



Australian Government
The Treasury



Quarterly Report on Foreign Investment

1 October to 31 December 2023

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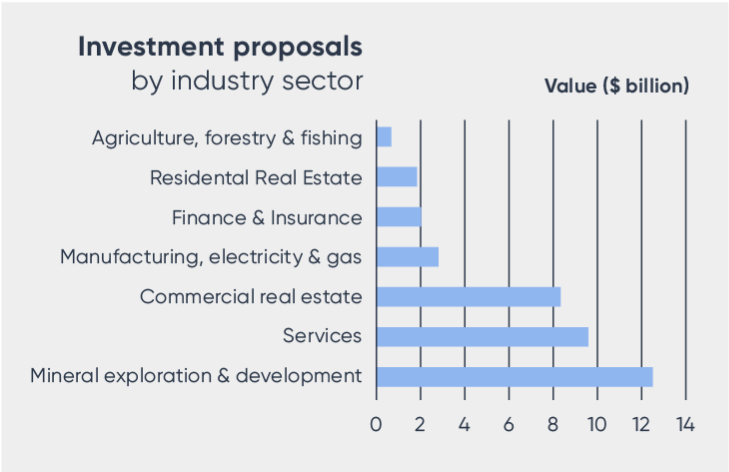
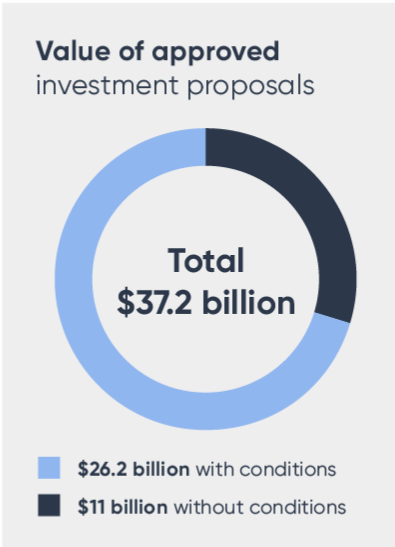
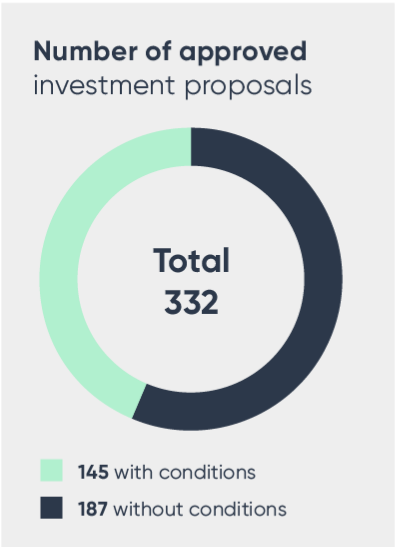
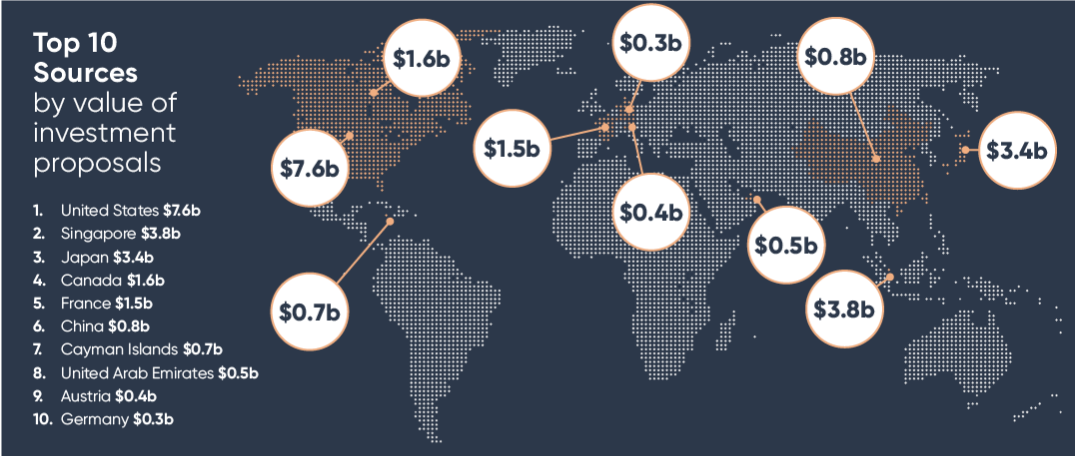
In the spirit of reconciliation, the Treasury acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

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Key foreign investment framework data

Commercial foreign investment in Australia Key data for the period 1 October–31 December 2023



Foreign investment reporting 1 October to 31 December 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 and 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 second 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 from 1 October 2023 to 31 December 2023.

This reporting period precedes the Treasurer's announced changes on 1 May 2024 to streamline and strengthen the foreign investment framework.¹

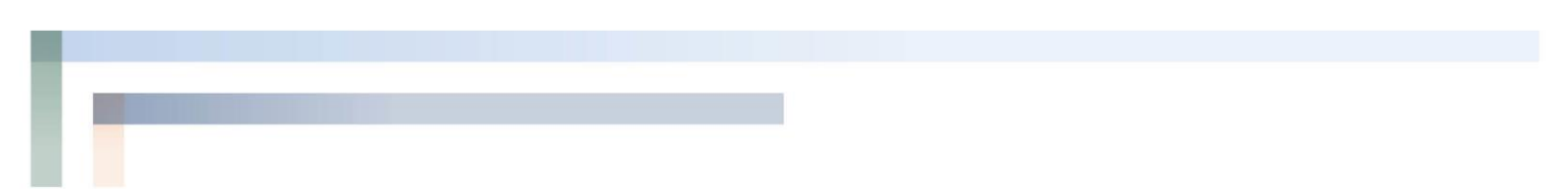
Headline statistics

Commercial investment proposals

The number of commercial investment proposals approved was 332 with a value of \$37.2 billion.

The United States was the largest source for approved commercial investment proposals by value (\$7.6 billion), followed by Singapore (\$3.8 billion), Japan (\$3.4 billion), Canada (\$1.6 billion) and France (\$1.5 billion).

¹ See Australia's foreign investment framework for further information, <https://foreigninvestment.gov.au/investing-in-australia/foreign-investment-framework>.



Mineral exploration and development was the largest target sector for proposed investment with a total value of \$12.9 billion. Services was the second largest target sector with a total value of \$9.9 billion.

Residential real estate investment proposals

The number of residential real estate investment proposals approved was 1,580 with a total value of \$1.9 billion.

China was the largest source for approved residential real estate investment proposals by number and value (\$0.8 billion), followed by Hong Kong SAR (\$0.1 billion), India (\$0.1 billion), Vietnam (\$0.1 billion), and Taiwan (\$0.1 billion).

Median processing times

Treasury's median processing time for approved commercial investment proposals was 42 days.

National security

In 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.²

Of the 332 commercial foreign investment proposals approved in this quarter, 16 related to national security actions that would not have been captured prior to January 2021. Of these national security actions, 11 were mandatory notifications and 5 were voluntary notifications.

Compliance with foreign investment legislation

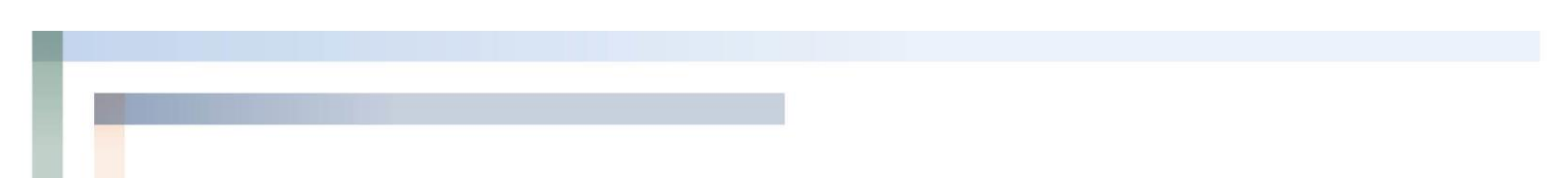
Maintaining strong compliance with Australia's foreign investment legislation is a priority for the Government. The Government expects all foreign investors to be aware of, understand and comply with their obligations under Australian law, including Australia's foreign investment laws. The [Foreign Investment Compliance Framework Policy Statement](#) helps foreign investors understand and meet their compliance obligations.³

The compliance program aims to achieve a balance between providing assurance, detecting and addressing non-compliance.

Treasury promotes compliance through a range of activities which include educating foreign investors about their obligations under the foreign investment laws and any conditions attached to their investments. Treasury also undertakes various compliance assurance activities, and enforcement actions including penalties and sanctions as appropriate. In doing so, Treasury may use legislative powers to compel information and documents, enter premises (either by consent or by court issued warrant) and exercise monitoring powers.

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

3 See our approach to compliance, <https://foreigninvestment.gov.au/compliance/approach>



Treasury is focused on carrying out these compliance and enforcement activities in a way that promotes the integrity of the foreign investment framework and is proportionate to the risks of harm to Australia’s national interest and national security.

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	145	108	253	550	804	1,172	1,003	2,175	4,768	3,667
Approved without conditions	187	175	363	760	759	408	371	779	1,808	1,766
Total	332	283	616	1,310	1,563	1,580	1,374	2,954	6,576	5,433
Withdrawn	48	98	146	149	205	19	22	41	74	144
Prohibition orders	0	1	1	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	26.2	40.8	67.0	131.6	270.2	1.4	1.1	2.5	6.1	1.6
Approved without conditions	11.0	8.7	19.7	39.9	60.3	0.5	0.4	0.9	1.8	6.0
Total	37.2	49.5	86.7	171.5	330.5	1.9	1.5	3.4	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

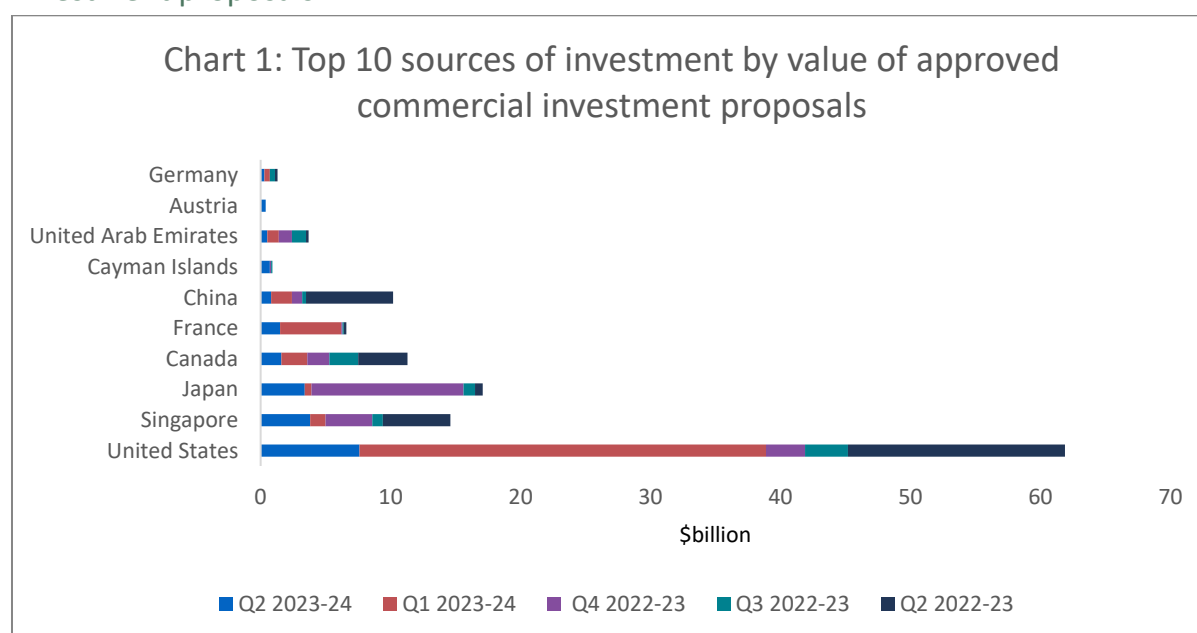
Table 3: Top 10 sources of investment by value of approved commercial investment proposals*

	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	146	119	265	598	746	7.6	31.3	38.9	34.5	118.9
Singapore	82	49	131	235	385	3.8	1.2	5.0	14.4	24.0
Japan	28	26	54	137	133	3.4	0.5	3.9	14.0	7.1
Canada	88	72	160	347	387	1.6	2.0	3.6	14.4	31.5
France	21	17	38	66	85	1.5	4.7	6.2	0.4	2.5
China	57	38	95	200	273	0.8	1.6	2.4	9.5	4.6
Cayman Islands	18	4	22	52	64	0.7	0.0	0.7	0.7	0.6
United Arab Emirates	35	30	65	129	174	0.5	0.9	1.4	3.0	6.1
Austria	2	1	3	0	4	0.4	0.0	0.4	0.0	0.0
Germany	24	22	46	83	112	0.3	0.4	0.7	1.9	6.0

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	592	523	1,115	2,601	2,317	0.8	0.7	1.5	3.4	2.4
Hong Kong (SAR)	105	111	216	650	689	0.1	0.1	0.2	0.6	0.6
India	154	148	302	451	306	0.1	0.1	0.2	0.3	0.3
Vietnam	97	88	185	423	391	0.1	0.1	0.2	0.4	0.4
Taiwan	91	72	163	330	133	0.1	0.1	0.2	0.3	0.1
Nepal	84	92	176	281	140	0.1	0.1	0.2	0.2	0.1
Singapore	78	59	137	316	173	0.1	0.0	0.1	0.3	0.1
Indonesia	50	42	92	190	95	0.1	0.0	0.1	0.2	0.1
South Africa	14	14	28	63	79	0.0	0.1	0.1	0.1	0.1
United Kingdom	40	54	94	226	201	0.0	0.1	0.1	0.2	0.2

* 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	35	22	57	126	135	12.9	28.5	41.4	13.1	14.7
Services	93	79	172	382	486	9.9	9.4	19.3	42.5	109
Commercial real estate	122	117	239	431	61	8.6	6.7	15.5	50.2	66.6
Manufacturing, electricity & gas	37	35	72	168	134	2.9	3.2	6.1	24.8	37.2
Finance & insurance	25	13	37	79	105	2.1	0.6	2.7	32.4	94.7
Residential real estate	1,580	1,374	2,954	6,576	5,433	1.9	1.5	3.4	7.9	7.6
Agriculture, forestry & fishing	33	30	63	200	187	0.7	1.0	1.7	8.5	8.5

* 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
42 days	37 days	41 days	41 days	52 days

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

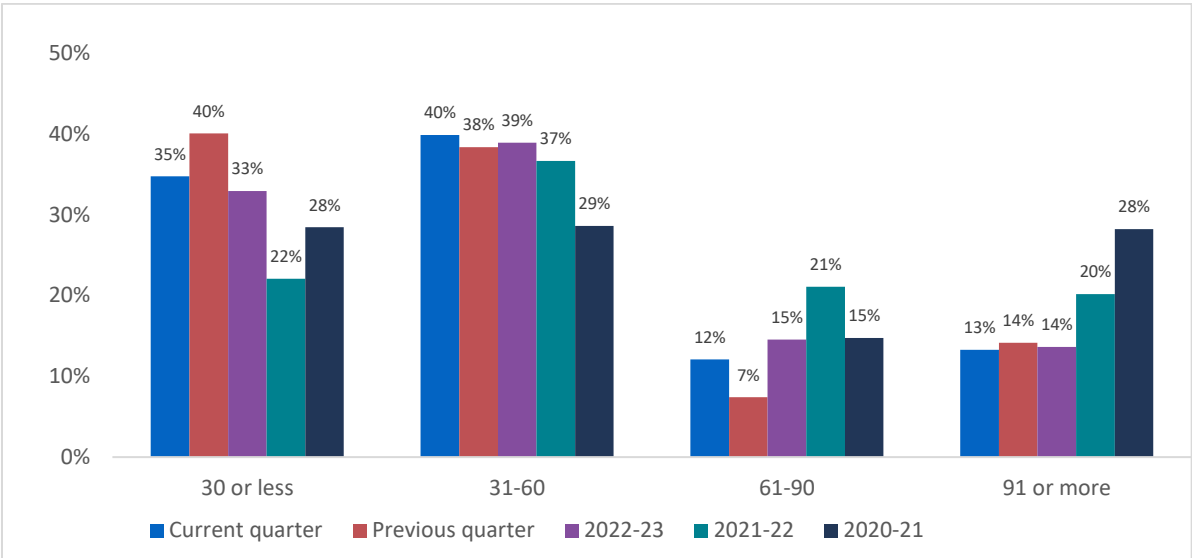


Table 7: Median processing times for residential real estate investment proposals

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

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	1	2	3	15	20
	Approved without conditions	10	8	18	71	52
	Total	11	10	21	86	72
Voluntary	Approved with conditions	0	0	0	3	24
	Approved without conditions	5	3	8	29	23
	Total	5	3	8	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*	0.0*	0.0*	1.0	6.3
Approved without conditions	0.3	0.3	0.6	4.7	3.8
Total	0.3	0.3	0.6	5.7	10.1

* Rounded to zero due to nominal amounts being associated with these proposals.

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	471	869	1,340	2,577	2,009
Condition mandated reports assessed *	473	941	1,414	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	2022-21
Regulator audits	12	1	0	1	6	6

Table 12a: Number of independent audits in progress

	At current quarter end
Proposals under review	5
Reports in progress by investor	26
Reports under review by Treasury	13

Table 12b: Number of independent audits completed

	Current quarter	Previous quarter	2023-24 YTD	2022-23	2021-22
Proposals approved	29	17	46	76	56
Reports completed	25	16	41	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)	2	5	7	25	44
Failure to notify related referrals/reports from the public*	12	12	24	43	45
Failure to notify related referrals/reports identified from other source**	7	10	17	46	29
Total	21	27	48	114	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	16	0	16	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	2	2	0	2	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 investor, 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 investor 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-initiated 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.