

Further Reform to the Foreign Investment Framework

21 May 2026

On Tuesday 19 May 2026, Treasurer the Hon. Jim Chalmers announced the Albanese Labor Government will be making further changes to the Foreign Investment Framework. This second round of foreign investment reforms is all about making more improvements, so the regime is much stronger where risks are high and much faster where risks are low.

The reforms build on the reforms first announced in 2024, and follows the announcement that the Minister for Industry, Science and Innovation Senator the Hon Tim Ayres would be taking over the operation of the Investment Front Door Mechanism. The reforms tie in with the Government's productivity reform agenda and aim to increase certainty for investors, reduce regulatory burden, and improve tools to address high-risk investment.

Background

In 2024, Chalmers announced at the Lowy Institute reforms to Australia's Foreign Investment Framework, with an emphasis on making the framework stronger, more streamlined, and more transparent. These reforms were designed to work in tandem with the Future Made in Australia policy, attracting investment to the nation, whilst maintaining the protection of key assets.

Changes made in 2024 included:

- Put in place more robust, more efficient and more effective arrangements to scrutinise complicated or higher risk proposals.
- Dedicate more resources to screening foreign investment in critical infrastructure, critical minerals, critical technology, those that involve sensitive data sets, and investment near defence sites.
- reducing paperwork for repeat investors, where the ownership information hasn't changed since their previous foreign investment application, and this is advised to Treasury early in the process.

- Improving transparency, by taking a new “risk-based approach,” outlined in more detail in the framework.

For more information on the 2024 changes, you can read Hawker Britton's occasional paper [here](#).

Changes to the Foreign Investment Framework

The Government is seeking to unlock further investment in Australia but is also acutely aware of the risks that come with foreign investment. As a result, these reforms aim to subject high-risk proposals to further scrutiny, without stifling investment.

The reforms include:

- Setting a new performance target of deciding all low-risk applications within 30 days from 1 January 2027.
- Updating or removing ineffective conditions on existing approvals.
- Amending the foreign investment laws to further streamline and strengthen the framework.
- Streamlining the Register of Foreign Ownership of Australian Assets.

Changes to the foreign investment laws will include:

- Expanding exemption certificates to reduce regulatory burden on low-risk investments by frequent low risk investors.
- Eliminating approval requirements for some low-risk transactions.
- More agile compliance and enforcement powers to respond to non-compliance and avoidance.
- Targeted narrow increases to screening requirements to protect the most sensitive sectors and businesses.

The Government plans to continue consultation with investors and businesses, as well as the broader community on the changes

The updated version of Australia's Foreign investment Policy can be found [here](#). More information is also available on [Treasury's website](#).

Changes to the Investor Front Door

The Investor Front Door is designed to make Australia a more attractive investment location, by simplifying and streamlining the process for projects of national significance. The Investor Front Door seeks to fast-track major projects across multiple sectors, including housing, energy and essential infrastructure.

The Investor Front Door is currently in its pilot stage. The pilot phase will:

- Facilitate a small number of nationally significant projects to refine the Investor Front Door's service offering.
- Develop working arrangements across all levels of government.
- Gather evidence on overlaps and gaps in Australia's regulatory environment and project financing arrangements.

Some Pilot projects have already been [announced by the Government](#).

Recent changes to the Investor Front Door mean that the functions of the scheme will be shifted away from Treasury and will now sit under the Department of Industry and Science. Alongside this change, the Investor Front Door will also be expanded to incorporate state and territory project approvals, and the federal government will push state governments to implement target timeframes for approval decisions.

Ayres has been reported as saying moving the Investor Front Door to his department would put it at the centre of the largest pro-industry package in Australia's history and would help projects in the national interest cut through the red tape. This is part of a larger move by the government following the Treasurer's [economic reform roundtable](#) to help drive productivity across the economy and make it easier for industry and government to interact.

Further Information

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