Speech by

John-Paul Langbroek

MEMBER FOR SURFERS PARADISE

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SUSTAINABLE PLANNING (HOUSING AFFORDABILITY AND INFRASTRUCTURE CHARGES REFORM) AMENDMENT BILL

Mr LANGBROEK (Surfers Paradise—LNP) (2.43 pm): It is my pleasure to rise to speak to the Sustainable Planning (Housing Affordability and Infrastructure Charges Reform) Amendment Bill 2011. I note the contribution by the shadow minister, the Leader of the Opposition, and his declaration that whilst we are not opposing this bill there are certainly great concerns that we have with many different elements of it. I note that had we opposed some of those swimming pool provisions we would have copped a lot of abuse in relation to safety issues. I note the contribution of the member for Gaven, too. He explained very well the history of these issues on the Gold Coast.

In relation to today's announcement about the draft Mackay Isaac Whitsunday Regional Plan, as the honourable the Treasurer said yesterday, ask not what they do; look at what they have done. Never more would that apply than in the case of this government with this draft regional plan compared to the regional plans we have had in the south-east and other regions that the Treasurer and the minister waxed lyrical about this morning.

The Integrated Planning Act and the Sustainable Planning Act were supposed to help with the times when we were getting 1,000 people a week moving to Queensland. All of us remember that former Premier Beattie and now Premier Bligh would often talk about those 1,000 people who were arriving in Queensland every week. Yet what they implemented under the Integrated Planning Act, which was brought in in 1997 by the then coalition government, was more and more regulation, more and more plans and more and more fees that were going to be paid.

On the eve of the 2009 election, when the global financial crisis was really taking effect, I remember being with the honourable member for Albert at the *Gold Coast Bulletin*'s rescue patrol at which the developers very clearly pointed out to council as well that the priority infrastructure plan charges were actually already crippling business on the Gold Coast and that this would lead to significant problems. It was the Gold Coast formula that the honourable member for Cairns yesterday pointed out was the template for the rest of the state. In her contribution yesterday she acknowledged the difficulties that councils have had. She actually said—

> ... priority infrastructure plans and the appropriate charging policies ... have been too difficult for local governments.

They were brought in on her watch. The member for Toowoomba North also belled the cat and said—

> The government recognises that local governments have been struggling with the complex charging system and that the development industry has also been hindered by this complexity as well as by the high level of charges in some areas.

That is the history of this government. They brought in these charges under IPA and under the Sustainable Planning Act and that has led to the issues that we now have on the Gold Coast.

Mr Lucas: They have lead to an oversupply on the Gold Coast.

Mr LANGBROEK: The minister talks about an oversupply. I heard him talking about this yesterday during someone else's contribution. All we have to do to see whether there is an oversupply is look at the transfer duty payments received by the Treasury. For the two years 2009-10 and 2010-11, the number of payments made has bottomed out on the Gold Coast.

Mr Lucas: That is because there is an oversupply.

Mr LANGBROEK: No, it is because there is no confidence in the market under a Labor government that has raised charges for petrol, water, registration and electricity.

There is a problem throughout the state created by this Labor government. To see this, one only has to look at the number of payments of transfer duty. In 2009-10 it was 125,683 across the state and for the six months ended 31 December 2010-11 it was 52,886. One would normally expect, year on year, a slight increase on the 62,500 for the half-year 2009-10, but for the half-year ended 31 December 2010 the actual number of transactions was 52,886.

Some of the very specific ones show that there has been a decline in confidence, and this is after the Treasurer said yesterday that business confidence was coming back in the lead-up to December, in the lead-up to the floods and the cyclones that we experienced. In that case, why had transfer duty payments by statistical division declined by about 10 per cent in different areas but in areas like the Gold Coast we saw that for the year 2009-10 there were 18,614 transfer duty payments? Surely that is a reflection of developers who cannot sell product, not building product. They are not building product because of infrastructure charges and the costs that they then have to pass on to people who are moving to the Gold Coast. The numbers declined on the Gold Coast from 18,000 to 6,672 for the half-year ended 31 December. In Brisbane, for the year 2009-10 there were 48,133 payments. This number declined to 19,567 for the half-year. That is a massive decline. Is there an oversupply in Brisbane? I do not hear the minister saying that there is an oversupply in Brisbane and that that is why they are not selling product.

Let us look at the Mackay area. In the year ended 2009-10, in the Mackay statistical division there were 4,321 transfer duty payments. In other words, 4,321 people bought properties and had to pay transfer duty. But in the half year ended 31 December, that number was down to 1,914. Obviously, there was a very significant decrease in people's confidence because of a Labor government that has been in power for 20 years and all the issues from before 2009 that we have been highlighting. As the member for Gaven said in his contribution, they thought that the goose would keep laying those golden eggs.

We are not denying the global financial crisis. We are saying that this government took no action until it was too late. Now it has brought in a scheme that is not guaranteed to improve the situation. As we are in regional parliament, it is important for the people of this region to understand the significance of the draft regional plan that has been released to much fanfare today. They need to understand how on the Gold Coast and in other areas of the state, including North Queensland, there is considerable disquiet about the aspects of the plan that are never implemented or that end up being delayed, as we heard yesterday in the 5.30 debate.

Mr Lucas: Back to the days of Russ Hinze.

Mr LANGBROEK: The minister can make all the puerile interjections he likes, but the bottom line is that those opposite have been in power for the past 12 years. They have been in charge of implementing these plans and they have failed to do it.

While this region relies heavily on mining, agriculture and tourism, which we have heard much about, the Gold Coast relies on development, retail and tourism. Until recently, about 13 per cent of our workforce or 49,000 people were employed in the property development industry. The Gold Coast was a magnet for people from the southern states who were attracted to our climate, our affordable housing and our job opportunities. One of the most damning indictments on this government is that for the first time we have seen reverse migration. For the first time, we have seen a decrease in the number of interstate people coming to Queensland. We still have high numbers of births exceeding deaths and high numbers of overseas migration. In the 1960s when I was a child on the Gold Coast, it was a town of 50,000. That number steadily increased and the Gold Coast is now a vibrant city of 550,000 people. However, fewer people are coming to Queensland than are going the other way.

Mr Lucas: Rubbish!

Mr LANGBROEK: We have net negative migration coming to Queensland from interstate, which is what the survey showed for both last year and this year. The reason is that it can cost up to $75,000 less to buy a property on the outskirts of Melbourne, because of infrastructure costs. A simple example was quoted to me by a small lot property developer. In 1998, under the then Integrated Planning Act, which was introduced in 1997, to develop a two-lot subdivision in a Gold Coast suburb such as Labrador it would take six pages, two council officers and six weeks to get through council. Under the provisions of the Sustainable Planning Act, it can take 12 officers, 250 pages and six months to get through council. This is what has happened over the past couple of years. Often when developments came forward, the council officers went to their valuers and the people charged with doing the work for them. They would say, 'We can't tell you exactly what you should tell your client about how much the infrastructure charges will be.' These are not just anecdotal incidents. They are well canvassed.

This situation can be laid fairly and squarely at the feet of the Labor government. Before the 2009 election, the government promised to keep the grants and subsidies that it then took an axe to, withdrawing the 40 per cent infrastructure subsidies for water and sewerage. The Gold Coast City Council was left with two choices: raise rates or pass charges on to developers. Those acts were brought in and refined by the Labor government. They have led to greater complexity in charging, which has created difficulties for people who want to invest in developments in cities around our state. We now have some of the highest infrastructure charges in the country, adding about $50,000 to the cost of an average house.

It is a priority infrastructure plan charge where the menu was set by the state government and applied by the council, and then that plan was going to go state-wide. Yesterday the member for Cairns pointed out that priority infrastructure plans were to be done by council areas. She said, 'Gold Coast, Burdekin, Charters Towers, Cook, Mount Isa, Western Downs and Whitsunday local governments will already have adopted PIPs.' Those PIP charges started at the Gold Coast and they created problems for the Gold Coast. We have PIP charges as well as a number of different charges.

Mr Hinchliffe interjected.

Mr LANGBROEK: It is the complexity of those charges that is the problem. The former minister is trying to explain it to me from across the chamber, but he is confused about them and obviously that is leading to confusion in the marketplace as well.

On the Gold Coast, a suburban shopping centre costs around $7 million in infrastructure charges. Just over the border on the Tweed, the charges are around $4 million. About 18 months ago, the supermarket chain Aldi cancelled plans for two more Gold Coast stores when faced with $1.5 million in infrastructure charges.

Mr Lucas interjected.

Mr LANGBROEK: Isn't it interesting that now we have the minister criticising the council? A couple of weeks ago the Treasurer came to the Gold Coast. Having destroyed a lot of the economy on the Gold Coast, what did he say was his three-point plan for doing something about the Gold Coast? Having done all that he has done to the Gold Coast economy, the Treasurer, the member for Mount Coot-tha, said, 'Get rid of the council.' He has made it wear the odium of the water charges.

Mr Lucas interjected.

Mr LANGBROEK: I always want LNP members to be LNP members, whether it is at council, state or federal level.

Mr Lucas: Thank you for taking it.

Mr LANGBROEK: I am happy to take it. The Treasurer came to the Gold Coast and said, 'Get rid of the council.' The second thing that he said was, 'Let's have more fly-in fly-out.' Therefore, the people of Mackay can be confident that this government has no interest in building infrastructure in the regions. The Treasurer will be simply encouraging more fly-in fly-out in areas such as the Gold Coast. The third thing he said was, 'I think we should sell what you have here in the Gold Coast better so that people know what you have.' That was the Treasurer's contribution to restoring the economy on the Gold Coast. Mr Deputy Speaker, can you believe that that is exactly what the Treasurer said? He said: get rid of the council; more fly-in fly-out and tell the Gold Coast to sell its story better. We do not need to better sell the Gold Coast's story around the country, because people know that it is a great place. We do not need the Treasurer giving us advice.

I can tell the House how well the Labor Party will go on the Gold Coast at the next election. It will not go very well after what has happened there. On the Gold Coast unemployment figures show that the number of people in paid employment has dropped from 266,800 to 266,000. Of greater concern is the 4,000 previously registered unemployed who have left the Gold Coast. The flow-on effects from Labor's economic incompetence at both state and federal levels are being felt by Queenslanders everywhere. Even if they can manage to get bank funding, who in their right mind would consider the added investment risk of what most developers and builders regard as excessive and even crippling infrastructure charges? This reality is reflected in the figures, with infrastructure receipts down 15 per cent to $46 million in 2010.

Let us consider these figures. A recent proposal for a shopping centre on a 2.4 hectare site at Pimpama attracted a Gold Coast City Council infrastructure charge of $2.5 million. That was reported in the *Gold Coast Bulletin* on Australia Day 2011. That development included 5,500 square metres of retail, including a major supermarket, speciality stores and a medical centre. A similar development in Camden, in south-west Sydney, attracted infrastructure charges of $60,000 from the Camden council and $404,000 in New South Wales state government fees. In Victoria, a similar development attracted a charge of $297,000 from the Manningham City Council. In the city of Stirling, a similar development had a charge of $365,000.

At Coomera charges for a 1,000 square metre retail site would set a developer back $806,514, while costs in a comparable Ipswich suburb would be $126,109. A development in Coomera costs six times more than one in Ipswich. That means that under this Bligh Labor government's policies infrastructure charges on the Gold Coast can be up to 10 times the cost in other states and many times the cost of those charged in other parts of the state. Another report showed that, while infrastructure charges on a low density residential block on the Gold Coast entry level suburb of Coomera would total $36,014, costs in a comparable Ipswich suburb would be $20,294.

As many have said, the bill seeks to cap residential infrastructure charges at $28,000 for dwellings of three or more bedrooms and at $20,000 for one- or two-bedroom dwellings. Depending on the development type, non-residential infrastructure charges would be between $50 and $200 per square metre of gross floor area. Whilst that should result in considerable reductions in charges currently levied by the Gold Coast City Council, it leaves the way open for other councils to raise their existing charges to the revised cap, as I have heard other members say, and that creates a different problem.

As usual with this Bligh Labor government, the devil is in the detail and there are real concerns that the detail is lacking. The UDIA, the Urban Development Institute of Australia, has long argued for changes to Queensland's infrastructure charges regime and for a maximum cap. However, the UDIA does not believe that this bill will achieve its desired result of delivering more affordable housing because of flaws associated with its drafting.

Mr Lucas: You're not moving amendments, are you?

Mr LANGBROEK: I will get to what we are going to do. The UDIA has argued that infrastructure charges imposed on new developments should not exceed the actual costs of the reasonable provision of infrastructure associated with the project. Under the Sustainable Planning Act 2009 and the Integrated Planning Act 1997, charges are directly related to the provision of infrastructure for developments and, as such, the charges are itemised and costed and are open, accountable and transparent. If, as the Local Government Association has already signalled, a number of councils intend to raise their infrastructure charges to the cap, there is a real flaw in the way this bill has been drafted. Indeed, as the UDIA has argued, that then becomes a development tax rather than a true infrastructure charges regime.

Queenslanders have become used to the legislative trickery and lack of transparency of the Bligh Labor government, and this bill is yet another example of that. When there is a lack of transparency, there is also a lack of certainty. Again, what developer would not think twice about a project if there was a very real concern that infrastructure charges would exceed actual costs and that any fees paid could be used to subsidise other developments? Developers, investors and builders want certainty and they want a fair return on their investment. They certainly do not want more bureaucratic delays and interference with the application and approval processes.

A can-do LNP government will encourage builders and developers by providing the right incentives and transparent legislation so they can invest in the future with confidence. We will not place unnecessary bureaucratic obstacles in the path of investors or potential home purchasers.

Mr Lucas: Come to specifics. No policy! Campbell has copied you: no policy!

Mr LANGBROEK: I say to the minister that we will revisit this legislation in government to ensure it provides transparency, certainty and fairness, which it does not do in its current form.