



Speech by

## Fiona Simpson

MEMBER FOR MAROOCHYDORE

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### LAND TAX AMENDMENT BILL

**Miss SIMPSON** (Maroochydore—NPA) (11.52 am): I rise to support the Land Tax Amendment Bill. Certainly the changes to the land tax thresholds are welcome. As we know, there have been extraordinary property increases. On the Sunshine Coast, where my electorate is, in many areas the increases have been over 100 per cent. It has been a time of great pressure in the property market but we do not expect to see those values go back with the continued growth in our area.

Land tax for commercial or mum and dad investors was a real issue. For the first time there was a large number of people who potentially were going to be paying land tax sometimes for only one investment property. It may be quite a humble investment property for all intents and purposes, but with the push on values of property it meant these people were being pushed over for the first time into having to pay this particular tax. The threshold for non-principal place of residence has gone from \$220,000 to \$450,000. For companies, absentees and trustees with land holdings, this threshold has been lifted from \$170,000 to \$300,000. The new land-holder threshold for mum and dad investors increasing to \$450,000 is certainly a welcome change.

I want to also acknowledge the changes that will be coming forward from 1 July with regard to principal place of residence and other uses which are incidental but nonetheless are happening in the suburbs, and that is people who are working from home. This is a matter that has been raised. The previous directives issued by the department made it quite clear that the letter of the law was that people were subject to land tax if they were undertaking any form of work from home. I welcome the fact that there will be exemptions provided where people are working at home but it is not a substantive change.

**Mr Mackenroth:** Even renting a room to a student.

**Miss SIMPSON:** I think that is a valid point. There are many people who I think under income tax law do not necessarily have to declare that as income if someone is boarding in their house and is sharing the cost of the house. However, under the current law they would be compromising their land tax-free status. I know it is being mooted that it is being changed but the Treasurer has given commitment to it in the budget. It is certainly welcome and I look forward to that.

The other issue is caravan parks, which are covered by this legislation. There has been quite a change in the types of accommodation that are available to people. Caravan parks have always been a very important part of the mix of affordable housing in our communities. In fact, it is getting harder and harder for caravan parks to survive as a result of the huge increase in property values, even if they are mainly looking after tourists. There has been such an increase that I am finding people are looking at higher density uses for those sites and selling them off. That has been a problem in my area. Long-term residents have found this very distressing because their options of relocating are fairly limited. There are not new caravan parks springing up around the traps. If they are, they will be a long way from where they are currently residing.

Whilst this will not totally fix the problem of disappearing caravan parks for residents and even for holiday-makers, it does address the issue of inequity for long-term residents or permanent residents having a land tax component applying to their rental if they are in a park where the majority of rentals are

permanent. I think that is a step in the right direction. It also acknowledges there is a huge challenge with land use to provide affordable housing. Affordable housing in this state is not just about public housing; it is about affordable rental properties and not having a whole raft of taxes that keep pushing housing out of the reach of people as they find that their investments have significant government taxes attached to them.

In closing, I support the amendments in this legislation. The valuation system is another issue but certainly it is one that interfaces with this, and we know that is a problem area in the way that valuations are being formulated in many of these areas. I support the Land Tax Amendment Bill.