

REVENUE AND OTHER LEGISLATION AMENDMENT BILL

First Reading

Hon. AP FRASER (Mount Coot-tha—ALP) (Treasurer and Minister for Employment and Economic Development) (2.34 pm): I present a bill for an act to amend the Community Ambulance Cover Act 2003, the Duties Act 2001, the First Home Owner Grant Act 2000, the GST and Related Matters Act, the Infrastructure Investment (Asset Restructuring and Disposal) Act 2009, the Land Tax Act 1915, the Pay-roll Tax Act 1971, the State Financial Institutions and Metway Merger Facilitation Act 1996, the Superannuation (State Public Sector) Act 1990, the Taxation Administration Act 2001 and the Trans-Tasman Mutual Recognition (Queensland) Act 2003 for particular purposes. I present the explanatory notes, and I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Tabled paper: Revenue and Other Legislation Amendment Bill.

Tabled paper: Revenue and Other Legislation Amendment Bill, explanatory notes.

Second Reading

Hon. AP FRASER (Mount Coot-tha—ALP) (Treasurer and Minister for Employment and Economic Development) (2.35 pm): I move—

That the bill be now read a second time.

The Revenue and Other Legislation Amendment Bill 2010 amends the state's revenue legislation to maintain its currency and ensure it operates as intended. Many amendments are beneficial in that they provide new or extended exemptions and concessions or clarify the operation of the legislation, which will assist both taxpayers and the Office of State Revenue. A number of these beneficial amendments will have retrospective effect reflecting the fact that some exemptions and concessions have been operating on an administrative basis. Some other relatively minor amendments are also being made. The remaining amendments are necessary to protect the integrity of the state's revenue laws.

A number of beneficial changes to the Duties Act 2001 are included in the bill including 'top hat' relief for the property industry. New exemptions from duty for certain restructuring of stapled entities which meet the requirements for the Commonwealth's capital gains tax rollover relief and other conditions. The exemptions will facilitate the adoption of more efficient operating structures.

Other changes include: reassessment and refund provision for cancelled transfers; extending access to the home concession provisions for home buyers who acquire a lease of a home rather than the freehold title; extending the exemption for transfer of an interest in a home from one spouse or de facto partner by way of gift to situations where an existing mortgage is involved; providing an exemption for transfers resulting from the incorporation under the Commonwealth's Corporations Act 2001 of an incorporated association which satisfies certain conditions; and providing a discretion to extend the start date for use of a property for a qualifying exempt purpose by a charitable institution. Some beneficial changes are also being made to the Community Ambulance Cover Act 2003.

The bill also contains important measures to ensure that the integrity of revenue laws is protected and that the revenue legislation operates as intended. On 14 January 2010, I announced changes to the insurance duty provisions in relation to life insurance riders and certain insurers to be effective from that date. The bill gives effect to the announced changes. To ensure the integrity of the self-assessment regime for duties, effective management of self-assessor noncompliance is critical. The bill extends the Commissioner of State Revenue's powers to suspend a self-assessor's registration by providing for immediate suspension where there is an immediate unacceptable risk of noncompliance with the self-assessor's statutory obligations. This amendment is a necessary protective measure to ensure the public interest is preserved and consumers can be protected from potential loss.

The Pay-roll Tax Act 1971 will be amended, with effect from 1 July 2009, to change the territorial nexus for wages paid to employees who provide services in more than one jurisdiction. These national changes, announced on 29 June 2009, are necessary following a decision by all jurisdictions to change the nexus rules from 1 July 2009. All registered payroll tax clients were notified of the change and given the option of either switching to the new nexus arrangements from 1 July 2009 or continuing with the current arrangements until the law is amended and making necessary adjustments for their 2009-10 annual return. The amendments provide clarity around which jurisdiction levies payroll tax and avoids the risk of double taxation.

Other measures in the bill include: clarification of the conditions of entitlement to the transfer duty exemption for conversions of ownership from joint tenancy to tenancy in common and vice versa; extension of the operation of the contracted property provisions to include trust interests; for the corporate reconstruction exemption ensuring that the condition that the property be group property applies as intended where property is subdivided; and providing that charges over land registered by the Commissioner of State Revenue for land rich duty and first home owner grant rank as first charges to align with land tax charges and with revenue laws in a number of other jurisdictions. This change is prospective.

023 A reduction of the cap on the value of homes which qualify for the first home owner grant from \$1 million to \$750,000 from 31 March 2010 to align with the caps in other jurisdictions and to allow the sharing of first home owner grant information with the Commissioner of Taxation under reciprocal arrangements are also included.

The bill will also amend the State Financial Institutions and Metway Merger Facilitation Act 1996 to remove the current requirements that a minimum number of directors of each Suncorp group company be residents of Queensland. The requirement that the managing director be a resident of Queensland will continue and is being progressed after consideration and endorsement by Suncorp's AGM. This amendment is necessary as Suncorp continues to compete as a publicly listed company in the competitive finance industry.

The bill will also clarify the extent and the operation of the existing state guarantee for Suncorp Insurance and Finance for insurance and indemnity policies that existed prior to the merger with Metway Bank in 1996. Earlier, Queensland law operated to provide a state guarantee for these insurance and indemnity policies on the basis that Suncorp Insurance and Finance was state owned. Suncorp, in its current form, was created on 1 December 1996 as a result of the merger of the Queensland government owned Suncorp Building Society, Suncorp Finance Ltd, Suncorp Insurance and Finance, QIDC and Metway Bank. The merger was aimed at enhancing the availability of banking, finance and insurance services throughout the state by creating a financial institution that was able to use its well-known brands to offer a wide range of banking, finance and insurance products in an increasingly competitive market. Prior to the merger, the entities all had strengths in different areas of the banking, finance and insurance industry. The merger brought these strengths together that provided a mix of banking, finance and insurance services to the whole of the state.

Suncorp's annual general meeting was held on 28 October 2009 and at that meeting shareholders passed a vote to amend the company's constitution to change the residency requirements that apply to Suncorp's directors. The resolution passed by shareholders requires that only the managing director of Suncorp be ordinarily a resident of Queensland. For this resolution to be implemented, the act must be amended to remove the current mandatory residency requirements. The requirement that the managing director be ordinarily a resident of Queensland will be retained, as will the requirement for principal operational offices of stated company personnel and company services being located in Queensland.

The bill will also amend part 7 of the act to clarify the provisions relating to the state's guarantee of all insurance and indemnity obligations by Suncorp prior to its merger with Metway in 1996. To be specific, the guarantee will only apply to policies or contracts of insurance and indemnity that were in existence on 30 November 1996 and to the maximum liability under the policy or contract of insurance or indemnity, whether actual or contingent, that existed on 30 November 1996.

The bill also amends the Infrastructure Investment (Asset Restructuring and Disposal) Act 1990 to facilitate the commercial restructure of the declared projects. In particular, on 8 December 2009 the government announced that the Port of Brisbane, Abbot Point Coal Terminal and QR Ltd's below-rail coal network would be divested by way of 99-year leases. This bill inserts new provisions to facilitate the lease of these projects and provides appropriate commercial certainty for the state and the ongoing businesses.

Further, the bill amends the Superannuation (State Public Sector) Act 1990 for the purposes of simplifying the current process for the continuation of eligibility for membership with QSuper for employees who are no longer employed by a state public sector unit as a result of a restructure of a government business. For prior transactions, the main process has involved the employee and new employer each giving a written notice to QSuper that the parties agree to the employee's continued membership with QSuper. The amendments introduce a new process which permits the minister to give notice, by gazette, to QSuper declaring that employees keep all of an employee's existing and accruing rights relating to superannuation. The effect is that the new employer will be bound by the QSuper scheme. The proposed amendments are intended to maintain the status quo and ensure that there is a simple streamlined process for QSuper, the new employer and the affected employees. These amendments will apply generally.

The bill also contains amendments to the Trans-Tasman Mutual Recognition (Queensland) Act 2003 to remove the requirement for an act of parliament for Queensland to endorse Commonwealth regulation amending the goods and occupations that are exempt from the operation of the Trans-

Tasman Mutual Recognition Act 1997 at the Commonwealth level. This will bring Queensland in line with other jurisdictions. I commend the bill to the House.

Debate, on motion of Mr Nicholls, adjourned.

MINISTERIAL STATEMENT

Valuations of Land

Hon. S ROBERTSON (Stretton—ALP) (Minister for Natural Resources, Mines and Energy and Minister for Trade) (2.43 pm), by leave: Today the Department of Environment and Resource Management has released an important and timely report which injects a much needed dose of reality into the public debate about statutory land valuations in Queensland. I table for the information of the House a copy of the Department of Environment and Resource Management's *Property market movement for the 2010 valuation*.

Tabled paper: Department of Environment and Resource Management, Report titled 'Property market movement for the 2010 valuation—Snapshot 2010'.

This report does not purport to be, and should not be interpreted as, comprehensively or definitively representing any revaluation undertaken by the chief executive of the department under the Valuation of Land Act 1944. However, this report does provide a useful forecast of what we could expect when they are issued by 31 March of this year.

Anyone following and believing some of the wild public claims in the recent debate may be surprised to see that this report does not show evidence of massive valuation increases or the 'biggest ever change to land taxation'. In fact, what this sober report shows is land valuations reflecting the market movements since the property was last valued. With some exceptions, those valuations undertaken in 2007 should show substantial declines in commercial and industrial property sectors. Those local government areas not undertaken since 2005 should generally show net increases over the period due to the boom of 2005 to 2008, offsetting the declines or flattening of market values since 2008.

What do we see when we look at those sectors that have been the centre of claims about massive increases predicted in 2010? Since the 2008 valuation, commercial property on the Gold Coast and Brisbane fell by 16 per cent and seven per cent respectively and industrial property fell by 24 per cent and three per cent respectively. Indeed, land values for the top 10 most valuable properties in Brisbane's central business district appear to have actually dropped by 16 per cent in value, reducing their collective value by some \$193 million. The report forecasts a 15 per cent to 23 per cent decrease in the value of theme parks, consistent with the overall commercial trend on the Gold Coast. Those shopping centres already on the prescribed formula will have increases of about two per cent since the 2008 valuation.

The report indicates that residential land values in Brisbane show an overall increase on average of 11 per cent since 2007, which is modest compared with average annual increases between 2005 and 2008. Gold Coast residential land decreased on average in value by five per cent over the same period. Not every local government area being revalued would see a fall in its property values. The report highlights the increase in sales volume and prices over the period from 2005 to 2008 in all market sectors. This boom period will be reflected in some local government area revaluations which have not been revalued since 2004. In the more regularly valued areas—mostly Brisbane and the Gold Coast—reductions in value are common due to the economic downturn. This report provides some much needed factual information and should calm the nerves of many industry sectors and property owners who have been spooked by recent campaigns. The report is available on my department's website.

VALUATION OF LAND AND OTHER LEGISLATION AMENDMENT BILL

Second Reading

Resumed from 11 February (see p. 242), on motion of Mr Robertson—

That the bill be now read a second time.

Mr SEENEY (Callide—LNP) (2.47 pm): I rise to oppose the Valuation of Land and Other Legislation Amendment Bill 2010 as it was introduced into this House, and we will oppose it in the strongest possible terms. Today we debate a bill that has provided confirmation, if confirmation was needed, of the extent to which the Queensland government under Premier Bligh has descended into an administrative farce.

The bill before the House is the result of the government losing its particular case in the court over a period of time. This particular piece of legislation deals with an issue that is very complicated, and the government has sought to use the complicated nature of the issue to hide its true intentions and to hide