



Australian Government
The Treasury



Quarterly Report on Foreign Investment

1 July – 30 September 2023

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In the spirit of reconciliation, the Treasury acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

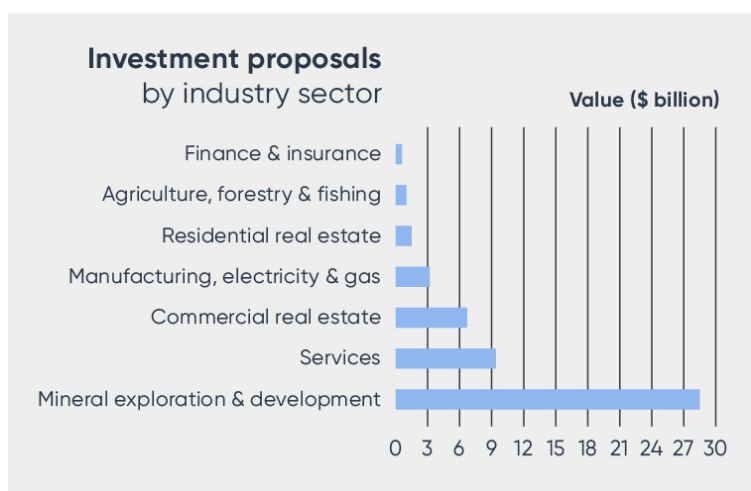
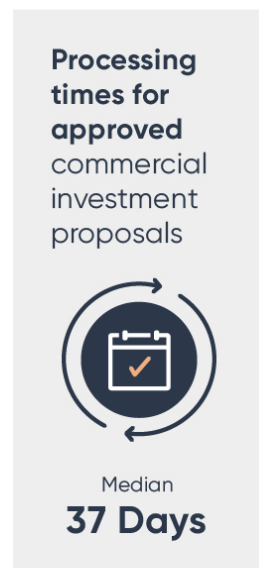
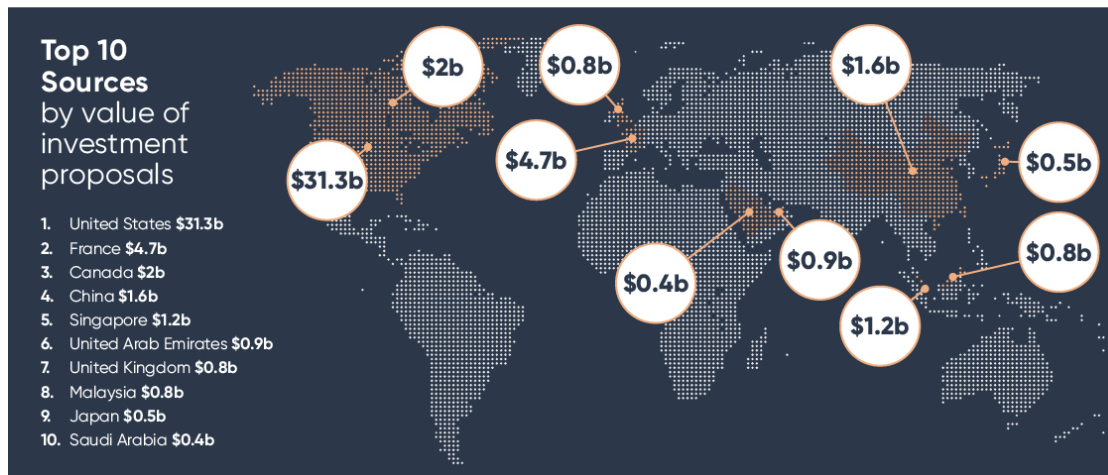
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Key foreign investment framework data

Commercial foreign investment in Australia

Key data for the period 1 July–30 September 2023



Foreign investment reporting 1 July to 30 September 2023

Introduction

The Treasury is Australia's foreign investment policy advisor and regulator. It administers the foreign investment framework, which is set by the *Foreign Acquisitions and Takeovers Act 1975* and the *Foreign Acquisitions and Takeovers Fees Impositions Act 2015*, along with their associated regulations.

The Treasury assesses commercial investment proposals, is responsible for fostering compliance, and advises the Australian Government on all aspects of foreign investment policy. Under the foreign investment framework, the Australian Taxation Office (ATO) is responsible for residential real estate investment proposals. Under the *Foreign Acquisitions and Takeovers Act 1975*, proposed foreign investments are assessed using the national interest test or the national security test.

The Treasurer is the decision maker under Australia's foreign investment framework. However, decision-making delegations exist to enable Treasury portfolio ministers, Treasury and ATO officials to make decisions on foreign investment proposals on behalf of the Treasurer.

The Foreign Investment Review Board (FIRB) is a non-statutory body which advises the Treasurer on the policy and administration of the foreign investment framework.

More information about Australia's foreign investment regulatory system is available at <https://foreigninvestment.gov.au>.

About this report

This is the first quarterly report for the 2023–24 financial year covering the regulation of foreign investment in Australia.

This quarterly report sets out key performance data concerning the operation of Australia's foreign investment regulatory framework.

Headline statistics

Commercial investment proposals

The number of commercial investment proposals approved was 283 with a value of \$49.5 billion.

The United States was the largest source for approved commercial investment proposals by value (\$31.3 billion), followed by France (\$4.7 billion), Canada (\$2.0 billion), China (\$1.6 billion) and Singapore (\$1.2 billion).

Mineral exploration and development was the largest target sector for proposed investment with a total value of \$28.5 billion. Services was the second largest target sector with a total value of \$9.4 billion.

Residential real estate investment proposals

The number of residential real estate investment proposals approved was 1,374 with a total value of \$1.5 billion.

China was the largest source for approved residential real estate by number and value (\$0.7 billion), followed by Hong Kong SAR (\$0.1 billion), Vietnam (\$0.1 billion), India (\$0.1 billion), and Taiwan (\$0.1 billion).

Median processing times

Treasury's median processing time for approved commercial investment proposals was 37 days.

National security

Since January 2021, Australia's foreign investment framework's national security powers were strengthened to cover more types of transactions subject to mandatory notification and create a scheme for voluntary notification by investors for actions of any value which may pose national security concerns.¹

Of the 283 commercial foreign investment proposals approved in this quarter, 13 related to national security actions that would not have been captured prior to January 2021. Of these national security actions, 10 were mandatory notifications and 3 were voluntary notifications.

Compliance with foreign investment legislation

Maintaining strong compliance with Australia's foreign investment legislation is a priority for the Government. The Government expects all foreign investors are aware of, understand and comply with their obligations under Australian law, including Australia's foreign investment laws. The [Foreign Investment Compliance Framework Policy Statement](#) helps foreign investors understand and meet their compliance obligations.²

The compliance program aims to achieve a balance between providing assurance, detecting and remedying non-compliance, while encouraging and supporting foreign investors to meet their obligations. Treasury takes a risk-based and proportionate approach when responding to identified or suspected non-compliance. This may include enforcing compliance through assurance activities, penalties and sanctions. Where there are reporting conditions on an investment, the investor must submit reports that provide evidence of their compliance.

Treasury continues to mature its regulatory approach in detecting and responding to non-compliance. Applying risk-based approaches enables Treasury to assess matters more efficiently—in this quarter, Treasury assessed 941 condition mandated reports, up from 637 in the previous quarter. Treasury's audit activities and investigations provide pathways for more in-depth assessments of foreign investors' compliance with conditions, including compelling the provision of information and documents where non-compliance is suspected. While Treasury's primary compliance tool remains educating foreign investors on their obligations, Treasury has also shifted towards using more

1 See Guidance Note 8 on National Security for further information, <https://foreigninvestment.gov.au/guidance/types-investments/national-security>

2 See https://foreigninvestment.gov.au/sites/firb.gov.au/files/2021-01/FIRB_compliance_framework.pdf

enforcement powers in response to non-compliance, including the power to issue infringement notices under the Act.

Investment proposals

Investment proposals by number and value

Table 1: Number of investment proposals

	Commercial					Residential real estate				
	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
Approved with conditions	108	122	108	550	804	1,003	1,262	1,003	4,768	3,667
Approved without conditions	175	175	175	760	759	371	670	371	1,808	1,766
Total	283	297	283	1,310	1,563	1,374	1,932	1,374	6,576	5,433
Withdrawn	98	41	98	149	205	22	20	22	74	144
Prohibition orders	0	0	0	1	0					

Note: Tables on residential real estate exclude variations and applications processed where the outcome was exempt.

Table 2: Value of investment proposals (\$ billion)

	Commercial					Residential real estate				
	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
Approved with conditions	40.8	29.0	40.8	131.6	270.2	1.1	1.8	1.1	6.1	1.6
Approved without conditions	8.7	5.9	8.7	39.9	60.3	0.4	0.6	0.4	1.8	6.0
Total	49.5	34.9	49.5	171.5	330.5	1.5	2.4	1.5	7.9	7.6

Note: Tables on residential real estate exclude variations and applications processed where the outcome was exempt.

Approved investment proposals by investment source and industry sector

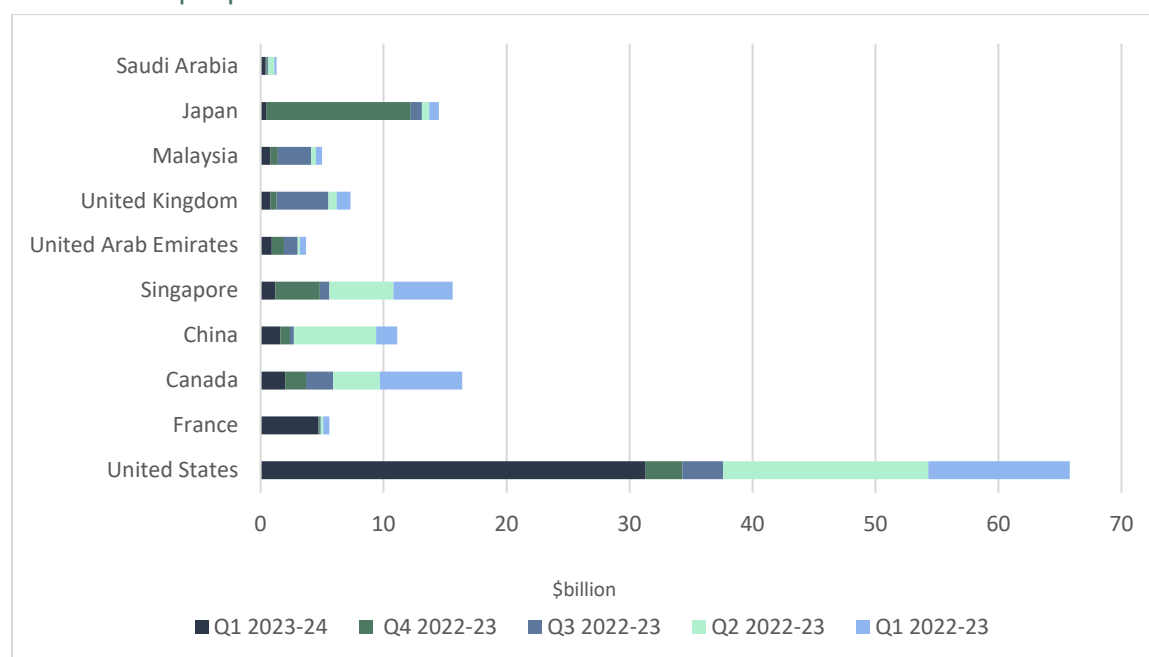
Table 3: Top 10 sources of investment by value of approved commercial investment proposals*

	Number					Value (\$ billion)				
	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
United States	119	141	119	598	746	31.3	3.0	31.3	34.5	118.9
France	17	17	17	66	85	4.7	0.1	4.7	0.4	2.5
Canada	72	61	72	347	387	2.0	1.7	2.0	14.4	31.5
China	38	48	38	200	273	1.6	0.8	1.6	9.5	4.6
Singapore	49	41	49	235	385	1.2	3.6	1.2	14.4	24.0
United Arab Emirates	30	39	30	129	174	0.9	1.0	0.9	3.0	6.1
United Kingdom	38	43	38	174	223	0.8	0.5	0.8	6.5	6.5
Malaysia	14	9	14	51	72	0.8	0.6	0.8	4.3	1.4
Japan	26	35	26	137	133	0.5	11.7	0.5	14.0	7.1
Saudi Arabia	9	19	9	77	83	0.4	0.1	0.4	1.2	0.6

Note: Proposals involving more than one source are counted against each source.

* This table is sorted by the value of approved proposals in the current quarter.

Chart 1: Top 10 sources of investment by value of approved commercial investment proposals*



* This chart is sorted by the value of approved proposals in the current quarter.

Table 4: Top 10 sources of investment by value of approved residential real estate proposals*

	Number					Value (\$ billion)				
	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
China	523	826	523	2,601	2,317	0.7	1.1	0.7	3.4	2.4
Hong Kong (SAR)	111	183	111	650	689	0.1	0.2	0.1	0.6	0.6
Vietnam	88	90	88	423	391	0.1	0.1	0.1	0.4	0.4
India	148	116	148	451	306	0.1	0.1	0.1	0.3	0.3
Taiwan	72	110	72	330	133	0.1	0.1	0.1	0.3	0.1
Nepal	92	88	92	281	140	0.1	0.1	0.1	0.2	0.1
United Kingdom	54	54	54	226	201	0.1	0.1	0.1	0.2	0.2
Indonesia	42	50	42	190	95	0.0	0.1	0.0	0.2	0.1
Singapore	59	81	59	316	173	0.0	0.1	0.0	0.3	0.1
Japan	13	13	13	69	69	0.0	0.0	0.0	0.2	0.1

* This table is sorted by the value of approved proposals in the current quarter.

Table 5: Number and value of approved investment proposals by industry sector*

	Number					Value (\$ billion)				
	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
Mineral exploration & development	22	39	22	126	135	28.5	4.7	28.5	13.1	14.7
Services	79	69	79	382	486	9.4	12.5	9.4	42.5	109
Commercial real estate	117	99	117	431	61	6.7	10.1	6.7	50.2	66.6
Manufacturing, electricity & gas	35	42	35	168	134	3.2	4.7	3.2	24.8	37.2
Residential real estate	1,374	1,932	1,374	6,576	5,433	1.5	2.4	1.5	7.9	7.6
Agriculture, forestry & fishing	30	45	30	200	187	1.0	1.5	1.0	8.5	8.5
Finance & insurance	13	16	13	79	105	0.6	1.4	0.6	32.4	94.7

* This table is sorted by the value of approved proposals in the current quarter.

Consideration of investment proposals

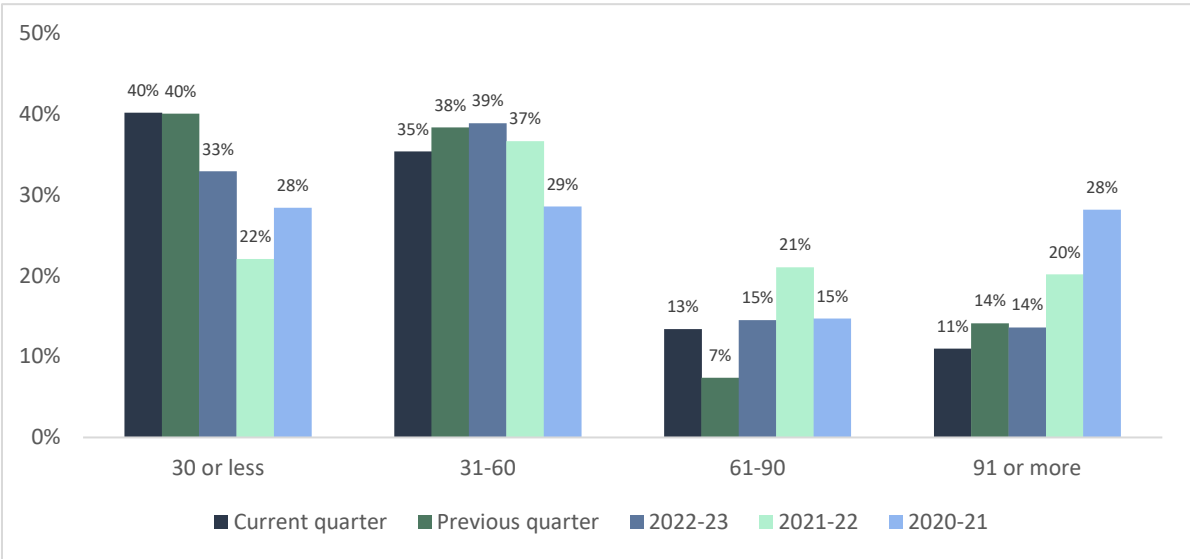
Median processing times

Table 6: Median processing times for approved commercial investment proposals

Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
37 days	36 days	37 days	41 days	52 days

Note: These processing times are current as of a point in time.

Chart 2: Approved investment proposal processing times (by number of days)



Note: These processing times are current as of a point in time.

Table 7: Median processing times for residential real estate investment proposals

Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
3 days	4 days	3 days	4 days	5 days

Note: Variations from previously published statistics are due to the reconciliation processes and capturing of foreign investment applications only.

National Security

Table 8: Number of approved national security investment proposals

		Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
Mandatory	Approved with conditions	2	2	2	15	15
	Approved without conditions	8	14	8	71	52
	Total	10	16	10	86	72
Voluntary	Approved with conditions	0	1	0	3	24
	Approved without conditions	3	7	3	29	23
	Total	3	8	3	32	47

Note: Proposals involving multiple actions that include both mandatory and voluntary notifications are counted against each national security category. Variations from previously reported statistics are due to this change.

Table 9: Value of approved national security investment proposals (\$ billion)

	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
Approved with conditions	0.0	0.1	0.0	1.0	6.3
Approved without conditions	0.3	0.8	0.3	4.7	3.8
Total	0.3	0.9	0.3	5.7	10.1

Compliance with foreign investment legislation

Condition mandated reports

Table 10: Number of condition mandated reports

	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
Condition mandated reports received	869	633	869	2,569	2,005
Condition mandated reports assessed *	941	637	941	3,027	2,524**

* Condition mandated reports assessed may include reports carried over from the previous financial years.

** As the date of assessment was not recorded for the entirety of 2021-22, this data point is an estimate and includes assessments of reports from multiple financial years.

Foreign investment audit program

Table 11: Number of regulator audits

	In progress	Completed				
	At current quarter end	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
Regulator audits	9	0	4	0	6	6

Table 12a: Number of independent audits in progress

	At current quarter end
Proposals under review	7
Reports in progress by investor	26
Reports under review by Treasury	10

Table 12b: Number of independent audits completed

	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
Proposals approved	17	19	17	76	56
Reports completed	16	43	16	78	46

Referrals and assessment of potential non-compliance

Table 13: Number of matters sourced via non-compliance referrals and assessments by information source

	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
Self-reported potential non-compliance with conditions (voluntary disclosures outside mandatory reporting)	3	5	3	25	44
Failure to notify related referrals/reports from the public*	12	16	12	43	45
Failure to notify related referrals/reports identified from other source**	10	11	10	47	29
Total	25	32	25	115	118

* Including retrospective notifications received from investors.

** Referrals from other sources can include internal referrals from other areas of the Treasury or Government, as well as Treasury-initiated referrals as a result of media monitoring and market scanning for non-compliance.

Table 14: Number of infringement notices issued

	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
Infringement notices issued	0	0	0	1	0

Matters under investigation

Table 15: Number of investigation matters

	In progress	Completed		2023-24 YTD	2022-23	2021-22
	At current quarter end*	Current quarter	Previous quarter			
Investigations	3	0	1	0	2	3

* Investigations on hand at the end of the current quarter may include investigations carried over from the previous quarter.



Methodology and glossary

Overview

- The statistics contained in this quarterly report reflect investor intentions (not actual purchases) to acquire Australian assets that are subject to the *Foreign Acquisitions and Takeovers Act 1975*.
- Any data that may enable the identification of a particular person or organisation has been removed to preserve confidentiality.
- The statistics may include some transactions that do not actually proceed. For example, approvals in a given quarter but which are not actually implemented in that quarter or at all.
- As a result, there can be differences between these statistics on proposed investment and actual investment flows.

General caveats

- Data capture, systems and reporting methodologies may change over time.
- Data presented from earlier quarters may have been revised since last published.
- Totals presented throughout the report may not add up due to rounding.

Glossary

Term	Description
Compliance	Sufficient appropriate evidence has been provided by the applicant, and/or obtained from the third parties, to demonstrate the investors' compliance with their foreign investment obligations.
Condition mandated reports	Reports from investors submitted in accordance with conditions imposed on their investment proposals, including their compliance with conditions.
Foreign person	Foreign person means: <ul style="list-style-type: none"> • an individual not ordinarily resident in Australia; • a corporation in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest; • a corporation in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest; • the trustee of a trust in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest; • the trustee of a trust in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest • a foreign government; or • any other person, or any other person that meets the conditions, prescribed by the regulations.
Independent audits	Audit reports prepared by independent assurance practitioners on the investors' compliance with conditions imposed on their investments. The independent assurance practitioners are engaged by the investors and approved by the Treasury.
Non-compliance	The applicant is unable to provide sufficient evidence to demonstrate compliance with their foreign investment obligations.
Prohibition	Under section 67 of the <i>Foreign Acquisitions and Takeovers Act 1975</i> , the Treasurer may make an order which prohibits a proposed significant action, notifiable national security action or reviewable national security action if the Treasurer is satisfied that taking the action would be contrary to the national interest or national security (as applicable).
Regulator audits	Risk-based, Treasury-led compliance assurance activity undertaken to test investors' compliance with conditions imposed on their investments, through compelling the provision of information and documents.
Withdrawn	Withdrawn investment proposals are proposals withdrawn by the investor. Proposals may be withdrawn for a variety of reasons, including: the investor choosing not to proceed with or deferring a purchase; the investor being unsuccessful in a competitive tender process before the proposal was finalised; the proposed investment 'target' being withdrawn from the market; changes to investor consortium compositions; concerns identified by the Treasurer; or where the proposal was incorrectly lodged.