

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Foreign Investment Division

Question No: 216

Topic: Annual charge on foreign owners of underutilised residential property

Reference: Written

Senator: Ketter, Chris

Question:

In relation to the measure that introduces a charge on foreign owners of residential property where the property is not occupied or genuinely available on the rental market for at least six months per year.

1. Was FIRB consulted in relation to this measure?
2. Will FIRB play a role in the administration or implementation of this measure?
3. Will FIRB provide any information to the ATO in relation to this measure?

Answer:

1. The FIRB was consulted on this measure. It is standard practice for the FIRB to be consulted on foreign investment policy development.
2. The ATO will administer the vacancy charge. The ATO has responsibility for administration and compliance of residential real estate applications under the foreign investment framework. The ATO will use existing residential real estate administration and compliance mechanisms to implement and administer the vacancy charge.
3. As administrator of the vacancy charge, ongoing information requirements will be met by the ATO. As foreign investment policy owner, the Treasury will continue to work closely with the ATO in relation to the vacancy charge.