

TREASURER TOM KOUTSANTONIS

Thursday, 22 June 2017

Surcharge on foreign buyers of residential property

The State Government is introducing a conveyance duty surcharge on foreign buyers of residential property.

The surcharge of 4 per cent will apply to residential property purchased by foreign buyers and temporary residents from 1 January 2018.

Background

An estimated \$6.2 million in operating revenue is estimated in 2017-18, increasing to about \$13.3 million for the surcharge's first full-year application.

Other mainland states have introduced similar surcharges with New South Wales charging 8 per cent, Victoria 7 per cent, Western Australia 4 per cent and Queensland 3 per cent.

This measure is estimated to contribute \$48.8 million across the forward estimates.

Importantly, the surcharge will not apply to commercial and industrial property.

Quotes attributable to Treasurer Tom Koutsantonis

With the increased activity in the property market on the east coast starting to put pressure on our own property market it makes sense to introduce this levy.

Other states also apply their own levies that could lead to housing affordability issues here.

Along with the Major Bank Levy this is a measure that helps to ensure that the State Government has the resources to continue to invest in job creation and to support a growing economy.

Both these measure are taxes no South Australian should pay.

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