

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

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**Submitted by:** Q Shelter  
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Committee Secretary  
State Development, Infrastructure and Works Committee  
Parliament House  
George Street  
Brisbane Qld 4000  
Delivered by email: [sdiwc@parliament.qld.gov.au](mailto:sdiwc@parliament.qld.gov.au)

Dear Committee Secretary

## **REVENUE LEGISLATION AMENDMENT 2024**

This submission outlines Q Shelter's input to the draft Revenue Legislation Amendment Bill.

### **Background**

Q Shelter understands the purpose of the proposed legislation is to amend the Duties Act 2001 (Duties Act) and the Payroll Tax Act 1971 (Payroll Tax Act) to implement revenue-related commitments made by the Queensland Government during the 2024 State Election campaign. These include, but are not limited to:

- transfer duty first home new home relief – for eligible dutiable transactions that involve first home owners purchasing a new home or vacant land on which to build a home, to provide full transfer duty relief in respect of the first home owners' interests and to the extent they use the new home as their home.
- home buyers to rent part of their property – to allow recipients of the transfer duty home concessions to rent part of their property during the one-year occupation period and retain the full benefit of this relief.

Our commentary in this submission is limited to the above two policy measures and not in relation to the patients' tax, which is also a feature of the bill.

### **General principles**

The current housing context presents significant challenges because there is insufficient supply to meet current needs. In addition, Queensland's population is growing exponentially out to 2046, putting even further pressure on demand. As a result, access to affordable housing options is made even more challenging for people on low-moderate incomes and, progressively, many more population groups, increasing the rates of people experiencing, or at risk of, homelessness.

Q Shelter has contributed to various engagement processes led by the Queensland Government to outline comprehensive housing policy, investment, and reform recommendations. We welcome the incoming government's broader housing reforms and recent announcements and firmly believe that a primary objective should be to achieve a 'healthy housing system' overall, where supply adequately meets demand, and housing diversity and choice is available to all income groups.

Australia's overall home ownership rate has been falling since its peak of 72% in 1966 (at the 2021 Census it was 66% for Australia and 63% for Queensland). The rate has fallen significantly for younger buyers. For people aged 30 – 35, rates have fallen from 65% for those born in the late 1950s to around 45% for those born in the 1980s.

From a public policy perspective, a systemic failure in home ownership policy in the longer term is likely to place increasing financial pressure on governments and intensify existing economic inequalities as individuals age.

## **1. Stamp duty changes**

Australian Housing Urban Research Institute (AHURI) research shows that first-time home buyers nationally have received substantial expenditures, exceeding \$37 billion in direct grants and tax concessions, over the past five decades. However, these policy settings are likely to have exacerbated, rather than alleviated, the challenge first-time home buyers face to finance home ownership by making housing more expensive in real terms.

While politically appealing, initiatives like first home-owner grants have not been effective in reversing the decline in home ownership rates over time. Today's demand-side measures stand in stark contrast to the combination of supply-side and demand-side policies that characterised the early post-war period. However, it is clear that augmenting or completely replacing stamp duty with a universal land tax would benefit first-home buyers.

Current stamp duty settings disadvantage aspiring first-home buyers (as it is a high upfront cost) and benefit existing homeowners (who may have paid stamp duty many decades before on properties that were lower in value).

In general, our sector supports policy reforms to abolish stamp duty and a broader reassessment of the tax and transfer system, which currently gives housing investors an economic advantage (e.g. negative gearing benefits) over first-home buyers as they compete in the market. (Eccleston et al. 2018).

Q Shelter supports the measures proposed in this bill regarding first-home buyers.

## **2. Allowing first-home buyers to rent out part of their property**

This bill also seeks to allow first-homebuyer grant recipients in Queensland to rent out rooms in their properties for the first 12 months with no consequence for the grant they have received.

Q Shelter understands that the former government implemented this measure just before the caretaker period and the recent State Election. That was to be a trial for six months, and since then, the new government has sought to make the change permanent.

Q Shelter supports this measure. We believe any policy that seeks to maximise existing housing stock and bedrooms in a housing crisis is worthy of consideration.

Like any new policy, the measure's value and impact should be evaluated after 12 months to confirm its significance. In our view, it is also important that individuals looking to use this function in the future seek financial advice regarding their taxable income and other tax treatments based on their personal or household circumstances.



### 3. Evaluation & Further Review

Both of these measures are worthy of implementation and, given their newness, would justify appropriate evaluation and monitoring in the first 12 months to assess effectiveness and impact on housing objectives.

Regarding the forgone tax revenue in the case of duty relief, it would be useful to understand the overall value/cost of the policy measure to the State Budget matched against the number of additional first-home buyers moving into the market.

Additionally, we support the calls of the Property Council of Australia and others for a holistic review of tax applied to new housing supply to ensure that the Queensland market remains a competitive market for investment as compared to the other states and territories.

#### Further contact

In summary, we appreciate being able to provide input to this draft Bill and would welcome any further opportunity to give feedback or speak at the public hearing. Q Shelter can be contacted via the Lead, Policy & Strategic Engagement, Maya Glassman, at [REDACTED] or myself at [REDACTED].

The appendix to this submission also provides more information about Q Shelter and our views on policy measures related to home ownership.

Yours sincerely



Jackson Hills  
Acting CEO  
Q Shelter

## **APPENDIX**

### **About Q Shelter**

Q Shelter is a peak body working to ensure every Queenslander has a home. We advocate for policy and investment solutions while also working to build system capacity to deliver those solutions. Our members consist of Specialist Homelessness Services, Community Housing Providers, private sector entities, other peak organisations, local government representatives, academic institutions, wider human services, and interested individuals, including people with lived experience of unmet housing needs and homelessness. We have an extensive network of 6000 subscribers throughout Queensland, and we work with 17 regions through a network of regional representatives.

We draw our mandate from members and stakeholders working to end homelessness and achieve enough housing supply and diversity to meet the community's needs. At present, the level of demand for housing and support is unprecedented. Building the system's capacity to deliver housing targets that include social and affordable housing is critically important, which is why we welcome these reforms.

### **Home Ownership Fact Sheet**

In February 2024, Q Shelter commissioned the Australian Housing and Urban Research Institute (AHURI) to deliver an evidence-based report on policy measures that could improve home ownership rates without placing undue pressure on housing and construction markets and prices.

The fact sheet can be accessed by [clicking here](#).