

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

2014 - 2015

**Department/Agency: Treasury**

**Question: SBT 4332**

**Topic: Archer Daniels Midland**

**Reference: Hansard page no. 21 - 31 October 2014**

**Senator: Wong, Penny**

**Question:**

Senator WONG: The statement of the Treasurer on 29 November sets out a range of bases for the decision. You have that in front of you, so I will skim over it; I will not need to go to it in too much detail. He talks about the issues that he had to consider when considering the national interest, the impact of the decision on broader Australian support for foreign investment and the regime in the future. He then says that 'members of FIRB could not agree on a consensus recommendation in relation to the proposal'. I think we established in previous estimates that that is not in relation to the specific takeover proposal but the request for advice on the wider ramifications. Is that a fair assessment?

Mr Donnelly: That is not something I could confirm at this point.

Senator WONG: The public statement says, 'In their response to my request for advice on the wider ramifications of this case, 'The members of the FIRB could not agree on a consensus recommendation in relation to the proposal.' I am assuming that on the public record the Treasurer has confirmed that the non-consensus position of FIRB is in relation to the wider ramifications.

Ms Harris: I am reluctant to get into interpreting the words, but basically the words are as the Treasurer has put.

Senator WONG: Is there anywhere in this statement where the Treasurer talks about ADM being not of good character?

Ms Harris: Not that I am aware.

Senator WONG: Is there anywhere in the very lengthy press conference of 29 November 2013 where the Treasurer references ADM not being of good character?

Ms Harris: Not that I am aware, but I am happy to take that on notice.

Senator WONG: Thank you. Can someone explain to me why in April of this year, therefore, the Treasurer indicated—and these are direct quotes—that he blocked the US grains giant Archer Daniels Midland because 'it was not of good character'?

Ms Harris: I am not aware of any direct quotes by the Treasurer.

Senator WONG: Would you like me to provide you with it? It is from The Australian. I think we could get a copy.

Ms Harris: Yes, you can provide it to me; but, again—

Senator WONG: I might need a copy.

Senator Cormann: The thing is the officials can hardly provide a running commentary.

Senator WONG: It is about government policy. I want to understand what government policy is.

Senator Cormann: The government policy was as expressed—

Senator WONG: Chair, can we do this admin thing?

CHAIR: I have asked for it to be tabled.

Senator WONG: The government also signalled in March this year that it could be willing to

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

**Supplementary Budget Estimates**

2014 - 2015

revisit talks with global agribusiness giant ADM. Are you aware of those statements by Mr Robb?

Ms Harris: No.

Senator WONG: You are not aware of them?

Ms Harris: No.

Senator WONG: Is anyone at the table aware of them? So he is just saying something, but public servants are not aware of it? It is a significant change of position, I would have thought.

Ms Harris: The Treasurer is the minister responsible for foreign investment.

Senator WONG: So what Mr Robb says is not relevant?

Ms Harris: I cannot comment. I have not seen the comments.

Mr Donnelly: I would point to the third-last paragraph in the press release you were referring to a moment ago, where the Treasurer says:

Page 22 Senate Friday, 31 October 2014

**ECONOMICS LEGISLATION COMMITTEE**

In fact, to encourage ADM to demonstrate its commitment to the Australian grains industry through its continued investment in GrainCorp, I am inclined, based on current circumstances, to approve any proposals from ADM to increase its shareholding—

Senator WONG: This is the increased share?

Mr Donnelly: Yes.

Senator WONG: But I do not think Mr Robb is talking about that, because this is post this. But anyway, if you do not know about it, that is fine. It is just Mr Robb talking overseas. I have this in front of me, from Mr Creighton and Mr White, so these are direct quotes:

"I took into account a whole range of issues (but) I had reason to believe that ADM at that time were of not particularly good character," Mr Hockey said, noting that further reasons would become public in due course.

Can anyone tell me anywhere in the documentation that shows a public release of the decision? This issue of 'not a particularly good character'—is that raised anywhere other than in this article, six months later?

Ms Harris: As I said before, I am not aware of anything, but I am happy to take it on notice.

Senator WONG: Can anyone tell me what the reasons are that will become public in due course?

Ms Harris: No.

Senator WONG: Do you know what is being referenced?

Ms Harris: No.

Senator WONG: Minister, are you able to cast any light on it?

Senator Cormann: I am happy to take that on notice. Obviously, I am not aware of what is in the Treasurer's mind. The Treasurer has sole responsibility for decisions on the foreign investment review arrangements, and I will see whether the Treasurer wants to add anything to the answers already given.

Senator WONG: Sure. Perhaps you could take this on notice, too, if you do not wish to respond today. How is it appropriate for the Treasurer of the Commonwealth to give a set of reasons blocking a foreign investor in Australia, which he then subsequently adds a 'not of good character' basis to, that is not supported in any of the official decision, nor his explanation of the official decision? What sort of message does that give to foreign investors?

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

2014 - 2015

Senator Cormann: You have made your political point. I have already taken the question on notice.

**Answer:**

**Senator Cormann:**

The Treasurer has provided the following answer to the Honourable Senator's question:

*On 29 November 2013, I released a statement clearly outlining the reasons for my decision to prohibit the proposed acquisition by Archer Daniels Midland Company of 100 per cent of the shareholding in GrainCorp Limited. I am not going to comment beyond the information provided in my statement.*