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27 March 2017

Manager
Foreign Investment Policy Unit
The Treasury
Langton Crescent
PARKES ACT 2600

BY EMAIL

Dear Sir / Madam

FOREIGN INVESTMENT FRAMEWORK 2017 LEGISLATIVE PACKAGE SUBMISSIONS ON MARCH 2017 CONSULTATION PAPER

Thank you for the opportunity to make submissions on possible reforms to the *Foreign Acquisitions and Takeovers Act 1974* and associated regulations and policy.

We wish to make submissions on three aspects only: internal reorganisations; fees; and technical issues.

Internal reorganisations

We support an expansion to the class of transactions that constitute an internal reorganisation. Guidance may be drawn from the corporate reconstruction exemption in s273C of the NSW *Duties Act 1997*.

Fees

We support the streamlining of fees structure to the structure presented as option 3a in the Consultation Paper.

Technical issues

We are concerned that the Act does not regulate the acquisition of assets alone, not part of a business, nor water rights alone. Key assets could be acquired without specific government power to intervene. Examples of such assets are portable major electricity generating plants, communications towers or any critical infrastructure that is not a fixture under real property law.

Water rights that are key to an irrigation district or districts could likewise be acquired by foreign acquirers without specific regulation.

It is a relatively straightforward matter to re-frame a business transaction in the form of one or more asset transactions.

We request that the Commonwealth address these issues.

Thank you again for the opportunity to make these submissions.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Daren Armstrong', with a stylized flourish at the end.

Daren Armstrong

Partner

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