



Industry blast for land tax

Shannon Willoughby | April 16th, 2010

John Henderson Professionals Mermaid Beach Real Estate principal Andrew Henderson says the government should get rid of land taxes to help spur investment in Queensland.

"If the Queensland Government had the foresight to remove land taxes, it would instantly make the state a lot more attractive for property investors," said Mr Henderson.

"If the government made this move now, at a time when Queensland's development industry is hurting, it would significantly boost the state's economy and lead to the creation of more jobs.

"It will also position Queensland as the leading tax reform state in Australia."

Mr Henderson said the current land taxes punished landlords even though they were supplying accommodation for people who could not afford to buy their own homes.

"I personally believe it is an unnecessary tax, especially since it was supposed to be scrapped after GST was introduced.

"The Queensland Government has previously considered the removal of land taxes but it has never had the courage or the fortitude to carry through with the proposal."

Michael Sing, managing partner of Michael Sing Lawyers, said land tax was one of the biggest issues affecting Queensland.

"Any impediment, whether tax based -- such as land tax -- or regulatory, needs to be looked at by government," said Mr Sing.

"In the end, it is the private sector, including property investors, which will drive recovery, and reduction of taxation, state or federal, or the offering of some other incentive to invest in Queensland rather than any other state, is going to encourage investment in our state's future.

"I don't think that anyone can doubt that a strong housing and building industry is essential for economic recovery, and the removal or reduction of state based taxes directly or indirectly affecting those sectors is one way to draw positive growth into them.

He said land tax was a 'big ticket' item and would not be easy to scrap all together.

"However, there is a precedent -- the abolition of death duties in Queensland in 1977 saw a flood of investment from wealthy retirees coming into the state.

"The challenge to the politicians is to come up with the right balance between revenue collection and incentive to industry in a long term strategy to achieve this goal. Too often, these strategies and decisions are dictated by short-term goals."



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