

## **Inquiry Revenue Legislation Amendment Bill 2024**

**Submission No:** 2

**Submitted by:** Strata Community Association Queensland

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6 January 2025

The Secretariat  
The State Development, Infrastructure and Works Committee  
Parliament House, George Street, Brisbane QLD 4000

Dear Committee,

### **Introduction**

Strata Community Association Queensland ("SCAQ") is the peak industry association supporting Queensland's professional strata management sector, with more than 1,200 individual and corporate members who help oversee, advise and manage assets worth in excess of \$280 billion for Queenslanders. Our industry generates around \$1.75 billion worth of economic activity annually and employs circa 60,000 people directly and indirectly.

SCAQ understands the strata sector from a broad array of viewpoints owing to our diverse membership. We pride ourselves on our ability to advocate from a "whole of industry" perspective.

As of 2025, there are over 530,000 lots in more than 53,000 community title schemes across Queensland.

This number is expected to grow exponentially as strata living – apartments, townhouses and other shared developments – become an increasingly critical and affordable component of our housing mix into the future. As Queensland grapples with our current housing crisis, efficient forms of housing and land use, plus well-located housing close to existing infrastructure are central to the solution.

SCAQ is pleased to make a submission to the Revenue Legislation Amendment Bill 2024 (henceforth "the Bill"). SCAQ is generally supportive of the Bill in its current form though believes there should be more done to help promote strata properties and reform taxation at the State Government level.

### **Transfer Duty Generally**

SCAQ has consistently argued for Transfer or "Stamp" Duty as it is often called to be more equitable. As an example, with regards to transfer duty on insurance premiums, we argue that this tax should be abolished for strata insurance. Unlike other forms of insurance, strata insurance is mandatory, and this makes this a particularly inequitable form of taxation. This is particularly true in North Queensland where acute insurance affordability is a pressing concern. The State Government raises relatively minimal revenue<sup>1</sup> from this stream of stamp duty, yet it is a significant strain on North Queenslanders' budgets. It is important to note also that GST levied on premiums is levied on the amount of premium including transfer duty. This makes it a double impost on consumers.

We would urge the Government in the first instance to examine abolishing transfer duty on strata insurance premiums for consumers in North Queensland as the most pressing concern and then look to abolish it for all strata insurance premiums, owing to their compulsory nature.

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<sup>1</sup> 2021, Northern Australia Insurance Inquiry. Available at: [https://www.accc.gov.au/system/files/Northern Australia Insurance Inquiry - Final Report - 30 November 2020.pdf](https://www.accc.gov.au/system/files/Northern%20Australia%20Insurance%20Inquiry%20-%20Final%20Report%20-%2030%20November%202020.pdf) (Accessed: 16 December 2024).



### **Other Apartment Taxes**

The Foreign Land Tax Surcharge and the Additional Foreign Acquirer Duty were both increased substantially in the last State Budget. Significantly, these taxes included companies with foreign ownership stakes. This has the effect of taxing investment in new housing, which is antithetical to the Government's stated goal of a "place to call home" for every Queenslander. We need more investment in new housing, not less. Whilst the Government is reviewing property taxation, this issue should be examined thoroughly.

Optimising the taxation settings to promote housing affordability at the State Government level should be a primary concern of the new Government.

### **The Bill**

SCAQ is generally supportive of the Bill and its intent, though believes it is important that the Government do more to promote infill/strata development over detached housing as an accommodation mode for all the reasons stated throughout in this submission.

The Government must ensure there is confidence in the "strata system" and make appropriate effort to incentivize it as a preferred housing mode, rather than one of last resort.

### **Renting out a Room**

SCAQ believes the change to allow first home buyers to rent out a room is a sensible one which helps alleviate mortgage serviceability concerns and release otherwise untapped rental supply. This policy has twin benefits in alleviating the ongoing housing crisis and we are strongly supportive of this measure.

This will provide roughly 20,000 or so new rental opportunities on average per annum that would have otherwise not been available. We hope this will help ease some of the pressures facing renters.

The key to solving the housing crisis is to increase the supply of housing available, particularly as Queensland's population continues to grow. To this end, allowing for better utilization of existing housing stock is an incredibly positive step given it does not require any new input into the housing supply (which obviously takes time). This "instant relief" measure is also likely in our view to help the most vulnerable and often younger people, who may be able to get rooming accommodation with their friends despite issues with their income or other matters which may leave them with an inability to secure a rental independently.

In addition to helping some new homebuyers in servicing their mortgage, this change may advantage Queensland first home buyers who are having difficulty obtaining finance. Lenders assess the viability of loans based on all available income streams and this may help secure finance and a leg up onto the property ladder for many more Queenslanders. As interest rates have increased, obtaining finance has been increasingly difficult for many potential first home buyers. This problem has led to an inquiry at the Federal Level<sup>2</sup> into lending standards, with some arguing that rigid lending standards have potentially locked out some people from homeownership. Allowing this change may help young people, particularly those without parental help or guarantee obtain finance- which can be the difference between a first home and renting forever.

We welcome this change and are pleased to see it implemented permanently across Queensland.

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<sup>2</sup> [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics/Homeownership](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Homeownership)



## **Transfer Duty New Home Relief**

### **1. Encouraging Strata and Good Planning Generally**

SCAQ welcomes the abolition of stamp duty on new homes being purchased by first home-buyers. SCAQ believes, however, that the Government needs to do more to specifically promote and encourage confidence in the strata sector.

Strata developments have a host of benefits broadly that means they should be deliberately encouraged by Government. This includes reforms to modernise the sector and reforms to ensure building standards are high.

Strata will dominate the housing landscape in coming decades, and the Government needs to work to ensure that there is confidence in the systems that underpin strata to ensure that people feel comfortable raising a family and living in strata long term.

We note at the outset that the South-East Queensland Regional Plan (henceforth “the Plan” or the “Regional Plan”) prioritises consolidation within existing urban areas.

We believe Government policy should broadly encourage strata given its significant economic, social and environmental benefits over detached housing.

### **2. Environmental Benefits**

The environmental advantages of strata over detached housing are significant and for this reason we maintain it is critical that the Bill be amended to include strata properties. The environmental benefits which are generally considered to be of greatest significance by experts<sup>3</sup> when discussing the benefits of density living over low detached dwellings include energy efficiency, a reduced need for land clearing and a resultant decrease in transport related emissions for people who live in strata property.

The environmental benefits of strata should prompt the Government to find ways to promote this kind of dwelling and strive to ensure confidence in the sector.

### **3. Economic Benefits of Strata**

A reduction in transport and commuting, and resultant increases in economic opportunities for young people is a key benefit of strata, and a reason these kinds of properties should be specifically included in the Bill.

Strata title properties allow for higher density of population closer to services, jobs and recreational facilities. Despite moves to remote working, Central Business Districts (“CBD’s) remain a key feature of our cities, a social and economic hub. Employment opportunities are still more numerous near CBD’s. Obviously, land is at a premium close to the CBD, so it must be used as efficiently as possible. If the population continues to grow and there are not more strata schemes constructed near these job-rich areas, commutes to work and social activities will increase.

Urban sprawl is costly and according to experts<sup>4</sup> has significant social disadvantages caused by the inevitable commuting required for residents to access jobs and services in other areas. This should prompt Government to do all it can to promote strata. The expensive nature of trunk infrastructure puts significant pressure on local Governments, given the nature of infrastructure fees. This in turn increases the burden on existing ratepayers in a given Local Government Area to help fund

<sup>3</sup> <https://www.unsustainablemagazine.com/benefits-of-high-density-housing/>

<sup>4</sup> <https://marketurbanism.com/2024/04/04/the-urban-economics-of-sprawl/>





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investment in new estates. This increases the cost-of-living pressures on us all in the form of higher rates or higher rents.

Therefore, it is critical that State Government work with Local Government to promote strata development, given the knock-on effects of leveraging existing infrastructure benefit all economically.

#### **4. Social Benefits of Strata**

Commuter suburbs springing up on the outskirts of major cities to accommodate growth because of a failure to appropriately promote strata will inevitably lead to longer travel times, higher stress levels and further social isolation. Commuting has demonstrated negative effects on mental health.

Harvard Political Scientist Robert Putnam, who's year 2000 book "Bowling Alone: The Collapse and Revival of American Community" is considered a seminal work on the declining social capital in America has noted "[he] was shocked to find how robust a predictor of social isolation is... a simple rule of thumb: Every ten minutes of commuting results in ten percent fewer social connections. Commuting is connected to social isolation, which causes unhappiness<sup>5</sup>."

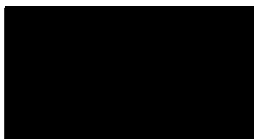
With mental health a more pressing issue than ever historically it is important that the Government do everything it can to promote strata.

#### **Conclusion**

Overall, the Bill is a positive step in helping ensure housing affordability is enhanced for first home buyers in Queensland.

We strongly urge the Government to continue to develop their understanding of strata housing as a key plank of Queensland's future and work to strengthen this important and rapidly growing segment of our housing stock.

Kind regards



**Laura Bos**  
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<sup>5</sup> Paumgarten, N., 2007. There and Back Again The soul of the commuter. The New Yorker, [online] Available at: <<https://www.newyorker.com/magazine/2007/04/16/there-and-back-again>> [Accessed 22 July 2021].