

DRAFT SECOND READING SPEECH

HON MICHAEL FERGUSON MP

Land Tax Amendment (Foreign Investors) Bill 2022

** Check Hansard for Delivery **

Mr Speaker

The Government welcomes foreign investment in Tasmania and recognises its importance to our economy. However, the Government also believes that it is essential that foreign investors pay their fair share when owning residential properties in Tasmania, and contribute to the essential services and infrastructure our growing State needs.

That is why, in the lead up to the 2021 State election, the Government announced that it would introduce a Foreign Investor Land Tax Surcharge on foreign owned residential properties in Tasmania.

Mr Speaker

This Bill in conjunction with the Land Tax Rating Amendment (Foreign Investors) Bill 2022 delivers on the Government's election commitment.

In line with other states that have implemented similar surcharges, the Foreign Investor Land Tax Surcharge will be set at two per cent.

The surcharge will commence on 1 July 2022 and will apply to residential land that is acquired by foreign persons, including foreign companies and trusts, on or after that date. It will also apply to residential land held by companies and trusts that become foreign-owned after 1 July 2022.

Importantly, the surcharge will not apply to those using land for primary production or as a principal place of residence. It will also not apply to commercial properties, including commercial properties that could be considered residential such as hotels, boarding houses, housing provided by or on behalf of certain educational institutions, residential care services and retirement villages.

In order to support the supply of affordable housing in Tasmania, foreign owned Tasmania-based property developers that add significantly to housing stock in the State will be able to apply for a reassessment of any surcharge paid.

This relief for foreign owned Tasmania-based developers will help promote the timely development of residential housing in Tasmania.

Mr Speaker

This Bill in conjunction with the Land Tax Rating Amendment (Foreign Investors) Bill gives effect to the Government's election commitment to introduce a Foreign Investor Land Tax Surcharge. The surcharge will complement the Foreign Investor Duty Surcharge introduced in 2018, and will ensure that foreign investors in Tasmania pay their fair share.

Mr Speaker

I commend this Bill to the House.