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I am a 43 year old husband and father who grew up in the eastern suburbs of Melbourne. I am currently employed and have previously been a business owner. I have commercial property interests and have previously owned residential property. This submission is on behalf of my family for whom I have been trying, unsuccessfully, to buy a home. We are NOT first home buyers.

Kelly O'Dwyer was recently kind enough to spend some time with me to discuss my concerns in her capacity as my Local Member. Notwithstanding my appreciation, I felt it important to continue with this submission in light of the serious impact the issue is having on local families.

This submission deals with foreign buyers, specifically their acquisition of existing dwellings.

That an inquiry has been required into this matter would indicate there are problems. That the inquiry has acknowledged the absence of reliable information and data is most concerning. Accordingly, my submission suggests:

Collection of data to establish the quantum of the problem to include:

- An independent and comprehensive audit of residential title holders for FIRB compliance
- Audit data matched to Department of Immigration records on Temporary Visa holders
- Data matched to ATO and other agencies for further validation where required
- A national register of property to determine who owns what

Based on the assumption that there are foreign buyers purchasing existing property illegally, which the data collection process WILL expose to some extent, the following recommendations should be implemented:

1. Owners of property who have either failed to gain FIRB approval where required or have failed to uphold the requirements of the approval be immediately advised of the need to dispose of that property within 90 days, as required by the Act.
2. Where an owner cannot substantiate where the money came from (which should indicate the beneficial owner) to buy the property, the property should be forfeited as proceeds of crime. I understand the Crime Commission is already looking into this.

3. Physical checks on compliance. Attend properties and check / enforce the rules of:
 - requirement to reside in the dwelling
 - no renting of the dwelling
 - property be divested if vacant for greater than three months etc.
 - Divestment orders to follow non-compliance.
4. Existing property should only be able to be purchased in the name of a natural person given it is being used as a PPR or place to reside, most often under a temporary Visa scenario. There is NO need for company or other structures to be used.
5. Bidder registration / declaration should be made a requirement for all auctions of established homes. The individuals name on the registration / declaration document should match the name on any subsequent settlement documents, loan documents, relevant Visa documents and be capable of being matched for legitimacy.
6. The registration / declaration document should be legally binding and confirm that the applicant is a bone-fide buyer under Australian law.
7. Where elaborate structures have been used to purchase existing property, all parties to these transactions should be asked to help provide evidence of the “beneficial owner”. The books of legal, accounting and real estate companies that have been assisting foreign buyers should be opened to discover the “beneficial owner”. There are likely breaches of tax and other laws here (PPR & CGT exemption for example) that have deprived Governments of valuable revenue.
8. The onus should be reversed for professional firms assisting foreign buyers. They should be liable for the advice and assistance they knowingly provide. “It is not my responsibility” is a phrase I have heard from several real estate agents and I suggest that they are not acting in the national interest.

I have a video of an auction at 15 Howie St, Glen Iris 3146 from March 7th 2015, which serves as a template to describe how things have been playing out...it is hopefully about to hit the airwaves on nightly TV. It is available for viewing should it be required.

Yours Faithfully,

David Bone