



Australian Government

The Treasury

AMENDMENTS TO THE FOREIGN INVESTMENT FEE FRAMEWORK

SUMMARY OF CONSULTATION PROCESS

Fees were introduced in December 2015 as part of major reforms to the foreign investment framework. Since this time, the Government has been seeking ongoing feedback from stakeholders on how the reforms are working in practice.

The Government has received significant feedback about the complexity of the fee framework, including the inconsistent treatment of discretionary fee relief arrangements and associated delays in application processing. Unintended consequences stemming from the 2015 reforms and opportunities for red tape reduction have been identified through this consultation process.

A formal public consultation process was undertaken on options to address these issues and further enhance the operation of the foreign investment framework, including the fee framework. Stakeholders provided significant support for streamlining the fee framework, including increasing transparency and implementing a simplified flatter fee structure.

This measure was included in the *Foreign Acquisitions and Takeovers Fees Amendment Bill 2017*, which was introduced into Parliament on 1 June 2017.

Consultation process

Consultation on the options to implement the measure, as part of the Foreign Investment Framework 2017 Legislative Package, was conducted between 8 and 29 March 2017. There were 32 submissions received.

The consultation paper discussed issues and options with regards to commercial fees. Changes to the residential land fees were not considered in the context of the legislative package.

Submissions can be viewed on the Treasury website www.treasury.gov.au.

Summary of key issues

Concerns were raised regarding the complexity and regulatory burden that the current fee structure imposed on stakeholders, particularly the time that it took to ascertain the correct fee for a given application. This issue is further amplified by the fact that applications cannot be considered until the correct fee has been paid – stakeholders noted that delays in processing were a key concern.

Further, there were concerns regarding the inconsistent application of fees based on the category of transaction and the inequality that this creates in the current fee framework.



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Fee options presented in the consultation paper included; maintaining the current fee structure, a flat fee structure or a tiered fee structure based on a percentage of the consideration value. Stakeholders welcomed a more streamlined and flatter fee framework.

To respond to stakeholder concerns, Treasury has adjusted the fee framework to reduce the number of fee tiers for some categories and implement a standard fee for low, medium and high value acquisitions. The new fee structure will also legislate some existing discretionary policy based fee waiver arrangements to provide a more transparent and consistent approach.

Feedback

Feedback on the consultation process for this measure can be forwarded to consultation@treasury.gov.au . Alternatively, you can contact Jessica Robinson on (02) 6263 2823.

Thank you to all participants in the consultation process.