

**Senate Economics Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE

**Treasury Portfolio**

Additional Estimates

2016 - 2017

**Division/Agency:** Foreign Investment Division

**Question No:** 254

**Topic:** FIRB - Applications

**Reference:** Written

**Senator:** Leyonhjelm, David

**Question:**

On 1 March 2017 Mr Donnelly told the Committee with respect to applications to purchase agricultural property “Again, we go through a series of checks and in the event that we find that the purchase is in the national interest, then we can issue an approval, or the Treasurer does, depending on the various size and other national interest considerations that are involved.” Is it necessary to conclude that the purchase is in the national interest for the application to be approved? Or is it necessary to conclude that the purchase is not in the national interest for the application to be rejected?

**Answer:**

The foreign investment review framework is set by the Foreign Acquisitions and Takeovers Act 1975 (Act) and the Foreign Acquisitions and Takeovers Fees Imposition Act 2015 (Fees Imposition Act) and their associated regulations. It is supported by Australia’s Foreign Investment Policy (the Policy) and Guidance Notes on the specific application of the law.

The Act allows the Treasurer to review foreign investment proposals that meet certain criteria. The Treasurer has the power to block foreign investment proposals or apply conditions to the way proposals are implemented to ensure they are not contrary to the national interest.

The Policy provides an overview of the framework, and should be read in conjunction with the legislation. The Policy outlines the Government’s approach to administering the foreign investment framework, including national interest considerations. The considerations under the national interest test include: implications for national security, effects on competition, the character of the investor, ability to comply with Australia’s laws and regulations, and impact on the economy and community.