

RECENT CHANGES TO FOREIGN INVESTMENT POLICY

The Federal Government implemented changes to the Foreign Investment Review Board regulations for foreign investment in Australian real estate, on 10 September 1999. The following is a summary.

- Increase the notification threshold for foreign investment in existing businesses from \$5 million (\$3 million for rural businesses) to \$50 million;
- Remove foreign investment approval requirements for individuals, who hold or are entitled to hold a special category visa and invest in Australian residential real estate through Australian companies and trusts; and
- Increase the limit for which applications for investment in businesses are registered but are generally not fully examined from \$50 million to \$100 million.

Vacant land and house packages

Acquisitions of residential real estate (including vacant building allotments and house and land packages where construction has not commenced) for development by foreign interests are normally approved subject to a specific condition requiring continuous construction to commence within 12 months; once construction is completed, parties are required to provide the completion date and actual development expenditure. To be eligible for approval under this category it is expected that a minimum of fifty per cent of the acquisition cost or current market value (whichever is higher) be spent on development.

Non-residential commercial properties

Where properties are not subject to heritage listing, the notification threshold applying to the acquisition of developed non-residential (ie, it is not an accommodation facility) commercial properties will be raised from \$5 million to \$50 million.

In addition, acquisitions of developed non-residential commercial properties, valued between the notification threshold and \$100 million, will no longer be subject to detailed examination, unless the facts of the proposal raise issues pertaining to the national interest.

Integrated Tourism Resorts

The policy of designating Integrated Tourism Resorts (ITRs), within which foreign persons are permitted to acquire residential property without restriction, will only apply to developed residential property which is leased back to the resort operator to be available for tourist accommodation when not occupied by the owner. Owners of residential property in existing ITRs will retain their current entitlements.

Strata titled hotel accommodation

Sales will be permitted to foreign interests of strata-titled hotel rooms in designated hotels where each room is subject to a long-term (10 years or more) hotel management agreement. The hotel management agreement must limit the owners' rights to an income stream, not occupancy. The management must retain ownership of the common property. In addition, owners will not have the right to opt out of the management agreement. The hotel must provide a full range of facilities consistent with industry accepted hotel features.

Australian citizens and foreign spouses

Australian citizens and their foreign spouses purchasing as joint tenants will no longer be required to seek approval for purchases of residential property in Australia.

Foreign trustees acquisition of interests in urban land

Exemption will be given for the acquisition of interests in Australian urban land by foreign-owned responsible entities acting on behalf of managed unit trusts and other managed public investment schemes registered under Chapter 5C of the Corporations Law, where they are investing for the benefit of fund investors or unit holders ordinarily resident in Australia. This is consistent with the rules applying to foreign-owned life insurers and superannuation funds.

URBAN LAND POLICY SUMMARY - JANUARY 2000

General

The Government's approach to foreign investment policy is to encourage foreign investment consistent with community interests. In recognition of the contribution that foreign investment has made and continues to make to the development of Australia, the general stance of policy is to welcome foreign investment. Foreign investment provides scope for higher rates of economic activity and employment than could be achieved from domestic levels of savings. Foreign direct investment also provides access to new technology, management skills and overseas markets.

2. The Government recognises community concerns about foreign ownership of Australian assets. One of the objectives of the Government's foreign investment policy is to balance these concerns against the strong economic benefits to Australia that arise from foreign investment.
3. The foreign investment policy provides for Government scrutiny of many proposed foreign purchases of Australian businesses and properties. The Government has the power under the [Foreign Acquisitions and Takeovers Act 1975](#) (the Act) to block proposals that are determined to be contrary to the national interest. The Act also provides legislative backing for ensuring compliance with the policy.
4. In August and September 1999, the Government announced a number of changes to its foreign investment policy (and the [Foreign Acquisitions and Takeovers Regulations](#)), designed to reduce notification obligations on business and to streamline the administration of foreign investment policy, while continuing to ensure that foreign investment is consistent with the interests of the Australian community. These changes are outlined in the [Treasurer's Press Release of 3 September 1999](#) which is available through the Treasury website. The changes have been incorporated in this policy statement.
5. In the majority of industry sectors, smaller proposals are exempt from notification and larger proposals are approved unless judged contrary to the national interest. The screening process undertaken by the Foreign Investment Review Board (FIRB) enables comments to be obtained from relevant parties and other Government agencies in considering whether larger or more sensitive foreign investment proposals are contrary to the national interest.
6. The Government determines what is 'contrary to the national interest' by having regard to the widely held community concerns of Australians. Reflecting community concerns, specific restrictions on foreign investment are in force in more sensitive sectors such as the media and

developed residential real estate. The screening process provides a clear and simple mechanism for reviewing the operations of foreign investors in Australia whenever they seek to establish or acquire new business interests or purchase additional properties. In this way the Government is able to put pressure on foreign investors to operate in Australia as good corporate citizens if they wish to extend their activities in Australia.

7. By far the largest number of foreign investment proposals involves the purchase of real estate. The Government seeks to ensure that foreign investment in residential real estate increases the supply of residences and is not speculative in nature. The Government's foreign investment policy, therefore, seeks to channel foreign investment in the housing sector into activity that directly increases the supply of new housing (ie, new developments - house and land, home units, townhouses, etc) and brings benefits to the local building industry and their suppliers.

8. The effect of the more restrictive policy measures on developed residential real estate is twofold. First, it helps reduce the possibility of excess demand building up in the existing housing market and secondly, it aims to encourage the supply of new dwellings, many of which would become available to Australian residents, either for purchase or rent. The cumulative effect should therefore be to maintain greater stability of house prices and the affordability of housing for the benefit of Australian residents.

9. **Urban land** is defined as all land in Australia other than land that is integral to a primary production business. (*Rural Land is defined as land that is used wholly and exclusively for carrying on a substantial business of primary production. The acquisition of a primary production business is subject to the general sectoral guidelines in the [Summary of Australia's Foreign Investment Policy](#). Acquisitions of vacant land that has a rural zoning, 'hobby farms' and 'rural residential' blocks by foreign interests are included within the urban land category.*) An interest in urban land includes, inter alia: options over urban freehold; a lease of urban land or improvements thereon having a term of five years or more; any financing or other arrangement that provides for the sharing of profits from an investment in Australian real estate; and shares in a company or units in a trust having an interest, option or lease over Australian urban land where the value attributable to that land is more than one half of the value of the total assets of the company or trust.

Who should apply?

10. **Foreign interests** intending to invest in real estate in Australia are required to seek prior approval from the Government through the Foreign Investment Review Board for that investment unless specifically exempted by regulation.

A **foreign interest** is defined as:

- a natural person not ordinarily resident in Australia;
- a corporation in which a natural person not ordinarily resident in Australia or a foreign corporation holds a controlling interest;
- a corporation in which 2 or more persons, each of whom is either a natural person not ordinarily resident in Australia or a foreign corporation, hold an aggregate controlling interest;
- the trustee of a trust estate in which a natural person not ordinarily resident in Australia or a foreign corporation holds a substantial interest; or
- the trustee of a trust estate in which 2 or more persons, each of whom is either a natural person not ordinarily resident in Australia or a foreign corporation, hold an aggregate substantial interest.

A **substantial foreign interest** (ie, a controlling interest) occurs when a single foreigner (and any associates) has 15 per cent or more of the ownership or several foreigners (and any associates) have 40 per cent or more in aggregate of the ownership of any corporation, business or trust.

Who is exempt?

11. Exemptions include:

- acquisitions by Australian citizens resident abroad, foreign nationals who hold permanent resident visas or hold, or are entitled to hold, a ‘special category visa’ (eg a New Zealand citizen) who are purchasing property zoned as residential either in their own names or through an Australian corporation or trust;
- foreign nationals purchasing (as joint tenants) with an Australian citizen spouse¹ property zoned as residential.

What sort of proposals need approval?

12. The types of real estate proposals that require approval include:

- acquisitions of interests in urban land that involve the:
 - acquisition of developed non-residential commercial real estate, where the property is subject to heritage listing, valued at \$5 million or more;
 - acquisition of developed non-residential commercial real estate, where the property is not subject to heritage listing, valued at \$50 million or more;
 - acquisition of accommodation facilities irrespective of value;
 - acquisition of vacant urban real estate irrespective of value;
 - acquisition of residential real estate irrespective of value; or
- proposals where any doubt exists as to whether they are notifiable. (Funding arrangements that include debt instruments having **quasi-equity** characteristics will be treated as direct foreign investment.)

13. Under policy, the treatment of urban land is divided into Residential and Commercial real estate.

14. Below is an outline of the Government’s foreign investment policy for proposals by foreign persons to acquire interests in Australian urban land. The majority of proposals will fall within these guidelines. However, some may not. The latter proposals will be examined on a case-by-case basis.

15. All contracts by foreign persons to acquire interests in Australian real estate must be made conditional upon Foreign Investment approval, unless approval was obtained prior to entering into the contract. For properties to be purchased at auction, prior foreign investment approval must still be obtained and a copy of the signed contract forwarded to the FIRB after the auction.

¹ *Spouse*, in relation to a person, includes another person who, although not legally married to the person, lives with the person on a *bona fide* domestic basis as the husband or wife of the person.

Residential Real Estate

16. Residential real estate means all Australian urban land other than commercial properties (ie offices, factories, warehouses, hotels, restaurants, shops, recreation facilities etc). Acquisitions of ‘hobby farms’ and ‘rural residential’ blocks by foreign interests are included within the residential real estate category.

Developed Residential Real Estate

17. Developed residential real estate means existing houses, flats or units. Acquisitions of developed residential real estate by foreign interests are not normally approved except for the following two categories:

- (i) Foreign companies, with an established substantial business in Australia, buying for named senior executives continuously resident in Australia for periods longer than 12 months, provided the dwelling is sold when no longer required for this purpose. Whether a company is eligible, and the number of properties it may acquire under this category, will depend upon the scope of the foreign company’s operations and assets in Australia. Unless there are special circumstances, foreign companies normally will not be permitted to buy more than two dwellings under this category.
 - Foreign companies would not be eligible under this category where the property would represent a significant proportion of its Australian assets.
- (ii) Foreign nationals temporarily resident in Australia, holding a current temporary resident visa which permits continuous residence in Australia for a minimum further period of more than 12 months from the time of application, purchasing a dwelling for use as their principal place of residence (and not for rental purposes), subject to the immediate sale of that property if their visa expires, or if they no longer occupy the property or when they cease to reside in Australia. This latter category includes long-stay retirees, and students 18 years of age and over studying courses of more than twelve months duration at recognised tertiary institutions. A general limit of \$300,000 applies to the value of properties acquired by students temporarily resident in Australia.
 - Persons who only hold visitor or bridging visas are not eligible for approval under this category.

Residential Real Estate for Development

18. Acquisitions of residential real estate (including vacant building allotments and house and land packages where construction has not commenced) for development by foreign interests are normally approved subject to a specific condition requiring continuous construction to commence within 12 months; once construction is completed, parties are required to provide the completion date and actual development expenditure.

- To be eligible for approval under this category it is expected that a minimum of fifty per cent of the acquisition cost or current market value (whichever is higher) be spent on development.

19. Once the development condition has been fulfilled, properties acquired under this category may be rented out, sold to Australian interests or other eligible purchasers, or retained for the foreign investor's own use.

Residential Real Estate for Redevelopment

20. Applications to acquire existing residences for redevelopment are considered on a case-by-case basis. Proposals may be approved under this category provided that the property is at the end of its economic life (ie, generally uninhabitable) and/or the proposal provides for a significant increase in the housing stock, ie, an increase in the number of dwellings. It is also expected that a minimum of 50 per cent of the acquisition cost or current market value (whichever is the greater) should be expended on the redevelopment of the site.

- In some cases to demonstrate that the property is at the end of its economic life, a valuation of the existing structures on a depreciated replacement cost basis by a licensed valuer may be required.
- The existing residence may not be occupied prior to redevelopment.

21. Once the development condition has been fulfilled, properties acquired under this category may be rented out, sold to Australian interests or other eligible purchasers, or retained for the foreign investor's own use.

“Off-the-plan” Purchases

22. Foreign interests may apply to acquire home units, town houses, house/land packages (where construction has commenced), strata titled hotel/motel units etc in a new development, either ‘off-the-plan’, during the construction phase or when the dwelling is newly completed, provided that it has never been occupied or sold and provided no more than 50 per cent of the dwellings in any one development are sold to foreign interests. This category includes dwellings that are part of extensively redeveloped buildings where the building's use has undergone a change from non-residential (eg office, warehouse) to residential and the cost of redevelopment is at least 50 per cent of the total acquisition cost based on purchase price or market value of the property, whichever is the greater.

- This category does not include developed residential real estate that has been refurbished.

23. A property purchased under this category may be rented out, sold to Australian interests or other eligible purchasers, or retained for the foreign investor's own use. When the property is sold it is treated as developed residential real estate and its sale is subject to the restrictions applying to that category of residential real estate.

24. Applications under this category may be made by developers of ten or more dwellings, for advance approval to sell up to 50 per cent of residences to foreign interests (in special circumstances, advance approval may also be given for developments consisting of between four and ten dwellings). Developers are required to provide a copy of their approval letter to each prospective purchaser and to report all sales (ie, Australian and foreign) to the Board. The initial report is due usually within twelve months and thereafter on a twelve monthly basis until all the dwellings in the development have been sold or occupied. Where such approval has been granted, it is not necessary for individual investors to apply. If the developer has not sought advance approval, then the individual investor should seek approval.

Integrated Tourism Resorts

25. Acquisitions of residential real estate within a resort which has been designated by the Government as an Integrated Tourism Resort (ITR) prior to September 1999 are exempt from the normal foreign investment restrictions applying to foreign acquisitions of residential property and do not require further foreign investment approval. For resorts designated as ITRs from September

1999, the exemption only applies to developed residential property which is subject to a long term (10 years or more) lease to the resort/hotel operator, making it available for tourist accommodation when not occupied by the owner. All other property, including vacant land for development, within the ITR would be subject to the normal foreign investment restrictions. Operators of ITRs are required to report annually to the Board providing details of the ownership of all accommodation within the resorts.

26. To be considered for designation as an ITR, a tourist development must satisfy the following criteria:

- be a **destination tourist development** on a contiguous site normally covering a minimum of 50 hectares within well defined boundaries and be planned and constructed by a single developer;
- have an existing core hotel(s) of sufficient size and standard to provide the central focus for the resort and to provide about 20 per cent or more of the ITR's total accommodation;
- have 'non-hotel' accommodation facilities within the boundaries of the resort; and
- have extensive recreational facilities (such as golf courses, tennis courts, swimming pools, walking tracks etc) within the boundaries of the resort.

27. Developments which are clearly and primarily destination tourism resorts with a residential component may be considered for designation as ITRs. However, developments which are substantially residential in nature, even though they may have a tourism component, would not qualify for designation as ITRs. Generally, it is expected that a destination tourism resort being considered for ITR status will have commercial (including the core hotel) and recreational facilities accounting for about 70-80 per cent of the resort's area.

28. Resorts which are still at the planning stage, or at the early stage of development, or do not satisfy all of the above criteria are not eligible for designation as an ITR.

Designated Strata Titled Hotels

29. Foreign acquisitions of strata-titled hotel rooms in designated hotels will be permitted where each room is subject to a long-term (10 years or more) hotel management agreement. For a hotel to be designated under foreign investment policy as a designated hotel it must satisfy the following criteria:

- the hotel must provide a full range of in house facilities (ie, food and beverage services, room service etc) consistent with industry accepted hotel features;
- all the rooms within the hotel are to be subject to the management agreement;
- the hotel management agreement must provide that the owners' rights are restricted to receipt of an income stream, not occupancy. In addition, owners will not have the right to opt out of the management agreement; and
- ownership rights to the common property within the hotel would be held by the hotel manager.

Accommodation Facilities

30. All proposed acquisitions of **hotels and motels** must be submitted for examination. However, hotel and motel businesses operating (or to be operated) under one title are normally approved (unless considered contrary to the national interest) under the Tourism Sector policy (details available in the Summary of Australia's Foreign Investment Policy). Other **accommodation facilities** such as guest houses, holiday flats, and undesignated strata titled hotels and motels are examined under policy applying to the residential real estate sector.

Time Share Resorts

31. The acquisition of an interest in a time share development is generally regarded as the acquisition of an interest in residential property and subject to above-mentioned restrictions. However, the acquisition of an interest in a time share scheme is exempt from the usual notification requirements where the entitlement of the foreign person and any of that person's associates is not in aggregate greater than 4 weeks in any year. This exemption only applies in instances where all the accommodation in a given development(s) is part of that time share scheme. The exemption does not apply in instances where only selected properties in a development are part of a time share scheme - in such instances the usual restrictions relating to foreign purchases of residential property will apply.

Commercial Real Estate

32. Commercial real estate means developed property (such as offices, retail and industrial complexes), but **not** (i) vacant land (ii) accommodation facilities (iii) residential properties (ie houses, flats, units, 'hobby farms' and 'rural residential' blocks) and (iv) land which is integral to a farming business.

Who should apply?

33. Acquisitions of commercial real estate by foreign interests should be submitted to the Government through the Foreign Investment Review Board for approval prior to purchase unless the acquisition is exempt (see below).

Exempt Commercial Real Estate Acquisitions

34. Acquisitions of commercial real estate by Australian citizens resident abroad or Australian incorporated companies or Australian based trusts owned by Australian citizens resident abroad do not require approval. Acquisitions of commercial real estate where the total value of the property being acquired is less than \$50 million do not require notification or approval unless:

- (i) the land is vacant;
- (ii) the whole or part of the land comprises an accommodation facility;
- (iii) the property is being acquired by a foreign government or its agent.
- (iv) the property is valued at more than \$5 million and is subject to heritage listing.

35. Acquisitions of developed commercial real estate which are to be used immediately for industrial or commercial purposes which are incidental to an existing or proposed business (other than a business of dealing in land or operating an accommodation facility) do not require notification or approval.

Developed Commercial Real Estate

36. Acquisitions of developed commercial real estate valued at \$50 million or more are normally approved (unless considered contrary to the national interest). In addition, acquisitions of developed commercial real estate, valued between the notification threshold and \$100 million, will no longer be subject to detailed examination, unless the facts of the proposal raise issues pertaining to the national interest.

Commercial Real Estate for Development

37. Acquisitions of real estate for development or substantial redevelopment are normally approved (unless considered contrary to the national interest) subject to a condition that construction commence within a specified period of time (normally 12 months).

- To be eligible for approval under this category it is expected that a minimum of fifty per cent of the acquisition cost or current market value (whichever is higher) be spent on development.

Approval Period

38. Approval under the Government's foreign investment policy is normally only given for a specific transaction which is expected to be completed in a timely manner. If an approved transaction does not proceed at that time and/or the parties enter into new agreements at a later date, or if a transaction is not completed within 12 months, further approval must be sought for the transaction.

39. Where a proposal involves option agreements for the purchase of shares, assets or property, prior approval is required to acquire the options. Normally approvals for options will also extend to the exercise of those options, provided the option is exercised within 12 months of approval. Subsequent approval for the exercise of the options may be sought on an annual basis.

40. The time period for an approval may be varied where it can be shown that an extended period is fundamental to the success of a proposal and that extending the timing of the proposal does not involve an activity (eg, real estate speculation) that would be contrary to the national interest. In this situation the extended period will be stated in the approval.

Applications

41. The information normally required to enable foreign investment proposals to be processed is set out below. There is no statutory charge for processing applications.

42. To make an application to purchase real estate **write** to:

The Executive Member
Foreign Investment Review Board
C/o The Treasury
CANBERRA ACT 2600

43. The Government recognises the commercial-in-confidence sensitivity of much of the information provided to the Board. The Government respects this confidential status and ensures that appropriate security is given to it. Where third parties outside of Government seek to obtain access to confidential information held by the Government, it will not be made available without the

permission of the applicant, except upon the order of a court of competent jurisdiction. In this respect, the Government will pursue the defence of this policy through the judicial system.

44. In addition, the Government is obligated to respect the privacy of personal information that is provided by applicants to the Foreign Investment Review Board in accordance with the requirements of the *Privacy Act 1988*. In accordance with that Act, the Government advises that in situations where the applicant has breached, or is strongly suspected of having breached the Foreign Acquisitions and Takeovers Act 1975 (FATA), the Board may seek the assistance of other Government agencies in its efforts to ensure applicants comply with the FATA. In seeking such assistance, the Board may pass relevant personal information to those government agencies. Most commonly these agencies will be the Department of Immigration and Multicultural Affairs, the Australian Tax Office or the Australian Federal Police.

Information Required

The Board is unable to give ‘in principle’ approval to persons wishing to acquire property, so an application for foreign investment approval must specify the particular property to be acquired.

The application **must** provide the following information and be accompanied by a completed [Form 3](#) notice under section 26A of the *Foreign Acquisitions and Takeovers Act 1975*:

N.B. Items A, B and C below should be provided for all urban real estate proposals. The other items should be provided where relevant.

A. Details of the proposed purchaser:

- name;
- address;
- nationality.
- copy of identification section of passport (showing date of birth and passport number);

B. Details of the vendor:

- name;
- nationality
- address.

C. Details of the property:

- copy of contract (for properties to be purchased at **auction**, while **prior approval must still be obtained**, a copy of the signed contract should be forwarded to the FIRB after the auction);
- address;
- consideration to be paid;
- type of property ie, existing house, new unit, vacant land etc.

D. If the proposal involves real estate for development:

- full description of proposed development;
- expected timing of development;
- estimated cost of the development.

- an undertaking signed by the proposed purchaser(s) stating that continuous development will commence within twelve months of foreign investment approval.
 - : If it is a house and land package, confirmation that construction has not commenced, otherwise it will be examined as an ‘off the plan’ purchase.
 - : If **redevelopment** of existing dwelling, an undertaking that the existing property will remain unoccupied prior to redevelopment. If the proposal involves the construction of a single dwelling a valuation from a registered valuer may be required. The valuation should note the condition of and current value of the house as a separate item to the land (the valuation should be on the basis of the depreciated replacement value of the dwelling) and provide evidence that the property is at the end of its economic life (ie, generally uninhabitable), including photographs and evidence of similar redevelopments in the area.

- E. If the proposal involves the purchase of developed residential real estate by a **temporary resident**:
 - copy of identification section of passport;
 - copy of visa;
 - if from a student, a letter from an accredited tertiary institution confirming enrolment and duration of course, and proof of age (student applicants should be 18 years or older);
 - an undertaking signed by the proposed purchaser(s) to the effect that the residence will be used as the purchaser’s principal place of residence, will not be rented out, and will be immediately sold to an Australian or other eligible purchaser if their visa expires, they no longer occupy the property or when they cease to reside in Australia.

- F. If the proposal involves foreign companies, with an established substantial business in Australia, purchasing developed residential property for named senior executives continuously resident in Australia for periods longer than 12 months:
 - copy of identification section of senior executive’s passport;
 - copy of visa;
 - details of the scale and scope of the company’s Australian business activities, including the number of employees and balance sheet;
 - an undertaking, signed by an authorised officer of the company, to the effect that the residence will be used as an executive residence by an employee resident in Australia, will not be rented out, and will be immediately sold to Australian or other eligible purchasers if not occupied by an eligible employee or if the company substantially reduces or ceases its Australian business activities.

- G. If the proposal is for the acquisition of an **‘off-the-plan’ dwelling by an individual**:
 - description of the (proposed or actual) dwelling;
 - estimated date of commencement and completion of construction;
 - address;
 - description of: (i) the number of dwellings in the development and the estimated cost/value of each, details of dwellings already sold, including the number sold to non-residents, or (ii) if one house, details as above, including value, plus same details of a comparable property in similar area and of a similar value, to be retained for Australians and confirming it has been constructed by the same developer at the same time;
 - statement from the vendor developer certifying that the premises are new and have never been previously occupied or sold.

- H. If the proposal is for advance **‘off-the-plan’ approval for a developer**²
- details of the ownership of the development company or residency status of an un-incorporated developer. This includes the nationality and current country of residence of major shareholders of the company or un-incorporated developer;
 - a full description of the proposed development, including the cost of construction and proposed commencement and completion dates of the development and whether the development is to be constructed in stages;
 - exact address, including site plan;
 - a schedule of dwellings and the approximate value of each dwelling; and
 - whether any of the dwellings have been sold and if so the number sold to non-residents;
 - as well, any exemption from notification of individual acquisitions will only be granted when the developer, personally (if un-incorporated) or under Company Seal, undertakes to provide to the Board detailed reports of all sales (including to Australian purchasers) demonstrating compliance with the 50 per cent rule. For this purpose, developers would need to record and report the following information for all sales:
 - : the consideration paid for each dwelling;
 - : name of purchaser(s) and whether foreign;
 - : address of purchaser(s), if different from above;
 - : for companies, the name and place of ordinary residence of all substantial shareholders; and
 - : for trusts, the name and place of ordinary residence of all major beneficiaries.
- I. If an application for designation as an **Integrated Tourism Resort**³
- details of the ownership of the development company including the nationality and current country of residence of all major shareholders;
 - the real property description and area (in hectares) of each stage of the development;
 - a construction timetable for any scheduled construction and the estimated cost of both existing and planned development;
 - a full description of the core hotel including number of rooms, features, facilities etc;
 - a full description of all existing and planned recreational facilities etc;
 - details of ‘non hotel’ residential real estate including the state in which it is to be sold and the estimated sales price;
 - a copy of the proposed long term (ie, 10 years or more) lease agreement between the resort operator and the owners of the developed residential property; and
 - an undertaking, made under company seal, to provide a detailed annual report of the ownership of all of the residential real estate within the resort including:
 - : the name and address of the owner(s) and whether foreign;
 - : the consideration and date of the most recent purchase or the estimated value of the property;
 - : for companies, the name and place of ordinary residence of all substantial shareholders; and
 - : for trusts, the name and place of ordinary residence of all major beneficiaries.

² A section 26A Notice is not required for this category of application.

J. If an application for designation as a **Strata Titled Hotel**³

- details of the current ownership of the hotel including the nationality and current country of residence of all major beneficial owners;
- the real property description of the hotel;
- a full description of the hotel including number of rooms, features, facilities etc;
- details of the current manager of the hotel including the nationality and current country of residence of all major beneficial owners;
- a copy of the long term (ie, 10 years or more) management agreement;
- a schedule of the rooms and the approximate value of each room; and
- an undertaking, made under company seal, to provide a detailed annual report of the ownership of all of the rooms within the hotel including:
 - : the name and address of the owner(s) and whether foreign;
 - : the consideration and date of the most recent purchase or the estimated value of the property;
 - : for companies, the name and place of ordinary residence of all substantial shareholders;
 - : for trusts, the name and place of ordinary residence of all major beneficiaries.

Further Enquiries

Should you have any further enquiries please contact the Executive on:

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|----------------------|----------------------|
| General enquiries | (02) 6263 3795 |
| Fax | (02) 6263 2940 |
| <i>From overseas</i> | |
| General enquiries | 61 - 2 - 6263 3795 |
| Fax | 61 - 2 - 6263 2940 |
| E-mail | firb@treasury.gov.au |

[Further information on Australia's foreign investment policy, and the Form 3 notification form may be found at <http://www.treasury.gov.au/firb>]

³ A section 26A Notice is not required for this category of application.