

4 April 2023

Legislative Framework Unit  
Foreign Investment Division  
Treasury  
Langton Cres  
Parkes ACT 2600

By email: [FIRBStakeholders@treasury.gov.au](mailto:FIRBStakeholders@treasury.gov.au)

Dear Sir/Madam

### **Register of Foreign Ownership of Australian Assets**

The Property Council welcomes the opportunity to provide comments to the Treasury consultation regarding the establishment of a Register of Foreign Ownership of Australian Assets.

The Property Council of Australia champions the industry that employs 1.4 million Australians and shapes the future of our communities and cities. Property Council members invest in, design, build and manage places that matter to Australians: our homes, retirement villages, shopping centres, office buildings, industrial areas, education, research and health precincts, tourism and hospitality venues and more.

We acknowledge the policy intent behind establishing the new register in order to amalgamate foreign interests in various types of assets such as land, water rights, businesses and other types of entities.

However, we have concerns that the new register will create a significant compliance burden for businesses and practical challenges of collecting and maintaining up-to-date information for entities that are required to report to the new register. This is an additional layer of administrative compliance that will deter many foreign investors from making acquisitions and investing in the Australian economy.

Our key concerns include the following:

- **Scope of the register:** the new register is proposed to cover all acquisitions of freehold interests, and leasehold interests exceeding five years, in commercial land. This is a far greater scope than the current regime, whereby acquisitions are to be reported if they are subject to a FIRB approval requirement (including above certain monetary thresholds) and even then only if the relevant FIRB approval contains reporting conditions. It is also intended to cover not only acquisitions and disposals of assets but also changes in the nature or size of the interest over certain percentage thresholds.
- **Entities/persons with reporting obligations:** The new register is intended to capture all foreign persons who acquire an interest. In effect, this will include any entity that is deemed a 'foreign person' within in a corporate group, not just the entity which directly acquired the relevant interest. This would significantly increase the administrative burden for corporate

groups. We believe that the reporting requirements should only apply to entities that hold the relevant interest directly in order to reduce the regulatory burden on foreign entities.

In addition, where an entity subsequently becomes a 'foreign person' (e.g. through a direct or indirect change in ownership of an entity), then it would be required to report its ownership of all relevant assets to be captured by the register. While we understand why this would be the case, a more reasonable reporting timeframe should be provided to the foreign entity in question. We suggest that a period of 12 months is provided to relevant entities in these circumstances rather than the 30-day period set out in the exposure draft.

In addition to our concerns outlined above, the Government needs to ensure that there is a high level of awareness and guidance for foreign entities or persons which may not normally be aware of foreign investment compliance processes. For example, this may include entities that normally acquire interests below FIRB monetary thresholds and therefore do not go through the approval process.

If you would like to discuss any aspect of this submission further, please contact Kosta Sinelnikov on 0422 168 720 and [ksinelnikov@propertycouncil.com.au](mailto:ksinelnikov@propertycouncil.com.au) or myself on 0484 354 272 and [aknep@propertycouncil.com.au](mailto:aknep@propertycouncil.com.au).

Yours sincerely



**Antony Knep**  
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