

HOME OWNERSHIP - AFFORDABILITY

Amendment, as altered, to Motion

Resumed from 22 March on the following motion moved by Hon Ray Halligan -

That this house condemns the government for the undue anxiety created for the many first home buyers through its inability, in a timely manner, to -

- (a) help reduce the cost pressures on residential land;
- (b) help reduce the supply and cost pressures associated with skilled labour; and
- (c) meet its election commitments to -
 - (i) address housing affordability;
 - (ii) increase social housing stock; and
 - (iii) encourage and enable home ownership.

To which the following amendment, as altered, was moved by Hon Louise Pratt -

To delete all words after "That this house" and substitute -

calls on the government to -

- (a) help reduce the cost pressures on residential land;
- (b) help reduce the supply and cost pressures associated with skilled labour; and
- (c) continue to meet its commitments to -
 - (i) increase social housing stock,
 - (ii) encourage and enable home ownership,
 - (iii) improve housing sustainability and energy efficiency,
 - (iv) alleviate pressure on private sector rents through measures such as the lifting of letting fees,
 - (v) targeted loan schemes, including shared equity housing loans,
 - (vi) improve access to affordable quality housing for Aboriginal Western Australians, and
 - (vii) introduce new measures in the state budget to address affordability.

HON KEN BASTON (Mining and Pastoral) [4.06 pm]: I will continue my remarks on the affordability of housing in Western Australia. Home ownership goes right back to the Menzies government post-war, to an era that strongly promoted home ownership as a social goal for the majority of Australians. It became a symbol of self-reliance and home ownership was deeply entrenched from that time on. It was something for everyone to aspire to. It enabled security of the family structure and social wellbeing. There is also ample evidence that it creates better health and education and, as I said, social outcomes for the home owners and occupiers of those homes.

We are facing a crisis in Australia and I have dug up quite a bit of information with regard to home ownership. The cost and affordability of home ownership is a problem that is not confined to Western Australia; it affects the whole of Australia. It is quite interesting that we have Labor governments in all states -

Hon Ray Halligan: And territories.

Hon KEN BASTON: I thank Hon Ray Halligan. It is interesting to consider that aspect in relation to some of the details I have dug up. Since I last spoke the budget has been brought down, and I was interested to see that first home owners buying property worth up to \$500 000 will be exempt from stamp duty. I was also interested to hear Hon George Cash point out that that is not yet applicable and anyone buying a home will still have to pay stamp duty and interest on that stamp duty until the bills come before the house and are passed so people can reclaim that funding. Once that was announced in the budget, houses were bought up fairly quickly in areas where prices were under the \$500 000 limit, so first home owners took advantage of that measure. I just wonder how aware they were that they would have to wait for that money to be refunded to them.

The government also announced in the budget that work would commence on an electronic land development process system to provide facilities for developers to lodge applications for approvals online and link agencies and local government to replace the current inefficient paper process. Of course, the downside is that the project

will take an estimated four to five years to complete, with delivery of stage 1 planned for 2009. That is still a positive move and I commend the government for that stand. Another major metropolitan project is an electronic land development program, which will provide a modern, streamlined and transparent electronic subdivision approval management system that will replace the current paper-based system, from the lodgement of applications for initial subdivision approval to the issue of titles. The process also includes a business improvement and reform unit. They are, of course, positives.

Extra funding was also provided to support home ownership. To point out the effect of that announcement, I refer to an article in *The West Australian* of Saturday, 2 June 2007, headed "Stamp duty relief fillip for market". The article outlined the various suburbs that benefited through a drop in the number of houses for sale. Two good examples were Padbury, in which stock dropped from 1.3 per cent to 0.9 per cent, with a median house price of \$410 000; and Yangebup, in which stock dropped from 3.2 per cent to 2.4 per cent, with a median house price of \$380 000. Of course, first home buyers were interested in those suburbs, but they will have to wait until the bills are passed for stamp duty relief. They will obviously be paying interest on the amount that they have paid in stamp duty while they wait for that relief. I do not believe that those interest payments will be refunded to them.

Although first home buyers can take good advantage of stamp duty relief in the metropolitan area, it is difficult for that benefit to apply in regional Western Australia, particularly in areas such as Kununurra, Broome, Port Hedland and Karratha. The average house price in those areas is already \$600 000. That has caused immense angst for people and businesses in those towns. On Monday I caught a taxi to the airport in Broome. The taxi driver told me that he was just about having to leave town. I asked him why. I am sure that he was not aware that I am a member of Parliament.

Hon Bruce Donaldson: Everybody knows you in Broome!

Hon KEN BASTON: I do not always have my sign on the door, Hon Bruce Donaldson, unlike a colleague of mine whom I see down the beach every now and then.

Hon Simon O'Brien: Which beach are we talking about?

Hon KEN BASTON: Cable Beach; the crocodile beach.

Hon Simon O'Brien: Which part of Cable Beach?

Hon KEN BASTON: I do not always go that far, Hon Simon O'Brien. I have not actually seen her on the beach.

Hon Simon O'Brien: Is that because she has not been there or because you have not been there?

Hon KEN BASTON: Probably because I have not been there. The taxidriver told me that the house in which he was living had just been renovated and that the owner wanted to double the rent. He had moved out his gear and was looking for a rental property but had not found one. He was paying \$100 a week just to have his furniture in storage. That is an indication of what is happening. He told me that he had spoken to a furniture removalist from one of the bigger companies who had said that for every one person they moved in, four were moving out. That creates a problem when it is occurring in a regional area, particularly in a town such as Broome, which very much relies on the tourist trade and its service industry. The service industry is not a huge wage payer compared with the resources industry. I use that town as an example. Resource pressures have already started to be felt in that town and will continue as production on the Browse Basin goes ahead, with pressure coming from the various companies that will service the Browse Basin from Broome. Already, helicopters are flying out of there and boat tenders are filling up at the wharf and taking water. People will start to live in towns such as Broome and that will put extra demands on services. If we take into account the rents in Karratha, we know what will be the case with a tourist town. Housing staff will become a problem. What is the reason for this? I said previously that it comes back to supply and demand - the supply of land and the demand for housing.

Members would have received a letter from the Residential Development Council, which is based in Brisbane, about the affordability of housing in Australia, and it is applicable to Western Australia. It is interesting that a rubber banana was enclosed in that letter. The letter states -

Listen to a gaggle of bank economists and planning officials in this country and you'd be forgiven for thinking that house prices were only influenced by demand, side factors: jobs growth, wages, interest rates. But you will recall that the most fundamental element of economics is not called "the law of demand", but "the law of supply *and* demand."

Hence the enclosed banana.

Cyclone Larry wiped out three quarters of Australia's banana crops last year. That reduction in supply saw banana prices rise - so much so that even the CPI and interest rates were allegedly feeling pressure from banana prices. Prices rose not because everyone wanted to suddenly eat more bananas, but because there weren't enough bananas to go around. Supply and demand - two forces working together.

It is interesting that the following was included in this letter -

Now imagine what would have happened if, at the same time Cyclone Larry wiped out the banana crops, governments decided to tax the supply of new bananas, and introduced a regulatory system so convoluted and dysfunctional that it would take growers several years before they got through the approvals process for new banana plants and satisfied all the conditions imposed by various interest groups, NIMBYs, and others.

I am not sure who they are. To continue -

Under that scenario of restricted supply, high taxes and excessive red tape, the price of bananas would skyrocket . . .

The same scenario could be applied to the increases in the median price of housing.

Hon Ljiljana Ravlich: How does that relate to housing?

Hon KEN BASTON: It relates to housing because we do not have the supply of land.

I have received several emails that confirm what I said about Broome. One email came from Shane Wood, who is the coordinator of the Tertiary Enabling program, a lecturer on the Broome campus and a coordinator of the Catholic Diocese of Broome's Office of Justice, Ecology and Peace. In this email, that was also sent to other members, Shane Wood alluded to the issues I have referred to. The email states -

It seems to me that the causes of this are many and varied, but stem mainly from the slow release of land for the purposes of providing this much-needed infrastructure. This slow release has kept prices and rentals at an artificially inflated level and they continue to increase with every passing month.

Further on the email refers to the growing town's permanent population and states -

It certainly leaves no room for increases in the numbers of these people to service the needs of the 30,000 or more tourists who visit the town in the tourist season . . .

Further on it states -

We are experiencing a shortage of doctors, nurses, teachers, prison staff and so on. This creates a very dangerous situation for the future of the town. Anecdotal evidence of people needing to leave the town is growing by the week.

I sought Shane Wood's permission to quote this email in this house and he was more than happy for me to do that. Members who represent that area would have received many more emails on this issue in the past few months.

It will be interesting to see what future development takes place in Kununurra in the near future, particularly if a decision about Ord stage 2 is made sooner rather than later. House prices in Kununurra have risen dramatically in the past six months. Kununurra is in an advantageous position, because all native title claims in that area have been sorted out; therefore, LandCorp has no excuse for not releasing land. Indeed, a lot of land in that area could be released. The release and development of that land must be planned, however, because of the wet season. The infrastructure must be put in place prior to the wet season. The roads that were built during the last stage have rippled and are littered with holes because they were not compacted properly. I spoke to a person involved in that construction only a week before last, and he said that at this stage it is too wet to build the roads for the next stage. That means that they will not be built until next year, which puts extra demand on the land and the town and adds extra costs for anyone who wants to move into that area. It is a discouragement.

Kununurra has an exciting future. I was pleased to see an article in *The West Australian* about someone who has engineered a barramundi ladder to go over the diversion dam. That could create great opportunities for tourism in that region. I can imagine people cruising up the river on a houseboat, catching barramundi and having a very relaxing afternoon. A barra ladder has been on the cards for some time. I sincerely hope that the government considers it. The federal government could assist by matching the state dollar for dollar to assist tourism in Western Australia. I have asked questions in this house about Ord stage 2 and the sugar mill. I believe that tentative negotiations are taking place. I look forward to that being sold so that growers in that area can harvest their cane and ensure their future.

A document released by the Housing Industry Association states -

In September 2005, in Perth, the land component of the house and land package constituted 54%. In 1991, the same component constituted only 43%. In Regional Western Australia where land once constituted 34% of the house and land package price, it now constitutes 49%. The table below demonstrates this relationship for Western Australia as a whole.

That is evidence that land is a major issue in the state's housing crisis. There are ways of getting out of that crisis. The Housing Industry Association is a national association of which 42 000 businesses are members.

LandCorp adds to the red tape involved in housing developments. Two towns that come to mind are Karratha and Broome. All the planning approvals for the development of housing in Karratha are city-centric; that is, they are all handled in Perth. Planning approval has been taken out of the hands of local government. That is wrong. Local government should be given the responsibility for planning approval. Last weekend, I spoke to a builder who is building some houses on some LandCorp blocks that have been released in Januburu in Broome. He is very concerned about the amount of red tape he has to go through to build those houses. He was told that he cannot write just one letter to get approval to install small things such as taps and shower heads in all the houses that he is building; he must write a separate letter for each house. That is only one example of the red tape that is slowing down and delaying the development of housing in regional areas. LandCorp is totally city-centric. All dealings with LandCorp need to be done over the telephone, or by email. LandCorp should put an officer on the ground so that it can be in touch with the realities of building in remote and regional areas.

Housing affordability is also having an impact on Perth as the hub of the resources sector in this state. People are actually flying into Perth from other cities to work in the resources sector, because it is too expensive to live in Perth. I noticed in my research that Tasmania is one of the cheapest states in which to live. The median house price in Tasmania is around \$275 000. I have sat next to people on a plane who are coming from Melbourne to work at places like Telfer. It is happening. People are also finding it too expensive to live in regional areas. That is a tragedy, because one of the benefits of the resources boom should be that people are willing to move to remote and regional areas of the state. We need to be mindful of that. The government needs to take that on board. The supply of land is, of course, controlled by the state, and we would not want it any other way. Planning is also controlled by the state. Good planning will ensure that the supply of land is sufficient to meet the demand. The opposition has taken the issue of housing affordability very seriously. We have commissioned an affordability task force, headed by Dr Mike Nahan, executive director of the Institute of Public Affairs. That task force has called for submissions from the public, and it is expected to report to the Leader of the Opposition in July next year.

The housing affordability index is defined as three times the median income. The median income in Western Australia is about \$60 000. Therefore, on the basis of that definition of the affordability index, the median house price should be \$180 000. Of course, "median" represents 50 per cent above and 50 per cent below, or some such definition of that.

It is interesting to see in the "3rd Annual Demographia International Housing Affordability Survey: 2007" that the survey's summary tables had Sydney as seventh and Perth as eleventh in the 25 most unaffordable housing markets, with the dearer markets in certain places in the United States. Australia did not even rate a mention in the affordable housing markets table, but various areas of the United States and Canada were mentioned. We are actually right up there as one of the most expensive housing markets in the world.

The survey went on to say that the depth of the problem is such that "in the most stressed markets, housing can now consume years of income compared to just 10 years ago". It is a problem. When housing gets out of touch with wages, the next thing we will see is massive inflation, which will not be good for the economy of a country like Australia.

The West Australian has run headlines every now and again, such as "Perth pips Sydney as houses hit \$509,000"; this was in the 30 May edition. That article stated -

The average loan repayment per month in Perth is now \$3009, compared with \$3000 in Sydney.

That is quite an amount for people to pay.

Today's paper contained an interesting article with the headline "WA's the honeypot State as numbers soar due to jobs boom". It said that Western Australia has the fastest growing population in Australia thanks to a rising birth rate, increased migration etc. The article went on to say -

New figures from the Australian Bureau of Statistics (ABS) show WA's population grew 42,800, or 2.1 per cent, through 2006 to hit 2.081 million.

Each day, 10 people are arriving from interstate, an average of 76 births being recorded and more than 60 overseas migrants decide to call the West home.

I added up those figures: each day 10 people come from interstate, there are 76 births, and one would hope that these babies already have a home so we can take them out of the equation -

Hon Barbara Scott: They will not have schools, though.

Hon KEN BASTON: These are just the births each day. Those children will need schools, of course; the member is right. They will need preschools etc. There are also 60 overseas migrants. If we add those figures up, that is 146 people. There are 32 deaths a day, so we take off the deaths and births, so 38 people come into Western Australia each day and need somewhere to live. It is a big issue.

Even though we have a booming economy, which is fantastic and is creating huge wealth for Western Australia, and the nation generally, might I add, we also need to plan for these extra 38 people each day who will need housing in this state. Therefore, the demand is understandable, and, of course, it is the government's responsibility to curb that.

A letter about the issue was printed in today's paper under the headline, "We urgently need more public housing". I will not read the whole letter out, but it read in part -

How can young people ever afford to save enough to buy their own home? If rents rise any further, thousands of people will be living on the streets.

Hopefully we will not get to that; I am sure that we will not. I believe that we can solve these problems. I will quote from January 2007 Property Council of Australia newsletter *The Voice of Leadership*, which alludes to Australia now being ranked the least affordable nation for home ownership, as I said. Failure to act now will affect future generations to come. There is therefore a huge responsibility on government to solve this issue of housing affordability. I also once again commend the government for the stamp duty relief for first home buyers. The newsletter states that the problems that currently plague housing affordability were created without excessive difficulty, and can equally be remedied without excessive difficulty. It further states that the prescription for an affordable future relies heavily on three policy fronts: the first is to improve development assessment; the second to ensure there is an adequate land supply to meet the demand; and the third is for fairer funding of infrastructure. I could go on, but I believe the points have been made that affordability of housing is essential, that funding needs to be provided to make it happen and that planning needs to take place to make it more affordable. The instrumentalities of government, such as LandCorp, must be conscious that it exists not only to make a profit. The unfortunate result of turning a statutory authority into a commercial entity is that it becomes profit-driven. I believe that there is ample evidence now that indicates LandCorp releases land in stages to keep up the price. I believe that matter can be tackled very easily.

HON BARRY HOUSE (South West) [4.36 pm]: Before the debate concludes, I will say a few words to give the house a bit of a picture about housing affordability through my electorate in the south west. As members know, property prices in coastal towns, particularly around the west and south coasts of the south west area, are all booming. There is evidence in places such as Mandurah, Bunbury, Dalyellup, Peppermint Grove, Busselton, Dunsborough, Yallingup, Gracetown, Prevelly, Gnarabup, down through to Augusta and around the corner to Denmark, Walpole and Albany of marked property price increases in recent years. It is no exaggeration to say that property prices have at least doubled in the past three years, much to the chagrin of many of us who have lived and owned property in those areas and who have not got into the market and bought property at the right time. However, that is all relative; people can buy only what they can afford to buy at a particular time. The net sum of all of that is that we know that across the state the mean price of a house these days is \$509 000; the most expensive real estate in any capital city of Australia. I venture to say that in the prime coastal areas throughout the south west, people can probably add some to that figure when talking about a mean, or average, property price. The studies done by the opposition housing affordability task force indicate that in rough figures it takes an annual income of at least \$110 000 to service the average mortgage required to purchase the mean-priced household property. Regardless of the actual detail, we know that we are talking about a very difficult situation, particularly for young people getting into the housing market. However, it does not stop there. I will outline in a few minutes its impact on other sectors of the community.

The situation in coastal areas has been compounded by land tax, and this is where the state government has a direct opportunity to contribute something positive to the affordability situation. I personally know, as I am sure do other members of this house, of people who own properties in places like Quindalup, Augusta or Gracetown. They have been bought by families of teachers, farmers and others who are not members of the super-rich elite. They are everyday Australians. They purchased these properties as holiday destinations 50 or 60 years ago. Many of these properties have only shacks on them; they do not have elaborate two-storey homes. Now, many of the owners of these properties are facing annual land tax bills of up to \$35 000. That is a horrendous impost on people who are not speculators or developers. They saw an opportunity 50 or 60 years ago and, with a bit of foresight, bought a piece of Australia for their families to enjoy in perpetuity, and to maintain a very important

part of an Australian tradition - a seaside holiday destination. However, that is all under serious threat because many of these people cannot afford the annual land tax imposts.

Their only option is to look at selling their properties. Those properties are now fetching prices of up to \$3 million in some cases. The only people who can afford to buy those properties are the mega-rich. They are not the average Joe Blow on a parliamentarian's salary, for instance. We would not be able to afford to buy a property like that unless we had serious income from elsewhere. These properties are being snapped up by the mega-rich. Some of them are Australians associated with the resources boom, but many others are not Australian residents at all. They are citizens of places like Malaysia and Indonesia. That in turn creates little mega-rich elite enclaves in places like Eagle Bay, Gracetown, Yallingup, Augusta and around the corner at Walpole. The knock-on impact from that is that the communities associated with those areas start to fall into disarray. There are fewer permanent residents to take up the cause of fire control. There are no volunteers for community organisations. There is no permanent presence. In some cases absentee ownership is up to 60 per cent. Those people do not shop locally. If they spend their two or three weekends a year at these properties, they bring all their provisions with them. There are serious knock-on impacts for local communities in that way. It is an affordability issue because we are talking about not only first home buyers, but also the average Australian being prohibited from owning properties in these destinations.

Then we saw the hoax of the Treasurer's land tax solution in this year's budget. It is a hoax, because he went to the public saying he intended to return some \$310 million to the public of Western Australia in forgone land tax. He did that by taking away the projected figure. If we look a little deeper, we realise that the Treasurer's budgeted land tax increases for the next 12 months will increase from \$390 million to \$410 million. People who might have been buoyed by the prospect of some land tax relief will get a very rude shock when their land tax assessments come out in the next little while. They might be expecting a serious reduction in land tax on the back of Mr Ripper's budget. I suggest that there will be a lot of disappointed and angry people because that whole situation is a hoax. That is one issue that relates to the South West Region. I am sure that it applies to other regions around the state.

Another issue is what housing affordability is doing to industry in the south west. The major industry throughout the south west that is suffering as a direct result of this situation is wine tourism. It applies to many other industries where there is a dire shortage of labour, both skilled and unskilled. Let us look at the tourism industry, for instance. Many operators in the tourism industry throughout the south west cannot get labour of any description. Every second restaurant or cafe has a sign on the door saying "Staff required desperately". During the peak holiday periods of January and Easter, prime cafes and restaurants in places such as Dunsborough and Margaret River had to close because they could not get any staff. It was not a case of them not being able to get any qualified staff; they could not get any staff full stop to provide their services. That has the knock-on effect of impacting on our reputation as a tourist destination. People will leave the south west with a very bad taste in their mouths, very disappointed and disillusioned by the fact that they turned up to their favourite restaurant and it was either closed or the service they got was less than average. That is not a good situation to be in. People might say, "Why don't you employ some local people?" These business owners try. They go to extensive lengths to employ and look after local staff. Many of them would willingly employ overseas labour in their operations. Proposals have been floated to bring Balinese to Western Australia to work in the hospitality industry. That has considerable merit.

Hon Ken Baston: Where do you put them?

Hon BARRY HOUSE: That is what I am getting to. Even if employers source good, qualified, enthusiastic, keen labour from anywhere, whether locally or from interstate, where do they put them? That is the issue at the heart of this motion. There is simply no accommodation, or the accommodation that is available is far too expensive and the workers cannot afford to pay it. That leaves many of the industries throughout the south west reliant on transient labour and backpackers. There is nothing wrong with that. Many of those people do a fantastic job. However, when employers must rely totally on that source of labour, it is a major problem. Those people are domiciled in backpackers' hostels or caravan parks in the main, and that is about the only option for accommodation they have, and sometimes it is pretty ordinary accommodation. It is having a major impact on the viticultural industry. The viticultural industry constantly needs pickers, pruners and labourers in vineyards throughout the year. There is a dire shortage of people to service that industry. Right next to my office in Margaret River, there is a manpower business called Labour Solutions. I jokingly say that people go there for their labour solutions, but they come next door for their Liberal solutions!

Hon Murray Criddle: Where do they go for their National solutions?

Hon BARRY HOUSE: That is probably around the corner.

This manpower company does an outstanding job coordinating the needs of many vineyards in the area and matching them up with transient workers and backpackers. A wide array of people come through its doors.

Koreans, Afghans and backpackers from Europe and other different destinations come through its doors to enrol so that they can do a job in the vineyards and earn a few bob. However, that is only a bandaid solution in a sense. It is great because they are the only labour available. They are keen and enthusiastic for the most part. However, it is getting to the serious stage at which the industry is becoming so reliant on them that if they were not there, there would be a major problem.

Another example - I do not think it would mind my using its name - is Olio Bello, the olive oil producer in Cowaramup just north of Margaret River. It does an outstanding job. The other night it had a dinner to commemorate its pressing season. The story that was circulated was that it had a couple of Brazilian lads picking olives in its olive grove. Apparently, their work was very satisfactory, but it was not only the work that a lot of the women who came to Olio Bello were interested in, because these blokes wore short shorts and apparently had pretty impressive torsos. That was a good import for Olio Bello in the region. I do not know where they lived, but I am sure that they had problems, along with everybody else, sourcing some affordable accommodation.

Hon Ljiljanna Ravlich: You would think that they would have a lot of offers if their torsos were that good! Maybe they didn't have a housing problem.

Hon BARRY HOUSE: They might have had a lot of offers; I do not know about that.

It does not affect just the seasonal workforce and the transitory labour force. Some of the more permanent workers in places throughout the south west - I am sure that it applies in other parts of the state - are also affected. There are issues for teachers and police in particular with Homeswest housing. I do not know what has happened in those sectors, but there seems to be no program of expansion to meet the need for housing. A constant stream of people come to my electorate office in Margaret River with issues about accessing affordable housing through Homeswest; it is simply not available. I know that that is a peculiar problem for attractive destinations such as Margaret River or Broome, where people can jump the queue by indicating their preference to be in those localities. There are some issues of fairness associated with that. However, many local people simply cannot get access to affordable housing. We should not get carried away with the fact that, just because Margaret River has an international brand name and is recognised worldwide as a place of excellence and affluence, everybody in that community is like that, because they are not.

Between 25 per cent and 30 per cent of people in communities such as that rely on being able to access affordable housing and medical services at what members would consider to be a fairly basic level. That is a major problem in those areas. Members know that one of the issues relating to teacher shortages throughout the state is the lack of suitable housing in many places. Even when teachers can be encouraged to work in regional and rural areas of the state, many areas simply do not have anywhere suitable for them to live. Police face the same sorts of issues as they move around the countryside. This motion is very apt and timely. At a time of great economic prosperity and mostly positive economic news for Western Australia, we have to acknowledge that housing affordability has slipped right behind the eight-ball and is a major problem that needs to be addressed. The government cannot fix all the problems, but it can certainly fix some of them. We have heard examples from other speakers about land availability. We can add to that land tax and other issues. It is an issue that is important to the area I represent in this Parliament. There are many people who simply cannot get into a home that they can afford, and they therefore suffer the consequences.

THE DEPUTY PRESIDENT (Hon George Cash): I call the Minister for Local Government.

HON LJILJANNA RAVLICH (East Metropolitan - Minister for Local Government) [4.56 pm]: Thank you, Mr Deputy President. I had just packed everything away in preparation for question time and then realised I had four minutes left to go!

I have spoken to the substantive motion but I have not spoken to the amendment moved by Hon Louise Pratt, and I am happy to do so. The amendment to the motion should certainly be supported. I have listened with interest to the comments made by members opposite. There is no doubt that having access to high quality and affordable housing is a key priority for the state government. It was certainly a key priority for the government in this year's budget. If members opposite had taken the time to look at the budget papers for this year, they would have familiarised themselves with the extensive range of very positive initiatives, all aimed at increasing the level of social housing stock, encouraging and enabling home ownership and improving housing sustainability and energy efficiency. These initiatives alleviate pressure on private sector rents through measures such as the lifting of letting fees, targeted loan schemes and the like.

The government recognises that Western Australia's economic fortunes have placed pressure on housing and land. Hon Ken Baston spoke about demand and supply in respect of bananas. I think all members would, after his explanation, have a really good sense of the importance of the supply and demand concept as it applies to bananas and the way it transfers to the availability of -

Hon Norman Moore interjected.

Hon LJILJANNA RAVLICH: The member should hang on; he obviously was not listening very carefully to Hon Ken Baston's speech. Hon Ken Baston went to great lengths to explain to us how the shortage of bananas had actually forced pressure on prices and that as a result some of that pressure had followed through to some of the key economic indicators, vis-a-vis inflation, and a number of other indicators. I know Hon Norman Moore was away on urgent parliamentary business, but -

Hon Norman Moore: You are trying to equate bananas to land -

Hon LJILJANNA RAVLICH: Hang on. I am talking simple economics. The honourable member cannot come into this place after being away on urgent parliamentary business, and having missed the debate, then interject when he is ill-informed on the matter. Quite clearly that is not acceptable.

There is no doubt that in terms of the state government's contribution to affordability and land supply, the government is making decisions about what is best for the future.

Debate interrupted, pursuant to standing orders.

[Continued on page 2703.]