

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2014 - 2015

Department/Agency: ATO

Question: 41-44

Topic: Agricultural land register

Reference: Spoken – 02 June 2015

Senator: Leyonhjelm, David

Question:

Senator LEYONHJELM: I do. So you are responsible for it! My question is about the foreign investment register; I am not sure who the appropriate person is. Is the definition of non resident in tax law identical to the definition of a foreigner for the purposes of the foreign investment policy?

Mr Olesen: I do not know for sure, but I do not think so.

Senator LEYONHJELM: There is a difference?

Mr Olesen: I would be surprised if there was not.

Senator LEYONHJELM: Could you take that one on notice, please. I understand the proposed agricultural land register requires access to state land registers. Is that correct?

Mr Olesen: Yes.

Senator LEYONHJELM: And that access is currently being negotiated, is it?

Mr Olesen: We are working on that. We have the goal of getting a register up by 1 July of next year.

Senator LEYONHJELM: Okay. Do you anticipate having to pay the states for access to their land registers?

Mr Olesen: I do not think so. There is a relationship between the work we need to do around the register and an existing proposal for there to a reporting regime, from state land registers, of information on their registers. It may well be that we can use that reporting regime to meet our needs under the register.

Senator LEYONHJELM: You do not anticipate that they will see it as an opportunity to supplement their budget with a fee?

Mr Olesen: They may do. I am not close to the negotiations at the moment. What I am speculating about is that there is some legislative change that will give us access to some of that material. There is an interplay there, obviously.

Senator LEYONHJELM: What information necessary for the agricultural land register is not

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates
2014 - 2015

currently known to the ATO or included on the state land registers that you can nominate?

Mr Olesen: I would have to take that on notice.

Senator LEYONHJELM: Well, while you are taking that one on notice: it would appear to me that there will be information required for that agricultural land register that you do not have, and that the state land registers probably do not have, such as the nationality of the owners. If that, or other information, is missing, how will that information be gathered? Could I put that one on notice as well, please. Also, what will be the compliance cost of gathering that information? There will be some red tape involved. How will the cost of that administration be offset within the ATO?

Answer:

41. No. The definition of 'non-resident' in tax law differs from the definition of a foreigner for the purposes of the foreign investment policy. The term 'foreign person' is used for foreign investment policy and is defined in subsection 5(1) of the *Foreign Acquisitions and Takeover Act 1975*. The term 'non-resident' for income tax purposes is defined in subsection 6(1) of the *Income Tax Assessment Act 1936*.
42. Information not known to the ATO and most Land Titles Offices that is necessary for populating the land registry includes whether:
- a. the land title holder is a foreign person for foreign investment policy purposes
 - b. land holdings are agricultural land for the purposes of the Registry.

The ATO will populate the registry of foreign owned agricultural land using ATO and third party data, including Land Titles Offices, Offices of State Revenue and the Commonwealth Department of Agriculture. This will allow us to identify foreign owned companies and foreign persons with an interest in agricultural land. Identified individuals and entities will be asked to complete an online form to confirm details.

43. Respondent compliance cost is expected to be minimal. The online registration form will be short and request information related as to whether the person's a foreign person (the respondent's residency status) and land holdings. This information would generally be already known or readily obtainable by respondents.
44. The ATO will seek to keep costs to a minimum by using the ongoing improvements in information technology infrastructure and automation of its practices and processes.