

FINANCIAL REVIEW

SE News
HD **Liberals deny housing probe is anti-Chinese**
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WC 600 words
PD 18 March 2014
SN The Australian Financial Review
SC AFNR
ED First
PG 7
LA English
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A high-profile parliamentary inquiry into foreign buyers of Australian **property** will not be an anti-**Chinese** inquisition, according to Liberal MP Kelly O'Dwyer.

Speaking as a prominent immigration lawyer specialising in **Chinese** clients said the inquiry was a knee-jerk reaction to rising house prices, Ms O'Dwyer said the hearing was not something that should be "whipped up into a frenzy."

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"It's not focused on any particular country and it would be quite wrong to say that it is," she said on Monday.

Ms O'Dwyer said the committee would take a broad review of foreign investment rules as they related to **residential** real **estate**.

The Australia **China** Business Council called on the Abbott government to raise the threshold at which **Chinese** investments attracts scrutiny to \$1 billion, as part of efforts to clinch a free trade deal.

Concern about foreign investment in **property** has grown in recent months, with **property** prices surging in many parts of Sydney and anecdotal evidence that **Chinese** buyers are flooding the market.

Reserve Bank of Australia governor Glenn Stevens this month said it was up to politicians to respond to community concerns about Asian investors buying Australian **property**, likening **Chinese** activity in Sydney to wealthy Russians buying in London.

Ms O'Dwyer said the inquiry would be a "bit of good housekeeping" that would, among other things, check that national policies were ensuring enough new homes were being built while maintaining affordability. Nationals accuse Liberals of hypocrisy

Nationals MPs accused Liberal MPs of hypocrisy over the issue, saying they weren't interested in the impact of **Chinese** buyers when they snapped up agricultural assets.

Immigration lawyer Lily Ong said concerns about **Chinese** buyers freezing first-home buyers out of the market were misplaced.

"We've always had the [Foreign Investment Review **Board**] approval restrictions; nothing has changed in the past couple of years to make it any easier. It is still not very simple for **Chinese** from the People's Republic of **China** to make **purchases** in Australia," she said. 'Ultra-high-net-worth people'

Moelis managing director Andrew Pridham – who runs one of the biggest funds approved for **Chinese** investors – said the government's Significant Investor Visa program was unlikely to have an impact on the first-home buyer market.

"These are ultra-high-net-worth people. They're certainly not competing with first-home buyers," he said.

Another member of the economics committee, Labor's Ed Husic, said the inquiry should examine shadow banking in **China** and its potential impact on **property** markets in Australia.

"As long [the inquiry] is done with either a focus on efficiency and done rationally it could yield some interesting insights," he said.

China Business Council president Duncan Calder said the **Chinese** were looking to ensure equal treatment for **Chinese** investment in Australia, as the nations work on a trade agreement.

"Anything we can do to encourage **Chinese** investment on a level playing field is going to be a positive for the Australian economy and provide the investment dollars that we need to develop the nation, to build the infrastructure across multiple sectors," he said during a break from confidential talks in Canberra on Monday, which were addressed by Prime Minister Tony Abbott and Trade Minister Andrew Robb.

Key points The parliamentary inquiry into **Chinese property** investors is not racist, says Liberal MP Kelly O'Dwyer. Nationals MPs have accused the Liberals of hypocrisy over the issue of **property** investment by foreigners.

KEY POINTS

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NS gimm : Asylum/Immigration | gcat : Political/General News | gpir : Politics/International Relations

RE china : China | austr : Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcosz : Developing Economies | easiaz : Eastern Asia

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