

Dear Sir/Madam,

I sent a message with wording below voicing concerns to several politicians regarding foreign investment in the Australian property market. The politicians I sent it to were Kelly O'Dwyer and Joe Hockey. I know some of the issues below have been rectified to a certain extent after Kelly O'Dwyer's report, but I wanted to reiterate what I think many Australians are concerned about. My email was below:

I am writing to voice concern in foreign investment in the Australian property market.

I live in Mt Waverley, Victoria, and while Chinese investment has helped increase my residential property (which I bought in 1994 before the boom) in value to 1.2 million, it's making it extremely difficult for younger people to own their own home. It's hard enough to buy your own home on two incomes, with years of savings and a large mortgage without competing with wealthy Chinese.

According to Herald Sun March 16 (2014) there are concerns the Foreign Investment Review board lacks the manpower to police the rules, with the latest data suggesting investment in existing properties by foreign investors is growing.

In addition it states that there are also concerns that rules requiring temporary residents to sell Australian properties when they leave are not being policed.

Can you please address these problems. It should be a fair system where the interests of Australian residents are put first.

Also for example Herald Sun April 17 2014 states many Chinese are trying to get money out of China and into a safe haven or they are looking for a safe investment. China is an autocratic nation, and while there are lovely Chinese and I am sure many make great citizens, I do not think that it is Australia's role to provide a safe haven for their money because they happen to live in an autocratic communist nation. Let's face it - would China allow wealthy Australian citizens to buy up Chinese real estate.

I am a liberal voter and I will remain so, but articles such as the following are highlighting Australian resident's interests have not been put first and the current system is being abused. It's the government's role to fix this. The following articles illustrate the current system is unjust. March 16 2014 Herald Sun, "in the heart of Shanghai's bustling central shopping district on Friday, thousands of locals poured into the Shanghai exhibition centre. - their mission to find a property in Melbourne to sink their cash into" and June 19 2014 Herald Sun "a canny trio of neighbours in Bentleigh, Victoria, have hit a multi-million-dollar home run by selling their properties in a job lot to a Chinese investor" and Posted by: 3AW Drive | 23 May, 2014 - L J Hooker is offering training to its agents on how to sell property to Chinese investors. Buyers from China comprise a large slice of the international investor market as they see Australia as a stable place to plough their money into. Chinese buyers have sunk \$24 billion into the Australia housing market over the past seven years, with Credit Suisse estimating an additional \$44 billion will be spend on property in the next

seven."

I think property should be more affordable for younger Australian citizens and something needs to be done about the current system, as it is making it more difficult for them to purchase property.

I think the government has had a blinkered view on foreign investment. It should only be encouraged if it does benefit Australian citizens. Many Australians have grave concerns about Foreign Investment when they hear reports of Chinese buying up farms, and the fact that if the government does not do something about that a large source of our food source/supply might end up in foreign hands.

I realise with the ineptitude of Rudd/Gillard years Australia now has a massive debt and foreign investment to help build rail, roads, dams and water infrastructure may benefit Australians. However, the real estate investment mentioned above by Chinese investors is particularly one-sided, primarily benefiting them. An opinion piece I read stated last financial year foreign investors spent \$17 billion on prime Australian property. Yet they had never paid taxes, nor contributed to Australia's infrastructure costs.

Foreign buyers should thus be subject to a federal infrastructure tax of 10 per cent. Based on last year's figures it alone could have raised \$1.7 billion. This is a much better option than ideas such as the previous co-payment GP visit of \$7 to reduce debt. Apparently Hong Kong and Singapore have their own taxes on foreign purchases and they could hardly object if we did the same. Hong Kong's is 15 per cent of the purchase price. Jessica Irvine, economics columnist stated in Herald Sun Mar 12 2014- "The tax would likely deter some purchases but foreigners would still come and pay the tax. Australia is home to some of the most attractive real estate in the world - a fact that cashed-up investors from Asia looking for a safe place to park their money are well aware of. So by all means park your money here, but you'll have to leave some at the door". As the mining boom has finished and Australia is such an attractive investment option for Chinese, I believe there should be a foreign investment tax such as countries such as Hong Kong and Singapore have.

Yours sincerely

Kathryn Murray