



Speech by

Hon. R. SCHWARTEN

MEMBER FOR ROCKHAMPTON

Hansard 13 April 2000

STATE HOUSING AMENDMENT BILL

Hon. R. E. SCHWARTEN (Rockhampton— ALP) (Minister for Public Works and Minister for Housing) (4.55 p.m.): There has been an enormous amount of interest in this Bill, which shows the level of interest that members, especially on this side, have in what is a very old practice within public housing, and that is the notion of tenants purchasing their rental premises. Quite frankly, some of the questions that were raised by the Opposition members really made me wonder whether or not they have been in any way connected with public housing in previous years. If they had, they would not have asked those questions. It is nothing new to have a scheme to sell these houses to tenants. Every week I sign off scores of houses to sell into the private market. I have never heard so much as one utterance of complaint from that side of the House about that. However, suddenly, when we want to sell houses to tenants, we have a problem. I do not see it that way at all.

This is a very simple scheme. It is designed to sell homes to people who can afford them. An enormous number of people have been paying market rent well in excess of what it would cost them to pay off their houses, maintain their homes and all the rest of it. We are not doing those people a service by not giving them some mechanism by which they can access a loan.

I wrote half of the speech given by the shadow Minister. It was in question and answer form. If one takes out the interjections and the answers provided by the departmental staff, there was not much left that was of substance. However, among that there were some very detailed and reasonable questions that, in my view, require a written answer, which will save the time of the House. I will table those for that purpose.

I want to touch on a couple of other issues that were raised by the shadow Minister. He talked about affordable versus realignment; in other words, were we making these decisions on the basis of wanting to get rid of stock or were we making these decisions on the basis of simply trying to find people who could buy their own homes. The answer is that we are interested in selling homes to people who want to buy them and who are in a position to do so. It is as simple and as easy as that. There are only a couple of hundred people associated with this scheme. I do not foresee any problems with it.

Some other members referred to potential interest rate problems. That will not be a problem under this scheme, and that is the reason we are amending this legislation. I must say that not one member opposite actually spoke to a clause of the Bill. However, I accept that, under the circumstances, that is reasonable because, as the shadow Minister pointed out, people are more interested in what the product is going to be.

I will try to touch on a couple of other points made by the shadow Minister. He referred to the \$7,000 assistance grant from the Federal Government. The point I make in relation to that is that it is not equitable. I notice that the shadow Minister was brave enough to admit that it exists to deal with the disadvantage that people will endure as a result of a GST on housing. However, that disadvantage will not be dealt with equitably by this grant, because it will be picked up only by people who buy their first home. On the surface, that may sound all right. However, the truth of the matter is that people in the building industry do not want to hear about any disadvantage for people who want to refinance and build another home, because it is going to cost them more. That grant will also prove to be an absolute disincentive for people who want to upgrade their homes. So builders are saying to me that this grant

will be of no assistance to them, because a lot of builders deal with people who are refinancing and building another house. It is not going to help them.

More particularly, the people that it is not going to help are those unfortunates who have been in a problem marriage situation or de facto situation where they have been driven from that home through domestic violence or some other means or because of poverty. If they want to start again in a different relationship, those people will pay. They will experience the disadvantage that the honourable shadow Minister spoke of in this Chamber yesterday.

Mr Laming: Will you take an interjection?

Mr SCHWARTEN: Yes.

Mr Laming: Have you successfully gone to the Treasurer to alter the principal first place of residence stamp duty along the lines that you suggest, because that is very simple?

Mr SCHWARTEN: No. The response to it is that this is the Federal Government's scheme. We cannot change what the Federal Government has laid down about this.

Mr Laming: You can change the stamp duty.

Mr SCHWARTEN: No, no. I am talking about this scheme here.

Mr Laming: I am talking about the stamp duty.

Mr SCHWARTEN: The member can talk about what he likes, but I have got the microphone. The reality is that this scheme is a disadvantage, as he pointed out yesterday, to those groups of people and they will not receive any recompense for it. I think that that is a shame.

As I said, I have provided very detailed answers to the honourable member in that regard. The former Minister, Mr Connor, also made a contribution. I was quite surprised at his lack of understanding of the systems which were in place already for purchasing homes from tenants and I have provided him with a detailed response which I also table.

Mr Nelson made a very positive contribution on the issue highlighting the fact that there are a lot of homes vacant in his electorate, as indeed there are in many places west of the coast. As he rightly points out, we are selling those houses. No-one wants to live in them. They, of course, are part of this scheme. In most cases they are good homes. The fact is that, for a variety of reasons outlined by the honourable member, they are no longer attractive to people as homes.

The member for Bundamba showed that she was completely on top of the issue of housing in her area and welcomed the scheme. She has dealt with many inquiries and points out that the staff in her area have been very helpful in that regard. She hit the nail on the head when she said the scheme is about allowing people to realise that dream of owning their own home. One of the points she made that ought to be remembered is affordability. That is, that \$55,000, which the shadow Minister thought was a little excessive and said that people earning that amount would be very privileged. The shadow Minister said that many people simply cannot afford to buy a home for \$30,000. This, I think, was something the member for Aspley was alluding to. When you take the whole life of costs associated with owning your own home, \$30,000 is probably prohibitive.

Speaking of the member for Aspley, I notice that valuation was something of a concern to him. There is no problem with the valuations as they exist under the system that we have. I note that it is said some people look after their home better than others. One of the points that should have been made is that some people simply cannot attend to maintenance issues. I think it is a little bit unfair to say that some do and some do not, meaning that some should. The reality is that a lot of people that I see in public housing simply do not have the capability to do that and I would not encourage some of them to do it either, having spent a bit of time in the trade myself. I would rather that they did not. The point of valuations is not a problem for us now. As I said, on a daily basis I sign off houses that have had values ascribed to them through the normal process. I do not see a problem.

The asbestos super six fibro roofs point is valid. The fact of the matter is that we would make an assessment of those. The one thing that we are not going to do with this is to put people into inappropriate homes. The last thing we want to do is put people into situations where we end up with this home back for maintenance reasons or whatever. What we want to do is present the home in as maintenance-free a condition as we possibly can. Super six fibro roofs have been around for a long time. My parents' house had one. The house was built in the late forties. They are all right provided they are not interfered with. We will make an assessment on that basis. I heard what was said about that. That has been noted and we will proceed down that path.

Again, the shadow Minister spoke about the \$55,000. That is a valid point, as I said before, about the amount of money that people require to service the whole loan. On the matter of transfers, again this is not a system designed to drive people out of the system. It is one that has enough flexibility in it to take into account people's needs. I hear what is said about the nurse or whoever who has a house and suddenly a better job comes up in, say, Mount Isa or elsewhere. There will be a

number of options open to that person. We can convert it to the normal Queensland housing rate or, if it is for compassionate reasons, there will be an opportunity for us to exercise some discretion to assist those people. The situation we want to avoid is one where somebody goes and buys one of these houses, obtains a cheap loan, then goes and moves into another place, puts somebody in and makes money out of it. That is not the intent. It is an honest system intent on providing people with an opportunity to buy their own home.

The member for Nudgee was, as always, a great supporter of his local housing group. I get a lot of correspondence from the member. I ask him to give Jim Freidlich my best regards. He has an excellent housing group in his electorate and the honourable member works closely with that group.

Apart from the local issues about refurbishment and the fact that \$3.5m has been spent in his area, the valid point is that the GST is going to bite this department. I know that honourable members opposite do not want to hear this story, but the truth is that \$90m was the amount that we estimated it would cost us. It was not some fairy story; it was not an invented figure. When the Federal Government got its hands on it they aggregated the whole thing and we ended up with \$70m. Out of that, we ended up with \$60m by the time the other States realised that they had not done their homework properly. Whichever way you want to do it, and I am happy to share the figures with anybody who wants to see them, we are \$30m down the drain over the next three years. I am appalled that the shadow Minister does not understand that. If the shadow Minister was in my position he would be standing here mute about this issue. I take my job much more seriously than that.

Mr LAMING: I rise to a point of order. I asked the Minister to table those figures that he said he would be quite willing to table.

Mr SCHWARTEN: I have not got them with me.

Mr Laming: You will make them available to us?

Mr SCHWARTEN: Yes. There is no secret to it. In fact, I am surprised that it has taken the honourable member this long to want to get hold of those figures. He asks my office for everything else; he might as well have asked for those figures. There is no smoke and mirrors here. He should ask his Federal colleagues about this. They know what the story is. Dean Brown, an honest and decent Liberal in South Australia, does not agree in the slightest with what the honourable member says. The honourable member gets his riding instructions from Mr Howard; Dean Brown does not. He has been prepared to stand up to Jocelyn Newman and for the State of South Australia over this issue, because he knows full well that the GST is a crippling tax against the building and housing industry. At least he is prepared to stand up for his State rather than to play for Canberra.

The next contribution was from the honourable member for Noosa, who started off all sweetness and light and ended up in the gutter, as he usually does. As usual, he did not do his homework. Everybody knows he is a lazy scoundrel. Somebody wrote his speech for him; he would not be capable of writing it himself. He got it wrong again. Had he bothered to check this out, he would have found out that the house he referred to is under police investigation and has been used for forensic testing. It has been the subject of an engineering report and will be demolished as a result of it. It would have taken only one phone call to my office to check it out. But, no, he came in here, big-noted himself and derided the people who work in Housing and the tenants in that area. In common with everything else he says in here, his claims were ill researched. His ill manner in making those claims do him and this place no favours.

The member said also that there has been a reduction in maintenance. I do not know where he got the idea that all of the money has been spent. About \$10m has not been spent as yet. In contrast to other honourable members, I do not get too many letters from the honourable member asking for assistance to fix up problems with houses. Yesterday I signed off work in the electorates of Lytton, Woodridge and Nudgee. The members for those areas are interested in trying to help their tenants and they play a positive role in that regard. As is normal for the member, he took a cheap shot at the HOME scheme. His contribution was by far the most negative. However, I am not surprised by his antics in that regard. Again, he showed his ignorance, because only about 5% of people failed under the HOME scheme—616 out of 13,157. I challenge the honourable member to go to any bank in Queensland and see whether he can find those sorts of figures for loans. As a result of that scheme, somewhere in the vicinity of 10,781 people are now in homes who would not have been otherwise. What conclusion can we draw from that? If someone such as the member for Noosa was the Minister, those people would still not own homes. He comes in here and bleats that Queensland has a lower home ownership rate than the other States. However, if he had been the Minister back then—and thank God he was not—there would be an additional 10,781 people in this State who did not own their own homes. He always judges people by looking down rather than looking up. I have wasted enough time talking about the honourable member.

Unlike the member for Noosa, the member for Thuringowa showed commitment to the people he represents. He spoke in very favourable terms about the scheme. He rightly pointed out the value of

the Community Urban Renewal Program, which is a hallmark of this Government. We are doing better and better all the time. He said that Rasmussen was in need. A number of areas in the State, including some in my electorate, are in need of some refurbishment and need to be included in the Community Urban Renewal Program. It will take a fair bit of time for us to get through this. These mistakes did not happen overnight and we cannot fix them overnight. But one thing I am determined to do as a Minister is not go back to the days when those sorts of decisions were made and, because they could not afford their own home, people were pushed into a corner away from services and facilities—

Mr Mickel: A disgraceful situation.

Mr SCHWARTEN: It was disgraceful.

Mr Kaiser: Numbers on the footpaths so they could be identified.

Mr SCHWARTEN: That is exactly right.

The member for Sandgate, with his background in banking, understands home lending. He spoke about the changes to people's lives that he noticed as improvements were made to housing in his electorate. He again spoke about the zoning issue and how the situation has been improved for people. Back in our days in Opposition, he was one of the first members who alerted me to the problems of people from his electorate being asked to live kilometres away from their support groups. Thankfully, I got rid of that system and people now have the right to be on a waiting list to stay near their family, friends, local church, cinema, pub or whatever in their local community.

The member for Gladstone made a positive contribution. Every honourable member has heard of Phillips Street. There would not be a debate that did not vaguely resemble housing in which the honourable member did not mention Phillips Street. However, I acknowledge that the honourable member is a great supporter of housing schemes in her electorate and of public housing and the staff who work in that area. She asked a couple of detailed questions. I have the answers here. I could either table the answers or read them out.

Mr Mickel interjected.

Mr SCHWARTEN: There is a bird that makes a noise like that. It is called a drongo.

Mr Mickel interjected.

Mr SCHWARTEN: It will.

The questions were in relation to State housing funds and so on. I have the answers here.

Mr Mickel: How do you reckon that will look in Hansard?

Mr SCHWARTEN: It will look a lot better than it would if we put the member's photo in it!

The member for Gladstone spoke about the need to retain public housing within Gladstone because of the escalation of rents in the private sector from time to time as building booms come and go. I could not agree more. I do not believe that this scheme will impact on that at all. We are talking about a couple of hundred houses throughout Queensland. In my view, that money will be reinvested back into providing more housing and, in any case, the numbers of people buying the house in which they are living will not change the waiting list situation at all for us. I take the honourable member's point in that regard. This is not just about unloading stock; this is primarily about giving people an opportunity to own their own home.

The honourable member for Bulimba is very passionate about public housing. He is a regular attendee at the Stones Corner office. I noticed that he was supported by the member for Mount Gravatt in his praise for the good officers at Stones Corner. Again, he raised the issue of keeping seniors in the areas in which they live, especially in suburbs such as his, which are undergoing some gentrification. Part of that big sell-off of land there has aided and abetted that. My policy in that regard is that we do not want large parcels of land for large estates. Those days are gone. We are now looking at the sort of program that the honourable member outlined, whereby we enter into joint ventures. As the member for Woodridge pointed out in his speech, it is about creating suburbs with a diversity of living circumstances. I believe that we have a role as a department to be lead agency in that. We are doing that at Gona Barracks at the moment.

Mrs Edmond: What about in Paddington?

Mr SCHWARTEN: We are doing that in Paddington also. I thank the honourable member for her interjection and know of her great support in that regard as well.

The member for Bulimba also talked about the HITS scheme, the Housing Industry Training Scheme, through which this Government will assist 600 young Queenslanders in gaining trade qualifications. The member for Lytton and I were at one of those sites just the other day. We saw those young chippies working on site there—block layers, brickies and so on—and it really is a commonsense thing to do. When I became Minister, they said that I could not do it; it would not be possible to sign up

that number of apprentices with training schemes over that period, but we are doing it. I have to say that it is tough; we have to be on it all the time, but that should not dissuade anybody from doing it. I believe that in years to come there will be 600 young people in Queensland who will thank us, as indeed will the building industry.

The member for Woodridge, of course, has really warmed to the task of being a great advocate for his Department of Housing tenants out there. I am already sick and tired of writing letters back to him. I do not know whether he and the member for Lytton are having a competition, but he really has shown what an energetic Labor member in that area can do to influence the outcomes of the people whom we are in this Parliament to assist, and they are the battlers in places such as Woodridge. He has been a breath of fresh air down there in terms of the people he has already assisted. He makes a valid point that 71% of the houses down there are three-bedroom houses. I think the member for Redlands made a point in relation to our stock. One of the problems that we have is that people do not want to live in those sorts of houses, but we have them—

Mr Purcell: Send them off to Bulimba; I will have the lot.

Mr SCHWARTEN: Yes. We have them all the same. Part of the task of urban and community renewal is to do something about that.

The member for Caboolture made a positive contribution. He noted that the department's office there was good and also that the rate of home ownership is falling. I did not really like his talk of being able to pick rented houses from houses that are occupied by the owners. I am sure that he did not mean it that way. However, my experience with the garden competition has been that often the media goes to the wrong house because they think that the beautiful garden cannot belong to the housing commission house.

The member for Caboolture also made a very valid point about these homes. I give him my assurance that we would not shift people out of homes to make way for people wanting to purchase them; that is not the intent of the scheme. I agreed with him about crisis accommodation. If we can get some more money out of the Federal Government, which continues to strip capital funding from us—\$60m in this round—then I will be happy to do this.

The member for Redlands made a very positive contribution. Unlike the member for Noosa, he understands that we cannot fix all of the maintenance problems overnight. There is a maintenance bill of \$700m out there because for 30 years under the National Party in this State not a dinar was spent on the maintenance of public housing. When we came to Government in 1989, there were still people without hot water systems. It is going to take some time to clear up the problems caused by that lack of funding. We put \$50m into it last year and we will put the same amount in again this year to try to improve the quality of life of those people. I have changed the floor covering policy and so on. As the honourable member points out, we can only do what we can in that regard.

In relation to adaptable housing, my view is that all housing should be adaptable housing because we all get old. I have had personal experience of having to renovate a home. My brother was involved in an accident just after his 21st birthday and was rendered a paraplegic as a result of it. So people's circumstances do change. In those days, of course, we did not know as much as we know about that now. That is no longer an excuse. We are getting better and better at it all the time. The department has continued down the path of using adaptable housing designs. As far as I am concerned, we are not doing it as well as we should be. I will continue to drive that issue because, as the honourable member says, it is a sensible and economically smart thing to do.

The member for Chermside again made a positive contribution. He is a bit like the member for Gladstone. Whenever one talks to the member Chermside, he talks about Rode Road. I will tell the honourable member right now that we will not do what the Liberal Party and National Party wanted to do with that site. We will not be selling that site off; we will be doing just as the member asks and building a proper and sensible development in that area. I thank him for his advocacy in that regard.

With regard to HOME Assist and HOME Secure, again I would like to spend more money in that area. I take the member's point about older homes needing a higher rate of maintenance. Again, that situation is going to get worse under the GST because it will apply to every one of those little jobs. Those people who own their own homes will go into poverty—into penury—as a result of the GST. Any pensioner who owns their own home will go into penury as a result of the GST because the costs will rise and the miserable amount of money that they receive by way of pension just will not cover it.

The member for Lytton is another passionate believer, as indeed is the member for Mansfield. They are great supporters of public housing in their areas and are prepared to go out there, get involved and take a hands-on approach. I say to the member for Mansfield: nice try in trying to get some money spent over there. We will do what we can. The member for Lytton also has that view, as indeed does the member for Woodridge, the member for Logan and every other member of this House. All in all, I think it was a very positive contribution.

I have here an answer to a question asked by the member for Gladstone that I should have dealt with before. The tight internal controls on applications by departmental employees will ensure that there is no abuse of process and will also ensure that applicants are, in fact, eligible for assistance.
