

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

20-21 November 2013

Question: SBT 64

Topic: Foreign Investment in Agriculture

Hansard Page: 94, 20 November 2013

Senator WONG asked:

64.

Senator WONG: You have given a broad assessment and you said it was manageable, so give me some sense of what 'manageable' means. How many applications did you assess in the previous financial year?

Mr Rollings: Under the industry sector—and, again, the industry sector may not equate to what a concept of agribusiness is and, as you said, that is based on existing threshold, so—

Senator WONG: Shall we do it this way: when you came to the view that it was manageable, tell me what it considered and what datasets you looked at. What is the process by which you came to that?

Mr Rollings: I have not brought that information with me. I am happy to take that on notice.

Senator WONG: You can take some of it on notice, but I am more interested in hearing, 'We looked at X, Y and Z and we came to the view that it was not going to be five, six, seven or 100 times what we previously did.'

Mr Rollings: Again, to the extent that we did some broad estimates, I think it is best that I take that on notice and come back to you.

Senator WONG: On what basis?

Ms Harris: On the basis that I do not have that information with me.

Senator WONG: To be frank, I do not know why it is such a difficult thing.

Ms Harris: Part of our problem is obviously that we do not know what happens when you change the threshold.

Senator WONG: Please, let's not go back through datasets which are not actually—

Ms Harris: I am trying to put it in context.

Senator WONG: I am interested in the fact that the official made the assessment that it was manageable. I appreciate all his caveats—I agree with him—but we do not know precisely what the remit of the policy is, and I am just trying to get a sense of what it means. I will move on if you can take it on notice.

Answer:

64. The process used to consider potential implications was to review, using historical Australian Bureau of Statistics data, the average change in foreign ownership of all agricultural businesses. This analysis suggested a rate of foreign acquisition of less than 100 agricultural businesses per year. Treasury believes this additional workload would be manageable within current resourcing.