

AUSTRALIA'S FOREIGN INVESTMENT FRAMEWORK

SUBMISSION by Mary Drost OAM, Convenor of Planning Backlash Inc, a coalition of 250 plus resident groups across Melbourne, coast and country and vice President of the Boroondara Residents Action Group.

INTRODUCTION

By introduction I will say that I do not agree with the government policy of allowing foreigners to buy Australian property either houses or farms. There is a growing feeling of resentment about selling off Australia to foreigners right across Melbourne and into the country. I hear this from the many groups on my Planning Backlash network.

The widespread feeling is that foreigners should not be allowed to buy here at all. Only Australians should be allowed to buy. I lived in Indonesia and could not buy there and this is the case in most of Asia. Why should they be allowed to buy here.

FOREIGN OWNERSHIP OF HOUSES

I live in the city of Boroondara in Melbourne and this area is increasingly being bought up, bulldozed and rebuilt into McMansions and there is widespread hostility about it as we see our lovely leafy green areas being cleared of trees and gardens and being replaced by huge houses, many of which are not lived in.

Further the rules are there to be got around. They are a joke. What happens here is that they bribe the owner to get a demolition permit then buy and bulldoze. We are not getting more houses we are simply getting replacement ones that destroy the character of the area and often they are left empty.

WHAT REAL ESTATE AGENTS DO

Some agents fly in groups from China put them up in a hotel and bus them around to choose which house they want and then offer the owner so much that they sell and go. Some Chinese are buying up to 10 houses.

We are not convinced that your new rules will be any more enforced than the previous ones.

The amounts of fines are irrelevant as no fines ever seem to occur.

The amount of figures being talked about for application fees are a joke as they are so small they are irrelevant.

It seems that Singapore has solved the problem by charging 18% of price as a tax and they have now moved no doubt to Australia where we are as weak as water and even if we have rules we allow them to break the rules without anything happening to them, and they know it.

FOREIGN OWNERSHIP OF FARMS

This is the worst thing Australia can do. How dare the government sell off our country like this. Are we so desperate for money that we sell off our most precious possession - our land.

The Chinese are buying land also in Africa as they are running out of food for their huge population. I read that South Africa is taking steps to stop it.

We instead should sell them food, not let them buy our land to grow food for them. The day might come when we will be short of food ourselves and it all belongs to them.

As for this \$55 million screening - I would say dont allow land to be sold at all.

FOLLOWING THE FORUM PUT ON IN SOUTH VERMONT BY MICHAEL SUKKAR MP ON THE 10TH MARCH

I attended the Forum on Foreign Investment on the 10th March in South Vermont where Kelly O'Dwyer MP who has been studying this issue was guest speaker to a packed hall. Kelly O'Dwyer explained what they are proposing and must admit I came away feeling depressed for the future of Australia.

I guess compliments must be in order that they at least acknowledging there is a fault and trying to correct it. One good thing it seems the Foreign Investment Board is being sacked as they have failed in their job as nobody has been fined since 2006 and we all know how the rules have been ignored and thousands of our houses have been bought by foreigners. However I have heard their solutions described as a Claytons solution, the solution you are having when you dont want a solution. And having heard it that is how I felt too.

WHAT IS BEING PROPOSED

The Government see this foreign investment as good as it makes more homes so it will continue but with a new regulatory body and certain new rules and charges will apply. But those new charges are only a few thousand and that is nothing when you spend millions. To charge \$10,000 per million will not stop them or make it more difficult, they will still bulldoze our houses to build more McMansions with no gardens and left empty, spoiling out suburbs.

The one interesting thing that was said, using the token one that Joe Hockey just did and that is make a Chinese buyer in Sydney sell off his \$39 million house he bought without abiding by the rules. The indication was that if it is shown they broke the rules they would have to divest themselves of the property. Well when I see hundreds of houses in Boroondara being sold off because they were bought outside the rules then I will believe the government is serious. What I would prefer to see happening is the houses being

confiscated by the government. However, selling was not the word used by Kelly O'Dwyer when talking, she kept saying DIVEST well according to the dictionary, divesting yourself of a property is not the same as selling, it allows them to pass it into the hands of a company, which they own, but then it appears that it is not owned by them but by a company. So this is totally dishonest.

ARE THE FOREIGNERS PROVIDING MORE HOUSES?

The Government use this as the reason why they allow foreign purchase of houses and apartments. Is this really happening?. Certainly in the suburbs it is not. Certainly it keeps builders working as houses are bulldozed and new houses built as the rule has been they cannot buy old houses but only new ones. So all that is happening is that houses are being replaced not extra houses.

HOUSES LEFT EMPTY

Ask residents in street after street in Boroondara and endless of these new McMansions are left empty, trees all gone and not much garden.

APARTMENTS IN THE CITY

Certainly foreigners are buying apartments in the city and Southbank and Docklands but mostly they are left empty, there are stories about them not paying their body corporate fees. So this is hardly adding to housing stock. All that is happening is that developers and builders are kept in jobs and it is time the government was honest enough to admit it.

CONCLUSION

Having heard what the government is proposing I state again that I am against foreigners buying and developing our houses, our apartments, our farms and our businesses.

Mary Drost OAM