

SE TheNation
HD **FIRB breaches 'too hard' to police**
BY STEFANIE BALOGH
WC 409 words
PD 30 August 2014
SN The Australian
SC AUSTLN
ED Australian
PG 4
LA English
CY © 2014 News Limited. All rights reserved.

LP

THE foreign investment watchdog has denied the regulator is failing to do its job, even though it has not prosecuted any overseas investor for unlawfully buying established Australian homes.

The Foreign Investment Review **Board** has investigated 21 recent allegations of suspect foreign investment in established housing, stemming from "dob ins" and media reports, but has found no breaches.

TD

FIRB chairman Brian Wilson and Treasury officials yesterday appeared before parliament's standing committee on economics inquiry into foreign investment in **residential real estate**. The addressed criticism they were guilty of lax oversight.

The Weekend Australian has revealed previously that the FIRB, which sits within Treasury, has not prosecuted a single foreign investor for an illegal **purchase** since 2007 despite a surge of **purchases** by overseas buyers.

Liberal committee member Peter Hendy said: "One way you could put this is, we've uncovered a law that nobody ever breaches, and I'm amazed that that's the case.

"The other way to look at it is that it's not been administered to the degree that it should be happening. It's one of the two." Mr Wilson suggested a third explanation: it was a law where the detection of a breach was "extraordinarily difficult".

"Where we have done the work, we have not found breaches. Where we find a breach, we have acted and I appreciate ... that action hasn't been prosecutions, but it has been to attempt to regularise the position," he said. "The key difficulty is detecting the breach." Guidelines were changed in 2010 to contain foreign investors to off-the-plan developments. There are 33 investigations underway into potentially illegal investment in the established market, and critics argue FIRB is a "toothless tiger".

Mr Wilson said he did not believe FIRB needed additional enforcement powers but the difficulty was one of "data capture" and a question of how many extra resources would be appropriate to identify those who were "acting outside the system or deliberately obfuscating their identity or involvement".

The committee is looking at a series of changes, including identifying nationality during the process of title transfer, levying application fees for gaining FIRB approval and increasing stamp duty for foreign buyers. Meanwhile, Joe Hockey yesterday signalled a more liberal approach to investment from **China's** state-owned enterprises in Australia, citing reforms that have made them "subject to greater market discipline, and are more accountable for their performance".

NS gcrim : Crime/Courts | gcat : Political/General News
RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania
PUB News Ltd.

