



Speech by

Mr BRUCE LAMING

MEMBER FOR MOOLOOLAH

Hansard 27 May 1999

PUBLIC WORKS COMMITTEE

Report No. 56

Mr LAMING (Mooloolah—LP) (10.12 a.m.): I move—

"That the House take note of the Public Works Committee report No. 56."

The dissenting report on seniors housing refers only to that part of the committee's inquiry that concerns the Compton's development. Compton's is not public housing; it is a pilot private rental assistance program whereby the Department of Housing provides a rental subsidy for low income seniors to rent privately.

The following objectives were identified by the department: to pilot a strategy for the provision of suitable and affordable rental accommodation for older people on low incomes in a cost effective manner with significant risk transfer to the private sector; to reduce the demand for public housing and hence the requirement for Government capital investment while acting as a catalyst to stimulate a lagging residential construction industry; to explore the value to occupants of the additional benefits associated with a retirement village-like facility; and to explore the potential for future self-sustaining private sector involvement, especially in the light of proposed Commonwealth direct subsidies to tenants.

We consider that the four objectives identified in that correspondence have been to a large extent met. Compton's will provide valuable information to Government for planning purposes if and when such an approach is considered in Queensland again, and I hope that it will be. The additional benefits associated with a retirement village-like facility that accrue to occupants appear to be quite attractive. Should the trial prove successful, it will indicate a method whereby pensioners can consider entering such an environment.

If tenants did not want to live in the facility, that was their prerogative and Compton's would not attract any Government support, either Federal or State. The pilot also provides a working model for Government to explore the potential for future self-sustaining private sector involvement.

The Queensland Treasury Corporation concluded that Queensland Housing was justified in entering into the Compton's transactions, as opposed to constructing the facility itself. Queensland Housing was looking for the private sector to take the risk of piloting a retirement village concept. The corporation considers that Queensland Housing has taken a sensible approach in achieving its objectives without having to bear the risks of undertaking the project itself.

The majority report challenges the Department of Housing for the procurement process. Compton's approached the department with a proposal to enter into this arrangement for the proposed Compton's Village at Caboolture. On the basis that the initiative had come from Compton's, the pilot nature of the project and the urgent need to evaluate as early as possible alternative approaches to providing housing assistance, an open tender process was not held. This was not required as the State Purchasing Policy does not apply as the department was not procuring goods and services.

While we note that tenants pay 30% of income as rent, rather than 25% in Government seniors accommodation, extra services are provided. Many tenants, some of whom transferred from other seniors accommodation, took advantage of the offer. There was no evidence that tenants were dissatisfied with the arrangement. There will always be an opportunity to improve on the process of delivering this type of private rental assistance program. Compton's Caboolture will provide an important benchmark for this to occur. The majority report expressed concerns that the Commonwealth subsidy might be withdrawn. I say that this is most unlikely.