

SENATE STANDING COMMITTEE ON ECONOMICS QUESTION
(Supplementary Budget Estimates 20 October – 21 October)

Topic: Data on Foreign ownership of Australian Stuff

Senator XENOPHON asked:

Senator XENOPHON—Earlier this evening questions were asked in relation to the Foreign Investment Review Board and how the level of foreign investment, particularly in relation to agricultural land, is monitored or at least statistics compiled in respect of it and also in the purchase with respect to water rights, which is a highly contentious issue, particularly in the Murray-Darling Basin. It was suggested that the ABS

has a fair bit of information in relation to it. Could you indicate—you may wish to take some of this on notice—to what extent can we get a fairly accurate snapshot of the level of foreign ownership of agricultural

land and water rights in this country? I note, by comparison, there is a \$231 million threshold before the FIRB

can be involved in an approval process unless they are state owned enterprises. New Zealand has recently passed changes to the legislation where agricultural land of five hectares or more has to be subject to a process.

Mr Hockman—We do not specifically collect any data on that. We collect with a big focus on country data—by that I mean the country of the source of the funds et cetera. As it crosses the border we do not get data on transactions in secondary markets. I think I would have to take the detail of that, if we can actually elaborate on down to that asset class of land and agricultural land in particular, then we would have to take that

on notice and investigate that for you

Answer:

The ABS does not currently hold information which details the amount of foreign ownership of agricultural land or water in Australia.

The Australian Bureau of Statistics (ABS) is undertaking a new survey in 2011 to collect and provide reliable information on foreign ownership of agricultural businesses, foreign ownership of agricultural land and foreign ownership of Australian water rights used for agricultural purposes. The Foreign Ownership of Agricultural Businesses, Land and Water Survey, will be collected under the *Census and Statistics Act 1905*. Information on foreign ownership will be released for Australia, States and Territories, and agricultural industries according to existing standards and classifications. Despatch of forms will occur in March 2011 and outputs will be released on the ABS website at the end of September 2011. The new survey will be separate to the Agricultural Census that is also being conducted in 2011, with information from the Foreign Ownership survey being made available earlier.

Presently the following ABS collections report aspects of foreign ownership or ownership of land and water.

Agricultural Census

SENATE STANDING COMMITTEE ON ECONOMICS QUESTION
(Supplementary Budget Estimates 20 October – 21 October)

- The main objective of the Agricultural Census is to provide commodity, water use and land use information for agricultural businesses for small geographic areas.
- The ABS conducts an Agricultural Census every five years, with large sample surveys in intervening years. The main difference between the estimate produced from a census and a sample survey is that a census produces higher quality data with reduced sampling variability, and can deliver information for small geographic areas and less prevalent commodities or livestock groups.
- The next census is being conducted in 2011, and it is expected that a questionnaire will be sent to 171,000 agricultural businesses.
- Collects information on farm activity including crop production and livestock numbers, as well as information on area of land held, management practices and water use (but not water rights).
- No information is collected about foreign ownership.

International Investment Survey

- International investment statistics record the levels of Australia's foreign financial assets and liabilities, changes in those levels over time, associated income streams and the impact of international investment activity on other economic aggregates.
- Collects information quarterly on transactions and levels of investment for financial assets and liabilities for the 'first across the water' relationship in any chain of investment from the top Australian enterprise.
- Is a threshold survey, collecting information from all Australian enterprise groups with total (inward or outward) investment levels of more than \$50 million.
- About 1,000 Australian enterprises are surveyed.
- Does not collect information on the ultimate ownership of non-financial assets (e.g. land and water rights) in Australia.

Business Characteristics Survey

- Collects information about the general characteristics of Australian businesses which is published in cross sectional analysis and also contributes to the longitudinal database of businesses.
- Is a sample survey. For the 2008-09 survey 9,500 businesses were surveyed out of over 2 million Australian businesses.
- From 2009-10 the Business Characteristics Survey is planning to include the Agricultural industry, and this would include estimates of foreign ownership as reported by the operator. This information will be collected every year from this reference period onwards, from employing agricultural businesses.

The Business Characteristics Survey does not collect information on ownership of land or water rights.