



Speech by

**Tim Nicholls**

**MEMBER FOR CLAYFIELD**

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## **URBAN LAND DEVELOPMENT AUTHORITY BILL**

**Mr NICHOLLS** (Clayfield—Lib) (5.16 pm): When it comes to housing affordability, the Beattie Labor government struggles to come up with an effective strategy to meet the needs of Queenslanders who want to own their own homes. When it comes to housing affordability across the spectrum of people who want to buy and live in their own homes, this government fails all of the tests.

By comparison, the Liberal-National coalition at the Commonwealth level has done more to improve the prospects of Queenslanders looking to own their own homes than any other government in this country. It is doing this in a number of ways. Firstly, it has repaid the \$96 billion in Labor Party debt that it was left with in 1996. In effect, the \$8 billion a year that Australians were paying on Labor's debt is now being spent on services like rental assistance and new housing stock, helping people to help themselves while at the same time encouraging investment in new houses and units to help provide homes, jobs and prosperity for Queenslanders. The other effect of being net debt free—

**Government members** interjected.

**Mr NICHOLLS:** They do not like the truth, but they are going to hear it. The other effect of being net debt free is that the pressure on interest rates is being reduced. Under Labor, average mortgage rates were at 12.75 per cent, went beyond 19 per cent and, in the worst of the bad old days of Hawkie and Keating, went beyond 20 per cent. Now they are at 7.5 per cent. Members can compare that to the best that Labor could manage. In the period from March 1996 to December 2006, under the Liberal-National coalition real wages grew by almost 20 per cent. In Australia, the friend of the worker and the friend of the person who wants to own their own house and enjoy prosperity is the federal Liberal-National coalition. In the period from 1983 to 1996, under Labor real wage growth was at minus 1.4 per cent. Real wages growth went backwards under Labor and went up by 20 per cent over 10 years under a federal coalition.

I turn to unemployment. How can someone own their own home if they do not have a job? Paul Keating, the man who famously told people to 'Go and get a job' when there was not one going, had youth unemployment at better than 27 per cent. Under the federal National-Liberal coalition, unemployment is at 4.2 per cent. Additionally, long-term unemployment has been reduced by more than 120,000 people.

Inflation, which under the Keating-Hawke years was at best 5.7 per cent, is now consistently in the two per cent to three per cent range, averaging 2.5 per cent for the last five years. The federal government has also undertaken tax relief. Under Labor, wage and salary earners were paying 34 per cent of their income in tax to the government on a wage up to \$38,000. From 1 July next year people will be able to earn up to \$80,000 and only pay 30 per cent tax. We remember the last time the Labor Party was in charge and was talking about tax. We remember the L-A-W law tax cuts. They were enshrined in legislation. They were never delivered. They were scrapped and thrown out the door. At the same time, net household wealth in Australia has more than doubled under the federal coalition from \$2.1 billion to \$5.4 billion.

These details and others like them are contained in a small brochure called *The Howard Government—Doing what's right for Australia*. I table that document for the benefit of members' edification.

Obviously those on my left need a short but concise history lesson, and this document does provide it to them. It makes interesting reading.

*Tabled paper:* Brochure titled 'The Howard Government—Doing what's right for Australia'.

By contrast, what does state Labor do? We already know that the Beattie Labor government will in a few short years time be \$52 billion in debt. While the federal coalition government repays debt and reduces interest payments, state Labor—in the way of Labor governments since time immemorial—puts its hands in the pockets of the taxpayers and decides it is going to trouser another \$52 billion and pay off more borrowings and increase interest payments. In 2007-08 state Labor will be the biggest spending, biggest taxing government in this state's history. In doing this, the major growth in state expenditure is coming through wages growth in the bureaucracy which I detailed when I discussed the budget a couple of months ago.

It is also interesting to note in terms of housing affordability the transfer duty that has been collected by the Queensland state government. In fact, so rapacious has been this government's revenue collection that since 2001-02 state transfer duty collected has increased by 169 per cent. At least 60 per cent to 70 per cent of that transfer duty collected is stamp duty on the purchase of homes. I table a small graph which I have put together that outlines the transfer duty received and the increase in the revenue that this state government has taken in stamp duty over the past five years.

*Tabled paper:* Document, containing graph and table regarding Queensland State Transfer Duty.

As a sop but not as a real measure, the government last year provided some additional concessions for the acquisition of vacant land from 1 January this year—a common Beattie Labor government trick: announce the concession in the budget but do not actually deliver it until six months later. At the same time, transfer duty rates increased from 1 July—straightaway—on dutiable property over half a million dollars. It is interesting to note the comment on page 89 of the 2006-07 budget papers in relation to the increase in the dutiable property rates which states—

This will partially be offset by an increase in the concession for home purchases.

Note the use of the word 'partially'. Obviously this was another revenue grab by a money-hungry government last year. In the current state budget the Treasurer attempted to make much of the halving of mortgage duty—another impost on housing affordability. There was the usual trick: announce it in June but deliver it six months later from 1 January 2008 and fully reduced on 1 January 2009. This is nothing but a sleight of hand and is the implementation of the intergovernmental agreement which sees the state receiving windfall GST revenue of in excess of \$8 billion this year while at the same time slowly, agonisingly, despairingly reducing its old inefficient money-grabbing taxes such as the mortgage duty.

The comparison could not be more clear. At the federal level the coalition government does all the things that are important to improve housing affordability. It reduces unemployment, it reduces interest rates, it increases real wages, it provides outstanding economic growth, it repays Labor debt reducing the pressure on interest rates and it introduces the biggest package of tax reform and tax relief for taxpayers in Australia's history. At the state level we have increases in debt, up \$52 billion, and increases in revenue from stamp duty, up 169 per cent over five years to \$2.842 billion. It delays reducing mortgage duty despite the intergovernmental agreement and it continues to delay investment in infrastructure needed to sustain growth both on the urban fringe and in non-urban centres.

It is not surprising that after this litany of failures and in the lead-up to a federal election Beattie Labor, in slavish adherence to the dictates of its union masters, all of a sudden recognises it must do something about housing affordability and develops, as if it had never been thought of before, a Housing Affordability Strategy. And what a strategy it is! A whole six pages! The first page is a cover sheet, so we can take that one out. The second page has a photo of the Premier and the Deputy Premier and a bit of spin and a bit of blurb, so we can take that one out. That takes us down to four. Then we have four pages and the top half of each is covered by a photograph. The whole Office of Urban Management, the whole Treasury department, the whole gamut of the government produces two A4 pages of a Housing Affordability Strategy. What an outstanding outcome!

**A government member:** You're only dirty that it is not printed by Willprint.

**Mr NICHOLLS:** I take that interjection, because if it was printed by Willprint there would be a lot more pages.

**A government member:** And we know who would be paying for it.

**Mr NICHOLLS:** Don't you worry about that. We have here what the federal government did about it: the Productivity Commission report on first home ownership, 290 pages of a document that actually examines the problems and comes up with the solutions and deals with the issues in an in-depth and proper financially costed way. It identifies the supply side problems and the demand side problems. It does identify bottlenecks in the development assessment process. It does identify problems in the land supply

and release process. It does identify things in the supply side process. It is a properly thought through, fully investigated, complete and utter report of 299-odd pages, as opposed to two A4 sheets of paper produced by this government because it knows a federal election is coming and it wants to get on the bandwagon.

It would be interesting also to know the authors of this massive tome produced by the Deputy Premier and the Premier. It is also interesting to note that the number of press releases announcing the release of the affordability strategy is more than four times the strategy itself. Between 5 May and 3 September 2007 there were eight pages of press releases announcing the great work that this government is doing. In fact, I think the press releases are a better housing affordability strategy than the Housing Affordability Strategy itself. If nothing else, that fact alone shows how addicted this government is to spin and how little it cares for delivering affordable housing to Queenslanders.

It is also interesting to note that a 217-page bill containing 250 clauses and a schedule dictionary is considered an effective way of reducing red tape. The bill contains all of the details which leads to the establishment of the nine-member Urban Land Development Authority. The members of that authority are all appointed by executive government. To date the government has given no indication of how it proposes to select its appointees. It is interesting to note that part 6 of the bill provides that the Urban Land Development Authority represents the state. Section 96 provides that the main function of the authority is to give effect to the purposes of the act and those purposes are, of course, set out in section 3 of part 1 of the bill. They, as the member for Ashgrove has identified, indicate the availability of land for urban purposes, provision of a range of housing options, provision of infrastructure, planning principles and provision of ongoing availability of affordable housing options.

It is also interesting to note the proviso in section 97 of the bill under the heading 'General powers'. Subsection (1) of section 97 of the bill starts off with the words 'Subject to any ministerial direction'. The question to ask is what limits, if any, there are on ministerial direction in the exercise of power under this provision and to what extent the minister's direction is reviewable or justiciable under the act. In effect, the Urban Land Development Authority is a creature of the minister and executive government. It is not answerable to anyone but the minister.

When one considers the provisions and powers that are set out in section 97(1) and (2), one has to ask why it is necessary to have such powers which are not reviewable by this parliament or any other independent authority, which is what we would normally expect with a government like this one which professes to uphold the tradition of the separation of powers. Increasingly, we know that this Beattie Labor government pays lip-service to the doctrine of separation of powers while seeking every way it possibly can to get around them.

It is also interesting to note the membership of the authority and again the lack of independence from the executive government. Section 106 sets out the eligibility for membership and lists six broad fields of qualification. However, it is interesting to note that there is a catch-all provision that enables the minister to appoint anyone under section 106, because it says if the person 'has other knowledge and experience the Governor in Council considers appropriate'. This is the Labor mates' appointment clause.