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INVESTIGATION INTO BREACHES OF FOREIGN INVESTMENT PROPERTY LAWS

Non-residents who may be in breach of Australia's strict foreign investment property laws will be the subject of a new enforcement crackdown.

The Government is also examining legislative options to strengthen its enforcement capacity by making it easier to prosecute potential breaches.

Australia's foreign investment property laws clearly state that:

- Non-residents of Australia cannot buy existing dwellings.
- Non-residents seeking to invest in Australian real property can only do so by adding to the housing supply and construction activity by either purchasing new housing or developing vacant land.
- Temporary residents can purchase 1 dwelling only – and must live in it.

The Government is determined that these laws – which have not changed – are strictly enforced, with any breaches prosecuted to the fullest extent possible.

Penalties for breaches include compulsory divestment of property, fines and imprisonment.

The Foreign Investment Review Board (FIRB) – in conjunction with other State and Federal Government agencies – has ramped up its compliance activity and is currently investigating numerous potential breaches involving non-Australian citizens.

FIRB will refer breaches of Australia's property laws to the Director of Public Prosecutions.

Anyone who has concerns or information relating to potential breaches should contact the Treasury's complaints line (business hours) on (02) 6263 3795.

DEVONPORT

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