPEAKER (Ms L.L. Baker): Members, please be quiet; the member for Nollamara has the floor.

Ms J.M. FREEMAN: I note that the bill in this draft form does not contain objectives. Interestingly, in my research of the complaints bodies I have dealt with in the past—complaints jurisdictions were my bread and butter for many years—I found that the Equal Opportunity Act, the workers' compensation act and the Industrial Relations Act all have objectives. The most important objective seems to be missing from this bill. I understand that objectives sometimes do not go to the substantive issue—those are in processes and procedures—but as someone who has prosecuted claims under all three acts, I believe objectives are a worthwhile part of the greater body of authority and law, and therefore a necessary part of the dispute resolution process. The minister will be aware from his previous dealings with the workers' compensation act that one of the major objectives of that act is the resolution of disputes between parties. A major requirement is that disputes are resolved in a manner that is not only quick and informal, but also fair and just.

Mr T.R. Buswell: Can I give you a tip? That act may contain those objects, but do you think the former system was delivering that?

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Ms J.M. FREEMAN: What does the minister mean when he says “the former system”?

Mr T.R. Buswell: The current system. It is about to be amended. Wonderful reforms have been announced.

Ms J.M. FREEMAN: I think that is right. The minister knows that I am a very strong advocate of the conciliation and review jurisdiction, because I believe that legalising a process—albeit not the process in this bill—often leads to rules that do not necessarily result in a quick process. Often, procedural fairness is the justification for that, but sometimes that same procedural fairness can be to the detriment of other areas. Many minds have been turned to the problem of ensuring that we have a dispute resolution process that is fair, economical and quick. It concerns me when those are not the main aims and objectives of the dispute resolution procedure. It would be worthwhile if the minister and the responsible minister in the other place put on the record that that is the government’s intention with the processes and procedures because that will have some bearing on how this legislation is interpreted. I raise that to ensure that the government’s intent appears in substantive form in a speech somewhere.

I note that clause 109(4) of the Building Services (Complaint Resolution and Administration) Bill makes this area a cost jurisdiction by giving the commissioner the power to fix costs in regulations. This act is full of references to regulations, and I am somewhat concerned about that because that jurisdiction is a little different from the State Administrative Tribunal jurisdiction for equal opportunity complaints. For “Mrs Josephine Average”, cost can be a deterrent. An appellant appearing before SAT on an equal opportunity claim will not have costs awarded against them, provided the claim is not vexatious and the claim was made in good faith. Again, it is not clear whether the intent is to ensure that people such as “Mrs Josephine Average” who pursue a claim against a builder will not be placed in the position of having costs awarded against them. I also note that clause 109 of the bill states —

(1) The Governor may make regulations prescribing all matters that are —

...

(b) necessary or convenient to prescribe for carrying out this Act.

This seems to be very close to a Henry VIII regulation whereby the capacity of the house is diminished by providing the commissioner with the capacity to do anything by way of regulation, including potentially change the underlying operation of the act. It greatly concerns me that the bill has provision for that. Clause 109(6) then states —

The regulations may provide that contravention of a regulation is an offence, and provide, for an offence against the regulations, a penalty not exceeding \$5 000.

Now we can create a regulation and fine people for not complying with the created regulation! I do not think that this Parliament intends that sort of power to reside in delegated legislation, whereby offences and fines can be created by regulation without any means to bring the process before the house. That is a very, very dangerous situation to find ourselves in.

I also note the capacity for codes and standards in legislation. I understand that the intent of a bill is in part to outline government policy, but codes and standards are usually made in a bipartisan manner. The minister is aware of the Commission for Occupational Safety and Health. As a result of this legislation, only the Building Commissioner will make the building codes and standards, which will in fact be subsidiary legislation—they will be like regulations. The commissioner will in effect be making policy and therefore, under the provisions of the Interpretation Act, subsidiary legislation.

Mr T.R. Buswell: Just so you know, many of the standards in the building industry are set under the Building Code of Australia.

Ms J.M. FREEMAN: Yes, I know that. I am getting to it, and—just so the minister knows—I am about to have a whinge about that too. I note that the Building Commission must ensure that any building code can be inspected by the public or can be purchased by the public, yet it is not available online. I notice that clause 30 of the Building Services (Registration) Bill 2010, “Inspection of register” can be on a website. Given these three bills are being debated cognately, I am wondering why there is no consistency with those provisions. Of greater concern is that clause 97(3) recognises that some standards reference other standards. An example given in the explanatory memorandum is the Australian standard dealing with steel structures, which contains references to other Australian standards dealing with welding, bolting et cetera. Clause 97(4) requires the Building Commissioner to ensure that the public has access to referenced documents. Most of the codes are set by the Building Commissioner. My concern is about when the codes refer to Australian and New Zealand standards. As the minister may be aware from his time as minister responsible for occupational safety and health legislation, many building regulations refer to Australian and New Zealand standards. In the 1980s, under the Howard

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government, Australian and New Zealand standards were privatised. It is of great concern to me now that much of our legislation and legislation mechanisms refer to standards that are written by a private company on a bipartisan basis, albeit, they are not required to be. Often their industry representatives have conflicts a conflict of interest around what they place in Australian standards that guide people to buy certain products. By all means the government may refer to Australian standards but the government is making them subsidiary legislation. The government is allowing a private company that is not accountable to create standards that do not necessarily have bipartisanship, and that concerns me greatly.

I thank the minister's advisers for the two or three meetings in which I sought advice on these very complex bills. I am concerned also about "adverse possession". The minister may be aware of it, but I am certain the member for Scarborough has a good understanding of adverse possession. An example is when land is being subdivided or surveyed and the neighbouring boundary is found to encroach on the adjoining property, which leads to a dispute and an adjoining property owner can lose part of their land. It is a common law matter. I understand that will be extinguished by the Building Bill. I want to know whether there is capacity for adverse possession to be resolved under the Building Services (Complaints Resolution and Administration) Bill. Presently the issue must go before the Commissioner of Titles, who will deal only with solicitors. In New South Wales the process can be taken through a complaints tribunal. As we know, 80 to 90 per cent of complaints that go before a complaints tribunal are resolved by conciliation. I understand that adverse possession is a planning issue, but it is a planning issue that is impinged upon by the building industry. I understand from the advisers that the Building Bill will extinguish some of the common law aspects of adverse possession. If the provisions in the Building Bill are to have that effect, there must be some capacity for people to access the complaints resolution process.

[Member's time extended.]

Mrs L.M. Harvey: I think the Building Bill allows for property owners to reach an agreement regarding encroachments that can be retrospective, so instead of going through that legal route, they can choose to agree on the encroachment rather than have to spend a lot of money.

Ms J.M. FREEMAN: They would have to do that through the Commissioner of Titles would they not?

Mrs L.M. Harvey: We can probably debate it in more detail when the Building Bill is dealt with. It will reduce red tape in certain circumstances.

Ms J.M. FREEMAN: It will also reduce the capacity to determine adverse possession under common law, as I understand it, but, again, I am not entirely sure about it. That process of conciliation would be the best way because the court process is costly and can be really distressing. Instances of adverse possession occur in my electorate of Nollamara because lots of Department of Housing properties are being subdivided. I do not think the then Housing Commission's surveying was the best in the land; it carved up mass blocks of land, so it seems to have become a big issue in the area. I will be very pleased if that legislation enables some sort of conciliation. There needs to be a process for doing that and that should be in the complaints resolution and administration bill. I hope it will be put on record in this place that there will be the capacity to do that.

The member for Rockingham described the Building Services Levy Bill as it is—a taxing bill. The nature of the Building (Complaints Resolution and Administration) Bill is not that of a fee for service. It is interesting because the Supreme Court and the Magistrate's Court do not have a taxing bill behind them, nor does any other court in the land. The same goes for state revenue, but it is a bit different for the Workers' Compensation and Rehabilitation Commission, which can refer to the insurers. Clearly, any of the stuff those heavy duty jurisdictions have to do when resolving cases must be done by fees and charges and consolidated funding. With this building services levy, we will tax people to deliver the service. In the case of *Matthews v Chicory Marketing Board (Vic)* [1938] HCA 38; (1938) 60 CLR 263 (9 August 1938), it was determined that a tax is a compulsory extraction of money by a government for public purposes, being neither a pecuniary penalty nor a fee for service rendered. That is what this bill will provide.

As someone who sits on the Joint Standing Committee on Delegated Legislation, I know that it makes it damn well clear and the government can do what it wants. The Building Services (Registration) Bill is a fee-for-service bill. This is not included in this bill. The Building Services Levy Bill is a taxing bill. Why do we have a fee-for-service bill on the one hand and a taxing bill on the other? The government will charge for registration and all those sorts of things; why not include both in the same bill? It makes no sense. I get why the government wants to run an efficient, progressive service, but it is seeking to run a major governing board under this legislation from fees and charges. The delegated legislation committee will be breathing down its throat asking how costs are determined. That is fascinating to me; it seems to show lack of consistency and the lack of some sort of comprehensive explanation.

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I refer quickly to something in the Building (Complaints Resolution and Administration) Bill. One of my colleagues questioned the capacity of neighbours to make complaints. I think that is a brilliant aspect of this bill. The member for Scarborough gave a very good outline of why we need to ensure that not just somebody who has a contract with a builder can go through a dispute procedure. In countering the arguments of the building industry, I note that clause 7(3) provides that a complaint can be refused if in the opinion of the Building Commissioner it is vexatious, misconceived, frivolous or without substance, or the matter complained about has been the subject of a previous complaint under this legislation. I think that is very important. Under clause 5 will the Building Commissioner's decision to accept or refuse a complaint be published in the annual report? I do not mean every decision but it could be the number of complaints the commissioner accepts or refuses.

I am going a bit all over the place and I do apologise for that. If the proposal is adopted in the commissioner's code or the commissioner's standard, as it may from time to time be amended, amendments can be made to the document. Therefore, we can have subsidiary legislation that can change simply by the nature of an Australian standard just changing. Someone very smart got themselves onto the Australian standards panel and suddenly we have building regulations, such as the five-star code. That is where we need to go: put it in the building standards and we will be fine.

Mr T.R. Buswell: Are you talking about Standards Australia?

Ms J.M. FREEMAN: Yes, Standards Australia. Many times in this place I have raised that I have real concerns about Standards Australia and how we now use it.

Mr T.R. Buswell: What have they got to do with the building code? What have they got to do with this?

Ms J.M. FREEMAN: The minister uses Standards Australia, as I understand. I might be wrong. I am happy to be told that I am wrong. It is used for steel and other building products and building areas; these are not in the building codes. The building codes are done by the federal government, are they not? That is my understanding with the building codes.

Mr T.R. Buswell: It is the Australian Building Codes Board.

Ms J.M. FREEMAN: Yes, and that is a federal government —

Mr T.R. Buswell: It is state funded; it is one of those IGOs.

Ms J.M. FREEMAN: All right.

Mr T.R. Buswell: States fund it and participate on it.

Ms J.M. FREEMAN: But it has representation from a bipartisan area. It has government on it and all those sorts of representation, which is not the case with Standards Australia. I am happy to be told differently, but that is my understanding. I have yet to be disproved; if anything, I was proved correct at a recent public hearing.

Part 3, division 2, clause 21 of the Building Services (Registration) Bill 2010 deals with nominated supervisors. Subclause (1) states —

eligible person, in relation to a class of building service contractor, means a person who is a registered building service practitioner in a class of building service practitioner prescribed by the regulations for that class of contractor.

Why do we not simply say, "Let's do this legislation by regulation because really that is all we want to do"?

However, of greatest concern to me is the membership of the Building Services Board. The government is going to set up a board, yet it does not know how many people will be on that board. The board will consist of a chairperson designated by the minister, two members who have knowledge of and experience in representing the interests of consumers—that is three people—and, as I understand, for each occupation group, two members each of whom have experience. I want to clarify whether that means one member for each occupation group or two members for each occupation group. For the purposes of how I am trying to read the bill, let us just say that it is one member for each occupation group. At this point in time, looking at the second reading speech, it appears that occupation groups will be builders, painters and building surveyors. However, clause 67(1) of the Building Services (Registration) Bill states —

occupation group means classes of registered building service providers prescribed by the regulations as comprising an occupation group.

Therefore, to start, we assume that the regulations will prescribe builders, painters and building surveyors as occupation groups. They will get a guernsey each, so that is three members for the Building Services Board. If

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the department adds other classes of registered building service providers, suddenly the membership of that board, on the basis of the government's legislation, will have to increase. The Building Services Board as a governing body is supposed to have a strategic and clear intent and purpose, but that can change without recourse if the department decides that it will add another occupation group by regulation. That is a fascinating way to establish a board, and in the greater scheme of board responsibility, I really question that.

I also noticed it was stated in the second reading speech that —

Partnerships and companies can be registered as building service contractors in a relevant occupation only if they have a nominated supervisor who is a registered practitioner, to ensure such entities have competent persons in charge of the building service.

I am unclear about how that will work, what liability it will entail, how that interplays with the registered practitioners who will be in the Building Act and whether they are the people referred to. I note that the second reading speech also states —

For the first time, building surveyors will be required to be formally registered under the bill.

Therefore, building surveyors will be registered under the proposed Building Services (Registration) Act, once this legislation is passed. The question is: how will that play out with the proposed Building Act and the sign-off from the registered practitioners in that proposed act? My confusion mounted as to how all that will play out so that a person is in charge of that area. It seems to me that it will be again established by regulation. It is simply not clear to me how that person gets the liability and what criteria they have.

My last question is: why is this legislation not able to be reviewed under the building services complaints resolution process? If people have a difficulty with their registration or any of those sorts of things, they cannot go to the body that the government is setting up. How does that work? The government is putting through all this legislation, but if someone's registration is not going through, they have to go to the State Administrative Tribunal. That is where people will have to go first to review any decisions of the Building Services Board, as outlined in clause 64 of the Building Services (Registration) Bill. Why does the government not want it to go to a body that has expertise in the industry and for which it has taxed people to enable it to operate?

MR W.J. JOHNSTON (Cannington) [4.17 pm]: In reviewing this legislation I noted that the Building Services (Complaint Resolution and Administration) Bill is, I think, 100 pages, the Building Services (Registration) Bill is 87 pages and the Building Services Levy Bill 2010 is only two pages, which is good. However, I did notice a quote from Winston Churchill who said —

The length of this document defends it well against the risk of its being read.

When we also add in the Building Bill that we will also be debating soon, members can see that there is certainly a lot of material for Parliament to consider.

I will focus on one particular issue first, and, similar to the member for Scarborough, I want to highlight a particular circumstance of an individual. As this person's situation is currently before the Builders' Registration Board, I am not certain whether that would make it technically sub judice, but I do not want to reflect on how the registration board may in the end rule on the matter; therefore, I will not specifically refer to the name of the person. This person is a single mother who decided to do an extension to her house. She engaged an architect to supervise the works and a building contractor to do the works. The building works continued and, for reasons not related to the building services complaints procedures that we are debating, the builder found out how much money had been approved for her to borrow from the bank, because the bank let the builder know. The builder then started submitting invoices to match this person's capacity to pay rather than the work being done. Consequently, she ended up in a contract dispute with the builder. In accordance with the contract that the woman had with the builder, she did not end up in front of any independent organisation, but instead in front of the Housing Industry Association, through the arbitration procedures that were part of the contract. This woman was not paying the bills because she was not satisfied with the work, so the builder took the matter to the Housing Industry Association as a contractual matter—not to the Builders' Registration Board of WA or to court. Quite frankly, I do not think the woman's solicitor provided a proper service to her. The HIA arbitrator then ruled that the woman had to pay the bill. Having changed lawyers, the woman took the builder to the Builders' Registration Board. At the same time, the builder took the woman to the common law courts to enforce the arbitrated decision from the HIA. There were two separate pieces of action, one in the Builders' Registration Board and one in the courts, going on simultaneously based on the same set of facts. Of course, the courts were interested only in the legal nature of the contractual obligation. Even though, I would argue, it was clear to the magistrate that the builder had not completed the works to a proper standard, because the builder had a decision from the HIA arbitrator, the court enforced it. I read the submissions to the court from the builder's solicitor, and it was clear there was very good precedent for the enforcement of the contract, notwithstanding that the contract

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was completed inadequately, when there was a disputes procedure and the disputes procedure had been used, which is what had happened.

The problem here is that sometimes disputes do not end up in front of the procedures that the Parliament creates but end up somewhere else. This case ended up in front of an arbitrator engaged by the HIA. It may be true—I am not disputing this—that the HIA arbitrator made a correct decision on the case presented. Of course, it is very clear to me that the solicitor for the woman to whom I am referring did not present the case very well to the HIA arbitrator. Nonetheless, that was the situation and this woman has now spent \$230 000 on a builder for a building that she cannot live in; in fact, she is living in a rented property next door to her own building. Her own building is boarded up because the advice she has from technical experts, which is set out in her complaint to the Builders' Registration Board, is that the works, for example, on the staircase, the balcony, the flooring and the cladding of the building of her extension are so inadequate as to be dangerous. Her son is now three years old and she will not move into that house. She is paying the mortgage on her property and the quarter of a million-odd dollars that she has spent on renovations, and she is renting another house literally next door. It is just ridiculous. We will have to see what the Builders' Registration Board finds in the end. I do not want to get involved in second-guessing the Builders' Registration Board—it has all the facts—and I am trying to avoid any sub judice question, although I am not sure that would apply to the registration board. I will respect the decision it makes.

Mr T.R. Buswell: You might not!

Mr W.J. JOHNSTON: I am a former union official, so I am used to losing in tribunals and I always respect the decision even if I do not agree with it.

Mr T.R. Buswell: The shoppies rarely lose!

Mr W.J. JOHNSTON: I am interested that the minister says that. I have always liked the Industrial Relations Court of Australia, because I never lost a case once. I lost a few times in the Industrial Relations Commission, but never in the industrial court. We digress; the minister has taken me on to other issues. Mr Acting Speaker (Mr F.M. Logan), do not blame me—blame the minister!

I will respect the decision whether or not I agree with it. Clearly, it is a problem if the HIA standard contract puts an arbitrator between a properly regulated process and the system of voluntary arbitration. I am not opposed to voluntary arbitration, but it is important that when people sign a building contract they understand what that means. Voluntary arbitration means that when someone signs a contract, they are volunteering for arbitration in the event of a dispute. Even though they might end up with a dispute, they have agreed that they will settle the dispute by arbitration. That is a major issue, and it will be interesting to see the final outcome for this woman. The reality is that for two years she has been living in a rental place. She has been back to Queensland to live with her mother and father for six months, and she has done other things. She has this lovely house that she cannot live in because the quality of the work is so poor. I will be interested to know whether this bill is going to provide any relief for people in this circumstance.

Mr T.R. Buswell: So will I.

Mr W.J. JOHNSTON: I am sure that the minister's adviser is scribing very detailed notes for the minister's later contribution to the chamber. This is an important issue and is directly related to the enforcement of standards. I understand that every HIA member uses these standard contracts, in the same way that almost everybody purchasing a property would end up signing a REIWA—Law Society standard contract, because that is what is circulated and used. This woman had an architect to design the property and to help her with managing the works, but she would never have thought to go to a lawyer to design the contract she might use in the building works. Certainly when I did my extension and when I built my first house, I never thought about getting proper legal advice about the nature of the contract I was signing. I would be interested to know the outcome. We need to have a system that allows a proper review of the quality of the building. Maybe the advice that comes to the minister from his adviser will be that had the woman handled this in a different way she could have been heard in front of the Builders' Registration Board or the building services commission that is proposed under these new provisions.

I am also interested in the way the registration of practitioners in the industry will be handled, and I am sure that we will get to it in the consideration in detail stage. The minister commented on the long gestation of this bill. I know how complex these issues are, and there will be some important issues that I will explore with the minister, although not in too much detail, about the registration of practitioners in the industry.

I want to make a couple of other remarks on the bill. It is always fun being the last speaker on a bill at half past four on a Thursday when every member of the chamber hangs on every word one is saying, and they make sure that I understand how important every word I say is!

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I want to raise some issues tangential to this bill that relate to the Perth Waterfront project. This is an interesting project that I believe the government wants to spend \$440 million on and wants to net off \$80 million or \$90 million of land sales. As part of the original announcement, the Premier indicated there would be 156 000 square metres of office space in the Perth Waterfront project. I am now advised by the answer to question on notice 4678 to the Minister for Planning that it is estimated the project could accommodate up to 150 000 square metres of office floor space. The ultimate area of office floor space will be determined by design and use mix within individual buildings delivered by the private sector. I make the point that I moved to Western Australia in 1989 and the block at 18 St Georges Terrace has been vacant the whole time that I have lived in Perth. There is also a large vacant block next to the building that is being built for BHP. There is a small site for the second phase of the Bishop's See project. There is the old Emu Brewery site next to the freeway. There is all the land that has been created by the Northbridge Link project. High-density use land is also coming up in the East Perth redevelopment area at the other end of Adelaide Terrace. I am advised by the Property Council of Australia that there is about 1.1 million square metres of office space in the central business district of Perth at the moment. It is intended that this project will add another 10 or 20 per cent of office space to the CBD, at the same time as all this other office space is being added to the CBD.

I do not think all that work can be done in the time line that has been outlined for the Perth Waterfront project. The site works for that project will commence at the end of the Commonwealth Heads of Government Meeting later this year. It will take about two years for the site works to be completed. The government will spend \$440 million on those site works. All that will create is the world's largest skate park. There will be a huge area of open space around an inlet, and an island, and nothing in between.

Those members who, like me, live in the eastern suburbs should, when they are driving home tonight, drive along Riverside Drive and look at the space between William Street and Barrack Street and imagine what will be there. Heading east from William Street, there will be a vacant block. There will then be the infrastructure for the waterfront. There will then be an inlet, and the infrastructure for the waterfront again, then another vacant block, and then Barrack Street. That is what that site will look like for at least four or five years after the end of the construction of the infrastructure for the waterfront project. The best thing about the waterfront proposal is the Indigenous cultural centre. But that has not even been funded; the Premier had said that he will talk about that in two years. The best thing about the Perth Waterfront project is not being discussed. If the government wanted to make best use of that project, it would spend that \$440 million on building the Indigenous cultural centre first so that people would have something to look at, and it would then build the remainder of the project. Even if the government is right and the private sector can build all of those 800 apartments—that is probably pretty easy—and the 150 000 square metres of office space, in the nine years between 2013 and 2022 the roads around that area will be full of cement trucks and construction vehicles. That does not make any sense. I have no problem with the Perth Waterfront project. But it would make more sense to build the important part first, which is the Indigenous cultural centre, and then roll out the balance of the project, which is the waterfront and the inlet. The government could make really good use of the existing land. There is already a failed building project at Barrack Square with the hotel. That has been widely reported in the media. Hopefully the new ownership structure will enable that project to be completed. We could then encourage other projects in that area.

The Indigenous cultural centre would be a real magnet. Indeed, if the government were to hold an international architecture competition for the design of that centre, that would be fabulous. I point to the cockroach—the Perth Convention and Exhibition Centre—on the other side of William Street. The contract to build the convention centre was won by Multiplex through a competitive tender under the Court government. The under-bidder was Leighton Holdings. I had some contact with the Leighton Holdings people at that time, and they told me that they had engaged Norman Foster to design that centre. Norman Foster is one of the world's most famous architects. He is an Englishman. Members may know him from the office building in London called the Gherkin because of its very unusual shape. The Minister for Police is nodding consciously.

Mr T.R. Buswell: He is almost unconscious!

Mr W.J. JOHNSTON: That is it! Well, it is a change!

That is a very famous building. People fly around the world to see Norman Foster buildings in Hong Kong, in London, in Europe and in America. The University of Technology Sydney recently hired Frank Gehry to design a building. People would fly into Sydney from around the world to see that building.

Mr R.F. Johnson: You reckon?

Mr W.J. JOHNSTON: Absolutely, minister! The work that has been done in Bilbao has transformed that city. It is all about creating an exciting place through architecture and the built environment. It is interesting that all of the top 10 tourist destinations in the world are built environments. In fact, as I have read in *Forbes* magazine—or

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one of these magazines that publishes this sort of information—three of the top 50 tourist destinations in the world —

Mr A.P. Jacob interjected.

Mr W.J. JOHNSTON: The architect in the chamber, the member for Ocean Reef, is getting excited by my speech, I think!

Mr A.P. Jacob: I am keen to jump up, but we do not have the time.

Mr W.J. JOHNSTON: I could always ask for an extension! No; nobody wants me to do that.

This is an opportunity that the government should not miss. The Perth Waterfront project is about the built environment. The built environment could be so much better if the government invested in that part of that project that will be the most difficult to do but will be the most important. That is not the new inlet. It is the Indigenous cultural centre. In the last two weeks, I have spoken to both the Committee for Perth and the Australian Institute of Architects, and they both agree with the comments I have just made.

I have moved around a bit from the specific nature of this legislation. But I believe it is important that I use this opportunity to make those remarks.

The ACTING SPEAKER (Mr J.M. Francis): Before I call the member for Maylands, member for Riverton, I am going to call you for the first time. I say this in all genuine sincerity from the chair. It is really annoying that a number of people walk in here with laptops that are not muted and phones that are not switched to silent. Take this as a warning.

MS L.L. BAKER (Maylands) [4.36 pm]: I want to say a few things about the Building Services (Complaint Resolution and Administration) Bill 2010, the Building Services (Registration) Bill 2010 and the Building Services Levy Bill 2010. I first want to acknowledge that these three cognate bills are a massive piece of work, and congratulate all those involved in getting these bills to this point.

These bills raise a number of issues for me. Some of the problems and issues that people in my electorate face, and some of the complaints that people come into my office with, are building applications, the processes around making complaints, and the general framework in this state for building issues. I believe there will be some positive outcomes from the changes that are mooted in these bills, and I very much welcome that.

One thing that is particularly interesting is the complaints process. As I understand it, any person, be that an owner and neighbour, a builder, or a subcontractor, will be entitled to make a complaint to the new Building Commission about building services, work contracts or disciplinary matters about a building service provider or owner–builder. That highlights to me the problems that have arisen in trying to find third party appeal rights, not in building, but in the planning regime.

Mr T.R. Buswell: It will never happen.

Ms L.L. BAKER: I am aware of the problems with that. But it does show some disconnect or lack of logic in the argument. If it is okay to have a third party appeal right in the building process, I do not understand why we cannot pursue a third party appeal right in the planning arena. I do understand that there have been allegations of corruption in other states where that appeal right has been brought in —

Mr T.R. Buswell: Do you reckon that would be your party's policy?

Ms L.L. BAKER: I am exploring it with the minister at the moment.

Mr T.R. Buswell: I bet it would not be.

Ms L.L. BAKER: Third party appeal rights are also in the environmental act, as my colleague the member for Gosnells has just reminded me.

I have had people in my electorate come to me about their right of appeal on a planning application. The particular development they are concerned about is at the corner of Slade Street and Guildford Road. The development has been the subject of great contention in my neighbourhood for several years now. The development is a series of shops—a bottle shop, a chicken outlet and a coffee shop. The local residents have been fighting what they consider to be a lot of bureaucratic red tape, and they complain that there is no right of appeal; they have gone back to the council and to the developers and everywhere else they can, but there is no right of appeal for a third party on these planning applications. I want to put on record that it is interesting to see that this right of appeal is built into the Building Services (Complaints Resolution and Administration) Bill, and I think it is a very good thing.

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I also want to say how fantastic it is that there are changes in the Building Bill to deregulate certification of buildings by local governments and allow privately employed building surveyors to perform that service. As a former elected member of local government, I could never understand why local government was not interested in being able to outsource that role, and to find private sector companies that were very qualified to perform it. Let us face it, if one gives them standards and specifications and tells them what they need to look for, there is no reason for that role to be solely the purview of local governments. They cannot, of course, delegate responsibility, but they can delegate the tasks involved. I think that that is a really productive thing. Anyone who has ever tried to get planning or building approval and has found that it takes weeks, if not months, to get it would support this. I have had personal experience with constituents who have said that the process was a fantastically speedy one to get through with the City of Swan, in particular, but there are other councils that have frequently been criticised for taking a long time to process building and planning applications. I think this is a fantastic step forward and congratulations to all involved in getting it to this point.

I want to put in a good word for the Consumers' Association of Western Australia. I know that my colleague the member for Rockingham has gone over in some detail some of its concerns.

Mr T.R. Buswell interjected.

Ms L.L. BAKER: Indeed, that may be, and there may be a very good reason for it saying that this is a very good structure. I also acknowledge its questioning of consumer confidence in this process. This is a massive change; the Consumers' Association of WA has been a tireless worker on behalf of consumers for a very long time, sometimes with a large membership base and sometimes with a small membership base, but it is always there. I have had opportunities to sit on committees whereby it has represented consumers, and I find its members to be very passionate about the issues. I read through in some detail its submission to the building industry on building industry development. Given that this is a massive change, I can certainly understand why it is cautious about it. I encourage the minister to not dismiss this organisation; it has been around for a very long time and it deserves to be given information and some sense of security that these changes will not undermine consumer confidence, or narrow the consumer voice. I ask for some assurance from the minister on that front.

The other issue I want to raise is about the changes coming into the building industry through the star rating system; I think it is going to be brought in sometime this year. The minister should not go to sleep; I am almost there! This is a very big issue in Maylands—the issue of greening the Strata Titles Act. I know that this is to do with planning, and it sits very squarely within the Department of Planning, which is doing work on this matter now. I want to bring it up here because in my electorate we have a strata title development called Tranby-on-Swan, which has more than 200 strata title units. In fact, a lot of the blocks in Maylands and Inglewood are very deep, big blocks that are either being subdivided by people, or are having strata title developments put on them. If one has an existing strata title and one tries, for example, to put a whirlybird on one's roof, or anything else to do with reducing one's carbon footprint —

Mr T.R. Buswell interjected.

Ms L.L. BAKER: No, but it is the same issue. If one wanted to put a Foxtel receiver on one's strata title unit, it is a problem.

Mr A.P. Jacob: A solar hot-water system.

Ms L.L. BAKER: Yes! I thank the member for Ocean Reef, who is also an architect in his spare time. That is exactly what it is. It comes down to the way the law is for strata title schemes in WA at the moment; if one wants to make any changes, one has to have the absolute agreement of all one's strata title neighbours. To say that that is a bit of an impost would be an understatement. It is almost impossible to get that. If one wants to make some small change and one lives in a strata title unit, it is really restrictive in terms of introducing any kind of energy or water saving measures to one's home. We end up with people who want to take advantage of PV panelling or want to have feed-in tariffs to earn discounts on their rates, but they cannot because of the incredibly complex laws around making any changes. The new six-star rating system that is coming in provides an ideal opportunity to make changes, and I understand that work is being done on this within the Department of Planning. I mention that because I am running a research project with a parliamentary intern, Chiara Pacifici, who is researching this for us; she works with Peter Newman at the Institute for Sustainability and Technology Policy at Murdoch University. The committee that is supporting this research includes the deputy president of the WA Strata Titles Institute, Eda Smithwick; local strata title experts, Peter Munday and Ron Acott; Eddie Roe, who is a sustainable energy assessor; Brenda Conochie from Environment House in Bayswater; and the mayors and planners of the Cities of Bayswater, Mandurah and Fremantle. I want to also specifically mention a chap by the name of Daniel Colgan, who is a sustainable property developer.

Mr T.R. Buswell interjected.

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Ms L.L. BAKER: No, not Danny Cloghan.

Danny Colgan very kindly offered to take my project team around to have a look at his development at 14 Money Street, called Square One Apartments. It is an amazing development that has been completely developed from the ground up as an environmentally managed building.

Mr T.R. Buswell: Has it got a vegie garden?

Ms L.L. BAKER: It has a vegie garden; everyone has access to that and everything has been put into this building from the ground up, so the owners walk into a completely sustainable and fantastic development. I think it is worthwhile putting on the record that that kind of development should be encouraged across the metropolitan area, not just in the City of Perth. It should be replicated in many places in our state. That is what I want to say. I want to encourage the greener strata titling project in its work and congratulate members on getting the bills this far. I look forward to the third reading speech.

MR T.R. BUSWELL (Vasse — Minister for Transport) [4.50 pm] — in reply: I will conclude the second reading debate. We will have consideration in detail next week. From listening to comments of members opposite, we will work through a whole lot of questions. I will touch on some of the issues raised. I am not going to answer all the questions that were raised; otherwise, I would do so again in consideration in detail. It has taken a long time to get the bills here, and it has taken a helluva long time to get them through the house this afternoon. I will just deal with some of the issues involved.

I thank members opposite for their contributions and generally supportive comments. A number of issues have been raised, some of which, as I said, I will try to deal with. The member for Armadale raised the issue of Italian builders. I am sorry he is not here, because last Saturday night I was down at the —

Dr M.D. Nahan interjected.

Mr T.R. BUSWELL: But he did not raise the issue, so I am not going to talk about him.

Last Saturday night was the Master Builders Association Builder of the Year awards. The builder who won was A. Di Bucci & Son for a house built in Petra Street in Bicton. In fact, he was in the Parliament House dining room at lunchtime, and I had a bit of a chat to him. It is a great building from a very proud father-and-son building team of Italian origin. The award night was a good night and they were well-deserved winners.

The genesis of this bill was the goal of improving the mechanisms for registration of builders and related trades in Western Australia. We currently operate under the Builders' Registration Act 1939 and the Painters' Registration Act 1961. The dates alone tend to indicate that it is time for some change. I want to reread into *Hansard* something that was second read. It concerns a member of the public who currently wants to build a garage in their backyard. If someone wants to build a garage, there are no problems—it can be knocked up once council approval is attained. But if someone wants to build a patio, which is often far less cumbersome than a garage, an offence is committed unless a registered builder is used. That simple example, which could happen to anyone who has a backyard, shows that we just have to improve the system. I notice that the member for Armadale wants to make all backyards communal so that we play in the street together, which is another interesting point.

The other issue around complaint handling is very important. The member for Scarborough touched on an issue she has raised before in the house. The member for Cannington raised what I think is a quite remarkable set of circumstances. I had a chap in my own electorate who went to the Builders' Registration Board a few years ago. The builder was required to take some actions. The builder did not take the action, and it ruined this guy's life. He ended up having a complete breakdown as a result of the pressures that he was put under by the fact that his largest single asset was ruined. It really struck a chord with me. When the opportunity came to perhaps expand slightly the reform of the building sector and to make some changes to the Building Disputes Tribunal, I thought it was too good an opportunity to let go. The desire to improve the framework and the way we handle disputes and to look after people really drove a lot of what we have considered today.

The member for Rockingham made a number of points. The most important point he made—a number of people have—is: how does this impact on cost? He is right; we have to be careful that we ensure that the reforms do not have a negative impact on cost. For the information of the house, my advice is that the levy is currently estimated to be set at around 0.09 per cent of the value of the building. That will be offset in part by a reduction in the current local government fees that people pay. The local government fees are 0.2 per cent for commercial buildings and 0.35 per cent for resident buildings, but that will be reduced significantly. It also has to be pointed out that other benefits over and above just a simple comparison of the levies will flow to homebuilders as result of this process. The point has been made many times that it is expected that this process will speed up the building approvals system in WA in terms of getting a building licence out of a local council. Some councils are

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very good in terms of getting the building licence. Members have to remember that this is pretty much an administrative —

Ms J.M. Freeman: That is not to do with these bills.

Mr T.R. BUSWELL: I know, but the totality of the process —

Ms J.M. Freeman: That's to do with the levy. The levy is only to do with one bill.

Mr T.R. BUSWELL: Yes, but the levy funds in part the Building Commission.

Ms J.M. Freeman: The dispute resolution—that's all it funds.

Mr T.R. BUSWELL: No, that is not true. The levy in part goes towards the funding of the Building Commission. The Building Commission will oversee a reform that will lead to significant improvements, not only from reform in terms of building licences, but also in the totality of the government's management of the building industry, which will speed up the approvals process. There is no doubt about it.

Mr C.J. Tallentire: Minister, weren't you talking about the Building Bill whereby you were giving people the option of going to —

Mr T.R. BUSWELL: I know what I am talking about. I am saying that, as I understand it, the levy will assist the funding of the Building Commission.

Mr C.J. Tallentire: The speeding up issue is around —

Mr T.R. BUSWELL: Correct, but it is part of a whole series of measures that will lead to improved outcomes. I do not think anyone can argue about that. One cannot have one without the other.

Mr C.J. Tallentire: The speeding up issue needs to be dealt with under the Building Bill.

Mr T.R. BUSWELL: I understand the speeding up issue is to be dealt with through the Building Bill by creating a framework by which appropriately registered people can assist in the issuing of building licences. However —

Ms J.M. Freeman: The Building Services Levy Bill at clause 3 says —

If regulations made under the Building Services (Complaint Resolution and Administration) Act 2010 section 94 provide for a levy, a levy payable in accordance with those regulations is imposed.

It is only for the building services complaint resolution and administration. That sets up decisions by the commissioner, but are you saying that all of the commissioner's acts according to the Building Bill will be funded also from this levy bill?

Mr T.R. BUSWELL: I can get some advice to the full extent of that, but the advice I have got is that the funding that will be generated will help in the establishment of the framework, which will see the faster delivery of building approvals. The member can ask me more in consideration in detail. That is my very clear understanding of what we are about. We can discuss that in consideration in detail, and I am sure I will be proved to be correct. My point is that the impact on the cost of the house is not just a levy; it is also speeding up the process by which the house is approved.

The Housing Industry Association has done some work on that aspect; it estimates that about \$750 a week is paid for delays on an average house. Some local governments are good; some are bad. Local governments that take months to get building licences out —

Mr P. Abetz: Which are the good ones?

Mr T.R. BUSWELL: I know the City of Swan is pretty good. I know the City of Fremantle is not very good at all. I know the City of Stirling has its challenges. It varies around the city.

Mr C.J. Tallentire: Minister, rather than referring to the HIA for advice, why don't you get government advice?

Mr T.R. BUSWELL: I am just providing the information that —

Mr C.J. Tallentire: Obviously, the HIA has a particular interest. It is a lobby group. It represents building interests.

Mr T.R. BUSWELL: Yes, but those people build them and understand how costs escalate.

Mr C.J. Tallentire: But they have a particular pecuniary interest.

Mr T.R. BUSWELL: The HIA has provided a breakdown of its estimate of how much it costs for every week of delay in the issuing of a building licence. I am not saying that it is government's information. I am saying —

Mr C.J. Tallentire interjected.

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Mr T.R. BUSWELL: I think it is in everyone's interest to get buildings approved more quickly. Blind Freddy could work out that if it takes six months to get a building licence, the price of the building could go up. I do not think that is rocket science. They have attempted to empirically support that. They build the houses; they know what happens. The member is right; it is their view.

Mr C.J. Tallentire interjected.

Mr T.R. BUSWELL: That was not the advice that tipped us over the edge to embrace this reform. I do not see the need for government advice. It was advice provided to us by people who are at the cutting edge of delivering buildings.

I will talk about affordability for a second, because a number of people talked about it. I do not have the information for the member for Gosnells on what some modelling is suggesting the move to six-star rating will cost, but I will get it next week. Some advice I received yesterday indicated that various actions being undertaken by the Department of Environment and Conservation and/or the Environmental Protection Authority will lead to huge restrictions on the capacity to quarry sand in and around Perth, and, more importantly, in and around big areas of the Swan coastal plain. The estimate that has been put to me—admittedly they are preliminary costs—is that it could impact on the cost of sand for a house to the extent of \$10 000 per property. That will have an impact on affordability.

A range of factors impact on affordability. The Leader of the House wants me to finish very quickly, and I will. I will look at the history of Western Australia over the last five or six years. In the December quarter of 2004, the Perth median house price was \$260 000. In the December quarter of 2006—two years later—the Perth median house price was \$460 000. That was an almost 80 per cent increase in the median house price in two years. The factors that drove up house prices were land prices and some cost of construction impacts.

Mr C.J. Tallentire: Yet the real estate market is so flat.

Mr T.R. BUSWELL: It has plateaued since. I am not talking about what has happened from 2006 to now; I am talking about what happened from 2004 to 2006—we ran out of land. In a terrestrial jurisdiction bigger than most on earth —

Ms J.M. Freeman: I have a big bunch of land in Mirrabooka.

Mr T.R. BUSWELL: We are working on that. I think the member would agree that we have done a lot of work on that—a lot more than perhaps happened prior to the member's entry to Parliament.

Dr M.D. Nahan: In July 2006 there were no blocks on the market.

Mr T.R. BUSWELL: That is right. That is what happened. When there is a collapse in land supply, we can do a range of things to try to maintain housing affordability, but there will still be an explosion in house prices. If we have another explosion in housing prices of 80 per cent, the median house price in Perth —

Mr M. McGowan: You say that, but I asked the questions and got all the figures for each of the years. The land supply in each of those years was more than 20 000 blocks. The land supply now, on your watch, is down around 13 000 or 14 000.

Mr T.R. BUSWELL: One reason for that now is that there is no demand. Supply is relative to demand.

Mr M. McGowan: How can you say that there was no land available when 20 000 blocks were on the market?

Mr T.R. BUSWELL: Back in those days people were camped outside subdivisions. When a lot of people are trying to buy land and there is not enough land, there is a shortage.

Mr M. McGowan: You say that the terrestrial supply dried up.

Mr T.R. BUSWELL: It did.

Mr M. McGowan: I have proven that 20 000 blocks were made available.

Mr T.R. BUSWELL: Revisionist.

Mr M. McGowan: Now it is roughly half that number.

Mr T.R. BUSWELL: No; that is not the case. Leading up to the December quarter in 2006 there was virtually no land for sale in Perth. I touch on that point. Housing affordability is incredibly important. It is important to us. We want our kids to have a house. I want my boys to move out—at the appropriate time, and not before that. We have to attract all sorts of people on all sorts of wages into WA. I will not talk anymore about that.

I will touch on a couple of issues that were raised before I sit down. We will go through them in more detail during the consideration in detail stage. The member for Swan Hills talked about owner-builders, which is a

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small but important part of the building sector in Western Australia. This bill supports the existing right of individuals to build their own homes, but we do not see it creating a new industry or encouraging increased activity in that space than has historically been the case. In other words, we do not believe it will create a new industry to compete with registered builders. We do not see any reason for the level of activity of owner-builders to change dramatically following the passage of this bill.

The member for Armadale raised the issue of what I call project managers but what he called something else. It is a fair point. People often appoint a project manager to assist them as owner-builders. In some jurisdictions, project managers are licensed. That is not the intent of this legislation; however, within the powers of this legislation, new classes of registration can be created through regulation. That would deal with an event like that. There is no plan to do that at the moment. It may happen if a need is identified. Alternatively, the national licensing of occupations may mean that we would have to look at putting something in place. Plans are afoot to deal with that.

I will touch on a couple of other things. The member for Nollamara talked about the Building Services Board. We need to be clear that it will not be a governing board. The Building Services Board will have registration and disciplinary duties, in much the same way that the Builders' Registration Board does, but it will not have control over the finance and operations of the Building Commission.

Some other gems flowed my way. We had a conversation about Standards Australia International Ltd relating to the product. What we are talking about here is the built form and making sure that buildings are really built to conform with the national building codes, which are developed by the Australian Building Codes Board. As I think I said by way of interjection —

Ms J.M. Freeman: Is the Australian Building Codes Board a government authority?

Mr T.R. BUSWELL: The Australian Building Codes Board is funded by state contributions. It was set up under an intergovernmental agreement. I am pretty sure it has representation from the states. It is probably like the national occupational safety and health board—it is not the same but it is not dissimilar.

Some comments were also made about planning. It was not our intent to cross the line between planning regulation and building regulation. It would be fair to say, though, that some councils may be tempted to flex their planning muscle or powers to try to influence our capacity to deliver better outcomes through improvements to the way in which building licences are issued; that is, by requiring single residential dwellings in appropriately zoned areas to go through a planning process as well as a building process. That is something we will be monitoring very closely. It is not our belief that the passage of this legislation and the creation of this regime should be seen by local government as an excuse to try to maintain control over this area by expanding planning activities into areas in which they do not currently operate. However, local government will still have a role to play under this legislation.

I am not going to touch on much else, other than to thank everybody for their contributions. Most members of Parliament at some stage have to deal with matters in and around building and construction. It affects constituents. It affects constituents who have a lot of money tied up in some significant investments. We are trying to create a framework that will deliver better outcomes for our constituents and, by extension, better outcomes for the state. I look forward to the consideration in detail stage.

Question put and passed.

Bill (Building Services (Complaint Resolution and Administration) Bill 2010) read a second time.