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Foreign investment in Australian agriculture

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Economics

Executive summary

- Investment in agriculture in Australia has attracted a good deal of public debate. This paper aims to provide some wider context for that debate.
- Part 1 of the paper describes foreign investment in Australian agriculture. In 2011–12, of the total approved foreign investment in the economy of $170 billion, investment in agriculture was $3.6 billion. The share of agriculture in total foreign investment had risen from 0.1 per cent in 2006–07 to 2.1 per cent in 2011–12. The biggest investors in agriculture were countries with mature agriculture sectors, able to bring the latest technology and management skills for the sector. The highest investment was from Canada, with nearly a quarter of the total, followed by the UK and the US. Data on foreign ownership of land show that 11 per cent of Australia's agricultural land is foreign owned, with the highest proportion (24 per cent) in the Northern Territory.
- Much of the funds available for investment globally comes from sovereign wealth funds, which are controlled by governments and may not have simple commercial aims. This poses particular issues for regulators.
- There are complex relationships between two-way trade and investment. For example, Australia's major trading partners, the US, the UK and Japan, tend also to be our largest foreign investors. It may be expected that the current high level of merchandise trade between China and Australia may generate interest in investment. The future economic relationship may depend on how well Australia's regulatory regime can manage investment from China.
- Part 2 of the paper describes Australia's regulatory framework for foreign investment. The *Foreign Acquisitions and Takeovers Act 1975* gives the Treasurer the authority to reject a foreign investment proposal if it is not in the national interest. The Treasurer is advised by the Foreign Investment Review Board.
- The *Foreign Acquisitions and Takeovers Regulations 1989* set out thresholds below which the Act does not apply. All proposals by foreign government entities must be submitted for approval. The thresholds for agricultural businesses are the same as for other businesses, but there are specific criteria by which the Government assesses whether proposals for investment in agriculture are in the national interest.
- Among the 34 OECD member countries, Australia was assessed as the seventh most restrictive overall for foreign direct investment, and the tenth most restrictive in agriculture.
- Part 3 of the paper sets out the economic benefits of foreign investment, including not only funds but access to new technology, opportunities to improve the skills base, and the links built with global supply chains. It then discusses a number of public concerns about foreign investment in agriculture, including the increasing number of takeovers of agricultural processing businesses, the fears that foreign owners can avoid tax, and concerns about food security.

ISSN 2203-5249

- Part 4 of the paper looks at policy options, which could include greater transparency in the operations of regulatory institutions, such as the Foreign Investment Review Board, the Australian Competition and Consumer Commission and the Australian Taxation Office. It discusses the possibility of a national register of land and water assets, and of foreign ownership of them. It also reviews calls for lower thresholds for scrutiny by the Foreign Investment Review Board, and the workings of the national interest test.
- The paper concludes that the potential benefits of foreign investment are considerable, however such benefits are dependent on widespread community support.

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Glossary of acronyms

ABARES	Australian Bureau of Agriculture and Resource Economics and Science
ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ACIP	Advisory Council of Intellectual Property
ALWOS	Agricultural Land and Water Ownership Survey
ASPI	Australian Strategic Policy Institute
ASX	Australian Securities Exchange
ATO	Australian Tax Office
FATA	*Foreign Acquisitions and Takeovers Act 1975*
FDI	Foreign Direct Investment
FIRB	Foreign Investment Review Board
GFC	Global Financial Crisis
IAA1997	*Income Tax Assessment Act 1997*
ITAA1936	*Income Tax Assessment Act 1936*
MMRF	Monash Multiregional Forecasting
OECD	Organisation for Economic Cooperation and Development
OFC	Offshore Financing Centre
OIA	Overseas Investment Act
OIA	Overseas Investment Office of the New Zealand Government
SF	Stabilisation Fund
SOE	State Owned Enterprise
SPE	Special Purpose Entity
SWF	Sovereign Wealth Fund
TNC	Transnational Corporation
UNCTAD	United Nations Conference on Trade and Development

Introduction

Global investment in agriculture has attracted attention from politicians, analysts, security experts and think-tanks. There is a growing public debate over the potential implications for food security through increased foreign ownership of farm land. The propensity of foreign investors—particularly sovereign wealth funds (SWFs)—to accrue productive agricultural assets has increased. Australia, as an open and medium-sized economy with a robust policy environment and strong agricultural sector, has attracted increased foreign investment flows. This paper provides context for these debates. It concludes that the overall impact on the economy has been positive, notwithstanding the ongoing public concerns in this area.

Part 1 of the paper sets out the extent of foreign investment in the agricultural sector and places it in the context of foreign investment in the wider economy. In particular, this part shows the major source countries for investment as well as the developing trends.

Part 2 outlines the regulatory framework by which Australia governs FDI. Interestingly, and perhaps contrary to general public perceptions, the analysis suggests that Australia has one of the more restrictive regulatory regimes among our OECD counterparts.

Part 3 then examines the various aspects of the public debate in Australia over FDI in the agricultural sector: both the arguments for the economic benefits of FDI to Australia, as well as the basis for the underlying public unease over foreign ownership of Australian farms.

In Part 4, the analysis concludes with a review of the principal policy options being discussed, including refining the national interest test, altering the review threshold, and improving the information available to the public.

Part 1: Extent and trends in foreign investment in Australian agriculture

Stock of foreign investment in Australia by sector

The stock (or level) of foreign investment comprises four components:

1. Portfolio investment—investment made by investors who do not generally expect to influence the management of a company. The term is often used in the context of foreign investment to contrast portfolio investors (who buy debt and listed shares) and direct investors (who set up operations in a country). The division is not always clear: for example, an investor may be buying listed securities with the intent to launch a takeover and therefore should not be considered a portfolio investor.[1]

2. Foreign direct investment (FDI)—defined by the OECD as investment with the 'objective of establishing a lasting interest by a resident enterprise in one economy (direct investor) in an enterprise (direct investment enterprise) that is resident in an economy other than that of the direct investor. The lasting interest implies the existence of a long-term relationship between the direct investor and the direct investment enterprise and a significant degree of influence on the management of the enterprise.'[2]

3. Financial derivatives—defined as 'financial instruments that are linked to another specific financial instrument, indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right. The value of a financial derivative is based on the price of an underlying item, such as an asset or index. Unlike debt instruments, financial derivatives do not require the advance of principal amounts that are required to be repaid and do not generate investment income … Financial derivatives are excluded from direct investment.'[3]

4. Other investments (including reinvestment).

Data on total foreign investment by sector are not available from the Australian Bureau of Statistics. The Foreign Investment Review Board (FIRB) publishes approval data by sector and by country through its annual report.

According to FIRB *Annual Reports* (various years), the approved foreign investment in Australia was $170 billion in 2011–12, $177 billion in 2010–11, $140 billion in 2009–10, and $167 billion in 2008–09.[4]

1. OECD, *OECD Benchmark definition of foreign direct investment*, Fourth Edition, OECD, Paris, 2008, p. 17; 'Definition of Portfolio investment', Money Terms Com UK, website, accessed 29 November 2012, http://moneyterms.co.uk/portfolio-investment/
2. OECD, *Glossary of Foreign Direct Investment Terms and Definitions*, OECD, Paris, accessed 23 September 2013.
3. Ibid.
4. FIRB, Annual Reports, various years.

Of the total investment in 2011–12, approved foreign investment was $3.6 billion in agriculture, $4.5 billion in finance and insurance, $29.5 billion in manufacturing, $51.6 billion in mineral exploration and development, and $21 billion in services.[5]

For the whole period 2007–08 to 2011–12, the total approved investment in agriculture stands at $12.6 billion, or about 1.5 per cent of the total foreign investment ($844.8 billion) approved by the Government.[6]

Recent data on the approval of foreign investment from the FIRB suggest that investment in agriculture is not large in dollar terms, with the annual share at between one and two per cent of approved total foreign investment.[7]

In the five years ending in June 2012, the FIRB approved $12.6 billion worth of investment in agriculture, which amounts to only about 1.5 per cent of the $844.8 billion in approved foreign investment in all Australian enterprises.[8]

Australia's traditional trading partners account for the bulk of the foreign investment in the agriculture sector. These countries have mature agriculture sectors and bring with them the latest technology and management skills. Canada (24.8 per cent of total agricultural investment) tops the list, followed by the UK (21.6 per cent), USA (11.8 per cent) and New Zealand (4.3 per cent). The United Arab Emirates and China, Australia's newest emerging trading partners dominated largely by state owned enterprises (SOEs), invested 4.9 per cent and 0.2 per cent respectively in Australia's agriculture sector in the five years ending in June 2012. [9]

In explaining the reason behind China's relatively subdued share of investment in Australia, Mark Thomson, a defence policy expert at the Australian Strategic Policy Institute, recently noted that:

> In contrast to Australia's pattern of international trade, which is increasingly with developing countries, our inward and outwards foreign investment is predominantly with other developed Western economies–in particular the US and European Union. China, ASEAN countries and Japan play only a relatively small role in our investment partnerships. One reason for this is that FDI has historically been an important way of importing technology into Australia–think of motor vehicles or chemicals–and so naturally involves countries at a high level of technological development.[10]

Foreign investment in agriculture and primary industry businesses in Australia

The ABS monitors the aggregate level (stock) of FDI in the agriculture sector but does not provide a breakdown by country. According to the latest ABS data, the level of FDI in Australia's agriculture sector was $624 million at 31 December 2011 (down by five per cent from the level in 2010).[11] This represents 0.12 per cent of total FDI in Australia in 2011 (Table 1 below).

The ABS conducted the Agricultural Land and Water Ownership Survey (ALWOS) in December 2010, and produced its first report in September 2011. Table 2 (below) indicates the general pattern of foreign ownership of Australia's agricultural land and business. As of 31 December 2010, foreign investors partly or wholly owned only 11 per cent of farm land and only one per cent of all agricultural businesses in Australia. Foreign firms are present mainly in cattle and grain farming (11.7 per cent of total land in the category), and other crop farming, mostly in export oriented crops (5.3 per cent of total land in the category).

Table 1: Stock of foreign direct investment in Australia by sector, A$ million

Industry	2007	2008	2009	2010	2011	% Change in 2011	% Share in 2011

5. Ibid.
6. Ibid.
7. FIRB, Annual Reports, various years, FIRB, Canberra, accessed 31 October 2013.
8. Ibid.
9. Ibid.
10. M Thomson, 'Trade, Investment and Australia's National Security', *Insights*, Australian Strategic Policy Institute, April 2012, p. 8, accessed 15 November 2012.
11. ABS, *International Investment Position, Australia: Supplementary Statistics, 2012*, cat. no. 5352.0, ABS, Canberra, 2012, accessed 24 September 2013.

Agriculture, forestry and fishing	697	740	691	657	624	-5.0	0.1
Mining	105,939	125,779	148,013	151,919	177,782	17.0	35.0
Manufacturing	68,572	69,611	81,342	83,997	90,855	8.2	17.9
Electricity, gas and water	9,292	7,581	9,060	9,813	9,489	-3.3	1.9
Construction	21,771	15,410	17,370	17,637	15,602	-11.5	3.1
Wholesale and Retail trade	30,126	31,827	38,355	45,767	50,622	10.6	10.0
Accommodation, cafes and restaurants	4,951	5,082	5,390	5,893	6,275	6.5	1.2
Transport and Communication	56,743	48,138	46,381	41,437	41,149	-0.7	8.1
Finance and insurance	54,843	53,126	60,737	69,393	63,336	-8.7	12.5
Property and business services	17,174	18,507	19,525	24,311	31,245	28.5	6.2
Other Services	1,811	2,730	3,766	3,528	3,928	11.3	0.8
Unallocated	24,978	17,879	11,896	21,386	16,453	-23.1	3.2
Total	**396,897**	**396,410**	**442,526**	**475,738**	**507,360**	6.6	100.0

Source: ABS, *International Investment Position, Australia: Supplementary Statistics, 2012*, cat. no. 5352.0, ABS, Canberra, 2012, accessed 24 September 2013.

Table 2: Agricultural businesses by level of foreign ownership, December 2010

	Total agricultural businesses	Australian owned	Australian ownership as % of total	Partly or wholly foreign owned	Partly or wholly foreign ownership as % of total
Number of businesses ('000s)	136	134	98.5	1.3	1.0
Total area ('000 ha)	397,991	352,808	88.6	44,854	11.3
Sectoral ownership (area '000 ha)					
Nursery and Floriculture Production	282	279	99.0	2	0.8
Mushroom and Vegetable Growing	784	766	97.7	2	0.2
Fruit and Tree Nut Growing	2,177	2,002	92.0	172	7.9
Grape Growing	867	834	96.2	32	3.7
Sheep Beef Cattle and Grain Farming	372,658	328,667	88.2	43,713	11.7
Beef Cattle Feedlots (Specialised)	1,120	1,077	96.1	43	3.9
Other Crop Growing	4,255	4,024	94.6	224	5.3
Dairy Cattle Farming	2,518	2,373	94.2	123	4.9
Poultry Farming	143	138	96.3	5	3.6
Deer and Other Livestock	5,120	5,056	98.7	62	1.2
Non-agricultural ANZSICS	10,053	9,502	94.5	550	5.5
Total	**397,991**	**352,808**	**88.6**	**44,854**	**11.3**

Source: ABS, *Agricultural Land and Water Ownership, December 2010*, cat. no. 7127.0, ABS, Canberra, 2011, accessed 24 September 2013.

Data on foreign ownership of farm land (as displayed in Table 3) indicates that NT has the largest share of foreign ownership of land (23.8 per cent), followed by South Australia (12.1 per cent), Queensland (11.8 per cent), Western Australia (8.5 per cent), Tasmania (5.6 per cent), New South Wales (2.7 per cent) and Victoria (0.8 per cent).

Table 3: Area of agricultural land by level of foreign ownership, by state/territory, 2010

	Total area of holding	Australian owned farmland	Share of Aust. owned in each state and territory	Partly or wholly foreign owned farmland	Share of foreign owned in each state and territory
	ha	ha	%	ha	%
NSW	56,186,791	54,541,462	97	1,535,366	3
Vic.	12,245,136	12,059,345	98	99,480	1
Qld	138,706,282	122,336,948	88	16,327,665	12
SA	45,130,996	39,654,232	88	5,462,957	12
WA	84,657,317	77,377,205	91	7,202,663	9
Tas.	1,841,329	1,736,879	94	104,015	6
NT	59,223,472	45,101,528	76	14,121,936	24
Aust.	**397,991,323**	**352,807,599**	**89**	**44,854,082**	**11**

Source: ABS, *Agricultural Land and Water Ownership, December 2010*, cat. no. 7127.0, ABS, Canberra, 2011, accessed 24 September 2013.

The FIRB publishes annual approvals of foreign investment by sector and by source. The data show the flow of intended total investment. However, it is hard to ascertain how much of that approved investment gets realised and over what time period. Table 4 provides the historical trend of FIRB approved total investment and investment in mining and agriculture sectors. Approval for total investment was highest ($191.9 billion) in 2007–08, with the agriculture and mining sectors generating significant momentum.

Table 4: Approved foreign investment, total and share of total investment, mining and agriculture, value in A$ million

Year	Total approved investment	Investment in mining	Share of mining %	Investment in agriculture	Share of agriculture %
2005–06	85,751	46,885	54.7	8	0.0
2006–07	156,387	35,939	23.0	104	0.1
2007–08	191,879	64,496	33.6	2,488	1.3
2008–09	166,709	92,423	55.4	2,783	1.7
2009–10	139,503	82,005	58.8	2,326	1.7
2010–11	176,689	57,495	32.5	1,381	0.8
2011–12	169,993	51,931	30.5	3,596	2.1

Source: FIRB, Annual Reports, various years, FIRB, Canberra, accessed 24 September 2013.

According to FIRB data (Table 4), proposed investment in the agriculture, forestry and fishing sectors increased in value from $1.4 billion in 2010–11 to $3.6 billion in 2011–12. This represents around two per cent of the total value of investment in 2011–12. The largest source country of investment by value in the agricultural sector was Canada ($1.4 billion), followed by the UK ($0.6 billion) and the USA ($0.5 billion). Over the five years ending in June 2012, the average level of foreign investment in the sector has been just over $2.5 billion. Investment proposals in this sector are inherently irregular and can be skewed by large transactions with several competing bidders.[12]

Figure 1 (below) indicates the flow of foreign investment approved by the FIRB in the agricultural sector over the past five years between 2007–08 and 2011–12. Companies from Canada ($3.1 billion), UK ($2.7 billion), USA ($1.5 billion), UAE ($0.6 billion), New Zealand ($0.5 billion), Japan ($0.5 billion), Malaysia ($0.5 billion), Japan ($0.4 billion) and Hong Kong ($0.4 billion) featured prominently in securing approval to invest in Australian agriculture sector in these years.

12. FIRB, *2011–12 Annual Report*, FIRB, Canberra, 2012, p. 23, accessed 14 January 2013.

At the same time, the total approved investment in agriculture stands at $12.6 billion, about 1.94 per cent of the total foreign investment approved by the government during the past five years ($844.8 billion) (Table 5).[13]

The FIRB approved $2.3 billion, $1.4 billion and $3.6 billion investment in agriculture in 2009–10, 2010–11 and 2011–12 respectively.

Note that the FIRB approval data on investment in the food sector is included in the manufacturing sector, not in the agriculture sector. In addition, FIRB approval excludes a number of investments by foreign private entities that do not reach the monetary threshold as set by the FIRB (see the explanation in Part 2).

Table 5: Historical approval of foreign investment in Australian agriculture by source, value in A$ million

Country	2007–08	2008–09	2009–10	2010–11	2011–12	Total five years
Canada	-	1,600	-	104	1420	3,124
UK	1,252	402	322	189	550	2,715
USA	189	100	659	38	500	1,486
Other (a)	160	-	293	123	527	1,103
UAE	441	127	45	-		613
New Zealand	440	-	95	-		535
Malaysia	-	-	499	-		499
Japan	6	238	150	-		394
Netherland	-	315	1	-		316
Singapore	-	-	228	1	65	294
Switzerland	-	-	-	150		150
Hong Kong	-	-	35	13		48
China	-	-	-	4	27	31
Australia (b)	-	-	-	758	508	1,266
Investment in agriculture (total $m)	2,488	2,783	2,326	1,381	3,596	12,574
Share of agriculture in total %	1.3	1.7	1.7	0.8	2.1	1.5
All Sector Total	**191,879**	**166,709**	**139,503**	**176,689**	**169,993**	**844,773**

Note: Totals may not add due to rounding

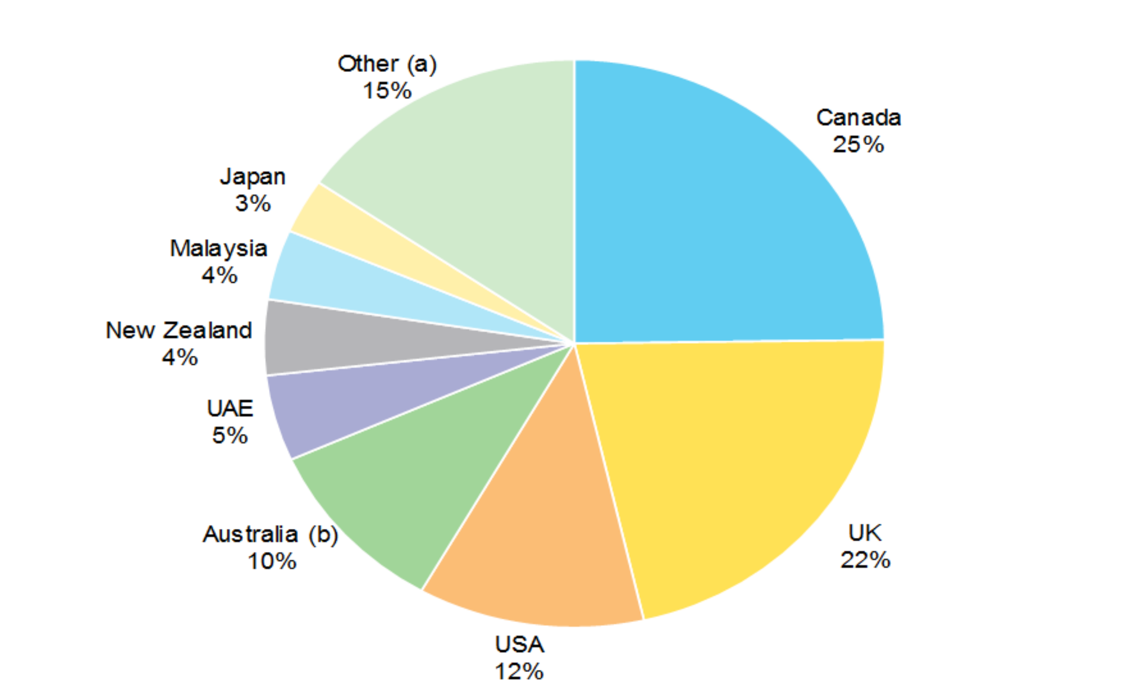
(a) Other comprises all other countries not in the list based on total proposed investment approved, as well as proposed investment approved which cannot be attributed to a country, including developers granted approval for off-the-plan developments.

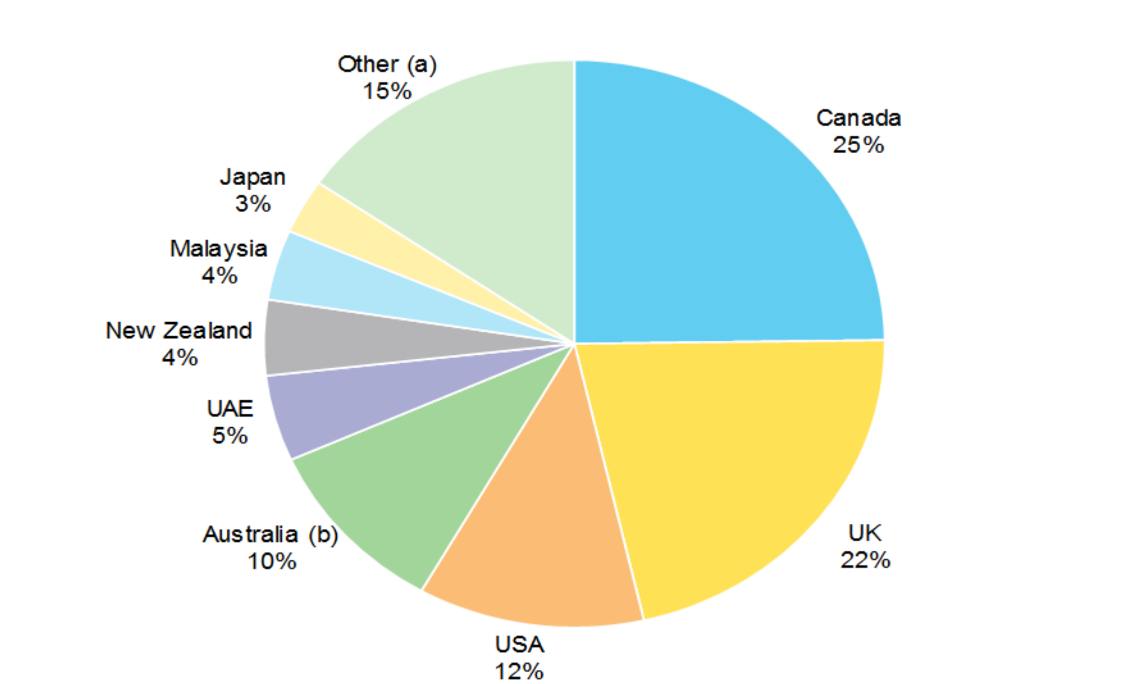
(b) The investment identified as originating from Australia represents the contribution by Australian-controlled companies associated with foreign investment proposals in which they are in partnership with foreign interests, but does not generally include the contribution attributable to minority Australian shareholders in companies with majority or controlling foreign shareholders.

Source: FIRB, Annual Reports, various years, FIRB, Canberra, accessed 24 September 2013.

13. FIRB, Annual Reports, various years, FIRB, Canberra, accessed 31 October 2013.

Figure 1: FIRB approved investment in Australia's agriculture by source, 2007–08 to 2011–12



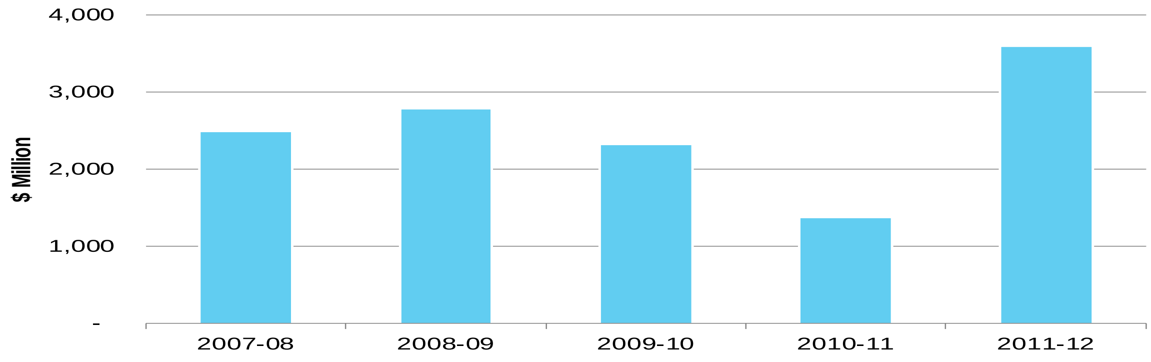


(a) Other approvals relate to sources of investment, where the country is not identifiable or may be for some other characteristic of the information.

(b) The investment identified as originating from Australia represents the contribution by Australian-controlled companies and Australian residents in partnership with foreign companies.

Source: FIRB, Annual Reports, various years, FIRB, Canberra, accessed 24 September 2013

Figure 2: FIRB approved investment in Australia's agriculture by year 2007–08 to 2011–12



Sources: FIRB, Annual Reports, various years, FIRB, Canberra, accessed 24 September 2013.

Foreign owned companies in agriculture and food businesses in Australia

A ranking by revenue of major foreign owned agriculture, food and tobacco processing companies in Australia is presented in Appendix Table A5. This list contains only major Australian Securities Exchange (ASX) listed companies in the sector and hence is not exhaustive.

There is no comprehensive data on Australian farm land owned by specific country. However, recent media articles suggest that a number of large foreign private companies have been directly involved in buying farm land in regional New South Wales. In expressing the community concern, *The Sunday Telegraph* on 26 February 2012, reported that:

> Foreign countries are 'secretly' buying up large chunks of NSW farmland by establishing shelf companies, trust funds, and extended settlements to avoid scrutiny. More than 800,000ha of prime and fertile land, from Moree in the north to Deniliquin in the south, is foreign owned, with Korea's Ho Myoung Farm company the largest stakeholder with 500,000ha.
>
> According to the latest figures from PRD Nationwide Research, Korea's investment has almost doubled in the past six months, while Switzerland ranks third with 74,448 ha of crop and livestock properties scattered throughout NSW.[14]

The Sunday Telegraph claims that foreign government-controlled companies are eluding closer examination by:

- establishing Australian companies to skirt review
- employing scouts to identify and secure prime agricultural land
- using wealth funds funded by countries like China without the regulator's knowledge.[15]

It is difficult to verify the accuracy of the PRD Nationwide Research figures reported in the aforementioned article as there is no official record available of foreign land transactions in NSW.[16]

Global sovereign wealth funds (SWFs)

A sovereign wealth fund (SWF) is a pool of capital derived from net wealth accumulation controlled by a government or government related entity that invests in portfolio assets that are aimed to generate higher than risk-free returns.

Prior to the 1970s commodity dependent economies faced huge challenges in managing the boom-bust cycles that have come to define these economies. By 1980s, having passed through numerous cycles of commodity

14. J Hansen, 'We're the great foreign owned land'', *The Sunday Telegraph*, 26 February 2012, accessed 6 July 2013.
15. Ibid.
16. A copy of the list of key foreign investors compiled by *The Sunday Telegraph* is provided in the Appendix, Table A6.

price rises, inflation, and huge spending, numerous countries decided to try and hedge against volatility. Mostly at the urgings of the World Bank and the International Monetary Fund (IMF), some countries created stabilisation funds (SFs), the predecessor of sovereign wealth funds, in an attempt to fight macroeconomic volatility and promote stable growth. The most notable among these countries are oil rich Norway and Kuwait, partly driven by their successive surpluses through high oil prices in the 1970s.

Most of the commodity exporters created their stabilisation funds in the 1970s after the huge increase in revenue through commodity exports: Abu Dhabi, Saudi Arabia and Oman. Even Singapore, without any commodity income, created an SF, after suffering from high levels of volatility from its exposure to global markets. Chile followed suit in creating SFs in the 1980s following a huge increase in revenue through higher copper prices.

The recent SWFs are more diversified in their objectives than their predecessors in the last century. Most SWFs came into being after 2005, accelerated mainly by higher than average commodity prices. But a significant exception is the Chinese SWFs, not based on commodity prices, but based on its newfound wealth of surplus global trade balances over the years.

Most countries with SWFs run large structural surpluses, either through higher commodity prices, or through manufacturing exports through fixed low exchange rates.

The foreign investment of these SWFs in the form of debt financing of a government does not raise as much concern in a domestic economy as the equity investment of SWFs in any kind of asset, hence there is degree of difference in community concern.

The United Nations Conference on Trade and Development (UNCTAD) 2013 World Investment Report indicated that the FDI flows from government owned entities, including SWFs, constituted almost 11 per cent of global FDI.[17] The hitherto undisclosed story behind these inflows is that the majority of these enterprises that acquired foreign assets in 2012 were from developing countries, motivated largely by the pursuit of strategic assets (for example, technology, intellectual property, brand names) and natural resources.[18]

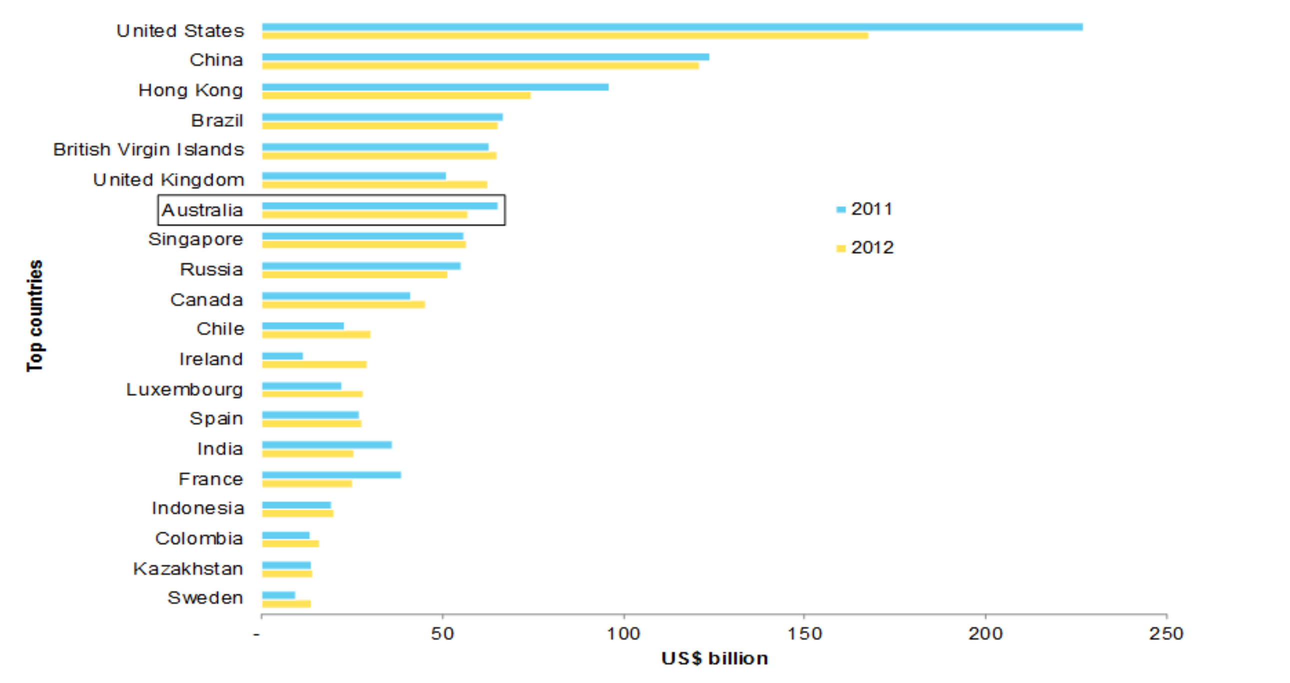
> FDI by sovereign wealth funds (SWFs) in 2012 was only US$20 billion, though it doubled from the year before. Cumulative FDI by SWFs is estimated at US$127 billion, most of it in finance, real estate, construction and utilities. In terms of geographical distribution, more than 70 per cent of SWFs' FDI in 2012 was targeted at developed economies. The combined assets of the 73 recognized SWFs around the world were valued at an estimated US$5.3 trillion in 2012 –a huge reservoir to tap for development financing.[19]

In 2012, Australia received US$57 billion global FDI inflow (including from SWFs, but the extent cannot be determined), down from US$65 billion in 2011, ranking it the 7th largest recipient of FDI internationally. The community concern regarding acquisition of Australia's agricultural assets by the SOEs, particularly by Chinese SOEs, has recently overshadowed the policy debates about the effectiveness of such investment under Australia's foreign investment framework.

The challenge for Australian policy makers is how to manage the SWF capital so that the investment sustains commercial ventures in Australia long term, and so that the commercial activity of the funds is sufficiently transparent to address community disquiet.

17. Ibid., p xii.
18. Ibid., p. xiv.
19. Ibid., p. xiv.

Figure 3: Global FDI inflows in 2012 and 2011, top 20 host countries, $US billion



Source: UNCTAD, *2013 World Investment Report*, United Nations, New York, 2013, Annex Table 1, accessed 24 September 2013.

After the relocation of News Corp to the USA in 2005 and a decline after the GFC, Australia's share of global FDI inflow appears to have been rising in recent years (Figure 4).[20]

Figure 4: Australian share of global FDI inflows, historical series, per cent

Source: UNCTAD, *2013 World Investment Report*, United Nations, New York, 2013, [page or table number], accessed 24 September 2013.

Two-way trade and investment

The economic relationship between Australia's levels of trade with particular countries and the levels of inward investment is complex. Australia's robust trading partnerships with mature economies like the US, the UK and Japan has led to stronger investment relationships and greater integration with these economies.

Since the mid-1980s, a country's direct investment from overseas has become a significant influence on its international trade. Previously, the relationship was somewhat reversed, as international trade influenced direct investment in most regions of the world. An OECD study observed:

20. Ibid., Annex Tables.

> … the evidence indicates that foreign investment abroad stimulates the growth of exports from originating countries (investing countries) and, consequently, that this investment is complementary to trade.
>
> An analysis of 14 countries demonstrated that each dollar of outward FDI produces about two dollars' worth of additional exports.
>
> Conversely, in host countries, short-term foreign investment most often tends to increase imports, whereas an increase in exports appears only in the longer term. However, in the short term, host countries enjoy many benefits from foreign investment (technology transfers, job creation, local subcontracting, etc.).
>
> Empirical results show that the nature and extent of the relationship (complementarity or substitution) can differ from one country to another.[21]

The relationships between investment and trade are typically viewed from the multiple perspectives as the investing/home country has different views and objectives from that of the recipient/host country:

> From the perspective of the investor country, FDI can been seen as substituting for trade as exports are replaced by local sales on foreign markets, particularly in the form of finished goods. This could be detrimental to the investing country's domestic industry, hurting production and employment. On the other hand, FDI and trade can be seen as complementary since investing abroad leads to greater competitiveness in foreign markets, and trade in intermediate goods (inputs) and complementary final products to the affiliate. This type of relationship would be beneficial to exports from the investing country and thus to its industry.[22]

Shares of two-way trade and share of inward stock of investment

Asian economies dependent on resource imports, particularly South Korea and Japan, built up a strong trading relationship with Australia during the 1980s and 1990s. This has occurred more recently with China. While these trading partnerships have sometimes translated into broader investment activity, there is no consistent pattern. Among those major Asian partners, only Japan has developed a major investment partnership with Australia (see Figure 5 below).

Figures 5 and 6 (below) show the share of two-way trade in Australia's global total, and share of total investment in Australia by major partners in 2007 and 2012 respectively. The share of Australia's two-way trade with the US (10.8 per cent in 2007 and 8.7 per cent in 2012), the UK (5.7 per cent in 2007 and 3.8 per cent in 2012) and Japan (12.3 per cent in 2007 and 11.9 per cent in 2012) witnessed a marginal slide, yet remained robust. On the other hand, investment shares are roughly stable. The share of the US investment increased from 26.3 per cent to 28.5 per cent; the share for the UK investment fell from 24.5 per cent in 2007 to 23.0 per cent in 2012; and the share of Japanese investment grew from 3.8 per cent in 2011 to 5.8 per cent in 2012. This indicates relative stability in the investment relationship with these three major economic partners.

While the share of Australia's total trade with China increased from 12.2 per cent in 2007 to 20 per cent in 2012, the share of investment from China did not achieve on the same scale. The share of total investment from China increased from 0.4 per cent in 2007 to 1.1 per cent in 2012. Australia's overall two-way trade relationship with major partners is shown in the Appendix Table A4.

Australia's economic relationship with China appears to be following the trend observed in the OECD in the early 1980s, where trade influenced direct investment. It is possible that the future economic relationship will depend on how well Australia's regulatory regime can manage the investment from China in the backdrop of community suspicion about Chinese investment, particularly investment by Chinese state owned enterprises and SWFs. If properly handled, China will be no exception in emerging as a mature trade and investment partner, like other traditional partners.

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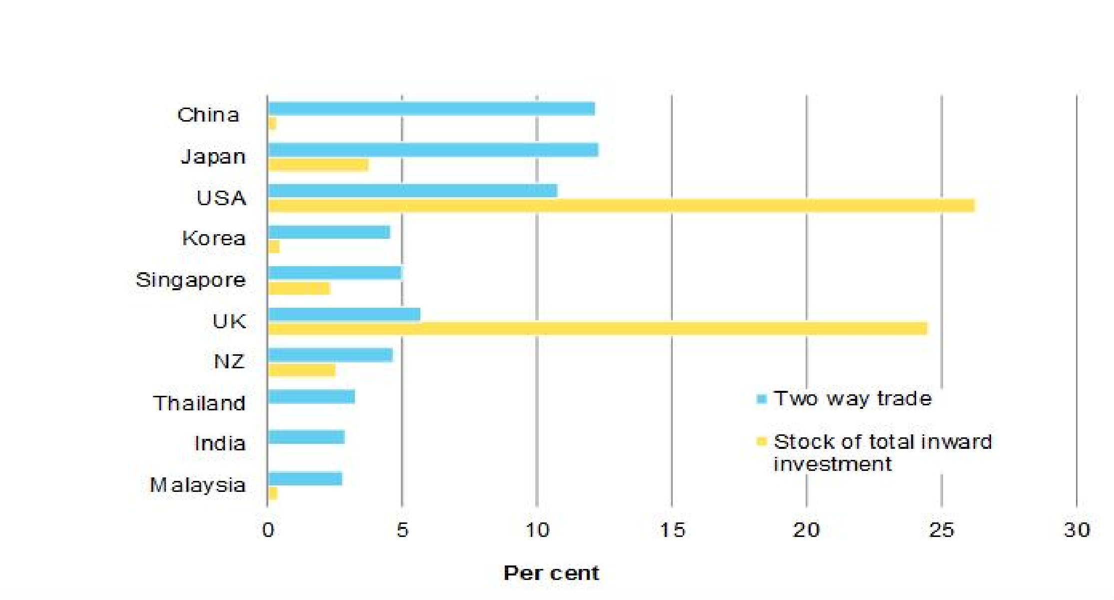
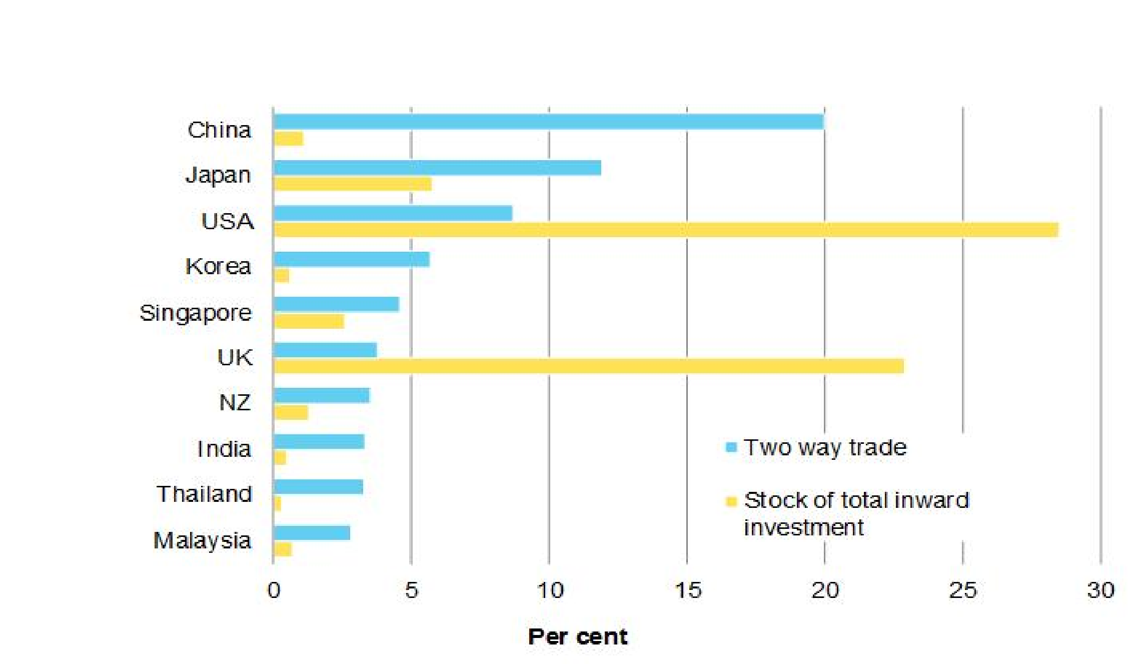
21. L Fontagné, *Foreign Direct Investment and International Trade, Complements Or Substitutes?*, OECD Science, Technology and Industry Working Papers, 1999/03, OECD, Paris, 1999, p. 5, accessed 18 August 2013.
22. Ibid., p. 13.

Figure 5: Share of two-way trade and inward investment, 2007, share of total, per cent



Sources: ABS, *International Investment Position, Australia: Supplementary Statistics, 2012*, cat. no. 5352.0, ABS, Canberra, 2012, accessed 24 September 2013; ABS, *International Trade in Goods and Services*, *Australia, Jul 2013*, cat no. 5368.0, ABS, Canberra, 2013, accessed 24 September 2013.

Figure 6: Share of two-way trade and inward investment, 2012, share of total, per cent



Sources: ABS, *International Investment Position, Australia: Supplementary Statistics, 2012*, cat. no. 5352.0, ABS, Canberra, 2012, accessed 24 September 2013; ABS, *International Trade in Goods and Services*, *Australia, Jul 2013*, cat no. 5368.0, ABS, Canberra, 2013, accessed 24 September 2013.

Part 2: Australia's regulatory framework

Australia's Foreign Investment Framework consists of:

- *The Foreign Acquisitions and Takeovers Act 1975*
- *The Foreign Acquisitions and Takeovers Regulations 1989*
- *The Foreign Acquisitions and Takeovers (Notices) Regulations 1975*
- Australia's Foreign Investment Policy

Australia's Foreign Investment Policy (the Policy) provides the framework for Government scrutiny of proposed foreign acquisitions of Australian businesses and real estate.

The Treasurer has the authority under the *Foreign Acquisitions and Takeovers Act 1975* (FATA) (the FATA) to reject proposals which would result in a foreign person acquiring control of an Australian corporation or business, or an interest in real estate, which the Treasurer has determined to be contrary to the national interest.

The FATA and the *Foreign Acquisitions and Takeovers Regulations 1989* (the Regulations) have monetary thresholds below which the relevant FATA provisions do not apply. There are separate higher thresholds for acquisitions by US investors, under the terms of the US-Australia Free Trade Agreement. The FATA also provides a legal mechanism for ensuring compliance with the Policy.

The FATA provides for the notification and review of all investment proposals covered by it that could potentially raise national interest concerns.

The Foreign Investment Review Board (FIRB) reviews proposed acquisitions and provides advice to the Treasurer. The decision to reject applications, or to impose conditions on foreign investment proposals, is exercised by the Treasurer based on the Treasurer's decision as to whether the investment is contrary to the national interest.[23]

Under the FATA, all proposals by foreign government entities must be submitted to the Treasurer for approval. For other foreign private entities acquiring an interest of 15 per cent or more in an Australian business or corporation that is valued above $248 million, FIRB approval is required. Foreign investors also need approval from the Treasurer if they wish to acquire an interest in an offshore company whose Australian subsidiaries or gross assets are valued above $248 million. For American and New Zealand investors, this threshold is $1,078 million in 2013.[24]

The policy also identifies a number of specific types of investment proposals that are required to seek approval from the Government even if the FATA does not appear to apply:

> The FATA allows the Treasurer or his delegate—usually the Assistant Treasurer—to review investment proposals to decide if they are contrary to Australia's national interest. The Treasurer can block proposals that are contrary to the national interest or apply conditions to the way proposals are implemented to ensure they are not contrary to the national interest. When making such decisions, the Treasurer relies on advice from FIRB.[25]

Applicants have no right of administrative or judicial review of foreign investment decisions made under the Act or the policy. The *Administrative Decisions (Judicial Review) Act 1977* specifically exempts decisions made under the Act from judicial review.[26]

Australia's foreign investment policy in agriculture

As noted above, foreign government entities are subject to scrutiny for any investment proposal. Proposals from private investors in agribusinesses (including those involving agricultural land) are subject to the same thresholds that apply to other foreign acquisitions of Australian companies or business assets.

The criteria upon which the Government assesses foreign investment applications in agriculture are as follows:

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23. FIRB, Guidance Note 1, Australia's Foreign Investment Framework, accessed 28 October 2013.
24. FIRB, *Australia's Foreign Investment Policy*, 'Annex 2 – Policy statement: Foreign Investment in Agriculture', FIRB, Canberra, 2013, pp. 19–20, accessed 11 September 2013.
25. FIRB, *Annual Report 2011–12*, 'Appendix A: Australia's Foreign Investment Policy', FIRB, Canberra, 2012, accessed 27 September 2013.
26. Schedule 1of the *Administrative Decisions (Judicial Review) Act 1977* (Cth), accessed 29 October 2013.

- the quality and availability of Australia's agricultural resources, including water
- land access and use
- agricultural production and productivity
- Australia's capacity to remain a reliable supplier of agricultural production, both to the Australian community and our trading partners
- biodiversity and
- employment and prosperity in Australia's local and regional communities.[27]

Restrictiveness of foreign direct investment (FDI) regulatory rules

The OECD publishes an index of the restrictiveness of the Foreign Direct Investment (FDI) rules in its member countries, as well as in some non-OECD countries.[28]

The FDI Regulatory Restrictiveness Index gauges the stringency of a country's FDI rules by looking at the four main types of restrictions on FDI:

- foreign equity limitations
- screening or approval mechanisms
- restrictions on the employment of foreigners as key personnel
- operational restrictions, for example, restrictions on expansion (through branches) or on capital repatriation or on land ownership.[29]

The OECD acknowledges that a country's FDI Restrictiveness Index does not provide a full picture of a country's investment climate. There are a range of other factors that influence the regulatory environment, including how FDI rules are implemented. In some instances, state ownership in key sectors may raise the barriers to entry. Additionally, market size, the level of integration with neighbours, and the proximity to major markets may determine the attractiveness of the FDI regime in a given country. Nonetheless, the OECD found that 'FDI rules are a critical determinant of a country's attractiveness to foreign investors'.[30] Although governments do not have control of the other variables like market integration or proximity, they can frame FDI rules which attract foreign investors. 'FDI restrictions tend to arise mostly in primary sectors such as mining, fishing and agriculture, but also in media and transport.'[31]

Among the 34 OECD member countries, in 2012 Australia was assessed as the seventh overall most restrictive for foreign direct investment and tenth most restrictive in agriculture (see Figure 7).[32] At the national level, more than half the OECD countries have no restriction on foreign direct investment in agriculture. However, some states and provinces within countries, including the United States and Canada, have quite restrictive conditions on foreign ownership in agriculture.[33]

Among the 34 OECD member countries, New Zealand is the third most restrictive recipient of FDI overall and the seventh most restrictive in agriculture. In contrast to Australia, New Zealand has a long history of government intervention in land ownership. Until 1995, land purchases, even by New Zealand citizens, were restricted. Currently, foreign investors must obtain approval for any land purchase of five hectares or more in New Zealand. New Zealand does not, however, collect data on foreign ownership of farmland.[34]

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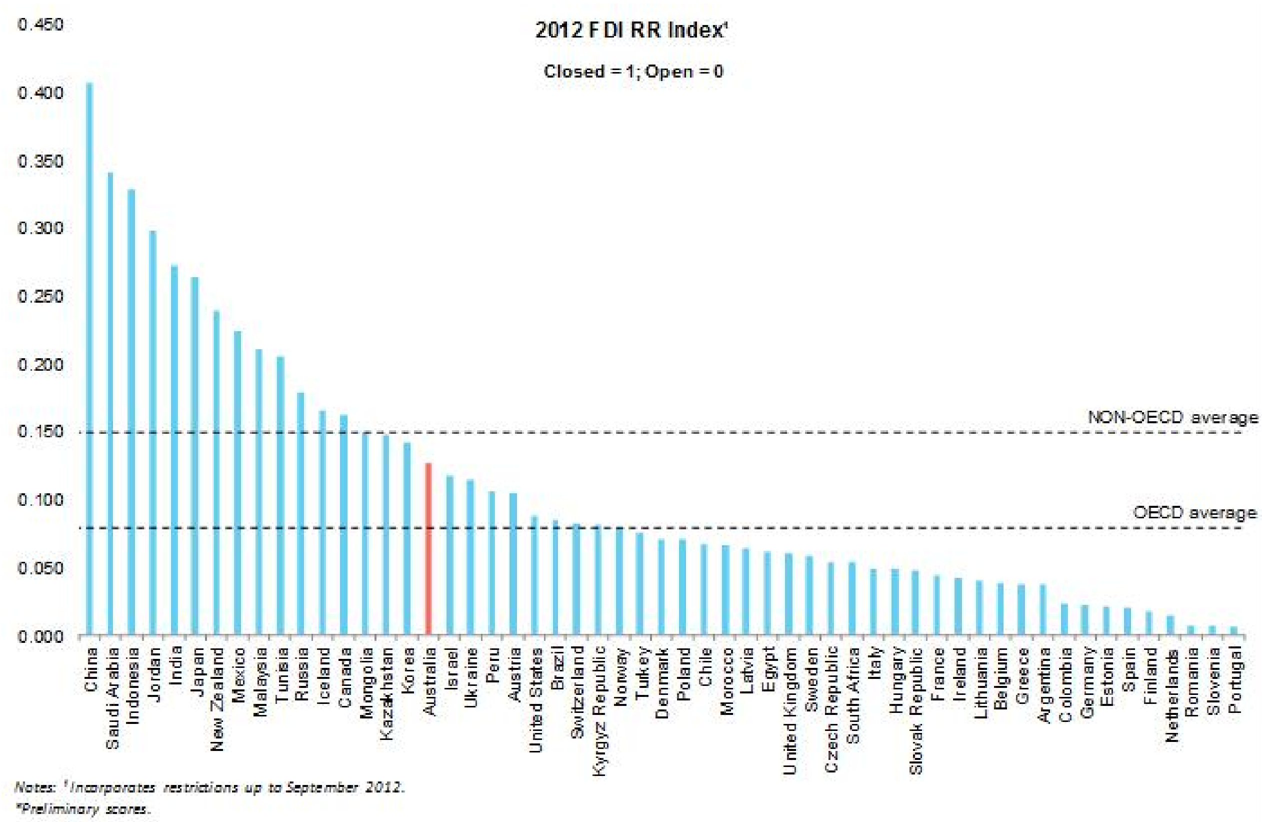
27. FIRB, *Australia's Foreign Investment Policy*, 'Annex 2 – Policy statement: Foreign Investment in Agriculture', FIRB, Canberra, 2013, pp. 19–20, accessed 11 September 2013.
28. B Kalinova, A Palerm and S. Thomsen, *OECD's FDI Restrictiveness Index: 2010 Update*, OECD working paper on international investment, 2010/03, OECD, Paris, 2010, accessed 5 June 2013.
29. OECD, 'FDI Regulatory Restrictiveness Index', OECD website, accessed 27 September 2013.
30. Ibid.
31. Ibid.
32. Ibid.
33. ABARES, *Foreign investment and Australian agriculture*, Rural Industries Research and Development Corporation, Canberra, November 2011, accessed 27 October 2012.
34. Ibid, p. 5

Figure 7: FDI Regulatory Restrictiveness Index, OECD 2012 update



Source: OECD, 'FDI Regulatory Restrictiveness Index', OECD website, accessed 23 September 2013.

Conversely though, there can be a difference between perception and reality. While the OECD reports that foreign investors perceive that the Australian agricultural sector is restrictive, the actual record is different, as the FIRB has yet to refuse any proposals of foreign investment in agriculture. In general, the FIRB approves more than 99 per cent of investment proposals annually which might suggest that in real terms, controls are not as restrictive as the perceptions may imply.

Part 3: Policy issues in FDI in Australia's agriculture

Overview of concerns

There are a range of issues regarding the approval of foreign investment in Australia's agriculture sector, with some of the most contentious centred on the transparency and accountability of related parties. They have generated a good deal of public concern.

In response to these concerns, the Senate Rural and Regional Affairs and Transport References Committee held an inquiry during 2012 into the FIRB's 'national interest test' and how effective that test is in meeting community expectations. The Committee released an interim report in November 2012 and a final report in June 2013.[35] The Committee identified a number of issues of public concern. Among them the most notable are:

- information about foreign ownership of land and water rights, and transactions
- the threshold for scrutiny by the FIRB and
- the transparency and scrutiny of the 'national interest' test.[36]

The Committee, while unequivocally supporting foreign investment in Australia, expressed reservations regarding non-commercial foreign investment essentially from state owned foreign entities, particularly in

35. Senate Standing Committee on Rural and Regional Affairs and Transport, *Examination of the Foreign Investment Review Board National Interest Test*, The Senate, Canberra, 2013, accessed 30 October 2013.

36. Senate Rural and Regional Affairs and Transport References Committee, *Foreign Investment and the National Interest*, The Senate, Canberra, June 2013, pp. xxii–xxiii, accessed 30 October 2013.

agriculture.[37] The Committee also noted that it shared the significant apprehension of many Australian rural communities concerning the issues associated with the dynamics of foreign investment in Australian agriculture. The Committee pointed out that:

> The evidence before the committee suggests that the current community concerns regarding foreign acquisitions of Australian agricultural assets stem from the increasing pressure created by the growing global food task. This appears to be leading to an increasing trend of foreign governments considering investment in Australia for food security purposes. The inadequacies of the *Foreign Acquisitions and Takeovers Act 1975* (FATA) to deal with contemporary practices in foreign investment have exacerbated these problems.
>
> Furthermore, the committee heard evidence during its inquiry that there may be tax incentives or loopholes that benefit foreign investors over Australian investors in the agriculture industry. This was coupled with evidence suggesting there is scope for foreign government entities to avoid fair tax liabilities in Australia. Given that the government lists the impact of foreign investment proposals on Australia's tax revenue as a key part of applying the national interest test, the committee considers that the evidence received shows the significant limitations of the current foreign investment review process.[38]

Foreign direct investment is judged by many economists to be vital to Australia's economic growth and prosperity, but it remains a controversial political issue in Australia, notwithstanding the relatively restrictive regulatory regime. The rest of this part gives an overview of the main arguments in favour of encouraging FDI, then examines in detail the nature of the public concerns.

Economic and competitiveness benefits of FDI

As a small and open economy with limited population and scarce capital, Australia has relied traditionally relied on foreign capital and technology to develop its market potential.

In a 2004 government sponsored study by Access Economics found that foreign investment in Australia was highly beneficial to the economy and foreign owned firms accounted for:

- 23 per cent of output or value added
- 50 per cent of the value of goods exported
- 46 per cent of the value of services exported
- 14 per cent of employment
- 25 per cent of the value of private capital expenditure and
- 42 per cent of private research and development (R&D) spending.[39]

There are three distinct advantages for the Australian economy in attracting foreign investment: access to new technology, opportunities to improve Australia's skill base, and building links to global supply chains.

The contributions of foreign investment in the rural sector are substantial. In a 2010 study, the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) assessed the separate contributions of domestic and foreign R&D investment to productivity growth in Australia's rural sector. The study indicated that rural research and extension had contributed around 1.2 percentage points to a long-term (1953–2007) average productivity growth rate for Australian broadacre agriculture of two per cent. Two components of that contribution were:

- 0.63 percentage points from foreign R&D and 0.33 percentage points from domestic public R&D investments
- 0.27 percentage points from domestic investment in rural extension.[40]

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37. Senate Rural and Regional Affairs and Transport References Committee, *Examination of the Foreign Investment Review Board National Interest Test—Interim Report: Tax Arrangements for foreign investment and the limitations of the Foreign Acquisitions and Takeovers Act 1975*, The Senate, Canberra, November 2012, p. 1, accessed 30 October 2013.

38. Ibid.

39. Access Economics, *The benefits of inward foreign direct investment to the Australian economy—a report prepared for Invest Australia*, Department of Industry, Tourism and Resources, Canberra, 2004, p. 2.

40. Y Sheng, E M Gray and J D Mullen, 'Public investment in R&D and extension and productivity in Australian broadacre agriculture', Australian Bureau of Agricultural Resource Economics and Sciences paper prepared for the 16th World Productivity Congress and 2010 European

In a separate study, ABARES noted:

> … foreign direct investment has, since the earliest years of settlement, played an important part in the development of Australian agriculture and agribusiness. Foreign investors have taken risks to pioneer new enterprises. For example, The British-funded Australian Agricultural Company purchased more than 500,000 acres (202,000 hectares) on the Peel River and the Liverpool Plains in 1824, and developed a sheep and cattle grazing enterprise (Davidson 1981). In 1825, the Van Diemen's Land Company bought 350,000 acres (142,000 hectares) in north-eastern Tasmania and invested £170,000 in its first seven years. It also established Australia's first commercial cheese factory. Foreign investment has also contributed to the development of irrigated agriculture. In the 1890s, Canadian brothers George and William Chaffey were granted 250,000 acres (100,000 hectares) at Mildura to subdivide into smaller holdings and supply with water, involving investment of £300,000 over a 10-year period.
>
> … Due to its welcoming attitude and pragmatic steps to attract foreign direct investment, Australia has achieved a benchmark in cotton production and emerged as one of the world's major cotton producing and exporting countries.[41]

Research shows that the best agricultural farms in Australia consistently produced a 10 to12 per cent annual return on investment during the past two decades, with more than half that return being increases in land value that over time averaged 7–8 per cent per annum, but characterised by periods of fairly static land values followed by short periods of rapid gains.[42]

The research also supports the view that successful farms can maintain high returns over the longer term, especially in the case of diversified farm businesses which have geographical spread that helps to manage climate risk; and that agriculture tended to be a countercyclical sector of the economy.[43]

To maintain these high rates of return, continued investment will be necessary. However, Australian fund managers have been unwilling to invest in agriculture enterprises. Australian fund managers have had little exposure to Australian agriculture, because of limited opportunity, or lack of market knowledge. In addition, after the deregulation of Australian agriculture markets, with a lack of economies of scale and limited access to global supply chains, local farms were unwilling to introduce untested technology. On top of that, there is policy uncertainty regarding environmental and water usage, both at the federal and the state levels, that directly impacts on farm productivity. These risks are genuine and local fund managers are reluctant to incorporate them into their portfolios.[44]

Increasing foreign investment in processing businesses

It is not surprising, then, that foreign funds have mostly become the major operators of agricultural businesses over the years, with their better capacity and scale of operations (see the list in Table A5 in the Appendix).

As a consequence of a series of deregulations in recent decades in agricultural markets, both at the federal and at the state levels, Australia's commercial agribusiness sector has become intensely integrated with the global supply chain. With these unfolding opportunities, foreign investors acquired a number of Australian businesses in recent years.

Major mergers and acquisitions have occurred in the grains industry. Viterra (Canada) bought ABB. Agrium (Canada) acquired Landmark and resold AWB business to Cargill (USA). Of late, Viterra has been acquired by Glencore (Switzerland). After the deregulation of the dairy industry, a large amount of foreign investment took place. Presently Lion (Japan), Fonterra (New Zealand) and Parmalat (France) are the dominant producers in Australia. About 50 per cent of milk processed in Australia is now produced by foreign owned firms.[45]

Productivity Conference, Antalya, Turkey, November 2010,quoted in Productivity Commission, *Report of the inquiry into rural research and development corporations*, Productivity Commission, Canberra, 2011, p. 322, accessed 23 September 2013.

41. ABARES, op. cit.

42 M. Keogh, 'An overview of challenges and opportunities associated with foreign ownership of Australian land and agribusiness', *Foreign investment in Australian agriculture*, Australian Farm Institute, accessed 14 November 2013.

43 Ibid.

44 Ibid.

45 Ibid.

A consortium of foreign companies now owns much of Australia's sugar industry. Finasucre (Belgium) owns Bundaberg Sugar, Wilmar (Malaysia) owns Sucrogen-CSR and COFCO (China) acquired Tully sugar. Foreign owners are estimated to now account for more than half of all sugar production in Australia.[46]

Enterprises in the meat industry are substantially owned by foreign firms – JBS (Brazil), Cargill (USA), and Nippon Meat Packers (Japan). ABARES estimates that more than 40 per cent of all Australian red meat production is owned by foreign owned enterprises.[47]

The majority of cotton production and access to global markets are managed by foreign owned agribusiness operators. This is true for vegetable and cotton industries, with a large presence of McCain (Canada) and Simplot, Olam, Auscott, Louis Drefus, Twynam and Cargill. In addition, there are a number of foreign agribusinesses involved in pig industry, feed manufacturing, and oil processing.

In a way, ownership of agriculture businesses reflects a trend that is also evident in other industries. The automobile industry and the mining industry are prime examples of foreign ownership in Australia.

Foreign ownership of Australia's agricultural land appears to be somewhat more sensitive than in other sectors. However, the fact is foreign ownership of farm land is significantly less than foreign ownership of other sectors, or indeed of agriculture businesses.

Foreign investors in agriculture and taxation revenue issues

Foreign companies that are incorporated in Australia and have an Australian Business Number (ABN) are treated as resident companies. The Treasury considers a company with turnover more than $250 million in a given year a 'large company'. Currently, there are few of these companies in operation in the Australian agricultural sector.

According to the Treasury, in 2010–11 there were 83 non-resident entities operating in the sector, of which 65 were private companies, four were public and 14 were 'other'—joint ventures. At the same time the number of Australian resident companies was 16,337 private companies (mainly family farms), 133 public companies, 82 co-operatives, seven non-profit organisations and 33 'other' companies. Thus, non-residents are only a small percentage of the total number of agricultural companies in Australia.[48]

The application of taxation on passive income (which includes dividends, interest and royalties) of foreign enterprises (including foreign SOEs) has not been uniform due to the stipulations of Australia's bilateral free trade agreements as well as double taxation agreements (DTAs):

> The principal factor in the taxation of business profits is the presence of a branch, i.e., a permanent establishment. Under the business profits articles of the agreements, the profits of an enterprise of one country may be taxed in the other only if the enterprise carries on business in that other country through a permanent establishment, and only to the extent that the profits are attributable to the permanent establishment (and, in some agreement, to related sales or business activities). In addition, the limited rates of source country taxation applicable to dividend, interest and royalty income do not apply where such forms of income are effectively connected with a permanent establishment that the recipient maintains in the source country.[49]

In view of the above, there is a degree of community apprehension that foreign enterprises may have a competitive advantage over domestic enterprises in their business operations.

Recent media articles report debates in Australia on the issue of tax minimisation schemes followed by certain international companies including some foreign SOEs.[50]

The Senate Rural and Regional Affairs and Transport References Committee's interim report on the FIRB's national interest test found that there were a number of mechanisms that foreign investors can use to reduce the tax payable in Australia:

46 Ibid.

47 Ibid.

48. S Hamilton (Assistant Deputy Commissioner, Large Business and International, Australian Taxation Office), Evidence to Senate Rural and Regional Affairs and Transport References Committee, *Examination of the Foreign Investment Review Board National Interest Test*, 9 May 2012, accessed 17 October 2012.

49. CCH Australia, *Premium Master Tax Guide*, CCH Australia, 20 September 2013, '22–150: Outline of agreements'.

50. For example, L Sparkes, 'Buying up Australia', Today Tonight website, 30 January 2012, accessed 6 July 2012.

> These include 'the substitution or creation of debt to extract additional income out of Australia and into a lower taxed jurisdiction'. In addition, foreign companies can use 'conduit arrangements whereby an overseas asset (say a company) is purchased through Australia by a foreign owned entity using an Australian subsidiary that they control'.[51]

Evidence to the Committee suggested that a foreign government owned entity investing in Australia and exporting for non-commercial purposes, for instance to feed its citizens, could avoid paying tax in Australia. The Committee commented that 'the government should unambiguously rule out such a possibility, or if it is unable to, it should explain why tax revenue leakage from foreign investment in these circumstances is warranted.'[52]

The Committee recommended that the government require that any non-commercial production from agricultural land and businesses by foreign government entities (including for the purposes of food security) should be undertaken within relevant Australian Government foreign aid programs.[53]

The ITAA regulates transfer pricing regimes and is intended to restrict foreign companies arbitrarily shifting profits overseas. The issue of non-commercial agricultural production, if any, by foreign SOEs in Australia is treated differently, and this is what gives rise to concerns about tax avoidance.

The Australian agriculture sector is well placed to meet the challenges of growing global food requirements. With expanding market opportunities, global companies and their financial intermediaries are increasingly taking stakes into the sector. As a consequence Australian regulators must tackle the question of how best to handle such entities to ensure that they pay the appropriate amount of tax on their income in Australia.

Public concerns over foreign investment in agriculture

Many Australians are concerned about foreign investment, especially in agriculture. A recent poll conducted by the Lowy Institute for International Policy found that:

> In 2013, a majority of Australians (57%) still consider that 'the Australian government is allowing too much investment from China', an attitude largely unchanged since 2010.[54]

Recent high profile Chinese takeovers, or attempted takeovers, of Australian assets have also generated much concern. The failed Chinalco investment in mining company Rio Tinto in 2009 and the purchase of Cubbie Station, Australia's largest cotton property, by a Chinese-led consortium in 2012 appear to have contributed to an ongoing negative view of Chinese investment among Australians:

> … the Australian community remains cautious about welcoming further Chinese investment—particularly in agricultural land … This is no different to the early phases of US and Japanese investment in Australia, where community caution transformed to general acceptance over time. The difference in China's case, is the challenge of a larger role for SOEs and the Foreign Investment Review Process.[55]

The 2013 Lowy Institute Poll found fifty-seven per cent of Australians think Australia is 'allowing too much investment from China'. This is not an exceptional result. In every annual survey since 2009, between 50 and 57 per cent of respondents expressed the opinion that Australia is allowing too much Chinese investment.[56]

However, this attitude and concern towards Chinese investment is not shared across the board by government officials, the Australian public and business. In a separate research study by the Lowy Institute, the responses from government officials and the business sector appear to diverge from the community concern. Most

51. 'ATO, Answer to questions on notice, 9 May 2012', quoted in Senate Rural and Regional Affairs and Transport References Committee, *Examination of the Foreign Investment Review Board National Interest Test—Interim Report: Tax Arrangements for foreign investment and the limitations of the* Foreign Acquisitions and Takeovers Act 1975, op. cit., p. 5.
52. Ibid., p. 10.
53. Ibid., p. 12.
54. A Oliver, *Australia and the world: public opinion and foreign policy*, Lowy Institute for International Policy, Sydney, 2013, p. 6, accessed 25 July 2013.
55. A Michelmore, 'What drives Chinese investment in Australia?' 10th Anniversary 'China Changing' Lecture, Beijing, Lowy Institute for International Policy, 18 September 2013, accessed 27 September 2013.
56. D van der Kley, 'The Chinese investment elephant in the room', The Brics Post, 24 July 2013, accessed 27 September, 2013.

respondents believed that investment from state-owned companies had become economically important for Australia especially after the Global Financial Crisis (GFC).[57]

Suspicion of foreign agricultural investment is not limited to Chinese investors alone. Farm acquisitions by Middle Eastern state-owned entities have also prompted calls for greater regulation of foreign investment.[58] In fact, there appears to be a widespread mistrust of any foreign investment in farmland. The Lowy Institute's 2012 poll found:

> Foreign ownership of farmland looks set to continue as a hot political issue, with a large majority (81%) of Australians against the Australian government allowing foreign companies to buy Australian farmland to grow crops or farm livestock, with 63% saying they are strongly against.[59]

What is behind these public concerns and why is investment in agriculture particularly sensitive?

Much of the public concern recently focussed on Chinese investment, mainly by its state-owned enterprises (SOEs) and the perception that Chinese SOE investments have non-commercial objectives (such as the distortion of the price of output and transfer pricing) and SOEs having cheaper access to capital due to state-owned Chinese banks.

There are also more general concerns that government owned foreign buyers may out-compete local entrepreneurs in agriculture, that they will not follow the environmental standards in looking after the farm land thus jeopardising its productivity in subsequent ownership, and that they may import foreign workers rather than create local jobs.

It is further arguable that at least some of the public's concerns are based on misconceptions. One example is the perception that huge areas of Australia are being bought up by Chinese investment.

Again, some media commentary about foreign investors implies that they are mainly acquiring agricultural assets previously owned by Australians. The Foreign Investment Review Board indicates that the major acquisitions of agricultural business in Australia have been taking place between foreign companies themselves.[60]

From 2005–06 to 2011–12, the Foreign Investment Review Board (FIRB) approved a total of $91 billion in investment from China. A $46 million of investment from China in Australia's agriculture during the same period is less than one per cent of the total approved Chinese investment in Australia.[61]

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57. Ibid.
58. C Dearin, 'Food security and Australian land', *The Interpreter*, Lowy Institute for International Policy, 18 July 2013, accessed 18 July 2013.
59. F Hanson, *Australia and New Zealand in the world: public opinion and foreign policy*, Lowy Institute for International Policy, 2012, p. 1, accessed 25 July 2013.
60. See the list of major FIRB announcements and decisions: FIRB, 'Press releases and policy statements', FIRB website, accessed 25 July 2013.
61. Foreign Investment Review Board (FIRB), *Annual Report*, various years, FIRB, Canberra, accessed 25 October 2013.

Part 4: Policy options for foreign investment in agricultural land in Australia

Transparency and public information

One way to address public concerns about foreign ownership could be increasing the transparency and openness of regulatory institutions, and ensuring that the public has access to the information it needs to form judgements.

The Foreign Investment Review Board could keep the community informed about its dealings with foreign owners – in the approval process; and it could release regular information on monitoring and disciplinary activities against defaulting foreign residents. The Australian Competition and Consumer Commission could reveal more information about their dealings with uncompetitive and non-commercial behaviour of foreign firms. They could also clearly set out how they see the interaction of domestic and foreign commercial interests. The Australian Taxation Office could release information that would convince the community that taxation of foreign companies is fairly dealt with and the appropriate revenue extracted.

Many of the community concerns can be attributed to the possibility that farms owned by the foreigners will ship their production directly to their own country and will use this leverage in time of crisis. Some people fear that this will deprive Australia's domestic market of the product when it is needed in time of food shortages. Analysts can argue that this concern is not based on reality: under the *Customs Act 1901*, the government could prohibit such exports. However the concern continues, and might be directly addressed.

Information about foreign ownership of land and associated transactions

Each state and territory in Australia has well-established land registration systems and processes. Excluding Queensland, no state and territory has a record of land transactions involving foreign entities. At the national level there is no land register or title system, let alone a record of land transactions involving foreigners.

States and territories capture ownership information relating to water access rights within register systems; these registers do not currently capture foreign ownership.

In order to capture preliminary data on the extent of foreign ownership of land in Australia, in November 2010, the Government commissioned the ABS to conduct the first Agricultural Land and Water Ownership Survey (ALWOS). The ABS conducted the survey during 2010 and delivered the interim report in September 2011. The survey has been criticised by the Senate Rural and Regional Affairs and Transport References Committee for its limited scope and, consequently, poor data quality. The survey did not take into account trust ownership, 'shelf companies' and mining companies which are operating in agricultural business or limiting agricultural business once they took over agricultural land.[62] The trigger point of the survey, a $5,000 threshold value, was also criticised as at best ambiguous. Further, the ABS only considered those enterprises which have an ABN. There may be some large state-owned foreign companies that will not have an ABN and such entities would have been excluded from the survey.[63]

The Committee in its final report noted that the information emanating from the ABS report was inadequate for the purpose of generating public confidence in the reporting process. The Committee thus suggested that a '… national register for foreign ownership of agricultural land should be the primary mechanism for collecting and publishing information about foreign investment in Australian agriculture.'[64]

As part of assuaging the community concerns about the opacity of foreign governments buying Australian agricultural land, in June 2012 the Gillard Government announced the establishment of a working party to investigate whether to establish a national register of foreign ownership of agricultural land.[65]

On 23 October 2012, the Government announced that it would implement a national foreign ownership register for agricultural land following consultations with stakeholders. A consultation paper was subsequently issued in November 2012.[66]

62. FIRB, Evidence to Senate Rural and Regional Affairs and Transport References Committee, *Examination of the Foreign Investment Review Board National Interest Test*, 16 August 2012, pp. 25–26, accessed 17 October 2012.

63. Ibid.

64. Senate Rural and Regional Affairs and Transport References Committee, *Foreign Investment and the National Interest*, op. cit., p.39.

65. D Bradbury (Assistant Treasurer), *Gillard Government to consult on foreign ownership register for agricultural land*, media release, 15 June 2012, accessed 12 October 2012.

The purpose of this register is to improve transparency of foreign ownership in agricultural land without imposing unnecessary burdens on investors or duplicating work already undertaken by state and territory governments.

In defining the register the Treasury pointed out:

> A national foreign ownership register for agricultural land will constitute a post-acquisition recording system. It will capture actual transactions (including divestments) rather than proposed acquisitions (that may or may not proceed), giving a more accurate picture of foreign ownership of Australian agricultural land.
>
> Any registration obligations under the register will be of an administrative nature. While it will not form part of the foreign investment screening process where foreign investors need prior approval from the Government before investing in certain Australian agricultural land, over time a register will assist in informing the Government and the community about emerging investment trends.[67]

The Government has yet to disclose any information about the administrative costs associated with the implementation of the national register for land transactions.

The threshold for scrutiny by the FIRB

Australia's foreign investment regime is a 'work in progress' that continues to evolve in the context of the global opportunities and challenges that Australia's open economy endures. The FIRB was established in 1976 to provide sophisticated analysis and advice to the Treasurer as to whether foreign investment proposals should be considered in the national interest. As a result, since the 1980s, foreign companies have been under greater scrutiny with improved and more comprehensive information from applicants. The FIRB's monitoring activity has also increased to observe compliance by these companies.

The Australian Parliament has completed a number of inquiries into making the FIRB more robust and accountable in their scrutiny of proposals in the agriculture sector. In 2010, the minor parties and independent senators, along with some Coalition senators, demanded that the threshold for the acquisition of green field projects in agriculture by foreign entities be lowered. The Senate Economics Legislation Committee considered a Bill proposing to lower the threshold in June 2011 and confirmed bipartisan support for the existing FIRB processes while recommending the Bill not be passed.[68]

A subsequent Senate inquiry recommended that the FIRB's monetary threshold for private foreign investment in agricultural land be lowered to $15 million and the zero trigger required for approval by FIRB for any purchase of agricultural land or an agribusiness by a state owned enterprise continue to apply.[69] As discussed above, however, these proposals have to be balanced against the need for investment.

Evolution of the 'national interest' test

Successive Australian governments have not provided a clear definition of when a proposal is to be considered contrary to the 'national interest'. Instead, the criterion is determined and assessed on a case by case basis.[70]

Under the current policy, the Government determines what is 'contrary to the national interest'. The Australian Government does not publish its reasons for decisions made under the FATA or based on the advice from the Advisory Council on Intellectual Property (ACIP). When the FATA was first introduced into Parliament in 1975, it was suggested that the 'national interest' criterion should be assessed by reference to a variety of factors. These included the determination of whether or not the proposed investment would have net economic benefits to Australia to justify the change in foreign control, whether the foreign investor was expected to follow practices

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66. The Treasury, *Establishing a national foreign ownership register for agricultural land*, Consultation Paper, November 2012, accessed 27 September 2013.

67 The Treasury, *Establishing a national foreign ownership register for agricultural land*, op. cit., p. 3.

68. Senate Economics Legislation Committee, *Foreign Acquisitions Amendment (Agricultural Land) Bill 2010* [Provisions], The Senate, Canberra, June 2011, p. 41 and Recommendation 1, p. 51, accessed 29 October, 2012.

69. Senate Rural and Regional Affairs and Transport References Committee, *Foreign Investment and the National Interest*, Final Report, op. cit., pp. xv–xvi.

70. In the Minister's second reading speech for the Foreign Takeovers Bill 1975 in the House of Representatives, it was stated that the criteria for judging applications had not been incorporated into the proposed legislation because 'the criteria must be flexible in their interpretation and application and it has been found that it would be impracticable, consistent with the need for such flexibility, to express the criteria with the precision required by legislative form'. F Stewart (Minister for Tourism and Recreation and Minister Assisting the Treasurer), 'Second reading speech: Foreign Takeovers Bill 1975', House of Representatives, *Debates*, 22 May 1975, p. 2678, accessed 25 September 2013.

consistent with Australian expectations and whether the proposal would be consistent with the government's policy objectives. In assessing these matters it was suggested that the government would look at factors such as Australian participation in ownership, control and management as well as the interests of employees, shareholders and creditors.[71]

In the mid-1980s, a more liberal interpretation of the national interest criterion was adopted.[72] The possible application of the 'net economic benefit' test was abandoned on the basis that foreign direct investment was then acknowledged to have clear economic benefits for Australia.

In general, five broad aspects of policy comprise the 'national interest test':

The following factors come into play when the Foreign Investment Review Board (FIRB) assesses foreign investment proposals in any sector:[73]

- National Security—The extent to which investments affect Australia's ability to protect its strategic and security interests is considered.
- Competition—The diversity of ownership within Australian industries and sectors to promote healthy competition, whether a proposed investment may result in an investor gaining control over market pricing and production of a good or service in Australia. The Australian Competition and Consumer Commission has to role to examine competition issues in accordance with Australia's competition policy regime, and such role is independent of Australia's foreign investment regime.
- Other Australian Government policies (including tax)—The impact of a foreign investment proposal on Australian tax revenues is another aspect of scrutiny.
- Impact on the economy and the community—The impact of the investment on the general economy and the impact of any plans to restructure an Australian enterprise following an acquisition are examined.
- Character of the Investor—The extent to which the investor operates on a transparent commercial basis is subject to adequate and transparent regulation and supervision.

The national interest test does not usually apply to proposals by foreign owned or controlled investors that operate on a transparent and commercial basis.

Brian Wilson, chairman of the FIRB, recently described how the national interest test comes into play in assessing agriculture investment. He stated that, 'to the extent that there was a distortionary effect as a result of non-commercial matters [of certain SOEs], that would be a consideration in determining whether a particular investment was contrary to the national interest or not.[74]

> The UK's *Financial Times* once described the national interest test as a 'protectionist relic' that does not fit with the Australian Government's free market principles. The paper observed that the screening of foreign investments was common practice among countries but that the Australian regime is a little too far ahead of the group in terms of its lack of transparency and unaccountability.[75] In response to these claims, Australian lawyer Andrew Lumsden asserted that the test does serve a useful purpose:
>
> While some of the criticism meted out by the Times is warranted, this ought not be a reason to abandon the test. The test serves a useful function for the Government as a macro economic regulator of the economy.
>
> The Government ought to retain the flexibility to be able to deal with the consequences or externalities that may arise from a foreign takeover. That said, as noted by the OECD there is great merit in increased transparency around the process and this would be enhanced by a regular process of providing detailed decisions by which others could judge how the process operated.[76]

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71. Ibid., pp. 2678–9.
72. The Treasury, 'Foreign investment policy in Australia—a brief history and recent developments', *Economic Roundup*, Spring 1999, The Treasury, Canberra, p. 64, accessed 15 November 2012.
73. FIRB, *Australia's Foreign Investment Policy*, pp. 6–7, FIRB website, 2013, accessed 28 September 2013.
74. Senate Rural and Regional Affairs and Transport References Committee, *Foreign Investment and the National Interest*, op. cit., p. 12.
75. Quoted in A Lumsden, 'The "National Interest Test" and Australian Foreign Investment Laws', University of New South Wales Centre for Law, Markets and Regulation website, accessed 9 October 2013.
76. Ibid.

As the test is applied on a case by case basis, the community has a perception that FIRB may not have the right balance in dealing with foreign investors. There is no benchmark upon which the people at large may value the actions of FIRB. On top of that, because of the commercial sensitivity of individual cases, FIRB does not provide updates on its monitoring and disciplining activities against any rogue investors. This adds another layer of confusion among the community in terms of holding regulatory regime in suspicion.

Concluding remarks

Analysts predict that the agricultural sector is on the edge of another export surge due to regional growth in Australia's neighbourhood:

> This poses a challenge to Australian primary producers which demands clarity of purpose and a commitment to investment in the next few years.
>
> With the reticence of local investors to buy into the long-term story of the mining boom, foreign capital is as important today as it was in 1824 … but we also must start a debate about how to encourage more domestic investment in agriculture … Fund managers in Australia had a ridiculously short-term view of agricultural investments, but foreign companies, governments and pension funds were snapping up Australian farms and food processing assets.[77]

There is a widespread acknowledgement among researchers and policy makers that in the decades ahead, the demand for Australian food products from the emerging economies will grow substantially. Accordingly there is a sense of urgency that Australia needs to be ready to accommodate higher trade and higher investment in domestic agriculture, to make it highly successful and globally competitive.

In contrast to handling and processing operations, currently, in Australia, about 95 per cent of farms are family owned; despite adverse situations that effect regional Australia, such as droughts, floods and increasing salinity, these farms demonstrate a degree of resilience. However, in Australia, the most productive farms are largely commercial, non-family based farms.[78] The challenges facing Australian agriculture are thus to turn the family farms into more productive and commercially viable units. As Greg Mahony explains:

> in a globalising world, the farm gate model of Australian agriculture may have had its day. Average and best practice in agriculture has moved to be more similar to the production systems evolving in manufacturing over the last twenty years. Public policy needs to focus on and engender the positive aspects of the evolution of the global food supply chain and prospects of new as well as evolving models of agriculture linked to agribusiness.[79]

The policy challenge is whether the global integration of Australian agriculture will be better served by further scrutiny of foreign investment. Additionally, if this is the case, would such scrutiny be across the board and include New Zealand and American companies who have a much higher threshold for FIRB scrutiny? Already, some foreign countries — China in particular— have expressed their reservations about the regulatory discrimination in foreign investment screening in Australia.[80]

The recent annual polls conducted by the Lowy Institute on community concerns about foreign investment in Australia serves as a cautionary signal to the policy makers. The results display some scepticism towards foreign investment more generally. If governments wish to reduce public opposition to foreign investment and create a more welcoming environment for overseas investors, they will have to address a wide range of concerns.

The concerns that government owned foreign buyers may out-compete local entrepreneurs in agriculture, that they will not follow the environmental standards in looking after the farm land thus jeopardising its productivity in subsequent ownership, and that they may import foreign workers rather than create local jobs, have to be addressed by regulatory infrastructure.

Until local funds are induced to fill the growing demand for investment in Australia's agriculture, foreign investment will dominate. The history of investment in Australia suggests that there is little risk associated with

77. S Neales, 'Plea for super funds to go farming', *The Australian*, 17 August 2013, accessed 23 August 2013.
78. A Hamblin, 'Policy directions for agricultural land use in Australian and other post-industrial economies', Land Use Policy, 26, pp. 1195–1204, quoted in G Mahony, 'Foreign acquisition of agricultural land and food security: a cautionary note on public policy', Economic Papers, 31(4), December 2012, pp. 501–507.
79. G Mahony, op. cit., p. 506.
80. J Kerin, 'Marles concedes FTA hurdles', *Australian Financial Review*, 12 July 2013, p.9, accessed 30 September 2013.

inward foreign investment from Australia's economic partners. But the concern about foreigners buying farmland, and Chinese investment in particular, needs to be addressed even-handedly. It has been said that 'if anything, foreign investment makes us more secure by giving other countries a vested interest in our continued economic success.'[81] We can have that security if the investment framework can regain widespread community support.

81. M Thomson, op. cit., p. 13

Appendix

Table A1: Overview of two-way foreign investment between Australia and partners, A$ million

Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average annual growth 2001-2012, %	Average annual growth 2008-2012, %
Foreign Investment In Australia														
Stock of Total Foreign Investment in Australia	856,704	913,460	996,098	1,151,872	1,240,311	1,479,785	1,679,843	1,759,505	1,904,595	1,965,146	2,020,125	2,167,673	8.8	5.4
Change %		6.6	9.0	15.6	7.7	19.3	13.5	4.7	8.2	3.2	2.8	7.3		
Stock of FDI in Australia	218,301	244,832	260,699	337,938	297,641	336,865	396,897	395,972	441,183	472,552	506,100	549,626	8.8	8.5
Change %		12.2	6.5	29.6	-11.9	13.2	17.8	-0.2	11.4	7.1	7.1	8.6		
Share of FDI inward stock in Total FI inward stock, %	25.5	26.8	26.2	29.3	24.0	22.8	23.6	22.5	23.2	24.0	25.1	25.4		
Flow of Total Foreign Investment in Australia	51,718	77,228	84,424	83,394	43,707	173,140	160,247	146,927	162,893	103,212	83,534	93,501	5.5	-10.7
Change %		49.3	9.3	-1.2	-47.6	296.1	-7.4	-8.3	10.9	-36.6	-19.1	11.9		
Flow of FDI in Australia	15,668	26,868	10,449	54,559	-36,248	35,870	50,614	55,727	39,973	40,444	58,011	55,972	12.3	0.1
Change %		71.5	-61.1	422.1	-166.4	-199.0	41.1	10.1	-28.3	1.2	43.4	-3.5		
Share of FDI inflow in Total FI inflow, %	30.3	34.8	12.4	65.4	-82.9	20.7	31.6	37.9	24.5	39.2	69.4	59.9		
Australian Investment Overseas														
Stock of Australian Total Investment Abroad	516,068	524,375	566,858	673,110	720,048	897,449	1,043,891	1,058,713	1,141,288	1,203,203	1,186,549	1,297,633	8.7	5.2
Change %		1.6	8.1	18.7	7.0	24.6	16.3	1.4	7.8	5.4	-1.4	9.4		
Stock of Australian FDI Abroad	218,965	206,995	220,752	266,374	252,301	299,456	344,000	301,781	347,867	374,346	334,763	370,803	4.9	5.3
Change %		-5.5	6.6	20.7	-5.3	18.7	14.9	-12.3	15.3	7.6	-10.6	10.8		
Share of FDI outward stock in Total FI outward stock, %	42.4	39.5	38.9	39.6	35.0	33.4	33.0	28.5	30.5	31.1	28.2	28.6		
Flow of Australian Total Investment Abroad	36,233	47,383	40,229	28,714	-11,866	118,460	89,632	93,346	108,444	64,298	51,193	38,199	0.5	-20.0
Change %		30.8	-15.1	-28.6	-141.3	-1,098.3	-24.3	4.1	16.2	-40.7	-20.4	-25.4		
Flow of Australian FDI Abroad	20,779	12,969	24,253	11,380	-45,271	28,381	16,343	39,762	26,551	31,754	8,557	16,551	-2.0	-19.7
Change %		-37.6	87.0	-53.1	-497.8	-162.7	-42.4	143.3	-33.2	19.6	-73.1	93.4		
Share of FDI outflow in Total FI outflow, %	57.3	27.4	60.3	39.6	381.5	24.0	18.2	42.6	24.5	49.4	16.7	43.3		

Source: ABS, International Investment Position, Supplementary Country Statistics 2012, Cat. No. 5352.0, 2 May 2013

Note: Total investment includes portfolio investment, FDI, financial derivatives and other investments.

Source: ABS, *International Investment Position, Australia: Supplementary Statistics, 2012*, cat. no. 5352.0, ABS, Canberra, 2012, accessed 24 September 2013.

Table A2: Inward stock of total investment in Australia by major source, A$ million

Countries	2008	2009	2010	2011	2012	Change % in 2012	Share % in 2012	Rank in 2012	Average annual growth, %, 2008-2012
United States of America	443,079	515,030	542,795	549,789	617,567	12.3	28.5	1	8.7
United Kingdom	440,406	496,528	476,327	472,810	496,389	5.0	22.9	2	3.0
Japan	88,875	102,590	118,684	124,770	126,434	1.3	5.8	3	9.2
Singapore	43,245	41,292	41,942	48,532	55,938	15.3	2.6	4	6.6
Sw itzerland	37,247	32,317	41,284	41,350	49,234	19.1	2.3	5	7.2
Hong Kong	55,671	41,567	39,603	40,019	42,104	5.2	1.9	6	-6.7
Netherlands	28,521	42,140	41,471	44,083	36,761	-16.6	1.7	7	6.6
Canada	15,070	19,729	20,790	26,696	31,822	19.2	1.5	8	20.5
New Zealand	28,472	31,828	34,439	28,648	28,040	-2.1	1.3	9	-0.4
Luxembourg	8,129	13,726	16,838	23,940	26,289	9.8	1.2	10	34.1
China	8,417	16,487	19,463	19,760	22,947	16.1	1.1	11	28.5
Virgin Islands, British	np	np	19,098	np	19,489	-	0.9	12	-
Germany	38,847	39,547	41,571	22,057	18,552	-15.9	0.9	13	-16.9
France	29,477	23,100	24,195	20,243	18,240	-9.9	0.8	14	-11.3
Malaysia	10,058	8,800	8,399	14,267	14,925	4.6	0.7	15	10.4
Korea R	7,178	9,206	9,250	12,771	12,027	-5.8	0.6	16	13.8
India	np	np	np	10,609	9,968	-6.0	0.5	17	-
Thailand	882	1,268	4,962	13,393	7,302	-45.5	0.3	18	69.6
Bermuda	9,041	11,956	9,297	6,962	6,913	-0.7	0.3	19	-6.5
Belgium	11,937	13,209	14,300	13,435	6,460	-51.9	0.3	20	-14.2
Taiw an	4,240	3,575	4,622	4,844	4,968	2.6	0.2	21	4.0
Russian Federation	498	651	1,259	1,452	4,503	210.1	0.2	22	73.4
Saudi Arabia	np	np	2,773	np	4,098	-	0.2	23	-
Austria	np	3,758	4,011	4,295	3,376	-21.4	0.2	24	-
Sw eden	3,426	2,985	3,267	3,337	3,323	-0.4	0.2	25	-0.8
Norw ay	2,429	np	2,010	4,111	3,266	-20.6	0.2	26	7.7
Ireland	2,341	2,462	2,902	3,352	3,188	-4.9	0.1	27	8.0
Cayman Islands	2,056	1,797	3,038	2,264	2,750	21.5	0.1	28	7.5
South Africa	1,447	1,624	1,909	2,051	2,310	12.6	0.1	29	12.4
Italy	746	704	1,871	1,882	1,752	-6.9	0.1	30	23.8
Kuw ait	590	1,338	2,005	2,781	1,167	-58.0	0.1	31	18.6
Philippines	464	584	997	430	911	111.9	0.0	32	18.4
Barbados	np	np	np	681	896	31.6	0.0	33	-
Denmark	1,097	np	3,701	902	861	-4.5	0.0	34	-5.9
Indonesia	630	334	409	444	595	34.0	0.0	35	-1.4
Cyprus	np	484	np	366	417	13.9	0.0	36	-
Finland	33	47	266	179	373	108.4	0.0	37	83.4
Vietnam	155	63	np	184	261	41.8	0.0	38	13.9
EU Unspecified	6,385	5,870	4,532	11,082	13,931	25.7	0.6	-	21.5
Total Unspecified	215,436	249,707	277,805	321,811	376,354	16.9	17.4	-	15.0
Total all countries	**1,759,505**	**1,904,595**	**1,965,146**	**2,020,125**	**2,167,673**	7.3	100.0	-	5.4
APEC	708,682	795,192	850,150	888,327	970,649	9.3	44.8	-	8.2
ASEAN	59,050	53,068	59,691	79,342	80,209	1.1	3.7	-	8.0
EU	581,172	656,506	649,638	637,861	646,765	1.4	29.8	-	2.7
OECD	1,197,249	1,363,565	1,415,522	1,416,253	1,502,406	6.1	69.3	-	5.8

Source: ABS, International Investment Positions, Supplementary Country Statistics, 2012, Cat. No. 5352.0, released 2 May 2013
- nil or rounded to zero (including null cells)
np not available for publication but included in totals w here applicable, unless otherw ise indicated
negative values indicate reverse flow s
Totals w ill not add up due to rounding or omission of data for countries w ith confidential information

Source: ABS, *International Investment Position, Australia: Supplementary Statistics, 2012*, cat. no. 5352.0, ABS, Canberra, 2012, accessed 24 September 2013.

Table A3: Inward stock of FDI in Australia by major source, A$ million

Countries	2008	2009	2010	2011	2012	Change % in 2012	Share % in 2012	Rank in 2012	Average annual growth, %, 2008-2012
United States of America	99,939	98,192	112,115	117,801	131,255	11.4	23.9	1	7.1
United Kingdom	59,561	61,466	54,891	70,238	79,417	13.1	14.4	2	7.5
Japan	36,676	45,638	51,087	54,116	61,202	13.1	11.1	3	13.7
Netherlands	19,186	32,424	30,137	32,853	32,268	-1.8	5.9	4	13.9
Singapore	10,415	16,745	18,789	19,981	23,823	19.2	4.3	5	23.0
Switzerland	19,521	17,772	20,880	22,890	22,527	-1.6	4.1	6	3.6
Canada	7,287	12,227	14,881	18,990	21,233	11.8	3.9	7	30.7
Virgin Islands, British	np	np	np	np	19,182	-	3.5	8	-
China	3,643	9,058	12,944	14,404	16,741	16.2	3.0	9	46.4
Germany	15,501	18,109	16,808	14,100	13,625	-3.4	2.5	10	-3.2
France	12,905	13,020	12,964	7,195	7,587	5.4	1.4	11	-12.4
Hong Kong	9,093	5,440	6,630	7,578	7,282	-3.9	1.3	12	-5.4
Bermuda	5,814	9,654	7,899	6,329	6,422	1.5	1.2	13	2.5
Belgium	5,227	5,614	6,186	6,237	6,076	-2.6	1.1	14	3.8
Malaysia	np	4,459	3,670	np	5,653	-	1.0	15	-
New Zealand	5,606	6,180	6,363	5,312	4,285	-19.3	0.8	16	-6.5
Luxembourg	np	3,239	1,459	3,427	4,265	24.5	0.8	17	-
Korea R	960	1,287	2,103	np	2,066	-	0.4	18	21.1
Sweden	1,696	1,341	1,749	1,524	1,586	4.1	0.3	19	-1.7
India	69	np	np	np	1,254	-	0.2	20	106.5
Russian Federation	np	216	221	759	784	3.3	0.1	21	-
Italy	499	472	577	np	618	-	0.1	22	5.5
Taiwan	np	203	np	np	160	-	0.0	23	-
Finland	-43	np	np	np	77	-	0.0	24	-
Puerto Rico	np	np	np	np	11	-	0.0	25	-
Philippines	np	np	np	-2	8	-	0.0	26	-
Vietnam	np	np	1	1	1	-	0.0	-	-
New Caledonia	np	np	-3	-4	-8	-	0.0	-	-
Indonesia	np	np	np	np	-10	-	0.0	-	-
Ireland	np	894	348	-7	-281	-	-	-	-
Asian Dollar Market	-	-	-	-	-	-	-	-	-
Euro Bond Market	-	-	-	-	-	-	-	-	-
EU Unspecified	np	np	np	np	2	-	-	-	-
International Capital Markets	-	-	-	-	-	-	-	-	-
International Monetary Fund	-	-	-	-	-	-	-	-	-
International Institutions	-	-	-	-	-	-	-	-	-
International Institutions Uns	-	-	-	-	-	-	-	-	-
Reserve Bank Gold	-	-	-	-	-	-	-	-	-
Total Unspecified	23,012	24,307	27,529	30,791	34,490	-	6.3	-	10.6
Total all countries	**395,972**	**441,183**	**472,552**	**506,100**	**549,626**	8.6	100.0	-	8.5
APEC	179,841	200,664	232,952	249,365	276,357	10.8	50.3	-	11.3
ASEAN	16,132	22,051	25,887	28,051	32,539	16.0	5.9	-	19.2
EU	127,708	146,296	137,680	145,771	155,528	6.7	28.3	-	5.1
OECD	299,343	328,929	346,256	367,866	398,253	8.3	72.5	-	7.4

Source: ABS, International Investment Positions, Supplementary Country Statistics, 2012, Cat. No. 5352.0, released 2 May 2013

- nil or rounded to zero (including null cells)

np not available for publication but included in totals where applicable, unless otherwise indicated

negative values indicate reverse flows

Totals will not add up due to rounding or omission of data for countries with confidential information

Source: ABS, *International Investment Position, Australia: Supplementary Statistics, 2012*, cat. no. 5352.0, ABS, Canberra, 2012, accessed 24 September 2013.

Table A4: Australia’s two-way trade relationship with major partners, A$ million

Country	2008	2009	2010	2011	2012	Change in 2012 %	Rank in 2012	Share % in 2012	Avg ann growth 2008-12,	Avg ann growth 2001-07	Avg ann growth 2001-12	Share % in 2007
China	65,307.0	74,804.0	89,119.0	108,002.0	123,524.0	14.4	1	20.0	17.3	19.9	18.9	12.2
Japan	56,994.0	71,590.0	60,699.0	65,631.0	73,699.0	12.3	2	11.9	6.6	4.5	5.2	12.3
United States of America	53,079.0	49,737.0	47,137.0	50,688.0	53,881.0	6.3	3	8.7	0.4	1.9	2.0	10.8
Korea R	22,308.0	27,101.0	25,213.0	29,859.0	35,316.0	18.3	4	5.7	12.2	5.4	8.0	4.6
Singapore	28,918.0	23,668.0	22,103.0	26,139.0	28,391.0	8.6	5	4.6	-0.5	7.8	6.5	5.0
United Kingdom	26,308.0	24,638.0	23,683.0	24,081.0	23,242.0	- 3.5	6	3.8	-3.1	6.2	2.4	5.7
New Zealand	23,400.0	22,012.0	21,110.0	21,878.0	21,482.0	- 1.8	7	3.5	-2.1	5.0	2.8	4.7
India	14,757.0	19,729.0	20,089.0	21,527.0	20,472.0	- 4.9	8	3.3	8.5	24.7	17.7	2.9
Thailand	17,556.0	20,234.0	18,167.0	17,516.0	20,284.0	15.8	9	3.3	3.7	16.1	11.8	3.3
Malaysia	14,695.0	14,135.0	14,985.0	15,158.0	17,067.0	12.6	10	2.8	3.8	7.9	7.2	2.8
Germany	15,128.0	14,817.0	14,528.0	14,831.0	16,045.0	8.2	11	2.6	1.5	5.2	4.4	3.0
Indonesia	11,306.0	11,417.0	12,489.0	13,874.0	15,152.0	9.2	12	2.5	7.6	3.5	5.0	2.4
Taiwan	11,196.0	12,431.0	10,923.0	12,906.0	13,763.0	6.6	13	2.2	5.3	3.6	3.7	2.5
Hong Kong	7,937.0	7,710.0	7,636.0	8,016.0	7,986.0	- 0.4	14	1.3	0.2	-1.2	-0.5	1.8
Italy	8,128.0	7,708.0	7,173.0	7,579.0	7,940.0	4.8	15	1.3	-0.6	4.1	2.6	1.7
Netherlands	5,901.0	6,658.0	5,048.0	5,939.0	7,244.0	22.0	16	1.2	5.3	7.2	6.5	1.2
Papua New Guinea	5,362.0	5,417.0	6,059.0	6,996.0	6,897.0	- 1.4	17	1.1	6.5	9.4	8.7	1.1
Viet Nam	7,863.0	6,148.0	6,121.0	6,032.0	6,883.0	14.1	18	1.1	-3.3	15.1	7.8	1.6
France	8,080.0	7,368.0	6,713.0	6,639.0	6,743.0	1.6	19	1.1	-4.4	9.7	4.4	1.6
Canada	6,131.0	5,020.0	4,715.0	4,651.0	5,545.0	19.2	20	0.9	-2.5	4.1	2.7	1.2
Switzerland	6,266.0	4,956.0	5,125.0	5,216.0	5,354.0	2.6	21	0.9	-3.9	4.9	5.3	0.9
United Arab Emirates	5,397.0	6,072.0	4,338.0	6,279.0	5,288.0	- 15.8	22	0.9	-0.5	13.3	9.5	0.9
Spain	3,070.0	2,478.0	2,040.0	2,512.0	3,793.0	51.0	23	0.6	5.4	12.5	9.0	0.7
Belgium	3,592.0	3,296.0	2,594.0	3,176.0	3,337.0	5.1	24	0.5	-1.8	66.4	33.6	0.7
South Africa	5,004.0	4,114.0	3,477.0	3,462.0	3,317.0	- 4.2	25	0.5	-9.8	9.3	2.6	0.9
Sweden	3,360.0	3,165.0	2,987.0	3,453.0	3,223.0	- 6.7	26	0.5	-1.0	7.6	4.5	0.7
Mexico	2,135.0	1,972.0	2,350.0	2,614.0	3,215.0	23.0	27	0.5	10.8	13.2	11.3	0.5
Philippines	2,584.0	2,805.0	2,518.0	2,663.0	3,162.0	18.7	28	0.5	5.2	-0.3	2.5	0.5
Ireland	3,398.0	3,628.0	3,654.0	3,621.0	3,096.0	- 14.5	29	0.5	-2.3	7.3	4.4	0.7
Nigeria	32.0	287.0	844.0	2,102.0	2,675.0	27.3	30	0.4	202.4	16.9	57.6	0.0
International Waters	1,609.0	1,962.0	1,708.0	2,145.0	2,234.0	4.1	31	0.4	8.6	1.9	11.3	0.2
Chile	1,330.0	1,368.0	1,516.0	1,631.0	2,194.0	34.5	32	0.4	13.3	19.3	19.1	0.2
Russian Federation	1,452.0	1,657.0	1,149.0	2,050.0	2,073.0	1.1	33	0.3	9.3	13.4	15.1	0.2
Brazil	2,120.0	2,211.0	1,681.0	2,394.0	2,028.0	- 15.3	34	0.3	-1.1	8.7	5.8	0.4
Saudi Arabia	2,836.0	3,126.0	2,132.0	1,950.0	2,008.0	3.0	35	0.3	-8.3	1.8	-3.2	0.7
Fiji	1,652.0	1,674.0	1,816.0	1,885.0	1,840.0	- 2.4	36	0.3	2.7	1.1	2.8	0.3
Ship & Aircraft Stores	1,393.0	1,779.0	1,339.0	1,505.0	1,637.0	8.8	37	0.3	4.1	8.1	5.4	0.3
Denmark	1,185.0	1,279.0	1,194.0	1,133.0	1,378.0	21.6	38	0.2	3.8	8.8	6.1	0.3
Finland	2,225.0	1,791.0	1,016.0	1,212.0	1,240.0	2.3	39	0.2	-13.6	12.4	0.3	0.5
Brunei Darussalam	1,445.0	879.0	1,225.0	1,446.0	1,207.0	- 16.5	40	0.2	-4.4	15.3	7.5	0.3
Norway	1,153.0	1,069.0	951.0	1,295.0	1,189.0	- 8.2	41	0.2	0.8	7.6	6.3	0.2
Libya	15.0	101.0	369.0	230.0	1,129.0	390.9	42	0.2	194.5	-15.9	37.5	0.0
APEC	342,136.0	361,327.0	356,581.0	398,757.0	443,026.0	11.1	-	71.7	6.7	6.9	7.3	68.0
ASEAN	84,735.0	79,648.0	78,001.0	83,285.0	92,694.0	11.3	-	15.0	2.3	8.8	7.2	15.9
Developing Countries	201,784.0	219,848.0	227,408.0	265,346.0	297,437.0	12.1	-	48.1	10.2	10.3	10.6	39.3
Least Developed Countries	1,707.0	2,126.0	2,379.0	2,663.0	2,942.0	10.5	-	0.5	14.6	6.6	8.1	0.4
European Union 27	87,866.0	83,409.0	76,974.0	80,499.0	84,254.0	4.7	-	13.6	-1.0	7.3	4.2	18.2
Euro area	43,906.0	41,938.0	35,978.0	38,314.0	42,146.0	10.0	-	6.8	-1.0	8.4	4.9	9.0
OECD	262,741.0	270,632.0	248,205.0	266,384.0	289,140.0	8.5	-	46.8	2.4	5.0	4.4	53.9
Total	**504,036.0**	**527,814.0**	**513,985.0**	**567,824.0**	**618,015.0**	8.8	-	100.0	5.2	7.1	6.9	100.0

Data source: ABS, International Trade in Services by Country, Cat. No. 5368.0.55.004 (released 9 May 2013) and International Trade in Goods and Services, Cat. No. 5368.00 (released 7 May 2013)

Sources: ABS, *International trade in goods and services, Australia, Jul 2013*, cat. no. 5368.0 and *International trade in services by country, by state and by detailed services category, calendar year*, *2012*, cat. no. 5368.0.55.004, ABS, Canberra, accessed 25 September 2013.

Table A5: Foreign owned agricultural and food companies in Australia

Registered Name	State	Main Industry Description	Balance Date	Revenue ('000)	Income Tax('000)	NPAT('000)	Total Assets ('000)	Employees
Lion Pty Ltd	NSW	Food, Beverage and Tobacco Manufacturing in Australia	30/09/2011	5,162,600	26,500	-1,172,100	11,254,100	4401
Olam Investments Australia Pty Ltd	QLD	Cotton Ginning in Australia	30/06/2011	3,340,263	9,538	33,115	2,434,825	1190
JBS Australia Pty Limited	QLD	Meat Processing in Australia	25/12/2011	3,235,035	3,104	-39,021	1,111,160	6701
Foster's Group Limited*	VIC	Beverage and Malt Manufacturing in Australia	30/06/2011	2,564,900	-272,100	-89,000	2,997,300	2239
Nestle Australia Ltd*	NSW	Food, Beverage and Tobacco Manufacturing in Australia	31/12/2011	2,448,556	86,640	193,639	1,903,390	
Agrium SP Holdings Pty Ltd	VIC	Services to Agriculture in Australia	31/12/2011	2,355,123	-27,063	-258,308	1,505,772	
Food Investments Pty Limited	NSW	Food, Beverage and Tobacco Manufacturing in Australia	31/08/2011	2,222,564	-8,782	-23,227	2,088,932	8000
Kraft Australia Holdings Pty Ltd	VIC	Food, Beverage and Tobacco Manufacturing in Australia	31/12/2011	1,941,808	-6,610	45,820	1,670,188	2634
Sucrogen Limited*	NSW	Sugar Manufacturing in Australia	31/12/2011	1,856,000	14,500	42,300	2,217,600	
British American Tobacco (Australasia Holdings) Pty Limited	NSW	Tobacco Product Manufacturing in Australia	31/12/2011	1,842,637	265,750	612,732	3,067,203	
Unilever Australia (Holdings) Proprietary Limited	NSW	Food, Beverage and Tobacco Manufacturing in Australia	31/12/2011	1,603,059	7,874	74,787	581,153	1631
Mars Australia Pty Ltd	VIC	Other Food Manufacturing in Australia	31/12/2011	1,311,448	52,706	132,898	828,623	2000
Frito-Lay Australia Holdings Pty Limited	NSW	Tea, Coffee and Other Food Manufacturing in Australia	25/12/2011	1,187,318	22,073	49,553	1,119,063	2141
Simplot Australia (Holdings) Pty Limited	VIC	Food, Beverage and Tobacco Manufacturing in Australia	3/09/2011	1,166,795	11,801	45,305	777,808	2444
Arnotts Biscuits Holdings Pty Limited	NSW	Biscuit Manufacturing in Australia	31/07/2011	1,031,294	33,555	89,307	1,701,846	4000
Philip Morris (Australia) Limited*	VIC	Tobacco Product Manufacturing in Australia	31/12/2011	909,514	161,990	376,428	498,806	
Parmalat Australia Ltd*	QLD	Food, Beverage and Tobacco Manufacturing in Australia	31/12/2011	906,424	15,103	35,543	628,905	
Heinz Wattie's Pty Ltd	VIC	Food, Beverage and Tobacco Manufacturing in Australia	29/04/2012	870,060	-3,868	-42,753	942,407	1208
Asahi Holdings (Australia) Pty Ltd	VIC	Beverage and Malt Manufacturing in Australia	31/12/2010	814,856	3,283	5,058	1,026,258	1606
Nippon Meat Packers Australia Pty Ltd	NSW	Meat and Meat Product Manufacturing in Australia	31/03/2012	685,437	623	-53,941	227,687	1719
KF (Australia) Pty Ltd	VIC	Food, Beverage and Tobacco Manufacturing in Australia	31/12/2010	621,010	19,654	48,045	374,374	
Diageo Australia Limited*	NSW	Beverage and Malt Manufacturing in Australia	30/06/2011	565,902	10,386	40,894	652,153	511
Riverina (Australia) Pty Ltd	QLD	Prepared Animal and Bird Feed Manufacturing in Australia	31/03/2012	561,021	1,467	4,775	111,237	252
Pernod Ricard Pacific Holdings Pty Ltd	SA	Wine Manufacturing in Australia	30/06/2011	511,636	-17,034	-38,844	821,357	1053
Kellogg Australia Holdings Pty Ltd	NSW	Cereal Food and Baking Mix Manufacturing in Australia	31/12/2011	469,847	10,854	21,748	606,100	729
Accolade Wines Holdings Australia Pty Limited	SA	Wine Manufacturing in Australia	30/06/2012	438,744	17,758	-7,720	615,083	
Kilcoy Pastoral Company Limited*	QLD	Meat Processing in Australia	30/06/2012	421,275	-1,171	111	74,702	706

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Table A5. *Continued…*

Registered Name	State	Main Industry Description	Balance Date	Revenue ('000)	Income Tax('000)	NPAT('000)	Total Assets ('000)	Employees
McCain Foods (Aust) Pty Ltd	VIC	Food, Beverage and Tobacco Manufacturing in Australia	30/06/2011	408,000				1000
Kerry Ingredients Australia Pty Limited	NSW	Tea, Coffee and Other Food Manufacturing in Australia	31/12/2011	356,124	2,859	8,338	217,776	792
Hamsdale Australia Pty Ltd	NSW	Meat Processing in Australia	31/12/2011	312,656	-1,617	-1,253	224,299	986
Simplot TC (Holdings) Pty Ltd	VIC	Meat and Meat Product Manufacturing in Australia	3/09/2011	304,916	-2,311	-18,139	148,848	600
General Mills Holding (Australia) Pty Ltd	VIC	Tea, Coffee and Other Food Manufacturing in Australia	30/04/2012	303,494	3,135	7,489	264,353	462
Finasucre Investments (Australia) Pty Limited	QLD	Sugar Manufacturing in Australia	31/03/2012	279,259	8,710	22,785	394,385	
MSF Sugar Limited*	QLD	Sugar Manufacturing in Australia	31/12/2011	265,851	-4,498	6,011	322,646	401
Wrigley Uno 2 Australia Pty Limited	NSW	Chocolate and Confectionery Manufacturing in Australia	31/12/2011	235,951	3,227	7,306	465,076	370
Hancock Victorian Plantations Holdings Pty Limited	VIC	Forestry and Logging in Australia	30/06/2011	220,067	5,934	15,485	1,048,951	131
OSI International Foods (Australia) Pty Ltd	QLD	Meat and Meat Product Manufacturing in Australia	1/01/2012	205,726	2,824	4,537	97,563	
Tatiara Meat Company Pty Ltd	QLD	Meat Processing in Australia	26/12/2010	192,385	-1,129	410	59,413	394
Cerebos (Australia) Limited*	NSW	Food, Beverage and Tobacco Manufacturing in Australia	31/12/2011	187,268	2,509	7,246	106,643	429
Itoham Foods (Australia) Pty Limited	NSW	Beef Cattle Farming in Australia	31/12/2010	182,157	11	-4,561	13,378	5
ILNZ Group Holdings Pty Limited	VIC	Beverage and Malt Manufacturing in Australia	30/09/2010	157,901	0	-45,532	635,904	216
Auscott Limited*	NSW	Cotton Ginning in Australia	30/06/2011	123,159	4,436	10,716	293,185	
McCormick Foods Australia Pty Ltd	VIC	Tea, Coffee and Other Food Manufacturing in Australia	30/11/2010	99,403	666	524	73,460	242
Australian Bakels (Pty) Limited	NSW	Cereal Food and Baking Mix Manufacturing in Australia	31/12/2011	96,234	3,150	7,615	76,681	
Tully Sugar Limited*	QLD	Sugar Manufacturing in Australia	30/04/2011	94,239	-700	-3,504		
Devro Pty Limited	NSW	Tea, Coffee and Other Food Manufacturing in Australia	31/12/2011	90,540	3,073	6,924	75,062	268
Lake Woods Holdings Pty Limited	NT	Beef Cattle Farming in Australia	31/12/2010	62,950	-8,017	-19,206	696,133	84
Source: IBIS World database, extracted 4 December 2012								
* means public company								

Source: IBIS World database, extracted 4 December 2012

Table A6: Top foreign investors in primary production land in regional NSW*

TOP FOREIGN INVESTORS IN PRIMARY PRODUCTION LAND

Company	Type	Country of origin	Total NSW ownership (ha)*	Total funds invested ($m)*	Farming type	Region
Ho Myoung Farm Pty Ltd	Private	Korea	500,000 - 600,000	N/A	Grazing	Orana
Swiss Australian Farm Holdings Pty Limited	Private	Switzerland	63,357	$6	Grazing	Far Western
MHPF	Hedge Fund	UK	41,490	$92	Mixed Farming	South Eastern, Central West, Murray, Riverina, New England, Orana
Clyde Agriculture	Private	UK	39,056	$12	Mixed Farming	Orana
Natsun Holdings / Nanshan Group	Private	China	29,000^	N/A	Grazing	South Eastern
Westchester	Pension fund	USA	26,156	$69	Cropping	New England, Orana
Hassad Foods	Sovereign wealth fund	Qatar	25,245	$61	Grazing	Orana, Central West
Cargill^^	Private	USA	16,957	$52	Agribusiness, cropping	Riverina, Hunter, Central West, Orana, Murray
Shenhua Watermark Coal	Government-controlled	China	14,613	$160	Coal mining	New England
Glencore Australia	Private	Switzerland	11,091	$21	Cropping	Murray, Central West, Orana

* identifiable ownership

Table prepared by PRDnationwide Research

**Please note that the information in the table cannot be verified by any official sources.*

Source: J Hansen, 'Australia is the great foreign-owned land as more NSW farms being sold overseas', *The Sunday Telegraph*, 26 February 2012, accessed 6 July 2013.