

Opinion: Labor hurts own voters by scrapping Logan homes plan

Graham Young, The Courier-Mail

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THE Queensland Government is schizophrenic.

It campaigned last election against asset sales, promising no rise in debt or taxes, yet every proposal to accelerate the Queensland economy involves at least one of these.

Latest is the redevelopment, and presumably sale, of government-owned land in Rockhampton and Townsville.

I have no quibble with its conversion to privatisation but now they have seen sense, they need to approach it logically.

The evidence from their handling of the Logan Renewal Initiative is not encouraging.

This project, over the next 20 years, would have turned \$300 million of government assets (of which \$12.9 million was cash) into \$1 billion.

This is achieved by turning the whole Department of Housing and Public Works portfolio in Logan over to a not-for-profit consortium for 20 years. They manage the portfolio, replace 1049 existing dwellings with new ones, and build another 1565 of which 800 are either social housing or offered at affordable rent.

The balance is sold off, providing the cash to renovate and expand the existing stock.

The Federal Government was also in line to contribute \$420 million.

This was a project a long time in the making, started by the Bligh government. It is not conceptually difficult, and is similar to projects being undertaken in other states, including Labor-governed ones such as South Australia.

Yet around five years after the project was conceived, and with some contracts already entered into, this Government has canned the project.

Instead they intend to spend \$17 million over the next four years building 70 houses. That is roughly 18 a year versus the 146 just in the first two years of the proposed Logan Redevelopment Initiative.

Compared to the Townsville and Rockhampton projects, this was a real project, ready to roll and meeting real needs in a depressed community.

Queensland's social housing waiting list is huge. As of last count there were 15,891 applications involving 30,426 individuals.



With home ownership nationally sinking to 64.9 per cent, a new post World War II low, the project would also have filled a gap in the affordable housing market from the 770 houses on sold to pay for the redevelopment and extension of the social housing stock.

No society has a higher duty than to guarantee all its citizens a roof over their head, and the people on this wait list are the constituency that Labor claims to represent. (Labor holds all state seats in this area, which includes Woodridge, its safest.)

This project would also have injected huge sums into a local economy where unemployment is 6.5 per cent and on an upward trend.

If you take the Government's cost to build 70 houses as indicative, then the Logan Renewal Initiative would have injected around \$380 million, in present-day dollars, into the local economy – that's \$19 million a year on average – not counting stamp duty on the sale of some of the housing, commissions and payments to local professionals, and payroll tax.

That's also not counting the multiplier effect as the construction expenditure cascades through the local economy.

And we know demand is there, because the wait list exists.

While it's a tragedy for the local economy, tradies, and other local professionals, it is also a tragedy for the people living in the area.

Much of the housing is no longer suited for its original use and, according to reports, is very poorly maintained.

The redevelopment would have broken up the concentration of rental housing, bringing new homeowners into the area. A larger population also brings other services, like public transport and shops.



Around five years after the Logan Renewal Initiative project was conceived, and with

some contracts already entered into, the Palaszczuk Government has canned the project. Picture: Darren England

With home ownership nationally sinking to 64.9 per cent, a post World War II low, the project would also have filled a gap in the affordable housing market from the 770 houses unsold to pay for the redevelopment and extension of the social housing stock.

There are many reasons for the dearth of affordable housing, with lack of supply being the most significant. If the State Government has residential land that can be subdivided, it can release that land onto the market in times of low supply to cap rises in land prices.

Bizarrely, the Housing Minister Mick de Brenni claims the project was cancelled to save jobs. The only jobs directly affected by this project were those of 40 public servants who were to transfer across to the not-for-profit consortium.

Surely the future of thousands of needy Queenslanders hasn't been canned just to mollify the public sector union?

Combined with other call-ins, this cancellation increases the perception of sovereign risk when dealing with Queensland.

Investors will be less likely to do business in Queensland and they will demand a premium to compensate for the risk of state government caprice.

Which means higher costs for all of us, and a harder road for the Queenslanders whose needs this renewal would have met, the majority of whom it is safe to say, would be Labor voters.

Graham Young is executive director of the Australian Institute for Progress