



NICK XENOPHON
Independent Senator for South Australia
AUSTRALIAN SENATE

Our ref: NC-MOR/SKM

The Hon Scott Morrison MP
Treasurer
Parliament House
Canberra ACT 2600

URGENT BY EMAIL

Dear Treasurer

RE: Proposed purchase of Van Diemen's Land Company

I write to you in relation to the proposed purchase of Australia's largest and oldest dairy, Van Diemen's Land Company, by Chinese businessman Lu Xianfeng, owner of Moon Lake Investments.

I understand that pursuant to the *Foreign Acquisitions and Takeovers Act 1975* ('the Act') the Foreign Investment Review Board ('FIRB') has referred the proposed purchase to you in your capacity as Treasurer for determination.

I understand that while the Act requires that you consider whether a proposed purchase of Australian agricultural land and Australian agribusinesses is in the national interest, the Act and its associated regulations are silent as to what factors you should have regard to.

Whilst the Act does not require you to have regard to any alternative bids by Australian owned entities when assessing Mr Lu's bid, I respectfully suggest that you should do so. I respectfully suggest the potential economic, social and environmental benefits that may flow from a viable alternative Australian based bid should be a key consideration in the exercise of your discretion.

I also submit that in contrasting the bid by Moon Lake Investments and a viable Australian based bid, the considerations in weighing up the national interest test ought to include (but not be limited to):

- The potential for transfer pricing, including the potential any loss of revenue to the Commonwealth;
- Commitments to the local workforce in terms of the business plan being proposed;
- Any expansion plans of the overseas bid compared to the local bid.