

~~delivers on that promise. We will continue our plan to back Queensland jobs and stand by our communities, to invest in our regions and build critical infrastructure, to grow and diversify our economy, to encourage small and medium businesses to grow, to deliver the front-line services Queenslanders rely upon and to never shy away from the tough challenges. This is a budget for all Queenslanders, but particularly this is a budget for Queensland's regions. I commend the bill to the House.~~

### ~~First Reading~~

~~Hon. JA TRAD (South Brisbane—ALP) (Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships) (2.35 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.~~

~~Mr SPEAKER: In accordance with standing order 177, the bill is now set down for its second reading.~~

## REVENUE AND OTHER LEGISLATION AMENDMENT BILL

### Message from Governor

 **Hon. JA TRAD** (South Brisbane—ALP) (Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships) (2.35 pm): I present a message from His Excellency the Governor.

**Mr SPEAKER:** The message from His Excellency the Governor recommends the Revenue and Other 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 AND OTHER LEGISLATION AMENDMENT BILL 2019

*Constitution of Queensland 2001, section 68*

I, PAUL de JERSEY AC, Governor, recommend to the Legislative Assembly a Bill intitled—

A Bill for an Act to amend the Auditor-General Act 2009, the Duties Act 2001, the Land Tax Act 2010, the Mineral Resources Act 1989, the Mineral Resources Regulation 2013, the Payroll Tax Act 1971, the Petroleum and Gas (Production and Safety) Act 2004, the Petroleum and Gas (Royalty) Regulation 2004, the Taxation Administration Act 2001 and the Taxation Administration Regulation 2012 for particular purposes

(sgd)

GOVERNOR

Date: 11 June 2019

*Tabled paper:* Message, dated 11 June 2019, from His Excellency the Governor, recommending the Revenue and Other Legislation Amendment Bill 2019.

### Introduction

**Hon. JA TRAD** (South Brisbane—ALP) (Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships) (2.35 pm): I present a bill for an act to amend the Auditor-General Act 2009, the Duties Act 2001, the Land Tax Act 2010, the Mineral Resources Act 1989, the Mineral Resources Regulation 2013, the Payroll Tax Act 1971, the Petroleum and Gas (Production and Safety) Act 2004, the Petroleum and Gas (Royalty) Regulation 2004, the Taxation Administration Act 2001 and the Taxation Administration Regulation 2012 for particular purposes. I table the bill and the explanatory notes. I nominate the Economics and Governance Committee to consider the bill.

*Tabled paper:* Revenue and Other Legislation Amendment Bill 2019.

*Tabled paper:* Revenue and Other Legislation Amendment Bill 2019, explanatory notes.

I am pleased to introduce the Revenue and Other Legislation Amendment Bill 2019. The bill includes a number of amendments to implement revenue measures I announced in the 2019-20 budget relating to land tax, payroll tax and petroleum royalty. The bill achieves these objectives by amending

the Land Tax Act, the Payroll Tax Act, the Petroleum and Gas (Production and Safety) Act and the Petroleum and Gas (Royalty) Regulation.

Mr Speaker, I seek leave to incorporate the remainder of my speech in Hansard.

Leave granted.

The Land Tax Act imposes land tax on land owned as at midnight 30 June each year. Land tax is imposed at different rates depending on the value of an owner's landholdings and whether the owner is a resident individual, company, trustee or an absentee.

The bill amends the Land Tax Act to modestly increase by 0.25 percentage points the land tax rates applying to companies and trustees that, as at 30 June 2019, have taxable landholdings valued over \$5 million. The increases will not apply to land exempt from land tax, such as land used for a primary production business.

It is estimated that these changes will only apply to the top 5% of companies and trusts currently paying land tax.

Under the Land Tax Act, an absentee is a person who does not ordinarily reside in Australia. Absentees can include Australian citizens or permanent residents living overseas. Absentees have a lower tax-free threshold and currently pay land tax at the same general rates as companies and trustees. They also pay a 1.5 per cent surcharge.

From the 2019-20 financial year, the Land Tax Act will be amended to increase the absentee surcharge to 2 per cent. This will harmonise the rate with other jurisdictions like New South Wales and Victoria.

The Act will also be amended to ensure that Australian citizens and permanent residents who hold permanent visas are not assessed as absentees. Instead, they will benefit from the higher tax-free threshold and lower tax rates that apply to resident individuals and will not be subject to the absentee surcharge.

From the 2019-20 financial year, the Land Tax Act will also be amended to impose a 2 per cent surcharge on foreign companies and trustees of foreign trusts.

Like the absentee surcharge, the foreign surcharge will apply to the taxable portion of the taxable value of land which is equal to or greater than \$350,000.

The Payroll Tax Act currently imposes payroll tax at a rate of 4.75 per cent on taxable wages paid or payable in a financial year once the total Australian wages of an employer, or group of employers, exceeds the exemption threshold of \$1.1 million. Employers may claim a deduction for their Queensland taxable wages which phases out at a rate of \$1 for every \$4 of taxable wages above \$1.1 million. Employers with payrolls over \$5.5 million currently receive no deduction.

The Payroll Tax Act will be amended to increase the exemption threshold to \$1.3 million from 1 July 2019. Employers with payrolls of \$6.5 million or less will be able to claim a deduction.

The Payroll Tax Act will also be amended to marginally increase the payroll tax rate for employers, or groups of employers, with yearly Australian taxable wages above \$6.5 million to 4.95 per cent.

A 1 per cent payroll tax rate discount will apply to regional employers for four years from 1 July 2019. The discount will be available to employers if their ABN registered business address is outside of South-East Queensland and 85 per cent of their taxable wages are paid to employees are located outside SEQ.

The rate discount will mean that regional employers will pay payroll tax at a reduced rate of either 3.75 per cent or 3.95 per cent.

The Payroll Tax Act provides a 50 per cent rebate for wages of apprentices and trainees which expires on 30 June 2019. The bill amends the Payroll Tax Act to extend this rebate for a further 2 years ending 30 June 2021.

The bill also includes amendments to the Petroleum and Gas (Production and Safety) Act and the Petroleum and Gas (Royalty) Regulation from 1 July 2019 to increase the rate of petroleum royalty to 12.5 per cent of the wellhead value of petroleum disposed of by a petroleum producer.

For petroleum producers that lodge calendar year annual returns, a transitional rate of 11.25 per cent will apply for annual royalty returns lodged for the return period ending 31 December 2019.

The bill also amends revenue legislation to protect Queensland's revenue and support administration of taxation and royalty legislation.

Amendments to the Duties Act are to clarify that for assessing transfer duty, references to consideration include both monetary and non-monetary consideration.

The bill also amends the landholder duty provisions to ensure that where a landholder, or a subsidiary of a landholder, holds land-holdings as a partner for a partnership, those land-holdings are included for calculating landholder duty.

Amendments to the royalty-related provisions in the Mineral Resources Act, the Petroleum and Gas (Production and Safety) Act and their respective Regulations are included in the bill to introduce provisions for how royalty documents are given to and by the Minister and ensure the validity of service of royalty documents given before the commencement of the amendments. These amendments will support royalty administration and provide certainty for royalty payers and Government.

The bill also amends the Taxation Administration Act and Taxation Administration Regulation to facilitate expansion of the Office of State Revenue's new online portal, OSR Online, by ensuring that documents can be validly given to and by clients electronically using OSR online and clarifying when documents given this way are taken to be given. Additionally, the bill amends the Taxation Administration Act to clarify that the terms of the Commissioner of State Revenue's employment are governed by the Public Service Act 2008.

Finally, the bill also proposes to amend the Auditor-General Act 2009 to enable the sharing of financial data provided by departments to the Queensland Auditor-General with the Treasurer and Queensland Treasury for whole-of-Government budgeting and monitoring purposes.

The proposed changes to the Auditor-General Act 2009 are consistent with the Treasurer's existing powers under section 26 of the Financial Accountability Act 2009.

Mr Speaker, I move that the bill be now read a first time.

### First Reading

**Hon. JA TRAD** (South Brisbane—ALP) (Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships) (2.36 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.

## APPROPRIATION (PARLIAMENT) BILL

### APPROPRIATION BILL

### REVENUE AND OTHER LEGISLATION AMENDMENT BILL

#### Declared Urgent; Cognate Debate

 **Hon. JA TRAD** (South Brisbane—ALP) (Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships) (2.37 pm), by leave, without notice: I move—

That—

1. under the provisions of Standing Order 137, the Revenue and Other Legislation Amendment Bill be declared an urgent Bill and not stand referred to a committee and be set down for its second reading to enable the Bill to be passed through all remaining stages at this week's sitting; and
2. in accordance with standing order 172, the Appropriation (Parliament) Bill and the Appropriation Bill, having already been treated as cognate Bills under the provisions of Standing Order 176, be also treated as cognate with the Revenue and Other Legislation Amendment Bill for the second reading debate, but with separate questions being put with regard to the second reading of (a) the Appropriation (Parliament) Bill and the Appropriation Bill and (b) the Revenue and Other Legislation Amendment Bill.

Question put—That the motion be agreed to.

Motion agreed to.

### ~~ADJOURNMENT~~

 ~~**Hon. YM D'ATH** (Redcliffe—ALP) (Leader of the House) (2.38 pm): I move—~~

~~That the House do now adjourned.~~

~~Question put—That the House do now adjourn.~~

~~Motion agreed to.~~

~~The House adjourned at 2.38 pm.~~

### ~~ATTENDANCE~~

~~Andrew, Bailey, Batt, Bennett, Berkman, Bleijie, Bolton, Boothman, Boyce, Brown, Butcher, Costigan, Crandon, Crawford, Crisafulli, D'Ath, Dametto, de Brenni, Dick, Enoch, Farmer, Fentiman, Frecklington, Furner, Gilbert, Grace, Harper, Hart, Healy, Hinchliffe, Howard, Hunt, Janetzki, Jones,~~