



Speech by

Mr N. ROBERTS

MEMBER FOR NUDGE

Hansard 29 April 1999

PUBLIC WORKS COMMITTEE

Report

Mr ROBERTS (Nudgee—ALP) (10.13 a.m.): I lay upon the table of the House the Public Works Committee's report No. 56 on its inquiry into the construction of public housing for seniors in the Brisbane statistical division. Overall, the committee is satisfied with the activities of the Department of Housing in providing seniors' accommodation within this division.

One significant issue raised during the inquiry was a private rental assistance program and agreement entered into between the Department of Housing and Comptons Villages Australia Pty Ltd. Commentary on the arrangement is contained in a separate part of the report and I advise the House that there is a dissenting report on this matter. Principally, the dissension relates to criticism the committee makes about shortcomings in the Comptons arrangement and the processes undertaken during its negotiation.

The committee acknowledges that the Compton's subsidy agreement was financially beneficial to the department, compared with the option of the department constructing a similar retirement village itself. However, it is important to note that this conclusion is based solely on an analysis of the financial contributions made by the Department of Housing and does not contemplate alternative service delivery methods, which the committee concludes could have produced a different outcome.

The committee is critical of the Comptons subsidy agreement in several areas. These include: the lack of any formal process to evaluate the performance of the agreement, the failure of the department to secure a commitment for future payment of Commonwealth rent assistance to tenants and the failure of the department to undertake an open tender process to ensure it received the best value for money outcome from the proposed private rental assistance program. The committee is also of the view that from an overall public policy perspective there were potentially better value for money options available to the department if alternative service delivery methods were pursued.

Using similar assumptions to a comparison between the payment of a subsidy by the department and the department constructing a similar retirement village itself, the Queensland Treasury Corporation analysis, commissioned by the committee, calculated that Queensland Housing could have constructed at least another 54 units, in addition to the original 180 provided by Comptons, if the State were to receive, either directly or through tenants' rentals, the Commonwealth rental subsidy for the 15-year period of the agreement. If the assumptions used in this analysis hold true and such an arrangement was possible, the department has clearly not achieved the best value for money outcome for its investment. The committee acknowledges the innovative nature of the Comptons Caboolture agreement and does not oppose the investigation and use of such arrangements, provided that appropriate steps and safeguards are implemented to protect the interests of tenants and to ensure that the Queensland public gets the best value for its dollar.

I thank all the committee members for their assistance and support. I thank the committee secretariat for its research and administrative assistance and the Queensland Treasury Corporation for its expert advice on financial aspects arising out of the Comptons subsidy arrangement. I also thank the individuals, organisations and the department for their submissions and participation in the inquiry. I commend the report to the house.