

STOCK WATCH
YEAR TO DATE

 \$13.50 Suncorp Up 12.1%	 61c Star Entertainment Down 59.5%	 \$13.12 Eagers Automotive Up 21%	 \$15.29 TechnologyOne Up 16.4%
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StoreLocal co-founder and chief executive Hans Pearson at his Hendra property.

Tax ruling paves road to reform

Warren Ebert



But 23 years later their budgets are still heavily reliant on revenue raised from the property sector such as stamp duty and land tax.

The High Court has made a landmark ruling which could have some extraordinary implications for Australia's taxation system, and the real estate industry.

In a split 4-3 decision, the High Court ruled the Victorian government's road user charge on electric and hybrid vehicles was a tax on the consumption of goods that fell within Section 90 of the Australian constitution, which bars states from imposing duties.

Under Section 90, states cannot impose a tax that is a duty of customs or excise. That's why states cannot impose their own GST or sales taxes, unlike the Commonwealth.

While the federal, state and territory governments examine the impact of this High Court ruling, as someone heavily involved in the property industry it has got me questioning what will be the future of stamp duty on real estate transactions and also land taxes?

When the GST was introduced by the Howard government, it was designed to phase out state and territory government taxes and levies such as stamp duty, with the revenue replaced by grants.

Stamp duty was introduced in NSW in 1865 as a handling fee to compensate for the government developing a system to protect the integrity of real estate ownership through an official stamp. By 1923 it had become a valuable revenue stream which had been adopted by all six states.

Fast forward another 100 years and it is a cash cow generating around \$35bn a year for state and territory governments.

But will this High Court decision mean that stamp duty and land taxes are illegal, and people will no longer have to pay these imposts?

State and territory governments need revenue to pay for the essential services they provide, but how this revenue is raised may need to change. Since its inception, the GST has been a broad-based tax of 10 per cent on most goods, services and other items sold or consumed in Australia. But there have long been calls to increase the rate, which successive governments have been reluctant to follow up.

This High Court decision on electric vehicle charges could be the circuit breaker for much needed taxation law reforms in Australia.

Warren Ebert is the CEO of Sentinel Property Group

form us what customers are truly seeking, and pushing efficiencies through our platform as we continue to scale," he said.

"We see this as a competitive advantage that the larger players such as ourselves will be able to maintain in the years ahead."

Mr Pearson said they take the line that StoreLocal was an essential piece of daily infrastructure within the local community instead of just providing storage space. The

company has more than 20 local community partnerships with sporting and community groups, including Super Rugby's Queensland Reds, Rugby Union's Hospital Cup, SANFL Panthers and Brothers Touch Association.

"We're deeply passionate about self-storage and its place as a part of the daily infrastructure of local communities," Mr Pearson said.

This was demonstrated during the 2022 Brisbane floods when StoreLocal's Newmarket

store in Brisbane inner north - which was well out of the flood zone - was unexpectedly flooded by an uphill stormwater breakage.

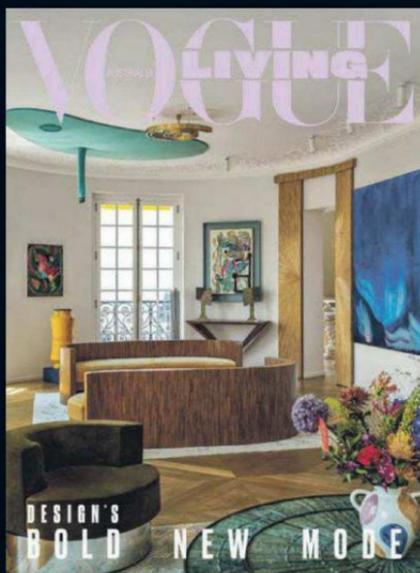
"Our entire head office team and their families and friends and local community groups rallied at the store to work with customers day and night to clean out the units and sort their precious personal belongings," he said.

"I remember the visceral reaction of customers and seeing what was commonly stored -

photos, childhood mementos, paper files, business items, collectable cars; weirdly, we learnt that no-one throws out their Lego!

"The emotional connection of customers to their self-storage is what really struck me - we look after much more than old junk.

"It was actually a powerful reminder for me that we are custodians of family memories and business endeavours and that the emotional connection runs deep."



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