



Speech by

Mark Ryan

MEMBER FOR MORAYFIELD

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LAND TAX BILL

Mr RYAN (Morayfield—ALP) (8.36 pm): I rise to make a contribution to the debate on the Land Tax Bill. This bill is about modernising and simplifying land tax legislation for Queensland. The bill does not change tax rates. The bill does not introduce any major policy change about how the land tax regime operates in Queensland. This bill merely introduces a number of beneficial arrangements, maintains a number of exemptions, strengthens the antiavoidance provisions and completes the program of modernisation that commenced last year.

I have said in this place before that it will come as no surprise to the House that the provision of public services and public infrastructure is funded through a budget process that is funded by public funds. The way in which those public funds are collected must be transparent, fair and accountable and must reflect taxation burden priorities. It is important for taxation burden priorities to be clear and steps taken to preserve those priorities. There is only one bucket of money. The way we fill that bucket of money depends on the relative priorities of the government.

One view in respect of taxation burdens is the ability-to-pay taxation theory. This theory says that taxation is levied on taxpayers proportionate to the taxpayers' ability or capacity to pay for taxation. The Land Tax Act 1915 and its proposed replacement, the Land Tax Bill 2010, embody this theory. But tonight we have heard from the opposition members their objections to the proposition of a land tax regime. We heard their objections on behalf of the more well-off to an ability-to-pay taxation theory. But by squawking as they do, by crying poor for those who are more well-off, they are really saying that they want the less well-off to pay more. They want to tax the poor more at the expense of the more well-off. I am proud to say that this state government will not do that. This state government is very conscious of the financial pressures on families and the less well-off and it will support them where it can whilst maintaining a taxation system that can appropriately fund the provision of public services and public infrastructure for the greater good of our communities.

However, this bill is also characterised by this Labor state government's Toward Q2 goal of creating fair communities. In my view, there is no better way to create a fair society for Queenslanders in respect of taxation burdens than through the maintenance of a land tax regime based on the ability-to-pay taxation theory.

I note that this bill continues and extends the capping arrangement for the 2010-11 financial year. This capping arrangement protects affected property owners from excessive land tax rises based on significant land valuation increases.

I also note that this bill introduces the new extended payment option announced in last year's state budget for land tax payments. Taxpayers will welcome the choice to pay their respective land tax obligations as a single payment or in three equal instalments. I also note that this bill continues the exemption for land tax liability for property owners in respect of their principal place of residence, for charitable organisations using the land for an exempt purpose, for aged-care facilities, for government owned land, for land used for primary production—for certain owners—for land used as a movable

dwelling park, for port authority land, for recreational and public land and for land used for retirement villages.

If we look closely at the nature of these exemptions we see a clear example of how this bill supports the concept of fair communities. By providing these exemptions, this bill effectively supports owner occupiers, primary producers, charitable institutions and vulnerable people in their day-to-day lives. For example, this bill means that generally residents of aged-care facilities, retirement villages and movable dwelling parks are protected from land tax related cost increases because the land on which those facilities are located is exempt from land tax.

This bill also supports fair communities by introducing new, modern, strong and robust anti-avoidance provisions. These provisions are designed to deter efforts by those who would ordinarily have a land tax liability from avoiding that land tax liability. People who cheat the system by avoiding a land tax liability are cheating Queensland and Queenslanders. A fair community is a community where people respect and fulfil their obligations and those obligations include payment of land tax liabilities.

Finally, this bill continues the state government's hard work of modernising legislation to ensure it is, where possible, written in plain English, is clear and understandable. Surely the modernisation of important legislation not only makes legislation easier to access and understand but also generally enhances the legal framework for Queensland. This is a good bill which not only supports this state government's vision for a fair Queensland but also introduces some beneficial measures and some tough anti-avoidance provisions. I commend the Treasurer, his staff, his departmental staff and the Parliamentary Counsel for their hard work in respect of this bill and I commend the bill to the House.