



Tasmanian
Government

Treasurer
Minister for Macquarie Point Urban Renewal
Leader of the House

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Hon Carlo Di Falco MP
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17 APR 2026

Dear Mr Di Falco

Carlo,

Thank you for your question in Parliament on 3 March 2026 regarding land tax aggregation to the Minister for Housing and Planning. As matters relating to taxation fall under my portfolio responsibilities as Treasurer, I am replying on behalf of the Government to your question.

Tasmania applies a progressive land tax scale under which higher rates apply as the total value of taxable land holdings increases:

Land Tax Rates (From 1 July 2025)

- \$0 - \$124,999.99: Nil
- \$125,000 - \$499,999.99: \$50 plus 0.45% of value above \$125,000
- \$500,000 and above: \$1,737.50 plus 1.5% of value above \$500,000

This structure is intended to ensure that those who hold larger or more valuable land portfolios contribute a proportionately higher amount of land tax than those with smaller holdings.

Aggregation of land holdings is essential for this progressive system to operate effectively. Without aggregation, the land tax system would create an incentive for landowners, particularly large-scale investors or developers, to fragment ownership across multiple titles or entities to pay a low or zero rate of land tax. Consequently, aggregation prevents such outcomes and ensures taxpayers are assessed according to the total land they control, rather than how that land is structured.

Aggregation also delivers administrative benefits by discouraging complex ownership arrangements to minimise land tax, supporting clearer, more consistent and more equitable outcomes for taxpayers and reducing administrative complexity for both taxpayers and the State.

Tasmania's approach is consistent with national practice. Following the recent introduction of aggregation in South Australia, all states and territories apply land tax aggregation in some form.

The Government recognises the role that long term rental investment plays in housing supply. It is also well established that declining rates of home ownership have coincided with increased house prices, placing pressure on Tasmanians seeking to enter the housing market. In this context, the Government has prioritised policies that support first home

buyers and owner occupiers, rather than providing additional tax concessions that would further incentivise investor demand for existing housing stock.

The Government has also recognised that Tasmanian property values increased significantly following the COVID-19 pandemic, while wages and capacity to pay land tax has not increased at the same pace. This is why we increased the land tax thresholds in 2021, 2022 and in 2024. Cumulative changes to land tax rates and thresholds introduced in 2021 have reduced annual land tax collections by approximately 25 per cent from 2024 compared to what they would have been under previous settings.

Thank you for your question and I trust this information is of assistance.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Eric Abetz', written in a cursive style.

Hon Eric Abetz MP
Treasurer