*Estimates 2022 - QON No. 305

LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2022-2023
Mr James Milligan MLA (Chair), Mr Andrew Braddock MLA (Deputy Chair),
Dr Marisa Paterson MLA

ANSWER TO QUESTION ON NOTICE

Jo Clay MLA: To ask the Treasurer

Ref: Budget Outlook pg 231

In relation to: Foreign Ownership Land Tax Surcharge

1. How many properties were eligible for the surcharge in each year since its introduction?
2. When the surcharge was developed, how many properties were forecast to be eligible?
3. What was the value of the foreign owner surcharge collected in each year since its introduction?
4. How many properties does the government expect to pay the surcharge in the 22-23 FY?
5. How much revenue does the government expect to raise from the surcharge in the 22-23 FY?
6. How does the government ensure compliance with this surcharge?

Andrew Barr MLA: The answer to the Member's question is as follows: –

1. The table below shows the number of properties assessed for the foreign ownership land tax surcharge in each year since its introduction.

2018-19	2019-20	2020-21	2021-22
37	87	96	107

2. When the surcharge was developed, forecasts were informed by the Foreign Investment Review Board's Annual Report data on the number of foreign purchases of residential property in the ACT each year. In 2015-16 there were 283 approved purchases of residential property by foreign buyers.
3. The table below shows the total dollar value (rounded to the thousand) of the foreign owner surcharge assessed in each year since its introduction.

2018-19 ($'000)	2019-20 ($'000)	2020-21 ($'000)	2021-22 ($'000)
51	108	115	129

4. The foreign ownership land tax surcharge is a component of the general land tax revenue forecast. The foreign ownership surcharge is not separately forecast each year. There is no forecast of the number of properties expected to pay the surcharge.
5. See answer to (4) above.
6. To ensure compliance with the foreign ownership surcharge:

a. It is a legislative requirement for foreign owners to inform the Commissioner for ACT Revenue of their liability for the surcharge.

b. Since 1 July 2017 data collected from the Land Titles Office (and provided to the Revenue Office) when a property is purchased include information on foreign ownership.

c. As with all tax lines, compliance activity is determined by the potential size and risk of revenue loss and consideration of other compliance priorities.

Approved for circulation to the Select Committee on Estimates 2022-2023 Signature: Andrew Barr   Date: 13.9.22 By the Treasurer, Andrew Barr MLA