



Foreign Investment Guidelines.

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FOREIGN INVESTMENT GUIDELINES AND BUSINESS ENTRY TO AUSTRALIA
A GUIDE FOR INVESTORS

Commonwealth foreign investment guidelines recognise the substantial contribution that foreign investment has made and continues to make to the development of Australia. Foreign investment provides scope for higher rates of economic activity and employment, especially in developing Australia's resource industries than could be achieved on the basis of domestic savings alone. Foreign direct investment also provides access to new technology, management skills and overseas markets.

Australian Government policy is to encourage foreign direct investment consistent with the needs of the Australian community, including the expansion of private investment, the development of internationally competitive and export-oriented industries and the creation of employment opportunities.

The administration of foreign investment policy is based on guidelines rather than inflexible rules. It is both practical and non-discriminatory.

Exploration

Foreign investors are not obliged to seek Australian participation in their mineral or petroleum exploration activities. Foreign companies granted a new mineral or petroleum exploration right are not required to seek approval under foreign investment policy to take up the exploration right. Moreover, proposals to acquire an interest in an existing exploration right (through 'farm-in' or 'farm-out' arrangements or rearrangement of interests in an exploration joint venture agreement) are exempt from

examination under the *Foreign Acquisitions and Takeovers Act 1975*.

Investment

Investments in existing Australian companies need to be notified where a 'substantial interest' (15% or more) is being acquired in a business with total assets exceeding A\$219 million, or where the consideration for the shares values the company in excess of A\$219 million. This threshold will be indexed on 1 January every year to keep pace with inflation and to prevent foreign investment screening from becoming more restrictive over time. Such proposals are examined thoroughly but usually raise no objections unless they are contrary to the national interest.

Notification should also be made for offshore takeovers (that is, where an offshore company that holds Australian assets or conducts a business in Australia is acquired by another foreign entity, where the Australian subsidiaries gross assets exceed \$219 million).

The policy also provides that all direct investments by foreign governments, or their agencies, require prior approval, regardless of size and including proposals to establish new businesses.

Different thresholds apply to US investors under the Australia United States Free Trade Agreement.

For further information see www.firb.gov.au.

Business entry to Australia

Australia offers a range of entry options for overseas business people, covering:

- › short business trips to Australia (up to 3 months);
- › temporary business entry (for periods of up to 4 years); and
- › permanent residence.

Short business trips to Australia

Business (Short Stay) Visa

Business visitor visas are available to allow bona fide business people, with single or multiple entry into Australia, to travel freely in and out of Australia for business. Accompanying family members may be included on the Business Visitor Visa application form.

Visits can be up to three months duration and are valid for five years or the life of the passport (up to ten years), whichever is longer.

Visas can be either single entry or multiple entries and can be obtained even before travel dates are set. In many countries a business (short stay) visa can be obtained at the same time as airline travel is arranged by requesting a business electronic travel authority (ETA). For countries where the electronic facility is not available, visas are normally processed by an Australian overseas mission within two to five working days.

Details and application forms are available from any Australian Embassy or Consulate.

Business Electronic Travel Authority (ETA)

A business ETA can be granted at the same time as arranging airline travel. Application forms, photos and passport stamps are not required.

The ETA is an authority to travel to and enter Australia, and is processed by the agent or airline arranging the travel via the computer reservation system. The ETA system is accessible in the USA, UK, Japan and many European and Asian countries. The ETA is also available online, over the internet at:

www.eta.immi.gov.au/

The ETA provides faster immigration processing on arrival in Australia.

APEC Business Travel Card

The APEC Business Travel Card (ABTC) scheme is based on an innovative pre-clearance process that provides accredited business people streamlined, short-term, multiple entries to all other participating APEC economies.

The card allows the equivalent of visa-free travel for accredited business people from participating APEC economies. The ABTC scheme also offers streamlined entry and exit arrangements for cardholders at major international airports of participating economies.

Seventeen APEC economies (Australia, Brunei Darussalam, Chile, Chinese Taipei, Hong Kong (China), Indonesia, Japan, Papua New Guinea, Peoples' Republic of China, Malaysia, Peru, the Philippines, New Zealand, Republic of Korea, Singapore, Thailand and Vietnam) are currently participating in the scheme.

To obtain an application form and further information visit the Department of Immigration and Citizenship's ABTC website at www.immi.gov.au/skilled/business/apec.

Temporary Business Entry (Long Stay)

The temporary business entry program enables overseas people to reside in Australia for periods of up to four years to conduct legitimate business and business-related employment which will be of benefit to Australia.

Australia's long-stay temporary business entry visa system specifically caters for the entry of skilled workers and their families, including:

- › overseas employees sponsored by Australian companies and overseas companies with a presence in Australia; and
- › offshore companies seeking to establish a branch of the company in Australia; participate in a joint venture; or to fulfil a contract awarded to an offshore company.

Business Migration

The business migration program has been designed to ensure that Australia obtains economic benefits through the development of businesses, such as employment, capital transfers, exports and new technology.

High calibre applicants can obtain permanent residence visas immediately. Most people wishing to establish businesses in Australia are however granted temporary visas for a period of 4 years. After successfully running a business in Australia they may then apply for a permanent residence visa.

