

Main points

- In 2014-15, the number of foreign investment proposals continued to grow strongly. There were 37,953 proposals that received foreign investment approval,¹ compared with 24,102 in 2013-14.
 - The real estate sector had a significant increase in approvals with 37,347 approvals in 2014-15, compared with 23,428 approvals in 2013-14 and is more than triple the levels of 2012-13. The majority of this increase related to new dwellings approvals. This is consistent with the Government's policy to increase the housing stock by channelling foreign investment into new dwellings.
 - The number of approvals in other sectors was broadly unchanged with 592 approvals in 2014-15, compared with 585 approvals in 2013-14.
- Approvals in 2014-15 were given for \$194.6 billion of proposed investment, a 16.3 per cent increase on 2013-14.
 - This increase was largely due to continuing growth in residential real estate applications. Proposed investment in residential real estate increased from \$34.7 billion in 2013-14 to \$60.8 billion in 2014-15. There was also \$36.2 billion of proposed investment in the commercial real estate sector.
 - In other sectors, approved proposed investment in 2014-15 was \$97.7 billion, growing at a more moderate pace of around 5.3 per cent.
- Outside of real estate, the major industries for proposed investment in 2014-15 were services (\$38.8 billion), mineral exploration and development (\$26.7 billion), and manufacturing (\$19.5 billion). Investment by industry is subject to large variations year-by-year due to the impact of large one-off transactions.
- The United States remains Australia's dominant inward investor country, accounting for around 23.7 per cent² of the total stock of foreign direct investment as at the end of 2014. China (\$46.6 billion) remains the largest source country for approved proposed investment in 2014-15 although this growth remains from a low base. China is the fifth largest source country in respect of the stock of foreign direct investment, accounting for around 4.4 per cent³ of the total stock.
- In 2014-15, no proposals were rejected (compared with three rejected proposals in 2013-14) but conditions were applied to around 40 per cent of all foreign investment approvals. One divestment order was made in March 2015. It related to a Sydney property which had been illegally purchased by a foreign-owned company. A significant reform package was announced to strengthen compliance with the foreign investment rules.

1 The sectoral breakdown below excludes 85 reorganisations.

2 Source: Australian Bureau of Statistics, Catalogue 5352.0, Table 2.

3 Source: Australian Bureau of Statistics, Catalogue 5352.0, Table 2.

