




Speech By
Sandy Bolton

MEMBER FOR NOOSA

Record of Proceedings, 11 June 2024

HELP TO BUY (COMMONWEALTH POWERS) BILL

 **Ms BOLTON** (Noosa—Ind) (4.24 pm): As we have heard, this bill is a very specific referral of constitutional powers from Queensland to the Commonwealth to allow them to deliver their Help to Buy scheme. This scheme is designed to assist Australians and Queenslanders to become home owners through shared equity, with a contribution of up to 40 per cent made by the Commonwealth government in exchange for a proportional interest in the property. It is proposed that the scheme will help 40,000 participants over four years across Australia. That is 10,000 a year, or for Queensland 2,000.

There is general support from organisations such as the Grattan Institute and the Property Council of Australia, although the REIQ did not support the scheme as they felt it would achieve little given its size. John Quiggin, a professor of economics at the University of Queensland, said there were three key issues with the scheme. First, subsidies to homebuyers are generally undesirable since their main impact is to benefit existing home owners as when you facilitate more purchases without increasing the supply of homes the price of housing will increase. The Per Capita's Centre for Equitable Housing agreed, however predicted that a relatively small-scale program such as is this will have a relatively small inflationary risk.

Second, that eligibility is limited to 2,000 places a year gives the scheme an undesirable 'lottery character' as Professor Quiggin described it. With around 30,000 first home buyers in Queensland in a year, 2,000 per year will not be sufficient to meaningfully increase the levels of home ownership. Third, Professor Quiggin argued that the top priority for public expenditure should be the construction of more social housing. I acknowledge that there is a lot being done; however, as I have said before, we still have a lot to do.

As we have seen in inquiries, including into youth justice reform, a lack of stable housing—or any housing at all—is a key contributor to offending and reoffending. In addition domestic violence can emanate when housing is not available to facilitate a separation. I hear this a lot in my own community, where residents are staying in a household in a toxic relationship that is escalating because there is nowhere else for them to go. As we have heard often, unaffordable house prices and rents impact mental health, relationships and physical health. A small program like this would be better targeted to specific groups in need including our youngsters; however, in areas like my electorate—although we are appreciative of the stamp duty initiative—there is nothing in that price range anyway. As much as these initiatives are appreciated, the reality on the ground being experienced in many electorates is vastly different.

Those in need are not only those impacted by domestic violence but also a lot of women aged over 55 who, after divorce or separation, find that the property settlement is not enough to re-establish themselves—and, of course, they are not eligible for first home ownership assistance. I have a lot of constituents who are very vulnerable. They have worked their whole lives, yet they are couch surfing. We really need to target these groups.

Whilst we understand that the scheme's design is a Commonwealth responsibility, it highlights the very limited contribution being made to the housing crisis by the Commonwealth government. This has been demonstrated by this small scheme, the housing accord and the construction of 2,000 houses over a five-year period for Queensland, with the Social Housing Accelerator identifying another 600 houses over that five-year period. With Q Shelter in 2022 projecting a shortfall of 174,000 social houses in Queensland moving forward to 2036, this is significant.

Although much is being done, so much more must be done. As the Grattan Institute submitted, making housing affordable for all Australians and Queenslanders requires drastic reforms. At a minimum, they recommended that the Commonwealth government increase the size of the Housing Australia Future Fund to \$20 billion. This would support subsidies for social housing of \$1 billion a year, up from the current \$500 million a year.

When you consider that we have Australians who make, in interest alone on their wealth, nearly \$2 billion per year in comparison to what we are spending, we have to think about relevance. We also have to understand that this is the result of multiple decades of failings of all levels of government. Going back 30 years, seven per cent of our housing was social housing and I think we are now below four per cent. That has greatly contributed to our housing crisis because we did not stay in that seven per cent range as the population increased. We have raised this previously as well as many other issues, including construction costs that are impacting all of our infrastructure projects including housing. As the Property Council of Australia submitted, the reality is that rapid escalation in the Queensland construction market has pushed the price of building a new two-bedroom apartment in Brisbane to over a million dollars. There are multiple causes for these cost increases including the recent best practice conditions for construction. I am informed by local businesses that the conditions within that include double time payments for early starts. These are driving up their costs, in some cases by 100 per cent, ultimately making them uncompetitive and also unviable.

The committee recommended that the government liaise with the Commonwealth to improve the scheme through changes to scheme design, ensuring the number of participants and places for targeted groups, purchase price caps, participant income levels and buyout provisions are appropriate for Queensland. I commend the committee on that. Once again, even though 2,000 homes are inadequate, every little bit helps. Everyone just has to do a bit more.

Finally, I would really like to thank the minister, the committee, the secretariat and all those who made submissions and appeared at the hearings. Let's ensure the Australian dream—and we all had it when we were growing up—is realised and again becomes achievable for all Queenslanders.