

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Supplementary Budget Estimates 2023 - 2024

Agency: Australian Taxation Office
Question No: SBE106
Topic: Data matching program for Title Deeds
Reference: Written (06 November 2023)
Senator: Malcolm Roberts

Question:

1. Please provide a detailed explanation of the data matching program with Department of Home Affairs in regards to residential real estate purchases.
2. What specific data fields from Title Deeds does Treasury/Foreign Investment Review Board use in its data match program with the Department of Home Affairs?
3. Does Treasury/FIRB send receive every Australian Title Deed and does every Title Deed get sent for data matching?
4. How many Title Deeds are received for each year for the past 5 years?
5. Please provide the amount of potential Title Deed/Department of Home Affairs matches that are found in relation to potentially restricted categories of buyers by the data matching program?
 - a. Please provide the amount of matches by year for the past 5 years
 - b. Please include the totals of the categories of potentially restricted matches including potential:
 - i. Overseas residents
 - ii. Temporary residents
 - iii. Visa overstayers
 - iv. Temporary residents who purchase a second home to primary residence
 - v. Any other categories that are provided to the department.
6. How many Title Deeds does the data matching program fail to match to Department of Home Affairs records?
7. Please provide the total amount of temporary residents that were provided with exemptions for otherwise restricted purchases on the basis that ‘they needed somewhere to live’.

Answer:

Question 1

Through the [Department of Home Affairs \(DHA\) visa data-matching program](#), the ATO (Australian Taxation Office) receives information on active and newly granted visas.

Transfers of freehold or leasehold interest in real property are reported to the ATO by Australian state and territories under the [real property transfer report \(RPTR\)](#). These quarterly reports include details of property transfers including vendor and purchaser details.

RPTR records are automatically matched with existing ATO client records where possible. The matched data is then used for both tax and foreign investment compliance activities.

For foreign investment purposes, data that is unmatched is compared by ATO staff to third-party data (including DHA data). The ATO uses this information to create case pools of potential non-compliance in the following categories:

- foreign persons (as defined in the Foreign Acquisitions and Takeovers Act 1975 (FATA)) that have failed to apply for foreign investment approval before buying residential real estate
- foreign persons who have breached conditions of approval:
 - temporary residents:
 - holding multiple established dwellings
 - renting out an established dwelling, and
 - continuing to hold property after a visa has expired.
 - foreign persons that have failed to construct a new dwelling within four years, or
 - foreign persons that have failed to construct multiple dwellings within four years.
- foreign persons that have made false or misleading statements in a vacancy fee return.

Question 2

The data fields that can be used to match title deeds received through the RPTR with Department of Home Affairs (DHA) visa data are:

- FIRB application ID
- Nationality or citizenship
- Visa number
- Visa sub class
- Visas expiry date
- Passport number
- Country code of tax residence
- Address at time of transfer
- Overseas entity registration number
- Overseas entity identifier
- Country of incorporation or formation.

Where the information in these RPTR fields is insufficient, the ATO's data-matching methods combine multiple fields from DHA data with ATO data, including tax file numbers, first name, surname, and date of birth.

Question 3

The ATO receives all land title transfers of real property from Australian states and territories through the RPTR. This is required by legislation (Divisions 396-B of Schedule 1 of the Tax Administration Act 1953). RPTRs provide details of all property title transactions (including name changes etc) as well as the entities on both sides of each transaction. All RPTR transactions, regardless of whether they are able to be automatically matched, are considered in the ATO's risk profiling process and in identifying case pools of potential non-compliance.

For details of compliance activities undertaken please refer to SBE054. Every record is ingested into ATO systems and data-matching is conducted as described in the response to Question 1.

Question 4

Table 1 shows the number of property transactions reported to the ATO in Real Property Transaction Reports, 2018-19 to 2022-23 (RPTR data).

Table 1

	2018-19	2019-20	2020-21	2021-22	2022-23
Number of property title transactions reported	799,378	801,588	946,941	999,341	788,356

For these property transactions, the ATO receives all title transactions as well as entities on both sides of a property transfer (vendors and purchasers). Table 2 shows the number of entities involved in these transactions.

Table 2

	2018-19	2019-20	2020-21	2021-22	2022-23
Number of entities reported in RPTR data	2,406,377	2,422,484	2,832,843	3,000,218	2,353,829

The entities involved in these transactions could be Australian or foreign.

Question 5

To identify foreign investors, the ATO undertakes further data matching of the data in Table 2 (above) against ATO records, DHA records and FIRB application records.

Table 3 shows the number of entities reported in RPTR data who could be matched to an existing ATO record.

These entities could be Australian or foreign. We are unable to provide a breakdown by overseas resident, temporary resident or visa overstayers.

Table 3

	2018-19	2019-20	2020-21	2021-22	2022-23
Number of entity records automatically matched to ATO records	2,161,849	2,163,208	2,582,247	2,742,889	2,119,410

Question 6

Table 4 shows the number of entity records unable to be automatically matched to ATO records.

These entities may be Australian or foreign. We are unable to provide a breakdown by overseas resident, temporary resident or visa overstayers.

Table 4

	2018-19	2019-20	2020-21	2021-22	2022-23
Number of entity records unable to be automatically matched to ATO records	244,528	259,276	250,596	257,329	234,419

RPTR transactions which are not automatically matched are subject to manual risk profiling against ATO, DHA and FIRB information so that every RPTR transaction identified in Tables 1-4 above is captured.

Question 7

Table 5 provides the number of temporary residents granted foreign investment approval to purchase an established dwelling as their Principal Place of Residence in Australia in the last 5 years.

Table 5. Temporary residents granted foreign investment approval to purchase an established dwelling as their Principal Place of Residence in Australia

Financial year	Number of temporary residents granted foreign investment approval to purchase an established dwelling as their Principal Place of Residence in Australia*
2018-19	1,455
2019-20	1,306
2020-21	1,084
2021-22	2,040
2022-23	3,004

*This column includes individual approvals for established dwellings as well as approvals provided by way of an exemption certificate. An exemption certificate allows a foreign investor to purchase a new dwelling, vacant land or an established dwelling.