



# Queensland Government

Premier of Queensland  
and Minister for Trade

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*Our Reference: 70501406  
Your Reference: 484-05*

Mr Neil Laurie

Clerk of the Parliament  
Parliament House  
Cnr George and Alice Streets  
BRISBANE QLD 4000

Dear Neil

I refer to your letter of 8 June 2005 addressed to the Honourable Terry Mackenroth MP, then Deputy Premier, Treasurer and Minister for Sport forwarding a copy of a petition received by the House on 7 June 2005 regarding the abolition of certain state taxes.

The Queensland Government supports the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (IGA) and has met all obligations required by this agreement. In this regard, the Queensland Government:

- abolished stamp duty on marketable securities from 1 July 2001;
- abolished debits tax from 1 July 2005; and
- reviewed the need for retention of a number of other listed duties.

Following this review, the Queensland Government's 2005-06 Budget announced the abolition, over six years at a cost of \$1.6 billion, of the following state taxes:

- lease duty and credit business duty from 1 January 2006;
- hire duty and marketable securities duty from 1 January 2007;
- half of mortgage duty in 2008, with full abolition in 2009; and
- half of transfer duty on core business assets in 2010, with full abolition in 2011.

In terms of other state taxes listed in the IGA, financial institutions duty, bed taxes and stamp duty on cheques were not imposed in Queensland. Further, the Queensland Government abolished credit card duty prior to the review required by the IGA.

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In addition to the abolition of taxes associated with the IGA, the Queensland Government's 2005-06 Budget provided \$847 million in land tax relief, over four years from 1 July 2005. The Queensland Government has also reduced the rate of payroll tax and the base insurance duty rate, since the Goods and Services Tax was introduced, even though these taxes are not part of the IGA.

The taxation initiatives outlined above demonstrate the Queensland Government's ongoing commitment to a competitive taxation environment. As a result, tax collections in Queensland in 2005-06 are expected to be \$1,708 per person, compared with an average of \$2,135 per person in the other States.

I trust this information is of assistance.

Yours sincerely

**PETER BEATTIE MP**  
**PREMIER AND TREASURER**