

FOREIGN BUYER SURCHARGE — SOCIAL MEDIA COMMENTS

567. Ms J.J. SHAW to the Treasurer:

Before I begin, can I acknowledge the presence of the year 9 students from Holy Cross College in my electorate. Welcome to Parliament; I hope they have enjoyed their day.

I refer to the McGowan Labor government's efforts to not put foreign property speculators before families when it comes to budget repair and claims on social media by those opposite that the foreign buyer surcharge will affect 12 per cent of the market.

- (1) Can the Treasurer advise the house about whether these claims are correct?
- (2) If not, can he outline to the house the impact this fair and responsible budget repair measure will actually have on the market?

Mr B.S. WYATT replied:

I thank the member for Swan Hills for that very, very good question.

- (1)–(2) I have been, as I explained in here last week, very, very surprised that the Liberal and National Parties, the opposition, would seek to prioritise foreign nationals seeking to invest in residential property in Western Australia over WA families.

Several members interjected.

The SPEAKER: Members, it is a very good question. I want to hear the answer.

Mr B.S. WYATT: I was very surprised that the Liberal and National Parties would prioritise those foreign nationals over WA families. At every turn that we have tried —

Several members interjected.

The SPEAKER: Members.

Mr B.S. WYATT: At every turn when we have tried to share the burden of budget —

Several members interjected.

The SPEAKER: Member for North West Central, you shouted the loudest, so you get called to order. Members, I will not put up with this continuous shouting. There is a question. Let the Treasurer have his say. You have an opportunity.

Mr B.S. WYATT: Thank you, Mr Speaker, because I do want to have my say on behalf of the families of Western Australia who keep getting thrown under the bus by the Liberal and National parties of Western Australia.

Several members interjected.

The SPEAKER: Members, I will close down question time.

Mr B.S. WYATT: I have been interested in the rhetoric coming from the opposition, because it has slightly changed over the course of the week. What was initially blanket opposition, is now, potentially, four per cent is okay, but seven per cent is economic Armageddon, apparently, if we impose this on those foreign nationals. I find it interesting that the shadow Treasurer —

Mrs L.M. Harvey interjected.

Mr B.S. WYATT: I will come to the member for Scarborough in a minute. The shadow Treasurer has been using a figure of 12 per cent of current purchases of residential property in WA are by foreigners, highlighted again by his former employer, ANZ Research, highlighting how incorrect that number is. I was very, very surprised, indeed intrigued, to see the member for Scarborough post on Facebook about this particular issue. I want to highlight what the member for Scarborough had to say. I am quoting from her Facebook —

If you're a little confused about why the State Liberal Opposition ... have opposed Labor's foreign investment tax legislation, I'd like to provide a bit of background as to why we're come to this position.

I was confused, because I still do not understand the economic rationale for the Liberal and National parties here prioritising those foreign nationals over WA families. This is what the member for Scarborough said. I thought that the 12 per cent figure used by the shadow Treasurer for those purchases in respect of flow was ridiculous, when the Foreign Investment Review Board highlight that in 2016–17 it was about 1.26 per cent.

Mr D.C. Nalder interjected.

The SPEAKER: Member for Bateman.

Mr B.S. WYATT: This is what the member for Scarborough had to say, and I presume on behalf of the Liberal Party, and I quote —

NSW had 23.6% of its residential housing stock owned by foreign investors and VIC 25.2%.

Does she really think one-quarter of housing stock in Victoria and New South Wales is owned by foreigners? The housing stock?

Mrs L.M. Harvey: Housing purchases.

Mr B.S. WYATT: Member for Scarborough, surely, if you stand still and think about this for a second, one in every —

Mrs L.M. Harvey: Semantics.

Mr B.S. WYATT: Semantics! If we are going to get involved in the economic debate, the difference between flow and stock is quite considerable. Let me assure the member that not one in every four households in Victoria or New South Wales are owned by foreign nationals. Indeed, I went back to the same document from the ANZ, the former employer of the shadow Treasurer, which makes this point —

... we estimate that foreigners own between 2.5% and 4% of Australia's housing stock,

If we bear in mind that the vast majority are in Queensland, New South Wales and Victoria, what does that work out to be in WA? It is probably around about one per cent. Let us think about this for a minute.

Mr D.C. Nalder interjected.

The SPEAKER: Member for Bateman!

Mr B.S. WYATT: The shadow Treasurer can, if he likes, use data that he just plucks from the air and do this Trump-esque sort of approach —

Mr D.C. Nalder interjected.

The SPEAKER: Member for Bateman, I call you to order for the second time. I warned you three times.

Mr B.S. WYATT: I refer to this Trump-esque approach of, "That's just fake news; we'll make figures up as we go along to justify our position." The final point I want to make is that as they have tried to work out why they are prioritising foreign nationals over WA families, their final argument has been this: all those foreigners are buying all the properties; it is pushing up prices and that is good for Western Australians.

I want to conclude by referring to a report by Acil Allen Consulting on behalf of the Property Council of Australia titled "Benefits of Foreign Investment in Real Estate" of last year. I want to put on the record what Acil had to say. As I said, this document promoting real estate was put out on behalf of the Property Council of Australia. It specifically refers to the Sydney and Melbourne markets, which have a much higher percentage of investors. This is what it found as a result of the work of the Australian Treasury —

Treasury found that foreign investment —

This is during the big boom period on the east coast —

adds between \$80 and \$122 to the price of a dwelling per quarter. Compared to the average quarterly price increase over the period of study of \$12,800, the amount that foreign buyers add to prices is minor and may actually be better described as rounding error.

It went on to make the point —

... the notion that foreign investors add to dwelling prices is unfounded.

This is a document commissioned by the Property Council of Australia with Acil Allen. At every turn, the opposition's economic argument has foundered. That is why its arguments about why it is prioritising foreign nationals investing in residential real estate over WA families is utterly irresponsible and utterly unfair to Western Australians.