

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Foreign Investment Division
Question No: 256
Topic: FIRB Applications
Reference: Hansard page 47 (01 March 2017)
Senator: Gallagher, Katy

Question:

Senator GALLAGHER: Perhaps this is a question for the minister, really, because confidence in FIRB's processes is extremely important for foreign investment. You have the Chairman of the Foreign Investment Review Board speaking to a large audience raising concerns that the Kidman cattle empire decision had not been made objectively under FIRB guidelines. He went on to say, 'Avoid icons if you are wanting to invest.' He said further: ""My advice if you are thinking of investing is stay away from the business icons — they are always going to be difficult ...

Do you agree with the comments of the chairman, and do you have any concerns that that is the public message that is being given to overseas investors?

Senator Cormann: I do not have any comments on those comments. I will ask the Treasurer whether he wants to add anything to that.

Answer:

The Government welcomes foreign investment in Australia and reviews foreign investment proposals against the national interest on a case by case basis.

The Government has provided general guidance though on the national interest factors that are typically considered when assessing foreign investment proposals. These include: national security, competition, other Australian Government policies (including tax), impact on the economy and the community and the investor's character. Where a proposal involves a foreign government investor, the Government also considers if the investment is commercial in nature or if the investor may be pursuing broader political or strategic objectives that may be contrary to Australia's national interest.

Further, it is recognised that foreign investment in critical infrastructure needs to be scrutinised to ensure that any potential national interest risks can be addressed. That is why on 23 January this year, the Critical Infrastructure Centre within the Attorney-General's Department was established to better manage national security risks to Australia's critical infrastructure.

The Centre will manage the complex and evolving national security risks to Australia's critical infrastructure by working with all levels of government, infrastructure owners and operators to identify and manage national security risks.

The work of the Critical Infrastructure Centre will complement the existing Foreign Investment Review Board process.