



Speech By  
**Hon. Cameron Dick**


**MEMBER FOR WOODRIDGE**

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Record of Proceedings, 21 June 2022

## REVENUE LEGISLATION AMENDMENT BILL

### Message from Deputy Governor

 **Hon. CR DICK** (Woodridge—ALP) (Treasurer and Minister for Trade and Investment) (2.49 pm):  
I present a message from the Deputy Governor.

**Mr SPEAKER:** The message from the Deputy Governor recommends the Revenue Legislation Amendment Bill. The contents of the message will be incorporated in the *Record of Proceedings*. I table the message for the information of members.

MESSAGE

REVENUE LEGISLATION AMENDMENT BILL 2022

*Constitution of Queensland 2001, section 68*

I, HELEN PATRICIA BOWSKILL, Deputy Governor, recommend to the Legislative Assembly a Bill intituled—


A Bill for an Act to amend the Duties Act 2001, the Duties Regulation 2013, the First Home Owner Grant and Other Home Owner Grants Act 2000, the Gaming Machine Regulation 2002, the Land Tax Act 2010, the Mineral Resources Regulation 2013 and the Payroll Tax Act 1971 for particular purposes

DEPUTY GOVERNOR

Date: 21 June 2022

*Tabled paper:* Message, dated 21 June 2022, from the Deputy Governor recommending the Revenue Legislation Amendment Bill 2022 [894](#).

### Introduction

 **Hon. CR DICK** (Woodridge—ALP) (Treasurer and Minister for Trade and Investment) (2.49 pm):  
I present a bill for an act to amend the Duties Act 2001, the Duties Regulation 2013, the First Home Owner Grant and Other Home Owner Grants Act 2000, the Gaming Machine Regulation 2002, the Land Tax Act 2010, the Mineral Resources Regulation 2013 and the Payroll Tax Act 1971 for particular purposes. I table the bill, explanatory notes and a statement of compatibility with human rights. I nominate the Economics and Governance Committee to consider the bill.

*Tabled paper:* Revenue Legislation Amendment Bill 2022 [895](#).

*Tabled paper:* Revenue Legislation Amendment Bill 2022, explanatory notes [896](#).

*Tabled paper:* Revenue Legislation Amendment Bill 2022, statement of compatibility with human rights [897](#).

I am pleased to introduce the Revenue Legislation Amendment Bill. The bill includes a number of amendments to implement revenue measures I announced in the 2022-23 budget relating to coal royalties, a new mental health levy and payroll tax. The bill also makes a minor beneficial amendment

from the budget in relation to additional foreign acquirer duty. The bill achieves these objectives by amending the Mineral Resources Regulation 2013, the Payroll Tax Act 1971 and the Duties Act 2001. I seek leave to incorporate the remainder of my speech in *Hansard*.

Leave granted.

The Mineral Resources Regulation provides that the royalty rate for coal is determined with reference to the average price per tonne of the coal sold, disposed of or used by a coal producer during a return period. Under the existing three-tiered progressive rate structure, the highest rate of 15 per cent applies to that part of the average price per tonne that is more than A\$150. That structure has been unchanged since 2012, but does not provide a fair return to Queenslanders on the use of the state's valuable and limited natural resources during periods of high coal prices.

The Bill amends the Mineral Resources Regulation to introduce further progressive rates of 20 per cent, 30 per cent and 40 per cent on that part of the average price per tonne of the coal sold, disposed of or used in a return period that is more than A\$175, A\$225 and A\$300 respectively, with effect for liabilities from 1 July 2022. These additional rates will only apply when coal prices exceed each of these higher tiers, at times when the higher prices would also be resulting in increased revenue for coal producers.

In the 2022-23 Budget, the Queensland Government is providing an additional \$1.645 billion in operating funding plus an additional \$28.5 million in capital funding to support a new 5-year plan, the *Better Care Together: A plan for Queensland's state-funded mental health alcohol and other drug services*, and to meet Queensland's obligations under the National Agreement on Mental Health and Suicide Prevention. A mental health levy is needed to provide a sustainable funding source for the additional mental health related services and investment. The Bill amends the Payroll Tax Act to apply this levy from 1 January. Like payroll tax, the levy is based on Queensland taxable wages. In particular, the levy is applied to Queensland taxable wages paid or payable by liable employers on or after 1 January 2023. For an employer who is not a member of a group, the levy is equal to 0.25 per cent of the employer's Queensland taxable wages, to the extent that their annual Australian taxable wages for a financial year exceed \$10 million. Further, a levy equal to an additional 0.5 per cent of the Queensland taxable wages applies to the extent that the employer's annual Australian taxable wages exceed \$100 million. For an employer who is a member of a group, the \$10 million and \$100 million thresholds are determined with reference to the annual Australian taxable wages of the group, and then apportioned across group members. Adjustments are also made to the thresholds to reflect the proportion of an employer's annual Australian taxable wages that are paid or payable in Queensland. The levy will only apply to the portion of the wages above the respective thresholds, that is, on a marginal basis.

This approach to the application of the levy is consistent with the approach taken in Victoria's mental health and wellbeing levy, meaning national employers and groups will be familiar with it. The levy will be payable through the payroll tax system on the same basis, and at the same time, as payroll tax.

To ensure transparency, the Payroll Tax Act will specify that the proceeds of the levy are to be spent on the provision of services and infrastructure that are consistent with the main objects of the *Mental Health Act 2016* or implementing the guiding principles in sections 5(2) to 5(5) of the *Queensland Mental Health Commission Act 2013*. Any proceeds that are not expended within a financial year will be retained in the Consolidated Fund for expenditure in a later year consistent with those purposes.

The Payroll Tax Act will also be amended to provide tax relief to small and medium businesses, through adjustments to the existing payroll tax deduction framework. Specifically, the phase out rate of the deduction of \$1 for every \$4 will be increased to \$1 for every \$7 of taxable wages above the tax-free threshold of \$1.3 million. This will take effect from 1 January 2023 and will benefit businesses with payrolls of more than \$1.3 million, who will receive an increased deduction, and also benefit businesses with payrolls of \$6.5 million or more up to \$10.4 million, who currently receive no deduction.

The Payroll Tax Act currently provides a 50 per cent rebate for wages of apprentices and trainees which is stated to expire on 30 June 2021. I announced that that rebate would be extended to 30 June 2022 in the 2021-22 Budget. In the 2022-23 Budget, I announced a further extension of the rebate until 30 June 2023. The Bill amends the Payroll Tax Act to extend this rebate for the 2021-22 and 2022-23 financial years.

The Duties Act imposes additional foreign acquirer duty on residential property purchased by individuals who are not Australian citizens or permanent residents. This includes holders of subclass 405 and 410 visas, also known as retirement visas.

The Bill amends the Duties Act to provide that retirement visa holders will be exempt from additional foreign acquirer duty for purchases of their principal place of residence. This exemption will apply to dutiable transactions entered into on or after 1 January 2023, and will be subject to several conditions in relation to the holder commencing and continuing to reside in the property as their principal place of residence.

The Bill also implements a change I announced in the 2021-22 Budget Update to make Queensland's land tax system fairer and to close a loophole.

Under current land tax arrangements, any land that a person owns interstate is not accounted for when calculating that person's Queensland land tax liability. As a result, the amount of land tax payable by landholders with a similar value of landholdings can differ substantially depending on whether they hold land solely in Queensland or across jurisdictions.

The Bill addresses this inequity by amending the *Land Tax Act 2010* to ensure that the value of an owner's interstate landholdings are taken into account for calculating land tax in Queensland. However, land tax will continue to be imposed on Queensland land only. As interstate land is not currently relevant for land tax purposes in Queensland, these amendments re-design the land tax framework. While the change will not be implemented until the 2023-24 financial year, these amendments are being progressed now, more than 12 months in advance, to provide certainty for impacted owners and in direct response to stakeholder feedback.

The Bill also amends revenue legislation to exempt from duty certain transactions associated with Queensland Future (Debt Retirement) Fund asset contributions, small business restructures and statutory vestings relating to deceased estates, and to support transfer duty, landholder duty and HomeBuilder Grant administration. These amendments are beneficial to taxpayers or otherwise give legislative effect to arrangements that are already in place through administrative arrangements.

The Bill amends the Duties Act to introduce an exemption from transfer duty and landholder duty for certain transactions intended to advance the purpose of the Queensland Future (Debt Retirement) Fund of providing funding to reduce the State's debt, including transactions associated with asset contributions. The Bill retrospectively amends the Duties Act to give retrospective legislative effect to an administrative arrangement providing an exemption from transfer duty and vehicle registration duty for certain transactions relating to particular small business restructures from 7 September 2020 or 28 June 2021.

The Bill further retrospectively amends the Duties Act to give legislative effect to an administrative arrangement extending the exemption from transfer duty for certain dutiable transactions in the administration of deceased estates. The amendment will extend that exemption to certain dutiable transactions involving the vesting of dutiable property under the *Succession Act 1981* from 3 April 2017 and the *Aboriginal and Torres Strait Islander Land Holding Act 2013* from 6 August 2019.

The Duties Regulation contains a list of recognised stock exchanges, for the purposes of determining the transfer duty and landholder duty consequences under the Duties Act of certain transactions. The Bill amends that list to reflect name or status changes of two such exchanges.

The Bill also amends the First Home Owner Grant and Other Home Owner Grants Act to clarify that, for contracts signed between 1 January 2021 and 31 March 2021, the amount of the HomeBuilder grant is \$15,000. This will give effect to the Australian Government's HomeBuilder Grant policy and is consistent with the Commissioner of State Revenue's administration of the HomeBuilder grant.

Finally, the Bill amends the *Gaming Machine Regulation 2002* to temporarily reduce the proportion of proceeds from the sale of category 1 licensed premises gaming machine operating authorities paid by the seller into the consolidated fund to 15 per cent (from 33 per cent) for a trial period of 12 months.

In regards to this measure, Members will be aware that in Queensland, gaming machines are heavily regulated. Hotels and clubs are required to prepare a community impact statement as part of applying for a licence to operate gaming machines. Prospective licensees are required to undertake public consultation and to prepare a community impact statement which is considered by the regulator (the Office of Liquor and Gaming Regulation). Furthermore, the total number of gaming machines is capped at both a state and regional level.

There is a formal process to govern the allocation, and reallocation of gaming authorities within those caps. However, the auction process to reallocate gaming authorities for hotels within this arrangement has become non-functional. From July 2021 to May 2022 only 2 authorities traded in the South East region. Industry advice is that a key reason for this is that potential sellers are concerned about uncertainty around the proceeds of sale, after taxes and costs. I am advised that there is evidence there are hotels who wish to exit or reduce their gaming activity, but cannot do so in a financially secure way under the current allocation mechanism.

The Government is initiating a 12 month trial of initiatives to restore functionality to the allocation system. This includes this amendment to the Gaming Machine Regulation to temporarily reduce the proportion of proceeds from the sale of category 1 licensed premises gaming machine operating authorities paid by the seller into the consolidated fund to 15 per cent (from 33 per cent) for a trial period of 12 months.

Given the current low level of transfer activity, it is not expected there will be any revenue losses from the change. We believe this change will be welcomed by those hotels who are looking to exit or reduce gaming activity. The Government will review the impact of the trial at its conclusion next year.

#### **Conclusion**

Mr Speaker, this Bill delivers several important 2022-23 Budget revenue measures, and makes other amendments to support the administration of Queensland's revenue laws.

I commend the Bill to the House.

### **First Reading**

**Hon. CR DICK** (Woodridge—ALP) (Treasurer and Minister for Trade and Investment) (2.51 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 Economics and Governance Committee**

**Mr SPEAKER:** In accordance with standing order 131 the bill is now referred to the Economics and Governance Committee.