



# **ANNUAL REPORT 2015-16**

**on administration of the**

***Foreign Ownership of Land Register Act 1988***

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## **ANNUAL REPORT on the administration of the *Foreign Ownership of Land Register Act 1988 (Qld)*, 2015-16.**

This report is provided in accordance with Section 16(1) of the *Foreign Ownership of Land Register Act 1988* (the Act) and covers Titles Registry operations for the period 1 July 2015 to 30 June 2016.

The Act provides for the disclosure of foreign ownership of land in Queensland. All foreigners, as defined in the Act, are required to notify the Registrar of Titles of any acquisition or disposal of land or a relevant interest in land. (See **Attachment A** for definition of a foreigner).

An interest in land is as defined in the Act and can include an interest in freehold land (including a lot within a community titles scheme), State leasehold land and other specific types of interests. The Act does not require the separate identification of different land uses. (See **Attachment A** for definition of interest in land).

Notifications given in compliance with the requirements of the Act are maintained in the Foreign Ownership of Land Register. Foreign ownership of land in the State is monitored to the extent of the notifications received.

Titles Registry records indicate foreign interests invested more than \$3.8 billion in Queensland property during the reporting period, an increase of over \$1.6 billion from the previous year.

Statistics compiled from notifications of acquisition and disposal reveal that, as at 30 June 2016, foreign owned interests in land in Queensland totalled approximately 9,684,550 hectares, representing approximately 5.6% per cent of the state's land area (See **Attachment B** for the methodology used). It should be noted that compliance activities have accounted for some of the additional notifications which are included in this report.

There were 136 countries of origin recorded in the register as at 30 June 2016.

In 2016, the Australian Government published data on foreign ownership of agricultural land in Australia. It is noted that the area of Queensland land the Australian Government's data identified as foreign owned, is significantly different to the area of land identified in this report. This appears to be due to a range of factors including differences in the definition of who is considered to be foreign, in particular with respect to corporations, and differences in what interests are required to be reported, in particular with respect to leases with terms between 5 and 25 years and Plantation Licences (Further information is provided in **Attachment C**). There may also be differences due to the level of compliance with the Queensland legislation and the Titles Registry will continue to investigate this issue.



EV Dann  
Registrar of Titles

### 1. Value of annual acquisitions

2013/14		2014/15		2015/16	
Country	Value (A\$)	Country	Value (A\$)	Country	Value (A\$)
China	463,056,414	China	872,519,760	China	1,349,535,345
USA	361,277,469	Singapore	421,554,777	Singapore	471,034,708
United Kingdom	178,912,895	USA	119,697,996	USA	438,617,428
Singapore	157,976,713	Hong Kong	111,991,864	Germany	229,718,295
Malaysia	67,739,317	United Kingdom	110,506,246	KOR	201,654,742
New Zealand	58,890,111	Malaysia	68,367,946	United Kingdom	142,817,590
Others	400,032,572	Others	433,816,912	Others	979,772,996
Total	1,687,885,491	Total	2,138,455,501	Total	3,813,151,106

Table 1 shows the six countries with the highest recorded value of annual acquisitions of land during each of the last three financial years.

### 2. Total land area owned (by nationality) as at 30 June\*

2014		2015		2016	
Country	Area (ha)	Country	Area (ha)	Country	Area (ha)
United Kingdom	2,120,060	United Kingdom	2,229,850	United Kingdom	2,210,940
USA	513,940	USA	548,070	China	1,606,180
Switzerland	420,720	Switzerland	427,900	Netherlands	1,141,780
Netherlands	292,890	Netherlands	293,990	Luxembourg	651,150
Denmark	285,020	Germany	252,570	USA	623,630
Germany	275,090	China	237,490	Switzerland	517,820
Other	1,692,260	Other	1,891,430	Other	2,933,050
Total	5,599,980	Total	5,881,300	Total	9,684,550

Table 2 shows the six countries with the highest recorded land ownership by area as at 30 June for each of the last three years.

\*Approximate areas only.

Note: some of the changes between 2015 and 2016 relate to compliance activities by the Titles Registry as well as purchasing activity in 2015-2016

### 3. Total land parcels with some level of foreign ownership (by nationality) as at 30 June

2014		2015		2016	
Country	Number	Country	Number	Country	Number
United Kingdom	6,096	United Kingdom	5,904	United Kingdom	5,861
New Zealand	2,654	China	3,585	China	5,448
Japan	2,382	New Zealand	2,617	New Zealand	2,594
USA	2,369	Japan	2,451	Japan	2,475
China	2,326	USA	2,396	USA	2,380
Singapore	1,716	Singapore	1,848	Singapore	1,995
Others	12,243	Others	12,332	Others	12,973
Total	29,786	Total	31,133	Total	33,726

Table 3 shows the six countries with the highest recorded ownership of land parcels as at 30 June for each of the last three years.

Code	Country	Code	Country
USA	United States of America	KOR	Republic of Korea (South Korea)

**Foreign Ownership of Land Register  
(Categories ranked by top 10 local government areas)**

**1. Value of annual acquisitions in 2015/16  
ranked by local government area (top 10)**

<b>Local Government</b>	<b>Value (A\$)</b>
Brisbane City	1,839,256,835
Gold Coast	1,003,590,868
Toowoomba	191,946,442
Logan	125,640,004
Moreton Bay	121,130,734
Ipswich	109,181,905
Goondiwindi	45,290,104
Sunshine Coast	41,850,685
Townsville	38,178,400
Cairns	29,739,909

\*Approximate areas only

**2. Total area foreign owned - ranked by local  
government area (top 10) as at 30/6/16 \***

<b>Local Government</b>	<b>Area (ha)</b>
Bulloo	806,520
Mareeba	576,360
Diamantina	535,340
Barcoo	521,690
Burke	424,170
Croydon	406,000
Isaac	356,700
Cloncurry	308,540
Paroo	285,430
Longreach	284,920

**3. Total land parcels with some level of  
foreign ownership - ranked by local  
government area (top 10) as at 30/6/16**

<b>Local Government</b>	<b>Number</b>
Gold Coast	8,010
Brisbane City	6,420
Isaac	3,466
Cassowary Coast	2,072
Central Highlands	1,716
Moreton Bay	1,047
Cairns	983
Sunshine Coast	923
Ipswich	784
Logan	745

## **ATTACHMENT A - Definitions**

### **Interest in land\***

-includes an estate or interest

- In freehold land
- In state leasehold land
- In a licence or permit granted under the *Land Act 1994*
- Of a lessee of freehold land or a sublessee of leasehold land where the term including all options exceeds 25 years

\*Interest in land is defined in Schedule 1 of the *Foreign Ownership of Land Register Act 1988*

### **Foreigner**

“Foreigner” is a general term applied to Foreign Persons or other entities as referred to in the *Foreign Ownership of Land Register Act 1988*.

### **Foreign Person\***

-includes but is not limited to

- An individual who is not an Australian citizen, and whose presence in Australia is subject to a time limitation imposed by law or is not domiciled in Australia (*foreign natural person*)
- A body that is formed outside Australia and its external territories (*foreign corporation*)
- A corporation in which a foreign natural person or a foreign corporation holds a controlling interest
- A corporation in which two or more persons, each of whom is either a foreign natural person or a foreign corporation, hold an aggregate controlling interest

\*Foreign Person is defined in Schedule 1 of the *Foreign Ownership of Land Register Act 1988*.

## ATTACHMENT B – Methodology

The information contained within the Foreign Ownership of Land Register is collected as a part of the standard conveyancing and title transfer process in Queensland.

The reporting is based on notifications received by the Registrar of Titles under the Queensland *Foreign Ownership of Land Register Act 1988* (FOLRA). It is the responsibility of the foreign person or corporation to ensure they meet their obligations under the FOLRA. Information relating to land use of foreign owned properties is not recorded in this register.

The data in this report was extracted from the Foreign Ownership of Land Register covering transactions lodged for the 2015/16 financial year.

In accordance with the definition for 'Interest in land' in Attachment A, land that has been included in this report includes an estate or interest;

- in freehold land
- in leasehold land
- in a licence or permit granted under the *Land Act 1994*
- of a lessee of freehold land or a sublessee of leasehold land where the term including all options exceeds 25 years.

The size of land parcels as presented in this report has been sourced from the Department of Natural Resources and Mines' Digital Cadastral Database reflecting survey plan data.

The calculation for the Queensland area (as a whole) (173,064,800 ha) is based on data provided by Geoscience Australia. The data is nationally uniform and is the most authoritative data source currently available to calculate the entire area of Queensland.

In this report, the land size is apportioned according to the percentage of internationality of the persons or corporation that holds the interest in the land. To illustrate, five scenarios are provided below with different types of foreign ownership.

- Scenario 1** 100,000 ha owned in five equal shares with one of the shares being held by a foreign person – recorded in the register as 20,000 ha foreign owned.
- Scenario 2** 100,000 ha wholly owned by a corporation, in which a 50% stake is held by three foreign people, and a 50% stake is held by Australians – recorded in the register as 50,000 ha foreign owned.
- Scenario 3** 100,000 ha wholly owned by a corporation, in which a 20% stake is held by ten foreign people, and an 80% stake held by Australians – recorded in the register as 20,000 ha foreign owned.
- Scenario 4** 100,000 ha wholly owned by a corporation registered in Australia but 100% foreign controlled – recorded in the register as 100,000 ha foreign owned.
- Scenario 5** 100,000 ha wholly owned by a corporation in which a 25% stake is held by a foreign owner and the remaining 75% stake is held by five Australian owners each with a 15% share in the corporation, meaning the foreign owner holds a controlling interest in terms of the FOLRA – recorded in the register as 25,000 ha foreign owned.

*Scenarios demonstrating the different apportionment applied (depending on the level of foreign ownership) in the Queensland Report.*

*NOTE – these are examples only and should not be used as a basis for the calculation of reporting requirements by corporations or individuals*

## ATTACHMENT C – Comparison of Foreign Ownership of Land Reports

On 7 September 2016, the Australian Government released its Register of Foreign Ownership of Agricultural Land Report (the Report) for 2016. This report was developed through the Australian Taxation Office in consultation with the Foreign Investment Review Board. The Report was aimed at identifying the quantity of agricultural land that is owned or leased by foreign citizens or foreign corporations.

The quantum of land identified as foreign owned in that report, for Queensland, differed from the quantum of land identified as foreign owned in this report. This attachment outlines some of the main areas of difference between the data from those two registers

### 1. Definition for the Identification of Foreign Companies

The Australian Government report uses a different definition for the identification of foreign corporations. The legislation governing the Australian Government report, the *Agricultural Land Register Act 2015* (Cth), stipulates that a corporation must have more than 20% foreign interest in order to be required to register as a foreign organisation. In Queensland, foreign corporations must notify their interests to the Registrar of Titles if the corporation has an aggregate controlling foreign interest.

Using some of the same scenarios as in attachment B:

- Scenario 2** 100,000 ha of agricultural land wholly owned by a corporation in which a 50% stake is held by three foreign people, and a 50% stake is held by Australians – recorded in the Queensland register as 50,000 ha foreign owned, recorded in the Australian Government register as 100,000 ha foreign owned.
- Scenario 3** 100,000 ha of agricultural land wholly owned by a corporation in which a 20% stake is held by ten foreign people, and an 80% stake is held by Australians – recorded in the Queensland register as 20,000 ha foreign owned, recorded in the Australian Government register as 0 ha foreign owned.
- Scenario 4** 100,000 ha of agricultural land wholly owned by a corporation registered in Australia but 100% foreign controlled – recorded in the Queensland register as 100,000 ha foreign owned, recorded in the Australian Government register as 100,000 ha foreign owned.
- Scenario 5** 100,000 ha of agricultural land wholly owned by a corporation, in which a 25% stake is held by a foreign owner and the remaining 75% stake is held by five Australian owners each with a 15% share in the corporation, meaning the foreign owner holds a controlling interest in terms of the Queensland *Foreign Ownership of Land Register Act 1988* – recorded in the Queensland register as 25,000 ha foreign owned and in the Australian Government register as 100,000 ha foreign owned.

*Scenarios demonstrating the different apportionments of foreign ownership as applied across the two separate reports.*

*NOTE – these are examples only and should not be used as a basis for the calculation of reporting requirements by corporations or individuals*



## **2. Definition for Foreign Leased Land**

The Australian Government report includes land that had contractual arrangements in place to lease the land for periods longer than five years. In Queensland, the definition of leases or subleases that are required to be notified to the Registrar of Titles are those longer than 25 years. Investigation has indicated that there is in the order of 22 million hectares of land leased in Queensland that is not included in the Queensland data but has the potential to be included in the Australian Government data if leased by a foreign person or corporation.

## **3. Plantation Licences**

The Australian Government report includes approximately 290,000 hectares, being State Forest, subject to Plantation Licences. This area is out-of-scope for the Queensland Report.

## **4. Properties that Span Across State Boundaries**

The Australian Government Report covers all States and Territories within Australia. As such, properties that span across a State or Territory boundary can cause issues when allocating the land size to a single state. To solve this, the Australian Government report uses the property's service address as the discerning factor and allocates the property to the state in which the service address is located. The Queensland data only records properties that are completely located in Queensland.

## **5. User input for land size**

The Australian Government report allows foreign owners to provide the land size for their property. The areas used in the Queensland report are sourced from the State's spatial information systems.