

20 March 2015

Manager  
International Investment and Trade Unit  
Foreign Investment and Trade Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir/Madam,

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**Strengthening Australia's Foreign Investment Framework  
Public Submission  
Closing 20 March 2015**

We refer to the Options Paper dated February 2015.

The problem

It has been brought to our attention that residential properties including houses, apartments and vacant land are sometimes being purchased by foreigners without any fear of checking or enforcement by the Foreign Investment Review Board ("FIRB").

We are concerned the study/work visa is being used as a loophole to buy established residential real estate without any fear of checking by the FIRB.

We learned from a client in Chatswood NSW that a recent apartment development resulted in multiple bidding of apartments off the plan during a recent sale, largely fuelled by foreign buyers.

The solution

In respect of residential, commercial, industrial, rural and agricultural land, we support:-

- (i) Case by case consideration of foreign investment proposals.
- (ii) The creation of a foreign ownership register.
- (iii) The enforcement of our nation's foreign investment laws.
- (iv) New application fees being introduced to fund the enforcement of our nation's foreign investment laws.
- (v) The introduction and enforcement of penalties for non-compliance subject to our suggestion, below.
- (vi) New application fees and penalties being used to fund information and training of key stakeholders such as real estate agents, settlement agents, developers and migration agents.

**We do not support penalties for real estate agents and settlement agents.**

A suggested improvement in respect of the proposed new application fees.

Whilst we believe a 1% levy for foreign buyers sounds reasonable when bid prices on million dollar residential properties are often in minimum \$10,000 bids, a very fair compromise would be a return of 50% of the fee for compliant temporary visa holders of residential property at the end of their stay.

These visa holders might only own a flat or unit for 3 years whilst studying or working. This way you have a carrot and stick approach to foreign investment.

Yours faithfully,  
**Lloyd Collins Property Consultants**

  
Paul J Collins