

HOUSING AND RENTAL AFFORDABILITY

Motion

HON JON FORD (Mining and Pastoral) [10.23 am] — without notice: I move —

That this Council expresses concern at the Barnett government's failure to adequately address the lack of affordable housing and affordable rentals and calls on the government to make the availability of affordable housing a priority.

In thinking about how to structure my argument on this issue, I could have started with a whole lot of statistics. In fact, I have pages and pages of statistics that support the argument that rental and housing affordability in Western Australia is probably the worst it has ever been, but I do not intend to do that. I intend to talk about some specific examples and then some of the solutions. Unfortunately, I could have easily raised this issue with my government, and many previous governments before that. The problem has been ongoing and will continue that way until we show some innovation. Interestingly, I went through the government's record to see what it has been attempting to do to improve housing affordability. I have not found very much; in fact, the only thing I could find that states that it is making a direct attempt at dealing with housing affordability is in the royalties for regions most recent report. But that is fairly inadequate in its own right and I will explain to the house why I think that is the case.

Is the cost of housing and the rate of housing rentals in Western Australia as bad as I am implying? I will give members a good example. I know a young woman who left the state about a year and a half ago to live in Melbourne. She went there on a whim because she wanted a new start. She has had a long and extended illness and, as such, gets a permanent disability allowance. That is not adequate in itself to cover her cost-of-living expenses, so she needs to work as well, and of course that is what she does. She works four days a week, part-time. Interestingly, because she works for a non-government organisation, her actual working hours are more than the normal working hours in a week. We would have to describe her as someone who is attempting to pay her way. She moved to St Kilda and acquired a nice little unit around the road from the pub, so, unfortunately, she is aligned with the wrong footy team; nonetheless, it is not too bad.

Hon Ed Dermer: Who?

Hon JON FORD: St Kilda. Who would support St Kilda? She recently decided to move back to Western Australia, and she will do so in the next few weeks. On her income alone, she cannot find a unit or a flat in Perth, where her family lives. She intends to work here, but, as I said, there is a limit to what she can do, so she will move in with her mother. I know this young woman very well because she is my daughter. That is the best example I can give. My two boys would love to live in the region where they were brought up. They would love to move up north but they do not have a hope of doing so. They are representative of a lot of other people. I have nephews who hear of the big bucks in Western Australia and would love to move over here and give it a go, but they simply cannot afford it. However, one nephew has been offered a job with Rio Tinto, which is fly in, fly out between Brisbane and the Pilbara. Knowing my nephew as I do, I do not know that he will enjoy that; I think he would much prefer to come and live over here.

The other people whom the lack of affordable housing affects are what we call blended families, or families who have separated and lost their base assets because their property has been sold and they have lost their ability to get back into the market because the cost of housing is too high. They cannot afford a mortgage as a result of court orders and the need to pay for their responsibilities. It therefore becomes very difficult for them to get into those markets.

I refer again to the regions, where some people would love to buy their Homeswest home, but they cannot, even when it is offered to them, because the asking price for that public housing is an unrealistic market price for the property. I have talked about Halls Creek in another debate, but we could talk about any number of towns in regional Western Australia where people cannot afford a mortgage to buy a home, especially those who are on a single income. That is the test. The general test of housing affordability should be: can those on a single salary buy or rent a home? A lot of people cannot. It is interesting that a lot of debate is about young people. A lot of people in this chamber have this concern that their children leave home, only to return—and they return for another 10 or 15 years!

Hon Sue Ellery: Cannot get rid of them!

Hon JON FORD: That is right. I listened to a program that tried to put the blame on the parents, saying that they were too generous and did not assist their children—not financially assist, but assist them by encouraging them to move back home. But the reality is that it is hard, especially if one of those children has come from a broken relationship and, as I said, their assets have been split and they basically have to start from scratch, because it is very difficult to get into a rental.

When I was 17 or 18 years old, I would get together with a bunch of mates. We were on very low wages of around \$35 a fortnight. We would get together enough money to pay the rent, and the rest of our money went on beer. But we were able to move out of home. In fact, I never even considered staying at home. I could not wait to get out of home from about the time I was 13. I was absolutely busting to get out of home because it represented a whole new way of life and freedom. I had no problems with my parents. I just wanted to get out. But it is a very different situation now.

So what can we do? We need to have a quantum change in our approach to public housing and how we construct those houses. There are a lot of opportunities. There are also a lot of lost opportunities. A good example of that is what I have seen in the royalties for regions most recent report. It talks about the need to provide affordable housing for key workers in the Pilbara, and it says that for the Hamilton precinct stage 1 in South Hedland, royalties for regions will provide \$41 million to purchase 100 dwellings for key workers. So, \$41 million will supply 100 dwellings. That is the essence of the problem that we have in the public housing sector, particularly in the north west. We should be able to provide a lot more than 100 dwellings for \$41 million.

The reason this is occurring is that we have an agency and an attitude within government that says that we need to build these boxes in a specific way and to a certain specification. I have seen some of the innovative things that resource companies, and private enterprises, are doing right now. I know of a couple of blokes who are building a 500-room eco-village. They have gone into partnership with an eastern states company. The whole thing, from go to whoa, will take six months to build, and the cost of the project is about \$10 million. These are separate units. These are not like the dongas that I had to go into—four people into a 10-by-eight, with two double bunks and a 10-horsepower air conditioner rattling away in the window. These are standalone, one-bedroom units, with their own shower, a kitchenette, in a house, with beautiful landscaping out the front, common recreational areas and a swimming pool. They are absolutely fantastic.

We should be saying to the resource sector that this is our spend; and it is a huge spend. I did not look up what the spend is currently, but I remember that in one year alone when we were in government, \$500 million was allocated to public housing. If we went to the resource sector, or to one, or a number, of the big private developers and said, “This is the problem—this is how many dwellings we want, and we know that you want them too; why don’t we go into a partnership?”, I can tell members that we could bring the overall cost of those dwellings right down. In fact, we would be able to bring the cost of those dwellings down to a level at which we could offer them to people who find themselves priced out of the market because of circumstances beyond their control, such as low-income earners, single parents, people who find either themselves or their children with ill-health, and people who have had broken marriages and the like, because they would be able to afford the repayments.

How can we do that? One of the big problems that we have is with LandCorp. We insist on giving LandCorp, without any competition, the right to develop. Under LandCorp’s charter, it develops at a market cost. The people at LandCorp will argue until they are blue in the face that they have to do that. The problem we have is that many Western Australians are struggling to get into homes, are suffering from mortgage stress, or are not able to get into the rental market, and we are focusing on the market and hoping that there will be investment and return and that private investors will get into the market, but people are preferring to save their money rather than spend it.

The problem also is that we have a LandCorp that does not go for best price. If we simply made LandCorp compete for state land development, we would immediately see a drop in the cost of developing land. Why is that significant? It is significant because if I were the Minister for Housing and I had a \$500 million spend for my department, I would have to pay a heck of a lot of that money to LandCorp. Any person who has been a minister in this place knows the frustration of that, especially if we just want to build a new building for our agency, because most of the money goes back to paying another government enterprise, which happens to be LandCorp. So we need to do something about that. I am not suggesting that we get rid of LandCorp, because without LandCorp we would not be able to develop areas that other developers are not interested in. But where there is prime land, where there is competition, and where other developers want to get into an area, we should make LandCorp compete with those developers and make a competitive bid. That should be based on delivering the government’s targets with regard to housing and meeting the needs of the people of Western Australia, rather than making a profit. That is the other part of it, of course. The problem is that government gets addicted to the dividend that LandCorp pays to it. Another frustration that is faced by ministers is that if they make any savings and say, “I have saved \$10 million or \$20 million on this; perhaps I can spend it over here”, Treasury goes whoosh and takes it off them and gives it to another agency. That is the reality. So we need to have a fundamental change in our attitude to how we develop government land. If we can bring those costs down, we can talk about reasonable subsidisation.

It seems to me that in public housing, there should be two priorities. The first is affordability and getting people into housing. It is not right that in 2012 there are families, as I said yesterday, who are forced to live in tents on

the outskirts of Broome. It is not right that we can go to Midland and see homeless people and young people sleeping underneath bridges, or carrying their bags around and sleeping in bus shelters, which we see quite openly now.

Hon Sue Ellery: Even in Victoria Park.

Hon JON FORD: Yes. It is not right that that is happening in 2012. A phenomenon that has come in only in the last few years is that we are seeing beggars on the streets of Perth and in the city. I have a mate who can point to the air conditioning ducts and places where he used to live as a street kid around Perth. As I said earlier, it is an ongoing problem. It is within the government's ambit to make public housing available and affordable for people so that they can buy their housing. For the amount of spend in maintaining these properties and paying rates, if we made it affordable, the people would take over that responsibility and it would actually give them an economic base. It would be a great social change. I will be interested to hear the government's response, although I can have a guess at what it will be. It is easy to quote lots and lots of big bucks, because it costs that much, but it is how we spend that money. It is a huge budget, but if we went right out of the box and really looked at different ways of changing the way in which government looks at public housing and looks at affordable housing, we could make a huge difference to people in this state. It would be good for people and good for their families; it would lift people up out of poverty and struggle street, because it would give them an economic base. It would help with affordability and it would be using the government's market power to bring the cost of housing down. We have seen with the global financial crisis that we cannot rely anymore on investors supplying capital to build houses. People are just about crying to me in Karratha because there has been a downturn in the market there, simply because—everyone knew it was going to happen—the projects are moving from construction to production, so all of a sudden there are houses on the market that were not there, and the net result of that is that returns on those investments drop, and people are mortgaged up to their ears. How they got involved in those, I do not know; however, people make decisions and it is sad that there are people who are now no longer participating in the market.

The government needs to change its whole approach to public housing; it needs to change its approach to the way it develops land. Some of those nicely priced estates in the north and the south of the growing metropolitan sprawl could be brought right down in price if we were to let developers other than LandCorp in, and make it a totally competitive market. It is funny for me on the Labor side to be talking about freer markets, but it is a balance of the two. The government has not responded to these changes in circumstances, and I look forward to its response.

HON PETER COLLIER (North Metropolitan — Minister for Education) [10.43 am]: I will make some comments in a moment in regard to some initiatives the government has undertaken on affordable housing, and I say to Hon Jon Ford that, yes, that will include some big figures and probably will not assuage a lot of his concerns. Suffice it to say, I find myself in agreement with a lot of what Hon Jon Ford said; I think housing affordability across the board in Western Australia has become out of reach for a lot of, dare I say it, average income earners. Of course, for those who are not even on an average income, public housing affordability is largely out of reach, particularly for first home owners.

When I bought my first home, many moons ago, I was on what I would regard as an average income. It was a townhouse in Claremont and it was about three times the rate of my income at that time.

Hon Jon Ford: Do you still have it?

Hon PETER COLLIER: No, I have moved on since then!

Certainly, to buy the equivalent townhouse in Claremont on an average wage in today's environment would be unheard of; it just would not be possible. I am sure everyone remembers that there was a massive escalation in the cost of housing throughout Western Australia in the early 1990s; before that, housing was very cheap in comparison with other jurisdictions. It spiked in the late 90s, early 2000s, but it has remained very, very expensive to buy a home, particularly for those who are struggling, such as single-income families, those who have difficulty finding employment and those who are marginalised in our community. That is why it is imperative that we as a government do all that we possibly can to ensure that we provide allocations of land and housing that is affordable to those people who struggle to make ends meet on a day-to-day basis. I will go through a number of initiatives that we have introduced over the last four years, in particular, to try to address those issues. Suffice it to say, a number of estate developments in the north and south of the metropolitan area have provided an avenue to a degree, but housing is still very, very expensive. My nephew is looking for a place at the moment; he is on a very average income. He does not have aspirations to grandeur in terms of what he wants as a home; he simply wants a home for him and his potential wife or partner, and he is having great difficulty finding an affordable home. He is certainly not someone whom I would regard to be on struggle street; he is on a medium income, but he is still having great difficulties.

Having said all that, as I said, I do have some sympathy with the comments made by Hon Jon Ford. I will now go through some initiatives that the government has introduced over the last four years to ensure that we can do as much as we possibly can to assist members of the community into public housing, particularly those who have aspirations to one day owning their own dwelling. We have introduced an affordable housing strategy. It was released last year and it aims to deliver around 20 000 additional affordable homes by 2020. The previous government promised an affordable housing strategy in 2001, but did not get around to delivering it. The strategy responds to the acute shortage of housing for low and moderate income householders across Western Australia. The aim is not for those who move into public housing to remain in public housing for their entire working lives, but for them to perhaps move through from public housing to private renting and finally homeownership, so it is actually a journey for them to eventual ownership of homes.

This approach has already created more than 6 200 affordable homes, helped many thousands of individuals and families and significantly supported the housing industry during an extremely difficult economic period, particularly over the last few years. Since 2010 the government has built more than 3 400 new social houses, and it committed \$130 million in this year's budget for a further 433 homes. Compared with the previous administration, we have built twice as many houses in half the time—that is, more than 3 000 over four years, compared with 1 500 over eight years.

We have provided a further \$204.8 million over three years for housing and support services for 455 people with high support needs to live in the community. We have also freed up and reallocated 1 350 public houses to assist over-income tenants to find alternative accommodation. In respect of affordable rentals, we have completed more than 550 dwellings under the national rental affordability scheme. We have started construction on a further 1 000 and committed funding for an additional 1 000, bringing the state's total commitment to 6 000 new homes by 2016.

In a moment I will talk a little more about the threshold levels for the Keystart scheme, but that scheme has helped more than 1 900 householders who could not have otherwise accessed finance to own their own home. We have contracted nearly 600 entry-level affordable homes in partnership with the private sector through a new expressions of interest process. The SharedStart shared equity program has helped 190 households with average family incomes of only \$66 000 to buy their own homes.

Indigenous housing is very, very important; Indigenous people are a group within the community that struggles with homeownership. We have certainly exceeded our targets for remote Indigenous housing, having constructed 230 houses and refurbished a further 745, resulting in bonus funding from the commonwealth government for seven more properties. Hon Jon Ford referred to workers' housing. The Housing Our Workers program has been allocated \$355.5 million through the royalties for regions fund; that is in addition to the 388 dwellings already completed for government regional officers and employees of non-government organisations. We have produced nearly 5 000 building lots through the housing authority and its joint venture partners. We have brought affordable housing back into the central business district through innovative apartment developments. We have established 15 development assessment panels—nine regional and six metropolitan—to expedite approval of significant developments. We have established the Office of Land and Housing Supply to help fast-track important projects and provide strategic advice on the main barriers to the supply of affordable housing. As a government we have made good progress. We have created more opportunities for the most vulnerable people in our community through the initiatives I have just mentioned, as well as our low-paid workers in metropolitan and regional areas. We still have a long way to go. Hon Jon Ford was right when he referred to being a minister and watching excess funds find their way into someone else's budget. That frustrates all of us.

Hon Simon O'Brien: It depends whose budget it is.

Hon PETER COLLIER: That is true. As long as it goes from energy to education or Indigenous affairs!

The government will continue work with industry and the community sectors that strive towards our goal of 20 000 homes by 2020, which is what I mentioned when I commenced my speech. The Keystart lending criteria is a great stimulus to assist members of the community to own their homes. It is the most successful government-backed home loan scheme in Australia. It provides low-deposit loans, with no mortgage insurance payments and no account keeping fees. In the past 20 years, Keystart loans have helped more than 80 000 singles, couples and families achieve home ownership. As a result of a review, recent census data shows that 89 000 people in Western Australia who earn between \$70 000 and \$150 000 do not own their own home. Household incomes have gone up, which has pushed many people above the income cap for Keystart loans. That is one of the biggest issues. People find themselves above the threshold level, which diminishes their ability to access Keystart loans. As a result of that, we have made some significant changes. Indeed, it is very difficult to provide that fundamental necessity of home ownership, which is to save for a deposit. High rents make that even more difficult. In addition the property price cap for Keystart loans has not kept pace with the increases in house prices. There are not many properties on the market for less than \$400 000; indeed, one gets very little for

\$400 000. I mentioned my nephew earlier, who is struggling to find a house; I assure members he is not looking for a palace. It is very, very difficult. In response to the affordability gap of rising rents—which makes it difficult to get access to a deposit—rising property prices and people moving above the threshold for Keystart loans, which has added a further impediment, the government has altered the lending criteria for Keystart loans to help more people achieve their dream of home ownership. For example, income caps have gone up. The cap is now \$90 000 for singles, \$110 000 for couples and \$130 000 for families. The property price cap has been raised to \$450 000. The allowable debt level has increased from seven per cent to 10 per cent.

There have been other improvements in the regions. Income caps are now \$110 000 for singles and \$130 000 for couples and families, and the property price cap has been lifted to \$500 000. Hon Jon Ford referred to the north west. Again, we are all very familiar with the excessive cost of living and property prices in the north west. We have initiated a \$30 million pilot program in recognition of the extremely high rents and property prices. The \$30 million program will provide even greater assistance. Income caps in the Kimberley have been increased to \$120 000 for singles and \$150 000 for couples and families. The property price cap in the Kimberly region has been lifted from \$400 000 to \$700 000. Income caps in the Pilbara are now \$120 000 for singles and \$150 000 for couples and families, and the property price cap has been lifted to \$850 000. We have reintroduced top-up loans for existing Keystart clients. A growing family with a Keystart loan needing more space, can get a loan to renovate the home instead of having to buy or rent a bigger home. The affordable housing strategy has enabled us to provide more social housing, more affordable private rentals and more opportunities for first home buyers. Having said that, I am very mindful and sympathetic to the arguments put by Hon Jon Ford. It is a growing concern in not only Western Australia, but also nationally, particularly for first home buyers, those on single incomes and single parents. We have made significant inroads and we will continue to assist those who are least able to move into the market, ideally in the next administration. The government is very cognisant of the challenges ahead in home ownership and home rentals, but we have made significant inroads over the past four years.

HON SALLY TALBOT (South West) [10.55 am]: I am very pleased to support the motion moved by Hon Jon Ford that expresses the house's concern about the Barnett government's failure to adequately address the lack of affordable housing and affordable rentals and calls on the government to take action in that regard. I listened very closely to Hon Peter Collier's response on behalf of the government. I recognise that this is not the minister's portfolio, so essentially all he can do is come into this place and read out some stats that have been given to him by the Minister for Housing's office. Sadly when the government addresses these kinds of issues, it does the same thing over and over again. I look along the frontbench in this chamber and see the same thing happening in finance, mental health and child protection. The ministers talk about a different world. They come in here and reel off figures and talk about being cognisant of the problems and say that they are sympathetic, but they do not talk a language that indicates that they come anywhere close to understanding the real problems. In moving this motion the opposition is not just talking about enabling people to have easier access to loans; we are talking about people who fall into one of the many categories of effectively being homeless because of the government's failure a couple of years ago to sit down and address the accumulating problems associated basically with two things; the first is population growth and the second is our two-speed economy. We have people who are doing all right from the boom because they are lucky enough to work in areas that are being pumped economically by the exploitation of resources, but there are people who are not able to harness themselves to that flywheel and who are not able to get traction from that section of the economy—and they are doing it very tough indeed. It is those people whom the government has effectively turned its back on for the last four years. It had four years to make a difference and it has only just scraped the surface. That is just not good enough.

We know a couple of things that are indisputable about housing. We know that secure housing makes better communities—better communities in the sense of community wellbeing and building resilience in the community. The other side of the coin is that we know that when housing is not secure and affordable, there is a loss of community resilience and a sense of wellbeing on a community level. We are talking about a fundamental sense in which people who do not have secure housing feel that they do not belong to their communities. They feel that they do not have the choices that—let us be frank about this—have always been available to people sitting in this chamber. These are people who do not feel that they have the basic human freedoms that we have always taken for granted. They lose their basic sense of being worthwhile human beings. It is those people that the opposition is concerned to bring to the government's attention. The opposition will put together policies that will deliver to those people when it takes government back in March next year.

I mentioned the main problem that the government has failed to address arising from population growth. I have spoken many times over the past years about population growth in the Peel region. Only the other night I again drew to honourable members' attention the fact that since 2001 the Peel has had a 42 per cent growth in population. That accounts for 34 per cent of the population growth in Western Australia. Just think about what

those figures mean and the sort of pressures that places on communities such as Boddington, which has its own special challenges to do with the resurgence in goldmining, and Murray, a small shire with a very small rate base, which is dealing with massive population influxes, and in cities such as Mandurah. Think of what it means to be effectively housing more than one-third of the population growth of the entire state. Why do people go to Mandurah and the Peel? They go there because they see a very attractive lifestyle that they hope will be free from some of the stresses of living in the metropolitan area. Sadly, a large proportion of those people, both long-term residents and people who have moved there in the last 10 years, find that in fact they have moved into an environment where in effect there is a mini version of these two economies.

It has been years now that we have been talking about a tale of two cities in Mandurah. We have the high-rise luxury accommodation. Members can drive into Mandurah through Mandjoogordap Drive or down Paganoni Road, and the first thing they will see on the skyline of Mandurah is the cranes and high-rises. There has been a massive increase in luxury accommodation in Mandurah in the last 10 or 15 years. That has a doubly negative effect on the supply of affordable housing. First of all, obviously it pushes up the price of land in the area, because developers know that they can make massive profits out of land sales; but also it physically takes away the supply of land. Nowhere is that more evident than in what has happened to Mandurah's caravan parks over the last 10 or 15 years. Caravan parks traditionally have been that safety net for those who start to fall out of the system. It is a place where people can have secure tenure and accommodation that they regard as a safe place to be, a real home. They go to caravan parks. In Mandurah the number of caravan parks has diminished rapidly over the last decade, and nothing has come to take their place. Those members who know the Mandurah area—I know Hon Nigel Hallett has set up some kind of temporary accommodation upstairs in Sholl Street—would know that at the end of that road is a caravan park that is slated for demolition, effectively, and having a road driven through it, because the owners know that they can make more money out of it.

The other day I was at home in Denmark and cruising around the real estate while I was on my way to other places, and I noticed that a caravan home in one of the caravan parks in Denmark now costs up to \$400 000. That is basically to buy a park home in that area. When the government talks about what it has done for things such as Keystart, it is not even beginning to speak to those people who a decade ago might have seen themselves as being in the market for park home living. They are now being asked to pay the same amount, or probably a lot more than, Hon Peter Collier paid for his apartment in Claremont when he first entered the property market. We talk about the tale of two cities. We talk about the two-speed economy. What we have here is two conversations. There is the conversation that the government thinks that it is having with its stakeholders about affordable, secure housing, and there is the other conversation with real people who are grappling with this on a day-to-day basis.

I will finish by going through a couple more facts and figures about the Peel region, just to bring this home to honourable members. A few years ago the latest data showed that 53 per cent of all regional households experiencing housing stress were in the Peel region. Remember that the Peel is the smallest region in Western Australia; 53 per cent of the households were in housing stress. In 2008 Boddington had the dubious distinction of making the top 10 list of most expensive non-metropolitan housing markets in WA. Those members who remember what Boddington used to be like will know that most of the residents of Boddington had lived there for ever. Now those people are being driven out. People who want to go there for work are facing one of the top areas in terms of housing affordability, or unaffordability.

The latest figures, from 2010, show that there is a seven-year waiting list for public housing. Whatever policies the government has in place, it has to re-look at them and work out for itself that it is simply letting things get away from it. There are more people in more housing stress looking for more accommodation that the government is simply not able to provide.

HON MIA DAVIES (Agricultural) [11.06 am]: I rise to put on record my support for the Minister for Housing and to put on record some of the positive things that this state government has done in housing, particularly in providing affordable housing and land in regional WA. Through royalties for regions, we are investing considerable resources and funding and planning initiatives. I think that is part of the key. Making sustainable initiatives requires planning. I will come to that, because we were left with not a plan in sight. There was a very big scrambled egg in the lack of planning across regional WA for the investment required for housing, affordable housing and land development. It was evident when we came to government. Royalties for regions is starting to make inroads into this. More than \$1 billion has been committed to a large range of initiatives and major programs that have been designed to improve access to housing, increase housing stock and also improve the amenity and the lifestyle for regional Western Australians and regional communities. It is the first time that any Western Australian government has invested such significant resources both in terms of the detailed planning and the structured strategic investment to provide amenity and improved living standards across regional WA.

I want to put some of these projects on record, because I noticed that Hon Jon Ford and Hon Sally Talbot could not bring themselves to acknowledge some of the programs that are underway through royalties for regions. I will just go through some of the things that this government has done in the last four years.

Hon Simon O'Brien interjected.

Hon MIA DAVIES: It is to bring a bit of balance to the debate—that is right, Hon Simon O'Brien.

Hon Sally Talbot interjected.

Hon MIA DAVIES: If the member can let me go on, I have a list and I will make my way through them in the next seven minutes.

In February 2009 it was announced that, through the Government Regional Officers' Housing program, the government would spend \$200 million on the government regional officers' housing project, which is to deliver 400 new properties to house government employees. We know that one of the challenges of attracting quality staff and people to live and work in the regions is the quality of their housing. To date, 374 of these houses have been constructed and the remaining 26 will be completed by June 2013. We promised 400 new houses. That is in direct response to the message we received at the 2008 state election that we needed to improve the standard of housing for government workers. These are key government workers—nurses, teachers—who are housed through the GROH program. That is underway. We have completed 374 of those projects.

In addition, \$355.5 million has been allocated to address the shortage of affordable housing in regional WA. In particular, this has been focused on the Kimberley, the Pilbara, the Gascoyne and the midwest because those communities are in close proximity to mining and mining initiatives and, as has been pointed out, are feeling the pressure of having these projects on their doorstep. With housing for workers, and as part of the South Hedland town revitalisation, \$23 million has been committed to redevelop the South Hedland town centre and provide 1 000 residential units, in addition to the key commercial and retail space that has been developed. That means that people in the Hedland community will now have access to not only key services and facilities but also much needed housing units that will relieve some of the pressure up there. With the Karratha service workers accommodation, \$30.4 million has been committed to provide accommodation for key service workers outside the public and resource sectors in Karratha. That acknowledges that a community is more than government workers and those who work in resource sector jobs. The community needs a hairdresser, a butcher and people who sell shoes and work in the coffee shop. These are examples of the National Party's support for small business so that we develop the amenities and make sure that these parts of the community are not priced out of the market in towns that are under significant pressure from resource developments. Royalties for regions funds are going towards constructing over 100 one, two and three-bedroom units to assist Karratha small businesses to remain viable and attract and retain employees. With the Ngarluma Aboriginal sustainable housing project, we have committed \$5 million to the \$12.6 million sustainable housing project in Roebourne. The project is developing 50 hectares of unallocated crown land into a 308-lot residential housing development. There will also be a school, seniors housing and a commercial centre. As part of the Roebourne housing initiatives, \$5 million has been committed to address issues of overcrowding and social housing density in Roebourne. There will be 12 new housing units, and they are demolishing old housing.

I refer to Coral Bay in the north west and the problems with seasonal staff accommodation. Anyone who has visited Coral Bay will know that it has a tourist economy, and it is very difficult for small business to attract and retain staff. A village is about to be constructed in partnership with the local traditional owners, and that will provide benefits for everyone in the community. That partnership will provide quality affordable staff accommodation for seasonal workers. The land is owned by the traditional owners, the Baiyungu Aboriginal Corporation. It will be leased back to the state government for 10 years, and at the end of that period will go back to the traditional owners to manage and run.

These are just some of the projects that have been developed through royalties for regions. I am very proud to have been part of this phenomenal initiative that is starting to drive investment back into regional WA. I would be very interested to know how the Labor Party intends to refocus royalties for regions to make sure it hits the mark, in their eyes. The Leader of the Opposition in the other place says he wants to spend more royalties for regions money on roads. The Labor Party could spend all the royalties for regions funds on one road, but that would fail to meet the needs of the community across the state. It is very interesting that the Labor Party says it supports royalties for regions, but the only thing that I have heard members say they will do is cut the Country Local Government Fund. We can say goodbye to all the houses that local governments have been able to build using their allocations that have relieved the housing pressure in their local communities and to build new and improved housing for their staff, independent living units and seniors' housing. All of that has been delivered through the Country Local Government Fund. Perhaps under a future Labor government, we would see it disappear completely and the funds would be spent completely on roads. That would mean the Labor Party

would cut vast tracks of what royalties for regions is delivering right now. I will be very interested to know exactly what members opposite will cut.

Hon Sally Talbot says that we do not understand the real problem. However, we understood very well when we came to government that the previous Labor government left us with an absolute mess in regional WA. We inherited the results of Labor's lack of planning and attention to anything outside the metropolitan area and we inherited the challenges of delivering appropriate housing for communities right across the state, especially in the state's north. We inherited the results of Labor's complete lack of interest in anything outside the Perth metropolitan area. That is why we now have a royalties for regions fund and why we have a population outside the metropolitan area that knows they do not have to settle and they can have a say and have aspirations that will be met by a government that has an interest in things outside the metropolitan area. It will take longer than four years to unscramble the egg that we were left with, but even with the short list that I have provided this morning, there has been a concerted effort to try to address some of the key challenges in our communities in terms of affordable housing, aged housing, independent living units and government workers housing. As I said before, Hon Jon Ford could not bring himself to read out some of the initiatives that were listed.

Hon Jon Ford: It is the first thing I responded to!

Hon MIA DAVIES: Hon Jon Ford listed one, but there are many, many more. The member knows that his leader wants to cut them all and build a road! That is fine, just as long as the public out there knows they will get one road from royalties for regions under a Labor government! That is fine, as long as we are all clear on that. The people in the north west, and indeed right across the state, know that the government has made a start. We will and can do more. There is no doubt that some people in Western Australia are suffering and having great difficulty accessing affordable housing—but I tell you what: it would have been a hell of a lot worse under a Labor government! I am very proud to have been able to contribute to this debate. Once again, I put on record my support for the current Minister for Housing and the royalties for regions program. I will be very interested to see what the Labor Party is going to do beyond the next term of government.

HON SUE ELLERY (South Metropolitan — Leader of the Opposition) [11.16 am]: I want to again draw the house's attention to the words in the motion before us —

That this Council expresses concern at the Barnett government's failure to adequately address the lack of affordable housing and affordable rentals and calls on the government to make the availability of affordable housing a priority.

We heard the minister list the government's actions. We heard the most recent contributor list the projects funded through royalties for regions. While the government is taking those actions and while royalties for regions is doing what royalties for regions is doing, the waiting lists for public housing are growing; the private rental market is getting tighter and housing affordability is worse. The Western Australian Council of Social Service report and the Anglicare report that I will refer to in my comments both show that the situation in regional areas is getting worse. The motion does not say that the government has done nothing; the motion says that what the government has done to date is not adequate, because the situation with affordable housing is getting worse. I will start by referring to the WACOSS pre-budget submission of 2013–14, in which it identified the following —

Issues concerning access to safe and affordable housing in Western Australia emerged as a strong priority ... The biggest concerns are: Rates of homelessness, the lack of crisis and transitional accommodation, access to social housing, and the availability and affordability of private rentals in regional centres and the metropolitan area. At the same time the cost of housing has risen to a point where owning your own home is increasingly beyond the reach of the average working family. The cost and availability of affordable rental accommodation emerged as the number one contributor to financial stress in low-income households in our recent *Cost of Living 2012 Report*, accounting for 30–40% of weekly expenditure (compared to 22–27% for food and 3–5% for utilities). This suggests that much of the recent increases in levels of financial stress and default, utilities hardship and demand for emergency relief services, can be understood as a product of transferred housing stress.

The WACOSS report goes on to say that its solution is to call on the government to make significant investment in more social housing, including new public and community housing. WACOSS gives kudos to the government for the affordable house strategy 2010–2020, which the minister referred to, and says —

The ... Strategy ... contains a good mix of measures addressing different needs across the housing affordability spectrum. The Council has welcomed a range of initiatives that takes creative approaches to partnering with the private and community sectors to increase the availability of affordable housing stock.

However, it goes on to say —

... that the scale of investment is inadequate to address growing need or to reduce the growing affordability gap. To meet the level of need a construction target of an additional 1000–1500 social housing dwellings each year is needed, with this new housing located as close to services, —

Hon Robyn McSweeney: Didn't you only build 1 100 in your term?

Hon SUE ELLERY: I am telling members what WACOSS is saying about the government strategy that is in place now. We are debating what this government is doing.

Hon Robyn McSweeney interjected.

Hon SUE ELLERY: If the minister wants to contribute to the debate she is welcome to, but I have limited time.

The Western Australian Council of Social Service is particularly concerned about the lack of appropriate and affordable housing for low-income households. The council also particularly addressed the question of the regions. Under the heading “Strategies to address housing provision in rapidly growing regional communities”, it states —

The impact of mining development, infrastructure stress, fly-in fly-out work practices and rapid population growth on regional communities have resulted in widespread cost of living increases and a chronic shortage of affordable housing. Research reports, the Regional Price Index 2011 and the Council's consultations provide ample evidence of the mounting numbers of people who are homeless or at risk of homelessness due to rising costs and a lack of affordable housing. The Council calls for an increase in the supply of affordable housing to ameliorate housing stress in regional areas.

One of the shocking elements of the lack of affordable housing and the lack of appropriate crisis housing in Western Australia right now is the impact it is having on children. In Western Australia today, with our affluent community—I am always at risk of reverting to Kath and Kim and talking about an affluent community!—one of the shocking signs I think that should not be occurring in a community as well off as ours is the number of children who are affected by homelessness. In 2009–10 the Australian Institute of Health and Welfare identified that the number of homeless children in WA had risen to 8 400—that is, 8 400—and that 3 700 of those, nearly half of them, were under four years of age. The Australian Institute of Health and Welfare specialist homelessness services data collection released in July this year showed that young people continue to be over-represented in the homeless population. Between October and December 2011 almost 18 per cent of people accessing special homeless agencies were yet to turn 10 years of age, and half were under 25.

For the second year in a row, Anglicare has conducted a snapshot of rental affordability across the nation, and in WA as well. What Anglicare found this year on 14 April in its snapshot was that hardly any affordable housing was available to people on fixed or low incomes. It found that in the metropolitan area for single people on Newstart or youth allowance there were no affordable properties in Perth. Seven properties were available for singles on an aged pension or a disability support allowance, and 26 for aged-pension couples.

Let us talk about the regions and what Anglicare found in the great southern, in the south west and in the north west. In that snapshot it found that for single people on Newstart and youth allowance in the great southern and in the south west no properties were available; only two properties were suitable for singles on an aged pension; and other household types on pensions or benefits would be competing for a small number of properties. In the north west it found that there were no suitable private rental properties for families and individuals on benefits or on a minimum wage. This was reflective of the overall housing situation in resource-based communities in Western Australia. The average rental being asked across the north west was \$1 374 per week. The average rental in the town of Karratha was \$1 602 per week. The cheapest rental across the north west was a one-bedroom unit in Broome at a cost of \$420 per week. For a single person on a minimum wage this would represent 71 per cent of their income and leave \$179 per week to pay for other living costs of food, utilities and transport.

Members of the government—the minister and the National Party representative—are right to list the things that their government is doing; that is good and I commend them for it, but clearly all of the indicators are that it is not enough and that is why the language in our motion today talks about an inadequate response, because they need to do a lot more. There are levers that governments can pull but, unfortunately, this government is not doing that very well. The scheme that the government set up to help people move out of our public housing system—which is under enormous stress with record-level waiting lists—and into private rentals has shifted fewer than a dozen tenants since it began 18 months ago. Just 11 people have been moved out of social housing as part of the trial of the private rental scheme since the start of last financial year. Why is that? It is because the private rental market is so tight that there is nowhere to move them into; and the Anglicare snapshot shows us just how tight that market is.

Then of course there is that other lever that the government has, and that is the changes it made to the Building Act. What an inept and confused result has occurred as a result of that! In 2011–12 the number of approvals granted under the Building Act was 11 099, compared with 18 135 approvals granted in 2007–08. In April this year there was a 45 per cent decline in building approvals. This is at a time when housing stress and the rental market is as tight as it has ever been. Vacancy rates in the private rental market are so low that even if people have the money it is hard to get into it. When the government levers needed to be working at their best, this government was fumbling around ineptly handling its building approval system, resulting in more stress in the private rental market. That is why, while government members can commend themselves for what they have done so far, they need to do a hell of a lot more. It should not be the case that 3 700 children under the age of four in Western Australia are homeless. It should not be the case. That is a disgrace. It is an indictment on us. Government members need to do a hell of a lot more before they can stand in this place and say that everything is hunky-dory and that somehow we are inadequate for not commending them for all the great work they have done.

HON ED DERMER (North Metropolitan) [11.25 am]: I am very pleased to rise in support of the motion. I would like to congratulate Hon Jon Ford for drawing this matter of the utmost importance to the attention of the house. I would similarly like to congratulate my leader, Hon Sue Ellery, for making it very clear that this is not a motion put with partisan political intent. Hon Sue Ellery, with her usual grace, acknowledged the work done by the government in providing further housing. But, of course, getting back to the original motion as moved by Hon Jon Ford, it is to indicate the need for more to be done.

I was also very pleased with the way that each of the members on this side of the house who have spoken specified particular regions, where the requirements may vary from one to the other. We do need to make clear the need to find solutions that best meet the requirements of different regions, rather than in any way or sense say that there is a single answer that is suitable for all parts of the state.

Being a member for a metropolitan region, I am aware of the need in the suburbs more directly, because the people there come through my electorate office. I am reminded of a very serious circumstance for people on a level of income that precluded them from being eligible to apply for Homeswest accommodation. I have seen very sad circumstances of people who on such a level of income would never have anticipated applying for Homeswest accommodation. Some circumstances change their life, their income drops, they then apply to Homeswest and are then quite shocked to discover the length of the waiting list. Many people in our community, who may not have had reason to look at the length of the waiting list for Homeswest accommodation, probably have a false sense of security and think that if ever they find their circumstances changed and their income diminished so that they can no longer afford private housing, they will become eligible to apply to Homeswest but would not be aware of the length of the waiting list. I have had people come into my office under those circumstances very distressed because they thought that Homeswest was always there as a safety net should their circumstances become more difficult. And when they come in and find that the safety net is some seven or eight years into the future for them, they sit there with the obvious question: what do we do in the interim?

Adults' concern for their own roof over their head is very understandable; it is a very serious issue. For a parent to be concerned about the need to provide a roof over the heads of their children is, I think, a more serious concern in the orders of magnitude. I am reminded of this by the very wise words of the Leader of the Opposition when she referred to that particular need for children, and I am reminded of the number of people who come into my electorate office who are ineligible to apply for Homeswest—let alone start on the very long waiting list—and who, probably because they have children, are consistently rejected by private landlords. I know of a particular family—I will not mention them by name—who had four young children and the mother's income level was such that she was not eligible for Homeswest. She was finding it impossible to be accepted for private rental accommodation and she wondered why that was. This was in the time before the intensity of the private rental market reached the heights it has now reached. Having listened to this lady explain the various instances in which her applications for private rental accommodation had been rejected, it became clear that landlords, who had enough potential tenants to give them a choice, would not choose to accommodate families with children. They would see the children as extra wear and tear on the property. This would lead to the desperation of people who have children, whose need for accommodation extends beyond their own needs to those of the children in question, in many instances. For many families in Western Australia this is a very serious problem, and I was very pleased when the Leader of the Opposition recognised that in her comments in support of the motion.

I was very interested to listen to Hon Mia Davies talk about the application of royalties for regions funding to provide housing in the regional territory. I think the National Party should be very pleased with itself for the royalties for regions policy. It is quite simple in its presentation and, obviously, the National Party has done very well with that policy electorally. The Labor Party understands the importance of providing services for regional areas and for that reason we decided that we will continue with the royalties for regions policy when we are

elected to government next March. But I think we will apply the revenue far more seriously and with greater effect. I am reminded of the debate earlier this week on the future fund policy, which appears to be funded by royalties for regions money that has not been spent in the regions. I suggest the government re-examine the application of royalties for regions funding and apply more of that funding for the very serious purpose of providing housing accommodation in regional areas, rather than some of the more trivial purposes on which it may have been misspent by this government in the past.

It is very important that all members have their minds refocused on this very serious need. I am very pleased to support the motion because it has gone a long way to achieve that purpose.

HON JON FORD (Mining and Pastoral) [11.33 am] — in reply: I enjoyed listening to Minister Collier's response. It reminded me of some of those initiatives that are bubbling away in the background. As Hon Sue Ellery said, the motion is not about not recognising the initiatives the government is doing, but its adequacy to deal with the issue over time. Indeed, members may recall that I said at the very start that we could have applied the same motion to my government and to governments before that; we have to absolutely fundamentally change our approach.

I predicted that we would talk about lots of money. It seems to me that if we were in private business, we would produce a lot more housing for that bundle of money and that is what we have to get at. We have to look at how we deliver affordable housing, rentals and home ownership for the people of this state. It is not about condemning the government on its initiatives; it is more about pleading with the government to think outside the box. It is a challenge for all of us. At the heart of it, as members got the hint from my opening remarks, LandCorp is one of the big problems. How do we let it deal with that? If we enunciated to the general market what we need to deal with the quantum of housing required and had LandCorp sit to one side and participate in that market as a tenderer, we would end up with not a perfect result, but a much better result. I still think going into partnership with resource companies would be a good way to go as well. Hon Sally Talbot said as much, in that the amount of housing that we see in reports, such as the royalties for regions report, pales into insignificance when we look at the ability of resource companies to build their housing projects.

I will conclude in response to Hon Mia Davies, as is my wont, who is part of the divided National Party. The rant we get from that sector of the chamber is extraordinary—that, somehow, first the Labor Party and then the Liberal Party will abandon royalties for regions and it will be the end of the —

Hon Jim Chown: Universe.

Hon JON FORD: The universe—that is right. It will be the end of regional Western Australia if we do not elect the National Party. I am going to give her a little reminder, as I have done before —

Hon Ljiljanna Ravlich: I'm not voting for them!

Several members interjected.

Hon Ljiljanna Ravlich: Even if it ends tomorrow, I'm not doing it!

Hon JON FORD: I can guarantee that when I vote—you guys will be happy—my vote and preferences will go to the Liberal Party before it goes to the National Party. Members might be all surprised by that!

Several members interjected.

Hon JON FORD: The member talked about me not being able to bring myself to acknowledge the Nationals' work but, in fact, as members all witnessed, they were the first people I acknowledged. When I came into this house in 2001, regional Western Australia was on its knees. The National Party had been flogged by the electorate in recognition of that. Suddenly, through some swift marketing, a jazzy little line and circumstance, the National Party painted itself as being the saviour of the bush. That is a load of rubbish! The National Party is, in fact, a very, very divided party. I was in the Kimberley with a bunch of constituents—not my natural constituency, but they are my constituents—who are people in the pastoral industry. Whilst they were very, very polite about the Minister for Regional Development, they were very critical and said things like, "Unfortunately, he's too busy to deal with us because, like other politicians, he has to try to win this seat in the Pilbara." As far as they are concerned, he has taken his eye completely off the ball.

Hon Ed Dermer: So, he's too busy to talk to constituents because he wanted their votes.

Hon JON FORD: He wants the votes in the Pilbara.

Several members interjected.

Hon JON FORD: He is. I am a pretty good campaigner and I am a recognised bush campaigner and director. Give me a decent Independent in Merredin and I will make sure that Hon Mia Davies does not get a seat. I can just about guarantee it. In fact, if Hon Max Trenorden stood against her, I would love to be his campaign

director! In the heartland of the National Party, that is how well thought of they are. I am not going to sit here in my last few sessions of Parliament and cop this anymore. I have not been copping it for a while. It is a two-horse race. The discussion in here has to be about the future of Western Australians and not about the future of the National Party.

Hon Ed Dermer: Hear, hear!

Hon JON FORD: That is what the debate has to be about. I will conclude my remarks by urging the government to put a bit more effort into improving housing affordability.

Motion lapsed, pursuant to standing orders.