

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

13 – 14 February 2013

Question: AET 175-177

Topic: Foreign Investment Review Board

Written: Received from Committee – 26 February 2013

Senator NASH asked:

I refer to the Foreign Investment Review Board Annual Report 2011-12, table 2.11: Approvals by country of investor in 2011-12 – Industry sector (pp 30-31)

175. Would FIRB advise the individual breakdown of the \$222 million of approvals in the agriculture, forestry and fishing sector in Other, by country and value.
176. Would FIRB define 'off-the-plan' developments referred to in note (c) on p31.
177. Would FIRB explain why investments approved for developers for off-the-plan developments are investments that cannot be attributed to a country. How is country of origin determined for those funds invested.

Answer:

175. The Government does not release disaggregated foreign investment information beyond that published in the Foreign Investment Review Board Annual Report because of the need to protect the commercial interests and privacy of individual investors. The disclosure of disaggregated foreign investment information may allow applicants to be identified in some instances.

It is important to preserve an environment of confidentiality because having complete information and an open dialogue with external parties is essential to maintaining proper and efficient administration of Australia's foreign investment arrangements.

It is also important to note that the data contained in the Annual Reports is based on investor intentions and not actual purchases.

- 176 & 177. A developer can apply for prior approval to sell new dwellings to foreign persons. This advanced off-the-plan approval allows the developer to sell 100 per cent of the dwellings to foreign persons, subject to the development being advertised within Australia as well as overseas. If a developer is given approval, individuals need not apply for approval.

Off-the-plan approvals are included in the 'Other' category in table 2.11 of the Annual Report if the proposed investment cannot be attributed to a particular country. Developers granted approval for off-the-plan developments are required to report all sales to foreign persons on an annual basis until all dwellings in the development have been sold. However, these annual reports from the developers

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are usually not received until after publication of the Foreign Investment Review Board Annual Report.

Further information on off-the-plan approvals is provided on page 26 of the Foreign Investment Review Board Annual Report and on the website at:

http://www.firb.gov.au/content/real_estate/other/developers.asp.