




Speech By  
**Peter Russo**  
**MEMBER FOR TOOHEY**

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### REVENUE LEGISLATION AMENDMENT BILL

 **Mr RUSSO** (Toohey—ALP) (12.46 pm): I rise to speak to the Revenue Legislation Amendment Bill 2024. The State Development, Infrastructure and Works Committee tabled its report on 7 February and has recommended that the bill be passed. The purpose of the bill is to allow first home owners when purchasing a new home or vacant land on which to build a home to not have to pay any transfer duty. It will also enable recipients of the transfer duty home concession to rent out a room during the first year of occupation and retain the full benefit of the transfer duty. It is also amending the Payroll Tax Act to introduce an exemption to provide that wages liable to payroll tax and the mental health levy do not include wages paid or payable by medical practices to general practitioners.

I would like to deal with the exemption for the general practitioners first. It is my view that legislating a payroll tax exemption for general practitioners is only required because of the LNP's offensive scare campaign. The Commissioner of State Revenue said that the impact of the GP payroll tax amnesty was already reflected in the published forecasts.

I wonder if anyone on the government benches has taken the effort to read *Thomas and Naaz Pty Ltd v Chief Commissioner of State Revenue 2023 NSWCA40* in an attempt to understand the complexities of the payroll tax in this space. The subcontracting employment model that some GP practices operate under is very similar to the way many other businesses operate. The LNP say they are friends of small business. I wonder what the LNP will do when other contracting employment businesses come knocking once these laws pass to highlight the fact that these laws are not equitable and do not treat similar arrangements equitably when it comes to the payroll tax.

This payroll tax issue is not a Labor Party invention; it came about because, in 2020, a New South Wales tribunal ruled that independent practitioners were employees for payroll tax purposes. Under tax harmonisation arrangements between the states, in 2021 the Queensland Revenue Office—which has the responsibility to oversee these harmonisation arrangements—began auditing general practices using the new interpretation of the law, as it then existed.

It was not a patients tax, as those on the government benches would want us to believe. It is a complex issue that comes out of a New South Wales tribunal ruling which said that some doctors' practices were not exempt from payroll tax. To badge this as a patients tax is misleading, dishonest and lazy. I note that in his introductory speech on this legislation the Treasurer made no mention of the impact of the review of this exemption, showing that the exemption was already in effect in the forward estimates.

Like all Queenslanders, I know that we need more homes. I get calls in my office daily about the lack of housing availability, so I do support the attempts to improve housing supply, especially as Queensland has the lowest rate of home ownership of all states in Australia. Housing supply and affordability are a challenge in Queensland but also all around the world, so it is critical that the mechanisms in place are targeted to drive real change for first home buyers and for supply in the market. I hold concerns that completely removing the threshold on first home transfer duty concessions will not

provide assistance to the prospective first home buyers who need it most. Instead, the change will provide tax cuts on multimillion dollar houses—something that will not move the dial on home ownership.

Submitters emphasised the importance of comprehensive policy reforms that tackle the underlying issues of housing supply and affordability. Without such a broad-based strategy, the bill's measures may prove insufficient in achieving the desired outcomes. It is especially concerning that those in the 25- to 39-year age bracket have more people renting than in home ownership. In the past, this age group was the main group purchasing homes. I believe that the government needs to determine the reasons for the change in this particular age group.

I would now like to turn to some of the comments made by submitters which I think are significant in relation to dealing with the reforms that are proposed under the Duties Act. The Women's Legal Service Queensland stated in its submission—

Domestic and family violence ... is the leading cause of homelessness for women, with 45% of all women and girls seeking homelessness assistance identifying family and domestic violence as a cause. Within the current context of the legislation, there is no express consideration of a person fleeing a domestically violent situation, or a requirement for this to inform the consideration of the Commissioner in any reassessment process.

The current structure of the 12-month occupancy rule makes it more likely that women who are non-compliant with the occupancy rule as a consequence of leaving a domestically violent relationship will also fail to come under the jurisdiction for an exemption from a duty in the federal jurisdiction.

Given this context, it would be appropriate to insert an express provision in the Bill to require consideration of those fleeing DFV in the reassessment process, or alternatively consider an expansion of the definition of "intervening event" to include circumstances where a person is escaping domestic and family violence, either expressly in the provision or through prescript under a regulation.

I also refer to the submission of the Real Estate Institute of Queensland. It stated—

The many barriers to homeownership such as housing accessibility, affordability and upfront costs, has led to more people renting, for longer periods of time.

...

The introduction of the new concessions, the concession for *first home and new home* under section 92A and concession for *first home that is vacant land* under section 92B (as well as the new mixed claim concessions under sections 93A and 93B), are a welcome change that we expect will positively encourage homeownership by removing part of the upfront financial barrier to purchasing a new home or building a new home for first home buyers.

There is, however, a lack of data available on first home buyer's purchases of new properties or vacant land in Queensland.

In our view, the use of the new concessions may be limited to an extent. The completion rates of new homes and rates of building approvals in Queensland are presently below the historical average, particularly in regional Queensland.

In the submission from Q Shelter, it stated in relation to stamp duty changes—

Australian Housing Urban Research Institute (AHURI) research shows that first-time home buyers nationally have received substantial expenditures ... in direct grants and tax concessions, over the past five decades. However, these policy settings are likely to have exacerbated, rather than alleviated, the challenge first-time home buyers face to finance home ownership by making housing more expensive in real terms.

...

In general, our sector supports policy reforms to abolish stamp duty and a broader reassessment of the tax and transfer system, which currently gives housing investors an economic advantage ... over first-home buyers as they compete in the market.

Q Shelter supports the measures proposed in this bill regarding first-home buyers.

...

This bill also seeks to allow first-homebuyer grant recipients in Queensland to rent out rooms in their properties for the first 12 months with no consequence for the grant they have received.

Q Shelter understands that the former government implemented this measure just before the caretaker period and the recent State Election. That was to be a trial for six months, and since then, the new government has sought to make the change permanent.