

Media Release

Attention Editors/Chief of Staff

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TAX OFFICE URGED TO “COOL OFF” ON TARGETING CYCLONE AFFECTED NORTH QUEENSLAND PROPERTY OWNERS

Australia's peak body for the giant strata title industry wants the Australian Taxation Office to show a sympathetic approach to cyclone hit property owners in North Queensland.

Property owners have been put under the spotlight by the Australian Taxation Office, and unfairly so, according to Strata Community Australia (SCA).

A recent letter sent to North Queensland investment property owners by the Australian Taxation Office (ATO), warning them of potential tax fraud, has been labelled as “unfortunate” by SCA.

The ATO says it is missing out on taxes because of artificially lower rental incomes of property owners, but the Queensland and National strata sectors are concerned the ATO does not have the full picture.

Sector leaders say that to warn North Queensland property owners of potential tax fraud, shows a lack of understanding for the situation.

“We’re concerned that the ATO has acted without hearing all the facts on this situation,” Strata Community Australia CEO Kim Henshaw and Strata Community Australia (Qld) President, Simon Barnard said today

“A proactive tax office is something we can’t encourage enough, but we think the ATO needs to reassess the state of play for property owners in the far north.”

Mr Henshaw and Mr Barnard say the sticking point lies within the ATO’s belief that the lower rental incomes of North Queensland investment property owners are a result of tax fraud; when the reality is that many owners have been unable to attract tenants following another damaging cyclone season.

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“Rental incomes are down for many North Queensland investment property owners, but there are a number of situations that could bring about the same drop in income, including holidayers shying away from cyclone affected regions,” Mr Henshaw and Mr Barnard said today.

“Whilst there may in fact be some isolated instances worthy of a warning letter, we urge the ATO to take in the full picture, and account for the significant external factors that these owners have had to deal with.”

Mr Henshaw and Mr Barnard say that with a little information on their side, the ATO could have handled the situation much differently.

“We hope the ATO will extend a sympathetic hand to these owners.”

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