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## Success breeds . . . tax

THE Gold Coast property industry is maintaining pressure on the State Government over its planned land tax amendment which has been dubbed 'a tax on success'.

Greg Short, president of peak planning body Sustainable Development Gold Coast Inc, said the proposed measures would hit a broad spectrum of property on the tourism strip, including hotels, shopping centres, investment properties, childcare centres, theme parks and nursing homes.

The State Government last week decided to defer debate on the Bill until it consulted with industry.

Mr Short said the Government had flagged its intention to take into account leases and goodwill on properties when it assessed land tax, along with a proposal to backdate the taxes to 2002.

The decision would override convention that limits tax calculations to the unimproved value of land.

"In effect, in every instance by unfairly adding to business overheads the state would guarantee that higher operating costs would be passed on to end users," said Mr Short. "The inevitable consequence is a betrayal of any belief that Queensland is the best place to do business or invest in property.

"It would create an unprecedented exodus of investment capital out of the southeast region back over the border."

Mr Short said his firm Bennett and Bennett, which had been involved in the development industry for more than 40 years, had never seen legislation as 'ill considered' as this.

Property industry identity Chris Kogler of PRP Valuers, said the proposed Bill would effectively tax owners more for improving their property.

"After three-quarters of a century of using a system to value unimproved land, the Government shamelessly wants to slug land-owners further for being enterprising in how they see the land being used," said Mr Kogler.

"I don't think too many people out there realise this is a new tax by stealth in the guise of approaching unimproved land valuations from a different direction.

"When a government starts adding a value for goodwill, the value of any improvements to the property itself, leases held for property on the site or even agreements to lease there and put that into the natural value of the land in that particular location it must be seen for what it is: a tax on success."

Coast valuer Richard Green, of LandMark White, said the proposed legislation needed to be 'fully investigated so that Queensland doesn't reduce its appeal to commercial property investors'.

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Above: Greg Short tips a business exodus from Queensland and, inset, Chris Kogler, tax by stealth