



17th July 2015

Manager
International Investment & Trade Unit
Foreign Investment & Trade Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Sir, Madam,

Ridley appreciates the opportunity to respond to the draft legislation imposing changes to arrangements for foreign investment in agribusiness and food manufacturing.

Ridley welcomes the exclusion of animal feed manufacturing, notably a class in group 119 of Division C ANZIC code, from the proposed amendments. This is an appropriate and sensible decision which will help contribute to a healthy animal feed milling industry.

However, we would like to emphasise our concern about imposing these changes to other parts of the food processing and manufacturing industry. Many of these companies are our customers and suppliers. They are an important part of our supply chain and can directly influence our competitiveness.

The proposed changes would create an unnecessary regulatory burden, reduce liquidity and access to capital for growth and global competitiveness. They also contradict other areas of public policies encouraging further foreign investments, such as the much welcomed Trade agreements with China, Japan, South Korea and ongoing negotiations with India, Indonesia, the TPP and RCEP.

We strongly support the Australian Food and Grocery Council (AFGC) 'submission to changes in foreign investment changes' and hope that this letter serves to reinforce that submission; and support that any changes be limited to Division A agribusinesses only.

Upon request, I would be delighted to be contacted to elaborate on any of the above points.



Kind regards,

Tim Hart
Managing Director and Chief Executive Officer
Ridley Corporation

Appendix: QCA aquaculture issues paper summary findings

The key findings of the QCA aquaculture issues paper are as follows:

- Over the last decade, investment in Queensland's aquaculture sector appears to have stalled, with no major new entrants to the market and only a modest expansion of

established projects. This situation compares unfavourably with industry growth in Australia and elsewhere.

- The QCA believes that Queensland's aquaculture sector has significant commercial potential. Despite the dearth of major new projects over the last ten years, the industry has still achieved compound annual growth of 4 per cent. Discussions with industry have confirmed strong interest in further development.
- Many industry participants claim that regulatory risk is a significant barrier to new investment. The regulatory approval process is protracted, with no certainty about outcomes.
- The QCA recommends that the government establish land-based aquaculture development areas as a way of ensuring a timely and transparent process for approvals.
- The QCA recommends that each development area have a clear code for assessment of development applications, explaining the regulatory conditions for aquaculture in that area. Such a code should be developed in conjunction with local government, Queensland government agencies and Commonwealth government agencies.
- The QCA recommends that the government defer consideration of the merits of a single legislative instrument for regulating aquaculture. This step can be considered once more practical regulatory reforms have been well established. The question of a single legislative instrument was raised by AREC, and the Direction specified that the QCA should investigate this issue.
- The QCA recommends that the government investigate the potential for marine aquaculture development areas in less populated areas with a low possibility of conflict with other users of marine resources.

In addition to the draft report, the website includes a series of maps showing coastal areas with the right topographic profile for land-based aquaculture. These maps demonstrate only the first step in identifying suitable locations, as they do not incorporate consultation on local preferences for the location of aquaculture operations. The QCA draft report notes the importance of local consultation in establishing suitable locations for the expansion of the aquaculture sector.