



Speech By  
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**MEMBER FOR SOUTH BRISBANE**


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## **LAND TAX AND OTHER LEGISLATION (EMPTY HOMES LEVY) AMENDMENT BILL**

### **Introduction**

Resumed from 13 October (see p. 2720).

 **Dr MacMAHON** (South Brisbane—Grn) (12.15 pm), continuing: I rise to continue my introductory speech on a bill to enact an empty homes levy on vacant homes. We only need to listen to renters to know how necessary this bill really is. Across the state, rental availability is at an historic low—less than 0.4 per cent in some parts of the state. Every week we see more and more stories of families moving into caravans, cars and tents because they cannot find anywhere to live. Yet, we know from census data that there were around 87,000 homes that were long-term vacant across our state, while thousands of working Queenslanders are struggling to find an affordable place to live, paying hand over fist for a roof over their heads or raising their kids in caravans.

I am continuing my speech today on an empty homes levy on a residential property that has been sitting empty, encouraging wealthy investors to rent out those empty properties. This will boost rental availability so that we can house those Queenslanders who are struggling to find a place to live and bring down the skyrocketing rents we have been seeing across our state. The Australian Bureau of Statistics estimates that there are 87,000 long-term vacant homes in Queensland sitting empty and unused while kids grow up in cars, workers sleep on couches and pensioners move into tents. There are tens of thousands of homes that wealthy investors would rather let sit empty than house a Queensland family.

Governments across the world are tackling this head on. Cities like Vancouver and Paris already have levies on vacant residential property. Places like Los Angeles, Hong Kong, Barcelona and Ireland are all implementing a range of policies to tackle long-term empty homes—from vacant property taxes to forcing the sale of empty properties. These policies have been a resounding success. In Vancouver an empty homes levy on vacant residential properties has brought a quarter of that city's long-term vacant properties back into the rental market. It is time to enact a vacant home levy here in Queensland. We could see more than 21,000 homes that are now sitting empty house a family, house a working Queenslander or house someone's grandparents.

An empty homes levy is a straightforward solution to boosting supply, but this government has been dragging its feet on actually addressing the housing crisis. We have a chronic undersupply of social housing. We have uncontrolled cost of rent increases, tens of thousands of vacant homes and wealthy real estate lobbies calling the shots. I urge this government to listen to everyday Queenslanders, to listen to housing advocates and even to listen to its own Labor colleagues in the Brisbane City Council or in Victoria.

The government's own Labor counterparts in Victoria introduced a vacancy levy five years ago. Just last month, Labor councillors on the Brisbane City Council backed a Greens' motion to increase rates on vacant properties. I urge the Premier and the housing minister to take this bill and the rent

freeze bill, read them and implement these straightforward solutions to Queensland's housing crisis. The empty homes levy bill introduces a levy for any residential property which has been left vacant for more than six months of the year for no good reason. It will target the tens of thousands of vacant properties that could be used for housing people right now. Any residential land that is left vacant without good reason will be subject to a levy equal to five per cent of the capital improved value of that land. This levy will incentivise property investors to use these properties to house people rather than speculate on property prices.

The empty homes levy will also apply to empty land that is reasonably suitable for building new homes. This levy will discourage land banking during a housing crisis and encourage the development of housing in high-demand areas. The investors who do not want to pay the levy on empty land will have to put it to use or sell up. If investors want to avoid this levy, they need to house people or sell to someone who will.

Again, this is not a novel idea. Across the world governments are taking genuine action on high rents and low vacancy rates. We know that this works. Dublin and Singapore have restricted short-term accommodation like Airbnb. New York, Scotland and Berlin have frozen or capped rents. Spain, France and the Netherlands have levies on vacant properties. The federal government has also implemented a vacancy tax on foreign owners. In Seoul and Washington DC, governments tax empty, undeveloped land in the inner city, encouraging developers to build housing or sell to someone who will. Cities around the world, from Washington DC to Seoul, are already doing this. Governments across the world recognise that residential properties should be used to house people and not just as a way for property investors to get even richer. This bill looks at some of these global examples to create a more humane, sustainable and economically sensible housing system that will actually help keep people in their homes.

It is worth noting that the average investor who already rents out their property will not be affected by this levy. Only those property investors who are wealthy enough to leave a house empty for no good reason in the middle of a housing crisis will be impacted by this levy. Only those property investors wealthy enough to sit on a block or a home for years and years, waiting for a rezone or for property prices to rise, while mums and dads raise their kids in caravans, will be impacted by this levy.

We only need to listen to renters to hear about what everyday Queenslanders are going through, and the picture is grim. Record low vacancy rates, skyrocketing rents, bullying by real estate agents, no-grounds evictions—my office hears these stories every day. These stories of desperation and suffering are happening in every electorate in Queensland, and I am sure every MP in this place has heard similar stories. A renter in West End said—

I am living in a one bedroom apartment in West End. Trying to find a place to live was an atrocious experience. Every open inspection had at least 30 people, and on many occasions I overheard prospective tenants tell the property manager they are willing to pay more rent than advertised.

A tenant in Coorparoo said—

After the recent flooding in and around Brisbane I was forced to find a new place to rent. Because so many people had been displaced at the same time the competition made finding affordable housing increasingly difficult, on top of which my then roommates and I had to split up to find somewhere suited to us and in our price ranges. I ended up going from paying \$190 to \$340 a week.

A research scientist in Burnett said—

With the current price increases on everything there is little chance that I will ever own a home in my life ... If I cannot afford a home by myself when I am earning much more than the minimum wage then how is it possible for everyday Australians to make it in this country. I thought the promise of Australia was that everyone 'gets a fair go'.

A renter in the electorate of Cooper said—

My rent has increased by 15% since last year, while my wages haven't changed. As a result, I'm unable to afford basic health care like a visit to the dentist. Wealthy property investors keep increasing rents past what working Queenslanders can afford.

A tenant in Carindale wrote—

I personally was forced to vacate a property two months ago due to rent increase and haven't been able to find housing since. I've been applying for a total of 4 months for housing in Brisbane and have been unsuccessful for every one. I am tired. I am overwhelmed. I cannot settle down or relax or be at home.

A renter in Miller wrote—

I know too many women in our local community who have no other choice but to stay in abusive relationships because they have no hope of being able to find an affordable and vacant rental home.

I was heartbroken to hear this story from a single father who had custody of his child half the time. Two months ago he was given notice to vacate as his landlord was renovating. He is fully employed with a perfect rental history. He managed to secure another rental property and attempted to negotiate an earlier end date on the lease so he could move into his new rental. He was given a flat

'no'. Not being able to afford double rent, he had to turn down the other property. Since then he has been unable to find another property. He has been denied any extension on the lease. He cannot find a rental that would allow his child to get safely to and from school. He is now homeless, living in a car. He has had to give full custody of his child to his ex-wife while he finds a place to live. Another renter said—

If landlords continue ... to fleece working families, hundreds of thousands of families will be forced into poverty in the next few years.

An empty homes levy will make it less lucrative for those wealthy few who would rather let a perfectly good home sit empty and wait for property prices to rise while people across our state are crying out for housing. A government that puts the interests of investors and their ludicrous property portfolios above kids having homes to grow up in is a government that has lost touch. Every family with nowhere to go, every unhoused person, every worker sleeping on a couch and every child going to school hungry represents a choice that this government has made.

An empty homes levy would also help first-time home buyers break into the housing market. An empty homes levy would put downward pressure on house prices, making it easier for young working Queensland families to buy a home, for a pensioner to get out of renting and settle into something more stable, or for a young professional to buy an apartment close to work.

We held high hopes for last week's Housing Summit, but I and others came away reminded just how disconnected politicians and wealthy investors are from the lives of everyday people. I had a conversation at the Housing Summit with an investor who disclosed to me that she owns 10 homes. She said to me that some investors will leave a home empty because they are just exhausted from all the maintenance requests. Upholding human rights sure is exhausting! The break-out session on rental affordability and supply asked no questions about affordability. Out of the maybe 30 people in the room I think there were maybe two renters. The overwhelming feedback in the room was: 'What more incentives can we give investors? How much more public money can we tip into personal investments? How much more public money can we tip into the private sector, whose core business is not providing a home but getting a decent return on investment?'

The Treasurer managed to get in a few wisecracks about this very bill, as if 87,000 homes left empty in the middle of a housing crisis is funny. I was reminded yet again of the gaping chasm between the experiences of everyday Queenslanders and the opinions of people in this place.

Whilst solving the housing crisis will not be easy, there are so many simple solutions this government could be implementing. Alongside an empty homes levy and a rent freeze, regulating short-term accommodation would be another excellent place to start. While Queenslanders are crying out for an affordable home, property investors are turning what could be good, secure homes into Airbnbs for tourists. Instead of homes and apartments being used to home families, tens of thousands of Queensland properties are being turned into short-term hotels. I will share a story from South Brisbane. A constituent contacted me after discovering that all of the long-term residents in their apartment block are being kicked out so that the owner can turn the whole block into Airbnb accommodation. They will make thousands more than they would from providing long-term homes to families and workers. This is a whole community that will be displaced.

Other states are tackling this head-on. New South Wales has a 180-day limit on short-term accommodation across the state and the Byron Shire Council has implemented its own 90-day limit. A similar limit here would be a significant step to easing the housing crisis. According to data from AirDNA, a cap on short-term hotels could open up nearly 6,000 homes on the Sunshine Coast, nearly 6,000 homes on the Gold Coast and nearly 5,000 homes in Greater Brisbane. For everyday owner-occupiers, a cap means you can still put up your home as an Airbnb if you leave town for a holiday or if you are offering your spare room to someone visiting town, but a cap would stop those property investors who would rather turn a unit block into short-term accommodation than home families. Of course the empty homes levy will make some inroads into regulating Airbnb because if a home is not occupied for six months or more in a year it will attract a financial penalty in the form of the empty homes levy. Short-term accommodation does not count towards this.

The government has to decide whether it wants our cities and towns to be places where people can raise their kids and live close to work and study or it wants our cities and towns to become yet another plaything for wealthy tourists and investors and Airbnb landlords. Without regulating short-term accommodation, this government is choosing the latter.

I am just not confident that this state Labor government or the federal Labor government really understand the core issues in the housing crisis here or nationwide. I keep hearing that governments just need to work with the private sector more and that if only we could encourage more investors and

property developers and super funds from the non-profit sector we could solve the housing crisis, but relying on the private sector, which—do not be naive—is motivated solely by profit, not by what will get affordable and secure roofs over Queenslanders' heads, is what has gotten us into this crisis in the first place.

For decades housing policy by successive state and federal governments has been geared towards maximising the profits of banks, of property developers and of wealthy property investors. We see this in just how much negative gearing costs the federal budget each year, costing anywhere up to \$9 billion a year. We see this in the state government handing public land and money over to private developers for build-to-rent schemes or a luxury hotel right next door. Combine this with chronic decades-long underinvestment in social housing.

Thirty years ago six per cent of all housing in Australia was social housing. Now it is less than four per cent. We have gone backwards. In Queensland it is even worse, down to 3.6 per cent, and then add in some of the weakest tenancy laws in the developed world, further incentivising property investors to buy up more properties. Why not when there are no restrictions on how much they can hike up rent by and when they can kick out their tenants when they ask for too many expensive repairs?

As we heard earlier, investors will leave a home empty rather than maintain it. They do not even need to rent out their investment property if they cannot be bothered and they can still make substantial profits. Over the last year the median Brisbane house price increased by \$162,000. Just by holding on to a property over the last year, people could make \$162,000 without having to rent it out. Everything about the housing system here in Australia makes it easier to buy your fifth home than your first, so is it any surprise that house prices have skyrocketed?

Where has this decades of housing policy that has prioritised private investment in housing left us? It has left us with nearly 50,000 people on the social housing waiting list. It has left us with families across the state forced to sleep in tents and cars. It has priced middle- and low-income people out of the housing market, putting increasing pressure on the rental market. It has left millions of Queenslanders struggling to pay their mortgage or rental payments. In South Brisbane, as in other parts of the state, we have seen not only increasing levels of rental stress but also increased levels of mortgage stress. It has left us in the worst housing crisis of our lifetime, and decades on it is crystal clear: leaving housing up to the private market does not work. Treating housing as a commodity does not work.

There has been a lot of discussion today about the federal budget, but let us be clear: this federal budget is very similar to everything we have seen from previous coalition governments. It is not a breath of fresh air and it will mean very little to millions of Australians who desperately need support from the government. Let us look at the housing announcement called the one million homes announcement. Just like the state government's housing announcement to put more fake money into the Housing Investment Fund and sit around waiting for some magical investors to bail it out of our severe housing shortage, the federal housing budget is also largely smoke and mirrors.

Over the last five years the private sector has built just under a million homes. In terms of this federal Labor announcement, under its plans the private sector would build about a million homes over five years from 2024. This is embarrassing! These homes would have been built anyway. This is not an announcement; this is the status quo. These homes, which would have been built anyway, will not be affordable homes. The federal Treasurer has called them 'well located'. As the member for South Brisbane, I can tell members that we do not need any more luxury inner-city apartments; we need well-designed public housing in places where people want to live. When you get past the sleight of hand, the reality is that federal Labor has announced \$350 million for 10,000 affordable homes over five years. This works out to about \$35,000 per home. The math does not really work out for me, so we will need a few more details on how these 10,000 homes will be built on that kind of math.

We have nearly 50,000 people on the social housing waiting list here in Queensland alone and a massive underinvestment in social housing with plans that will not keep up even with the increases in the housing waiting list, and our federal counterparts do not have a plan either. As for the Housing Accord, planning deregulation and handouts to the private sector to build so-called affordable housing will not fix the housing crisis any more than housing tax breaks or planning deregulation has over the past decade.

If the federal government really wanted to do something about the housing crisis, it would have properly invested in public and community housing last night and put that money directly into capital builds. It would have frozen rents and it would have absolutely scrapped the tax breaks for property investors that drive up the price of housing. It would have put in place a vacancy levy. Negative gearing

and capital gains tax concessions and the distortion of a housing market in favour of investors has to go. We could easily fund this by scrapping federal Labor's stage 3 tax cuts. Anyone expecting Labor to stick up for everyday people after last night's budget will be feeling very disappointed today.

The empty homes levy will apply to any long-term vacant land that is suitable for housing people or reasonably able to be made suitable for housing people. Owners of investment properties who do not have a tenancy registered with the Residential Tenancies Authority will be sent a notice of assessment. If the investment property does not have a tenancy registered with the RTA, investors will have to supply evidence of occupation, pay the levy or apply for exemption if they qualify.

There are a number of exemptions in this bill, an acknowledgement that there may be good reasons why a residential property is empty. These exemptions include if ownership of the property has changed in the past year; if the property is being renovated or constructed upon; if the land provides valuable wildlife habitat; if the owner of the land has passed away in the previous year; if the occupants of the land have moved into an aged-care facility, have gone to hospital or supported accommodation during the previous year; if a government authority or court order prevents the land from being used for housing; if the land is being used for primary production; or any other reason where the Commissioner of State Revenue is satisfied that imposing a levy would be unfair and would not further the aims of the levy.

Some properties that are automatically excluded from the levy include aged-care facilities, retirement villages, supported accommodation services and commercial residential properties such as hotels. The levy, however, will apply to short-term accommodation like Airbnb as I have mentioned. Each day a property was let out as short-term accommodation counts as a day that that property is vacant. Therefore, an owner who lets out an entire residential property for six months or more in the year would have to pay the levy. Owners would not be hit with the levy if they only let out part of their residential property or if the property remains their primary residence. This would allow owner-occupiers to let out their property for some parts of the year and let out rooms or adjacent buildings for short-term accommodation.

This levy of five per cent of the capital improved value of the land will only apply to those investors who without good reason leave property unoccupied for more than six months of the year. To be clear, the goal here is not to raise any revenue; it is to get these tens of thousands of homes back into the rental market. This bill means more Queenslanders with roofs over their heads. It means lower rents. It means lower house prices and lower mortgages, and it means better, happier communities to raise our kids in.

For those investors who would rather pay the levy than house a family, those investors will potentially be helping raise billions of dollars over the next four years—money that could go into public housing, better schools, better hospitals, more infrastructure—but again I reiterate: the goal here is to raise no revenue and to get tens of thousands of homes back into the rental market. Ideally this levy will make zero dollars, incentivising wealthy investors to rent out their property to a Queensland family or to sell it to an owner-occupier or to sell it to an investor willing to rent out the property.

In Queensland housing is treated as a commodity. Houses are treated not as homes, as human rights or a basic necessity but largely as a tool for investors to make money, and it has been this way for decades. Labor and the LNP have designed a system where investors can endlessly profit from buying land and existing homes and selling them for a massive profit. This is so lucrative that the richest do not even need to worry about renting out their properties.

Over the past year the median Brisbane house price has increased by \$162,000. This means the capital gains alone on investment properties have made thousands more than the typical household. By virtue of investors having enough wealth to own just one investment property, they will make more in capital gains than nurses, teachers, tradies or retail workers will earn in wages working full time.

For too long Labor and the LNP have defended and propped up this rigged system. The ability for the rich to get richer is prioritised over everyday Queenslanders having somewhere affordable, safe and secure to live. There are 87,000 long-term vacant homes in our state when families are living in cars and tents. There are record property price increases, billions in bank profits and yet struggling renters cannot afford fresh vegetables for their families. An empty homes levy says to those property investors who leave their properties empty during a housing crisis that if you are going to own these investments you are going to use them to house everyday Queenslanders. Rather than using it to increase your wealth, you have to use that investment to house a family, to house a worker, to house a Queenslanders. It means that those investors who land bank, those multinational investment funds buying apartments in the inner city and leaving them empty, those investors hoarding property and waiting for prices to rise, will either have to pay the levy, house a family or sell that property to someone who will.

Importantly, this tool will throw a lifeline to the tens of thousands of Queensland renters who are doing it tough. As this place knows very well, after years of government inaction we are experiencing record low vacancy rates. We have more than 45,000 Queenslanders struggling to get social housing. We have everyday people sleeping on the streets of our cities. We have tent camps popping up in our suburbs and we have families living in cars.

Rents have skyrocketed across our state as investors take advantage of these record low vacancy rates. Yet we know from ABS data and from media reports that there are tens of thousands of perfectly good homes sitting empty across Queensland. This is the result of government inaction, a direct result of this government propping up a housing system that benefits wealthy property investors at the expense of everyday Queenslanders, everyday renters, or first home buyers.

This bill says to those wealthy investors who are land banking, who are sitting on empty properties, who just find it too difficult to manage tenants rather than getting someone into that home: find a tenant or sell it to someone who will. By getting these thousands of empty homes onto the rental market we will see more homes to rent and more rental availability. We will see lower rents. We will see a stop to long lines stretching around the block outside of rental properties each week. We will see a stop to the stress caused by putting in hundreds of rental applications and never hearing back. By genuinely tackling the housing crisis we will acknowledge that housing is a necessity, a human right, not a choice. People who cannot afford to buy a home have no alternative to renting, and when there are no rentals they can afford, when there are hundreds of other desperate tenants scrapping for the same overpriced rental, that is when we see families living on the streets and working people sleeping in their cars.

The empty homes levy will mean renters and first home buyers will have greater choice. They will have more money in their pocket at the end of the fortnight and they will no longer be faced with either skipping a meal or paying rent. Some investors may decide to sell their empty properties. That is great. For too long we have seen inflated house prices keeping working people out of the market. We have seen people who could, under normal circumstances, afford a home, stuck in a rental spiral with no way of saving up for a house deposit. As long as rents remain high and investors hoard empty properties, working Queenslanders will be stuck paying for someone else's mortgage, for someone else's property, instead of saving for a home of their own.

This bill gives the government and property investors a clear choice: do they think our housing system should be putting a roof over people's heads, or do they think the housing system should be about keeping the returns high for a few wealthy investors? It is not the government's job to manage the personal investments of property owners.

This bill is an immediate solution to the housing crisis, a housing crisis that the government has allowed to fester and grow to levels we see in the news every day. This is not the only solution, but an empty homes levy alongside things like a rent freeze would give the government time to build more social housing and put in other measures to address the housing crisis. If this government genuinely wants to protect workers, pensioners and an entire generation of young people from the stress and trauma of the housing crisis then they will support this bill. If the government wants to take genuine action on the housing crisis they will support a levy on vacant properties and get those empty homes across our state back into the market.


As the gap between ordinary Queenslanders and the top end of town continues to grow, our state will continue seeing property speculation and land banking at the expense of everyday people having a roof over their heads. As I have said, this is not a new idea. Look at what Victorian Labor are doing. Look at what Brisbane City Council Labor are supporting. This is a straightforward measure: the lowest hanging fruit to addressing the housing crisis. While a few people get incredibly rich from the housing crisis, ordinary Queenslanders cannot find an affordable rental, families are prevented from ever owning their homes and working people are pushed into homelessness. This is the cost of inaction.

I move—

That the bill be now read a first time.

## **SPEAKER'S RULING**

### **Land Tax and Other Legislation (Empty Homes Levy) Amendment Bill, Order Discharged**

 **Mr SPEAKER:** Honourable members, the Land Tax and Other Legislation (Empty Homes Levy) Amendment Bill 2022 seeks to enact a levy on empty homes and vacant land. It is clear that it is a revenue bill. The explanatory notes to the bill concede that it is a revenue bill. It seeks to increase or impose a charge on the people of this state.

On 17 November 2021, I ruled that the Big Bank Levy (COVID-19 Health Response) Bill 2021 sought to impose revenue and breached the fundamental constitutional convention of the financial imperative of the Crown. The bill was, therefore, out of order and was discharged from the committee and the *Notice Paper*.

The member for South Brisbane moved a motion of dissent to my ruling. The notice of dissent was—

That the Speaker's ruling of 17 November 2021, that the Big Bank Levy (COVID-19 Health Response) Bill 2021 is out of order because it is a revenue bill, be dissented from.

That dissent was debated on 1 December 2021. The House affirmed my ruling. Indeed, so few members supported the dissent motion that the vote was not recorded. A ruling being challenged by a dissent is effectively an appeal to the House. The affirmative decision by the House to support a Speaker's ruling is a higher form of precedent than the initial ruling by the Speaker. The House has made a clear decision to support that ruling. The House is the master of its own proceedings. The House has upheld the principle of the fundamental constitutional convention of the financial imperative of the Crown. The House has held that a private member's bill which seeks to increase or impose revenue would breach that convention and is out of order.

The Land Tax and Other Legislation (Empty Homes Levy) Amendment Bill 2022 is a private member's bill that seeks to increase or impose revenue and breaches the fundamental constitutional convention of the financial imperative of the Crown. It is therefore out of order and it is discharged from the *Notice Paper*.