

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

2015 - 2016

**Department/Agency:** Treasury

**Question:** AET 63

**Topic:** Foreign investments application fees

**Reference:** Hansard page no. 106 - 10 February 2016

**Senator:** McAllister, Jenny

**Question:**

**Senator McALLISTER:** Can I now just ask about the fees. One of the three bills in the package that passed last year was the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015, and that was also accompanied by a regulation of essentially the same name—the Foreign Acquisitions and Takeovers Fees Imposition Regulation 2015. Do those regulations solely proscribe the fees for the different types of investment applications? Or is there another source document or policy document that also codifies the fees that will apply?

**Mr Donnelly:** The fees are outlined predominantly in the bill—now the act—with the regulation determining issues like how those fees are amended and under what circumstances they might be waived.

**Senator McALLISTER:** So if I were attempting to understand the fees structure and the schedule of the fees that is up on the website—and it is all very transparent—I could do that exclusively with reference to the legislative instruments.

**Mr Donnelly:** Yes, Senator, I believe that is the case. Having said that, as you have pointed out, we have a nice, simple, two-page guide on the website, so I am not sure why you would bother with that.

**Senator McALLISTER:** It is really not my intention to do that. I am simply seeking to explore how the schedule relates to the legislation—but I am, practically, not going to do that. Does that schedule of fees differ in any way from the fees that were announced by former Treasurer Hockey and former Prime Minister Abbott on 2 May?

**Mr Lonsdale:** We can come back on the precise details, but broadly, I think they are the same.

**Senator McALLISTER:** Thank you, Mr Lonsdale.

**Mr Donnelly:** I need to check my memory but there was a set of fees which were the subject of public consultation over the course of April. Then a further decision was taken following that public consultation by government. It is my recollection, but we will double-check it, that the fees that were announced by the government when they made that policy announcement were the ones that were enacted.

**Senator McALLISTER:** If you could take that on notice and confirm that, that would be great.

**Answer:**

The application fees that have been introduced through the *Foreign Acquisitions and Takeovers Act 1975*, the *Foreign Acquisitions and Takeovers Fees Imposition Act 2015* and the associated regulations are broadly the same as the fees announced by the former Prime Minister, the Hon Tony Abbott MP and the former Treasurer the Hon Joe Hockey MP on 2 May 2015.

Following consultation on the exposure draft legislation, some minor changes were made to the fee structure to facilitate implementation of the fees. For example, a 'de minimus rule' was introduced to reduce the fees in specific circumstances. If the fee would be more than 25 per cent of the consideration of the proposed acquisition, the fee will be \$1000.

In addition, the announcement on 2 May 2015 indicated that the Government would undertake further consultation on options to simplify the system. Several of the changes implemented following this consultation process resulted in fee changes. For example, there is no longer a \$5 million threshold for heritage listed commercial real estate so the application fee for this category of investment was no longer needed.