



Speech by

JAN JARRATT

MEMBER FOR WHITSUNDAY

Hansard 14 May 2002

STATE HOUSING AND OTHER ACTS AMENDMENT BILL

Ms JARRATT (Whitsunday—ALP) (4.45 p.m.): I rise in support of the State Housing and Other Acts Amendment Bill. In particular, I want to address the difficulties that many vulnerable Queenslanders face in obtaining appropriate, secure and affordable housing. I begin by discussing the impact of the GST on the state housing sector. We all know that the GST has driven up housing costs, prices for private rental dwellings and home ownership. I have certainly witnessed the effect of this in my electorate. In the northern beach suburbs of Mackay, former vigorous growth in the building industry ground to a halt as a direct result of the introduction of the GST. What is not as well known is the significant impact of the GST on the cost to government of providing public housing.

Traditionally, government has been exempt from paying tax on the provision of housing, but not with the GST. Not only must the state government pay tax on its inputs, but in the case of providing public housing government cannot claim any GST tax credits. The Howard government is taxing Queenslanders, not to raise funds to provide housing for low income families and individuals but because the state government is providing this essential service. Interestingly, though, charitable organisations delivering subsidised rental accommodation are effectively exempt from GST payments. I point out that the national competition policy review made it clear that Department of Housing services were social rather than commercial. However, the Department of Housing must still pay GST. It is not surprising therefore that the state government and the Brisbane City Council have been working closely together to develop the Brisbane Housing Company proposal as an independent charitable organisation.

I commend the Premier and the minister for leading the other states and territories in demanding compensation through the Commonwealth-State Housing Agreement for the GST burden. Although some GST compensation is being received under the current Commonwealth-State Housing Agreement, I am advised that the federal Minister for Housing, Senator Amanda Vanstone, has made it very clear that there will be no compensation under the new Commonwealth-State Housing Agreement presently being negotiated, and that is a shame. In an environment of increasing costs in providing public housing due to factors such as the GST and declining Commonwealth funding, it is critical that traditional forms of private, low cost housing continue to be made available as an option for people on low incomes.

The GST has hit many operators hard with not only higher costs for goods and services but also the increased operating costs in meeting the administrative requirements of the GST. Recently, insurance costs have skyrocketed, especially in the area of public liability insurance. The accreditation standards associated with the residential services bill are needed to ensure that tenants are provided with an appropriate standard of service but will again place imposts on many operators. Therefore, I fully support the minister's strategy to develop an affordable loan product to help meet the cost of required capital improvements.

As I understand, it is proposed that an interest and redemption loan would be offered at a reduced rate of interest with low application and ongoing administration fees. Operators would be allowed to repay the loan over a considerable number of years unless they leave the industry, in which case they would need to repay the loan immediately. The exact details of the loan will be finalised after further consultation with industry representatives. This bill seeks to ensure that affordable housing continues to be available for those who cannot access the mainstream market. I congratulate the Minister for Housing for the way in which he champions the rights of these citizens and commend the bill to the House.