



Speech by

Mr BRUCE LAMING

MEMBER FOR MOOLOOLAH

Hansard 22 August 2000

STATE HOUSING AMENDMENT BILL (No. 2)

Mr LAMING (Mooloolah—LP) (3.10 p.m.): Let me say at the outset that the Opposition has some concerns with this Bill. We have listened to the second-reading speech and heard that the two aims of the Bill are, firstly, the termination of the non-public account trusts and the vesting of the assets and liabilities of those trusts into the Queensland Housing Commission, thus bringing the funds of those non-public account trusts on to the public accounts. It is claimed that this will make the risks and costs of the whole lending program more transparent and allow for better scrutiny, enhanced administration and efficiencies in reporting.

While not rejecting the notion that some of those benefits may follow such an amendment, there are some questions that I ask. I ask the Minister to advise whether there have been instances in the past where the current situation has indicated a lack of transparency that has actually resulted in any real risks or costs to the lending program. If there have not been any such instances in reality, he might be able to advise what potential risks or costs to the lending program are apparent to him and how the proposed changes will address them.

I note the claim that the amendment will allow for enhanced administration and efficiencies in reporting. The Explanatory Notes claim that the amendment will lessen the burden associated with the administration of the non-public account trusts. I can only assume that this refers to a financial burden. Perhaps the Minister can advise the House of the extent of this so-called burden associated with the administration of the non-public account trusts. For comparison purposes, I think it is important that we are also provided with the anticipated total cost of administering the proposed expanded public account within the commission. Reference is also made to the anticipated costs of winding up these non-public account trusts. I suspect that these costs might not be high, but as they did rate a mention in the Explanatory Notes, we may as well have an estimate of those costs on the record.

The Minister refers to the proposed change as allowing for better scrutiny of these programs. I ask him to explain to the House how this scrutiny will be enhanced with an all-in-one account. Will the performance of each of the former non-public account trusts be able to be separately reported and scrutinised?

I remain to be convinced that the benefits of those supposed administrative amendments warrant the bringing of a Bill before the House, so let us look at some other aspects. Let us look at the funds themselves. Since the drop in interest rates under the Howard Government, the repayment of outstanding balances has increased, therefore reducing the debts of the various trust accounts whilst increasing the equity in them. However, the debt to equity ratio in the accounts is very uneven, ranging from very conservative in the Queensland Housing Trust No. 2 to unacceptably high in the Home Shared Trust Account, one of the Goss Government's more spectacular financial blunders. By collapsing HOME, Home Shared and Queensland Housing Trust No. 2 into the Home Purchase Assistance Account the Government arrives at an average debt to equity ratio that could prove tempting to a cash-strapped Government. This concern is enhanced by the Government's moves on funds such as the BSA insurance fund and the Ports Corporation. Such a situation compels me to ask for some assurance as to the future intention of the Government in relation to the new fund.

I therefore ask the Minister to advise the House at what initial debt to equity ratio the new amalgamated account will be commenced. The Opposition would also like to be advised as to what debt to equity ratio will be maintained in the amalgamated account not only throughout the 2000-01

year but, say, over the next five years. Responses to these questions are necessary for the record but will probably fail to reassure the Opposition that the Government is not merely using this amendment to set up an account that will give them easy access to the excess equity from those accounts for other purposes such as propping up future State Budgets either in the short or the medium term. The equity that is built up in these accounts should not be allowed to be frittered away by an incompetent Labor Government.

The other area of concern is the second aim of the Bill, which seeks to remove the embedded administrative requirement of consultation with the Treasurer regarding changes to interest rates. When one considers the record of the current Treasurer over recent months, one is tempted to suggest that perhaps having his concurrence provides little safeguard. However, the suggested alternative of giving exclusive power to the Minister for Housing to establish, change or fix the interest rate for borrowings from Housing Queensland does remove the existing checks and balances in the system. Together, these two concerns with the basic tenets of the Bill make it unable to be supported by the Opposition.
