




Speech By
Steve Minnikin

MEMBER FOR CHATSWORTH

MATTERS OF PUBLIC INTEREST

Housing Affordability

 **Mr MINNIKIN** (Chatsworth—LNP) (11.11 am): I wish to rise in the chamber today to talk about an issue that continues to be of great concern to many residents of my own electorate of Chatsworth and across the entire state. The issue I am referring to is housing affordability. Firstly, let me explain to the House the real definition of housing affordability. At a base level it ensures that low-income households can access an adequate standard of housing without compromising their essential spending. However, in recent years, as most members of this House would attest to, there has been much concern as to whether people earning a broad range of incomes can even afford a house without undue financial stress.

Owning your own house is the great Australian dream, which, sadly, under the former government was rapidly becoming out of reach for many Queenslanders. Anthony Keane recently wrote that the biggest priority for Australians is still homeownership. Housing plays a critical role in the Australian economy and, apart from providing one of our most basic intrinsic human needs—shelter—it is for most people their primary source of wealth.

Almost 20 years ago the median house price was three times the average household earnings. In the last couple of years it has risen to around six times the average earnings. Despite the ostensible commitment of governments of all political persuasions to promote homeownership, the homeownership rate at the 2011 census of 67 per cent was the lowest at any census since 1954 and down five percentage points since 1991. Commonwealth and state government programs, whether in the form of direct cash expenditures or revenue forgone through tax concessions, have served largely to inflate the demand for housing whilst programs which used to boost the supply of housing directly have been largely wound down.

As a corollary to this, state and local governments have, to varying degrees—and often perhaps unintentionally—constrained the supply of housing by making developers pay upfront for the cost of providing suburban infrastructure; by failing to provide adequate transport infrastructure to maintain the amenity of new housing estates; and by placing increasing obstacles, in terms of both time and money, in the path of efforts to redevelop inner suburban areas. As a result, the increased demand for housing that should have been matched by the increased supply of housing has instead served largely to inflate the price of housing—to the very great benefit of those who already own at least one property but to the even greater detriment of those who do not.

Australia, therefore, has among the world's most expensive housing and a housing system that increasingly fails to meet people's needs. A perfect illustration of this failure is that between the 2006 and 2011 censuses, the average number of people in each dwelling actually rose for the first time in at least 100 years. As Saul Eslake recently wrote, this is the result of more young adults remaining in or returning to their parents' homes or living in more crowded rental accommodation because they have been effectively shut out of the housing market.

The ALP in a federal sphere have attempted to combat the issue of housing affordability but, like most of their policy ideas, the execution has left a lot to be desired. Their scheme set out to assist first home buyers to put together a deposit, in a similar set-up like superannuation. Like most policy ideas thought up by the inept federal Labor government, there were lots of pitfalls. There was an account balance cap of \$90,000 and no capacity to make partial withdrawals or access the funds until a period of four years was served. If stringent rules and criteria were not met, the funds would roll over into superannuation. Instead of creating elaborate, hard-to-obtain initiatives, my personal favourite was the clause whereby, if you did not notify the scheme that your house was going to be completed in 30 days, the money automatically rolled over into your super account. What a joke—like most of the harebrained schemes that the ALP, both federally and previously state, concoct.

The LNP had a clear way to assist with helping Queenslanders obtain their own slice of paradise. One of the common problems associated with housing affordability was higher demand, therefore causing a shortage of appropriate property. This is why the \$15,000 first home buyers grant for newly built housing ensures that there is an incentive for buyers to consider this option. As I mentioned earlier, another factor contributing to the rising lack of housing affordability was the overall cost of living. I am proud to be part of a government that is striving to ensure that Queenslanders prosper and that we spend the public purse wisely so that we do not have to impose further unfair taxes on Queenslanders.

Finally, without a grown-up federal government, housing affordability will continue to be an increasing issue. The Newman government is committed to ensuring that housing is affordable for all Queenslanders, and the sooner we kick the current Labor federal government to the kerb the sooner it will ensure that our good work can happen on all fronts. The issue of housing affordability needs to be one of our highest priorities.