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Miell Agri-Business Agricultural Insights

Market Alert!!!

The Australian Federal government announced on February 11, 2015, changes to the protocols governing foreign investment in Australian agricultural land.

Effective from March 1, 2015, the Australian Government is proposing to reduce the screening threshold for foreign investment in agricultural land from AUD\$252 million to AUD\$15 million.

The new AUD\$15 million screening threshold will apply to the cumulative value of agricultural land owned by the foreign investor, including the proposed purchase.

The immediate implications for investors will be reflected in:

- ◆ **Greater complexity in the purchasing processes associated with agricultural investments;**
- ◆ **Increased costs for many agricultural investment transactions;**
- ◆ **Significantly more time being required to undertake an agricultural investment transaction; and**
- ◆ **Greater market uncertainty for foreign agricultural investors.**

The Foreign Investment Review Board, which oversees this policy, as well as evaluation of all foreign investment applications, has indicated that it will issue a revised policy in the near future. Further information will be circulated when it becomes available.

In an associated announcement, the Australian Government also announced that it will establish a foreign ownership register of agricultural land to strengthen reporting requirements and provide a clear picture of foreign investment in Australia's agricultural sector.

From July 1, 2015 the Australian Tax Office (ATO) will start collecting information on all new foreign investment in agricultural land regardless of value.

The ATO will also commence a stocktake of existing agricultural land ownership by foreign interests.

Please [make contact](#) should you require immediate guidance on these issues.

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