



**POLICY  
PRIORITIES**



**The Australian Investment Council is the national industry body for private capital investment in Australia.**

As the leading voice for the industry, the Council advocates on important policy issues, maintains a robust co-regulatory framework through a Code of Conduct, and delivers market leading knowledge and skills development programs for the private capital sector.

This work supports more than 200 members who are the standard-bearers of professional investment and include: private equity, venture capital, corporate venture and private credit funds, alongside institutional investors such as superannuation and sovereign wealth funds, as well as leading financial, legal and operational advisers.

# POLICY PRIORITIES

## 2021-2022



### Foreign Investment Framework

Achieve an improved foreign investment framework that has reduced uncertainty, delays and costs for fund managers that raise capital from offshore.



### Your Future Your Super reforms

Continue to advocate for positive outcomes for superannuation funds to invest into private capital.



### ESVCLPs/VCLPs

Modernise the ESVCLP and VCLP regimes to increase Australia's domestic and international competitiveness in attracting investment capital.



### Limited Partnership Collective Investment Vehicles

Introduce a new Limited Partnership CIV that aligns with international best practice.



### Tax Treatment of Employee Share Schemes

Support start-ups, scale ups and high-growth companies through a competitive Employee Share Scheme regime.



### Taxation Reform

Streamline Australia's taxation system to remove uncertainties and to improve the nation's competitiveness in attracting investment capital from domestic and offshore sources.



### FinTech RegTech

Support an ecosystem that encourages innovation and development in the FinTech and RegTech sectors.

# POLICY PRIORITIES

## 2021-2022



### Research & Development

Maintain a strong globally-competitive R&D Tax Incentive regime to encourage and nurture Australia's innovation economy for long-term economic growth.



### International Competitiveness

Support Australian businesses to leverage offshore capital and export markets to fund growth and expansion.



### Innovation, Technology and Skills

Focus on technology as an enabler for building employment and growth across the economy.



### Cyber Security

Improve the capacity for private capital firms to invest into Australian cyber security and data privacy businesses to make relevant products and services accessible for consumers to manage risk exposure.



### University Research Commercialisation

Continue to work with industry and government to develop closer collaboration between industry and universities to accelerate research commercialisation.



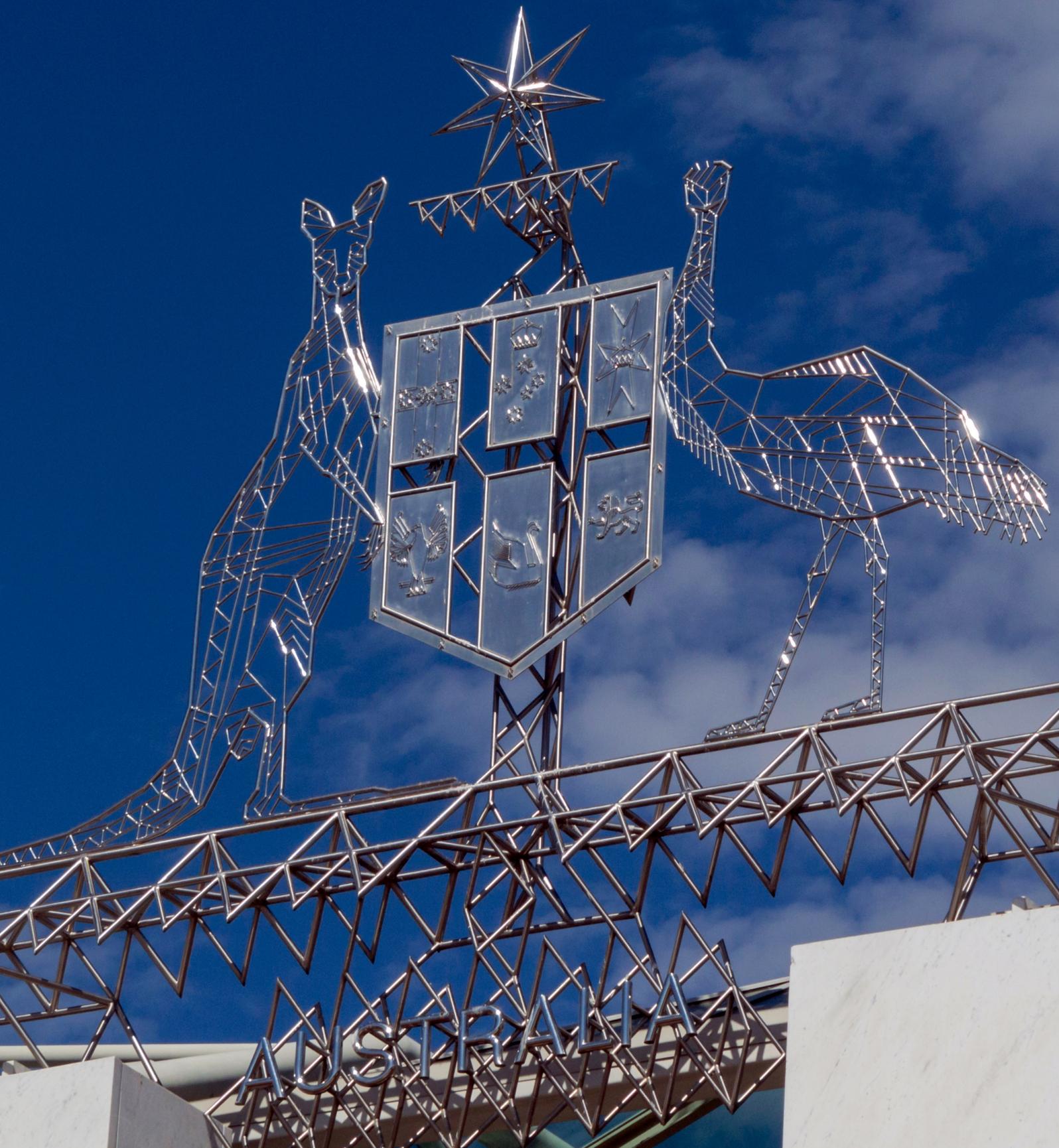
### Skills and Talent

Fill skills and talent gaps and build a pipeline of skills that will support Australia's future growth industries.



### Skilled Migration

Attract the world's best and brightest skilled talent where Australia is still building capability.



# INDUSTRY'S VOICE TO GOVERNMENT



As the voice of private capital, the Council actively participates in discussions with government ministers and their agencies, as well as regulators on issues impacting the industry. The Council continued to have a seat at the table with government on priority regulatory and policy reforms and contributed to more than 60 meetings on behalf of the industry, over the past year.

This included consultation on the seven reform priorities outlined in the Council's [May 2020 Roadmap to Recovery](#) policy paper to support a knowledge-based, innovation economy. The Government's Digital Economy strategy unveiled as part of the May Budget in 2021 supported a number of these policy priorities, including reviewing the ESVCLP and VCLP frameworks and refreshing a commitment to implement a Collective Investment Vehicle to make Australia a competitive investment destination.

Other areas where the Council has influenced policy include:



## Your Future Your Super Reforms

Advocating for reforms introduced as part of the Your Future, Your Super reform package to be conducive to private capital as an asset class and encourage the investment of long-term patient capital into Australian businesses. Your Future Your Super was passed by Parliament in June 2021 with the benchmark for private capital linked to a measure agreed with the industry.



## JobKeeper

In the midst of the COVID-19 pandemic, the Council engaged with government departments, agencies and Treasury to broaden the JobKeeper program to include private capital-backed Australian businesses. An alternative turnover test was introduced under the JobKeeper program to cater for the structure of private capital-backed businesses and the inclusion of those employed through Special Purpose Vehicles in the JobKeeper program.



## Foreign Investment Framework

Engaging with government, Treasury and the Foreign Investment Review Board on behalf of the private capital industry on the most significant overhaul of Australia's Foreign Investment Framework since inception. Through the Council's advocacy work, changes were implemented to the draft framework to include private capital. This included maintaining the availability of exemption certificates, removing complications associated with the aggregation of foreign government interests under the substantial interests test and streamlining the definition of 'media business'.



## Research & Development

The Australian Investment Council led the call for proposed changes to introduce a cap on refundable R&D credits to be abandoned. This was achieved in the October 2020 Federal Budget when the Government announced it would not proceed with the previously announced reforms, which included abandoning a proposed 5% decrease in the intensity test for businesses with turnovers of \$20-\$50 million.

# SUBMISSIONS & HEARINGS



In addition to engagement with Government, government agencies and regulators, the Council has represented the industry through a wide range of government hearings and consultations.

In 2020-21, these have included:

- Your Future, Your Super Regulations and associated measures
- Consultation on a new model for commercialisation of university research
- Inquiry into Treasury Laws Amendment (Your Future, Your Super) Bill 2021 [Provisions]
- Inquiry into Australia's skilled migration program – Terms of Reference 1 (a) and 2
- Complying Investment Framework for the Business Innovation and Investment Program
- Review of the Security Legislation Amendment (Critical Infrastructure) Bill 2020
- Pre-Budget Submission January 2021
- Submissions phases 1, 2 and 3 Australia as a Technology and Financial Centre
- Exposure Draft Security Legislation Amendment (Critical Infrastructure) Bill 2020
- Modern Manufacturing Strategy Road Maps
- National Priorities and Industry Linkage Fund
- Digital Services Platforms Inquiry into App Marketplaces
- Major reforms to the Foreign Investment Review Framework – September 2020
- Treasury Laws Amendment (Research and Development Tax Incentive) Bill 2019
- R&D Tax Incentive: draft refreshed Guide to Interpretation
- Software development activities and the R&D Tax Incentive
- Protecting Critical Infrastructure and Systems of National Significance
- Inquiry into diversifying Australia's trade and investment profile
- Australia's Technology Investment Roadmap
- Initial public offers: Relief for voluntary escrow arrangements and pre-prospectus communications
- Tax Treatment of Employee Share Schemes



## RESOURCES

For a more in-depth review, please refer to the links below or visit our website at [www.aic.co](http://www.aic.co).

- [Policy Submissions](#)
- [2021 Yearbook](#)
- [Federal Budget Submission January 2021](#)
- [Roadmap to Recovery: Creating a stronger and more dynamic economy](#)

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**AUSTRALIAN  
INVESTMENT  
COUNCIL**

The voice of private capital