

TAXATION ADMINISTRATION AMENDMENT (COLLECTION AND DISCLOSURE OF INFORMATION TO COMMONWEALTH) BILL 2016

First Reading

Bill introduced, and read a first time and ordered to be printed on motion by the Hon. Rick Colless, on behalf of the Hon. Duncan Gay.

Second Reading

The Hon. RICK COLLESS (11:27): On behalf of the Hon. Duncan Gay: I move:

That this bill be now read a second time.

On 16 October last year, there was a meeting of the Commonwealth, State and Territory Treasurers at the Council of Federal Financial Relations. All Australian Treasurers, with the exception of the Treasurer of the Northern Territory agreed to establish a national register of foreign ownership of land titles. The register would build on the Commonwealth's existing National Register of Foreign Ownership of Agricultural Land.

The national register is a critical part of the Commonwealth Government's foreign investment reforms, which are designed to strengthen the integrity of the foreign investment framework. Commonwealth and State agencies will benefit from having more comprehensive data to improve compliance, including better enforcement of State laws in areas such as land tax, first home owner benefits, and improved compliance with goods and services tax and capital gains tax laws. The bill proposes to expand on the information that is now gathered at the time of property transactions. The NSW Office of State Revenue [OSR] will collect new information such as the buyers' nationality and citizenship details and additional vendor details.

At the end of each quarter the Office of State Revenue [OSR] will disclose this data to the Australian Taxation Office who will administer the national register. Naturally all information that is collected will be subject to the same privacy protections as other data collected by OSR for tax administration purposes. To collect the new data, OSR and their clients' IT systems will require modification, including, for example, online forms. The Commonwealth has offered to substantively meet the cost of these system changes and the Minister is looking forward to finalising this agreement in the near future. OSR has designed these change processes to fit in with the existing reporting requirements as cleanly as possible to minimise disruption. I particularly express my gratitude to my colleague the Minister for Finance, Services and Property for implementing the changes to the existing reporting processes.

This bill will enable New South Wales to collect the full suite of real property transfer data to inform the national register from 1 July 2016. The bill also aligns New South Wales with the Commonwealth's third party reporting and data matching regime legislation that was passed in late 2015. Different jurisdictions currently have different data collection regimes relating to foreign status. The passage of this bill will allow New South Wales to be ready for the introduction of the national register initiative on 1 July. The amendments in this bill will ensure that New South Wales continues to welcome foreign investment and leverage its benefits. It also gives us the capacity to improve transparency on foreign ownership, to obtain better quality information to support policy development and to improve compliance across State and Federal taxes.

In conclusion, this bill demonstrates New South Wales' commitment to ensure that foreign investment in property is better understood, is compliant with tax laws and is directed at maximising the supply of housing for Australians. This bill delivers on New South Wales' commitment to comply with the Commonwealth Government's national register of foreign ownership in time for the 1 July introduction of the new reporting requirements. I commend the bill to the House.

Debate adjourned.