

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into foreign investment proposals

Division: Foreign Investment Division
Topic: Foreign investment reforms: June 2020 - Consultation with Departments
Reference: Spoken

Question:

Senator O'NEILL: Thanks for your evidence. I am looking forward to reading your opening statement a little more closely and I will have more questions later. I have been asking witnesses today about this document from Treasury, Foreign investment reforms: June 2020. I haven't been able to find anybody who was consulted in its development so far. Could you give me a sense of who was actually consulted in the development of this announcement?

Ms Kelley: I will just make a couple of overview comments and then hand over to my colleagues. In terms of the reforms themselves, the relevant ministers and departments were consulted, as is usual in government decision-making processes, and so we did have—

Senator O'NEILL: Could you clarify for me the minister and the departments that were [inaudible]

Ms Kelley: I just said the relevant ministers and departments, in terms of the government decision-making, were involved and—

Senator O'NEILL: [inaudible]

Ms Kelley: Who were the departments?

Mr Brake: Quite a range of departments, including, for example, the Department of Home Affairs, Prime Minister and Cabinet—a wide range.

Senator O'NEILL: Could I get the full list? Is it difficult for you to do that now, on the fly? Do you need to take that on notice?

Ms Kelley: We might take that one on notice to make sure we don't miss anyone.

Answer:

As the Prime Minister stated on 5 June 2020, the reform package was worked on for some time, and was considered by the Cabinet and the Expenditure Review and National Security Committees of Cabinet.

Prior to the announcement of the reforms, Treasury engaged with the following departments:

- Attorney-General's Department
- Australian Security Intelligence Organisation
- Australia Signals Directorate
- Department of Agriculture, Water and the Environment
- Department of Defence
- Department of Foreign Affairs and Trade, including the Australian Trade and Investment Commission (Austrade)
- Department of Industry, Science, Energy and Resources
- Department of Infrastructure, Transport, Regional Development and Communications
- Department of Home Affairs
- Department of the Prime Minister and Cabinet
- Office of National Intelligence

We also engaged across Treasury's portfolio, including the Australian Taxation Office and the Australian Competition and Consumer Commission.

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Question:

Senator O'NEILL: So it's all within the government—its departments and the ministers have cooked this up together, and the consultation didn't extend beyond the departments. Is that correct?

Ms Kelley: We're now in a consultation period, where people and all the stakeholders outside of government can actually provide us feedback, which, again, is a pretty standard process that is followed.

Senator O'NEILL: I did ask the representatives of the government of Western Australia if they were engaged in consultation, and they said that had just commenced this week. Is that the timing?

Ms Kelley: That's right. The exposure draft of the legislation was released last Friday. Previously, the document that you just showed on screen before was released on 5 June. We're now in a four-week consultation period, where we will consult with a lot of people. But since 5 June—and probably even before then—we have been talking with a range of people and stakeholders about it. We can provide some further detail on that if you need that.

Senator O'NEILL: Could you provide on notice the range of people and stakeholders you engaged with prior to the June release of the document and also prior to the release of the exposure draft.

Senator PATRICK: Could you also provide the committee with a time line of, for example, when you first sent a brief to the minister, the points in time where the minister might have sought approval from the Prime Minister to propose legislation, and the approval processes—a time line of how we got to the point where the exposure draft was released.

Ms Kelley: Yes, we can take that on notice.

Answer:

As the Prime Minister stated on 5 June 2020, the reform package was worked on for some time, and was considered by the Cabinet and the Expenditure Review and National Security Committees of Cabinet.

Since announcement of the Foreign Investment Reforms on 5 June 2020 until the release of the Exposure Draft of the legislation on 31 July 2020, Treasury undertook about 40 engagements across its network, with over 1000 stakeholders attending these sessions including:

- Foreign governments, with meetings facilitated by the Department of Foreign Affairs and Trade;
- Business and industry advocate groups including the Australian Industry Group and the Business Council of Australia;
- Peak bodies including the Law Council of Australia;
- Professional services and advisory groups, including major providers of financial, legal, accounting and consulting services;

- Multilateral institutions such as the Organisation for Economic Co-operation and Development;
- Defence and Defence industry groups including advocates; and
- Foreign investors both in Australia and abroad.

Treasury has also shared broad-channel information on the reforms via professional newsletters and bulletins with an approximate combined audience of over 38,000 stakeholders.