



Speech by
Grace Grace

MEMBER FOR BRISBANE CENTRAL

Hansard Tuesday, 13 April 2010

LAND TAX BILL

Ms GRACE (Brisbane Central—ALP) (8.01 pm): I rise to support the Land Tax Bill 2010 and to make a brief contribution to the debate. I start by thanking the constituents who have contacted my office regarding land tax and valuations. I assure them on the *Hansard* record that I understand their issues, having lived inner city all my life and having an understanding that the value of land has increased quite substantially over recent times. I put on record how much I value and respect their views in relation to this issue. I welcome all input from constituents in regard to the land tax debate. I also assure them that the issues they have raised have been passed on. I have made our side of politics very much aware of their issues. That is why I am speaking tonight on this bill to welcome its introduction.

It was good tonight to hear early in the debate from the member for Clayfield. It was good to see the old Liberal Party was back—the bastion of free enterprise which measures someone's success not by their contribution to the community but by the wealth that they have created. That is not to say that this side of the House does not necessarily agree that someone's success can be measured by their wealth, their holiday home and their investment properties, but we also believe that someone's success can be measured in other ways. I guess that is what differentiates that side of the House from this side of the House. We value a worker's contribution to the community and other people's contributions that they make during their life even though they may not die wealthy with a holiday home up or down the coast.

No sooner did we hear that the good old Liberal Party was back than we heard from the member for Callide, and we knew that the old National Party was back. We heard the same old rhetoric. He had a go at the Labor Party about socialist principles and we heard the same old carping, but then he decided that they were going to support this bill. Once again, there is a policy vacuum. There is not one alternative idea. There is not one suggestion about what they may or may not do in regard to the land tax situation. We know—and at the end of the day we know that they, too, know—that this bill is a good bill. That side of the House has already indicated that.

Mr Seeney: I said it three times. You weren't listening.

Ms GRACE: The member for Callide might be interjecting, but he did say that he would be supporting the bill, so he sees the merits of the bill as well.

The Land Tax Bill repeals and replaces the Land Tax Act 1915 but retains its policy and a number of features of benefit to taxpayers. For example, the system of averaging of land values which was introduced in 1996 is going to be retained. Land tax is levied based on the unimproved value of the land, as we have heard. When the unimproved values for a particular parcel of land for the current year and the two preceding years are available, the lesser of the average value and the current year value will be used to calculate the land tax liability. When unimproved values are not available for these three years, the state-wide averaging factor will be used to determine the value used to calculate land tax. Averaging protects land tax payers against significant increases in land tax values between one year and the next, and allows taxpayers to plan and manage their affairs more effectively. No-one can dispute that in the last decade or so the average land value in the inner city, particularly in the electorate that I represent, has gone up enormously. Many people have benefited from those values.

There have been a number of amendments to the land tax regime in Queensland which have been made to benefit those taxpayers during the tenure of both the Beattie and the Bligh governments. Prior to 1 July 2005, there was a system of rebates that reduced a taxpayer's land tax liability where their relevant land holdings were below a certain value. In 2002 the government legislated to increase that rebate threshold for companies, trustees and absentees from \$100,000 to \$150,000. In 2003 the deduction threshold for natural persons increased from around \$276,000 and for companies, trustees and absentees to \$170,000. So we have been increasing those thresholds as the value of land has risen.

In 2005 land tax rates underwent more significant reform. The old system of rebates was replaced by two separate rate scales—one for companies, trustees and absentees, and another for resident individuals. Upon introduction, no land tax was payable where relevant land holdings were less than \$300,000 for the former and \$450,000 for the latter. In 2006 once again the thresholds at which resident individuals pay land tax was increased from \$450,000 to \$500,000, and again in 2007 in recognition of those increases to \$600,000. Also in 2007 the government legislated to increase the threshold for companies, trustees and absentees from \$300,000 to \$350,000.

To further protect land tax payers from large increases in unimproved land values from one year to the next, a 50 per cent cap on the annual increase in land values used for the purposes of calculating land tax liability was introduced from 1 July 2007. It was to apply in the financial year commencing on that date and in the two subsequent financial years. This bill extends value capping for land tax purposes to the financial year commencing 1 July 2010, and I welcome that extension. That extension as well as the extended payment option which will be available from 2010-11 onwards, as announced in the 2009-10 state budget, will greatly assist land tax payers.

Land tax payers will have the option of paying land tax by either a single payment, if they are able to do that, within 90 days of assessment issue or in three equal instalments within 45, 90 and 150 days of assessment issue. I believe this will be beneficial to many of my constituents who may struggle to pay in one lump sum and who may take advantage of paying in instalments which might coincide better with their cash flow.

I understand the many issues raised with me regarding the payment of land tax, particularly, as I have said, in a fast-growing electorate where land values have risen beyond many expectations in recent years. These amendments aim to ease the burden on those required to pay land tax and to ensure an easier method of payment—by instalments—is introduced as outlined and promised in last year's state budget. I welcome the amendments in the Land Tax Bill. I welcome all the different changes we have made keeping pace with the rate of the growth in the value of land, particularly in the inner city, as the representative for Brisbane Central. I commend this bill to the House.