



Speech by

Andrew Powell

MEMBER FOR GLASS HOUSE

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LAND TAX BILL

Mr POWELL (Glass House—LNP) (12.03 pm): I rise today to speak on the Land Tax Bill 2010. It is common knowledge that only two things are certain in life: death and taxes. I am confident that part of this certainty is due to an historical and ongoing need for governments of all ilks to fund the necessary and vital services the population requires. But I am increasingly convinced that taxes and death are constants because throughout humankind's history they have been just that—constant.

The earliest known tax records, dating from approximately 6,000 years BC, are in the form of clay tablets found in the ancient state of Lagash in modern-day Iraq. Property taxes such as this land tax were part of the economic fabric of ancient Egypt, Babylon, Persia and China. Ancient Egypt appears to have perfected such taxes. Taxes were levied against the value of grain, cattle, oil, beer and land. Some of Egypt's many scribes became tax assessors. They kept records about who owned title to lands along with the size of their fields. At various times they collected annual or biannual data by counting cattle and checking the crop yields. The most common taxpayers were the farmers from whom assessors coerced collection. If a taxpayer did not or was not able to pay he was brought before courts that immediately dispensed justice. A typical tax rate was 10 per cent of all production.

Tax assessors were highly valued people because of their skills with hieroglyphics and their ability to collect revenue. Often when a king died, the assessor was the only staff person not killed and buried along with the king so valued was his service. It makes one wonder if the same still applies. Should the Premier fall, will the Treasurer fall with her or will his skill with hieroglyphics and, more importantly, his increasing ability to find new and sneaky ways to collect revenue make him too valued? I imagine it will not be long before we find out.

Moving forward to medieval times, after 1066 William the Conqueror created an early form of land taxation. Town officials kept cadastral records of everyone who owned property. Each parcel was measured, its value estimated. Each town kept a book of the assessment of each property and the total amount of property tax due for each person. This book was called the *Domesday Book* and the name lasted for hundreds of years. Some in England still use the name. Again, perhaps it is no surprise that we link taxes with death.

Australia followed suit in the early 20th century. The ATO tells us that in 1910 a land tax was introduced by the Commonwealth government to provide for the defence of the nation and to prepare for a major increase in migration. The land tax was also introduced to encourage large landholders to subdivide their land and sell it to settlers. Many large landholders were wealthy Englishmen who would rarely visit or use their land. Introducing a land tax encouraged them to sell to settlers who would use the land productively. Queensland introduced its own version in 1915. I wonder what our forebears would say were they to know that it now contributes nearly 10 per cent of the \$8.877 billion collected in state taxes—some \$838 million.

As the shadow Treasurer outlined, the LNP will be supporting this bill for there is much to be commended in it. Any legislation introduced nearly a century ago and subsequently amended on numerous occasions would now present as incoherent and challenging for any taxpayer. As the

explanatory notes highlight, the bill rewrites the Land Tax Act 1915 to overcome these deficiencies. It simplifies the existing legislation by use of restructuring and plain English. The changes made will benefit taxpayers by promoting clarity and transparency in the legislation and its administration. As there are no changes to tax rates, exemptions or concessions or significant policy changes proposed in the rewrite, the rewrite retains Queensland's current land tax revenue base.

I would also like to touch briefly on three other elements of this new bill. This bill will enact extended payment arrangements. The rewrite proposed by the bill incorporates the extended payment arrangement enabling taxpayers to choose to pay in three instalments, 45, 90 and 150 days after an assessment issue. Next to a complete abolition of land tax, this addresses the most consistent complaint made by constituents. It allows taxpayers to distribute their payments over nearly five months, staggering payment and allowing it to be offset by regular property based income payments.

The bill will also introduce a single registration system for charitable institutions. In essence, the change will mean that an institution with exempt status will not need to separately register under each of the three tax laws. This reduction in red tape is to be highly commended, as I know it will be applauded by the charitable institutions across the state.

Finally, the bill also streamlines the existing approach by removing the current terminology of exemptions and deductions and declares that land that is not taxable is exempt land. I note that such exempt land includes the home of the owner, provided it can be established as their principal place of residence, land owned by charitable institutions, aged-care organisations, port authorities, friendly societies and land held by a not-for-profit society, club or association, land used solely for the business of agriculture, pasturage and dairy farming and, curiously, land owned by trade unions. I support the proposed amendments to be moved by the shadow Treasurer that remove the exemption from land tax for trade unions.

In conclusion, I acknowledge the efforts of the drafters of this legislation. Particularly as a member of the Scrutiny of Legislation Committee, I acknowledge their efforts in identifying and responding to the numerous breaches of fundamental legislative principles. Usually when referring to the *Legislation Alert* it is to seek further clarification from a minister where insufficient explanation is given. In this case let me praise the work done in addressing the concerns that the legislation does not have sufficient regard for the rights and liberties of individuals. Like the committee, the drafters identified breaches surrounding administrative power, the delegation of administrative power, retrospective operation, clear meaning and the delegation of legislative power. In each instance they have provided comment and explanation. So thank you. With those few words I commend the bill to the House.