



OFFICE OF THE HON ANDREW ROBB AO MP

MINISTER FOR TRADE AND INVESTMENT

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Mayor Troy Pickard
President
Australia Local Government Association
8 Geils Court
DEAKIN ACT 2600

Dear Mayor Pickard

Thank you for your letter to the Hon Andrew Robb AO MP, Minister for Trade and Investment, passing on motions of local government councils regarding Australia's Significant Investor Visa (SIV) programme and the Trans-Pacific Partnership (TPP) Agreement. The Minister has asked me to respond on his behalf.

The new complying investment framework for the SIV, which came into effect on 1 July 2015, is intended to attract applicants who want to settle in Australia and invest into innovative Australian businesses, including eligible rural and regional businesses.

In developing the new complying investment framework, Austrade undertook extensive open consultations with any interested stakeholders, including public consideration of complying investment design options through two rounds of public written submissions (receiving approximately 170 submissions). Austrade also engaged with other Commonwealth Government agencies and with state and territory governments throughout the policy design process.

Under the new arrangements, SIV applicants are required to invest at least \$5 million over four years in complying investments, which may include investments into eligible assets in rural and regional areas. Applicants must invest in all of the following:

- At least \$500,000 in eligible Australian venture capital or growth private equity (VCPE) funds investing in start-up and small private companies.
- At least \$1.5 million in an eligible managed fund(s) or Listed Investment Companies (LICs) that invest in emerging companies.
- A 'balancing investment' of up to \$3 million in managed fund(s) or LICs that invest in a combination of eligible assets that include Australian listed securities, eligible corporate bonds or notes, annuities and real property (subject to the 10 per cent limit on residential real estate).

The first visas under the new SIV complying investment framework were granted in late 2015, and funds are now beginning to flow to investee companies, including rural and regional companies. For example, a company based in regional Victoria that provides veterinary services in rural and regional areas, and an aquaculture company operating in northern Queensland, have recently benefited from emerging companies investments made under the enhanced SIV programme.

The SIV complying investment framework does not require that applicants reside or invest in any particular part of Australia, whether rural, regional or urban. In its nomination role, Austrade does not require an applicant to reside or invest in any specific geographic area within Australia. State and territory governments also have a role in nominating SIV applicants and establish their own nomination criteria. Some of these require a nominee to give some indication of an intention to reside or invest in that particular state or territory.

The Government is committed to ensuring that the SIV achieves its objectives and will continue to review the complying investment framework at regular intervals.

Australia's prosperity is built in large part on our open economy and our willingness and ability to compete in global markets. The TPP is a visionary agreement that will further integrate Australia into the fast-growing Asia Pacific region, creating a platform for job-creating growth, higher incomes and increased wealth and prosperity in Australia for decades to come. The attached TPP Outcomes document provides information on how the TPP will benefit Australia.

Throughout the TPP negotiations, the Australian Government took every opportunity to ensure that stakeholders were adequately consulted and able to express their views. There will be an opportunity for full public and Parliamentary discussion prior to the agreement being ratified. In accordance with the Government's treaty-making process, the TPP will be tabled in Parliament for 20 joint sitting days to facilitate public consultations and scrutiny by the Joint Standing Committee on Treaties (JSCOT) before any binding treaty action is taken. The attached TPP Implementation Timeline provides more information on this process.

Detailed information about other outcomes of the TPP can also be found on the Department of Foreign Affairs and Trade website:

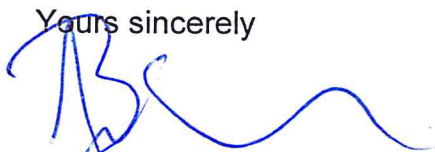
<http://dfat.gov.au/trade/agreements/tpp/>

The Minister also provides regular updates on the TPP, which can be accessed via:

<http://trademinister.gov.au>

Thank you for bringing the councils' interest in the SIV programme and the TPP to the attention of the Minister, I trust this information is of assistance.

Yours sincerely



Angus Barker
Senior Adviser

Enclosure: TPP Outcomes at a Glance, TPP Implementation Timeline