

Chapter 1

Introduction

Referral of inquiry

1.1 On 25 November 2015, the Senate referred the following matter to the Senate Economics References Committee (committee) for inquiry and report by 4 February 2016:

An examination of the foreign investment review framework, including the powers and processes of the Foreign Investment Review Board, in relation to Australian assets of strategic or national significance being subject to lease or purchase by foreign owned interests, and whether there ought to be any legislative or regulatory changes to that framework to ensure Australia's national interest is being adequately considered, with particular reference to:

- (a) the decision by the Northern Territory Government to grant a 99-year-lease over the Port of Darwin to Landbridge Group;
- (b) the planned lease by the New South Wales Government of TransGrid;
- (c) the decision by the Treasurer to block the sale of S Kidman and Co on national interest grounds; and
- (d) any other related matters.¹

Conduct of inquiry

1.2 In accordance with its usual processes, the committee advertised the inquiry on its website, and wrote to relevant organisations and individuals in order to invite submissions.

1.3 To date, the committee has received 17 submissions and has conducted one public hearing, held on 15 December 2015 in Canberra. The names of witnesses who appeared at the hearing are listed at Appendix 1.

1.4 During the hearing, the committee heard evidence on the decision, which came into effect on 16 November 2015, by the Northern Territory Government to grant a 99-year lease over the Port of Darwin to the Landbridge Group.

1.5 The committee acknowledges the organisations and individuals that have made contributions to the inquiry so far through submission and appearance at the hearing.

Purpose and structure of interim report

1.6 This interim report focusses on term of reference (a), the decision to grant a 99-year lease over the Port of Darwin to Landbridge Group. It considers evidence

1 *Journals of the Senate*, No. 129, 25 November 2015, p. 3482.

provided in submissions to the committee, along with evidence given at the 15 December 2015 public hearing.

1.7 Drawing on the Port of Darwin matter, the interim report makes preliminary recommendations reflecting concerns raised in evidence regarding the Foreign Investment Review Board (FIRB), Australia's Foreign Investment Review Framework and recent regulatory changes and the decision-making process.

1.8 Chapter 2 provides an overview of the Port of Darwin lease process and the winning bidder, the Landbridge Group. Chapter 3 details the foreign investment review framework and in particular, the role of FIRB in relation to foreign investment in Australia. Chapter 4 considers the evidence before the committee in support of the foreign investment framework with focus on the Port of Darwin lease process. Chapter 5 considers the concerns raised in evidence regarding the framework and its processes as well as evidence in support of changes to the legislative and regulatory framework. Chapter 6 provides the committee's view and a recommendation.