



Speech by

Ted Malone

MEMBER FOR MIRANI

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URBAN LAND DEVELOPMENT AUTHORITY BILL

Mr MALONE (Mirani—NPA) (12.10 pm): It is with pleasure that I rise to support the legislation before the House today, the Urban Land Development Authority Bill. I want to talk briefly on a number of the issues contained in the bill. I first want to address the issue of affordable housing, and it appears that the cornerstone of the legislation is to allow for affordable housing to be built throughout Queensland. As members of the House are aware, many issues come under the gambit of affordable housing. One is the definition of affordable housing, and it really depends what sort of wage bracket a person is in or if they are employed or whether they are in a situation where they can almost afford a mortgage. When my wife and I first established a home it was a very modest home. Indeed, most of the house was not even completed. Over the years we have added ceilings and walls and those sorts of things and concreted underneath. My wife keeps telling me that I still have not finished it, and that is probably half true.

The reality is that many years ago people had to have between 30 per cent and 40 per cent deposit to put down for a home loan and they had to prove that they could actually pay it off. Of course, the cost of building a home in those days was certainly a lot cheaper because materials such as timber and fibro were reasonably cheap. Quite frankly, there were people who could not afford to build their own home in those days. So it is an ongoing situation. We sometimes gloss over the affordability of housing, but it has been an issue for the last 100 years. It is certainly difficult now. A house nowadays is at least a three-bedroom home with a twin carport, established gardens, ensuites, theatre rooms et cetera. Of course the cost of those sorts of houses with dishwashers and all the rest of it is high and of course it will be hard to afford those sorts of homes.

I have had some experience in terms of developing land. The situation in Queensland under our system of town plans is that if a person has a block of land which becomes zoned as part of the town plan it is like winning the casket. The value of that land triples or increases by even more than that by the fact that it has been zoned in the town plan. A developer then buys that land if it is not being developed by the owner and it goes on from there. There is the cost of getting engineers and surveyors to develop the land. It probably takes between 12 months—if you are lucky—and two years after a person buys the land before they can get council approval. Then of course as the land is developed they have to put up-front funds away for the delivery of services such as electricity and telephone connections and the drainage system that has to be built into the land, the environmental issues and it goes on and on.

When it goes on to the market the stamp duty is instantly applicable to that land. With land values nowadays, a person would be lucky to buy a reasonable house block in Mackay under \$200,000. We have to pay stamp duty—even though the GST came in and as part of that agreement stamp duty was meant to be taken away from the state government but is still there—which adds to the cost of the land. Then of course the 10 per cent GST, which the state government gets, goes on to the price as well. After all of those costs are taken into consideration, \$200,000 is about the cost of developing the land. That creates a situation with affordable housing where there are some really very high costs up-front. Also, as was detailed by the member for Gladstone this morning, the cost of getting employees to do the work is growing. People are currently paying something like \$80 an hour for a plumber in Mackay, and I think that is fairly average across Queensland. Chippies cost something like \$60 an hour plus on-costs. This great

talk about affordable housing really is a bit of a furphy. It will be very difficult under the current situation in terms of the constraints we have of being able to develop affordable housing.

This legislation may open up more land for development, and I have always had the view that we are not utilising the best part of our landscape for development. We continue to see good flat areas of land around our cities being developed for housing while not too far away the landscape is elevated. It may be a little more difficult to build on that elevated land, but that land is certainly not useable for agriculture or other pursuits. I do not believe that we are building in the areas where houses should be built. If this legislation will enable infrastructure to be put in place in order to allow the land around towns throughout Queensland that is eminently suitable for the building of homes that is not necessarily good agricultural land, I am totally in support of it. As I said, the costs will be a bit higher, but at the end of the day the worst thing we can do to a piece of ground environmentally and fundamentally is to put 20 or 30 loads of concrete on top of it. It never goes back to being useable land, and as a farmer that really upsets me quite considerably.

The legislation details the Mackay Showgrounds as one of the sites for affordable housing. The Mackay Showgrounds is an iconic site almost in the middle of Mackay. No matter what happens, that land is extremely valuable and I find it very difficult to believe that we are going to build affordable housing in the middle of Mackay on an iconic site that really is of very high value. If it is going to be tendered out to developers, they will pay extreme amounts of money for that ground. I find it hard to believe that they will build low-cost housing on that site. Indeed, if the government goes ahead and develops that land itself and ownership is transferred to individuals, the resale value of those units will almost automatically go up to the standard that is current in Mackay. I want to see the plans of what the government has in mind for the showgrounds in Mackay, because the people of Mackay have a real interest in terms of what is happening to the showgrounds. Off the top of my head, the showground site has been dedicated as a showgrounds site for almost 100 years, and it may even be a little over 100 years. There are fairly substantial infrastructure assets on the site. They may not be the flashiest in the world but they certainly serve a purpose. The mining expo that utilises the grounds every two to three years is very significant. If the showgrounds are going to be utilised as an affordable housing site, there has to be another site allocated very close to Mackay in order to carry out exactly what happens on the showgrounds now.

Currently, the showgrounds site is in operation pretty much on a weekly basis. There is something happening there every week. If we are going to maintain the showgrounds in the style that we have always experienced, a lot of infrastructure will have to go into building a greenfield site. I know my colleague the member for Toowoomba South has had a lot to do with showgrounds over the years and would be well aware of the cost of shifting those showgrounds onto a greenfield site. It is unbelievable that the president of the showgrounds is still not aware of the role that the state government is taking in terms of the showgrounds. I would hope that by now he would at least be briefed on the situation.

I have always advocated that the area of land across the road bordered by the Pioneer River, the Bruce Highway, Canelands Park and the Ron Camm Bridge could be utilised for something like a showgrounds. It certainly will need filling, which could be done using sand pumped from the Pioneer River. It is basically on the same level as the shopping centre Caneland Central and is in the middle of Mackay. Quite frankly, right now the site is a dump. It is overgrown and not utilised to its full extent. I think there is a real opportunity for the government and certainly the council to look at making some real effort in trying to come to grips with the replacement for the Mackay Showgrounds if this all goes ahead.

The development of any low-cost infrastructure is going to be very difficult. Low-cost housing and affordable housing are two different definitions. Low-cost housing is housing into which there are low inputs. I find it difficult to believe that that is going to be achievable in Queensland. Affordable housing is being able to build housing that people can afford. When you take into account the cost of bank charges, the cost of loans, the cost of 22 per cent interest rates when Labor gets in as it was before, it is going to be interesting.

Ms Nolan: How about 23 per cent when John Howard was first Premier?

Mr MALONE: People can get a home loan at seven per cent now if they try really hard. I am wondering what it will be in a couple of years time if Labor gets in.

Mr Lawlor interjected.

Mr MALONE: I was paying 22 per cent when I bought a farm. So I do know all about it. I know members on the other side of the House do not like the facts, but that is the way it was.

Hopefully this legislation will create some breakthroughs in the development of some new land around our cities. As I said, the constraint in terms of town planning was certainly an issue in getting good housing sites on the market. That could help a bit but I do not believe it will be to the extent that we will be able to say that we have extremely good, affordable housing, particularly when we consider that the number of houses that the government has under its control really has not grown to any great extent over the past 10 years. If public housing is the way we are going to go, we certainly need a change of attitude.