

# FINANCIAL REVIEW

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HD **Foreign buyer fee unlikely**  
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A backbench proposal to slug foreign **property** buyers with an application fee to fund a crackdown on illegal purchasing is unlikely to be taken up by the government, senior sources said.

Members of a parliamentary committee have been actively considering whether to recommend offshore buyers seeking Foreign Investment Review **Board** (FIRB) approval be charged as much as \$1500 per **purchase**.

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Modelling by the independent Parliamentary Budget Office suggests a fee of just \$500 would generate \$34.6 million over four years. If set at three times that amount, it could bring in \$106 million by 2017-18.

But the community concern over foreign buying comes at a sensitive time for the Abbott government. Negotiators are working to complete an historic foreign trade deal with **China** in time for the November G20 summit in Brisbane, due to be attended by **Chinese** Premier Li Keqiang.

Under a proposal being considered by some committee members, the funds would be used to improve monitoring and policing of offshore buyers by the FIRB – which has itself come under criticism from Liberal MP Kelly O'Dwyer for failing to enforce restrictions and for a "failure of leadership".

Work is also being done on whether to hit offshore buyers with extra stamp duties to ensure their participation in the market doesn't worsen housing affordability.

Industry groups have argued against extra fees on foreign buyers because they would restrain **residential** dwelling approvals, which are at the core of the Reserve Bank of Australia's efforts to spur economic growth.

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