

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 149

Topic: Denied Investment in Agricultural Land

Hansard Page: Thursday 31 May 2012, page 78

Senator JOYCE asked:

Senator JOYCE: What forms of transparency do you want when you say you want the requisite amount of transparency?

Mr Murphy: We have had the ABS and ABARES' work. The government has committed in this last budget to obtain better statistics on agricultural land and rural investments. I think that will be very helpful for everyone.

Senator JOYCE: So the transparency that you are talking about is transparency by the Australian Bureau of Statistics?

Mr Murphy: My understanding is that they are being provided with money to do more comprehensive surveys, so I think that is a very good thing, plus all major investments have to be vetted by the Foreign Investment Review Board.

Senator JOYCE: So it is not transparency on commercial terms; it is transparency as determined by the Australian Bureau of Statistics.

Mr Murphy: No. As I said, all major investments in Australia, especially by sovereign wealth funds and state owned enterprises, are vetted by the Foreign Investment Review Board and quite rigorous scrutiny is given to those investments.

Senator JOYCE: Can you take me to one proposal for investment in agricultural land that has ever been knocked back?

Mr Murphy: No. What I can do is take you to proposals where conditions have been set by the Australian government on how that investment can proceed.

Senator JOYCE: Which one?

Senator Wong: We will take that on notice.

Mr Murphy: We will find you one.

Answer:

As part of the Foreign Investment Review Board's review of the COFCO Corporation (a Chinese state owned enterprise) proposed 100 per cent acquisition of Tully Sugar Limited (a Queensland based sugar mill and producer of raw sugar) in May 2011, the following undertakings were publicly committed to by the acquiring party:

- COFCO Corporation will continue to operate Tully Sugar in line with current practice, including fully complying with the current cane supply agreement and maintaining the raw sugar marketing arrangements through Queensland Sugar Limited (a leader in raw sugar marketing);

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- Establish a balanced Tully Board with majority representation by cane growers and independent Directors;
- Invest in the necessary capital expenditure to maintain Tully's high performance level;
- Support Tully's participation in the industry based funding mechanism for research and development;
- Continue Tully's local community activities and act as a catalyst for sustainable economic development in the region.