

HOUSING, RIGHT TO BUY SCHEME

758. Hon BARRY HOUSE to the Minister for Housing and Works:

Why has the very successful right to buy scheme been abolished?

Hon TOM STEPHENS replied:

The opportunity for tenants of the Department of Housing and Works to buy their houses is still available. The schemes and programs historically available have been modified. One of the programs provided for a substantial discount of 20 per cent. The reason for the change is that we operate under a commonwealth-state housing agreement. We were advised this year that it is the intention of the federal Government to subject the agreements to close scrutiny and audit. The arrangements put in place by the previous Government for the 20 per cent discount, arguably, did not comply with the commonwealth-state housing agreement. I did not want to run the risk of having that program continue if it was arguably in breach of the commonwealth-state housing agreement. The issue was considered by the board of the State Housing Commission and it recommended to me that we should terminate the scheme. The substantial discounting and sale of a property in that way effectively removes assets from the Department of Housing and Works and reduces the cash value of assets on its balance sheet. The cash value of assets is the justification for the department to sustain levels of borrowing. The heavily discounted sale of property reduces the department's assets in the eyes of the Treasury when it seeks to borrow funds to expand its land acquisition and housing construction programs.

The PRESIDENT: Order! There are no supplementary questions. I trust that the minister is bringing his remarks to a conclusion.

Hon TOM STEPHENS: A substantial number of financial supports are on offer for first-time buyers. First-time home buyers can obtain \$7 000 from the federal Government. That program was a policy commitment of the federal Labor Party. If Mr Beazley had been elected and we were lucky enough to have a Western Australian Prime Minister -

The PRESIDENT: Order! I trust the minister will address the question or has he finished his answer?

Hon TOM STEPHENS: I am finishing my answer. House improvements by a tenant up to the value of \$5 000 can be taken off the purchase price of the house. Sufficient reasons and justifications exist for removing the 20 per cent discount put in place and sustained by the previous Government. The modification allows for a protection of the department's position under the terms of the commonwealth-state housing agreement. It enables us to have appropriate tailor-made programs for tenants that meet most circumstances.