

Question on Notice

No. 507

Asked on 9 May 2023

MR S ANDREW ASKED TREASURER AND MINISTER FOR TRADE AND INVESTMENT (HON C DICK)—

QUESTION:

With reference to the 2 percent surcharge on land owned by foreign companies and trustees of foreign trusts (foreign entities) in Queensland—

Will the Treasurer advise (a) how many ‘foreign entities’ have been liable for the 2 percent surcharge since 2019 (reported separately by year and category), (b) how much has been paid in ‘foreign entity’ surcharges since 2019 (reported separately by year and category) and (c) how many foreign entities have been granted ex-gratia relief from this surcharge since 2019 (reported separately by year and reason for granting the relief)?

ANSWER:

The two per cent surcharge imposed in addition to land tax on land owned by foreign companies and trustees of foreign trusts (foreign entities) was announced in the 2019-20 Budget.

The surcharge was waived for the 2019-20 financial year as part of the government’s response in providing relief to Queensland businesses during the COVID-19 pandemic.

I am advised that, as at 12 May 2023, approximately \$453 million in land tax surcharges have been levied on approximately 1,100 foreign entities broken down by financial year as follows:

- For the 2020-21 financial year 1,141 foreign entities were subject to land tax foreign surcharge liabilities totalling approximately \$140.25 million
- For the 2021-22 financial year 1,121 foreign entities were subject to land tax foreign surcharge liabilities totalling approximately \$157.38 million, and
- For the 2022-23 financial year (to 12 May 2023) 1,076 foreign entities have been subject to land tax foreign surcharge liabilities totalling approximately \$155.73 million.

I am advised that as at 12 May 2023, approximately \$100 million in ex gratia relief has been provided to foreign entities that meet the eligibility requirements for relief, broken down as follows:

- For the 2020-21 financial year \$46.77 million in ex gratia relief was provided to 162 eligible foreign entities

- For the 2021-22 financial year \$37.94 million in ex gratia relief was provided to 110 eligible foreign entities, and
- For the 2022-23 financial year (to 12 May 2023) \$15.53 million in ex gratia relief has been provided to 43 eligible foreign entities.

To be eligible for ex gratia relief, foreign entities are required to demonstrate to the Commissioner of State Revenue that they are Australian based, meet Foreign Investment Review Board and regulatory requirements, and conduct commercial activities that make a significant contribution to the Queensland economy and community.

Each of these foreign entities, or their commercial groups, typically employ more than 75 full-time equivalent employees in Queensland, spend (or have commitments to spend) more than \$20 million annually on Queensland goods and services, undertake developments which contribute 50 or more residential lots in Queensland or have special regional or industry significance.