

SE Agribusiness
HD **DEVELOPMENT of a foreign ownership register for agric**
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WC 752 words
PD 26 June 2014
SN Stock Journal
SC FSTOCJ
PG 18
LA English
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DEVELOPMENT of a foreign ownership register for agricultural land is still on the agenda, says Agriculture Minister Barnaby Joyce.

This follows the release of figures showing that Australia's farm businesses remain largely Australian-owned.

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The Agricultural Land and Water Ownership Survey released by the Australian Bureau of Statistics last week reported that just under 99 per cent of farm businesses and just under 90pc of farmland were fully Australian-owned.

The ALWOS showed an increase of 4.7 million hectares of agricultural land with some level of foreign ownership, now totalling 49.6mha across Australia, compared with the last ALWOS of 2010. The next survey is not likely to report until 2017.

Sen Joyce said many people were still concerned about the lack of reliable data to give people a clear overview of who owns what around the country.

Recent trade deals have used foreign direct investment as a bargaining chip, with the Korea-Australia Free Trade Agreement opening the gate for South Korean companies looking to invest in Australia.

The KAFTA included provision for the foreign investment review threshold to be increased from \$248 million to \$1.078 billion for Korean FDI in Australia the same amount for New Zealand and the United States, although Australia retained the right (in the safeguards) to a lower threshold in sensitive areas, such as agriculture.

After establishing a departmental working **group** on FDI in June 2012, the Labor government announced in October of that year that it would implement a national foreign ownership register for agricultural land "to improve transparency of foreign ownership in agricultural land without imposing unnecessary burdens on investors", and the Coalition reiterated this promise at the September 2013 federal election.

In April, it was announced that the planned register would be delayed because of the difficulties of defining a "foreign person", combined with **Chinese** trade deal sensitivities.

Stakeholders groups including the National Farmers' Federation welcomed news of a register in 2012, and recent developments have ensured the issue remains in the public eye.

These include the political veto of US Archer Daniels Midland's bid for GrainCorp in December 2013; the **sale** of Australia's largest citrus plantation Rosemount Farm (Hillston, NSW) to a Singapore family in August 2013; and the **sale** of Australia's largest single irrigation **property** Cubbie Station to **Chinese** interests in September 2012.

Singapore-based Wilmar's 2010 Sucrogen takeover is also back under scrutiny, following the **company's** decision to exit industry-owned export marketing arrangements to set up its own

commercial model, despite an undertaking to the Foreign Investment Review **Board** that it would not significantly change the industry.

Sen Joyce stressed that domestic and FDI remained vital to the continuing growth of Australian agriculture to capitalise on growing global demand for food and fibre.

"Australia has a pretty good system of checks and balances in our foreign investment screening regime to help ensure the investments that go ahead are the right investments for Australia," he said.

"The purpose of the Foreign Ownership Register for Agricultural Land is to increase transparency and provide accurate information to the community and policymakers. This will allow the government to provide more reliable reporting on the level of, and trends in, foreign investment in Australian agriculture."

Sen Joyce said the Department of Agriculture was working on the information technology and reporting framework that could underpin the register.

Qld lobby **group** AgForce has called for the FIRB disclosure threshold for **transactions** involving FDI to be pushed down from \$244 million to around \$20 million.

"This move will have to be sensitive to the impacts on trade negotiations currently underway, but it should be remembered that New Zealand has more restrictive conditions on foreign investment in farmland yet has been able to secure such trade agreements recently," AgForce said in a statement.

In April, an interactive website cataloguing **Chinese** investment in Australia was launched and developed by KPMG, the University of Sydney Business School and the **China** Studies Centre, with the aim of 'demystifying' the issue of **Chinese** FDI.

Trade and Investment Minister Andrew Robb said the online resource would "increase knowledge about **Chinese** investment in Australia and help inform public debate".

"The more facts and information available, the better our understanding of what is at stake," he said.

"FDI is important to our economy and has been one of the key themes of the current extensive business program."

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AN Document FSTOCJ0020140625ea6q0001q