



30 August 2021

Manager
Policy Framework Unit, Foreign Investment Division
The Treasury
Langton Crescent
PARKES ACT 2600
Via email: FIRBStakeholders@treasury.gov.au

To whom it may concern,

Re: Review of the 2021 reforms to the Australia's foreign investment framework

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission on the operation and performance of the recent reforms to the Australia's foreign investment framework.

The NFF believes Australia's foreign investment framework should facilitate capital flows into the country without compromising the national interest and security considerations. The NFF is supportive of a range of measures, these include:

- The creation of a register of foreign owned agricultural land and water that is regularly updated.
- Continuing to ensure that foreign investment adheres to Australian law, including tax and competition law.
- Ensuring that the foreign investment review board is well-resourced to assess investment proposals and conduct post approval monitoring.
- Ensuring clarity in the investment review process and framework.

The NFF submission to the draft reforms highlighted broad support for the foreign investment framework reforms – this submission will highlight our specific ongoing concerns.

NFF concerns with 2021 foreign investment reforms

The NFF does not oppose the “call in powers” provided to the Treasurer with respect to review of foreign investment. However, the scope of this power is not properly defined, creating significant political risk for investors, which will ultimately mean the need to provide foreign capital higher returns to invest in Australia and Australian agriculture.

The NFF has similar concerns with the ‘last resort powers’ that provides the Treasurer powers to amend the terms of a foreign investment after the investment has been made.

Clarification is required as to the process and the circumstances that these powers should be used. This will reduce uncertainty for all parties and reduce the perceived political risks associated with investing in Australia, while still prioritizing the national interest and security considerations.

The NFF is also concerned with the fees and charges schedule set out by the reforms, where a Foreign Investment Review Board application can cost up to \$500,000. This does not seem to be a reasonable cost, and further adds to the risks and costs of potential foreign investment in Australia.

The policy contact for this matter is Mr Ash Salardini, Chief Economist, email: asalardini@nff.org.au or phone" 0490785390.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Tony Mahar', with a stylized flourish at the end.

Tony Mahar
CEO
National Farmers' Federation