



# Backing for FIRB regime

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LIBERALS and Labor have closed ranks around Australia's foreign investment review regime and played down concerns about sovereign wealth funds, but called for stronger curbs on complex acquisitions of multiple, small assets that now escape assessment.

A Senate Economics Reference Committee report tabled last night declared the current system tough and flexible enough to defend the national interest, with the application of the 15 per cent trigger point for foreign acquisitions the only major area for reform.

It backed government moves to tighten laws to deal with bids for strategic assets that, in isolation, did not exceed the ownership threshold for Foreign Investment Review Board scrutiny, but collectively handed a foreign company significant local influence.

Overall, however, "the committee believes that the current regulatory framework for assessing foreign investment proposals, whether they are made by private commercial interests, sovereign wealth funds or state-owned entities, is sufficient", Liberal committee chairman Alan Eggleston concluded.

The bipartisan majority report failed to sway Nationals Senate leader Barnaby Joyce, Greens senator Scott Ludlum and independent senator Nick Xenophon, who issued a joint statement opposing the acquisition of any local strategic asset by a foreign government-controlled vehicle.

"Australia's integrity must never be compromised by a commercial imperative," they warned. The dissenters demanded that a foreign company's ethical track record and the human rights record of its country of origin be key factors in future FIRB deliberations.