

TREASURY EXECUTIVE MINUTE

Minute No.

1 July 2010

Assistant Treasurer

cc: Treasurer

FIRB SCREENING OF APPLICATIONS BY TEMPORARY RESIDENTS Section 22 – IMPLEMENTATION PROGRESS REPORT

Timing: At your convenience.

Recommendation: That you note progress on implementing the Government's announcement to reintroduce FIRB screening for temporary residents buying residential real estate in Australia.

Noted

Signature:

...../...../2011

KEY POINTS

- Treasury has progressed further the implementation of changes you announced on 24 April. A full implementation progress report on the changes is provided at **Attachment A**.
Section 22
- We have amended the law to require temporary residents to obtain Government approval before buying residential real estate, we are imposing relevant conditions on all approved temporary residents and we have engaged additional staff to handle the fourfold increase in real estate applications.

Section 22

Acting General Manager
Foreign Investment & Trade Policy Division

Contact Officer:

Ext:

Ext:

IMPLEMENTATION PROGRESS REPORT

Screening of Temporary Residents

- The *Foreign Acquisitions and Takeovers Regulations 1989* was amended on 26 May 2010 to require temporary residents to obtain Government approval before buying residential real estate. Temporary residents who fail to comply risk prosecution under the *Foreign Acquisitions and Takeovers Act 1975* (FATA).
 - Temporary residents were screened under the Policy from 24 April to 26 May.

Section 22

- Conditions are being imposed on all temporary residents approved to buy vacant land on which to build dwellings or to buy an established dwelling to use as their residence in Australia (who must sell the property when it ceases to be their residence). These are recorded in our Foreign Investment Management System database to allow compliance officers to follow up in due course.
- The FIRB website has been updated to reflect the changes. New forms for temporary residents have been created and added to the website. New staff have been engaged to handle increased applications and queries. Since 24 April, applications have approximately quadrupled.

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