




Speech By
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MEMBER FOR MAIWAR

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MATTER OF PUBLIC INTEREST

Taxation, Developers

 **Mr BERKMAN** (Maiwar—Grn) (2.36 pm): Before the end of this term of parliament, the government will need to sign off on a 10-year review of the Brisbane City Plan. This will no doubt result in the rezoning of some big blocks of land across the city for higher density. When that happens, a few big developers will get windfall profits.

Here in Queensland, this 'upzoning', as it is called, is effectively a massive transfer of public wealth to private hands. There is no requirement that developers give anything back from these profits, and they do literally nothing to earn them. All they have to do is be rich enough to buy the land and sit on it until the value jumps.

While local schools, hospitals and public transport are underfunded, how is it that developers make nearly \$2 billion each year from land rezonings? Research shows that it is predominantly the richest and most 'well-connected' property developers—the ones who go to the LNP's special lunches or are connected to Labor lobbyists—who get these massive gifts.

The Greens have been going on about this for a while, but we are not the only ones. The ACT has had a developer tax for 50 years. I acknowledge that the ACT is a much smaller and different property market from ours here in Queensland, but last week this government's own Labor colleagues in Victoria announced that they will also introduce a similar tax in their state budget. I rise today to ask the question: why can't this government do the same? With an increased demand for property, low interest rates and the potential for Brisbane to host the 2032 Olympics, it is very likely that another big property boom is coming in South-East Queensland. Greater density and growth can be a great thing—but not if it is all about developer profits.

Planning for growth requires more public services and infrastructure—more buses, schools, parks, health care and energy. As the government is always keen to remind us, that all costs money. But the developers are not going to build it themselves. Instead of allowing them to continue making billions building massive apartment towers without paying their fair share, we should introduce a levy on upzoning profits.

A 75 per cent developer tax on increases in land value as a consequence of rezoning would bring in an estimated \$1.8 billion per year. That is an extra \$7.2 billion over the four years of the upcoming budget. That could pay for more schools and hospitals, better public transport and more social housing. A couple of years ago I surveyed around 330 residents in my area to see whether they would support a developer tax like this. Three-quarters of respondents said yes.

A developer tax would apply to any land that is rezoned to a higher use, levied at 75 per cent of the difference between the officially assessed land value before and after the rezoning. Land owners would not need to pay the tax until a development application is approved which takes advantage of the new zoning. The beauty of this is that it directly targets the fat cat developers who make big profits building in our communities but give almost nothing back.

Honourable members interjected.

Mr BERKMAN: I will give an example for the interjectors. An ordinary individual, let's call her Sue, owns her home in Indooroopilly. It is an old Queenslander worth \$600,000. The council rezones the whole street from low density to medium density residential. Her land is worth \$1.6 million after the rezoning, an improvement of about \$1 million. That improvement in value is noted on her land title, but Sue does not have to pay anything because she is not redeveloping her land. A few years later Sue moves to another suburb and a developer buys the land. When their DA is approved by the council they need to pay \$750,000—75 per cent of the uplift in value when the land was rezoned. That money is then returned to the public to help fund the things we all need to live a good life.

The last year has been tough for a lot of people. Billionaires and big corporations are good at convincing the government that it has been tough for them too. They will cry poor. They will tell us they could not possibly afford to pay this. They will threaten to pick up, take their bat and their ball and leave if we get them to pay their fair share. I do not buy it, because while ordinary Queenslanders have struggled with low wages, job insecurity and unaffordable housing, property developers are getting richer. Meriton CEO Harry Triguboff, who has significant property holdings here in Queensland, grew his wealth by \$1.7 billion last year alone.

Despite the COVID-19 pandemic Queensland is still a wealthy state, but too much of our state's wealth is going into the hands of mining billionaires, property developers and big banks and too little is going into funding schools, hospitals and public infrastructure. There is big money for developers here in Queensland and this levy alone would not change that. All a developer tax means is that less is going into their massive pay cheques, their huge profits, and more is going to the people of Queensland.