

COMMUNITY DEVELOPMENT AND JUSTICE STANDING COMMITTEE

Eighth Report — “A Fading Dream — Affordable Housing in Western Australia” — Tabling

MR A.P. O’GORMAN (**Joondalup**) [10.28 am]: I present for tabling the eighth report and related submissions of the Community Development and Justice Standing Committee’s inquiry into the adequacy and future directions of social housing in Western Australia.

[See papers 4179 and 4180.]

Mr A.P. O’GORMAN: We have titled our report into the future directions of social housing “A Fading Dream — Affordable Housing in Western Australia”. When people get an opportunity to read the report, they will see why we have titled it that. I will go through some of the issues that we have raised in the report and in the executive summary, then I will present some of the recommendations of the report to the house.

Although home ownership is an aspiration for most Australians, the great Australian dream is harder to realise than ever before. With house prices outstripping income growth over the past 10 years, home ownership for those on low to middle incomes is less attainable. This also increases the waiting lists for public housing as higher home prices also increase the price of private rental accommodation. Across Australia public housing funding and the number of dwellings has reduced. The effects of welfare targeting mean that public housing has become “residualised”, and now public housing mainly houses the disadvantaged who are reliant on welfare incomes and social services. Between 2003–04 and 2009–10, the proportion of new public housing allocations to those in greatest need in Australia has more than doubled, from 36 per cent to 75 per cent. Social housing forms a small but important part of the broader state housing system. It assists people who are unable to find affordable housing. Without an adequate supply of affordable housing there are no exit points for social housing tenants to move to and therefore free up social housing rental stock for people on the public housing waiting list.

Many factors are at play in the decrease of housing affordability in Western Australia. The state’s home buyers now wait longer than other Australians to have their new homes built. The median price has increased more rapidly than in other states and this is mainly due to a decade of sustained expansion and growth in the resource industry in regional Western Australia. The state has attracted tens of thousands of new residents from interstate and overseas. This demand for labour in the resources sector has also contributed to a labour loss in the housing construction sector. Supply-side determinants of affordability include the availability of land, the efficiency of the state’s land development processes and infrastructure costs, including development charges.

The committee in its deliberations made a number of recommendations. I will go through them because they are very important. Some of our recommendations include —

Recommendation 4

The Minister for Housing amend the *Affordable Housing Strategy 2010–20* to establish affordable housing quotas on green-field developments and large redevelopment sites.

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Recommendation 6

The Minister for Regional Development and Lands should complete the assessment of the feasibility of a ‘land rent’ scheme in Western Australia.

This scheme operates very successfully in the Australian Capital Territory. When we went over there and looked at it, we learned that it takes out from the cost of a house the cost of land, which, in Western Australia, is ever increasing. It works very well in the ACT and there is a good opportunity for the government to introduce such a scheme here and make it also work for us. Further recommendations of the committee include —

Recommendation 9

The Minister for Housing, in consultation with the State’s community housing providers, review and simplify the existing legal requirements for new housing projects by June 2012.

...

Recommendation 11

The State Government investigate the feasibility of requiring developers to release developed lots within a specific timeframe, such as a differential land tax regime on long-term unimproved land.

The idea of that is to prevent developers from land banking and holding that land until the prices go up.

The committee also recommends —

Recommendation 12

The Minister for Housing place statutory time frames on referral agencies by June 2012 to ensure that the necessary approvals and subdivision works are complied with in time to meet lot supply targets.

...

Recommendation 16

The Department of Housing take a leading role in using a broader range of construction methods in their projects to help reduce the cost of house construction to the State’s wider housing development sector.

One of the things that impressed me—I think I speak for the other members of the committee when I say this—is that the Department of Housing does some very innovative things. The department is using different construction methods and it took us out to some of its projects to show us those construction methods. If my recollection is correct, because the department was able to get federal funding, it could leverage that federal funding to purchase a whole development of apartment blocks down in Success and underwrite that construction. As the construction progressed, the Department of Housing resold those developed apartments back to private operators in the housing market so that those people were able to get into the housing market at a much lower cost. The department also kept a number of those apartments for the Department of Housing’s own clients whom it needed to put into housing. It was a bit of an innovation for the Department of Housing to do that. It was able to do that because it was federal government funding and it was not tied to the necessary tender process of the Western Australian government.

The committee also recommends —

Recommendation 18

The Treasurer undertake by December 2012 a broad review of State-based property taxes and bring proposed changes to Parliament. The review should examine stamp duty and land tax revenue with an aim to have a more equitable and efficient system.

The reason we do not recommend that stamp duty on housing be abolished outright is that we did not have enough evidence. We have not investigated or inquired into that enough to say, “Yes, we can remove stamp duty.” As we know from experience, when we remove a tax, the private sector tends to use that extra affordability in the market to improve its profitability and jack up its prices a bit. We did not want to remove the stamp duty from construction outright, even though I think the majority of people in Western Australia would love us to do so. I think it needs a lot more investigation so that we are sure that the developers do not fill that tax void by jacking up the prices of their housing.

The committee also recommends —

Recommendation 30

The Treasurer in the 2012–13 State Budget provide stamp duty exemptions for retirees who are downsizing their primary residence.

This has been around for as long as I have been in Parliament and probably a lot longer than that. The Association of Independent Retirees has put numerous submissions to the government over the years. I know that the member for Ocean Reef has received submissions again recently, as probably has every other —

Mr A.P. Jacob: Ron cornered me yesterday morning again.

Mr A.P. O’GORMAN: We get the pleasure of our local chapter president talking to us and emailing us. The association believes that that is a real incentive to get older empty nesters, if we like, not only retirees, to downsize. If someone is going to downsize from a house in the suburbs to a smaller house, they still have to pay maybe \$25 000 or \$30 000 stamp duty. Therefore, it is much better for that person to stay in that position, but they are occupying a three, four or five-bedroom house on a large lot in the suburbs. We suggest that the Treasurer looks at that and puts it into the budget provisions.

The committee also recommends —

Recommendation 19

The Minister for Planning amend the State’s R-codes by June 2012 to allow ancillary dwellings to be occupied by tenants who do not have a family connection in the main dwelling, and that such arrangements be formalised under the *Residential Tenancies Act 1987* to protect tenants.

That practice is already happening. I know that it happens in Joondalup. In 2001, shortly after I was elected, I was approached by a residents' association in the CBD of Joondalup asking that we make agents aware of the process of renting out the granny flat or studio apartment on top of the garage out the back. Lots of people in Joondalup, when they moved in, bought a three or four-bedroom house at the front and built a studio apartment on the garage at the back and rented that out to get some extra income. Some of them are renting out at the moment for nearly \$200 a week; the last time I looked, it was \$200 a week. That continues to happen in Joondalup; I know there has been media recently about Fremantle wanting to introduce the "Fonzie Flats", as they call them. It is a good, affordable way of getting people into housing without taking up a lot of space, and the main house is close so that the landlord can keep an eye on things to make sure they do not get out of hand. We actually recommend that the R-codes be changed to allow that.

We have also recommended that the Minister for Commerce amend section 37(2)(b) of the Local Government (Miscellaneous Provisions) Act 1960 by June 2012 so that development applications to local government authorities can be deemed approved if a decision has not been provided within the scheduled time frame. We think that that is very important, and it was strongly pushed, I believe, by the member for Ocean Reef, who has a local government background. If it is actually deemed approved within the time frame, it puts pressure on the planning authorities and local governments to get the approvals through in the required time, rather than having long delays. This is a complaint that has been made to me many times by developers in Joondalup—that the time frame for getting through all the planning processes is far too long.

We have also made a recommendation that the Minister for Regional Development provide funds in the 2012–13 budget from the royalties for regions program for a pilot program in Halls Creek to build 100 transportable houses to reduce the waiting list for public housing. That is an area of high need in the Kimberley, and we are suggesting that the government try something different and put some money behind it; the government should be underwriting these sorts of developments to make sure that we actually get things into the regions, particularly, so that we can house the people in those areas who are currently sleeping rough.

The final recommendation in the report states —

The State Government release funds for the provision of water and power to meet the needs of the Pilbara communities.

This recommendation has come about because there is a shortage of water and power in the Pilbara. The government has been emphasising its Pilbara Cities project; we are saying that one of the biggest things holding the Pilbara back is the provision of water and power services. If that could be done, maybe some of the private developers up there will be in a position to put some of those developments on the ground.

During the inquiry—this one stands out for me because of the way it was presented to the inquiry—the developer of Capricorn village said that we are a very wealthy state and we should be doing certain things to protect not only the natural environment but also the built environment as developments are built up. He said that he was trying to get some houses to market for a price point around \$300 000, which is what he believes to be an affordable amount, particularly for first home buyers. However, restrictions that were put on him by the Western Australian Planning Commission—this was an issue that came up through Main Roads—added approximately an extra \$15 000 to the cost of the product that the developer wanted to get to the market. That was because the WAPC demanded that noise treatments be constructed on the roadside of the future development of Marmion Avenue. The projection is that future development will not happen for another 20 to 30 years, but he wants to get these houses on the ground now, and he is having to account for something that might happen in another 20 or 30 years and build it into the cost of the houses now. He thinks we should be doing certain things to make sure that the environment is protected and to make sure that the future comfortable living and amenity of the people who buy those houses is taken into account. However, to try to guess what is going to happen 20 or 30 years into the future is a step too far for him, and it meant that he had to push the cost of his entry-level houses up by \$15 000 to \$20 000 because of that particular stipulation. It is about being reasonable and using commonsense about the restrictions that we put on developers. Yes, we have to make sure that the development market does not descend into totally uncontrolled construction, but we have to think about what we are adding to the costs of housing by taking into consideration things that are way too far into the future.

I know I am running short on time. I really want to thank the committee staff who assisted us and put this report together for us—Dr David Worth, Jovita Hogan, who are our current staff, and also Dr Brian Gordon, who started this inquiry with us; we changed horses mid-gallop, if you like, in July, and Dr David Worth came on board. I do not know how he did it, but he must have spent a lot of time going back over notes, reading handwritten notes and those sorts of things, but in the end he has given us a very fine report, along with Jovita Hogan and Dr Brian Gordon, who started this. I also thank my parliamentary colleagues—the member for Ocean Reef, who is deputy chair of the committee; the member for Girrawheen; the member for Pilbara; and the member for Morley.

I have been on this committee for as long as I have been in Parliament. For as long as I have been on this committee, I think the members have worked very well together, albeit that there are people from different sides of the political divide. There is a lot of negotiation and agreement, but I do not think we have ever had a minority report. I hope to keep it that way into the future, although it may not always be possible. My view on things is that when we are on the committee, we are not from either side of politics; we are there as members of Parliament to actually deliver reports to this house on the best ways to move things forward, and I think we can generally do that with conciliation. Occasionally we might have a head-to-head where our political backgrounds come into play and we vote that way or push our views that way, and in the end it may be that we go to a vote that might result in a minority report; but so far, I can say that there has been cooperation and conciliation from all members of the committee, and I am pleased that we have been able to bring this report to the house today.

MR A.P. JACOB (*Ocean Reef*) [10.46 am]: I recently read an article that pointed out that, regardless of which particular industry causes a nation to prosper at any given time, the wealth of that nation always ends up sitting in its residential properties. It has been estimated that around 70 per cent of an industrial nation's wealth exists within its residential landholdings. This is particularly true of the English speaking world; the aspiration to be a property owner is a condition that is ingrained in our psyche. In his noted text *The Ascent of Money*, Niall Ferguson examines how children are taught to climb the property ladder—even before they have money of their own—through a simple childhood board game that has been a bestseller over the past century. The history of the game Monopoly can be traced back to 1904, when an American socialist named Elizabeth J. Phillips created “The Landlords’ Game”, a game that she hoped would illustrate the inequality of a social system in which a small minority of landlords profited from the rents they collected from tenants. However, what Monopoly actually teaches us all—in complete contradiction to its original inventor's intention—is that it is, in fact, very smart to own property.

The term “as safe as houses” encapsulates the almost universal yearning to own our own home and to take full advantage of the opportunities that are offered by being members of a property-owning democracy. This is what we now know as the “great Australian dream”. Accordingly, my own passion in this inquiry has been focused more towards the affordability of purchasing a home, as opposed to the affordability of rental and social housing, although these are equally important considerations, which the inquiry has spent a lot of time on. I am sure some of my colleagues will touch on that, as the chair just did.

On the social housing side, I am personally particularly passionate about point (viii) of our terms of reference, and I will touch on that very briefly; namely, factors facilitating the movement of people from the social housing sector to the private market and homeownership. Whilst I understand that a proportion of our social housing tenants are unlikely to be in a position to pursue homeownership, even into the future, my passion for the social housing aspect of this inquiry is the opportunity for us to assist and facilitate those tenants who aspire to homeownership into the future. Unfortunately, the scope of an inquiry like this can easily become overwhelming and lose its focus as this is such a large area, so some things have had to receive more focus than others. Unfortunately, I do not believe that this particular inquiry has perhaps examined point viii to a degree that would have done it justice. I do not in any way say this to be critical of the committee's work in this report; I simply think that to focus on that particular area to the exclusion of others would have caused us to lose our way a bit. I just wanted to use this opportunity to flag that I believe this to be an area in which a lot of work could still be done. Time constraints on the inquiry also simply meant that we probably have not been able to examine this area in the depth required to do it justice. I believe that an examination of facilitating the movement of people from social housing to homeownership would make a fascinating standalone inquiry for a future committee, either this or perhaps another committee.

In approaching this inquiry, one thing we looked at and was a bit of an overarching theme was the different models of housing provision, and particularly affordable housing. This broadly splits into two streams for me; that is, the differing financing, management and facilitation models of providing affordable and social housing, and the physical provision of housing. The first of these streams has been fascinating as we have looked at models and examples from all over the country. We have seen some really exciting and innovative movements in this area in our own state and in other states and territories. In particular, some fantastic opportunities are opening up across Australia for the community housing sector to partner with government in the provision of affordable and social housing, and I believe that the report is particularly strong and quite comprehensive where it has examined these matters.

With regard to the physical delivery of affordable housing in Western Australia, I was fortunate enough to complete my master's degree in architecture last week. A particular passion of mine over the last 12 months has been alternative construction methods, which I believe can deliver savings not only on initial construction costs, but also by providing a more efficient and sustainable built form in perpetuity. A lot of exciting initiatives are being taken by builders, architects and a range of other people in and around the construction industry. Some of the prototype forms of construction and the uses of materiality and even simple solar passive principles have the

potential to be both much cheaper to construct and far more efficient in long-term use. I believe we should be doing everything we can to encourage alternative forms of residential construction in this state. Even from a purely aesthetic point of view—if we take the science out of it—I believe our urban residential fabric has become increasingly homogenous over time and bland, to be honest. It is said that variety is the spice of life. However, most of these alternative built forms are still just experimental or prototypes, with very few of these different methods forming an economy of scale whereby they can truly compete with the standard double brick and tile construction, which has come to dominate our residential construction industry. Our trades are heavily geared towards what we currently have to the virtual exclusion of all else in the residential building sector. It is fair to say that the customer base is still heavily geared towards preferring the standard four-by-two brick and tile house, although I believe we are starting to see some slow shifts in public sentiment. I have to say that even though it was not particularly part of our terms of reference and mainly falls under the purview of the Building Code of Australia, I simply cannot understand why we cannot seem to integrate even basic solar passive principles as a matter of course into our building designs. One hundred years ago this was done just as a matter of course in Western Australia. Modern methods of construction seem to be taking us further away from basic solar passive principles rather than moving us closer towards them, as we understand them more.

Another key element of offering a diversification of residential options is increased densification. Whilst planning trends on both sides of this Parliament have been tackling this issue well and we broadly seem to be in agreement on where we are heading, I do not believe our construction industry has yet come to the party on this. Even after our year-long inquiry—in fact, it was a bit longer than a year—I still cannot for the life of me understand why two or three-bedroom apartments cost more than a four-bedroom standalone house in this state. This is certainly not the case anywhere else in Australia or the other places we went to. This pricing anomaly is one of the most serious impediments to housing affordability in this state, unless we want the metropolitan area to sprawl to Geraldton. I believe that other committees of this house have looked at the issue of high-rise affordability. Although the reasons for why this is the case appear to be multifaceted, nobody seems to conclusively know how to tackle it. This, again, is an issue that could benefit from further examination, even as a standalone inquiry. If a resolution were achieved, it would go an awfully long way to providing more affordable entry-level housing options in this state. Quite simply, until we can diversify our housing stock, I personally believe we are about as affordable as we can be right now. We need to utilise our land far better as we grow, particularly in the metropolitan area.

While we need to ensure that our actions and decisions as a government enhance rather than hinder affordability, I believe that we can all see that affordability is becoming increasingly difficult. I do not yet think that the great Australian dream has become unattainable. As the youngest member of this house, I have many friends and family members who recently have been able to find their way into the housing market. My own electorate was recognised—I will briefly boast—by a United Nations-sanctioned committee as being the best place in the world to live.

Mr A.P. O’Gorman: It wasn’t your electorate; it was the whole city!

Mr A.P. JACOB: I share this with the Chair.

Several members interjected.

Mr A.P. JACOB: Members, it was the UN; take it up with them! May I briefly deviate and remind the house that if we are to continue to hold this title in perpetuity, we need progress to continue on the Ocean Reef marina.

Mr A.P. O’Gorman: We stand together there.

Mr A.P. JACOB: I know, member; I thought I would get support. And both our electorates were recognised as the best place in the world to live. Even within my own electorate, with its international standing, it is still possible for first home buyers to find a place, but only just. Will this still be the case in five or 10 years? Will my own son be able to afford a house in our neighbourhood? On current trends, this is looking increasingly unlikely if the status quo continues. Affordability appears to be increasingly dwindling. As long as demand continues to outstrip supply, the trend will be away from affordability and not towards it. This is what this report is really about. This report does not criticise the approach of one side of the Parliament over the other, because I do not believe that our approaches have differed all that much in recent history; nor has the report tried to score quick sensationalist political points. What the committee has done as a conglomerate—as a collective, even—has been to provide some practical triggers to help the government arrest the drift away from affordability and to help ensure that the great Australian dream remains an achievable aspiration for future generations.

Mr T.G. STEPHENS (Pilbara) [10.57 am]: I endorse the comments of my colleagues who have expressed appreciation for the work of Dr Brian Gordon, Dr David Worth and Ms Jovita Hogan. I also express my appreciation for the opportunity to work with my colleagues on this committee report. There was a lot of bipartisan unanimity within the committee’s deliberations on issues within the report, but I want to take the

opportunity to highlight what I consider to be some hopefully politically contentious areas within the report. Why do I say this? When we were in government and when I was housing minister there was enormous pressure on us to respond to the waiting times for public housing. Those waiting lists and the data and detail relating to them were very accessible and transparent, and put a lot of pressure on the housing minister and the government at the time. What seems to have happened, as agreed by this report, is that the data is now inaccessible and that the information is no longer easily available for the community to understand exactly what is going on with waiting lists for public housing around the state. Instead, the information seems to be hidden behind averages and medians and we can no longer penetrate the information on social housing waiting lists. One recommendation in this report calls on the housing minister to rectify the issue of availability of information. It calls on the minister to bring some transparency into the equation of the information that is available for not only social housing applicants, but also the wider community, the Parliament itself and the media, so that they can understand what is going on with the waiting list in Western Australia.

A universal story that members representing Labor electorates can tell is about the enormous pressure we are under from constituents who are on a very long waiting list for public housing. As they try to understand exactly how long the list is, they are left with data that does not make it easy for them to make an assessment of what a sensible response would be to these waiting times. Their response would be aided if the housing minister dropped the approach that seems to have been adopted in government of hiding everything behind a veil and effectively a level of secrecy.

The other area, which has just been spoken about by the member for Ocean Reef, is varying the construction approach to residential accommodation in Western Australia. This would create opportunities for an alternative approach to the single residential allocations that are on offer all around the suburban areas of Western Australia and for building a range of products more efficiently and more economically, including especially multiunit residential projects. These residential units at this stage are by and large unaffordable and are certainly much more expensive in their construction and retail costs compared with such units in other parts of Australia and in other parts of the globe, including our very near neighbours such as Singapore. The issue of why construction costs here in Western Australia are so very high is an impenetrable science. But this report calls on the state government to use its purchasing power in the Department of Housing annual construction program to deliberately intervene in the marketplace and to repeat some of the work that was started in, I think, Cockburn—although I did not go with the committee to Cockburn.

Mr A.P. O'Gorman: It was Success.

Mr T.G. STEPHENS: Success! There you go! What is on display at Success, apparently, is evidence of some early intervention in this area of multiunit residential projects. But there needs to be more of this intervention by the state government into the marketplace to build up an expertise in the construction industry that can be available not only to government, but also more widely to the private residential market. This intervention will build skills and efficiencies and economies of scale that can deliver a significant range of alternative products to those currently on offer.

I am pleased that my colleagues have agreed with some specific recommendations in this report that are dear to me and to some of my colleagues. I note that the member for Bassendean recently wrote a column in *The West Australian* that I thought was a very important contribution to the needs of public housing tenants. Such tenants can too easily be caught up in levels of dysfunction, creating mayhem for themselves as a family and mayhem for their streets, their neighbourhoods and their community, and eventually going too easily from public housing to God only knows where. There is a desperate need for supported accommodation strategies that can intervene in the lives of dysfunctional families and tenancies, not just strategies in pilot programs that are too regularly on offer from government.

Here is a criticism of successive governments, including the government of which I was part, not just for the current situation, but also for the response to interagency fights over this issue between housing and the former community development department. No-one actually wanted to deal with the issue. We had pilot programs to respond to the needs of dysfunctional tenants. These pilot programs were considered to be a great success but they were never embedded in the systems of government to make a lasting impact on the dysfunctionality of families; yet it is the bleeding obvious! Historically, there were very successful, useful interventionist homemaker programs in the lives of public housing tenants who were suffering from dysfunction. They had success in places such as Fitzroy Crossing and much more widely around the state. They fell out of vogue and were abolished, and we are all the poorer for their absence. There is a real need to embed inside the programs—not simply as pilot programs—strategies to lift the level of functionality by intervening robustly and forcefully in the lives of those people and with ultimatums to them about the need to lift their game for their own sake, for the sake of their families, for the sake of the housing stock they have and for the streets and neighbourhoods of which they are part.

The programs have names these days. One in Roebourne is called the house-to-home program. That is, again, another pilot program that follows on from the very successful pilot project at Mungullah village near Carnarvon. This is a way of ensuring that people do not fall out of the public housing stock and end up going into other overcrowded housing stock, whether it be public or private, and causing great risks for not only the tenants, but also the neighbourhoods of which they are part.

This phenomenon of the Department of Housing building and tenancing properties and just simply too easily walking away from a valuable asset that is positioned there by taxpayers and governments to meet the housing needs of people is what I call the plunk-it-and-run approach. It is the phenomenon of just simply dumping a house and then running away from the tenants without building in people the capacity—particularly people who have lost the capacity, in many cases regrettably over generations—and homemaking skills necessary to look after housing stock. Those skills are necessary to build up the strength that puts the boundaries around a house and says, “This house is for us, our families and is a place where our children can be rested, fed and clothed, and emerge out of that haven for education, for training and for employment.” That is what public housing should be about. That is why I am pleased that my colleagues have called upon the housing minister to bring back to Parliament a report on the specific issue of what this government will do to move the concept of the house-to-home pilot program into a full program of government.

I am pleased that Parliament has the report and I hope that the response from government will be positive.

MR I.M. BRITZA (**Morley**) [11.07 am]: If the member for Pilbara thought that he was being political, I would most probably beg to differ because I think he disguised that with his passion!

I most probably learnt as much from the committee’s questions on the representations made before us and in the places we visited as I did from the people who gave us answers, and I appreciate what was done. I have to express from the beginning that this inquiry to a great extent has been a very challenging, disheartening and in some instances quite shattering experience for me. It is not entirely straightforward and clear-cut, in my opinion, as to whose feet the complete responsibility for this situation needs to be laid at. I found the issue of the spiralling costs of housing, particularly in the northern part of our state, complicated and often difficult to comprehend. However, I am encouraged that the report tabled in this place this morning will present to those primarily responsible for housing a clear outline of the extraordinary situations that a vast number of people in our state have to deal with on a daily, weekly and often monthly basis. The dreadful and appalling fact that the dream to own a home is and will be forever out of reach for most Western Australians is a discouraging thing to confront; yet there are ways in which this can be greatly diminished. I am confident that the findings, however confronting and alarming, will be overshadowed and eclipsed by the recommendations that I believe will assist and support those whose responsibility it is to turn around this disquieting matter.

Although there are many matters arising from the report that deserve to be noted, I would like to highlight to the house a couple of findings and recommendations that are of particular interest to me. Finding 18 reads —

Undeveloped land in Western Australia is relatively plentiful. In the metropolitan region much of the land zoned urban or urban deferred remains undeveloped. About 25,000 subdivided and undeveloped lots are being withheld from the market in the Perth region by developers.

There is not a shortage of land, yet we have no suitable land for housing. The committee was told that at a national level, land that is well serviced by infrastructure is not plentiful, and this simply increases property demand relative to supply in established, well-serviced areas; and this subsequently adds to the cost of development in new release areas, pushing up home prices beyond what is affordable for many potential home buyers. Another frustrating barrier to the release of land is the seemingly uncalled for and significant delays in the planning approvals and rezoning process. Attempts to unlock land supplies are being undermined by the complexity of meeting environmental compliance requirements, which have contributed to an artificially scant supply of land. It was interesting to note that our committee was given submissions that totally contradicted this finding, yet the fact is that no land is available to develop housing—and the seemingly frustrating stalemate continues. Of course we could not pass over the obvious certainty that some developers are sitting on land and waiting for the market to change in order to make a more substantial profit. Recommendation 11 reads —

The State Government investigate the feasibility of requiring developers to release developed lots within a specific timeframe, such as a differential land tax regime on long-term unimproved land.

That would seem to me to be a fair and equitable outcome. Findings 42 to 47 deal with the dilemma that our ageing population finds itself in when it comes to housing. The number of aged people in our state is increasing at a rapid rate, and this is a fact that we cannot ignore. It is vital that our seniors are provided with adequate healthcare and accommodation support services, and this must be an absolute priority for whoever is in government. Many of our seniors are being forced into the rental market because of the increasing economic problems; and, once there, they are unlikely to return to the private housing sector. The transition out of

homeownership is often precipitated by traumatic events affecting their finances, such as bereavement, divorce or unemployment. This changeover is rapidly becoming a permanent rather than a temporary transition. While for many retirees there is an overwhelming need to downsize their accommodation, there is a terrible disincentive for retirees because of the impost of stamp duty. I feel that their grievance about and objection to this particular tax has merit. I therefore firmly agree with recommendation 30; namely, that the Treasurer look seriously at exempting retirees who are downsizing from their primary residence from the stamp duty that is duly extracted from them.

I would like to take this opportunity to thank our research staff who are present in the gallery, Dr David Worth and Ms Jovita Hogan, for their help and guidance throughout this inquiry. I would also like to thank Dr Brian Gordon, who served our committee with distinction and honour. His support, assistance and guidance were well received and generally accepted. In conclusion, I encourage all members to take the time to read the report, particularly the findings and recommendations, to gain an overall picture of the state of affairs we find ourselves confronting with the provision of affordable housing in our state. I duly recommend the report to the house.

MS M.M. QUIRK (**Girrawheen**) [11.13 am]: I believe it is a human right to have adequate housing. Adequate housing is essential for human survival with dignity. Without a right to housing, many other basic rights will be compromised. That includes the right to family life and privacy, the right to freedom of movement, the right to assembly and association, the right to health, and the right to development. The right to housing is of particular significance for kids; because of their vulnerability, they have special needs for care and protection. Without decent and secure accommodation, children are unlikely to realise their right to grow and develop in an atmosphere of moral and material security, free from abuse and neglect. The right to housing is clearly supported by international law. Indeed, it is part of the very foundation of the Universal Declaration of Human Rights. Article 25 of that declaration provides, in part —

Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing ...

I have been contacted this morning about a mother and two young people who will tonight be sleeping in a car. The Department for Child Protection has provided them with only two days' accommodation. That is happening far too often in our community.

As members heard from my colleagues on the committee, this is a large report. The report skims over a number of areas that may be worthy of further inquiry, either by our committee or other committees. As this is such a complex area, it very much emphasises that the provision of affordable housing is not the responsibility just of the Minister for Housing but is a whole-of-government responsibility. Putting out a policy about affordable housing will not in itself address the quite entrenched and systemic problems that need to be addressed head on if we are to find a fundamental solution to the problem of providing more affordable housing. However, I think the report is useful in that it pulls together a range of disparate issues and demonstrates the linkages between those issues. I want to thank Dr Brian Gordon, who was initially research officer to the committee on this report. We drove him to drink. He is now with the Education and Health Standing Committee, which is looking at alcohol-related issues. I also want to thank Dr David Worth, who had to take over halfway through the inquiry, and he did that admirably, and of course Jovita Hogan, who is a constant and is a great support for the committee.

I stress that this report is not about social housing as such. It is about affordable housing. Therefore, it covers the full range of what is defined as affordable housing in this state. An increasing number of Western Australians are unable to access affordable housing. A recent survey by one of the banks said that many key workers in our community, both in the metropolitan area and in the regions, are not able to access affordable housing. In fact, I think the salaries of something like 70 per cent of our police officers and nurses are such that they are not able to access affordable housing. The Minister for Regional Development has some responsibility for Government Regional Officers' Housing. However, the report stresses that a whole-of-government response is required. As I said, the report made many wide-ranging recommendations from construction and design of houses in alternative materials, to changing planning laws; modifying existing tax schemes relating to land; housing for vulnerable people, such as the mentally ill, the disabled, and ex-offenders; and the complexity surrounding aged care housing. The provision of housing for seniors is particularly relevant given our ageing population. The regulatory environment very much needs to be improved before too much more of the population ages.

The report does eschew current government policy, which suggests pushing more people into private rental and community housing, and assuming a smaller burden itself for social housing. Many of the areas that the committee examined were cases of market failure. The committee heard evidence from the Daydawn Advocacy Centre in Northbridge that it is almost impossible for prospective Aboriginal tenants to access the private rental market, either because of their rental history or systemic discrimination. So, it is not appropriate to say that if we evict these people from Homeswest houses, they have other options, because they simply do not. There is also

the issue of whether there is enough stock in the private rental market; very little stock is available at the affordable end. We heard evidence from the Real Estate Institute of WA, but, frankly, its representatives said that there is plenty of stock around. When we drilled down into that, we found that it was at the upper end of the market, not at the affordable end.

Developers have increasing constraints on obtaining finance, and they are playing it safe. We think an insufficient variety of accommodation that suits changing demographics is being built. Members have heard from other members of the committee about building in different forms and building with different materials, and the fact that four-by-twos do not necessarily suit a lot of the population. We also heard that the community housing sector is less well developed here than it is in other states, so its capacity to leverage borrowing off its property holdings is not large as it does not have a lot of property holdings. The Department of Housing has transferred property to the community housing sector, but it is not of such a scale that enables the community housing sector to stand on its own two feet. We also heard, it seems interminably, about red tape, inflexible planning laws and local government regulations adding substantially to the cost of building a home. We came across a number of paradoxes. For example, according to developers, not enough land was being released because of this red tape, yet, on the other hand, we heard that developers were holding on to up to 25 000 lots. We heard, for example, that there is a shortage of building sand in the state, which is ironic given where we live. Again, there were lots of paradoxes.

We found it very interesting, and we could not come to an answer about why the cost of multistorey dwelling construction was so much higher than the cost in other states. Multistorey dwellings would be an obvious option if land is the major cost driver in housing affordability. We heard that cost is also linked to access to other resources, such as water and other utilities and infrastructure. Again, there was the irony that people had to buy houses in outer lying suburbs where there was no or very little infrastructure and not good access to other utilities. That drove up costs for transport and getting access to better infrastructure. The lever of remission of stamp duty for seniors downsizing is a solution that has been adopted in other states and has great merit. We believe that partnerships between the Department of Housing and the private sector that would foster innovation need to be encouraged. Instead, I think there is an underlying policy drive for the Department of Housing to get out of this space altogether.

Finally, we think the Local Government Act needs to be amended to give local governments some free rein in their financing arrangements. Lastly, I want to mention school sites. A number of school sites were no longer needed for schools, but, unfortunately, the Department of Education moved with glacial speed to dispose of those sites to free up valuable land, which would have been great for medium-density housing. I conclude by saying that it is naive to think that the transition to private rental and ownership is a real possibility in the current climate in Western Australia. It is a great impediment when household taxes and charges are rapidly increasing. The report also recommends some firm targets about available housing, particularly in the government sector and for social housing.