

24 June 2022

Hon. Cameron Dick MP
Treasurer and Minister for Trade and Investment
State Member for Woodridge
GPO Box 611
BRISBANE QLD 4001

Dear Treasurer

The interstate land tax model (or land tax 'adjustment')

With the Government's 'interstate land tax model' set to be introduced today, I am writing to again express the Property Council's strong opposition to this fundamental change in how land tax will be calculated in Queensland. Whilst pleasing to see a transitional period applied to this nation first reform, there remains concern around the intent and the practical application of this overhaul to the long-standing tax system.

We again question the merits of this adjustment, and given the state is in the grips of a housing supply and affordability crisis, it appears counterintuitive to introduce any adjustment to land tax settings that will further add to the costs of providing housing.

The ramifications will impact all elements of the property sector, including Build to Rent and affordable housing providers, as well as superannuation funds that invest in property across Australia.

The draft legislation fails to address the concerns that we have outlined in our prior submissions, which are attached hereto.

Of particular interest to our membership is the subdivider discount. The draft legislation remains silent on the subdivider discount meaning that averaging will not apply to interstate land nor will the subdivider discount. The unavailability of the subdivider discount for non-Queensland land appears to be completely contrary to the policy intent.

Further, the ambiguity around exemptions, particularly relating to primary production, needs further consideration. Due to the ownership structures, there are many circumstances in Queensland where primary production land is not exempt, yet all primary production land is exempt in NSW. The legislation as it currently stands does not adequately address the circumstances where land may be liable in Queensland yet exempt in NSW.


Detailed technical examples can be found in our previous submissions attached hereto.

Successful implementation of any reform to the long standing, and understood taxation system, requires extensive consultation, with a significant consideration given to education and awareness.

With the passing of the legislation imminent, we seek a commitment that the Property Council and other key stakeholders will be consulted on how Government intends to raise public awareness and implement the largest reform to the method of collecting land tax the state has seen.

I would appreciate the opportunity to meet with you or your delegate at your earliest convenience to discuss how this engagement will take place. In the meantime, please do not hesitate to get in touch. I can be contacted on 0448 432 936 or jwilliams@propertycouncil.com.au.

Yours sincerely

A handwritten signature in black ink that reads "Jen W". The letters are cursive and fluid.

Jen Williams
Queensland Executive Director

Enc.

1. Letter dated 29 March 2022 – L Allen, Under Treasurer
2. Letter dated 19 May 2022 - L Howard, Director, Chief Revenue Counsel Group