

FINANCIAL REVIEW

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HD **Data collection delays Coalition's farm register**
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The Abbott government's farm land register has been delayed because of technical difficulties in collecting the information and concerns about the register's potential to fan anti-foreign investment sentiment during sensitive trade talks with **China**.

The Coalition promised in the 2013 election to introduce a register of foreign ownership of rural land, along with lower thresholds for Foreign Investment Review **Board** scrutiny of foreign acquisitions of farm land and agribusinesses.

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Government sources expect the new regulations setting out the Coalition's \$15 **million** Foreign Investment Review **Board** approval threshold for agricultural land **purchases**, and \$53 **million** for agribusiness could be announced within weeks, as early as the end of the financial year.

But the land register, first proposed by former prime minister Julia Gillard in 2012 and championed by the National Farmer' Federation and rural Coalition MPs, has proved problematic.

A spokesperson for Treasurer Joe Hockey said: "We are working on the detail to establish an agricultural land register and there will be an announcement in due course".

Treasury is still grappling with how to define a "foreign person", because the Foreign Investment Review **Board** definition of foreign person is so broad that even businesses, or trusts, that are majority Australian owned could be classed as a foreign person.

Foreign investment experts familiar with Treasury's deliberations said there was the risk that making the definition too broad, giving a misleading impression of foreign ownership in Australia, could encourage a xenophobic reaction in some sections of the community.

The government is also cognisant that, amid controversy over **Chinese** investors buying up **residential** properties in the metropolitan cities, there is also a government inquiry into foreign investment in **residential property** due to report at the end of the year. One option is to have the register administered by the Department of Trade and Foreign Affairs, under Trade minister Andrew Robb, instead of the Australian Bureau of Statistics which currently collects patchy and irregular surveys of foreign investment.

The register will not be entirely transparent; the database is unlikely to be "searchable" by individual investors to preserve **commercial** confidentiality and individual privacy.

There will be disclosure by country of origin, but it is likely to be an annual or semi-annual ranking, rather than a week-by-week update of land sales.

The most recent Australian Bureau of Statistics figures showed 89 per cent of agricultural land as entirely Australian owned, a further 5.5 per cent at least 50 per cent Australian owned.

Complicating matters, Queensland already has its own foreign-owned agricultural land register and the Treasury is struggling to **merge** the data from Queensland and the other state and territory land titles offices into a single coherent database.

An Australian Bureau of Agricultural and Resource Economics and Sciences' report in 2012 found 1 per cent of agricultural businesses by number, 11.3 per cent of farmland and 9 per cent of water entitlements have some foreign ownership. That report found foreigners own 50 per cent of wheat exporters; 50 per cent of **milk** processing; 60 per cent of raw sugar milling; and 40 per cent of beef production. It said Australia was 10th most restrictive for foreign direct investment in agriculture out of 34 OECD members.

CO aubos : Australian Bureau of Statistics

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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