



PRIME MINISTER

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FOREIGN INVESTMENT POLICY

The Prime Minister, the Rt. Hon. J.M. Fraser, C.H., M.P., announced today that he intended approaching the State Premiers with a view to developing a closer working relationship between the Foreign Investment Review Board and State Government authorities.

Mr Fraser said that foreign investment has implications for State interests as well as national interests and the Government had always recognised the value of close liaison with the States on foreign investment matters. In this regard, the Government had made it a function of the Foreign Investment Review Board to establish appropriate liaison with State Government authorities.

Mr Fraser said that the Board had developed the practice of consulting relevant State authorities on foreign investment proposals that had significance for the States in order that State views could be taken fully into account. The cooperation of the States in this regard had been mutually beneficial and the Government considered that there would be value in strengthening the existing relationships.

In June last, Mr Fraser said, the Treasurer announced some changes to the foreign investment guidelines following a review of their operation over the preceding two years. It was decided in that review that the essential features of the policy announced in April 1976 should be maintained. The policy is designed to provide a favourable climate for foreign investment on terms consistent with Australia's national interests and the provision of maximum opportunities for Australians to participate in major projects. At the same time, the Government decided to relax a number of administrative procedures and special facilities were introduced to encourage predominantly foreign owned companies in Australia to move towards majority Australian ownership.

Following the announcement of these changes, the Treasurer arranged for the Executive member of the Foreign Investment Review Board to visit the States to explain and discuss the policy with State Government officials. The subject was also raised at the Premiers' Conference in June.

In the course of the review of foreign investment policy, the Prime Minister said the Government noted that some foreign investors had expressed some concern about the possibility of State Government requirements on foreign ownership and control running counter to the Commonwealth guidelines. The view had been put forward that this could create uncertainties that might discourage foreign investment in Australia. The Government believes it would be in the interests of the Commonwealth and the States to make it clear to foreign investors that there is a common approach within the general framework provided by the Commonwealth's foreign investment guidelines. The Prime Minister said he would be suggesting to the State Premiers that there should be further discussions between the Foreign Investment Review Board and State officials on this matter.