

DUTIES AMENDMENT (ADDITIONAL DUTY FOR FOREIGN PERSONS) BILL 2018

**608. Hon KEN BASTON to the minister representing the Minister for Finance:**

I refer to the Duties Amendment (Additional Duty for Foreign Persons) Bill 2018, which will introduce a higher than promised tax hike on foreign property purchasers.

- (1) Will the minister confirm that under commonwealth rules, foreign property buyers are excluded from buying established dwellings?
- (2) If no to (1), what are the restrictions of the commonwealth rules?
- (3) What portion of the market for non-established dwellings do foreign buyers make up?

**Hon STEPHEN DAWSON replied:**

I thank the honourable member for some notice of the question.

- (1) The commonwealth government is responsible for determining and controlling the types of property that foreign persons are allowed to purchase. Foreign investment in residential real estate is mostly limited to new dwellings.
- (2) Non-resident foreigners are generally prohibited from purchasing established dwellings in Australia. However, a non-resident can purchase an established property in some limited circumstances. For example, a temporary resident can apply to purchase one established dwelling to use as a home while they live in Australia, which must then be sold upon leaving Australia.
- (3) There is no robust source of data that would enable one to determine what percentage of non-established dwellings are purchased by foreign buyers. However, it was estimated that in 2016–17, foreign purchasers comprised less than two per cent of all residential property transactions, including new dwellings and vacant land.