



**Hon Tim Nicholls MP**

Member for Clayfield

**Treasurer and Minister for Trade**

TOQ-02294

17 DEC 2012

Mr Neil Laurie  
The Clerk of the Parliament  
Parliament House  
George Street  
BRISBANE QLD 4000

Dear Mr Laurie

A handwritten signature in blue ink that reads "Neil".

I refer to Petition number 1888-12 received by the Queensland Legislative Assembly which seeks the abolition of stamp duty on house and contents insurance and motor vehicle insurance.

Under the *Duties Act 2001*, duty is required to be paid on a variety of different transactions. Insurance duty is imposed on general insurance policies, life insurance policies and accident insurance. This duty is usually calculated on the premium which is the total amount given to the insurer to effect the insurance.

In Queensland, insurance duty on insurance policies covering house and contents is charged at a rate of 7.5 per cent of the premium. Duty on motor vehicle insurance, other than compulsory third party insurance, is charged at a rate of 5.0 per cent of the premium. While all states and territories impose insurance duty, no other jurisdiction has lower rates of duty for these types of insurance.

One of the Queensland Government's key objectives is to maintain a competitive taxation system that raises sufficient revenue to meet the costs of essential infrastructure and services for the community. Duties are an integral part of this revenue raising. As Queensland currently receives less than a quarter of its general revenue from the Goods and Services tax, revenue must be raised from other sources, such as insurance duty, to meet community needs in areas such as education, health and transport. In 2012-13, insurance duty collections are estimated to be \$615 million. In light of the financial pressures that Queenslanders currently face, it is important that Queensland is in a position to provide for the variety of community needs that arise.

Level 9 Executive Building  
100 George Street Brisbane  
GPO Box 611 Brisbane  
Queensland 4001 Australia

**Telephone +61 7 3224 6900**

**Facsimile +61 7 3211 0122**

**Email [treasurer@ministerial.qld.gov.au](mailto:treasurer@ministerial.qld.gov.au)**

**Website [www.treasury.qld.gov.au](http://www.treasury.qld.gov.au)**

ABN 90 856 020 239

Duty on insurance remains an important source of revenue for Queensland and there are no current plans to abolish duty on house and contents insurance or motor vehicle insurance.

I thank the petitioners for taking the time to raise their concerns.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Tim Nicholls', with a stylized flourish at the end.

Tim Nicholls  
Treasurer and Minister for Trade