

Dear Treasury,

It's great to hear of Kelly O'Dwyer's, Joe Hockey's, Treasury's and the Government's recent work on illegal foreign purchases of Australian residential real estate. You've won at least 50 votes from my immediate friends on this measure alone - and many more from Australian society at large. Please do keep up the good work!

I would like to propose the following additional material to reasonably and sensibly restrict and penalise the illegal foreign purchase and ownership of established Australian houses and land:

### **Regulations**

1. Temporary visa holders including student visa holders, 457 visa holders are completely prohibited from buying established Australian residential real estate or vacant land for themselves or on behalf of any other prohibited parties - there are numerous rental properties available for these people in Australia thanks to significant legitimate investor activity.

2. Breaches of the foreign investment regulations attract penalties for any offenders including any and all third-party accessories to the transaction, including but not limited to:

- i. Lawyers
- ii. Accountants
- iii. Real estate agents, auctioneers, buyer's advocates
- iv. Migration agents
- v. Financial institution workers and advisors
- vi. Family members or associates supplying funds to be used in breach of these regulations
- vii. Directors and owners of corporate entities or family trusts.

3. Existing residential real estate cannot be purchased with cash or using more than one cheque, this will ensure integrity of the money trail and act as a deterrent against money laundering.

4. Proof of Australian citizenship required of all established property or land buyers - 100 point ID check against winning bidder and immediate entry of this name as the legal holder against the National Property Registry (please refer point 6., below).

5. Existing non-compliant foreign owners of Australian residential real estate are granted 90 days' amnesty to lawfully sell the property/properties prior to divestment/seizure proceedings.

6. Establishment of a National Property Registry including the property address, holder's name, holder's aliases, current contact details if property is not a PPOr, visa details and expiry date, citizenship details, residency status and expiry.

7. Weekly update of and reporting from the National Property Registry to enable currency of information and extract non-compliant property holder details for further action.

### **Penalties**

1. All penalties to be paid to the Australian government to assist in detection of illegal foreign investment and enforcement of related penalties.
2. Financial penalty of 50% of the property sale price to the buyer.
3. Financial penalty of 50% of the property sale price against any Australian individual resident, temporary resident, visa holder, citizen or corporate third parties involved in the sale. Note that it is thus possible for the penalty to exceed the value of the property if multiple third parties are concerned.
4. Financial penalty of 100% of the property sale price to any Australian financial actor (institution or individual) implicated in non-compliant sales of residential property.
5. Financial penalty of 150% of the property sale price where the illegally purchased property is then demolished, this not only complicates resale but also reduces the pool of housing available to Australians.
6. Seizure of illegally purchased properties and land pending disposal/divestment within 90 days with the prescribed penalty/penalties deducted prior to forwarding the remainder if any on to the illegal purchaser.
7. Failure to divest/dispose of the property within the 90 days following a divestment order, or 12 months after leaving Australia due to visa expiry or voluntary departure, means forfeiture by the Australian government.
8. Failure to notify the National Property Register of a sale will result in a penalty of \$10000 per sale, levied against the individual making or facilitating the sale.

Thankyou for the opportunity to submit our proposals.

Best regards

Bruce

10th March 2015