

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

20-21 November 2013

Question: SBT 1024-1030

Topic: Foreign Investment Review Board and Policy

Written: 28 November 2013

Senator WONG asked:

1024. Is there a formal relationship between DFAT and Treasury (agreed in a memorandum of understanding or similar) in relation to responsibility of foreign investment?
1025. If not, why not?
1026. Please outline the Government's policy on thresholds for both agricultural and non-agricultural investment.
1027. Does Treasury/FIRB estimate how many additional transactions each year over the FEs will now come under FIRB scrutiny as a result of the Government's policy?
1028. Does Treasury/FIRB expect to receive additional resources to process these extra applications? When will these resources be forthcoming?
1029. Is Treasury working on proposals including new conditions for rural land acquired either for mining use (including CSG extraction) or residential/commercial subdivision? Where is this up to?
1030. Where is the plan for a register of foreign investment in rural land up to?

Answer:

- 1024-1025. The Department of the Treasury is responsible for the regulation of foreign investment in Australia while the Department of Foreign Affairs and Trade is responsible for investment promotion.
1026. At present, foreign investment approval is required to acquire an interest of 15 per cent or more in any business (including agribusinesses) valued at over \$248 million (or \$1,078 million for United States and New Zealand investors). In addition, all foreign government investors require approval before making any direct investment in Australia, starting a new business or acquiring any interest in land, regardless of the value of the investment.
- The Government has stated on numerous occasions that the threshold for the purchase of agricultural land will be reduced to a level below where it currently stands.
1027. This question relates to SBT 64 of 20 November 2013. Please refer to the answer to that question.
1028. This is a matter for the Government.

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1029. To confirm or to deny such a work schedule may reveal confidential advice provided to the Government.
1030. The Government remains committed to its election policy. The Government will make an announcement on this issue in due course.