



Speech by

Rosa Lee Long

MEMBER FOR TABLELANDS

Hansard Wednesday, 6 June 2007

REVENUE AND OTHER LEGISLATION AMENDMENT BILL

Ms LEE LONG (Tablelands—ONP) (2.58 pm): I rise to contribute to this debate on the Revenue and Other Legislation Amendment Bill 2007. This bill seeks to amend the Duties Act 2007, the Land Tax Act 1915, the Petroleum Products Subsidy Act 1965, the Electricity Act 1994 and the Electricity and Other Legislation Amendment Act 2006.

Under these amendments the mortgage duty rate will fall by 50 per cent in stage 1 of a two-stage process which will bring an end to mortgage duty altogether. That is good news. It is good to see any taxes go. But all too often we see one tax go and another one take its place. The first 50 per cent reduction will come into effect from 1 January 2008, with the full reduction expected to kick in from 1 January 2009. This will mean that from 1 January next year the mortgage duty rate will be 0.2 per cent of the amount of the mortgage secured and, of course, it will be zero from 1 January the year after that.

Other amendments in this bill will increase land tax thresholds for both individuals and for companies, trustees and absentees. For resident individuals the tax-free threshold will rise from \$500,000 to \$600,000. Once the taxable value of land holdings reaches \$600,000 for individuals, a minimum land tax of \$1,200 will apply. For companies, trustees and absentees the threshold will rise from \$300,000 to \$350,000 with a minimum payment then of \$2,250.

There are also to be limits or caps which will be set at 50 per cent on the increase in annual valuations used for land tax purposes. This cap will not apply to new parcels of land, nor will it apply to parcels which already qualify for the existing 40 per cent discount under the Land Tax Act 1915 where a lot is created by subdivision but remains owned by the same person. Only parcels that had a valuation already in existence which then increases by more than 50 per cent will be eligible.

In combination, these changes are expected to make land more affordable. I am not entirely sure that it will overcome the soaring values that are occurring across much of my electorate but they are a step in the right direction. There is a very marked move of population to the Tablelands. All parts of the Tablelands are booming. In the Herberton shire there are calls for more land to be released by the state government for subdivisions and in Mareeba and Atherton shires there are record subdivisions and building approvals. Eacham is booming and Johnstone shire is also doing well.

We are seeing all our existing government infrastructure being stretched by this influx of population and I urge the government to learn its lessons from the south-east. We need to ensure this growth is matched by increased services from all state government agencies. I support moves to make land and therefore housing more affordable and these amendments do help in some way towards that goal.

Amendments to the Duties Act 2001 will change the rate of vehicle registration duty to come into effect from 1 January 2008. It is at present set at two per cent of a vehicle's dutiable value. These changes will apply to initial registrations and to transfers of registrations. The new rates will in most part be based on the number of cylinders or rotors in a vehicle's engine. Vehicles with one- to four-cylinders, or two rotors, will attract a duty rate of three per cent. Five- and six-cylinder engines, or those with three rotors, will be levelled at 3.5 per cent and vehicles with seven- or more-cylinders will be hit with a four per cent duty. This

means that a four-cylinder vehicle will increase its duty by 50 per cent, a V6 will increase its duty by 75 per cent and a V8 will increase its duty by 100 per cent.

These are quite hefty jumps and, combined with increasing costs of fuel, will have a heavier burden on regional areas than urban ones. This is because many regional Queenslanders really do have a need for stronger, heavier vehicles, and therefore more powerful ones, simply to overcome the tyranny of distance and the great distances of unsealed or poor quality roads they need to negotiate. Hybrid and electric vehicles will remain on the two per cent levy. Concessionally registered vehicles and tractor based mobile machinery will not be affected and will remain at \$25.

I believe it is clear that this is aimed at encouraging smaller and more efficient vehicles but it does not actually address what is happening on our r. For example, there are very efficient small four-cylinder cars which produce less carbon emissions than some of the more trendy hybrid vehicles but which will be paying a higher level of duty. Then there is an issue with vehicles that run on LPG. A six-cylinder family sedan on LPG will be paying more duty than a four-cylinder vehicle on petrol and more duty than a hybrid which may still use at least some petrol. I note that the second reading speech indicates that these new duties will raise an expected \$80 million in 2007-08 and an additional \$205 million in 2008-09. These are significant sums coming out of the pockets of Queenslanders.

Finally, I note that the changes regarding the Petroleum Products Subsidy Act are in direct response to a federal decision to scrap the petroleum products freight subsidy scheme and so is not being undertaken by choice. Under this scheme, registered distributors of eligible petroleum products could seek subsidy from government if the cost of distribution in regional and rural Queensland exceeds approximately 15c per litre. The minister may clarify where these areas are. This will end due to Canberra's decision, and the bill before us today is simply the state ensuring that it stays in step with that reality.