

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

2014 - 2015

**Department/Agency: Treasury**

**Question: SBT 4324**

**Topic: Foreign Investment - consultation with states on agribusiness threshold change**

**Reference: Hansard page no. 7-9 - 31 October 2014**

**Senator: Wong, Penny**

**Question:**

Senator WONG: I want to ask a couple of things about the process. First, I think you said this discussion with the states commenced around June. Is that right?

Ms Gerathy: This year?

Senator WONG: Yes.

Ms Gerathy: Yes. We have been in discussions with the states before. This measure has been around for—

Senator WONG: Sorry, what measure? Ms Gerathy, you gave me an answer that said, 'These consultations commenced around June.' Are you changing that evidence?

Ms Gerathy: No. I am just saying the most recent consultation—

Senator WONG: No, that is not what I asked. I asked specifically, 'When did they start?' and you said it was June. I am happy to get the Hansard read back.

Ms Gerathy: My difficulty is that the form of the land register that we have been involved in the last couple of years—

Senator WONG: Sorry, let's be more precise. I meant in relation to these thresholds. If I want to ask you about the register I will. I am talking in the context of the thresholds now.

Ms Gerathy: The consultations with the states are largely around the register in relation to the land and title arrangement to see, as I said before, how it can be implemented in the least regulatory burdensome way. The issue is how we find out which foreign owners own which piece of agricultural land. That is why we are working with the states—to see if—

Senator WONG: Which goes to the cumulative issue that Mr Donnelly raised.

Ms Gerathy: There are two measures we have been talking about—the register and the \$15 million. The other thing is that I think the threshold is \$53 million rather than \$78 million, if I remember correctly.

Senator WONG: Sorry. I got that wrong.

Ms Gerathy: It is working on all those measures together in the least regulatory burdensome way. We are consulting with a range of people, including the states and territories.

Senator WONG: Your previous evidence—and I think this is right—was that, in relation to the threshold issues, consultation with the states commenced around June. I appreciate there were these other issues in relation to the register and so forth, but I think that was your evidence.

Ms Gerathy: I cannot remember what I said.

Senator WONG: That is fair enough.

Ms Gerathy: In June, we formally started consulting with the states in relation to what is possible with the land and title.

Senator WONG: When did you formally started consulting with the states in relation to the threshold changes?

Ms Gerathy: I cannot answer that question. I do not know.

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Senator WONG: Why do you not know?

Ms Gerathy: I just do not recall.

CHAIR: Do you want to take it on notice?

Ms Gerathy: I will take it on notice.

Senator WONG: This is what I asked before, and I thought I had an answer to that. You are entitled to take it on notice. I am not going to quibble with that, but is there no-one who would recall?

Mr Donnelly: I commenced in the division about seven or eight weeks ago, so I was not involved in it at the time.

Senator WONG: Okay.

Mr Donnelly: There is one thing I can add from my experience. Ms Gerathy mentioned that we had been consulting about the most recent changes to the thresholds from June and, as part of that consultation, we have certainly been discussing the definition of agricultural land. I am unaware whether there were consultations prior to that.

Senator WONG: What has been done on the thresholds commitment between the election and June?

Senator Cormann: We will get a detailed timetable to you on notice.

Senator WONG: Was there anything done?

Senator Cormann: I have just taken that question on notice.

Senator WONG: Sure. That is very courteous of you. I am happy to get a detailed timetable. I am just wondering if any action was taken. We have established no drafting instructions have ever been issued.

Senator Cormann: You cannot issue drafting instructions before we have actually reached that point in the process. I went through it at some length before to explain the way the government is approaching the implementation of this election commitment. We are obviously pursuing implementation of all of our election commitments as part of our agenda to build a stronger, more prosperous economy in a sequential and prioritised fashion. We have already indicated that, before we go any further in relation to the implementation of this particular commitment, we want to finalise certain consultations with the states. In terms of the detail and the specifics of the process followed so far and the way it is intended to play out moving forward, we have taken all of that on notice, and we will be able to assist you with that in a considered fashion over the next little while.

Senator WONG: The minister gave an answer, I think, earlier that the government had made a decision that both the threshold issues and the register issues would be the subject of consultation with the states. Can someone tell me when that decision was made?

Senator Cormann: We will take that on notice.

Senator WONG: You gave that answer.

Senator Cormann: Sure.

Senator WONG: You are not able to tell us?

Senator Cormann: We will take the question about the date, as to when that happened, on notice. That is what you asked.

Senator WONG: I am happy for you to take the precise date on notice. I am just trying to get a sense of the timing. Was it around June, which is when we have established the formal consultation process started, or was it an earlier decision?

Ms Gerathy: We will have to take that on notice.

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Senator WONG: You do not know?

Senator Cormann: We have already taken it on notice. We want to make sure that the answer we provide to you is accurate.

Senator WONG: Ms Gerathy, are you aware that the government had made a decision, in the terms that the minister just outlined, that both of these commitments would be progressed jointly by discussion with the states?

Ms Gerathy: I do not know how I could answer that question. That is a question for government.

Senator WONG: Was that your understanding of the government's position?

Ms Gerathy: I can answer what we have been doing.

Senator WONG: I am asking you a question. The minister has said the government has made a decision to progress both of these commitments via consultation with the states. I am asking: is that your understanding of the government's position, and when did you become aware of it?

Senator CANAVAN: Chair, on a point of order. Isn't that asking for an opinion?

Senator WONG: No. I am asking what her understanding—

Senator CANAVAN: Her understanding—that is an opinion.

Senator WONG: Of government policy.

Senator CANAVAN: That is an opinion, though.

Senator WONG: Come on. Public servants need to know what government policy is. I am asking when she knew that was government policy.

Senator CANAVAN: You can ask her if she knows government policy.

Senator Cormann: I agree. Public servants ought to know what government policy is. I have to say I agree with Senator Wong here.

Senator WONG: When did you become aware that was government policy?

Senator Cormann: The question relating to when is a question we have taken on notice.

Senator WONG: No, I am asking her. Did she understand that before you said it today?

Ms Gerathy: I am not quite sure what you are asking, but I can confirm that the government has announced these two measures, and we have been aware of that for some time.

Senator WONG: Okay, Ms Gerathy, perhaps I will be clearer about what I am asking. The minister has said today in estimates that the government has made a decision to progress not only the register issue but the change to the thresholds via consultation with the states. I am asking you: when did you become aware that that is government policy?

Senator Cormann: We have taken on notice the question relating to timing.

Senator WONG: Okay.

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Senator WONG: And those formal consultations in relation to the threshold commenced in June?

Ms Harris: Is that right, Deidre?

Ms Gerathy: I think I have taken that on notice to confirm the exact date.

Senator Cormann: We have taken the timing question on notice. We have gone over the same question now four or five times. We have already said we are taking the question on timing on notice.

CHAIR: I am not sure you are going to get a different answer.

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**Answer:**

Following the election, it was determined in discussions between the Treasurer and the Minister for Agriculture that the Treasurer would be responsible for progressing the threshold and register commitments jointly. Treasury briefed the Treasurer on the commitments following the 2014-15 Budget, with the Treasurer deciding the register commitment should be considered further in consultation with state and territory governments.