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HD **Just 17 foreigners told to sell**
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EXCLUSIVE NEW statistics unearthed by a parliamentary committee reveal the extent of the gaping holes in Australia's attempts to regulate soaring levels of foreign investment in established **property** amid a raging debate over the effect of **Chinese** buyers.

The Foreign Investment Review **Board** has been forced to reveal it has issued just 17 orders for foreign investors to divest illegally acquired **property** in Australia since 2003, during which time it allowed offshore investors to **purchase** almost 30,000 homes.

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The data shows that, despite a rising tide of foreign investment in Australian housing that has left local would-be buyers reeling, authorities have asked — on average — less than two foreign investors a year to sell illegally acquired homes. It comes on top of revelations in The Australian this year that the FIRB had failed to prosecute a single investor since 2006 for illegally acquiring **property** in Australia amid a wave of **Chinese**-led offshore buying. Australia allows foreign investment in new housing to stimulate supply, but prohibits foreigners from buying fixed homes in all but a narrow range of circumstances.

Temporary residents must dispose of **property** they have bought within three months of departing Australia. However, the house economics committee's inquiry has heard evidence that the rules are being flouted, with foreigners buying more than 5100 established homes last financial year worth a total of \$5.4 billion.

A recent NAB survey found one in 12 established homes **sold** in the past three months had been bought by foreign buyers.

FIRB officials appearing before the committee had sought to avoid providing data on the number of times they had forced buyers to sell illegally acquired homes but, under heavy pressure from committee chair and Liberal MP Kelly O'Dwyer, the **board** disclosed there had been just 17 divestment orders issued since 2003-04.

During that period, foreign investors have been allowed to **buy** almost 29,208 established homes in Australia — despite the prohibition on this — for a total investment of more than \$23bn.

Answers provided to questions asked by MPs on the committee also revealed that FIRB had fewer than 20 staff dedicated to enforcing compliance, and four of them had taken voluntary redundancies in the past year.

"There's a clear need for greater resourcing for the FIRB to ensure that rules are being enforced so that people can have confidence in the system," Labor MP Pat Conroy said.

As revealed by The Australian, the committee is poised to recommend that foreign investors pay a fee to apply for permission to **purchase** real **estate** in Australia.

It is also likely to recommend changes to data-collection policies to ensure the nationality of buyers is recorded. Ms O'Dwyer has also flagged considering stamp duties to be imposed on foreign buyers in

the way that **Hong Kong** and Singapore have moved to cool a flood of hot money from **China** pouring into their **residential property** markets.

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