

**PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES  
INQUIRY INTO FAMILY BUSINESS IN AUSTRALIA**

**Division/Agency:** Australian Bureau of Agricultural and Resource Economics and Sciences

**Committee Hansard Page:** 40 (13/11/12)

**Mr Morris:** Executive Director, Australian Bureau of Agricultural and Resource Economics and Sciences, Department of Agriculture, Fisheries and Forestry undertook to provide the committee with a copy of the *Australian farm survey results 2009-10 to 2011-12*.

**Answer:**

A copy of this publication is attached.

ABARES also released its preliminary farm income estimates for 2012-13 in the *Agricultural commodities: December quarter 2012* and the latest survey estimates for vegetable growers in the publication *Australian vegetable growing farms: an economic survey, 2010-11 and 2011-12*. These publications can be obtained from our website: <http://www.daff.gov.au/abares/publications>

**Questions on notice**

**Topic: Farm business entity types**

**Committee Hansard Page:** 40-41 (13/11/12)

**CHAIR Ms O'NEILL:** Mr Morris, you actually have here distribution of profits for farm businesses. Does that information provide any indication about the governance structures of the farms if these profits are being distributed amongst family members?

**Mr Morris:** We will provide you a breakdown of what comes out of our survey

**Answer:**

The distribution of broadacre and dairy industry farm businesses by business entity type as determined by ABARES farm surveys in 2011 is set out in the table 1 below. The majority of businesses in the broadacre and dairy sector, were partnerships. Broadacre and dairy farms account for around 68 per cent of Australia's farms.

The distribution of all Australian farm businesses by business entity (legal organisation) is available from the Australian Taxation Office (ATO) and from the Australian Bureau of Statistics (ABS) as counts from the Australian Bureau of Statistics Business Register (Business Register Section in Melbourne ABS office).

Statistics published by the ATO for the 2009-10 financial year indicate the number of businesses in the Agriculture, Fisheries and Forestry sector to have been: 161 573 individuals (53%), 101 218 partnerships (33%), 27 718 trusts (9%) and 16 675 companies (5%). It should be noted that businesses may have more than one entity for taxation purposes. Overall, in 2009-10, 26.5 per cent of all partnerships were in the Agriculture, Fisheries and Forestry sector.

## 1 Business entity type, broadacre and dairy farms at 30 June 2011

Percentage of farm businesses

		Grains and grain- livestock industry	Sheep industry	Beef industry	All broadacre industries	Dairy industry
Partnership	%	66 (4)	68 (5)	67 (5)	67 (2)	74 (6)
Sole trader	%	13 (20)	13 (22)	20 (15)	15 (11)	12 (33)
Company	%	11 (20)	10 (18)	6 (14)	9 (12)	8 (27)
Trusts	%	10 (15)	9 (26)	7 (26)	9 (11)	6 (30)
Population of farms	no.	23 380	12 980	16 610	52 980	7 500

Source: ABARES Australian Agricultural and Grazing Industries Survey and Australian Dairy Industry Survey

Figures in parentheses are standard errors expressed as a percentage of the estimate provided.

Estimates are for farm businesses with an estimated value of agricultural operations exceeding \$40 000.

### Topic: Business succession planning

Committee Hansard Page: 43 (13/11/12)

#### Mr TONY SMITH:

On succession planning: you would be aware that the National Farmers Federation's strategic plan highlights succession planning as a big issue for many farming families and for agricultural management. Have you done any specific research on this?

**Mr Morris:** In terms of analysis we do not have much that is recent, but I understand that we collected some information around succession planning a few years ago. We will see what we can provide on notice on that matter, but I think it was just general information about whether farms have succession plans in place or not and that sort of thing.

#### Answer:

ABARES included questions on farmers' succession planning in the National Farmer Survey 2006 undertaken to review the Agriculture Advancing Australia (AAA) package. The survey targeted farms with an estimated value of agricultural operations (EVAO) of \$22,500 or more and the industries surveyed were: crops, mixed crops–livestock, sheep, beef, mixed sheep–beef, vegetables, fruit, sugar, cotton and wine grapes.

In this survey, 52 per cent of farms indicated that they expected to pass the farm to a family member. Around 25 per cent of farms had a written business plan and a succession plan was included in only 35 per cent of business plans.