



6 March 2024

Mr Alan Raine
Committee Secretary
Senate Standing Committee on Economics
Parliament House
CANBERRA ACT 2600

Dear Mr Raine

Estimates Hearing Wednesday February 14 2024, Economics Legislation Committee, Department of the Treasury - Proof Committee Hansard, Page 31-32

At the above noted Senate Estimates Hearings on Wednesday February 14 2024, I provided the following evidence;

1. Mr Thompson: That's correct. I thought I might briefly explain how we enforce the existing vacancy fee rules. Obviously, these are amendments to the rates, but they don't change our enforcement approach. People who are in scope in the population in 2022-23 that was about 12,500 that we track are required to lodge a vacancy fee return every year. Some of those foreign investors declare to us that the property is vacant, in which case we levy them the vacancy fee. We also conduct compliance activities on the remainder of the population. For those foreign investors who don't lodge a return, we deem a vacancy fee on them and they need to contact us if they think that we have deemed that fee incorrectly.
2. Mr Thompson: Yes. As we explained in some questions on notice following the last estimates, we get the full data set for the real property transaction registry. For example, in 2022-23 the number was around 2.4 million individual entries. We work through a range of data-matching techniques to get that down to a potential compliance pool in the thousands and then we publish our compliance numbers, and they're generally in the hundreds. In that sense, we're very confident about the in-scope population under the Foreign Acquisitions and Takeovers Act rule.

I am writing to provide an amended response to the Committee in relation to this matter.

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2. Mr Thompson: Yes. As we explained in some questions on notice following the last estimates, we get the full data set for the real property transaction **report**. For example, in 2022-23 the number was around 2.4 million individual entries. We work through a range of data-matching techniques to get that down to a potential compliance pool in the thousands and then we publish our compliance numbers, and they're generally in the hundreds. In that sense, we're very confident about the in-scope population under the Foreign Acquisitions and Takeovers Act rule.

Regards

Hector Thompson
Deputy Commissioner
International, Support and Programs
Australian Taxation Office