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31 July 2026

The Assistant Secretary
Individuals and Indirect Tax and Superannuation Division
The Treasury
Langton Crescent
Parkes ACT 2600

Via email: mintaxtrusts@treasury.gov.au

Submission: Minimum tax on discretionary trusts consultation

Dear Assistant Secretary,

The Australian Property Institute (API) welcomes the opportunity to comment on the Treasury consultation paper Minimum tax on discretionary trusts. The API is Australia's peak professional body for property valuers, representing more than 7,000 members nationwide, and is the custodian of professional valuation standards in Australia, aligned with International Valuation Standards (IVS).

The proposed rollover relief (rollover relief) will require many discretionary trusts to transfer their assets to a new entity, and a transfer of assets will ordinarily require a market valuation. State and territory transfer (stamp) duty on dutiable property is generally assessed on the market value of the property at the transfer date, whatever the income tax treatment.

The rollover relief requires all, or essentially all, of a trust's assets to be transferred. Any material take up will generate a demand for valuations. That demand will be concentrated in the three (3) years the rollover relief is available, from 1 July 2027 to 30 June 2030, since a restructure must occur within that window to obtain the benefit of the rollover relief. As discretionary trusts are widely used to hold real property, appropriately qualified, experienced and competent real estate valuers are best placed to provide valuation services to satisfy the requirement for a trust to disclose market value at the transfer date.

Because the minimum tax is intended to secure a floor on the tax paid, the values used in these restructures directly affect the revenue at stake: understated or unqualified valuations would erode both the capital gains tax base and the duty payable. An independent market valuation by a qualified valuer protects the integrity of the measure, and the revenue it is designed to raise.

The API recommends that, where a valuation is required to give effect to the rollover relief, or for the related transfer duty or capital gains tax purposes, it be a Market Value assessment in accordance with definition of Market Value in International Valuation Standards (as adopted by the API in our own standard setting) and prepared by an appropriately qualified valuer, being an API Certified Practising Valuer (CPV) or Residential Property Valuer (RPV), or equivalent. It is important to note that only API qualified valuers are covered by a Professional Standards Scheme and the aligned insurance that arises from that.

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These comments are directed to the questions on the design of the rollover relief, in particular questions 4 and 7. The API takes no position on the other consultation questions.

For any further information, or to discuss this submission, please contact Harriet Warr, General Manager Policy and Standards, at hwarr@api.org.au or 0474 772 291.

Yours sincerely,

John Winter
Chief Executive Officer & Company Secretary
Australian Property Institute Ltd.