




Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

Record of Proceedings, 26 November 2014

REVENUE AND OTHER LEGISLATION AMENDMENT BILL

Introduction

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Treasurer and Minister for Trade) (3.43 pm): I present a bill for an act to amend the Duties Act 2001, the Financial Accountability Act 2009, the First Home Owner Grant Act 2000, the Payroll Tax Act 1971, the Queensland Competition Authority Act 1997, the Taxation Administration Act 2001 and the Water Act 2000 for particular purposes, to repeal the Occupational Licensing National Law (Queensland) Act 2010 and to make consequential and minor amendments to the acts mentioned in schedule 1. I table the bill and the explanatory notes. I nominate the Finance and Administration Committee to consider the bill.

Tabled paper: Revenue and Other Legislation Amendment Bill 2014 [[6592](#)].

Tabled paper: Revenue and Other Legislation Amendment Bill 2014, explanatory notes [[6593](#)].

This bill delivers a package of amendments to the Duties Act 2001 and the Taxation Administration Act 2001 which adapt the Queensland transfer duty framework for electronic conveyancing—e-conveyancing. E-conveyancing for land is a COAG initiative that provides a new way of settling qualifying land transactions through a shared electronic workspace rather than attending a physical settlement. Not only are the details of the financial settlement arranged electronically, but the transfer document is created and digitally signed and the transfer forms lodged with the Registrar of Titles, all within the electronic environment.

Mr Deputy Speaker, I appreciate that not everyone will have an interest in this, but it may help if we have a little more quiet in the chamber.

Mr DEPUTY SPEAKER (Mr Krause): Order! Members, can you continue your conversations outside the chamber, please? Treasurer, you have the call.

Mr NICHOLLS: The electronic conveyancing process differs from conventional conveyancing in a number respects which require adjustments for transfer duty. This includes allowing duty to be accounted for as part of the settlement and electronic application of the endorsement. The amendments adapt to the innovations of electronic conveyancing while protecting the revenue, which is essential to supporting the needs of our growing and changing state. In these amendments, the scope of transactions for which duty endorsement through electronic conveyancing will be permitted is limited to cottage conveyance type transactions. However, this scope is expected to make electronic conveyancing available for the majority of transfers of land by volume.

Another taxpayer beneficial amendment in this bill is the enactment of concessional treatment for agreements for the transfer of exploration authorities under certain farm-in agreements in the resource sector. This relief was first announced as part of the 2012-13 state budget, with industry consultation then undertaken to develop the scope and design of the relief. The concession assists in the exploration and development of exploration authorities in Queensland by taking into account the speculative nature of such activity as part of the duty assessment framework. To date, the relief has been provided for under an administrative arrangement. However, these amendments give the

additional certainty and clarity for taxpayers by inclusion of the concession in the Duties Act 2001. While criteria specify those farm-in agreements that are eligible for the concession, it is anticipated that relief will be provided for the types of farm-in agreements most commonly employed.

Where applicable, the farm-in concession delays the assessment of elements of consideration under a farm-in agreement—normally assessable at the time the agreement is entered—until certain contingencies related to transfers under the agreement occur. It also provides special beneficial rules for determining dutiable value, excluding exploration amounts payable by the farmee. As with any concession, appropriate conditions ensure the benefit of the concession is only available to those transactions for which it is intended. A number of the amendments support administration of the concession.

The Taxation Administration Act 2001 will also be amended to provide for fairer treatment of taxpayers where the commissioner makes a decision upholding their objection to a tax assessment. Where such a decision results in a reassessment and the taxpayer consequently becomes entitled to a refund of amounts paid to the commissioner for the assessment, the commissioner will be required to pay interest on the refund amount. In effect, the government will return interest on the amount paid to the taxpayer. These amendments recognise that some objections involve lengthy periods for the commissioner to reach a decision due to complex facts and issues and that payment of interest on successful objections is fair in those circumstances. The amendments also bring Queensland into line with similar relief provided in other jurisdictions.

A number of other amendments to state revenue laws made by the bill are beneficial to taxpayers or grant applicants as they newly provide, extend or clarify an existing exemption, concession or other benefit. Other revenue amendments either clarify the operation of, or correct an anomaly in, the legislation. A final amendment is necessary to protect revenue.

The bill also amends the Financial Accountability Act 2009, otherwise known as the FA Act. As members are aware, the FA Act provides for accountability in the administration of the state's finances and for the financial administration of departments and statutory bodies. The amendments to the FA Act are required so the legislation reflects modern financial management practices and to streamline certain procedural matters. The member for Mermaid Beach is well acquainted with the FA Act.

Specifically, the amendments will:

- increase the number of administrative powers that the Treasurer is able to delegate to officers within Queensland Treasury and Trade and the Queensland Treasury Corporation;
- clarify the ability of the Treasurer to enter into derivative transactions on behalf of the state and when this is appropriate;
- allow a non-public servant to be a department's head of internal audit;
- clarify that a department does not enter into a derivative transaction if it merely takes over the administration of a derivative transaction;
- allow the Treasurer to direct which department and minister is to undertake the reporting and monitoring, respectively, of derivative transactions; and
- specify the requirements when ownership of a company moves between departments.

Amendments to the Queensland Competition Authority Act 1997 (QCA Act) are also included in the bill. As well as protecting the interests of consumers, a robust and modern economic regulatory policy framework is the key to the promotion of economic growth and productivity. Giving effect to some of the recommendations from the Queensland Commission of Audit, amendments to the QCA Act ensure a modern economic regulatory regime that keeps step with changes in the provision of monopoly type goods and services.

A new name for the state's regulator will reflect its changing role and functions. The Queensland Competition Authority will be renamed as the Queensland Independent Pricing and Productivity Authority (QIPPA). QIPPA will have new price-setting powers in situations where monopoly businesses are exploiting their market power. It will also provide a new productivity review function where it can investigate productivity related matters with a view to promoting growth and efficiencies in the Queensland economy. Finally, with an increase in contestability in the provision of government provided goods and services into new markets, the bill will increase the scope, independence and transparency of the competitive neutrality complaints handling process.

Finally, Mr Deputy Speaker, the bill will repeal the Occupational Licensing National Law (Queensland) Act 2010, which has become a redundant piece of legislation. The National

Occupational Licensing System (NOLS) has been discontinued by the Council of Australian Governments. Mutual recognition of occupational licences between the states will continue. The Commonwealth government is currently in the process of coordinating the first round of updates for mutual recognition arrangements between states. The Council for the Australian Federation is also examining ways to improve on this process.

First Reading

Hon. TJ NICHOLLS (Clayfield—LNP) (Treasurer and Minister for Trade) (3.52 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Referral to the Finance and Administration Committee

Mr DEPUTY SPEAKER (Mr Krause): Order! In accordance with standing order 131, the bill is now referred to the Finance and Administration Committee.

Portfolio Committee, Reporting Date

Hon. TJ NICHOLLS (Clayfield—LNP) (Treasurer and Minister for Trade) (3.52 pm), by leave, without notice: I move—

That under the provisions of standing order 136 the Finance and Administration Committee report to the House on the Revenue and Other Legislation Amendment Bill by 2 February 2015.