



Appendix C – Parliamentary Budget Office
Costings for a proposed FIRB application
fee (Part 1 and Part 2)

Part 1: Per application



Parliament of Australia
Parliamentary Budget Office

COSTING – OUTSIDE THE CARETAKER PERIOD

Name of proposal to be costed:	Foreign Investment Review Board application fees
Summary of proposal:	<p>The proposal would impose a fee on foreign investors (including temporary residents and including trusts, companies or funds) applying to the Foreign Investment Review Board for approval to purchase residential property in Australia (of all types, including new and existing housing, off the plan, and residential land). Three application fee options are proposed:</p> <ol style="list-style-type: none"> 1. \$500, or 2. \$1,000, or 3. \$1,500 per approved application. <p>The proposal would have effect from 1 July 2015.</p>
Person/party requesting costing:	Kelly O'Dwyer MP, Member for Higgins, Victoria
Date costing request received:	8 September 2014
Date costing completed:	16 September 2014
Did the applicant request the costing be confidential?	Yes
Expiry date for the costing:	Release of the next economic and fiscal outlook report

Costing overview

The Foreign Investment Review Board (the Board), with secretariat support from the Foreign Investment and Trade Policy Division (the Division) within the Department of the Treasury, examines proposed investments that fall within scope of Australia's Foreign Investment Policy and the *Foreign Acquisitions and Takeovers Act 1975* and make recommendations to the Treasurer. This includes examining applications for foreign investment in residential real estate in Australia. Residential real estate includes developed land and land for development for residential purposes. In 2012-13, total Board expenses were \$257,501 and the total expenses of the Division were \$4.0 million.

Currently there is no fee associated with the application process above, although penalties may apply if a foreign investor purchases a property without approval. The proposal would impose a fee for approved applications seeking foreign investment in residential real estate in Australia.

POLICY COSTING – OUTSIDE THE CARETAKER PERIOD

Option 1: \$500 approved application fee

Option 1 would be expected to increase the underlying cash balance by \$33.5 million and increase the fiscal balance by \$34.6 million over the 2014-15 Budget forward estimates period. On an underlying cash balance basis, this reflects an increase in receipts of \$34.8 million. On a fiscal balance basis, this reflects an increase in revenue of \$35.9 million. This costing includes increased departmental expenses totalling \$1.3 million over this period.

Table 1: Financial implications - Option 1 - \$500 approved application fee (outturn prices)^(a)

Impact on	2014-15	2015-16	2016-17	2017-18	Total
Underlying cash balance (\$m)	-1.0	10.4	11.8	12.3	33.5
Fiscal balance (\$m)	-1.0	11.4	11.9	12.3	34.6

Option 2: \$1,000 approved application fee

Option 2 would be expected to increase the underlying cash balance by \$68.4 million and increase the fiscal balance by \$70.5 million over the 2014-15 Budget forward estimates period. On an underlying cash balance basis, this reflects an increase in receipts of \$69.7 million. On a fiscal balance basis, this reflects an increase in revenue of \$71.8 million. This costing includes increased departmental expenses totalling \$1.3 million over this period.

Table 2: Financial implications - Option 2 - \$1,000 approved application fee (outturn prices)^(a)

Impact on	2014-15	2015-16	2016-17	2017-18	Total
Underlying cash balance (\$m)	-1.0	21.0	23.7	24.7	68.4
Fiscal balance (\$m)	-1.0	22.9	23.8	24.8	70.5

Option 3: \$1,500 approved application fee

Option 3 would be expected to increase the underlying cash balance by \$103.3 million and increase the fiscal balance by \$106.4 million over the 2014-15 Budget forward estimates period. On an underlying cash balance basis, this reflects an increase in receipts of \$104.6 million. On a fiscal balance basis, this reflects an increase in revenue of \$107.7 million. This costing includes increased departmental expenses totalling \$1.3 million over this period.

Table 3: Financial implications - Option 3 - \$1,500 approved application fee (outturn prices)^(a)

Impact on	2014-15	2015-16	2016-17	2017-18	Total
Underlying cash balance (\$m)	-1.0	31.5	35.7	37.1	103.3
Fiscal balance (\$m)	-1.0	34.4	35.8	37.2	106.4

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A negative number for the underlying cash balance indicates a decrease in revenue or an increase in expenses or net capital investment in cash terms.

POLICY COSTING – OUTSIDE THE CARETAKER PERIOD

General commentary

Each proposal would be expected to have an ongoing impact that extends beyond the forward estimates period.

The differences between the fiscal and underlying cash balance impact of the proposals are due to the timing differences in relation to the fee revenue. The fiscal balance impact occurs in the year in which the application fee is raised, the cash impact occurs in the year in which the payment is received.

Under all options, increased departmental costs are expected to be small and include the costs of IT system changes and ongoing costs associated with collecting the application fee. For each option a detailed breakdown of the costing components to 2024-25 are included at [Attachment A](#).

This costing is considered to be of a medium reliability, as it is based on actual approval data.

The estimates in this costing would be affected by changes in major variables, including future foreign investment in residential real estate in Australia, alternative investment options in Australia and around the world and movements in the exchange rates for investment funds sourced from overseas.

This costing advice is valid until the release of the next economic and fiscal outlook report.

Key assumptions

- For all options, it has been assumed that there would be no behavioural impact from the imposition of an application fee given the small cost of the proposed fee relative to the cost of purchasing residential real estate.
- The Parliamentary Budget Office has not estimated how the fee revenue would be spent, for example, it has not estimated what it would cost for the Board and the Division to conduct investigations of non-compliance with current policy and relevant legislation.
- This costing has been completed on a standalone basis and does not include any interactions with other related revenue raising or expenditure proposals that may be implemented in conjunction with this proposal.
- One application can contain more than one residential property for purchase approval. This costing has been estimated based on approved applications, rather than per residential property approved.
- It has been assumed that application fees would only be collected by the Division upon approval.
- It has been assumed that the level of the application fee is not indexed.

Methodology

Based on approvals data for the incomplete 2013-14 year to date, the PBO estimated that there would be around 21,000 proposals for foreign investment in residential real estate in 2013-14, with this number forming the basis for projecting the number of approvals subject to the proposal in this minute.

POLICY COSTING – OUTSIDE THE CARETAKER PERIOD

A profile of approvals over the 2014-15 Budget estimates period was estimated based on the historical number of approved applications for foreign investment in residential real estate and historical growth rates of housing finance commitments. Next, the application fee was applied to the estimated profile of approvals to obtain the estimated revenue impact for each of the options under the proposal.

Departmental expenses were estimated based on amounts allocated to the Australian Securities and Investments Commission and Australian Taxation Office for measures with similar administrative complexity.

The modelling also takes account of the timing of fee collections and results are rounded to the nearest \$100,000.

Data sources

- Department of the Treasury, 2012-13 Annual Report of the Foreign Investment Review Board (28 February 2014)
- Department of the Treasury, Submission to the Inquiry into Foreign Investment in Residential Real Estate (23 May 2014)
- Australian Bureau of Statistics, Housing Finance, Australia, June 2014, Catalogue Number 5609.0, Canberra

POLICY COSTING – OUTSIDE THE CARETAKER PERIOD

ATTACHMENT A: FOREIGN INVESTMENT REVIEW BOARD APPLICATION FEES – BREAKDOWN OF COSTINGS

The tables below provide a breakdown of the costing options to 2024-25 for an application fee on approved foreign investment in residential real estate.

Table A1: Impact on fiscal balance – Option 1 - \$500 approved application fee from 1 July 2015 (outturn prices)^(a)

	2014-15	2015-16	2016-17	2017-18	Total to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total to 2024-25
Impact on Revenue ^(b)	0.0	11.5	12.0	12.4	35.9	12.9	13.4	14.0	14.5	15.1	15.7	16.4	137.9
Departmental Expenses	1.0	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0
Total Impact	-1.0	11.4	11.9	12.3	34.6	12.8	13.3	13.9	14.4	15.0	15.6	16.3	135.9

Table A2: Impact on fiscal balance – Option 2 - \$1,000 approved application fee from 1 July 2015 (outturn prices)^(a)

	2014-15	2015-16	2016-17	2017-18	Total to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total to 2024-25
Impact on Revenue ^(b)	0.0	23.0	23.9	24.9	71.8	25.8	26.9	28.0	29.1	30.3	31.5	32.8	276.2
Departmental Expenses	1.0	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0
Total Impact	-1.0	22.9	23.8	24.8	70.5	25.7	26.8	27.9	29.0	30.2	31.4	32.7	274.2

Table A3: Impact on fiscal balance – Option 3 - \$1,500 approved application fee from 1 July 2015 (outturn prices)^(a)

	2014-15	2015-16	2016-17	2017-18	Total to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total to 2024-25
Impact on Revenue ^(b)	0.0	34.5	35.9	37.3	107.7	38.8	40.3	41.9	43.6	45.4	47.2	49.2	414.1
Departmental Expenses	1.0	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0
Total Impact	-1.0	34.4	35.8	37.2	106.4	38.7	40.2	41.8	43.5	45.3	47.1	49.1	412.1

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A negative number for the underlying cash balance indicates a decrease in revenue or an increase in expenses or net capital investment in cash terms.

(b) Revenue estimates between options are broadly proportional to the fee, differences relate to rounding.

POLICY COSTING – OUTSIDE THE CARETAKER PERIOD

Table A4: Impact on underlying cash balance – Option 1 - \$500 approved application fee from 1 July 2015 (outturn prices)^(a)

(\$m)	2014-15	2015-16	2016-17	2017-18	Total to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total to 2024-25
Impact on Receipts ^(b)	0.0	10.5	11.9	12.4	34.8	12.9	13.4	13.9	14.5	15.1	15.7	16.3	136.6
Departmental Expenses	1.0	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0
Total impact	-1.0	10.4	11.8	12.3	33.5	12.8	13.3	13.8	14.4	15.0	15.6	16.2	134.6

Table A5: Impact on underlying cash balance – Option 2 - \$1,000 approved application fee from 1 July 2015 (outturn prices)^(a)

(\$m)	2014-15	2015-16	2016-17	2017-18	Total to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total to 2024-25
Impact on Receipts ^(b)	0.0	21.1	23.8	24.8	69.7	25.8	26.8	27.9	29.0	30.2	31.4	32.7	273.5
Departmental Expenses	1.0	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0
Total impact	-1.0	21.0	23.7	24.7	68.4	25.7	26.7	27.8	28.9	30.1	31.3	32.6	271.5

Table A6: Impact on underlying cash balance – Option 3 - \$1,500 approved application fee from 1 July 2015 (outturn prices)^(a)

(\$m)	2014-15	2015-16	2016-17	2017-18	Total to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total to 2024-25
Impact on Receipts ^(b)	0.0	31.6	35.8	37.2	104.6	38.6	40.2	41.8	43.5	45.2	47.1	49.0	410.0
Departmental Expenses	1.0	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0
Total impact	-1.0	31.5	35.7	37.1	103.3	38.5	40.1	41.7	43.4	45.1	47.0	48.9	408.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A negative number for the underlying cash balance indicates a decrease in revenue or an increase in expenses or net capital investment in cash terms.

(b) Revenue estimates between options are broadly proportional to the fee, differences relate to rounding and timing.

Part 2: Per property



Parliament of Australia
Parliamentary Budget Office

COSTING – OUTSIDE THE CARETAKER PERIOD

Name of proposal to be costed:	Foreign Investment Review Board application fee per residential property
Summary of proposal:	The proposal would impose a fee on foreign investors (including temporary residents and including trusts, companies or funds) applying to the Foreign Investment Review Board for approval to purchase residential property in Australia (of all types, including new and existing housing, off the plan, and residential land). Three application fee options are proposed: <ol style="list-style-type: none"> 1. \$500, or 2. \$1,000, or 3. \$1,500 per approved residential real estate property. The proposal would have effect from 1 July 2015.
Person/party requesting costing:	Kelly O'Dwyer MP, Member for Higgins, Victoria
Date costing request received:	18 September 2014
Date costing completed:	3 October 2014
Did the applicant request the costing be confidential?	Yes
Agencies from which information was obtained:	Department of the Treasury
Expiry date for the costing:	Release of the next economic and fiscal outlook report

Costing overview

The Foreign Investment Review Board (the Board), with secretariat support from the Foreign Investment and Trade Policy Division (the Division) within the Department of the Treasury, examines proposed investments that fall within scope of Australia's Foreign Investment Policy and the *Foreign Acquisitions and Takeovers Act 1975* and make recommendations to the Treasurer. This includes examining applications for foreign investment in residential real estate in Australia. Residential real estate includes developed land and land for development for residential purposes. In 2012-13, total Board expenses were \$257,501 and the total expenses of the Division were \$4.0 million.

Currently there is no fee associated with the application process above, although penalties may apply if a foreign investor purchases a property without approval. The proposal would impose a fee for each residential property that has been approved for purchase by a foreign investor.

POLICY COSTING – OUTSIDE THE CARETAKER PERIOD

Option 1: \$500 application fee per approved residential property

Option 1 would be expected to increase the underlying cash balance by \$50.7 million and increase the fiscal balance by \$51.7 million over the 2014-15 Budget forward estimates period. On an underlying cash balance basis, this reflects an increase in receipts of \$52 million. On a fiscal balance basis, this reflects an increase in revenue of \$53 million. This costing includes increased departmental expenses totalling \$1.3 million over this period.

Table 1: Financial implications - Option 1 - \$500 fee (outturn prices)^(a)

Impact on	2014-15	2015-16	2016-17	2017-18	Total
Underlying cash balance (\$m)	-1.0	15.9	17.9	17.9	50.7
Fiscal balance (\$m)	-1.0	16.9	17.9	17.9	51.7

Option 2: \$1,000 application fee per approved residential property

Option 2 would be expected to increase the underlying cash balance by \$102.7 million and increase the fiscal balance by \$105.7 million over the 2014-15 Budget forward estimates period. On an underlying cash balance basis, this reflects an increase in receipts of \$104 million. On a fiscal balance basis, this reflects an increase in revenue of \$107 million. This costing includes increased departmental expenses totalling \$1.3 million over this period.

Table 2: Financial implications - Option 2 - \$1,000 fee (outturn prices)^(a)

Impact on	2014-15	2015-16	2016-17	2017-18	Total
Underlying cash balance (\$m)	-1.0	30.9	35.9	36.9	102.7
Fiscal balance (\$m)	-1.0	33.9	35.9	36.9	105.7

Option 3: \$1,500 application fee per approved residential property

Option 3 would be expected to increase the underlying cash balance by \$153.7 million and increase the fiscal balance by \$158.7 million over the 2014-15 Budget forward estimates period. On an underlying cash balance basis, this reflects an increase in receipts of \$155 million. On a fiscal balance basis, this reflects an increase in revenue of \$160 million. This costing includes increased departmental expenses totalling \$1.3 million over this period.

Table 3: Financial implications - Option 3 - \$1,500 fee (outturn prices)^(a)

Impact on	2014-15	2015-16	2016-17	2017-18	Total
Underlying cash balance (\$m)	-1.0	46.9	52.9	54.9	153.7
Fiscal balance (\$m)	-1.0	50.9	53.9	54.9	158.7

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A negative number for the underlying cash balance indicates a decrease in revenue or an increase in expenses or net capital investment in cash terms.

POLICY COSTING – OUTSIDE THE CARETAKER PERIOD

General commentary

Each proposal would be expected to have an ongoing impact that extends beyond the forward estimates period.

The differences between the fiscal and underlying cash balance impact of the proposals are due to the timing differences in relation to the fee revenue. The fiscal balance impact occurs in the year in which the application fee is raised, the cash impact occurs in the year in which the payment is received.

Under all options, increased departmental costs are expected to be small and include the costs of IT system changes and ongoing costs associated with collecting the application fee. For each option a detailed breakdown of the costing components to 2024-25 are included at [Attachment A](#).

This costing is considered to be of a low to medium reliability, as an assumption was required to estimate the number of residential properties which would be sold to foreign investors by developers. Currently when developers apply to the Board for approval to sell residential properties off-the-plan to foreign investors, the application does not require developers to specify an exact number of the residential properties expected to be sold to foreign investors.

The estimates in this costing would be affected by changes in major variables, including future foreign investment in residential real estate in Australia, alternative investment options in Australia and around the world and movements in the exchange rates for investment funds sourced from overseas.

This costing advice is valid until the release of the next economic and fiscal outlook report.

Key assumptions

- For all options, it has been assumed that there would be no behavioural impact from the imposition of an application fee given the small cost of the proposed fee relative to the cost of purchasing residential real estate.
- The Parliamentary Budget Office has not estimated how the fee revenue would be spent, for example, it has not estimated what it would cost for the Board and the Division to conduct investigations of non-compliance with current policy and relevant legislation.
- This costing has been completed on a standalone basis and does not include any interactions with other related revenue raising or expenditure proposals that may be implemented in conjunction with this proposal.
- This costing has been estimated based on approvals per residential property rather than per application. One application can contain more than one residential property for purchase approval.
- It has been assumed that application fees would only be collected by the Division upon approval.
- It has been assumed that the level of the application fee is not indexed.
- The PBO has assumed the proportion of residential properties expected to be sold to foreign investors by developers and that the proposed fee would only apply to these properties.

POLICY COSTING – OUTSIDE THE CARETAKER PERIOD

Methodology

Based on approvals data for the incomplete 2013-14 year to date, the PBO estimates that there would be around 32,000 properties approved for foreign investment in 2013-14¹, with this number forming the basis for projecting the number of residential property approvals subject to the proposal. Projections were based on historical growth rates of housing finance commitments.

Next, the application fee was applied to the estimated profile of residential properties approved for purchase by foreign persons to obtain the estimated revenue impact for each of the options under the proposal.

Departmental expenses were estimated based on amounts allocated to the Australian Securities and Investments Commission and Australian Taxation Office for measures with similar administrative complexity.

The modelling also takes account of the timing of fee collections and results are rounded to the nearest \$1 million, departmental expenses have been rounded to the nearest \$100,000.

Data sources

- The number and value of foreign residential investment applications was provided by Treasury.
- Department of the Treasury, Submission to the Inquiry into Foreign Investment in Residential Real Estate (23 May 2014)
- Australian Bureau of Statistics, Housing Finance, Australia, June 2014, Catalogue Number 5609.0, Canberra

¹ On average, there are approximately 1.5 properties per application.

POLICY COSTING – OUTSIDE THE CARETAKER PERIOD
ATTACHMENT A: FOREIGN INVESTMENT REVIEW BOARD APPLICATION FEES – BREAKDOWN OF COSTINGS

The tables below provide a breakdown of the costing options to 2024-25 for an application fee per property approved for foreign investment.

Table A1: Impact on fiscal balance – Option 1: \$500 application fee per approved residential property from 1 July 2015 (outturn prices)^(a)

(\$m)	2014-15	2015-16	2016-17	2017-18	Total to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total to 2024-25
Impact on Revenue ^(b)	0.0	17.0	18.0	18.0	53.0	19.0	20.0	20.0	21.0	22.0	22.0	23.0	200.0
Departmental Expenses	1.0	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0
Total impact	-1.0	16.9	17.9	17.9	51.7	18.9	19.9	19.9	20.9	21.9	21.9	22.9	198.0

Table A2: Impact on fiscal balance – Option 2: \$1,000 application fee per approved residential property from 1 July 2015 (outturn prices)^(a)

(\$m)	2014-15	2015-16	2016-17	2017-18	Total to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total to 2024-25
Impact on Revenue ^(b)	0.0	34.0	36.0	37.0	107.0	38.0	39.0	41.0	42.0	43.0	45.0	46.0	401.0
Departmental Expenses	1.0	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0
Total impact	-1.0	33.9	35.9	36.9	105.7	37.9	38.9	40.9	41.9	42.9	44.9	45.9	399.0

Table A3: Impact on fiscal balance – Option 3: \$1,500 application fee per approved residential property from 1 July 2015 (outturn prices)^(a)

(\$m)	2014-15	2015-16	2016-17	2017-18	Total to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total to 2024-25
Impact on Revenue ^(b)	0.0	51.0	54.0	55.0	160.0	57.0	59.0	61.0	63.0	65.0	67.0	69.0	601.0
Departmental Expenses	1.0	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0
Total impact	-1.0	50.9	53.9	54.9	158.7	56.9	58.9	60.9	62.9	64.9	66.9	68.9	599.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A negative number for the underlying cash balance indicates a decrease in revenue or an increase in expenses or net capital investment in cash terms.

(b) Revenue estimates between options are broadly proportional to the fee; differences relate to rounding.

POLICY COSTING – OUTSIDE THE CARETAKER PERIOD

Table A4: Impact on underlying cash balance – Option 1: \$500 application fee per approved residential property from 1 July 2015 (outturn prices)^(a)

(\$m)	2014-15	2015-16	2016-17	2017-18	Total to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total to 2024-25
Impact on Receipts ^(b)	0.0	16.0	18.0	18.0	52.0	19.0	20.0	20.0	21.0	22.0	22.0	23.0	199.0
Departmental Expenses	1.0	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0
Total impact	-1.0	15.9	17.9	17.9	50.7	18.9	19.9	19.9	20.9	21.9	21.9	22.9	197.0

Table A5: Impact on underlying cash balance – Option 2 - \$1,000 application fee per approved residential property from 1 July 2015 (outturn prices)^(a)

(\$m)	2014-15	2015-16	2016-17	2017-18	Total to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total to 2024-25
Impact on Receipts ^(b)	0.0	31.0	36.0	37.0	104.0	38.0	39.0	40.0	42.0	43.0	44.0	46.0	396.0
Departmental Expenses	1.0	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0
Total impact	-1.0	30.9	35.9	36.9	102.7	37.9	38.9	39.9	41.9	42.9	43.9	45.9	394.0

Table A6: Impact on underlying cash balance – Option 3 - \$1,500 application fee per approved residential property from 1 July 2015 (outturn prices)^(a)

(\$m)	2014-15	2015-16	2016-17	2017-18	Total to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total to 2024-25
Impact on Receipts ^(b)	0.0	47.0	53.0	55.0	155.0	57.0	59.0	61.0	63.0	65.0	67.0	69.0	596.0
Departmental Expenses	1.0	0.1	0.1	0.1	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0
Total impact	-1.0	46.9	52.9	54.9	153.7	56.9	58.9	60.9	62.9	64.9	66.9	68.9	594.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A negative number for the underlying cash balance indicates a decrease in revenue or an increase in expenses or net capital investment in cash terms.

(b) Revenue estimates between options are broadly proportional to the fee, differences relate to rounding and timing.

