

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 94

**Topic: Purchase of Agricultural Land –
Applications from State-owned Enterprises**

Hansard Page: Wednesday 30 May 2012, page 54-55

Senator CORMANN asked:

Senator CORMANN: But essentially what you are saying is that any of the changes have not had an impact on the number of approvals of the purchase of agricultural land in Australia. There has not been any change to the actual processing arrangement?

Mr Murphy: Not in terms of the threshold. Ms Gerathy?

Ms Gerathy: I was just going to say that what it has done is to clarify for the case officers the particular issues that they need to take into account when they are examining proposals in relation to agricultural land. I know they are somewhere in here; I just will not be able to find it quickly for you. We actually do not have a great number of applications in relation to—

Senator CORMANN: That is my next question. What is the number, roughly?

Ms Gerathy: Can we just quickly look for it?

Senator CORMANN: Yes.

Mr Murphy: We can give you the figure on agricultural, forest and fishing. Proposed investment in the agricultural, forest and fishing sector decreased by value from \$2.3 billion in 2009-10 to \$1.4 billion, even though the number of proposals stayed constant at 17.

Senator CORMANN: So the number of proposals has remained the same but the dollar value has gone down. I assume you collect information in relation to the proponents. Would you be able to tell us how many of those investments are pursued by state-owned funds, like foreign—

Mr Murphy: If it is a state-owned enterprise, we would be told that.

Senator CORMANN: You would be told that. So, out of those 17, how many relate to applications from state-owned enterprises?

Mr Murphy: We would have to go back and look at how the statistics—

Senator CORMANN: So you would have to tell us that on notice, but presumably that would not be a very cumbersome thing to do, given there are only 17 proposals.

Mr Murphy: No.

Senator CORMANN: Could you give us that by number and by dollar value, because you have got the 17 for \$1.4 billion, so however many there are.

Mr Murphy: Yes.

Ms Gerathy: Yes. The only thing we would need to be careful of is to make sure that in giving any information it did not identify, in relation to small numbers, but we will just have to—

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Senator CORMANN: I am not asking about who; I am just asking about, I guess, the qualitative description, state-owned enterprise or not—numbers and dollar values.

Answer:

During 2009-10, 9 of the 17 approved foreign investment proposals in the agriculture, forestry and fishing sector were from foreign governments or their related entities. The proposals involved the acquisition of interests in primary production businesses.

2009-10	FGRE	Non-FGRE	Totals
Proposals (No)	9	8	17
Value (\$b)	0.77	1.56	2.33

*FGRE: Foreign Governments or their Related Entities.

In 2009-10, the top source countries of foreign investment approvals in the agriculture, forestry and fishing sector by number were the United Kingdom, Qatar, Malaysia and Singapore. In terms of the value of approvals, the top three source countries were the United States (\$659 million), Malaysia (\$499 million) and the United Kingdom (\$322 million).

During 2010-11, 11 of the 17 approved foreign investment proposals in the agriculture, forestry and fishing sector were from foreign governments or their related entities. The proposals involved the acquisition of interests in primary production businesses or the establishment of new businesses.

2010-11	FGRE	Non-FGRE	Totals
Proposals (No)	11	6	17
Value (\$b)	0.79	0.59	1.38

*FGRE: Foreign Governments or their Related Entities.

In 2010-11, the top three source countries of foreign investment approvals in the agriculture, forestry and fishing sector by number were the United Kingdom, Qatar and the United States. In terms of the value of approvals, the top three source countries were the United Kingdom (\$189 million), Switzerland (\$150 million) and Canada (\$104 million).

Foreign Governments and their Related Entities is defined at Annex 1 of Australia's Foreign Investment Policy. The Policy also outlines the notification requirements for these investors. See <http://www.firb.gov.au/content/policy.asp?NavID=1>.

Methodological and data caveats apply to the data presented. See Chapter 2 of the latest Foreign Investment Review Board Annual Report available at: <http://www.firb.gov.au/content/publications.asp?NavID=5>.