

FOREIGN BUYERS SURCHARGE

491. Hon RICK MAZZA to the minister representing the Minister for Finance:

I refer to the 8 May 2019 article in *The West Australian* headed “Developers pan surcharge”, in which it is said apartment developers are complaining that the seven per cent surcharge for foreign property buyers has smashed off-the-plan sales, putting new projects in jeopardy and damaging job creation.

- (1) Can the minister confirm data from urban planning design and research firm Urbis that the sale of new apartments to foreign buyers fell from 120 in the December quarter to just 14 in the March quarter?
- (2) How much money has the foreign buyers duty raised in the year to date?
- (3) Is the government on track to raise about \$120 million over three and a half years to 2021–22?
- (4) Is the government confident with its expected revenue forecasts from the scheme?

Hon STEPHEN DAWSON replied:

I thank the honourable member for some notice of the question. The Minister for Finance has provided the following information.

- (1) The department does not hold data relating to the purchase of residential property by a foreign person prior to 1 January 2019 and cannot verify the data in the report.
- (2) There has been \$4.3 million raised to 14 May 2019.
- (3) The expected revenue from the foreign buyers surcharge was revised down significantly in the 2018–19 midyear review in light of updated information on foreign buyer activity from the Foreign Investment Review Board. Expected growth in revenue from the surcharge has also been amended to reflect the outlook for the residential property market.
- (4) Collections from this revenue source, which commenced only on 1 January 2019, are being monitored, and forecasts will be reviewed, as with revenue from all sources, in the 2019–20 midyear review.