



Northern Australia Agriculture Investor Identification PricewaterhouseCoopers



**Queensland
Government**



**NORTHERN
TERRITORY
GOVERNMENT**



**Department of
Primary Industries and
Regional Development**

GOVERNMENT OF
WESTERN AUSTRALIA



Australian Government
**Department of Industry, Science,
Energy and Resources**

Business
Cooperative Research
Centres Program

© 2020. This work is licensed under a [CC BY 4.0 license](#).

ISBN 978-1-922437-09-9

Acknowledgments

This research is funded by the CRC for Developing Northern Australia (CRCNA) is supported by the Cooperative Research Centres Program, an Australian Government initiative. The CRCNA also acknowledges the support of its investment partners: the Western Australian, Northern Territory and Queensland Governments.

Disclaimer

Any opinions expressed in this document are those of the authors. They do not purport to reflect the opinions or views of the CRCNA or its partners, agents or employees.

The CRCNA gives no warranty or assurance and makes no representation as to the accuracy or reliability of any information or advice contained in this document, or that it is suitable for any intended use. The CRCNA, its partners, agents and employees, disclaim any and all liability for any errors or omissions or in respect of anything or the consequences of anything done or omitted to be done in reliance upon the whole or any part of this document.

Peer Review Statement

The CRCNA recognises the value of knowledge exchange and the importance of objective peer review. It is committed to encouraging and supporting its research teams in this regard.

The author(s) confirm(s) that this document has been reviewed and approved by the project's steering committee and by its program leader. These reviewers evaluated its:

- originality
- methodology
- rigour
- compliance with ethical guidelines
- conclusions against results
- conformity with the principles of the [Australian Code for the Responsible Conduct of Research](#) (NHMRC 2018),

and provided constructive feedback which was considered and addressed by the author(s).

Table of contents

Disclaimer.....	2
Peer Review Statement.....	2
List of Tables.....	6
List of Figures.....	7
Glossary.....	8
Executive Summary.....	10
Competitive Advantage.....	10
Production capability and potential to expand.....	11
Favourable conditions of trade.....	11
Proximity to and importance of Asia.....	11
A unique part of the global tropics.....	12
Barriers and Investment Considerations.....	12
Investor Identification.....	13
Recommendations.....	13
Introduction.....	16
Project objectives.....	17
Report structure.....	18
Current state of Northern Australia.....	19
Introduction.....	19
Size of the agricultural industry in Northern Australia.....	19
Western Australia.....	19
Northern Territory.....	20
Queensland.....	22
Foreign investment.....	26
Competitive advantage definition.....	28
Introduction.....	28
Northern Australia’s advantages.....	28
Production capability and potential to expand.....	28
Favourable conditions of trade.....	29
Proximity to and importance of Asia.....	29
A unique part of the global tropics.....	31
Advantage over competitors as an investment decision.....	31
Key location considerations.....	32
Introduction.....	32
Soil.....	32
Water.....	33
Energy (electricity).....	33
Labour.....	34
Logistics.....	34
Land tenure.....	35

Regulatory environment.....	35
Summary.....	35
Barriers to investment.....	37
Introduction.....	37
Barriers.....	37
Cost of freight and a more expensive supply chain.....	37
Lack of necessary infrastructure.....	37
Adverse weather conditions.....	38
Complex land tenure.....	39
Access to utilities.....	39
Exit strategy for investments.....	39
Lack of a coordinated approach.....	39
Regulatory barriers.....	39
Insufficient data.....	39
Lack of adequate skilled labour.....	40
Lack of coordinated land use and resource allocation planning.....	40
Summary.....	40
Investor requirements.....	41
Introduction.....	41
Investor requirements.....	41
Information available to investors.....	41
Level of risk.....	42
Land tenure.....	42
Environmental requirements and considerations.....	43
FIRB requirements and restrictions.....	43
Debt and / or equity funding.....	43
Additional information requirements.....	43
Soil and water.....	44
Level of government support.....	44
Existing and proposed infrastructure in the region.....	45
State of the industry.....	45
Ability to export.....	45
Exit strategies and liquidity of the market.....	46
Available business structures.....	46
Case study – Tassal Group.....	46
Summary.....	48
Strategic Rationale.....	49
Introduction.....	49
The Opportunity.....	49
Investment Logic Map.....	49
Purpose.....	49

Investment Logic Map	50
Problems and Opportunities	51
Benefits	56
Strategic responses	56
Key Stakeholders	57
Industry	57
Government	57
Community	58
Summary	58
Investor identification	59
Introduction	59
Methodology	59
Priority countries	59
Potential investors	60
Investor typologies	62
Size of investment	62
Role of investment in global portfolio	62
Established agriculture sector in home country	62
Frontier investor	62
Active or passive investor	62
Social impact investor	63
High net worth family or individual	63
Historical investment model	63
Summary	63
Recommendations	65
Appendices	71
Appendix A – Market Sounding Report	71
Appendix B – Key Stakeholders	85
Appendix C – Agriculture Investors in Northern Australia	89
Appendix D - Overview of Short-Term Priority Countries	93
Appendix E – Agriculture Investors in Australia	98
Appendix F – Macroeconomic Profiles	109

List of Tables

Table 1: Potential target countries.....	13
Table 2: Key recommendations.....	14
Table 3: Land tenure in Northern Australia.....	35
Table 4: Strategic responses description	56
Table 5: Country Long List	59
Table 6: Investor Target Groups	60
Table 7: Recommendations	66
Table 8: Agriculture investors in Northern Australia	89
Table 9: Agriculture investors in Australia (historical, current and potential)	98

List of Figures

Figure 1: Key competitive advantages in Northern Australia	11
Figure 2: Investor information requirements	12
Figure 3: CRCNA's program of initiatives	17
Figure 4: Value of agricultural production in Northern Australia 2017-2018	19
Figure 5: Value of agricultural production in Western Australia – Outback north region	20
Figure 6: Value of agricultural production in Darwin	21
Figure 7: Value of agricultural production in Northern Territory Outback region	22
Figure 8: Value of agricultural production in the Queensland outback region	23
Figure 9: Value of agricultural production in the Tropical North Queensland (Cairns) region	24
Figure 10: Value of agricultural production in North Queensland (Townsville) region	24
Figure 11: Value of agricultural production in the Mackay, Isaac and Whitsunday region	25
Figure 12: Value of agricultural production in the Central Queensland region	26
Figure 13: International and domestic investment (number of investors) in Northern Australian agricultural land	27
Figure 14: International and domestic investment (number of investors) in Australian agricultural land	27
Figure 15: Map of Northern Australia	28
Figure 16: GDP growth of Developing Asia and the World	30
Figure 17: Australian FTAs	31
Figure 18: Key location considerations	32
Figure 19: Map of Gilbert and Flinders catchments	33
Figure 20: Key advantages of Northern Australia	36
Figure 21: Key logistics routes and facilities	38
Figure 22: Investor information requirements	41
Figure 23: Information available to investors	42
Figure 24: Additional information requirements	44
Figure 25: Case study - Tassal Group	47
Figure 26: Investment Logic Map	50
Figure 27: Land titles in Northern Australia	54
Figure 28: Global investors in Australian agriculture	61
Figure 29: Investor typologies	64
Figure 30: Recommendation categories	66
Figure 31: Barriers addressed	70

Glossary

Term	Definition
ANZCERTA	Australia New Zealand Closer Economic Relations Trade Agreement
ASEAN	Association of Southeast Asian Nations
ATO	Australian Tax Office
Austrade	Australian Trade and Investment Commission
CANATA	Canada Australia Trade Agreement
CCRP	Climate Change Research Program
ChAFTA	China-Australia Free Trade Agreement
CRCNA	Cooperative Research Centre for Developing Northern Australia
CSIRO	Commonwealth Science Industry and Research Organisation
CSP	Comprehensive Strategic Partnership
DKA	Desert Knowledge Australia
DPIR	Department of Primary Industry and Resources
DAF	Department of Agriculture and Fisheries
FDI	Foreign Direct Investment
FIFO	Fly-in-fly-out
FIRB	Foreign Investment Review Board
FRDC	Fisheries Research and Development Corporation
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GL	Gigalitres
GRDC	Grains Research and Development Corporation
Ha	Hectares
HNI	High-net-worth individual
ILM	Investment Logic Map
ILSC	Indigenous Land and Sea Corporation
JAEP	Japan-Australia Economic Partnership Agreement
J-EU EPA	Japan-European union Economic Partnership Agreement
KAFTA	Korea-Australia Free Trade Agreement
kg	Kilograms
km	Kilometres
KPCA	Kimberley Pilbara Cattlemen's Association
NACRA	Northern Australia Crop Research Alliance
NAWRA	Northern Australia Water Resource Assessment
NIA	Net investible assets
NLC	Northern Land Council
NRM	Natural resource management
PwC	PricewaterhouseCoopers
RCEP	Regional Comprehensive Economic Partnership



RD&E	Research, development and extension
SA2	Statistical Areas Level 2
TIQ	Trade and Investment Queensland
TPP	Trans-Pacific Partnership
TNRM	Territory Natural Resource Management
UHNWI	Ultra-high-net-worth individual
UK	United Kingdom
USA	United States of America
VHNWI	Very-high-net-worth individual
WA	Western Australia
WTO	World Trade Organisation

Executive Summary

PricewaterhouseCoopers (PwC) was engaged by the Cooperative Research Centre for Developing Northern Australia (CRCNA) to undertake an Agricultural Investor Identification Project (the Project). The purpose of the Project is to analyse the agricultural investment environment in Northern Australia and develop an investor typology that will assist in identifying potential investors for the region. This Project is part of a wider collaboration between the CRCNA and Austrade to support the expansion of the agricultural industry in Northern Australia.

The broader objectives of the Project include:

- Engagement with the investment community with the intention to identify, characterise and prioritise potential key investor types (from global to national and Northern Australian scales) that display an interest in investing in agricultural development in Northern Australia
- Based on knowledge concerning these investors, identify the agricultural sectors across Northern Australia with the most potential to support agricultural development investment. This required a high-level analysis based on a desktop review in conjunction with interviews with Government, Industry Associations and existing agricultural business owners
- Develop and refine the proposed typology of investors with an interest in investment in key sectors and regions
- Develop a potential investor target list to be utilised by Austrade, State and Territory Governments and CRCNA
- Identify, through conversations with Australian and international investor groups, what the key challenges have been to their decisions regarding whether to invest in Northern Australia (to include discussion on risk, information needs, approval process, financing etc.)
- Identify, through discussions with the above groups, what information potential investors may need to assess the viability of an agricultural development in the north. This should include identifying how the investors would like to receive this information.

One of the key outcomes of engaging with the investment community was the perception around the opportunities and challenges of Native Title, regulatory processes and engagement with Traditional Owners. PwC would like to acknowledge the Traditional Owners of Northern Australian land, and in any finding or recommendation of this report, would support the opportunity for investors to be equipped with local and deep knowledge of the land and its First Nation culture and heritage.

Within Northern Australia, there are many distinct regions with varying characteristics. These include:

- Established regions with a strong history of agricultural production and recognised supply chains such as:
 - the various horticultural regions, such as the Tablelands, Burdekin, Bowen, Mackay and Whitsundays in North Queensland
 - pastoral regions across much of central Northern Australia
 - aquaculture regions including the Pilbara in Western Australia and near Darwin in Northern Territory
- Regions with an established agricultural sector and supply chains where there is the opportunity to transition to higher value agriculture and horticulture
- Underdeveloped regions with significant potential across all agricultural product types and limited supply chain infrastructure.

Due to these varying characteristics, there is no single set of opportunities, challenges or investor types which are relevant across the entire region. Ensuring the ongoing and future success of Northern Australia as an agricultural centre will require a nuanced and targeted approach for investor identification and attraction.

Competitive Advantage

Northern Australia's agriculture sector is a major contributor to the national economy with the annual value of agricultural production in the region exceeding \$7 billion in 2018. Encompassing more than 40 per cent of the Australian land mass, and boasting unique ecological zones, a vast coastline and a rich marine environment, Northern Australia has many of the necessary criteria for an attractive agricultural investment location.

The attractiveness of Northern Australia as an investment location relies on the diversity of agriculture across the region. The region is home to up to 17 million hectares (ha) of arable soil and receives 60 per cent of Australia’s rainfall, providing ideal growing conditions for a range of livestock, agriculture and horticulture across many locations in the region. The availability of land makes Northern Australia an attractive option for potential investors looking to capitalise on growing global food demand.

Beyond its natural resources and diverse production capabilities, Northern Australia boasts an array of unique and inherent competitive advantages for investment in agriculture, outlined in Figure 1.

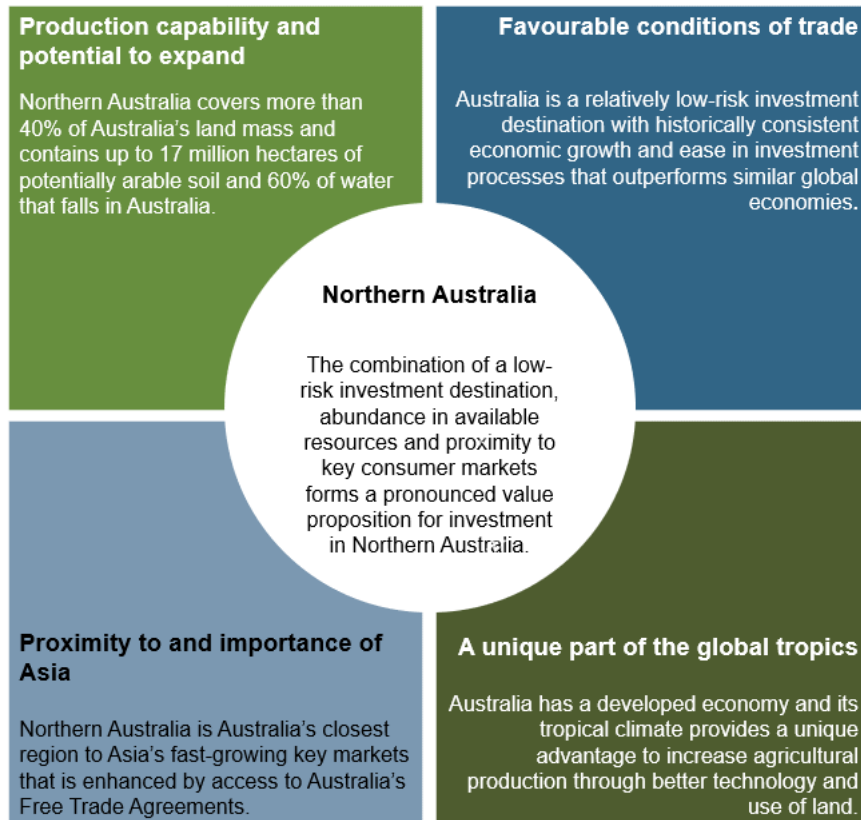


Figure 1: Key competitive advantages in Northern Australia

Production capability and potential to expand

Northern Australia’s abundance in natural resources positions it to meet the global demand and investment appetite of the agriculture industry. Currently, the largest agricultural industry in the region is the pastoral industry with resources of approximately 11.7 million cattle or 45 per cent of the national herd¹. Northern Australia’s agricultural capabilities also include sugar cane, aquaculture and horticulture, and globally recognised expertise in a wide range of tropical fruits including banana, mango and avocados. Based on Northern Australia’s capabilities in livestock, horticulture and availability of land, value-adding activities can be investigated to expand the industry’s production capabilities and productivity.

Favourable conditions of trade

Australia has characteristics of an attractive investment destination, being ranked 18th out of 190 economies for ease of doing business and fifth in the world for economic freedom². The Australian economy is rated AAA with a stable outlook by all three global rating agencies (Standard & Poor, Moody’s and Fitch Group)³. The result of these conditions is a relatively low-risk investment destination with historically consistent economic growth and ease in investment processes that outperforms similar global economies.

Proximity to and importance of Asia

Northern Australia greatly benefits from favourable trade and economic conditions however, it also has advantages unique to its northern jurisdictions. It is Australia’s closest region to Asia’s key markets and has two international

¹ Austrade (2015), Northern Australia: Emerging opportunities in an advanced economy
² Austrade (2019), Why Australia – Strong Foundations
³ Ibid.

airports (Darwin and Cairns) and ten major export sea ports along the northern coast of Western Australia, the east coast of North Queensland and Darwin.

For Asian investors, Australia is perceived as an attractive destination for investment. Currently, six of the top 20 source countries for Australian foreign investment are in Asia. Investment from Hong Kong alone has experienced a five-year annual growth rate of 13 per cent⁴. Northern Australia also serves as a gateway to a rising Asian economy and potentially creates significant opportunities for international investors to access regional and international supply chains. The potential for short freight time for exports to Asia from Northern Australia provides a competitive edge to agricultural investments and can greatly improve its quality and time-to-market. To fully capitalise on this opportunity, it will be important to improve the export routes from the region, particularly sea and air export options from both Western Australia and Northern Territory.

A unique part of the global tropics

Australia is the largest developed country and a leading advanced economy in the tropical zone. Tropical economies produce 20 per cent of global economic output and are growing at a much faster rate than the rest of the world⁵.

Northern Australia's tropical expertise is vast and as a developed economy, the tropical climate provides a unique opportunity to increase agricultural production through better technology and use of a vast amount of land.

Barriers and Investment Considerations

Several barriers are obstructing the agricultural sector in Northern Australia from reaching its full potential. Identifying and managing these barriers could transform existing opportunities into future projects and foreign investments, benefiting the region and Australia as a whole. These barriers include:

- **Challenging climate** – Investments must be made to effectively mitigate Northern Australia's challenging climate and unlock opportunities in the agricultural sector.
- **Lack of adequate infrastructure to support supply chain** – Upgrading the logistics network must be a priority of investment for Northern Australia to reduce cost incurred by domestic and foreign investors.
- **No consolidated understanding of investment requirements** – The lack of information regarding investment requirements in Northern Australia hinders potential foreign investments in the area, leading to investor uncertainty and increasing level of risk.
- **Investors need access to information** – Foreign investors need an updated and reliable access to information about the business and economic environment, agronomic and climatic conditions, and the infrastructure offered in Northern Australia to plan investments in the region.

Investors need the right information to overcome these barriers. Figure 2 identifies the investor information requirements.

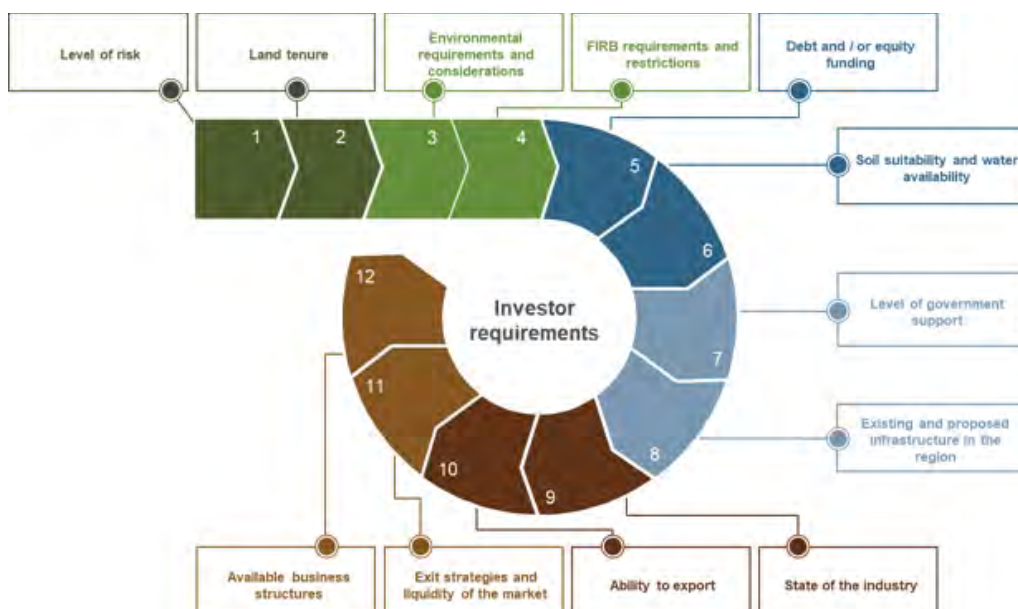


Figure 2: Investor information requirements

⁴ ABS 5352.0 – International Investment Position: Supplementary Statistics, 2018

⁵ The Australian Trade Commission (2015). Northern Australia: Emerging opportunities in an advanced economy.

Overcoming the obstacles currently inhibiting greater investment in Northern Australia will reassure potential investors and may turn targeted countries and investors into long-lasting business partners.

Investor Identification

To determine potential agricultural investors in Northern Australia, 283 companies were identified with existing or previous significant investment in Australia. Based on a range of variables including economic factors, political stability, historical investment trends and agricultural production similarities, Table 1 outlines the 20 countries identified as potential target countries in the short-term for inbound agricultural investment in Northern Australia.

Table 1: Potential target countries

Europe	North America	South America	Asia & Pacific	Africa
<ul style="list-style-type: none"> Germany United Kingdom (UK) Ireland 	<ul style="list-style-type: none"> United States of America (USA) Canada 	<ul style="list-style-type: none"> Argentina Brazil 	<ul style="list-style-type: none"> Australia China Hong Kong Japan Taiwan Vietnam India South Korea Indonesia Malaysia Singapore Thailand New Zealand 	<ul style="list-style-type: none"> South Africa

The key findings from the investor identification process include:

A significant portion of the short-term investor target countries identified for Northern Australia are located in Asia.

Asian consumers and investors are demanding products and trade conditions highly aligned with Northern Australia production capabilities. The growing Asian population with increasing income is expected to demand more and higher quality food such as fruits, vegetables and animal proteins which Northern Australia is well positioned to supply. A wealthier Asian population is also likely to have increased capital and appetite for investing. As a result, a significant part of investment from Asia into Australia is now moving into agriculture and food products, which is highly aligned with Northern Australia production capabilities. The findings highlight that Australia represents a safe, reliable and open investment destination with a well-performing and well-managed economy. Northern Australia must also benefit from the trade agreements between Australia and the selected countries as it creates an enabling environment for business. Outside of Asia, New Zealand should be targeted in the short-term as it is geographically close to Northern Australia and shares comprehensive and effective trade agreements with Australia.

Western countries remain a priority for Northern Australia.

There are also opportunities for Northern Australia to leverage existing European and North American investments in Australia. Significant portions of Canadian investments in Australia are made by major institutional investors, particularly pension funds. The United States is the largest investor in Australia and has an appetite to aggregate Australian farm and pastureland and to build value-adding supply chains to Asia. Germany and the UK are also significant investors in Australia and should remain as priority target countries.

Two nations in South America are identified as growing partners for Northern Australia.

Argentina has agricultural investments across Australia in a variety of commodities and is actively pursuing investments in Northern Australia. Brazil, which is one of Australia's largest trading partners in Latin America, is also exploring opportunities to expand operations and invest in Australia in many products that align with the Northern Australia development agenda.

Recommendations

The recommendations to overcome the barriers to investment and realise the potential of Northern Australia are outlined in Table 2. These recommended actions are necessary to increase new investment in agriculture in Northern Australia.

Table 2: Key recommendations

1. Strategic framing for agricultural investment

Establish an overarching strategic framework that presents a consolidated vision for the prioritisation, promotion and staging of agricultural investment in Northern Australia. This framework should be endorsed and supported by three levels of government across each jurisdiction and clearly articulate the targeted investor opportunities. The strategic framework will set the pathway to better coordinate the approach to development planning and investment decision-making across Northern Australia.

A strategic framework will ensure that the overarching objectives are collaborative and equitable for all jurisdictions.

2. Knowledge building

With key investment typologies in mind, develop a continuously improving knowledge management system to support investment. This includes targeted investment fact sheets, or an *Investor Awareness Pack*, for each of the jurisdictions in Northern Australia including positive investment case studies and information regarding:

- Agricultural prospects and priorities
- Soil quality information
- Availability, security and price of water
- Agricultural gross margins and supply chain characteristics
- Development assessment and approval frameworks and regulatory processes
- Tenure information and implications for development
- Market education on First Nations cultural and heritage awareness, including Native Title processes
- FIRB and taxation regulations and process
- Protocol and biosecurity measures by industry and jurisdiction
- Federal and state tax implications.

Continue and grow government funded research into the feasibility and suitability of agricultural prioritisation and de-risking activities, resource availability, environmental and social value across Northern Australia. This will significantly de-risk investment into Northern Australia as land tenure, soil and water have been highlighted as key considerations in investment decisions.

3. Priority Agricultural Development Areas

Within the Strategic Framework, governments could investigate the potential for Priority Agricultural Development Areas and associated programs of de-risking for investment to ensure private and public investment is focussed and significant to deliver results. This could potentially work in a similar way in which the Queensland Government declares Priority and State Development Areas.

4. Supply chain development

Government to investigate key supply and value chain infrastructure barriers for investment in Northern Australia. This is followed by:

- Funding key facilitating collaborative governance arrangements. For example, each jurisdiction could provide dedicated resources to support a collaborative governance framework with other jurisdictions.
- Feasibility assessment and infrastructure to increase the viability and sustainability of agricultural investments in Northern Australia.

The CRCNA's other studies focussed on the supply chain will provide a prioritisation framework for investment in supply chains and enabling infrastructure.

5. Property identification

Underpinned by the Strategic Framework and within priority agricultural development areas, governments will need to drive a process to identify existing landholders and agricultural producers who have the potential to expand, partner with new investors or divest.

In each priority area, this may involve an internal or external project team to engage with landholders and producers across the northern jurisdictions and provide targeted support and education regarding the investment process for interested landholders and producers.

6. Landholder readiness

Governments to develop a co-funding model for supporting landholder readiness for investment attraction, including feasibility studies into land capability, water availability and other key agriculture investment decision factors. This **co-funding model will incentivise landowners to become more "investment-ready" and explore** opportunities for their land that can be proposed to potential and interested investors.

7. Coordinated investment brokerage and case development

Each jurisdiction should provide a range of relevant case officers for agricultural investment attraction (working through agreed priorities) depending on the location, scale and industry of investment. Working with Austrade, a coordinated approach across Northern Australia should be maintained and case officers that are capable of assisting across jurisdictions are also required for investors that do not have a jurisdictional preference.

These recommendations will enable decision makers to ensure that future investment opportunities are linked to an investor typology. There is a risk associated with investment attraction and economic development agencies continuing to promote the opportunity if the challenges are not addressed. The barriers and opportunities were developed based on the views of the market reflecting the perceived current state of investment in Northern Australia agriculture. The recommendations have been developed specifically to address these barriers and opportunities.

Introduction

Northern Australia makes a substantial contribution to the Australian economy, particularly through agriculture, mining and tourism. Agriculture is seen as one of the next major industries to benefit from a rising middle class across the developing world. There is an opportunity for the Northern Australian agriculture industry to expand production significantly over the coming decades, and supply food and fibre to this growing market.⁶ New developments which intensify and diversify agricultural production in Northern Australia will unlock new investment opportunities and, if executed, establish the region as an internationally significant participant in global agriculture and trade.

The Cooperative Research Centre for Developing Northern Australia (CRCNA) plays an important role in ensuring that Northern Australia's industries are competitive, productive and sustainable. The CRCNA was established to support industry-led research projects that are critical to the north's economy and which aim to solve industry problems to achieve enhanced commercial outcomes and economic growth. The Australian Trade and Investment Commission (Austrade) is the Australian Government's trade, investment and education promotion agency. Agriculture and Food is one of the agency's priority sectors and as such, it provides coordinated government assistance at a national level to promote, attract and facilitate productive Foreign Direct Investment (FDI) into the Australian agriculture industry. Austrade's overseas teams identify key investors in-market, while its Australia-based team helps address specific investor needs, such as connecting those investors to viable investment opportunities.

They also aim to improve investment pathways for agriculture investors so that the region will attract new capital to fund transformative growth for the benefit of the Northern Australia economy, its various communities and investors.

Austrade organised two Northern Australia Investment Forums, one in Darwin in October 2015, and one in Cairns in November 2017, to raise awareness of Northern Australia among high-end international investors. The Cairns forum, which was developed in close collaboration with the jurisdictions of Queensland, Northern Territory and Western Australia, with the support of the Office of Northern Australia and the Northern Australia Infrastructure Facility, saw 179 investor delegates attend, representing 101 companies from 24 countries. The Forum attracted the most interest from China and Hong Kong with 32 and 12 companies attending respectively. Japan, Indonesia, Singapore, USA, India and Taiwan were also strongly represented. Direct involvement of First Nations community representatives was fed into every level of the Forum.

In addition, individual Austrade offices overseas undertook (and continue to undertake) in-market promotion of Northern Australia as a destination for new agricultural investment. As a result, Austrade has supported investors from China, Japan, Singapore, India and Latin America. Investment appetite from the Latin America market, namely Brazil and Argentina, has been particularly high and two Latin American Austrade clients have made agri-investments in Northern Australia in 2019. During working with these clients, Austrade has:

- Acknowledged the significant potential that Northern Australia offers for the expansion and development of new agricultural sub-sectors
- Identified that Northern Australia presents quite location-specific challenges that investors (whether Australian or foreign) must overcome to execute and operate their investment plans
- Identified that for many parts of the Northern Australia region, there is a lack of investment ready projects and opportunities that can be offered to investors for consideration.

Through its extensive work and collaboration with key stakeholders, the CRCNA has reached similar conclusions. Accordingly, the two agencies collaborated to design a research project that would identify an Investor Typology that best suits both the opportunities and the challenges of agri-investment in many parts of Northern Australia. A key deliverable of the research project is a Target Investor List that will enable investment attraction agencies, economic development organisations, industry and the private sector to more effectively focus their promotion efforts and deliver greater investment outcomes to facilitate industry growth.

The CRCNA has engaged PricewaterhouseCoopers (PwC) to analyse the agricultural investment environment in Northern Australia and develop an investor typology and an investor target list for the region. The project contributes to a suite of projects commissioned by the CRCNA that aim to de-risk the agricultural investment process in Northern Australia. This project is an important part of CRCNA's overall research strategy, as demonstrated in Figure 3.

⁶ <https://institutional.anz.com/insight-and-research/agriculture-northern-australia>

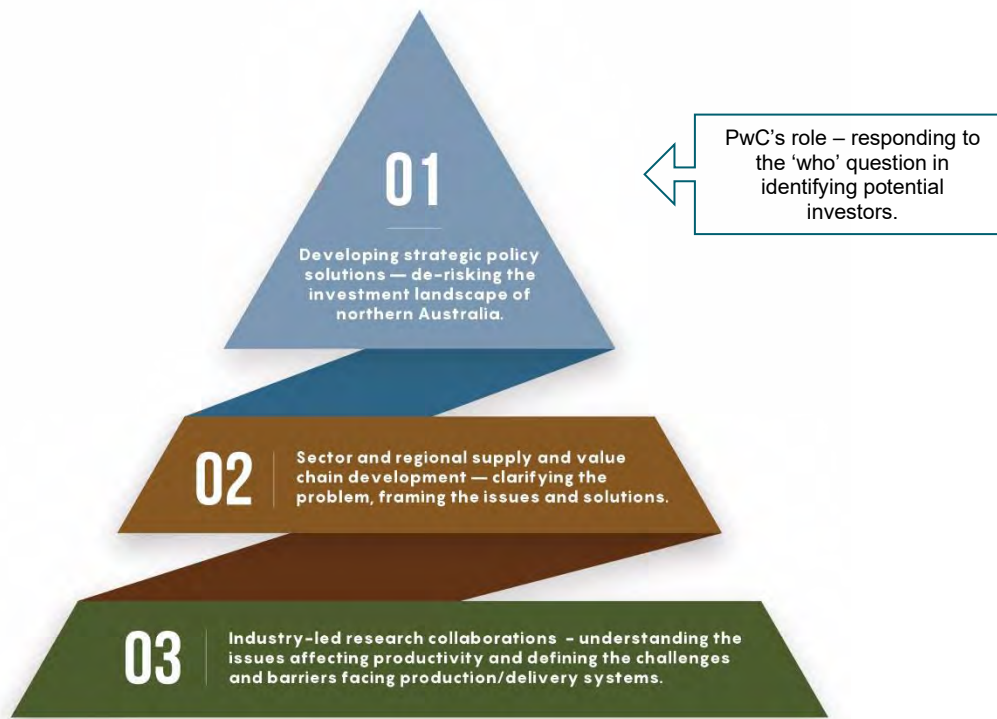


Figure 3: CRCNA's program of initiatives

Project objectives

The purpose of this project is to identify and characterise the range of potential domestic and international investors who may be interested in establishing agricultural businesses in Northern Australia. It is envisioned that these investors will have the capacity to undertake investment in Northern Australia in an economic, socially and environmentally beneficial way.

The objectives of this project are to:

- Through engagement with the investment community, identify, characterise and prioritise potential key investor types (sourced from global, national and Northern Australian markets) with an existing or potential interest in investing in agricultural development in northern Australia
- Based on knowledge concerning these investors, identify the agricultural sectors across Northern Australia with the most potential to support agricultural development investment. This will require a high-level analysis based on a desk top review in conjunction with interviews with Government, Industry Associations and existing agricultural business owners
- Based on investor preferences, identify the types or forms of agricultural development most suitable and likely to succeed in the identified regions
- Develop, refine and align the resultant investor types with key sectors and regions
- Develop a potential investor target list for use by Austrade, State and Territory Governments and CRCNA
- Identify, through conversations with Australian and international investor groups, what have been key challenges to their investment decision relating to the North
- Identify, through discussions with the above groups, the information potential investors require to assess the viability of proposed agricultural developments in the north and how the investors would like to receive this information.

It should be noted the research and evaluation process to achieve these objectives has been an iterative process to match available opportunities in Northern Australia with aligned investors whose investment objectives match the opportunity. This has included a detailed market sounding process to ensure that the views and recommendations provided in this report reflect the contemporary views of potential and actual market participants. A summary of the

market sounding is included in Appendix A – Market Sounding Report with the findings used to inform and corroborate findings throughout the report.

Report structure

This document includes the following components:

- Current state of Northern Australia – describes the agricultural industry in Northern Australia and the existing domestic and international investment in the region
- Competitive advantage definition – examines the competitive advantage of Northern Australia as an agriculture investment destination
- Barriers to investment – identifies key barriers to investment in Northern Australia based on findings from engagement with key stakeholders and investors
- Strategic Rationale – identifies problems and opportunities, the benefits sought and derived from responding to the problems
- Investor requirements – investigates the information requirements that interested or potential investors would need or want for investing in Northern Australia
- Investor identification – identifies priority countries and companies who should be targeted for investment in Northern Australia
- Investor typologies – characteristics of investors identified previously that will be used to categorise different types of investors and assign a typology.
- Recommendations – based on our analysis, PwC has recommended priority actions and pathways to implementation.

Current state of Northern Australia

Introduction

Northern Australia makes a substantial contribution to the Australian economy, particularly through agriculture, mining and tourism. There is a mix of Australian and foreign entities who have significant land holdings and agribusiness activities in the region. This chapter details the current agricultural industry in Northern Australia, across the three jurisdictions:

- Western Australia
- Northern Territory
- Queensland.

Size of the agricultural industry in Northern Australia

Northern Australia is a gateway to global markets, a source of rich resources and home to pristine environments⁷. Agriculture in Northern Australia is significant globally, with the annual value of agricultural production in Northern Australia exceeding \$7 billion in 2019, having increased steadily over time⁸. Figure 4 illustrates the proportion of this agricultural investment across Western Australia, Queensland and the Northern Territory.

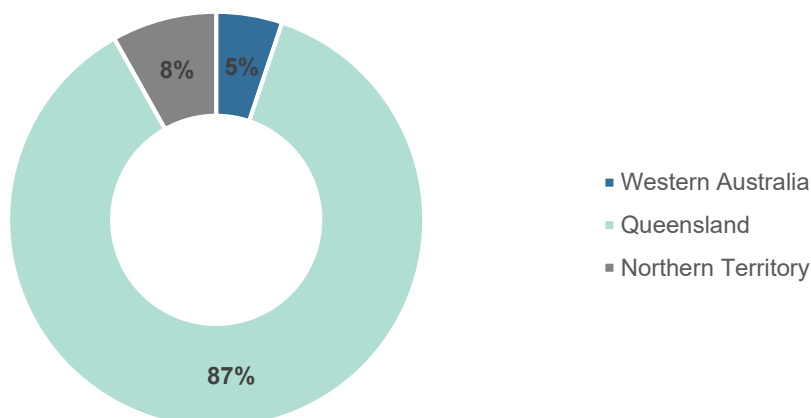


Figure 4: Value of agricultural production in Northern Australia 2017-2018

Cattle and calves are the largest commodity produced in the region, with Northern Australia home to approximately 12 million cattle, making it the world's fifth largest beef exporter⁹. The region also has 3,000 sugar cane farms which make it the world's fifth largest sugar exporter. Combined income from these two industries alone exceeds \$3 billion each year. There are opportunities to unlock significant new investment in the north where intensification of agricultural production may provide some of the best opportunities for further development¹⁰.

The following sections detail the value of agriculture across Northern Australia.

Western Australia

Agricultural land in the northern section of the Western Australia outback region occupies 345,300 square kilometres (km), or less than 37 per cent of the region. In 2017–18, the gross value of agricultural production in the northern Western Australian outback region was \$411 million, which was 5 per cent of the total gross value of agricultural production in Western Australia (\$8.6 billion)¹¹.

The northern Western Australian outback region has a diverse agricultural sector. The most important commodities in the region based on the gross value of agricultural production were cattle and calves (\$357 million), followed by

⁷ ABS 7503.0 – Value of Agricultural Commodities Produced, Australia, 2017-18
Department of Industry, Innovation and Science (2019), *Northern Australia Agenda*, accessed at <https://www.industry.gov.au/strategies-for-the-future/northern-australia-agenda>

⁸ ABARES (2019), *About my region*, accessed at <http://www.agriculture.gov.au/abares/research-topics/aboutmyregion/>

⁹ CSIRO (2019), *Unlocking the potential of northern Australia*, accessed at <https://www.csiro.au/en/Research/Major-initiatives/Northern-Australia/Unlocking-Northern-Australia>

¹⁰ Ibid.

¹¹ ABARES (2019), *About my region – Western Australia – Outback (North)*, accessed at <http://www.agriculture.gov.au/abares/research-topics/aboutmyregion/wa-outback-north#regional-overview>

melons (\$19 million) and pumpkins (\$9 million). These commodities together contributed 94 per cent of the total value of agricultural production in the region¹². Figure 5 shows the top five commodities in the region by gross value.

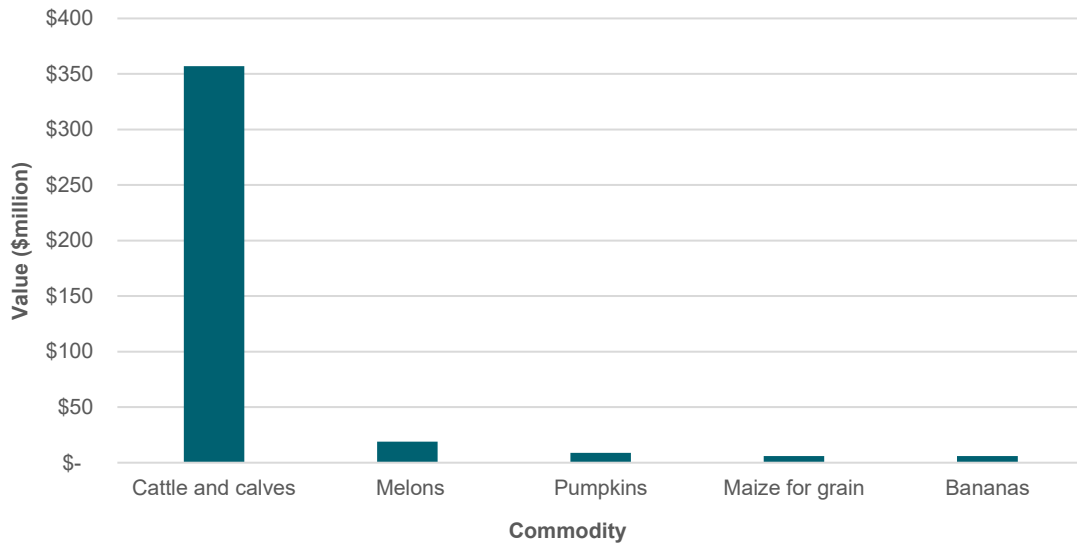


Figure 5: Value of agricultural production in Western Australia – Outback north region¹³

Aquaculture operations are located predominantly in the Pilbara and Kimberly regions of northern WA. The main varieties produced are pearls, oysters, and barramundi. The most valuable wild catch fishing activity in this region is tropical finfish.

Northern Territory

The Northern Territory covers regions including:

- Greater Darwin
- Outback Northern Territory.

The horticulture industry in the Northern Territory has grown significantly, and now produces around 50 per cent of Australia’s total mango crop¹⁴. Darwin International Airport has planned to facilitate the expansion of international airfreight of premium agricultural products to the world through the development of an export hub. Pairing the Territory’s production knowledge with innovative technology and new capital will see the agricultural industry continue to prosper into the future¹⁵.

Greater Darwin

The Greater Darwin region of the Northern Territory comprises the three local government areas of Darwin, Litchfield, and Palmerston, and the City of Darwin. The region covers a total area of around 3,100 square km, or less than 1 per cent of the Northern Territory’s total area.

Agricultural land in the Greater Darwin region occupies 550 square km. In 2017–18, the gross value of agricultural production in the Darwin region was \$83 million. The Darwin region has a diverse agricultural sector. The most important commodities in the Darwin region based on the gross value of agricultural production, were mangoes (\$41 million), followed by livestock (\$26 million) and melons (\$3 million). Figure 6 shows the top five commodities in the region by gross value.

¹² Ibid.

¹³ ABS 7503.0 – Value of Agricultural Commodities Produced, Australia, 2017-18

¹⁴ The Territory (2019), *Agribusiness*, accessed at <https://theterritory.com.au/invest/key-sectors/agribusiness>

¹⁵ Ibid.

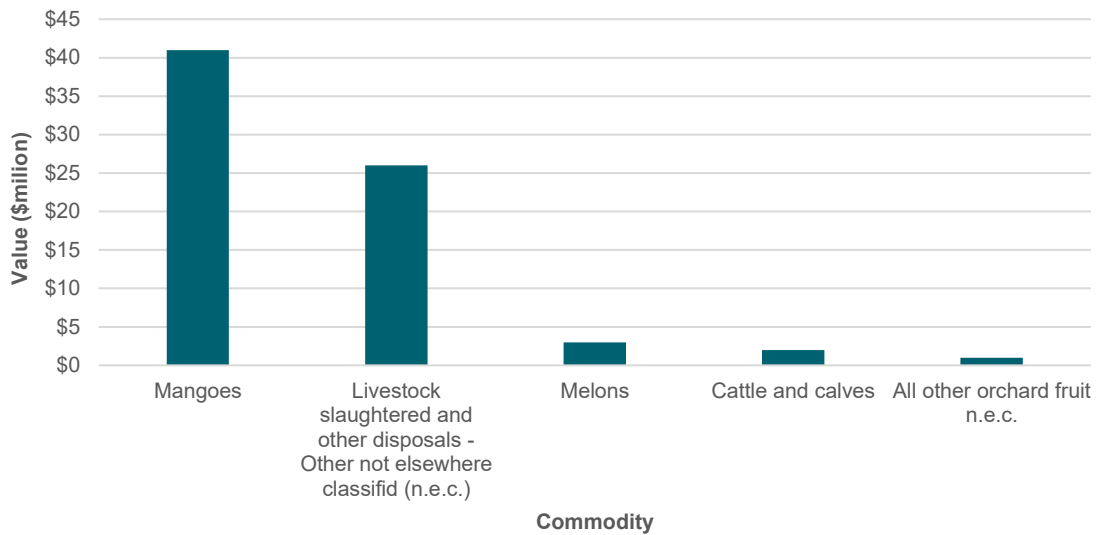


Figure 6: Value of agricultural production in Darwin¹⁶

Outback Northern Territory

The Northern Territory outback region covers the whole of the Northern Territory excluding the greater Darwin region. It includes the towns of Alice Springs, Katherine and Tennant Creek. Agricultural land in the Northern Territory outback region occupies 614,300 square km, or 46 per cent of the region¹⁷.

In 2017-18, the total value of agricultural output in the Northern Territory, including Darwin and Northern Territory – Outback, was \$651 million. The most important commodity in the region based on the gross value of agricultural production was cattle and calves (\$490 million) accounting for 86 per cent of the total value of agricultural production in the region. The live export industry is particularly important for the region as it provides 40 per cent of Australia’s total live cattle exports¹⁸, Mangoes (\$29 million) and melons (\$23 million) were the next most important commodities. These commodities together contributed 96 per cent of the total value of agricultural production in the region¹⁹. Figure 7 shows the top five commodities in the region by gross value.

¹⁶ ABS 7503.0 – Value of Agricultural Commodities Produced, Australia, 2017-18

¹⁷ ABARES (2019), *About my region – Outback Northern Territory*, accessed at <http://www.agriculture.gov.au/abares/research-topics/aboutmyregion/nt-outback#employment>

¹⁸ Commonwealth of Australia. Live animal exports https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook44p/AnimalExports

¹⁹ Ibid.

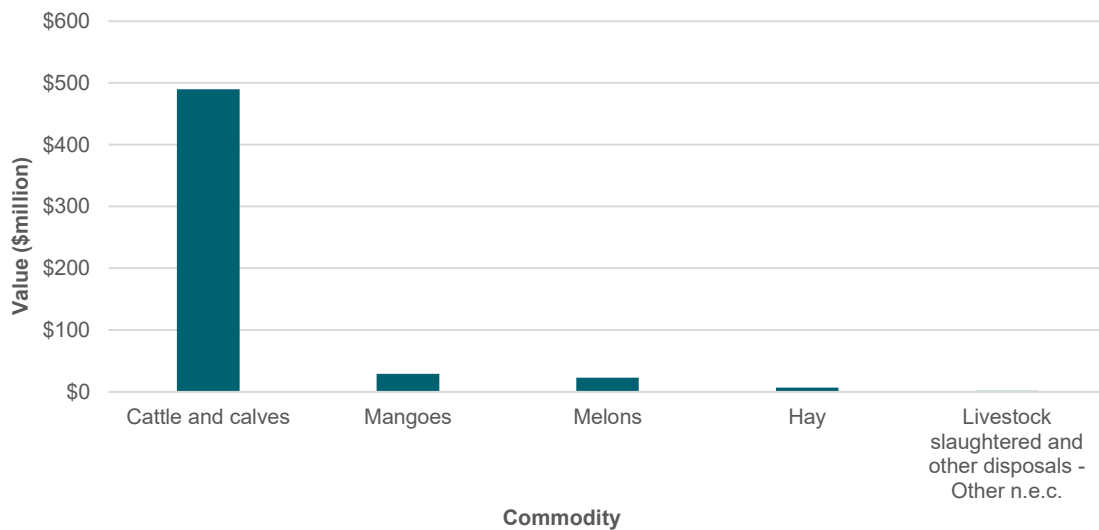


Figure 7: Value of agricultural production in Northern Territory Outback region²⁰

In 2015–16 the gross value of Northern Territory managed fisheries production (both aquaculture and wild-catch) was \$59.4 million, an increase of 8 per cent (\$4.2 million) from 2014–15. The Northern Territory contributed 2 per cent of the total value of Australian fisheries production in 2015–16. In value terms, the wild-catch sector accounted for 59 per cent (\$35 million) of the territory's total production and the aquaculture sector accounted for the remaining 41 per cent (\$24.5 million)²¹.

Queensland

Queensland has the largest area of agricultural land of any Australian state and the highest proportion of land area in Australia dedicated to agriculture. About 30,500 businesses carry out agricultural activity in Queensland. Agricultural industries contribute more than \$13billion to the state's economy each year²².

For the purpose of this study, the Northern Queensland area covers regions including:

- Queensland outback
- Far North Queensland (Cairns)
- North Queensland (Townsville)
- Mackay, Isaac and Whitsunday
- Central Queensland

Northern Queensland's agricultural profile has continued to change. The sugar, maize and beef industries have remained constants, while a number of other industries have emerged including dairy, aquaculture and horticulture, to become significant contributors to the region's economy.

Queensland outback

The Queensland – Outback region includes the west and the far north of the state, and spans from the tip of Cape York to the borders of the Northern Territory and New South Wales. Agricultural land in the Queensland – Outback region occupies 1,022,500 square km, or 86 per cent of the region²³. Approximately only half of this statistical region falls within the boundaries of Northern Australia.

In 2017–18, the gross value of agricultural production in the Queensland – Outback region was \$2.2 billion, which was 16 per cent of the total gross value of agricultural production in Queensland (\$13 billion). The most important commodity in the region based on the gross value of agricultural production was cattle and calves (\$1.9 billion) which contributed 88 per cent of the total value of agricultural production in the region. Other important commodities in the region were wool (\$52 million) followed by mangoes (\$34 million)²⁴. Figure 8 shows the top five commodities in the region by gross value.

²⁰ ABS 7503.0 – Value of Agricultural Commodities Produced, Australia, 2017-18

²¹ Ibid.

²² Business Queensland (2019), *Agriculture overview*, accessed at <https://www.business.qld.gov.au/industries/farms-fishing-forestry/agriculture/overview>

²³ ABARES (2019), *About my region – Queensland – Outback*, accessed at <http://www.agriculture.gov.au/abares/research-topics/aboutmyregion/qld-outback#agricultural-sector>

²⁴ Ibid.

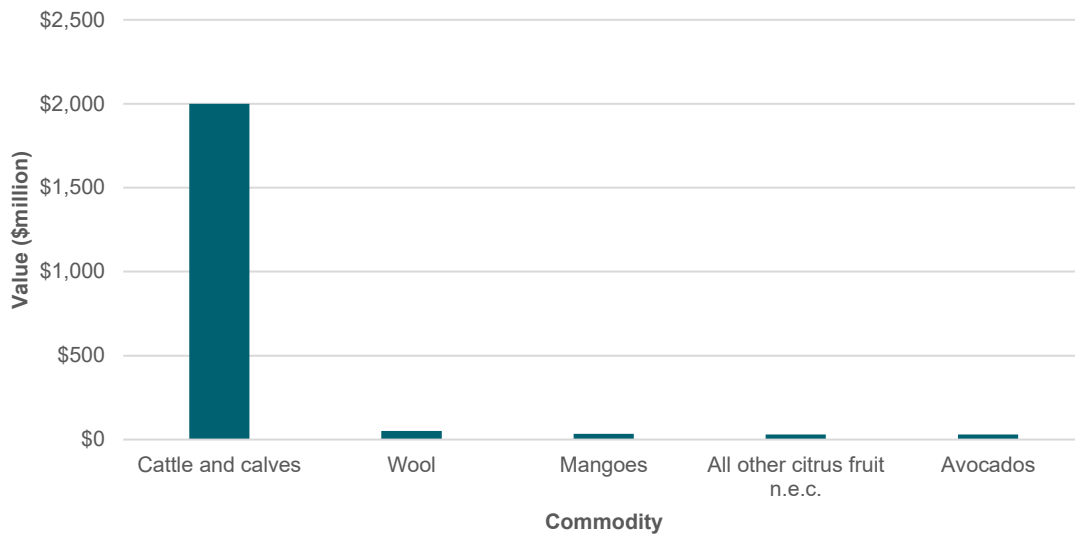


Figure 8: Value of agricultural production in the Queensland outback region

The coastal areas of this region include the Queensland coast of the Gulf of Carpentaria, the coastal areas of Cape York and the Torres Strait. This region is an important area for the wild harvest of prawns. In 2013–14, the Far North (comprising both Outback Queensland and Cairns regions) area produced 2,804 tonnes of aquaculture production, utilising 409.1 ha of ponds. The aquaculture industry in the area employed approximately 150 persons in 2013–14. Aquaculture species produced in the Far North area include barramundi, jade perch, prawns and pearls²⁵.

Far North Queensland (Cairns)

The Cairns region is located in the north of Queensland and comprises the three local government areas of Cairns, Cassowary Coast and Yarrabah, part of the Tablelands local government area, and the regional centres of Cairns and Port Douglas. Agricultural land in the Cairns region occupies 10,000 square km, or 47 per cent of the region. In 2017–18, the gross value of agricultural production in the Cairns region was approximately \$1 billion, which was 8 per cent of the total gross value of agricultural production in Queensland (\$13 billion)²⁶.

The Cairns region has a diverse agricultural sector. The most important commodities in the region based on the gross value of agricultural production were bananas (\$463 million), followed by sugarcane (\$273 million) and avocados (\$79 million). These commodities together contributed 82 per cent of the total value of agricultural production in the region. In 2016–18 the Cairns region accounted for 98 per cent of the total value of Queensland's bananas production²⁷. Figure 9 shows the top five commodities in the region by gross value.

²⁵ ABARES (2019), *About my region – Queensland – Outback*, accessed at <http://www.agriculture.gov.au/abares/research-topics/aboutmyregion/qld-outback#agricultural-sector>

²⁶ Ibid.

²⁷ Ibid.

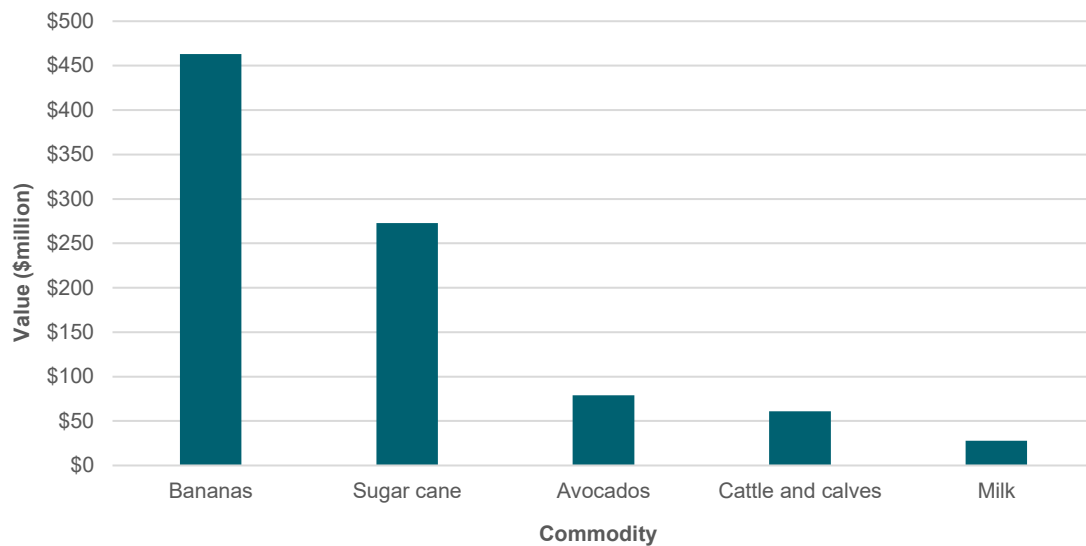


Figure 9: Value of agricultural production in the Tropical North Queensland (Cairns) region

North Queensland (Townsville)

In 2017–18, the gross value of agricultural production in the Townsville region was \$930 million. The most important commodities in the Townsville region based on the gross value of agricultural production were sugarcane (\$438 million), followed by cattle and calves (\$337 million) and melons (\$26 million). These commodities together contributed 86 per cent of the total value of agricultural production in the region. The Townsville region also accounted for 85 per cent (\$2 million) of the total value of Queensland's rice production in 2017–18²⁸. Figure 10 shows the top five commodities in the region by gross value.

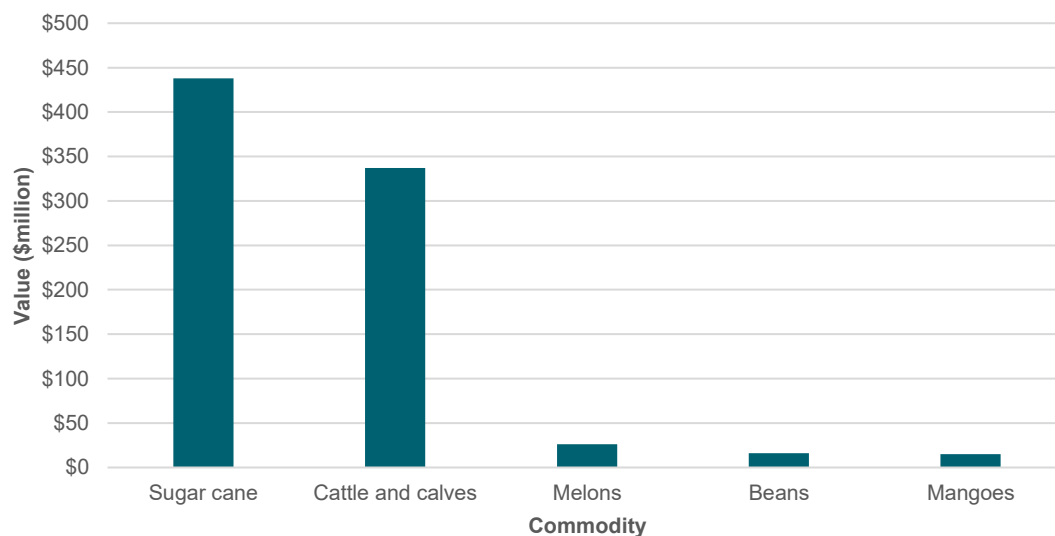


Figure 10: Value of agricultural production in North Queensland (Townsville) region

Townsville is one of the main commercial fishing ports in Queensland. The East Coast Trawl Fishery is the largest of Queensland's commercial fisheries operating in the region, targeting mostly prawns (tiger, red-spot king, endeavour and banana), and also harvesting bugs and squid²⁹.

Mackay, Isaac and Whitsunday

The Mackay, Isaac and Whitsunday region of Queensland is in the east of the state and includes the Whitsunday Islands. The Mackay, Isaac and Whitsunday region has a diverse agricultural sector. In 2017–18, the gross value of agricultural production in the Mackay, Isaac and Whitsunday region was \$1.1 billion. The most important commodities in the Mackay, Isaac and Whitsunday region based on the gross value of agricultural production were cattle and

²⁸ ABARES (2019), *About my region – Townsville Queensland*, accessed at <http://www.agriculture.gov.au/abares/research-topics/aboutmyregion/qld-townsville#agricultural-sector>

²⁹ Ibid.

calves (\$474 million), followed by sugarcane (\$344 million) and tomatoes (\$63 million). These commodities together contributed 78 per cent of the total value of agricultural production in the region³⁰.

The East Coast Trawl Fishery is the largest of Queensland's commercial fisheries operating in the region targeting mostly prawns, but also harvesting bugs, squid, and scallops. Other commercial species harvested by Queensland fisheries in the region include shark, crab, mackerel, mullet and barramundi³¹. Figure 11 shows the top five commodities in the region by gross value.

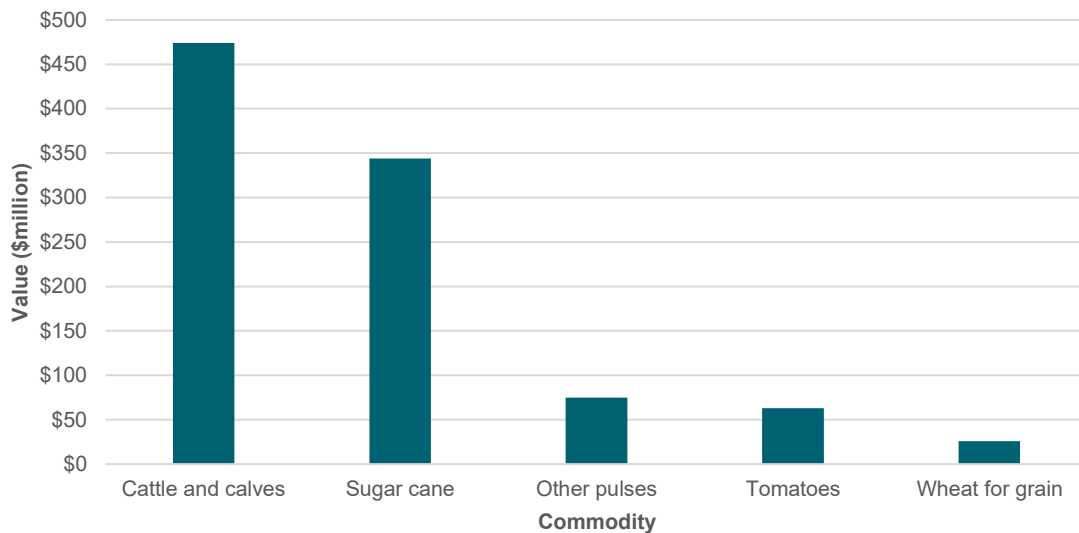


Figure 11: Value of agricultural production in the Mackay, Isaac and Whitsunday region³²

Central Queensland

The Central Queensland region of Queensland is located along the central east coast of the state. Agricultural land in the Central Queensland region occupies 90,700 square km, or 77 per cent of the region. In 2017–18, the gross value of agricultural production in the Central Queensland region was \$1.7 billion. The most important commodities in the Central Queensland region based on the gross value of agricultural production were cattle and calves (\$1.1 billion), followed by cotton (\$259 million) and sorghum (\$52 million). These commodities together contributed 83 per cent of the total value of agricultural production in the region³³. Figure 12 shows the top five commodities in the region by gross value.

³⁰ ABARES (2019), *About my region – Mackay – Isaac – Whitsunday Queensland* accessed at <http://www.agriculture.gov.au/abares/research-topics/aboutmyregion/qld-mackay#agricultural-sector>

³¹ Ibid.

³² *Aquaculture is not disaggregated by region*

³³ ABARES (2019), *About my region – Mackay – Isaac – Whitsunday Queensland* accessed at <http://www.agriculture.gov.au/abares/research-topics/aboutmyregion/qld-mackay#agricultural-sector>

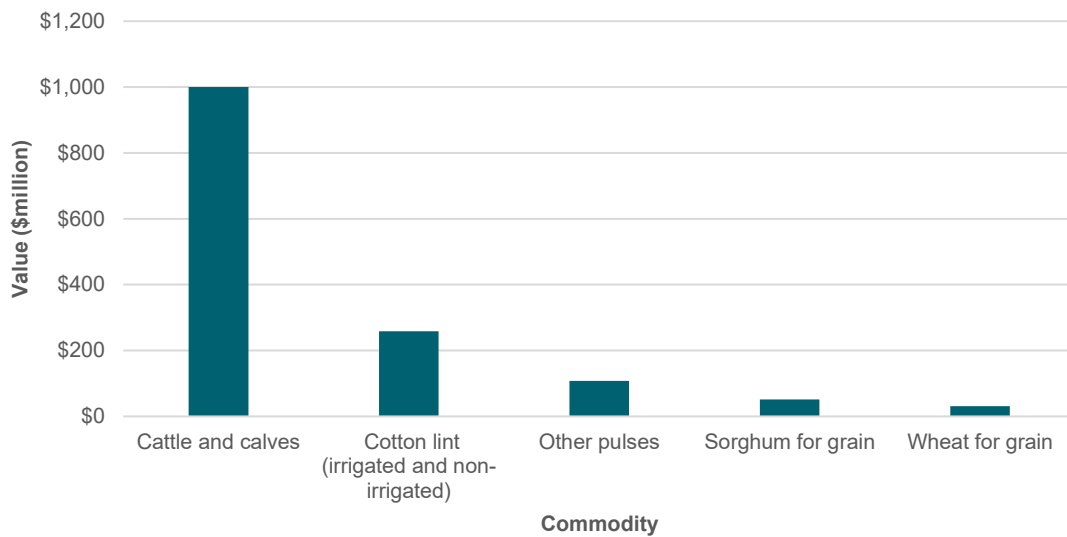


Figure 12: Value of agricultural production in the Central Queensland region

Foreign investment

Across the three jurisdictions, agricultural land is owned by a range of international and domestic investors. Appendix C – Agriculture Investors in Northern Australia lists the major publicly known Australian and international companies with significant agricultural land holdings in Northern Australia.

These owners range from family companies to domestic and international corporations. Foreign interests continue to play an important role in the development of the industry, with offshore interests accounting for approximately 13.4 per cent, or 52.6 million ha of Australian farmlands³⁴.

Estimated Northern Australia landholdings by key publicly known foreign investors by source market include³⁵:

- China - 6.6 million ha
- UK - 6.2 million ha
- Vietnam - 0.9 million ha
- Canada - 0.9 million ha
- Philippines - 0.5 million ha
- Argentina – 0.5 million ha
- US - 0.01 million ha.

Figure 13 shows the proportion of international and domestic investors from the companies listed in Appendix C – Agriculture Investors in Northern Australia .

³⁴ Wagstaff, J, Carberry, K. (2019). Who owns Australia's farms 2019, The Weekly Times. Accessed at <https://www.weeklytimesnow.com.au/agribusiness/agjournal/who-owns-australias-farms-2019/news-story/5dec51bc0b51fe113b48146b60093d61>

³⁵ Austrade (2019).

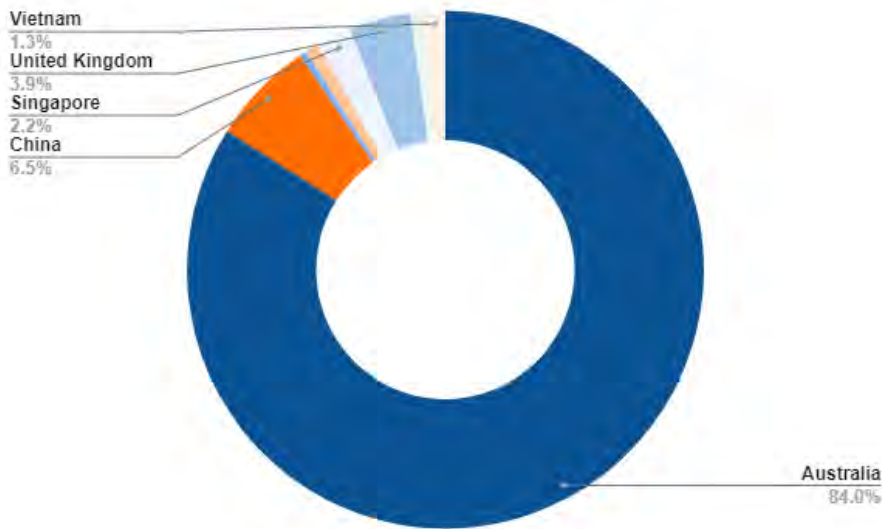


Figure 13: International and domestic investment (number of investors) in Northern Australian agricultural land

There are also a significant number of investors that have interests in other jurisdictions within Australia that could potentially increase their investment in Northern Australia.

PwC has identified 283 international and domestic companies with significant land holdings in Australia. The list of companies is not exhaustive and is available in Appendix E – Agriculture Investors in Australia. Of the 283 companies identified owning agricultural land, 41 per cent are owned by international investors. Figure 14 shows the proportion of international companies with investments in Australia.

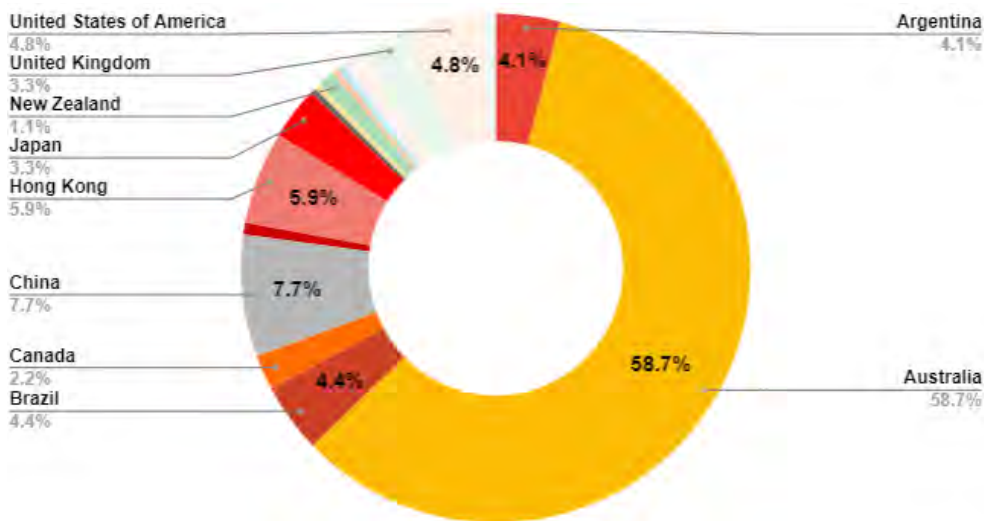


Figure 14: International and domestic investment (number of investors) in Australian agricultural land

Figure 14 demonstrates that there is significant interest from international and domestic investors in Australian agricultural land. The characteristics of these investors will be investigated in Investor typologies.

Competitive advantage definition

Introduction

The purpose of this chapter is to identify and examine the competitive advantage of Northern Australia as an agriculture investment destination.

Northern Australia's advantages

Northern Australia boasts an array of advantages for Australian and foreign investment in agriculture over competing nations and southern regions in Australia. The Northern Australia region is shown in Figure 15.

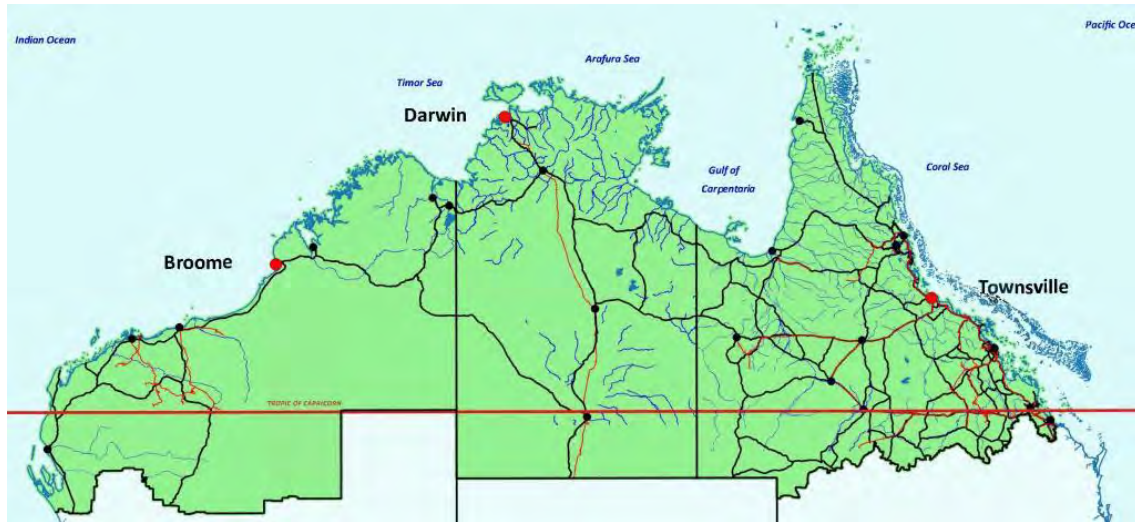


Figure 15: Map of Northern Australia³⁶

Production capability and potential to expand

Northern Australia covers more than 40 per cent of Australia's land mass and contains up to 17 million ha of arable soil and 60 per cent of Australia's rainfall. The region's abundance in natural resources positions it to meet the global demand and investment appetite in the agriculture industry. Currently, the largest agricultural industry in the region is the pastoral industry – approximately 11.7 million cattle or 45 per cent of the national herd³⁷. Northern Australia's agricultural capabilities expand into horticulture, with expertise in a wide range of tropical fruits including banana, mango and avocado production. Irrigated agriculture contributes over \$160 million to the North's economy and employs 1.3 per cent of its workforce³⁸.

Based on Northern Australia's capabilities in livestock, horticulture and availability of land, value-adding activities can be investigated to expand the industry's production capabilities and productivity. For example, doubling the area of the North's irrigated agriculture could generate more than 1,400 additional jobs³⁹. Mosaic irrigation is a specific example of an enabling initiative to support increased agriculture production. It involves discrete patches of irrigated land dispersed across the landscape and may offer an alternative to traditional large-scale contiguous irrigation systems. Crops that could be grown on new irrigated land include melons, sorghum, rice, cotton, mung beans, soybeans, sesame and peanuts. Perennial fruit production could also be grown including mango, bananas, citrus, papaya, lychee and other fruit trees⁴⁰.

Even with the impacts of climate change, the Australian Government see an opportunity for certain crops to be relocated to Northern Australia as the weather conditions are more favourable for certain crops than southern jurisdictions. The Climate Change Research Program (CCRP) has funded a climate adaptation project to determine the costs and opportunities of relocating tomato, cotton, peanut and rice production to Northern Australia⁴¹.

Tropical economies produce 20 per cent of global economic output and tropical zones have grown faster than the rest of the world.⁴² Australia is the largest developed country and the leading advanced economy in the tropical zone. The

³⁶ CRCNA (2020), *Area of operations – Northern Australia jurisdiction*

³⁷ Austrade (2015), *Northern Australia: Emerging opportunities in an advanced economy*

³⁸ Global Access Partners (2016). *GAP Taskforce of the North, Agriculture and the Environment*

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Department of Agriculture, Water and the Environment (2019). *Adapting to a changing climate*. Accessed at: <https://www.agriculture.gov.au/ag-farm-food/climatechange/australias-farming-future/adapting-to-a-changing-climate>

⁴² Austrade (2015), *Northern Australia: Emerging opportunities in an advanced economy*

majority of the catchment of Northern Australia benefits from a tropical or sub-tropical climate. The land use for agriculture in the tropics has only increased by two per cent between 1980 and 2009, whereas productivity has increased dramatically. Livestock production has increased by almost 90 per cent and cereal production has more than doubled. However, agricultural productivity remains significantly lower in the tropics in comparison to the rest of the world. The potential for Northern Australia to expand and develop its productivity in agriculture exists and further investment is necessary to capture the productivity benefits from a tropical economy.

Favourable conditions of trade

Australia has characteristics of an attractive investment destination. Australia has been ranked 18th out of 190 economies for ease of doing business and fifth in the world for economic freedom. Australia's economy has experienced 28 years of uninterrupted annual economic growth and has experienced the highest annual growth among major advanced economies, including the USA, UK and the Eurozone. The Australian economy is rated AAA with a stable outlook by all three global rating agencies (Standard & Poor, Moody's and Fitch Group)⁴³. Australia is also highly ranked based on the World Bank's Worldwide Governance Indicators which measures six dimensions of governance⁴⁴. Australia ranks above the 90th percentile for all but one dimension. The result of these conditions (macro-level criteria) is a relatively low-risk investment destination with historically consistent growth and ease in investment processes that outperforms similar global economies.

Proximity to and importance of Asia

Northern Australia greatly benefits from these favourable trade and economic conditions however, it also has advantages unique to its northern jurisdictions. Northern Australia is Australia's closest region to Asia's key markets, all of which are within four hours flying time from Darwin. Northern Australia also hosts two international airports (Darwin and Cairns) highlighting its geographic proximity as key in attracting both investors from Asia and investors looking to supply the growing Asian markets.

For investors from Asia, Australia is perceived as an attractive destination for investment. Currently, six of the top 20 source markets for foreign investment in Australia are within Asia. Investment from Hong Kong alone has experienced a five-year annual growth rate of 13 per cent⁴⁵. Northern Australia also serves as a gateway to a rising Asia and potentially creates significant opportunities for international investors to access regional and international supply chains. The short freight time for exports to Asia from Northern Australia provides a competitive edge to agricultural investments and greatly improves its quality and time-to-market.

It is expected that by 2050, an extra three billion people across Asia are likely to have living standards similar to those in Europe today⁴⁶ and food demand is expected to continue growing and evolving. The historic and forecast Gross Domestic Product (GDP) of developing Asian economies (with and without 'newly industrialised economies')⁴⁷ from the Asian Development Bank are shown in Figure 16. The GDP growth rate of developing Asian countries has consistently been higher than the growth rate of the global economy and the trend is forecast to continue in the short term⁴⁸.

⁴³ Austrade (2019), *Why Australia – Strong Foundations*

⁴⁴ The World Bank Group (2019), *Worldwide Governance Indicators*

⁴⁵ ABS 5352.0 – International Investment Position: Supplementary Statistics, 2018

⁴⁶ Commonwealth of Australia (2015), *Our North, Our Future: White Paper on Developing Northern Australia*

⁴⁷ Developing Asia refers to the 45 members of the Asian Development Bank. The Newly Industrialised Economies are Hong Kong, Republic of Korea, Singapore and Taiwan.

⁴⁸ The World Bank (2019), *Global Economic Prospects 2019*

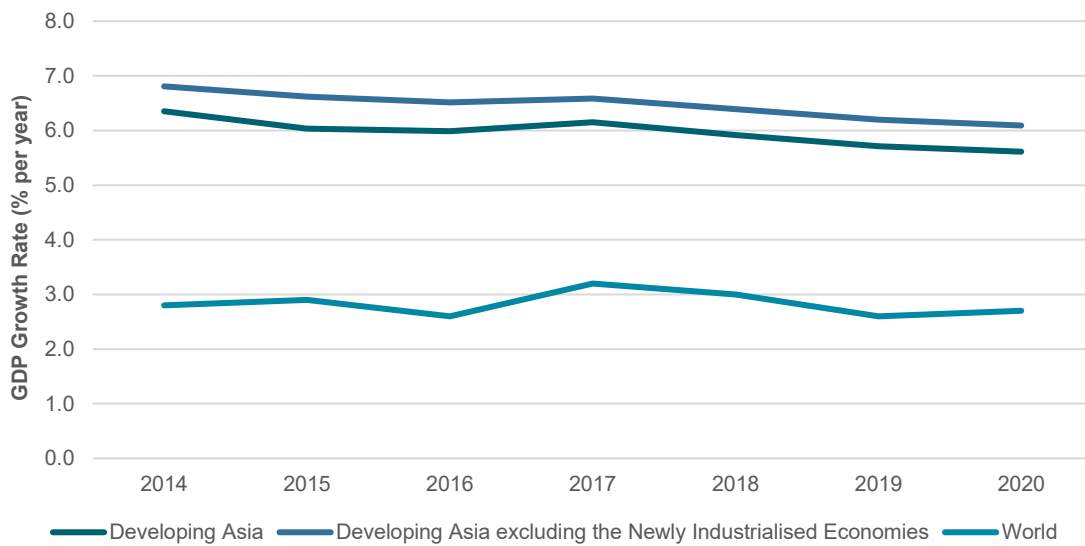


Figure 16: GDP growth of Developing Asia and the World⁴⁹

The effect of fast-growing economies in Asia on inbound investment to Northern Australia is two-fold:

- A growing Asian population with increasing income is demanding more and higher quality food which Northern Australia is well positioned to supply.
- A wealthier Asian population is likely to have increased capital and appetite for investing. Investing in Australia is perceived as relatively low-risk and investment in the agriculture industry allows key produce to be exported back to the home country to meet growing demand for high quality food. Diversification of land use for horticulture and cropping is also possible and while it requires greater risk management, it is an attractive proposition for many potential investors.

With higher GDP and income per capita, the type of food demanded is expected to evolve from staples, such as cereals and pulses, to higher priced foods, such as fruits, vegetables, animal proteins and value-added foods. Some of the developing countries in Asia are currently self-sufficient in meeting their food demand. However, due to urbanisation, future land constraints and changing diets, countries such as India, Vietnam and Malaysia are forecast to become net importers of agricultural produce. The reputation of the Australian agriculture industry to provide high quality and safe produce, grown in a clean environment means Australia is well placed to meet this future demand.

Investors wanting to access the growing Asian markets are supported by the Free Trade Agreements (FTAs) that apply to produce exported from Australia. FTAs are especially beneficial for the agriculture industry, with significant decreases in or elimination of tariffs on key exports such as beef, vegetables and fruit in many markets. For example, under the China-Australia Free Trade Agreement (ChAFTA), tariffs on beef exported to China will be completely eliminated by 2024⁵⁰. Other improvements include the preferential access of Australian produce across many Asian markets, including for example, Australian table grapes, oranges and cherries having preferential access to Japan. A map of all the FTAs that are currently in force or under negotiation is shown in Figure 17. This increases the competitiveness of goods exported from Australia and decreases the restrictions and quotas that may be met by foreign investors exporting from other countries.

⁴⁹ Asian Development Bank (2019), *Economic indicators of Asia and Pacific countries*

⁵⁰ Department of Foreign Affairs and Trade (2019), *ChAFTA fact sheet: Agriculture and processed food*

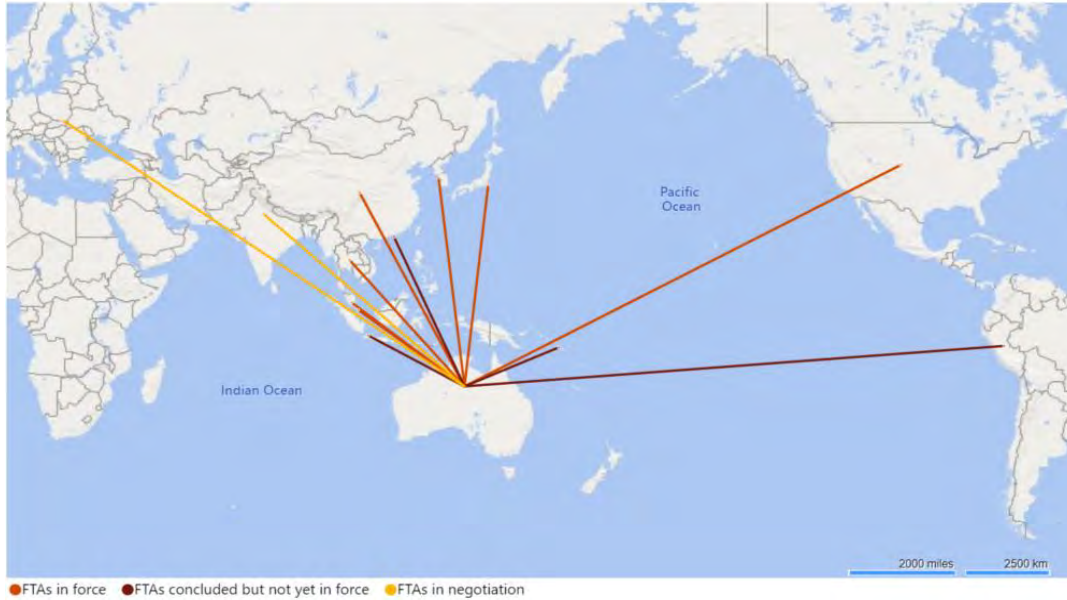


Figure 17: Australian FTAs⁵¹

A unique part of the global tropics

Australia is the largest developed country and the leading advanced economy in the tropical zone. Tropical economies produce 20 per cent of global economic output and the tropical zone is growing at a much faster rate than the rest of the world.

Northern Australia’s tropical expertise is vast and as a developed economy, the tropical climate provides a unique advantage to increase agricultural production through better technology and use of a vast amount of land.

Advantage over competitors as an investment decision

The agriculture industry in Northern Australia is subject to various competitors in terms of attractiveness for investment. However, favourable trade conditions, a stable economy and strong reputation ensures Australia is a highly attractive investment destination. Australia’s uninterrupted economic growth and higher growth compared to other similar economies are indications of potentially higher yields with similar risk on investments from Australia. FTAs in force, and in negotiation, are testaments to Australia’s favourable relationships with key markets such as China, Japan and Singapore. The produce from investments in Australia potentially provides market access and lower tariffs to foreign investors which may not exist in their home countries and other competing countries.

The expertise, untapped potential and abundance of resources in Northern Australia matches the expected food demand of the Asian population. The combination of a low-risk investment destination, abundance of available resources and proximity to key consumer markets forms a pronounced value proposition for investment in Northern Australia.

⁵¹ PwC based on Austrade (2019). Free Trade Agreements. Accessed at <https://www.austrade.gov.au/Australian/Export/free-trade-agreements>

Key location considerations

Introduction

As part of the investment decision for agricultural acquisitions in Northern Australia, a range of key locational factors must be considered. The considerations most relevant for domestic and international investors seeking to invest in the agriculture industry are shown in Figure 18.

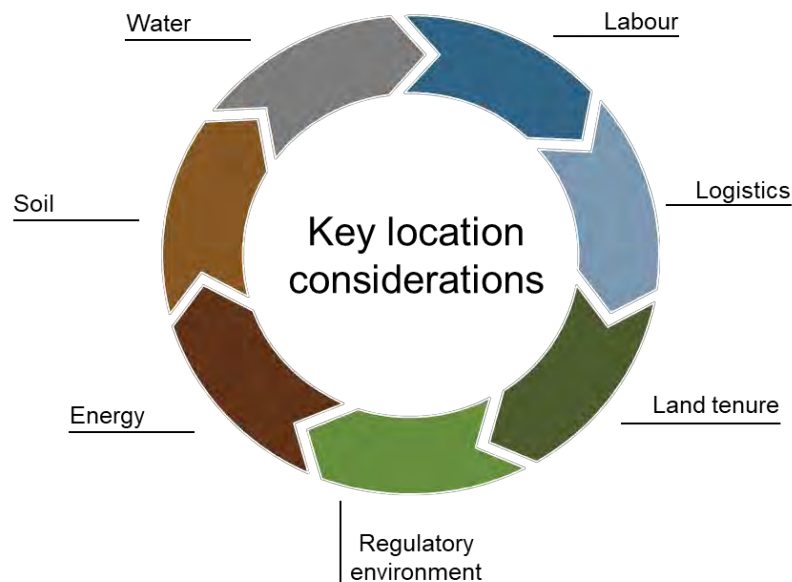


Figure 18: Key location considerations

This chapter will discuss these considerations in the context of Northern Australia.

Soil

Northern Australia contains up to 17 million ha of arable soil that may be suitable for agriculture⁵². Soil and soil data is considered the most important environmental factor in determining the suitability of land for agriculture. The Commonwealth Science Industry and Research Organisation (CSIRO) conducted an investigation into two major river catchments in the Gulf and North West regions of Queensland (Gilbert and Flinders)⁵³ to determine the soil and land suitability for cropping⁵⁴. It was found that dryland and irrigated cropping currently occupy less than 0.02 per cent of the two catchments. The CSIRO analysis found:

- Gilbert catchment: the total catchment is approximately 4.6 million ha. Extensive grazing comprises the vast majority of agriculture in the Gilbert catchment. There is currently very minimal dryland production of food or fibre for human consumption.
 - One to two million ha are classified as class three (moderately suitable for cropping, depending on the crop and irrigation methods chosen). These soils have considerable limitations that lower production potential or require more careful management than class one or two soils.
 - 50,000 to 300,000 ha are classified as class two (production of mainly trickle irrigated crops). These soils have minor limitations that affect production or require more careful management than class one soils to maintain economic production.
- Flinders catchment: the total catchment area is approximately 10.9 million ha. Extensive grazing comprises the vast majority of agriculture in the Gilbert catchment. There is currently very minimal dryland production of food or fibre for human consumption.
 - More than eight million ha are classified as class three.
 - Approximately 300,000 ha are classified as class two.

⁵² CSIRO (2009), *Northern Australia Land and Water Science Review*

⁵³ See Figure 22 for locations

⁵⁴ CSIRO (2013), *Soil mapping and land suitability in northern Australia*

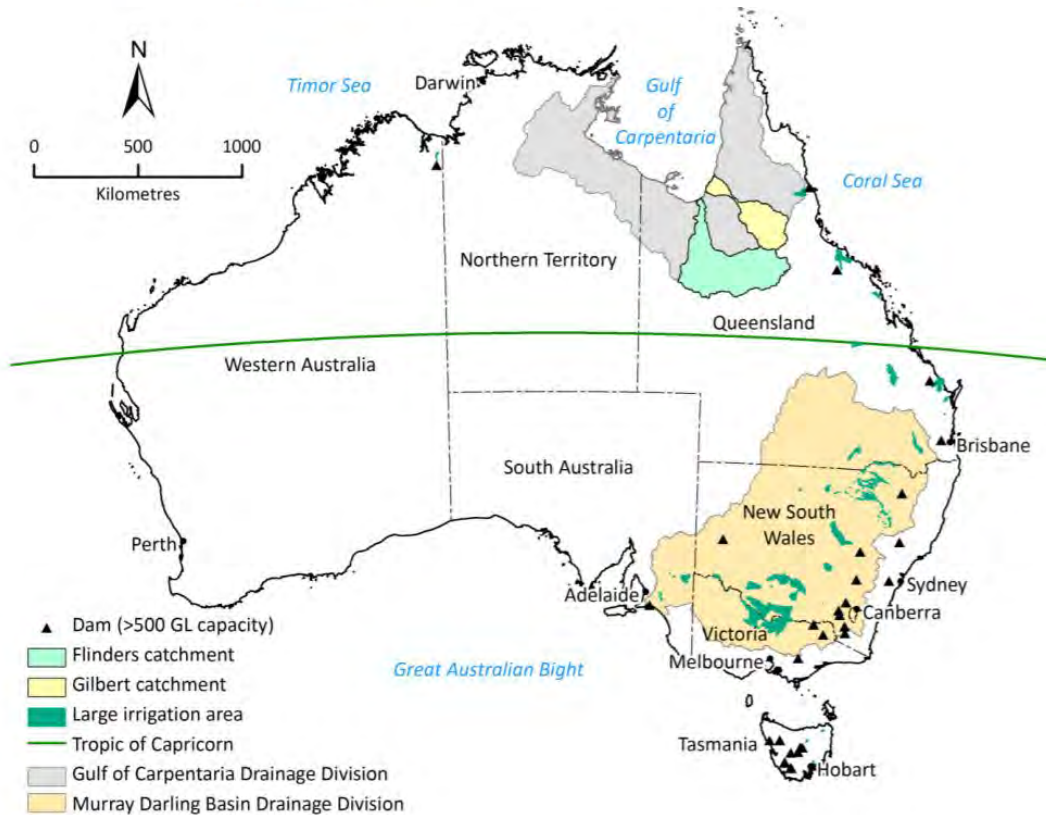


Figure 19: Map of Gilbert and Flinders catchments⁵⁵

Irrigated cropping in the Gilbert and Flinders catchment currently comprises approximately 400 and 500 ha respectively of mixed crops. There is potential to expand irrigated agriculture. The addition of 20,000 ha of irrigated agriculture in each catchment would increase the total irrigated area of Northern Australia by approximately 30 per cent.

Given CSIRO’s findings for the Gilbert and Flinders catchments, it is considered similar investigations should be undertaken for other priority catchments in Northern Australia to determine the overall agronomic potential for the establishment of new crops such as cereals, pulses, vegetables, perennials, sugar cane and cotton. It is understood that the CSIRO are developing integrated data and information that describe Australia’s agriculture and landscapes across space and time.

Water

In addition to soils, water is considered the second key resource to enable land that can be used for irrigated agriculture. With consideration of water availability and constraints, approximately 1.4 million ha of new land in Northern Australia is potentially available for irrigated agriculture over the long term⁵⁶.

CSIRO investigated the water resources in Northern Australia and found that the region experiences an annual average of over one million gigalitres (GL) of rainfall⁵⁷. Northern Australia has access to surface water, mainly from rainfall, and groundwater, which flows through inland rivers. CSIRO identified 350 and 725 GL per year of potential new surface water storage in Flinders and Gilbert catchments respectively. Similar assessments for other northern catchments may identify additional viable water resources for agricultural development. In addition, it is suggested that 600 GL per year of extractable groundwater could be available to irrigate intensive agricultural developments including mosaic irrigation for the beef industry.

Energy (electricity)

The Northern Australia Audit by Infrastructure Australia examines the current energy infrastructure serving the region and the forecast demand of the northern jurisdictions. Northern Australia is served by four major electricity networks that are each supplied by two or more power stations. These networks cover approximately the eastern third of north Queensland (with the exception of Cape York), the Mount Isa region, a narrow strip between Darwin and Katherine in

⁵⁵ CSIRO (2013), *Agricultural resource assessment for the Flinders catchment*

⁵⁶ Austrade (2015), *Northern Australia: Emerging opportunities in an advanced economy*

⁵⁷ CSIRO (2013), *The Flinders and Gilbert Agricultural Resource Assessment*

the NT and a limited part of the Pilbara in Western Australia. Beyond these networks several localised distribution systems or stand-alone generating plants exist to supply the needs of remote mining and minerals processing sites.

Approximately 80 per cent of existing demand for electricity in Northern Australia comes from Queensland, and around 30 per cent from Gladstone specifically. Queensland's demand is expected to decline slightly in the next 20 years while the Pilbara region of Western Australia is expected to increase significantly due to higher growth. However, there is expected to be capacity for more energy generation and storage through new developments in coal mines and renewable energy plants. The CopperString Project is an example of energy capacity expansion planned for north Queensland. The \$1.5 billion project is a 1,100 km 275 kilovolt overhead electricity transmission line connecting the North West Minerals Province to the National Electricity Market grid south of Townsville⁵⁸. The CopperString project will provide electricity to communities, potential agricultural regions and mines in the area and alternative electricity supply to north-west Queensland. The project is also expected to assist in unlocking more renewable resources, resulting in lower cost of energy for mining and agricultural projects in the region.

Renewable energy generation is an attractive offering for investors, especially investors from Europe. Northern Australia's key competitive advantage in renewable energy is solar energy generation. If delivered in conjunction with agriculture investment, this will increasingly be a factor of consideration to investors conscious of their energy generation practices.

The respective governments in each jurisdiction have renewable energy plans and targets which will assist in meeting future energy demand and alleviate the reliance on fossil fuels.

Labour

Labour markets in Northern Australia have historically been tight with many businesses seeking skilled employees from southern Australian regions or overseas. However, according to the Department of Employment⁵⁹, the demand for labour has eased considerably across the region, with the exception of Darwin. Darwin was also the only location where recruitment difficulty and staff retention were a significant future concern, consistent with the tighter labour market in the city. There was no signal of widespread labour shortages in Northern Australia. The agriculture industry in Northern Australia also has access to non-local labour, or backpackers, for lower-skilled positions. The labour required to meet future agriculture investment in Northern Australia is not expected to be problematic due to the easing labour conditions in the region and availability of non-local labour.

The transition of the Ichthys LNG Project in Darwin by INPEX from development to operations phase has affected the labour market. If the local workforce is tapped for the operations of this project, it may increase labour demand in the relevant sectors such as mining and construction. However, this is not expected to significantly affect the workforce in regard to increased agricultural investment as there is a low skillset overlap between the Ichthys LNG Project and agricultural developments. Additionally, there are relatively low operations staff requirements for Ichthys LNG Project.

Logistics

The logistics capability of Northern Australia is vast and spans across the major modes of transport of air, sea, road and rail.

The Northern Australia Infrastructure Audit states that the region has approximately 80 airports, all of which provide a direct or indirect connection to major centres such as Darwin and Townsville. There is significant demand for fly-in-fly-out (FIFO) services in Northern Queensland however, no major airport in the region is facing the pressure to build a new runway. Substantial volumes of fruit and vegetables are trucked to Brisbane, Adelaide and Melbourne for air freighting to Southeast Asia. However, with increased year-round produce, there is potential for underwriting a freighter service in Northern Australia. The government is also interested in expanding the export market in Northern Australia with supporting infrastructure which would align and support the profitability of investment in the region, including the proposed export distribution facilities at both Darwin and Cairns Airports.

Northern Australia has more than 25 ports which are serviced by commercial vessels. These vessels include a number of scheduled shipping line services for import and export, including export of agricultural products. The Darwin Port has experienced substantial growth, approximately 15 per cent of annual throughput in 2013, due to the development of bulk mining and livestock exports⁶⁰. The Port of Townsville, Northern Australia's largest mixed commodity port, has experienced slower growth. The Port of Townsville is currently undergoing upgrades to its channel capacity which will allow it to accommodate larger ships. Darwin Port is also undergoing various upgrade projects including a refrigerated container park due to demand from exporters moving food supplies to Asia. Vital upgrades to current ports will ensure future expansions in the agriculture industry will have adequate access to sea freight for exporting.

Rail in Northern Australia is the main transport mode for moving bulk minerals while also supporting road transport in moving grains, livestock and other agricultural products. Use of rail is dominated by the mining industry and generally

⁵⁸ Department of State Development, Manufacturing, Infrastructure and Planning (2019), accessed at <https://www.statedevelopment.qld.gov.au/coordinator-general/assessments-and-approvals/coordinated-projects/current-projects/copperstring-project.html>

⁵⁹ Department of Employment (2015), *Demand for labour in Northern Australia*

⁶⁰ Infrastructure Australia (2015), *Northern Australia Audit*

not suitable for agricultural products due to transporting conditions required for agricultural produce. However, with emerging rail projects such as the Mount Isa to Tennant Creek railway, the utilisation of rail as a mode of transport is expected to increase as regions become better connected.

The agriculture industry currently heavily utilises road transport to move produce from farm to exporting hubs due to the customisability in terms of timing, volume and storage conditions of trucks. The northern jurisdictions have key highways connecting export hubs and major centres in Northern Australia such as the Bruce Highway, the Great Northern Highway and Stuart Highway. The region has access to competitive trucking back haul rates if transport to southern export hubs is required, however, there is greater government support in developing regional export hubs closer to agricultural production.

Land tenure

In Northern Australia, the focus on land tenure is increasingly driven by clarifying the rights of economic and cultural development and control of important resources according to CSIRO⁶¹. The majority of land, 75.4 per cent in Northern Australia, is Crown-owned, two-thirds of which is pastoral leasehold. 18.5 per cent is Indigenous land and privately-owned land accounts for 6.1 per cent. Changes to tenure arrangements are underway in the northern jurisdictions, many of which aim to enable more diverse uses within tenures and clarify access and use rights in circumstances where there are multiple entitlement holders. Much of this ongoing work is focused on pastoral lands, planning to underpin the secure allocation of water entitlements and clarifying Indigenous interests in land and water. These improvements are expected to underpin growth in sustainable investment in the region. The land tenure of Northern Australia by jurisdiction is shown in Table 3.

Table 3: Land tenure in Northern Australia⁶²

Land tenure	Western Australia (<i>km²</i>)	Northern Territory (<i>km²</i>)	Queensland (<i>km²</i>)	Northern Australia (<i>km²</i>)	Per cent of Northern Australia
Other Crown land	349,869	29,507	6,069	385,445	14.0
Defence land	6,218	3,361	3,177	12,757	0.5
Freehold land		5,007	161,833	166,840	6.1
Leasehold	286,693	539,752	551,636	1,378,082	50.0
Aboriginal leasehold	64,316	11,433	17,862	93,611	3.4
Aboriginal freehold	94,775	397,507	17,542	509,825	18.5
Nature conservation reserve	47,251	44,217	22,724	114,193	4.1
Forestry reserve	N/A	N/A	5,045	5,045	0.2
Water reserve	3,945	N/A	N/A	3,945	0.1
No data (non-rangelands)	234	9,770	75,896	85,901	3.1
Total	853,303	1,040,555	861,785	2,755,642	100

Regulatory environment

Australia has a relatively transparent and robust regulatory environment. Foreign investment in Australia is governed by the Foreign Investment Review Board (FIRB). The Australian Government acknowledges the importance of and welcomes foreign investment. The Government reviews foreign investment proposals against national interest on a case-by-case basis and adopts a flexible approach to maximise investment flows⁶³. In the agriculture industry, there is robust regulatory protection with consistent standards in quarantine, food safety and food labelling. This improves the perceptions of Australian goods by international consumers in terms of quality and safety. Australia's welcoming and robust regulatory environment ensures clear communication with potential investors and support throughout the investment process.

Summary

Northern Australia is an attractive location for foreign and domestic agriculture investment due to its unique, inherent competitive advantages as shown in Figure 20.

⁶¹ CSIRO (2013), *Land tenure in northern Australia: Opportunities and challenges for investment*

⁶² *Ibid.*

⁶³ Foreign Investment Review Board (2019), *Australia's Foreign Investment Policy*



Figure 20: Key advantages of Northern Australia

Barriers to investment

Introduction

The purpose of the chapter is to identify the current barriers to investment in Northern Australia. This chapter covers the following barriers:

- Cost of freight and a more expensive supply chain
- Lack of necessary infrastructure
- Adverse weather conditions
- Complex land tenure
- Access to utilities
- Exit strategy for investments
- Lack of a coordinated approach
- Regulatory barriers
- Insufficient data
- Lack of adequate and sufficient skilled labour.

Barriers

Cost of freight and a more expensive supply chain

A key determinant of the competitiveness and sustainability of the agriculture sector is the cost and time required for freight, which is driven by the effectiveness of the supply chain. Currently, logistics is the largest single cost item in the production of many agricultural industries, amounting to as much as 48.5 per cent of farm-gate costs in some instances.⁶⁴ Northern Australia produce generally has to travel greater distances than southern produce. For example, the freight cost for the beef cattle industry, the largest agricultural industry in Northern Australia, is higher in the north as the distance between primary producers and processors and point of export is generally much further. Produce supplying the domestic market follows a similar trend as the majority of Australia's population lives in capital cities located in the south.

Lack of necessary infrastructure

The success of an agricultural investment is heavily dependent on the supporting supply chain. Aside from being a significant cost to consider, often there is a lack of adequate supply chain and transport infrastructure to access international and domestic consumer markets. This is especially important for produce that is bound for export which requires both land and sea and/or air transporting. An overview of key freight routes and export/domestic export facilities is shown in Figure 21.

⁶⁴ Agrifutures (2019). *The impact of freight costs on Australian farms*

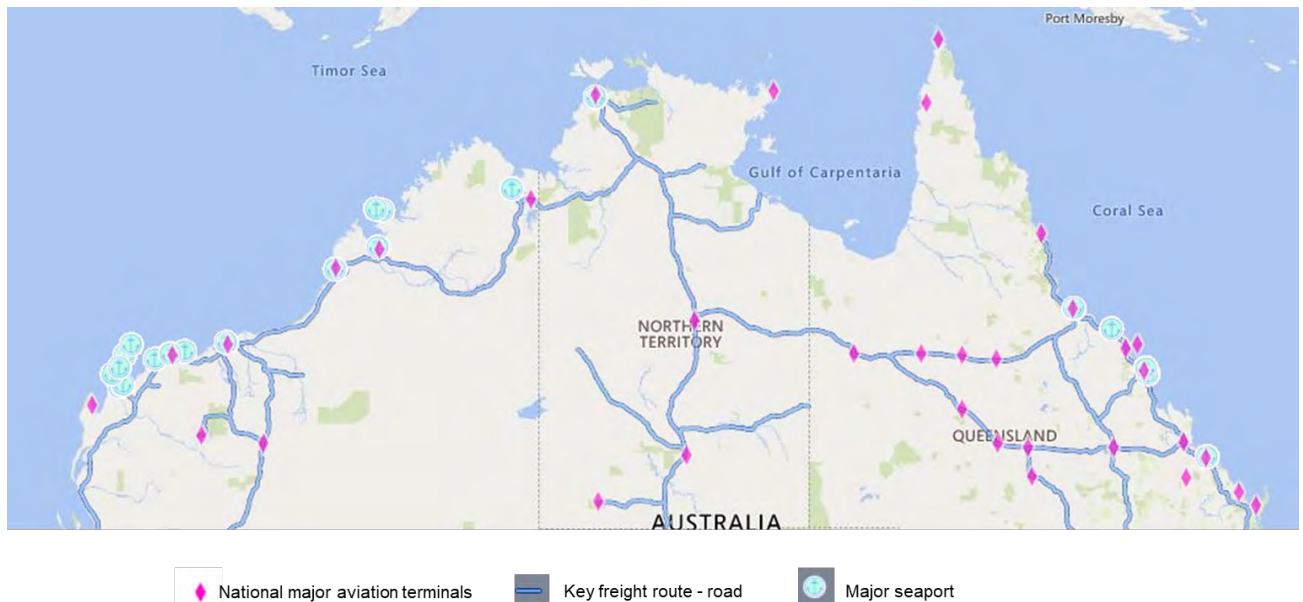


Figure 21: Key logistics routes and facilities⁶⁵

Only a few ports and airports in the north are capable of exporting agricultural produce to key markets such as Hong Kong and Singapore (predominantly located in Cairns and Darwin). The land component of freight, both for international and export markets, is generally road for the agriculture sector due to the mining sector’s dominance on rail use and the greater flexibility provided by the road network. This increases the reliance on and importance of road networks. Key road networks in Northern Australia are highly subject to flooding such as the Bruce Highway, Stuart Highway and the Great Northern Highway which connect Northern Australia to close export facilities and southern domestic markets. Upgrades and greater flood immunity are required to decrease the closure of these key freight routes as well as upgrades and development of export facilities in the north.

Adverse weather conditions

Northern Australia’s highly tropical climate adds an extra layer of risk to investments in the region as climatic events can often be severe and cause lasting damage. The natural disasters that Northern Australia is prone to include:

- Droughts
- Flooding
- Cyclones
- Bushfires.

The occurrence of these natural disasters is generally quite frequent due to the climate of Northern Australia and may cause significant losses to producers affected. Although the natural disaster itself may not last for an extended period of time, the lead up and effect afterwards can render farms and other agricultural operations unable to generate any production and revenue for a period of time or season. These impacts are significant and greatly increase the risk of investing in Northern Australia and the returns required for investors to consider investments profitable.

Investors may also consider the impact of climate change on agricultural production in Northern Australia. Climate change risks for future agricultural development include higher temperatures, increased rainfall variability and an increase in the frequency of natural disasters. Studies show that developments in renewable energy, water infrastructure and advances in research and development for climate resilient species can improve agricultural production in Northern Australia, amidst a period of adapting to climate change⁶⁶.

The Australian Department of Agriculture, Water and the Environment has funded targeted climate adaptation projects through its Climate Change Research Program (CCRP). CCRP researchers have examined practices that can limit Northern Australia climate change impacts on livestock production, including resting pasture during the growing season and using prescribed burning regimes. The Program’s research into relocating crops (tomato, rice, peanuts and cotton) to Northern Australia has found that potential expansion would be dependent upon:

- Finding suitable rotation crops
- Finding and maintaining quality labour and technical staff

⁶⁵ Austrade (2019), *Investor Map*, accessed at Nationalmap.gov.au/investormap

⁶⁶ Supriya, M. et.al (2018). *Exploring agricultural development and climate adaptation in northern Australia under climatic risks*. Rangeland Journal (40)4. Accessed at Charles Darwin University, Research Outputs.

- Securing water and installing infrastructure⁶⁷.

Shifts in production location is considered a transformational change and needs to be supported by the community and producers of Northern Australia and facilitated with water, energy and social capital infrastructure.

Complex land tenure

Northern Australia is subject to various types of land tenure which are governed differently across jurisdictions. Understanding and navigating land tenure processes can be costly and time consuming for investors. Without careful navigation, investors may incur commercial losses and social backlash. Unintentional breaches of land tenure and native land titles may happen if investors are not well informed of the correct pathway. This may or may not occur however, the complexity creates a negative perception to foreign investors that it may be difficult or costly to invest in Australia due to complex land tenure arrangements and processes.

Access to utilities

Enabling utilities for agricultural projects include water, electricity and telecommunications. Rural Northern Australia often lacks adequate access to these utilities and where they do exist, access may be costly. Often, there are not enough users in rural areas to justify the capital cost required to establish utilities infrastructure. The establishment cost then falls onto users or potential users in the region to bear. This may be viable, for example, for electricity or renewable energy generators, if there are other users in the area who are willing to share the cost or purchase electricity from the developer. However, the perceived cost, risk and time of needing to develop required utilities may deter investors from Northern Australia, especially if similar investments can be made in southern jurisdictions or similar countries that have access to developed infrastructure.

Exit strategy for investments

The market for northern Australian agricultural properties and investments is considerably less liquid compared to southern Australian jurisdictions and overseas locations which are generally perceived as lower risk with more developed infrastructure and routes to market. This may also be a result of a lack of investment-ready projects from Northern Australia which further decreases the market liquidity and interest. This may not be as important for active investors who are interested in developing and growing produce and owning the investment longer-term, however, the ability to liquidate investments at a reasonable price is crucial to passive investors. Capital appreciation of assets is highly attractive to passive and institutional investors, especially when valuing investments and making investment decisions. As capital appreciation and forecast sale price of assets and land in Northern Australia is much more varied and unpredictable, this can deter investors and potentially poses a liquidation risk.

Lack of a coordinated approach

Northern Australia has been identified as a key area for further development by Federal, State and local governments, especially after the release of the White Paper on Developing Northern Australia. As a result, numerous government departments, investment bodies and local organisations have been set up or expanded to assist and contribute to the development of the north. Unintentionally, this increased focus may actually complicate the required process for investors as it may not be completely clear who is the best point of contact for specific investment queries. A unified government strategy to attract, support and expedite investment in Northern Australia may overcome these issues and potential investor perceptions.

Regulatory barriers

The governance strength and social responsibility of Australia is relatively high which may both attract and deter investors. Greater governance strength ensures lower risk in investments, however, it generally also attracts a longer and more rigorous process for investment approval. This increases the time and cost of business, and increases the likelihood that the investment is rejected in the final stages of approval. During and after the approval process, the investor must also consider strict environmental, social and other ethical factors as there is considerable backlash from communities if projects do not meet these standards. This may be perceived by potential investors as too difficult or risky to navigate and deter investors.

Insufficient data

Data is vital in making investment decisions, especially for major institutional bodies such as super funds, managed funds and asset management companies. The data drives important decisions such as the internal rate of return, expected cash flows and risk associated with the project. Northern Australia lacks complete and detailed data about key investment considerations such as soil quality and water availability (aside from research in a few regions). There is also a gap in comprehensive cropping information that investors can easily access, further increasing the risk of investing in the region and the return required to justify the investment. This necessitates new investors to undertake trials prior to investment which may be a deterrent.

⁶⁷ Department of Agriculture, Water and the Environment (2019). *Adapting to a changing climate*. Accessed at: <https://www.agriculture.gov.au/ag-farm-food/climatechange/australias-farming-future/adapting-to-a-changing-climate>

Lack of adequate skilled labour

Northern Australia has a low population density compared to southern jurisdictions, with only 0.2 people per square km in the NT, 0.1 people in Western Australian Outback (north) and 3.7 people in northern Queensland⁶⁸. The population density of other jurisdictions include:

- Australian Capital Territory – 171 people per square km
- Victoria – 27 people per square km
- New South Wales – 9.7 people per square km
- Tasmania – 7.6 people per square km⁶⁹.

The Statistical Areas Level 2 (SA2) with less than 1 person per square metre are most prominent in Queensland (46 SA2s) and Western Australia (41 SA2s). The jurisdiction with the highest proportion of SA2s with less than 1 person per square km is Northern Territory, at 26 per cent. The Northern Territory also has the lowest population of all the Australian jurisdictions with a population of approximately 229,000⁷⁰.

While unskilled labour is accessible, it may be difficult for businesses and organisations to recruit skilled labour in regional areas, relative to areas in southern Australia, where the population density and pool of skilled labour is higher. To overcome this mismatch, businesses may employ FIFO staff, instate attractive retention policies, or compensate employees to move to Northern Australia, all of which add significant time and cost to development.

Lack of coordinated land use and resource allocation planning

Strategic framing surrounding land use and resource allocation in areas is key to providing confidence to potential investors as well as developing the necessary infrastructure, services and accommodating regulations. This would also ensure that there is a common goal between government agencies, fostering collaboration and efficiencies. There is currently a lack of this strategic framing and coordinated planning in Northern Australia to develop specific areas of the region. As a result, there is fractured coordination between government agencies, unclear messages about development potential and support from government and lack of vision for specific areas. Other parts of Australia, such as the Murray Darling Basin and Tinaroo have undertaken this approach and garnered relative success.

Summary

This chapter demonstrates that despite there being strong competitive advantages inherent to Northern Australia, there are many barriers that are impeding or inhibiting investment. Many of the barriers are especially important for Northern Australia as the region requires greater development in areas such as infrastructure and supply chain. These barriers must be examined and addressed to increase investment attraction.

⁶⁸ Average population density of Cairns, Townsville, Outback Queensland, Central Queensland and Mackay-Isaac-Whitsunday regions from ABS 3218.0 – Regional Population Growth, Australia, 2016.

⁶⁹ ABS 3218.0 – Regional Population Growth, Australia, 2016

⁷⁰ ABS – 2016 Census QuickStats

Investor requirements

Introduction

The purpose of this chapter is to identify the information requirements that interested or potential investors would need or want to inform their decision to invest in Northern Australia. This chapter covers the following:

- Information required by investors
- Information available to investors
- Additional information requirements.

Investor requirements

Investors require various types of information to make an informed investment decision. The type of investor has an impact on the importance of each type of information (which is further detailed in the Investor Identification section) however, the information required is generally similar across most agricultural investors. Information requirements are based on the current barriers to investment, consultations with key stakeholders and general investment requirements. Some of the key information requirements are shown in Figure 22.

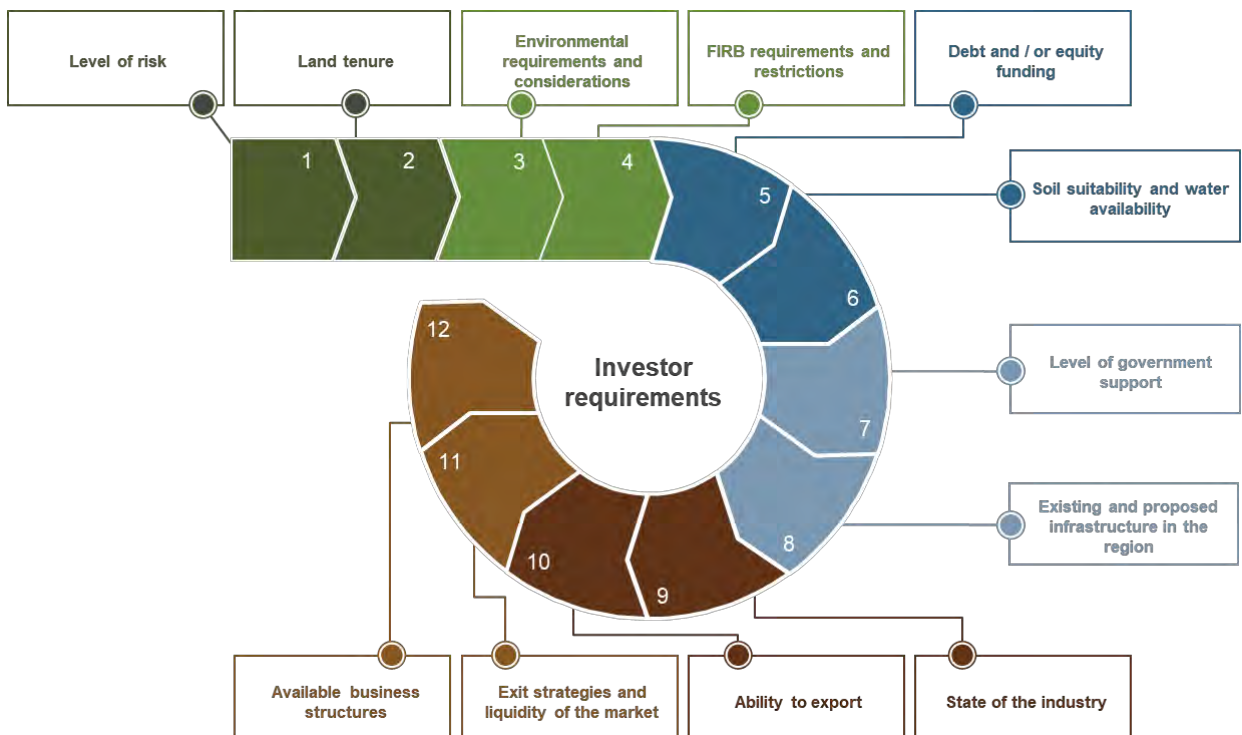


Figure 22: Investor information requirements

Information available to investors

Part of the information required by investors is available or mostly accessible to assist with investment decisions. The information that is generally currently available is shown in Figure 23.

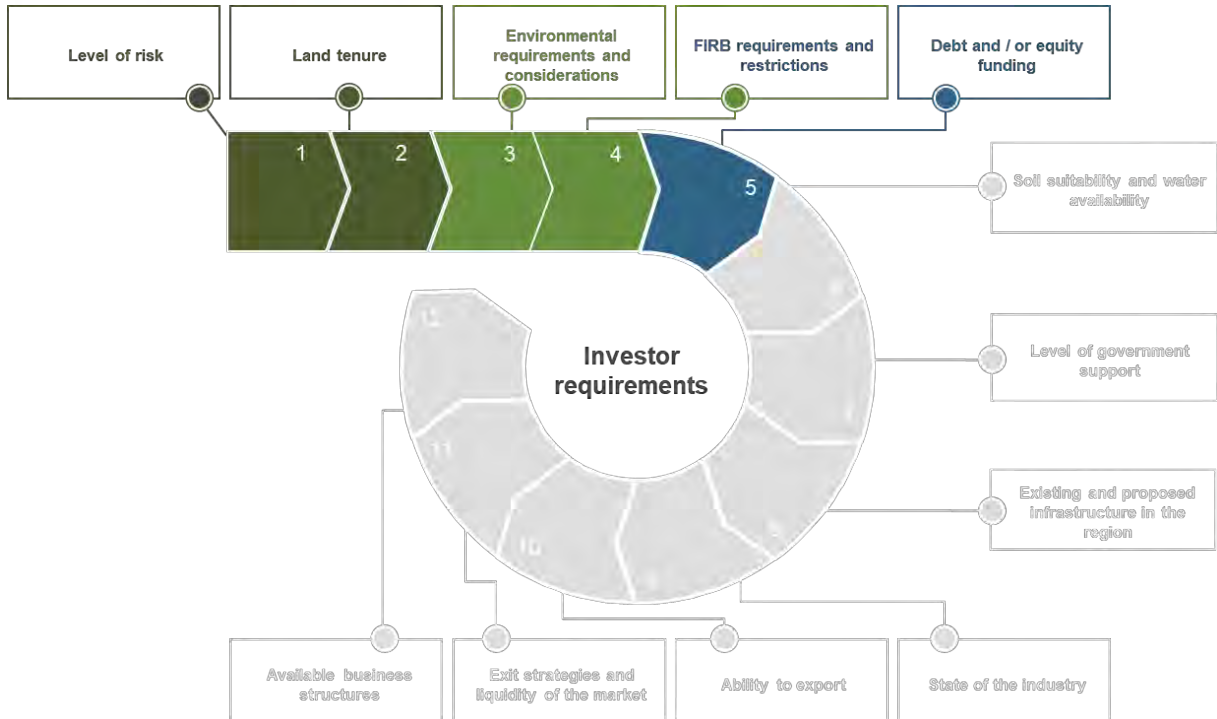


Figure 23: Information available to investors

Level of risk

The level of risk of investing in Northern Australia will drive the willingness to invest and the value of the agricultural proposal. Risk is dependent on various factors, including:

- Soil and water
- Land tenure
- State of the industry
- Ability to export
- Exit strategies and liquidity of the market
- Sovereign risk
- Variability of the climate
- Development costs
- Track record or demonstrated ability for the region to support new agricultural operations, such as broadacre cropping.

Some of the information required is readily available to investors, however, the information that is lacking may require extensive analysis by individual companies or investors that is not generally made public. Otherwise, assumptions may be required for uncertain risks and to develop a robust valuation of the investment.

Land tenure

Information surrounding the various types of land tenure in Northern Australia and explanation of each can be found through government bodies such as Austrade. Austrade has also developed an interactive Investor Map⁷¹ that allows users to overlay different types of datasets over the map of Australia to assist with investment decisions. This is especially useful for land tenure considerations as it includes data on:

- Native title
- Indigenous land use agreements
- Freehold
- Crown land

⁷¹ Austrade (2019), *Investor Map*, accessed at <https://www.nationalmap.gov.au/investormap>

- Pastoral lease
- Other types of land tenure.

It also shows areas which may have more than one type of land tenure to ensure investors have a complete understanding of processes required to correctly acquire and operate on the land.

Notwithstanding, there is no single repository of tenure information across Northern Australia.

Environmental requirements and considerations

Australia has a high level of social responsibility and environmental legislation which may be different to an international investors' home country. Adequate information and assistance with navigating the legislation is necessary to ensure breaches of environmental legislation and zoning are avoided. The northern jurisdictions generally state the legislation that governs specific actions impacting the environment and it is easily accessible online. For example, Queensland has strict land clearing requirements and property report, vegetation maps and information assisting with choosing the appropriate land clearing option are available online⁷².

FIRB requirements and restrictions

FIRB advises the Federal Treasurer and the Australian Government on Australia's Foreign Investment Policy and its administration. FIRB's website provides comprehensive definitions of the types of investment that are governed so that it is clear for international investors which framework applies to their investment. For agricultural acquisitions and investments there are different frameworks depending on whether it is related to agribusiness or agricultural land. FIRB also provides very specific thresholds for the value of investment which guide when investments require approval from the Treasurer and government bodies.

The FIRB website provides a FIRB application checklist⁷³ which details what is required in applications from investors after the type of acquisition has been determined. The website also provides a fee calculator⁷⁴ that estimates the fee required to lodge the application or variations required to an application.

Debt and / or equity funding

Investors have an array of debt and equity options available, both domestically and from their home country (for international investors). Investors have access to a wide range of domestic banks including the Commonwealth Bank, ANZ, Westpac and National Australia Bank, all of which have dedicated agribusiness divisions. Investors also have access to regional managers from the banks that can assist with investments and provide debt options to fund investments.

Equity funding in agriculture investments is likely to originate from institutional investors in the form of super funds and asset management funds. There are various domestic and international funds that currently invest in Australian farmland however, it is likely a lengthier process to secure funding and more suitable for brownfield or developed investments.

Additional information requirements

There is a wealth of information available to domestic and international investors, however, there are still significant gaps in information required to attract and support investment in Northern Australia. These gaps should be addressed but may vary in their degree of importance for different types of investors. The identified gaps in information are shown in Figure 24.

⁷² Queensland Government (2019), *Vegetation clearing requirements*, accessed at <https://www.qld.gov.au/environment/land/management/vegetation/clearing>

⁷³ FIRB (2019), *FIRB Application Checklist*

⁷⁴ FIRB (2019), *Fee estimator*, accessed at <https://portal.firb.gov.au/estimator/index>

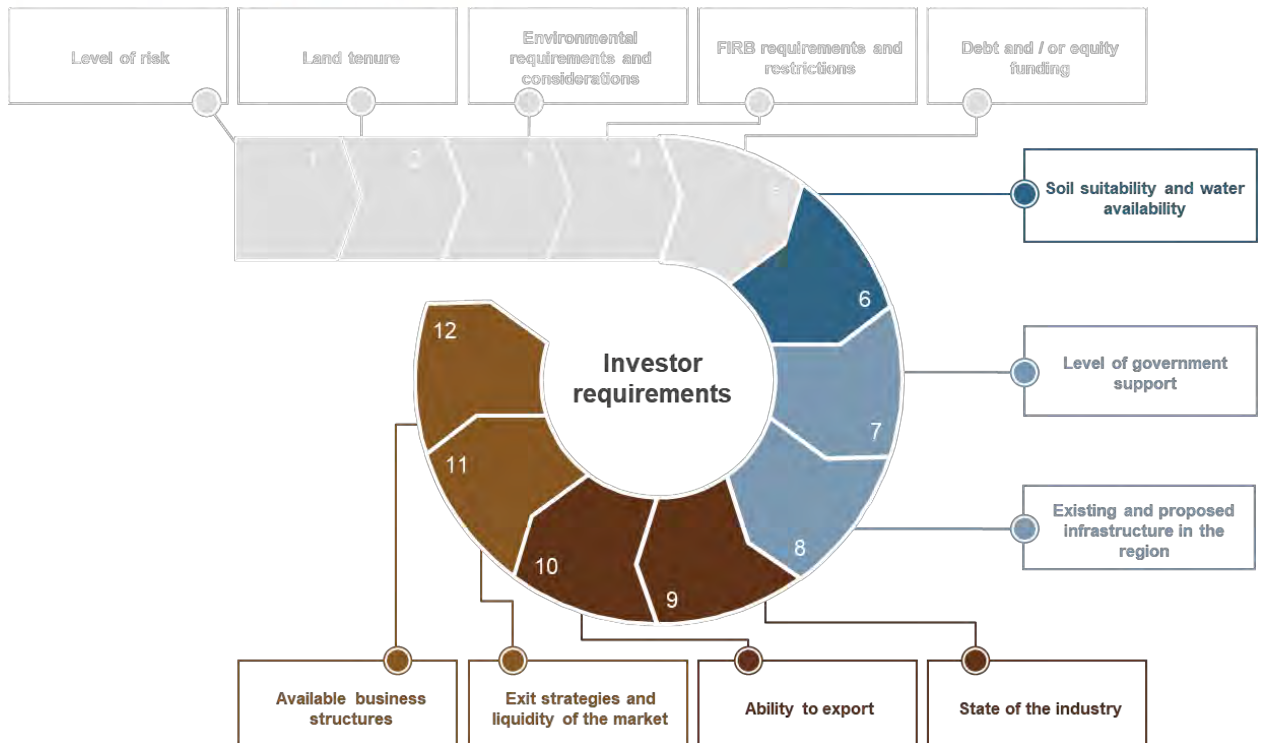


Figure 24: Additional information requirements

Soil and water

For agricultural developments, the type and quality of the soil and availability of water is crucial to the type of produce that is suitable for each parcel of land. The key body conducting research and analysis on the land in Northern Australia is CSIRO. CSIRO has investigated the potential of Northern Australia’s water resources to support increased regional development through the *Northern Australia Water Resource Assessment (NAWRA)*. NAWRA has delivered water resource assessments for three priority regions in Northern Australia for the Australian Government, working with northern jurisdictions, research partners and communities. NAWRA focused on the:

- Fitzroy catchment, Western Australia
- Darwin catchments (Finniss, Adelaide, Mary, Wildman), Northern Territory
- Mitchell catchment, Queensland.

This is in addition to CSIRO information regarding the Flinders and Gilbert catchments, described in the key location considerations chapter. This is considerably less detailed than southern regions where soil and water data is generally more abundant and accessible by potential investors.

The studies for the project included:

- Evaluating the soil and water resources
- Identifying and evaluating water capture and storage options
- Identifying and testing the commercial viability of irrigated agriculture opportunities
- Assessing potential environmental, social and economic impacts and risks of water resource and irrigation development.

CSIRO also provides public access to reports and data sets for each catchment as well as interactive data visualisation tools to complement the full catchment reports for each priority area⁷⁵. However, there is not a consistent level of information regarding soil quality and water availability across Northern Australia, although it is understood that CSIRO is expanding its NAWRA database to include additional regions.

Level of government support

The Australian Government, and governments of the northern jurisdictions, have expressed support for development of and investment in Northern Australia, which is further driven by *Our North, Our Future: White Paper on Developing*

⁷⁵ CSIRO (2019), *Northern Australia Water Resource Assessment*, accessed at <https://www.csiro.au/en/Research/Major-initiatives/Northern-Australia/Current-work/NAWRA>

Northern Australia. However, the type and level of support varies depending on the jurisdiction and potentially even the local government in the jurisdiction.

Due to the high level of support, some market sounding participants have expressed that there are various organisations, government bodies and government departments that all assist and support investment in Northern Australia. This may create an unsatisfactory investor experience as investors may approach the incorrect body for information, or attempt to access insufficient or incomplete information, prolonging the investment process.

A clear guide for investors for each jurisdiction, stating the role and assistance available from each body may be beneficial for improving the investor experience and ensuring the correct information and assistance is provided to interested or potential investors.

Existing and proposed infrastructure in the region

Due to Northern Australia's remoteness in some areas, existing and available infrastructure is an important consideration. Infrastructure investment may be funded by the public or the private sector, depending on its type and users. Based on the market sounding process, stakeholders have expressed that infrastructure is not as developed in the north as it is in southern Australia and often requires significant private investment.

The ability to develop infrastructure in partnership with the government decreases the investor's exposure to risk and decreases the amount of capital required. Government investment in market-led infrastructure proposals must consider factors such as:

- Users of the infrastructure
- The ability of the infrastructure to create precincts and drive further economic growth
- Other partnerships available, or possible, to develop the required infrastructure.

Investors will need to undertake a detailed analysis of the available infrastructure in and surrounding the land of interest and the potential of government funding support in developing required infrastructure for operations. Negotiations between the investor and government bodies may be required to develop a solution and funding plan that benefits the investor and the community. Government funding is not definitive and is generally evaluated on a case-by-case basis, creating uncertainty for investors.

State of the industry

The state of the industry is crucial as it determines the ability to collaborate with other investors or producers in the same industry, potential partnerships available and industry body support. Investors generally do not have visibility over the state of the industry before investment which increases the risk of a fractured industry. By providing a better overview and assurance of the industry relationships and capabilities, a strong industry can increase the attractiveness of investments. Information that would be useful to investors that could be provided by industry bodies includes:

- Investment-grade business cases
- Case studies of previous collaborations between industry participants
- Planned support and collaboration from the industry body
- Support available from the industry body.

Ability to export

Route to market

A large portion of domestic and international investors are interested in investing in Northern Australia due to its proximity to Asian markets, allowing for greater integration into supply chains in Asia. The ability to export produce is crucial in the decision-making process, and without an affordable route to export markets, a key advantage of investing in Northern Australia is no longer applicable.

The information and certainty surrounding logistics and the supply chain required for international export is more difficult to attain. As it is generally more customised, investors are required to conduct significant analysis in areas such as:

- Availability of freight options and capacity in the supply chain (air, road, sea and rail)
- Existing infrastructure required for export (such as roads, export centres/hubs and airports)
- The efficiency and cost of the current freight supply chain to move goods to export markets
- Capacity of other producers for potential consolidation of exports.

An understanding and overview of the existing supply chain would indicate the current capability of the region to support exports, which is crucial to investors interested in exporting produce. This could be a joint analysis conducted

by an investment support organisation or government body and the investor so the cost of this analysis would be shared, and investors would have a greater certainty about the export capability of the region.

Protocols

Protocols for international market access can be found online through studies and sources such as Tradestart, Austrade, the Department of Foreign Affairs and Trade (DFAT), State and Territory Trade and Investment Attraction agencies and CRCNA. Austrade also provides detailed steps required to export to international markets and personalised assistance. Protocol requirements can make exporting certain produce to certain jurisdictions extremely difficult. For example, many importing jurisdictions require mangoes to be treated (via Vapour Heat Treatment, or irradiation) prior to accepting Australian mangoes. Lack of access to treatment facilities can hinder investment opportunities as the export potential is more limited.

Exporters of Australian agricultural produce regularly advocate for access to new markets through the reduction or removal of protocol requirements by the importing country. The Australian Department of Agriculture and Department of Foreign Affairs and Trade are also active in the process.

Exit strategies and liquidity of the market

Exit strategies have been highlighted in the market sounding process as a key consideration for institutional and commercial investors (relatively less important for active investors) as it impacts the expected return of the investment. The liquidity of the agricultural land market in Northern Australia is lower than southern jurisdictions. This often leads to properties and land being on the market for longer, which decreases the price and creates negative perceptions about the property. Complex land tenure creates further uncertainty surrounding the ability to sell the property or lease at the end of operations, or when investors wish to sell.

Greater certainty and information about exit strategies and options to divest the investment may assist in attracting institutional investors and allow for greater valuations for investments in Northern Australia.

Available business structures

Potential Traditional Owner partnerships

General business structures can be applied to agricultural investments, however, there are more contemporary and unique structures available in Northern Australia, and some more broadly in Australia. Through dedicated Indigenous land councils and organisations, opportunities to partner with, or work alongside the Traditional Owners of the land, are available. For example, a common business structure for the acquisition of agricultural land consists of:

- Investors acquiring a lease for the land for a specified time period
- Royalties paid to Traditional Owners of the land.

However, there are other business structures available that may lower the risk of investments through organisations such as the Indigenous Land and Sea Corporation (ILSC). ILSC proposes a different business structure that consists of:

- Investors acquiring ownership of the operations on the agricultural land
- Traditional Owners gaining equity in the business for their provision of land use
- Traditional Owners receive revenue depending on the profits of the operations and may or may not have a more active role in the operations of the business.

These business structures assist in overcoming or decreasing the level of risk that investors may face when investing in Northern Australia. However, exposure to these business structures is low and may require further refinement to meet the needs of major investors.

Case study – Tassal Group

Tassal Group Limited's (Tassal Group) recent investment in north Queensland is an example of successfully attracting investment to Northern Australia. A range of factors have contributed to the success of the investment, especially the level of government support in zoning. An overview of the investment is provided in Figure 25⁷⁶.

⁷⁶ Australian Financial Review (2019), *Tassal dips \$130m deep for the raw prawn*

Tassal Group

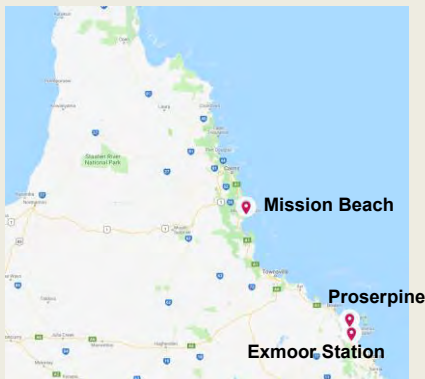
Tassal Group farms, fishes and processes Atlantic salmon and seafood products for both the Australian domestic and export markets. The Tasmanian-based company owns the following brands: Tassal, Superior Gold, Tasmanian Smokehouse and De Costi Seafoods.

Investment in two prawn farms in North Queensland

In September 2018, De Costi Seafoods purchased the land, assets and inventory of the Fortune Group prawn aquaculture business, including one prawn farm in NSW and two in North Queensland (Proserpine and Mission Beach).

In January 2019, Tassal Group started Proserpine Prawn Farm rehabilitation and development. The Group purchased the site in 2018 and invested more than \$30 million in rehabilitating and developing the site with local suppliers and contractors.

In August 2019, Tassal Group also purchased the 7,012-hectare North Queensland coastal cattle property Exmoor Station to launch a major aquaculture operation.



Tassal Group's redevelopment work in Proserpine Prawn Farm

Rehabilitation of the farm includes the redevelopment of around 200 ha of land-based pond, processing facility and a hatchery. This new project will deliver up to 1,000 jobs to the Mackay and the Whitsundays region.

Responding to an increasing demand

Tassal Group is expanding its activity in North Queensland to:

- Respond to the increasing domestic and international demand for prawns
- Increase the Australian market share in the domestic prawn market – only 10 per cent of the 60,000-tonne annual prawn market in Australia is supplied by Australian aquaculture
- Gain access to a larger market
- Gain geographic and products diversification
- Reinforce its role in the sustainable aquaculture industry.

The Queensland Government is supporting Tassal Group's investments

Tassal Group's development in Exmoor Station is located in one of six aquaculture development areas (ADAs) that the Queensland government identified to promote and grow a sustainable aquaculture industry in Queensland.

Tassal has attributed the success in executing their investment (partly) to the assignment of a Case Officer from the Queensland Department of Agriculture and Fisheries (DAF) who assisted them through the entire process⁷⁷.

Figure 25: Case study - Tassal Group

⁷⁷ Tassal Group (2018), *Annual Report 2018*

Summary

This chapter demonstrates that while there is information available to inform investment decisions, there are reasonably significant gaps to the information required to make a fully informed investment decision in many instances. These gaps are likely to impact investor interest negatively as well as delay the finalisation of investment decisions. There are also some key barriers to entry to investment in Northern Australia that the Commonwealth and State and Territory Governments can potentially work together to help overcome. Case studies such as Tassal confirm the prospectivity and potential of agricultural developments in Northern Australia, and demonstrate that with adequate information and support, investors can transact and progress new investments successfully.

Strategic Rationale

Introduction

The purpose of the Strategic Rationale chapter is to outline the strategic justification for developing the Northern Australia Agriculture Investor Identification Project. This chapter covers the following:

- The Opportunity
- Investment Logic Map
- Key Stakeholders.

This chapter captures the key findings relating to the opportunities and challenges outline in the previous chapters.

The Opportunity

A key component of the CRCNA's remit is to drive research into the agricultural development of Northern Australia and realise the vision articulated in the Australian Government's *Our North, Our Future: White Paper on Developing Northern Australia*. A core activity of the CRCNA is to invest and support industry-led research collaborations seeking to de-risk agricultural development across Northern Australia. The CRCNA has implemented an agricultural development framework to guide various arms of research under its remit.

The purpose of this project is to identify and characterise the range of potential investors who may be interested in establishing agricultural businesses in Northern Australia. The project aims to provide an investor-centric approach to investment identification as this structure will provide greatest benefit to relevant stakeholders. This project contributes to a suite of projects commissioned by the CRCNA that aim to de-risk the agricultural investment process in Northern Australia. The outcomes from this project include:

- Providing an analysis of the Northern Australia opportunity and the competitive advantages of the region
- Identifying barriers to investment in the North and potential mechanisms to overcome them
- Identifying and characterising investors who may be interested in investing in Northern Australia based on research, stakeholder consultation and determined criteria
- Developing an investor typology for more focused targeting
- Identifying the information gaps experienced by interested investors.

The outcome of this project aims to assist Austrade, state and territory investment attraction and economic development agencies, industries and other relevant stakeholders to better target and attract foreign and domestic agriculture investors to Northern Australia.

Investment Logic Map

Purpose

An Investment Logic Map (ILM) is a one-page strategic document which outlines the key reasons for progressing a project. ILMs support the development of the strongest case for an individual project. They articulate the core focus of a project and can be modified to reflect changes to the logic of a project throughout its lifecycle. An ILM identifies the major problems or opportunities that the project will address, the desired benefits that the project will deliver, and the strategic initiatives that will best respond to the problems and opportunities identified.

Investment Logic Map

The ILM for this study, shown in Figure 26, consolidates an agreed position on problem and opportunity identification, project drivers and service needs, benefits, and strategic responses that need to be implemented to meet the CRCNA's remit and broader agricultural development framework.

CRCNA – Investor Identification - Investment Logic Map		
Problem/Opportunity	Benefit	Strategic Response
Opportunity: Northern Australia has an abundance of natural resources that are not currently being leveraged to enhance agricultural production of Australia	Increased agricultural production	Identify the prospective agricultural opportunities in Northern Australia
	Increased jobs	Identify investors and match to opportunities
Problem: Lack of enabling infrastructure is inhibiting agricultural growth and development in Northern Australia	Increased opportunities for Indigenous Australians	Prioritise potential projects to stimulate the agricultural sector
	Increased foreign direct investment (FDI)	Understand the emerging trends in agricultural investments in Australia and globally
Problem: Lack of understanding of the feasibility of accessing natural resources in Northern Australia to support agricultural investment is constraining investment opportunities	Enhancing Australia's reputation as a global agricultural supplier	Define the competitive advantage of agricultural investment in Northern Australia
	Increased regional economic resilience	Continuous improvement and adaption in Australia's strategic approach to investment attraction
Problem: Lack of a consolidated and agreed vision from Federal and State Government for the future of Northern Australia agriculture is inhibiting investment opportunities	Diversification of Northern Australia agriculture sector	
	More efficient and effective international investment attraction	
Problem: Lack of knowledge of prospective investors' characteristics and where to focus investment attraction efforts		

Figure 26: Investment Logic Map

Problems and Opportunities

Opportunity 1 – Northern Australia has an abundance of natural resources that are not currently utilised to expand agricultural production of Australia.

Northern Australia covers more than 40 per cent of Australia's land mass and contains up to:

- 17 million ha of arable soil
- approximately 60 per cent of the water that falls (rainfall) in Australia⁷⁸
- 90 per cent of Australia's gas reserves⁷⁹.

Northern Australia has the key resource inputs required for a thriving agriculture industry, however, owing to a number of infrastructure, information and coordination constraints, it is underutilised and potential exists for the region to increase its agricultural production. The region also contains unique ecological zones, a vast coastline and a rich marine environment which further complement its natural advantages.

Two million GL of water arrives in Northern Australia annually, 15,000 GL of which could be made available for the irrigation of 1.5 million ha of developable land⁸⁰. The region's agriculture industry would benefit from improved water infrastructure to access, capture and store water. Improved knowledge of water flows, reforms to water markets and new infrastructure could see the current irrigated area of Northern Australia grow by up to five times – equivalent to a 20 per cent boost to Australia's total land under irrigation⁸¹.

Northern Australia contains up to 17 million ha of arable soil that may be suitable for agriculture. An investigation conducted by CSIRO in two Northern Australia catchments (Flinders and Gilbert) found that less than 0.02 per cent of the two catchments were occupied by dryland and irrigated cropping.⁸² It also identified that each catchment had the potential to develop an additional 20,000 ha of irrigated agriculture which would increase the total irrigated area of Northern Australia by 30 per cent.

The availability of water and land underpin the competitive advantages of Northern Australia and fortify the region as an attractive agricultural investment location. The spare capacity that currently exists provides opportunities for increased investment and in turn, increased agricultural production and diversification of Northern Australia's agriculture sector through cropping and increased jobs.

Problem 1 – Lack of enabling infrastructure is inhibiting agricultural growth and development in Northern Australia.

The global and national agricultural industry has seen significant growth over the last few decades. This growth has been in response to growing populations, globalisation, cross pollination of diverse foods and technological advances. Lack of enabling infrastructure is inhibiting further agricultural growth in Northern Australia.

Food demand

Northern Australia's competitive advantages position it as an attractive investment destination however, it is lacking the infrastructure required to realise its agricultural potential. Food demand and security are increasingly critical global issues as populations grow and evolve. For example, the rising middle class in Asia, with increasing incomes, are increasing their demand for food diversity and higher protein diets, including seafood and meat. Meat consumption in developing countries such as Indonesia and China has grown by 89 per cent and 54 per cent respectively over the 20 years to 2018⁸³.

In response to this increased demand, Northern Australia has potential to capitalise on its reputation as a low-risk supplier of agricultural produce and high-value food and fibre products. Key Northern Australia industries, including beef and seafood, have capacity to increase production and supplement the global supply chain. Despite this opportunity, the region's potential is not currently being met due to a lack of capital and enabling infrastructure that is required across the supply chain in Northern Australia.

Livestock production growth

The largest agricultural industry in Northern Australia is the pastoral industry and there is capacity for the sector to diversify into other types of produce. For example, Beetaloo Station in the Northern Territory has invested approximately \$40 million in stock water infrastructure across more than one million ha of land with the assistance of external capital. This raised the carrying capacity of the property from 20,000 head of cattle in 2002 to 80,000 in 2014. There is also interest in new investment in beef processing, with seven new abattoirs proposed for northern

⁷⁸ Whilst this represents the scale of the opportunity, much of the water that falls is not effectively utilised due to limited water storage infrastructure and likelihood for the rain to occur over a small number of significant weather events.

⁷⁹ Austrade (2015), *Northern Australia: Emerging opportunities in an advanced economy*

⁸⁰ CSIRO (2013), *The Flinders and Gilbert Agricultural Resource Assessment*

⁸¹ Commonwealth of Australia (2015), *Our North, Our Future: White Paper on Developing Northern Australia*

⁸² CSIRO (2013), *Soil mapping and land suitability in northern Australia*

⁸³ ABARES (2019), *Meat consumption*, accessed on 24 July 2019 at <http://www.agriculture.gov.au/abares/research-topics/agricultural-commodities/mar-2019/meat-consumption>

Queensland⁸⁴ as well as the re-opening of the Batchelor abattoir Darwin⁸⁵. Investment is required to increase the production of beef and grow Northern Australia's global market share by taking on a greater role in the beef processing industry. The Northern Australian beef sector situational analysis study and Northern Queensland agricultural market and supply chain study have analysed the potential to increase production, with a focus on improving the beef sector's supply chain. The report concluded that there are three key challenges facing the Northern Australia beef industry. These are⁸⁶:

- There is a need to improve the translation of proven R&D to farm practice for the majority of the Northern Australia beef industry
- There is an ongoing need for R&D for profitability and productivity gains for the top businesses
- There is a need to support the Northern Australia beef industry to transform from its current state to a higher productivity state and ensure future viability.

Seafood production and consumption growth

Global per person seafood consumption has increased to an estimated 20.5 kilograms (kg) per year in 2017 from 9kg in 1961, and global fisheries production has increased to meet this growing demand⁸⁷. Most of the growth in the industry has come from increased aquaculture production rather than wild-caught fisheries, which confirms the need for enabling infrastructure to drive the growth of the agricultural ecosystem. In Australia, the northern jurisdictions represent 33 per cent of total fishery and aquaculture production. There is an opportunity for Northern Australia to increase its national fishery and aquaculture footprint, with new and existing investments being developed throughout the region, such as Project Sea Dragon and investments by Tassal. Capacity remains for growth in both new and existing marine species and production methods. For example, Ornatas has disclosed its interest in pursuing a rock lobster farm in North Queensland for the purpose of supplying Asian markets⁸⁸. The CRCNA, partnered with researchers and aquaculture experts from James Cook University and other organisations, is currently undertaking a situational analysis on the aquaculture sector in Northern Australia.

The CRCNA, partnered with researchers and aquaculture experts from James Cook University and other organisations, developed an Aquaculture Industry Situational Analysis in January 2020 to identify key challenges and opportunities facing north Australian aquaculture sector, to explore potential solutions and identify the most strategic research projects for further investment⁸⁹. The Situational Analysis provided an overview of some challenges faced by the sector:

- The Northern Australia aquaculture industry is diverse, fragmented and dispersed and is dominated by small and medium-sized enterprises and family business producers.
- There is a lack of development areas and designated areas that are suitable for aquaculture production.
- The industry is subject to strict regulatory and legislative obligations and high environmental criteria on aquaculture development and operations as it differs from traditional cropping horticulture and grazing sectors in terms of water discharge to the environment.
- There is a lack of coordinated policy development with deliberate action to address planning and implementation of aquaculture projects with other infrastructure and population planning.

The result of the study can be used to help identify the barriers to investment and actions for future investment opportunities in Northern Australia aquaculture.

Lack of enabling water infrastructure

Agriculture production infrastructure and investment is crucial to build the agricultural capabilities of Northern Australia and additional enabling infrastructure will be required for the region's future success. Key infrastructure for a successful agriculture industry includes water, transport, processing and export capabilities.

Infrastructure to enable collection and distribution of water is essential to increase efficiency and productivity of the agriculture industry in Northern Australia.

⁸⁴ Nason, J (2019). *Australia's new abattoirs: Where are they up to?* Sheep Central. Accessed at <https://www.sheepcentral.com/australias-proposed-new-abattoirs-where-are-they-all-up-to/>

⁸⁵ Austrade (2015), *Northern Australia: Emerging opportunities in an advanced economy*

⁸⁶ CSIRO (2019). Northern Australian Beef Industry Situational Analysis. Accessed at https://crcna.com.au/sites/default/files/2019-11/NA%20Beef%20Situation%20Analysis_TrogAg_Chilcott_0.pdf

⁸⁷ ABARES (2018). *Australian fisheries and aquaculture statistics 2017*

⁸⁸ Ornatas (2019). *Innovate to grow*

⁸⁹ CRCNA (2020). *Northern Australia Aquaculture Industry Situational Analysis. Key findings and recommendations*

Infrastructure that improves the production efficiency of a herd, such as increasing the number of watering points and improvements to fencing and laneways, is required. This relationship between investment in water infrastructure and optimising the herd has been observed at Beetaloo Station⁹⁰.

Beetaloo Station

The climate in the Beetaloo Station's region is monsoonal. There is significant rainfall during wet seasons, however, there is a substantial water deficit in the dry season due to the hot climate and low rainfall. When the station was purchased, less than 10 per cent of the land area was effectively irrigated. Large areas had never been grazed due to lack of water. The owner's observations suggested that the realistic maximum effective grazing distance from water is less than two km. Cattle go further from water to graze when pastures near the bore are depleted, but it was believed that the constant travel between the two areas would eliminate any benefit, with cattle working off any weight gain with the increased activity.

The solution was providing many additional water points to encourage the cattle to graze areas previously not accessed. By increasing the available watering points and controlling the cattle with associated fencing systems, pasture availability has increased dramatically. Stock density can be increased to force cattle to graze a much higher proportion of the pasture than they would if left to roam much larger areas. Full implementation of the plan saw an expansion from the carrying rate of 20,000 head of cattle originally to potentially 100,000 head of cattle. The station had a carrying rate of 80,000 head of cattle in 2014.

Additionally, infrastructure is required for harvesting and storing water in large volumes. This allows for the establishment of new forage and broadacre crops or for large herds. Although the majority of Australia's rain falls over Northern Queensland, there is less existing water storage infrastructure in the region compared with the rest of Australia⁹¹. Investment in water infrastructure is necessary to drive expanded production and improve resilience for the region against droughts and dry seasons.

Lack of enabling transport infrastructure

Improvements of transport conditions ensures the consistency and efficiency of moving produce from farm to export hub or domestic consumer markets. The Department of Infrastructure, Transport, Cities and Regional Development (DITCRD) has committed \$600 million to the Northern Australia Roads Program. The program is aimed at delivering upgrades to high priority roads in Northern Australia which are essential to the movement of people and freight to support the region's economic development⁹².

The availability of export infrastructure, including roads, rail, sea and airports, will be a determining factor in the attractiveness of Northern Australia, as a significant portion of investments may be aimed purely at exporting. The development of export infrastructure is a shared responsibility between investors and government. In line with the *White Paper on Developing Northern Australia*, the Darwin Port will take a leading role in supporting agricultural, aquaculture and horticulture opportunities across the North. This has been included in Darwin Port's Development Strategy to expand its agriculture utilisation given its strategic location in proximity to the Asia market⁹³.

By building the exportability of the region, the profitability of the region is expected to increase due to reduced times to consumer markets, and, as a result, higher quality exports.

Problem 2 - Lack of understanding of the regulatory and policy environment governing access to natural resources in Northern Australia to support agricultural investment is constraining investment opportunities.

Foreign investment policy

The governance, timeliness and cost of an investment process is crucial for investors in determining where to allocate their capital. Foreign entities interested in investing in Australia are regulated by the FIRB. The Federal Department of Treasury provides two Guidance Notes that are relevant to agricultural investment:

- Agricultural land investments: FIRB approval for non-foreign government investors is generally required where the cumulative value of a foreign person's agricultural land holdings exceed \$15 million, with exemptions applying to investors from Chile, New Zealand, Thailand and the USA (USA). All acquisitions of agricultural land by foreign government investors require approval, i.e. a \$0 (nil) threshold applies for foreign government investors. Approval will generally not be granted if the acquisition of freehold interests in agricultural land was not offered for sale through an open and transparent sale process. However, this only applies to agricultural land that is intended to be used for primary production or residential development.
- Agribusiness investment: proposed direct interests in agribusiness generally require approval where the value of the investment is more than \$58 million, with exemptions applying to investors from Chile, New

⁹⁰ Soils For Life (2012), *Case Studies – Beetaloo Station*, accessed at <https://www.soilsforlife.org.au/case-studies/beetaloo-station>

⁹¹ Austrade (2015), *Northern Australia: Emerging opportunities in an advanced economy*

⁹² Department of Infrastructure, Transport, Cities and Regional Development (2018), *Northern Australia Roads Program*

⁹³ Department of Infrastructure, Transport, Regional Development and Communications (2017). *Strategic Options for Mount Isa to Tennant Creek Rail*

Zealand, Thailand and the USA. All agribusiness investments by foreign government investors require approval.

Despite these guidance notes, the information provided in the guidance notes is not binding, as the Australian Government reviews foreign investment proposals against national interest on a case-by-case basis. The Treasurer is the final decision-maker as to whether an acquisition or investment is approved. However, it is noted that the number of applications that are not approved each year is minimal.

Although the FIRB process may deter potential investors, FIRB’s approval rate is high. In 2017-18, FIRB received 11,855 applications, of which 94 per cent were approved and 53 per cent were approved without conditions⁹⁴. In the agriculture industry, 201 approvals were granted valued at \$7.9 billion, an increase of \$900 million from the previous year, despite a \$34.6 billion decrease in overall approval value.

Complexity of land ownership

Agricultural investment in Northern Australia faces complexities with land ownership including ensuring native title is clarified and understood. Land and water are of particular importance to Indigenous Australians. Northern Australia has more native title determinations and much greater areas of land allocated to Indigenous land rights than southern Australia. Native title determinations are a key part of the agricultural investment process. However, multiple interests often co-exist in one area of land as shown in Figure 27. For example, a cattle station may be on Crown land and be subject to both a pastoral lease and native title rights.

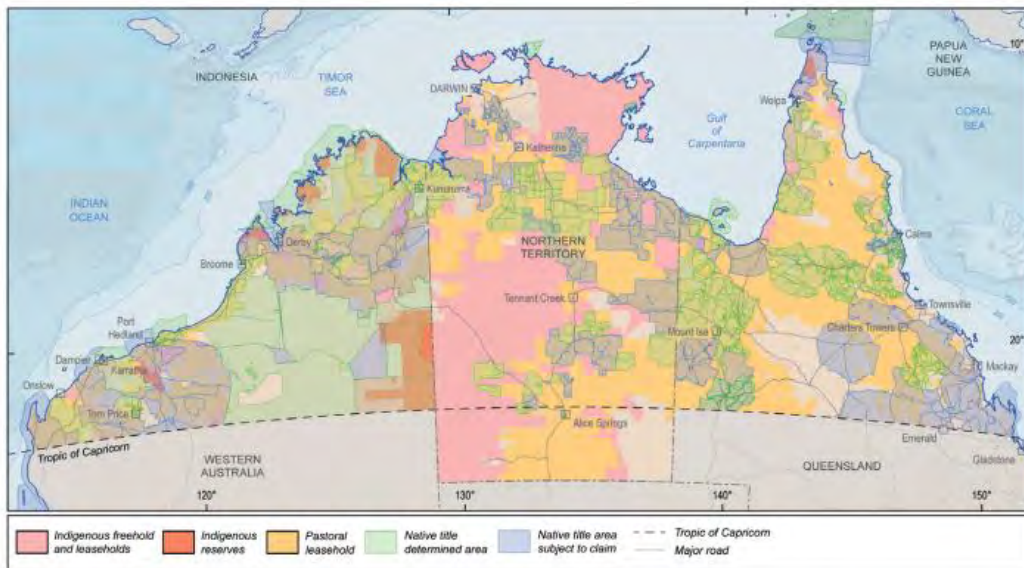


Figure 27: Land titles in Northern Australia⁹⁵

While domestic investors will be familiar with the process, lack of adequate international investor understanding of Australia’s complex land arrangements may be a causal factor slowing agricultural development in Northern Australia. Each jurisdiction has separate arrangements and legislation for Indigenous freehold and trust arrangements and pastoral leases. Reform to land tenure and improved land survey is necessary and could open up a quarter of Northern Australia’s land area, equivalent to half the size of New South Wales, for new development opportunities⁹⁶. Land in Northern Australia has the potential to support greater and more diverse economic activity. However, some rules governing land use in the region can adversely affect economic development and discourage investment. Native title and Indigenous land rights are also fundamental to recognising Indigenous peoples’ rights and interests and they can provide an opportunity for growth through partnerships with Indigenous communities. Indigenous groups, businesses and communities generally recognise the need for change.

The need to simplify land arrangements to increase the competitiveness of Northern Australia as an investment location is supported by various stakeholders including government bodies, industry and the Indigenous community. The Australian Government’s *Our North, Our Future: White Paper on Developing Northern Australia* (White Paper) states that the Australian Government will undertake a range of projects in partnership with industry and Indigenous Australians to simplify land arrangements. Simpler land arrangements will make the region more competitive as an investment location and home ownership for Indigenous Australians on Indigenous land more realistic.

Improvements to the investment and land tenure processes are required to enhance investor’s understanding and confidence in the potential of Northern Australia. The upward trend in FIRB approvals for agricultural investment⁹⁷

⁹⁴ Foreign Investment Review Board (2019), *Foreign Investment Review Board Annual Report 2017-18*

⁹⁵ Geoscience Australia (2015), *Land tenure in northern Australia*

⁹⁶ Commonwealth of Australia (2015), *Our North, Our Future: White Paper on Developing Northern Australia*

⁹⁷ Commonwealth of Australia, the Treasury (2019). *Foreign Investment Review Board Annual Report 2017-18*. Accessed at <https://firb.gov.au/sites/firb.gov.au/files/2019/02/FIRB-2017-18-Annual-Report-final.pdf>

shows increasing foreign interest in the industry. To better capture the potential for foreign investment in the agriculture industry, support, in both the simplification of legislation, and the promotion of regulatory certainty and cost of doing business to potential investors, is crucial.

Problem 3 - Lack of a consolidated and agreed vision from Government for the future of Northern Australia agriculture is inhibiting investment opportunities.

Northern Australia comprises of 74 local governments, three state and territory governments and the Australian Government. State and Territory governments generally have a relatively active role in the investment process in partnership with local councils, businesses and communities. The Australian Government's responsibility is more focused on cooperating when issues or initiatives cross territorial boundaries and coordinating their activities. Despite relatively clear responsibilities between different levels of government, each has their own respective plan or initiative for developing Northern Australia. These include:

- *Our North, Our Future: White Paper on Developing Northern Australia* (Commonwealth)
- *Advancing North Queensland* (Queensland)
- *Developing the North* (Northern Territory)
- *State Planning Strategy 2050* (Western Australia).

Local governments also develop investment attraction strategies and agencies as part of their economic development agendas (e.g. Advance Cairns and Mount Isa to Townsville Economic Development Zone). This can create additional sources of information for investors which may impact a consolidated vision on a Northern Australia level.

Northern Australia is a region of focus for various government bodies and organisations. Although the respective strategies generally all aim to further develop the region, there are often different development actions identified in each strategy. This may inhibit or limit the progress of development in the region as it is unclear to the government where to focus its efforts and what the timeline of the consolidated actions may be. Lack of clear focus can limit private investment, provides potentially conflicting support for industry and spreads available funding too thinly for catalytic infrastructure to be developed.

Greater cooperation between the levels of government will be required to consolidate a vision to develop Northern Australia. The CRCNA is assisting with the coordinated development of Northern Australia by conducting research in key sectors across the region and working closely with all levels of government. Cooperation on new programs and policies across the region aimed at sustainable economic development have been in place between all levels of government, and the White Paper led by the Australian Government is generally referenced by other levels of government. However, to reach a consolidated vision, all levels of government must improve their strategic alignment. This includes identifying what agricultural sectors to focus on in the short, medium and long-term and which domestic and global investors will be most interested in Northern Australia's offering. Based on these findings, a consolidated vision can be developed.

A clearly defined and agreed upon plan for Northern Australia that is shared between all levels of government is crucial to realise the potential of the region. It will ensure that the levels of government are efficiently and effectively focusing their resources into their respective responsibilities and consolidated vision. This will also create transparency and clear lines of accountability for businesses, communities and investors regarding Northern Australia's aim and agricultural development targets.

Problem 4 – Lack of knowledge of prospective investors' characteristics and where to focus investment attraction efforts.

The agriculture, forestry and fishing industry only attracted 5 per cent of total foreign investment approvals in 2017-18, valued at \$7.9 billion. The largest investors in the industry were China and Canada, with \$1.6 billion and \$2.6 billion of approval value respectively.

Current investment attraction for Chinese investors has been successful, however, has had mixed results in other target markets. Other countries are investing in sectors that Australia has expertise and capabilities in, such as beef and dairy (refer to Appendix F – Macroeconomic Profiles). These foreign investors are, instead, investing in the USA for beef, New Zealand for dairy and Vietnam for seafood. While there are many reasons that investors may take their capital elsewhere, a lack of focused and relevant investment attraction may be obstructing inbound agricultural investment. This also affects local communities and landowners (both Indigenous and non-Indigenous) as the potential of their land is not optimised and they may lack the capital to develop and expand existing businesses and new operations.

While these national statistics are not specific to Northern Australia, an analysis of current agricultural investing trends of major global economies will form the foundation of future investment attraction strategies and collateral. This will include a combination of improving current successful initiatives and better understanding the needs of economies that are not currently investing in Northern Australia's agriculture industry.

Benefits

The second step of the ILM process is to establish a set of expected benefits that may accrue to stakeholders if steps are taken to address the problems and opportunities identified. These benefits form the basis of documentation that is critical to the project. The potential benefits associated with addressing the problems and opportunities identified include:

- Increased agricultural production
- Increased jobs
- Increased opportunities for Indigenous people
- Increased investment from domestic and foreign sources
- Enhancing Australia's reputation as a global agricultural supplier
- Increased regional economic resilience
- Diversification of the Northern Australia agriculture sector
- Agreed priorities for industry development and investment attraction (domestic and international) between national, state, territory and local government agencies driving the development agenda.

Strategic responses

Strategic responses are possible interventions that will assist in resolving the identified problems or realising the identified opportunities and will support the delivery of some or all of the identified benefits.

This stage of the analysis focuses on potential solutions in response to the problems and opportunities and expected benefits. Table 4 outlines the strategic responses which were identified by stakeholders at the ILM workshop.

Table 4: Strategic responses description

Strategic response	Description
Identify the most prospective agricultural opportunities in Northern Australia	<p>The agriculture industry in Northern Australia currently produces a wide range of commodities and has the potential to branch into new sectors. However, key sectors in the region must be identified and form the focus of the region's marketability to potential investors. The identification will be based on the region's current agricultural strengths and capabilities and potential sectors that would be suitable for Northern Australia, and those that have strong consumer demand in international and domestic markets.</p> <p>Capitalising on Northern Australia's existing natural advantages provides the opportunity for Northern Australia to be globally recognised as a leading region for agricultural investment, thereby increasing the region's attractiveness to investors in this sector. This will also ensure government does not spread its resources too thinly, attempting to market all sectors with a less focused approach. Through the trial of short-term prospective agricultural opportunities, improvements to investment attraction can be made for medium and long-term opportunities in the future.</p>
Identify investors and match to opportunities	<p>Success in attracting investment into the Northern Australian agriculture sector is dependent on matching the supply and demand for investment opportunities. It is crucial for government and industry to determine the global investor demand in the short, medium and long term. The matching of the expertise and competitive capabilities of Northern Australia to the demand of international consumer markets and investors is key to identifying and attracting greater investment in the region. This will include matching key investment factors such as investor typology, any legislative constraints to investing in Australia, and the agricultural capabilities of Northern Australia.</p>
Prioritise potential projects to stimulate the agricultural sector	<p>The Australian, State and Territory Governments have undertaken or planned various projects and initiatives to assist in attracting new domestic and foreign investment into Northern Australia. These include reforms to land arrangements, increasing the ease of investment, decreasing the cost of foreign investment and maintaining high governance standards. By understanding the potential deterrents to investors, the governments can be more targeted to the specific problems that are limiting or prohibiting investment into the region. Projects that solve or decrease the effect of these issues can then be prioritised. Major projects and initiatives currently being undertaken will be analysed to determine whether they adequately respond to key problems or opportunities. If not, other options can be identified and defined.</p>
Understand the emerging trends in agricultural investments in Australia and globally	<p>An understanding of the different agriculture investor typologies is key in attracting investment. The global trends in recent transactions will provide insights into the investments that are currently sought after and by what entities. Examining the macroeconomic conditions of prospective investing countries will assist in recognising emerging trends. For example, an urbanising Asia with higher income levels is expected to solidify its food demand and security in the near future. Northern Australia can effectively</p>

Strategic response	Description
Define the competitive advantage of agricultural investment in Northern Australia	<p data-bbox="616 271 1509 331">promote specific offerings to interested investors with a greater understanding of current and emerging global trends.</p> <p data-bbox="616 344 1509 517">The competitive advantage of agricultural investment in Northern Australia underpins the success in attracting investment to the region. An in-depth understanding of the region and its offerings will be crucial in communicating its advantages to potential investors. To ensure an appealing investment proposition is made, research into competing regions and countries, market sounding with stakeholders in the region and potential investors and analysis of the region's resources and capabilities is required. An accurate and attractive competitive advantage would need to be defined and communicated to potential investors.</p>
Continuous improvement and adaption in Australia's strategic approach to investment attraction	<p data-bbox="616 539 1509 683">The outcomes of the Project will inform the CRCNA, Austrade and other relevant stakeholders in improving agricultural investment attraction in Northern Australia. This is achieved through thorough analysis of global economies, agricultural investment trends and availability of investment opportunities in the region. The final materials that inform the recommendation process will be adaptable for changes and updates in data to enable an investment attraction strategy that is relevant now and in the future.</p>

Key Stakeholders

The purpose of the Northern Australia Agricultural Investor Identification Project is to identify potential international and domestic investors that are interested in investing in the agriculture sector in Northern Australia and which sectors would be relevant for each investor typology. Key stakeholders for the project are outlined in the sections that follow. The majority of these stakeholders have been consulted. The stakeholder engagement undertaken to date is outlined in Appendix B – Key Stakeholders. These key stakeholders have been targeted on the basis that they are expected to add value to the research or provide crucial information, and/or are expected to be beneficiaries of the project.

Industry

- Local producers and landholders and produce bodies
- Northern Territory industry
 - Northern Territory Farmers Association
 - Territory Natural Resource Management
 - Northern Territory Cattlemen's Association
- Queensland industry
 - AgForce
 - Growcom
 - Timber Queensland
 - Queensland Farmers' Federation
- Western Australia industry
 - The Western Australian Farmers Federation
 - Kimberley Pilbara Cattlemen's Association

Government

- Federal
 - Australia-Association of Southeast Asian Nations Chamber of Commerce
- Northern Territory
 - Department of Primary Industry and Resources
 - Department of Trade, Business and Innovation
 - Northern Territory Investment Territory Group
- Queensland
 - Department of Agriculture and Fisheries
 - Trade and Investment Queensland

- Western Australia
 - Department of Primary Industries and Regional Development
- Research
 - Commonwealth Scientific and Industrial Research Organisation
 - Fisheries Research and Development Corporation
 - Grains Research and Development Corporation
 - Northern Australia Crop Research Alliance

Community

- Desert Knowledge Australia
- Indigenous Land and Sea Corporation
- Northern Land Council.

Summary

This chapter demonstrates the need to develop a greater understanding of potential agricultural investors to attract investment into Northern Australia. Northern Australia has the natural resources and qualities required for agricultural development however, the region currently lacks a cohesive and strategic approach, which is inhibiting greater investment. By understanding the types of investors that may be interested in Northern Australia, tailored investment attraction strategies can be developed and engender improved coordination between industry and government. Key stakeholders were consulted to ensure recommendations are actionable and contemporary.

Investor identification

Introduction

To identify potential future investors, an extensive review was conducted of the current agriculture investor market in Australia, and Northern Australia more specifically. This chapter outlines:

- Methodology
- Priority countries
- Potential investors.

Methodology

The objective of the investor identification was to determine both domestic and international companies that have potential to invest in Northern Australia. Domestic investors were identified using a combination of desktop research, examining previous transaction history, PwC clients and market knowledge.

To determine the initial long list of foreign countries of interest, PwC investigated countries with significant FDI flows into Australia, as well as the 20 largest foreign investors in Australia. Geographic proximity, cultural relationship to Australia and climate similarities were taken into consideration when developing the long list. The long list included the following countries:

Table 5: Country Long List

• Argentina	• Ireland	• Russian Federation
• Belgium	• Israel	• Saudi Arabia
• Bermuda	• Japan	• Singapore
• Brazil	• Kuwait	• South Africa
• Brunei Darussalam	• Luxembourg	• South Korea
• Canada	• Malaysia	• Switzerland
• China	• Mexico	• Taiwan
• France	• Netherlands	• Thailand
• Germany	• New Zealand	• United Arab Emirates
• Hong Kong	• Norway	• UK
• India	• Papua New Guinea	• USA
• Indonesia	• Philippines	• Vietnam

Using desktop research, PwC analysed a range of variables for each country, including economic factors, political stability, historical investment trends and agricultural production similarities. This analysis determined the high-level potential for each country to invest in agriculture in Northern Australia. Each country was assigned a traffic light rating (green, yellow or red) that reflects the overall likelihood of investment. The traffic light rating aligned to three investor target groups:

- Short term (next 5 years)
- Long-term (5 to 10 years)
- Not a target (for the near future).

Priority countries

Each country in the longlist was analysed and a one page 'macro-profile' was created for each. The complete set of macro-profiles are in Appendix F – Macroeconomic Profiles. The countries were categorised as per Table 6.

Table 6: Investor Target Groups

Short term	Long term	Not a target
• Argentina	• Belgium	• Brunei Darussalam
• Brazil	• Bermuda	• Luxembourg
• Canada	• France	• Mexico
• China	• Israel	• Papua New Guinea
• Germany	• Kuwait	• Russian Federation
• Hong Kong	• Netherlands	• Saudi Arabia
• India	• Norway	• United Arab Emirates
• Indonesia	• Philippines	
• Ireland	• Switzerland	
• Japan		
• Malaysia		
• New Zealand		
• Singapore		
• South Africa		
• South Korea		
• Taiwan		
• Thailand		
• UK		
• USA		
• Vietnam		

Potential investors

To determine potential agriculture investors for Northern Australia, PwC identified 283 companies with existing or previous significant investment in Australia, including foreign and domestic businesses. The 283 companies are not exhaustive and are sourced from stock exchanges, examining previous transaction history, PwC clients, Austrade, desktop research and market knowledge.

The investors are a combination of private and public corporations, superannuation funds and family owned businesses with investments across a broad range of sectors within the agriculture industry.

Owing to the confidential nature of some investments, it is impossible to identify every potential investor with an interest in Australia. The complete list of companies identified is available in Appendix E – Agriculture Investors in Australia. Figure 28 illustrates the countries where these companies are based.

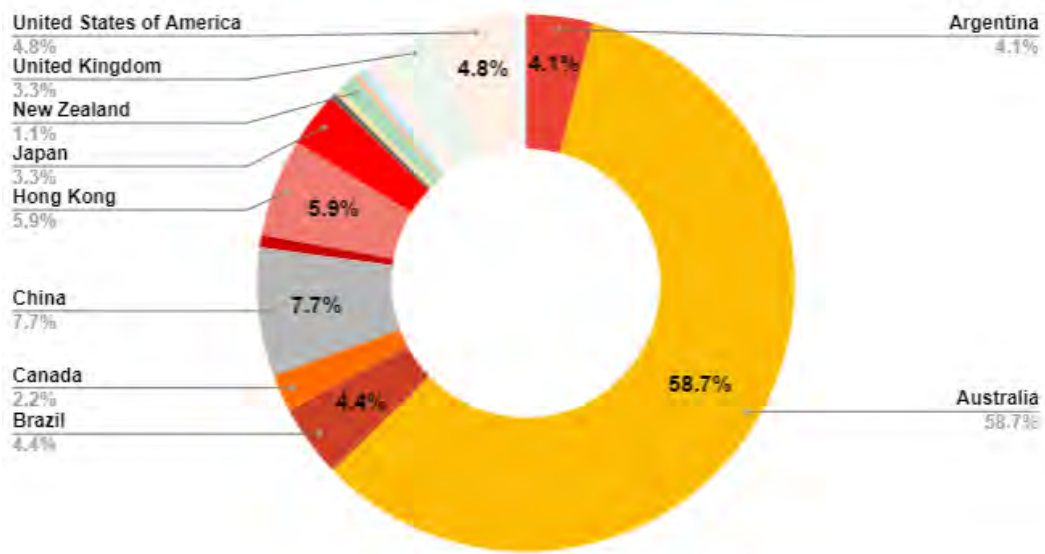


Figure 28: Global investors in Australian agriculture

Each of these companies has been analysed and assigned an 'investor typology'. The investor typology is established based on the range of characteristics shown by each investor and helps to determine their possible future investment interests in Northern Australia. The investor typologies for each company are explained further in the next chapter.

Investor typologies

Introduction

Foreign and domestic agricultural investors that could potentially invest in Northern Australia have a range of historical investment trends, preferences and expertise, which affect how they consider future investment opportunities. This chapter discusses the characteristics of potential investors, which have been used to determine investor typologies for a list of potential agricultural investors. These typologies can then be used to develop an initial shortlist of potential investors for investment opportunities throughout Northern Australia.

Characteristics

Size of investment

The historical size of investments made by agricultural investors is a likely indicator of the magnitude of future investments. While this is not always the case, the following ranges are proposed as an indicator for investor type:

- \$10 million to \$50 million
- \$50 million to \$100 million
- \$100 million to \$500 million
- \$500 million or above.

Role of investment in global portfolio

In addition to financial return, investors may have other drivers for investing in certain markets or products. The type of investment may play a particular role in their portfolio or have a particular purpose that complements their existing assets. Investors may continue to invest in assets that are:

- High risk and high return
- Similar or complementary to an existing suite of investments
- Company or industry specific
- Within a geographic proximity or distance
- To fill gaps in the supply chain in the home country
- Similar in climate.

Established agriculture sector in home country

For agricultural investment, it is more likely that domestic and foreign investors will invest in commodities or markets where they have existing expertise. Similar climates, land characteristics and growing conditions increase the chance of success for investors rather than exploratory ventures, particularly for foreign investors.

An investor with an established portfolio of similar agriculture investments is likely to understand the demand profile for their product, growing requirements and risks for their investment. Existing investment in particular industries in Australia could signal a preference for the type of future investment that could be made by some industries. For example, a number of large-scale beef companies continue to acquire land to be used for cattle breeding, grazing or finishing.

Frontier investor

A frontier investor is an investor who may be willing to take greater risks and may help to establish industries in new regions, leading to step changes in regional output and economic growth.

Active or passive investor

Active

An active investor is one who will take an active role in managing and operating the new business. They can often be family businesses looking to expand, large organisations with significant operational experience and capability or investment companies who will arrange their own management teams.

Passive

A passive investor will generally seek to partially acquire or partner with an established local operator. They will have a limited role in the ongoing operations and management of the business.

Social impact investor

Ethical or conscientious investors have limits to what activities and products they are willing to be involved in. Some investors invest only in socially responsible or environmentally responsible companies and avoid investments that promote values or products contrary to their moral principles⁹⁸.

High net worth family or individual

A high-net-worth individual (HNWI) is a person or family with liquid assets above a certain figure. Although there is no precise definition of how wealthy someone must be to fit into this category, high net worth is generally quoted in terms of having liquid assets of a particular number⁹⁹.

The VHNWI classification—very high-net-worth individual—can refer to someone with a net worth of at least \$5 million. Ultra-high-net-worth individuals (UHNWI) are defined as people with investable assets of at least \$30 million, usually excluding personal assets and property such as a primary residence, collectibles, and consumer durables.

Wealthy Individuals within Australia are generally deemed to be those with net investible assets (NIA) over \$1 million (or net of over \$2.5 million including the family home) and earning more than \$250,000 per annum. The Australian Tax Office (ATO) categorise 'Wealthy Individuals' as those who control a net wealth of \$5 million or more¹⁰⁰.

Historical investment model

Potential investors may favour previous investment models when seeking new opportunities. Historical investment models may be a useful indicator to identify the potential investment structure and help to determine how this can be facilitated by relevant parties. Investment structures must be fit-for-purpose and ensure there is an alignment of interests between parties. Investment structures could include¹⁰¹:

- Company
- Unit trust
- Joint venture
- Partnerships
- Sale and lease back
- Share farming arrangement.

Summary

The investor typology characteristics will help to categorise and define different types of investors that may be interested in agriculture in Northern Australia. Figure 29 demonstrates the investor characteristics that have been used to categorise the potential investors.

⁹⁸ WiseBread (2017), *8 Types of Investors – Which One Are You?* accessed at <https://www.wisebread.com/8-types-of-investors-which-one-are-you>

⁹⁹ Investopedia (2019), *High-Net-Worth Individual (HNWI)*, accessed at <https://www.investopedia.com/terms/h/hnwi.asp>

¹⁰⁰ Keystone Private (2019), *What does High Net Wealth look like in Australia?* accessed at <https://www.keystoneprivate.com.au/what-does-high-net-wealth-look-like-in-australia/>

¹⁰¹ KPMG, *Investment structures: A guide to investing in Australia's food and agribusiness sector*

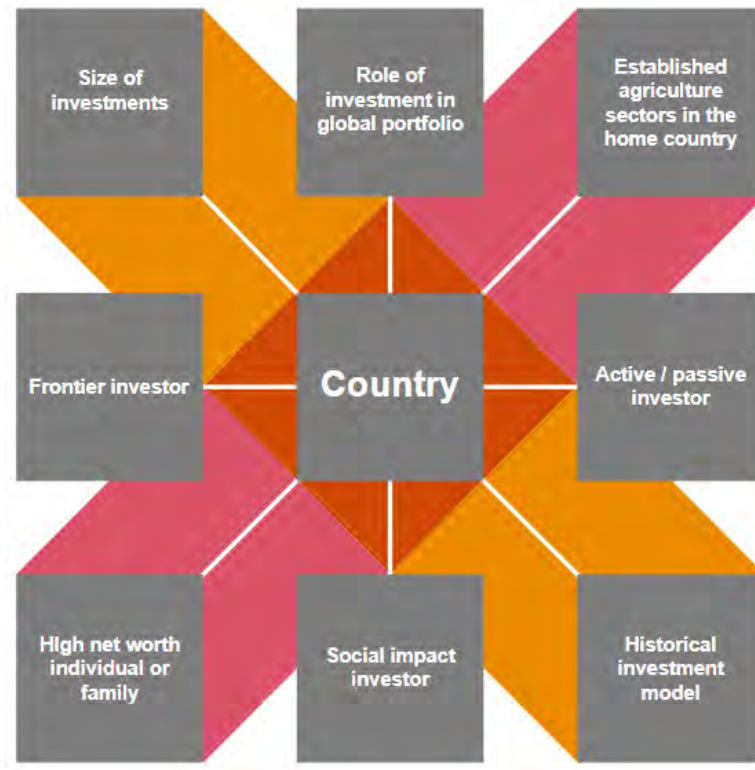


Figure 29: Investor typologies

PwC has categorised each of the companies identified in Appendix E – Agriculture Investors in Australia by the investor typology characteristics (where possible) which has been provided in the associated *Investor Typology Matrix* tool.

Recommendations

This report has demonstrated that while Northern Australia has abundant natural resources and competitive advantages aligned with agricultural development and investment potential, the region could benefit from a more coordinated and strategic approach to investment attraction and support.

Four themes were identified that underpin the challenges facing the Northern Australian agricultural sector. These are:

- Northern Australia has an abundance of natural resources that are not currently utilised to expand agricultural production of Australia. The availability of water and land underpin the competitive advantages of Northern Australia and fortify the region as an attractive agricultural investment location.
- The lack of enabling infrastructure, such as water and transport infrastructure, is inhibiting agricultural growth and development in Northern Australia.
- There is limited understanding by investors of the feasibility of accessing natural resources in Northern Australia which is constraining investment opportunities. The complexity of land ownership across the region and lengthy FIRB process may be inhibiting international investment.
- Northern Australia is a region of focus for various government bodies and organisations and while the respective strategies generally all aim to further develop the region, there are often different development actions identified in each strategy. Lack of a consolidated and agreed vision from Government limits private investment, provides potentially conflicting support for industry and spreads available funding too thinly.

These challenges are the product of several barriers to the industry, hindering agricultural investment in Northern Australia from both international and domestic investors. These barriers include:

- Cost of freight and a more expensive supply chain
- Lack of necessary infrastructure
- Adverse weather conditions
- Complex land tenure
- Access to utilities
- Exit strategy for investments
- Lack of a coordinated approach
- Regulatory barriers
- Insufficient data
- Lack of adequate skilled labour.

There is no 'big bang' solution for the identified challenges and opportunities, rather a series of key actions that will drive change and sector development from several angles. The recommendations stem from seven overarching categories that will enable desired outcomes that address the identified barriers and opportunities for agricultural investment in Northern Australia. By understanding the types of investors that may be interested in Northern Australia, tailored investment attraction strategies that stem from these recommendations can be developed and assist with coordinating support from industry and government.

The types of investors identified that pose the most potential for successful investment attraction will depend on the individual investment type.

The recommendation categories are shown in Figure 30.

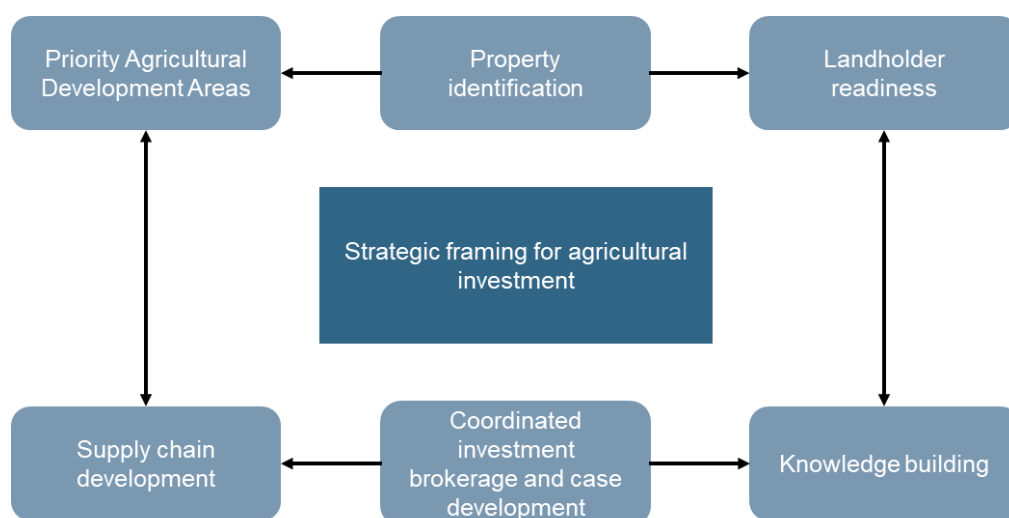


Figure 30: Recommendation categories

Table 7 lists actionable recommendations that are necessary to increase new investment in agriculture in Northern Australia.

Table 7: Recommendations

Key priority actions for sector development	Action owner and key partners	Pathways to implementation and timeline	Intended industry impacts
Strategic framing			
<p>1. Strategic framing for agricultural investment</p> <p>Establish an overarching strategic framework that presents a consolidated vision for the prioritisation, promotion and staging of agricultural investment in Northern Australia. This framework should be endorsed and supported by three levels of government across each jurisdiction and clearly articulate the targeted investor opportunities. The strategic framework will set the pathway to better coordinate the approach to development planning and investment decision-making across Northern Australia.</p> <p>It is envisioned that this framework will facilitate:</p> <ul style="list-style-type: none"> Longer term collaborative governance arrangements to facilitate agricultural investment across the north A program of strategic actions to lift the quality and quantity of agricultural development investment 	<p>Key partners include:</p> <ul style="list-style-type: none"> The jurisdictions' investment agencies. The jurisdictions' government agricultural agencies. Key federal investment and agricultural agencies. <p>The framework could potentially be pioneered and supported by Northern Australia Senior Officers Networking Group (NASONG).</p>	<p>The NASONG members could develop a working group to progress development of this strategic framework to progress to Ministerial Forum consideration.</p>	<p><i>Implementation of these recommendations is expected to have a significant effect on the industry. Developing an additional 5 per cent of the available arable land and/or diversifying operations to high value cropping could increase gross revenue for the industry by \$0.79 billion to \$10.0 billion per annum.</i></p>

Key priority actions for sector development	Action owner and key partners	Pathways to implementation and timeline	Intended industry impacts
<ul style="list-style-type: none"> • Priority opportunities for agricultural investment across the north and targeted approaches to investment attraction • A clear pathway for action for newer potential multi-jurisdictional opportunities in Northern Australia (e.g. new crops, greenfield investments, ag-tech) • Measures to overcome current barriers to specific investment involving inter-jurisdictional approaches • A de-risking workplan for potential major projects to receive support and endorsement from each level of government and jurisdiction • A Northern Australian perspective articulated in reviewing plans, investment rules and export and import protocols affecting Northern Australia. 			
<p>A strategic framework will ensure that the overarching objectives are collaborative and equitable for all jurisdictions.</p>			
<p>Strategic actions</p>			
<p>2. Knowledge building</p> <p>With key investment typologies in mind, develop a continuously improving knowledge management system to support investment. This includes targeted investment fact sheets or an <i>Investor Awareness Pack</i> for each of the jurisdictions in Northern Australia including positive investment case studies and information regarding:</p> <ul style="list-style-type: none"> • Agricultural prospects and priorities • Soil quality information • Availability, security and price of water • Agricultural gross margins and supply chain characteristics 	<p>CRCNA Austrade State and Territory governments.</p>	<p>CRCNA, Austrade and the jurisdictions collaborate to scope, resource and progress this and a continuously improve.</p>	<p><i>Implementation of these recommendations is expected to have a significant effect on the industry. Developing an additional 5 per cent of the available arable land and/or diversifying operations to high value cropping could increase gross revenue for the industry by \$0.79 billion to \$10.0 billion per annum.</i></p>

Key priority actions for sector development	Action owner and key partners	Pathways to implementation and timeline	Intended industry impacts
<ul style="list-style-type: none"> • Development assessment and approval frameworks and regulatory processes • Tenure information and implications for development • Market education on first nations cultural and heritage awareness, including Native Title processes • FIRB and taxation regulations and processes • Protocol and biosecurity measures by industry and jurisdiction • Federal and state tax implications <p>The federal, state and territory governments would need to take an active role in:</p> <ul style="list-style-type: none"> • Ensuring the investigative studies and trials are funded and completed • Updating and refreshing the relevant information to ensure the accuracy of the <i>Investor Awareness Pack</i>. <p>Continue and grow government funded research into the feasibility and suitability of agricultural prioritisation and de-risking activities, resource availability, environmental and social value across Northern Australia. This will significantly de-risk investment into Northern Australia as land tenure, soil and water have been highlighted as key considerations in investment decisions.</p>		<p>Continue key NAWRA-type investment and support emerging National Environmental Science Program (NESP) proposals to substantively support landscape-scale de-risking for agricultural investment.</p>	
<p>3. Priority Agricultural Development Areas</p> <p>Within the Strategic Framework, governments could investigate the potential for Priority Agricultural Development Areas and associated programs of de-risking for investment to ensure private and public investment is focussed and significant to deliver results. This could potentially work in a similar way in which the Queensland Government declares Priority and State Development Areas.</p>	<p>State and territory governments CSIRO/NESP</p> <p>Other key stakeholders include:</p> <ul style="list-style-type: none"> • Local government • CRCNA • Federal government. 	<p>Build on existing program of works.</p> <p>On the back of the CRCNA de-risking work with the jurisdictions, establish a prioritised work program for identifying and de-risking PDAs</p>	<p><i>Implementation of these recommendations is expected to have a significant effect on the industry. Developing an additional 5 per cent of the available arable land and/or diversifying operations to high value cropping could increase gross revenue for the industry by \$0.79 billion to \$10.0 billion per annum.</i></p>

Key priority actions for sector development	Action owner and key partners	Pathways to implementation and timeline	Intended industry impacts
<p>4. Supply chain development</p> <p>Government to investigate key supply and value chain infrastructure barriers for investment in Northern Australia.</p> <p>This is followed by:</p> <ul style="list-style-type: none"> Funding key facilitating collaborative governance arrangements. For example, each jurisdiction would provide dedicated resources to support a collaborative governance framework with other jurisdictions. Feasibility assessment and infrastructure to increase the viability and sustainability of agricultural investments in Northern Australia. <p>CRCNA's other studies focussed on the supply chain will provide a prioritisation framework for investment in supply chains and enabling infrastructure.</p>	<p>CRCNA and NASONG</p> <p>Other key stakeholders include:</p> <ul style="list-style-type: none"> Industry 	<p>Consolidate findings from other CRCNA studies to determine supply chain improvement priorities.</p>	<p><i>Implementation of these recommendations is expected to have a significant effect on the industry. Developing an additional 5 per cent of the available arable land and/or diversifying operations to high value cropping could increase gross revenue for the industry by \$0.79 billion to \$10.0 billion per annum.</i></p>
<p>5. Property identification</p> <p>Underpinned by the Strategic Framework and within priority agricultural development areas, governments will need to drive a process to identify existing landholders and agricultural producers who have the potential to expand, partner with new investors or divest.</p> <p>In each priority area, this may involve an internal or external project team to engage with landholders and producers across the northern jurisdictions and provide targeted support and education regarding the investment process for interested landholders and producers.</p>	<p>State and territory governments</p> <p>Other key stakeholders include:</p> <ul style="list-style-type: none"> Indigenous Land Councils Landholders and producers. 	<p>Progress with the works programs of PADAs.</p>	<p><i>Implementation of these recommendations is expected to have a significant effect on the industry. Developing an additional 5 per cent of the available arable land and/or diversifying operations to high value cropping could increase gross revenue for the industry by \$0.79 billion to \$10.0 billion per annum.</i></p>
<p>6. Landholder readiness</p> <p>Governments to develop a co-funding model for supporting landholder readiness for investment attraction, including feasibility studies into land capability, water availability and other key agriculture investment decision factors. This co-funding model will incentivise landowners to become more "investment-ready" and explore opportunities for their land that can be proposed to potential and interested investors.</p>	<p>State and territory governments and the relevant federal government agencies.</p> <p>Other key stakeholders include:</p> <p>Austrade</p> <p>CRCNA</p>	<p>Explore co-funded opportunities between CRCNA, Austrade and the jurisdictions</p>	<p><i>Implementation of these recommendations is expected to have a significant effect on the industry. Developing an additional 5 per cent of the available arable land and/or diversifying operations to high value cropping could increase gross revenue for the industry by \$0.79 billion to \$10.0 billion per annum.</i></p>

Key priority actions for sector development	Action owner and key partners	Pathways to implementation and timeline	Intended industry impacts
<p>7. Coordinated investment brokerage and case development</p> <p>Each jurisdiction should provide a range of relevant case officers for agricultural investment attraction (working through agreed priorities) depending on the location, scale and industry of investment. Working with Austrade, cross Northern Australian coordination should be maintained and case officers that are capable of assisting across jurisdictions are also required for investors that do not have a jurisdictional preference.</p>	<p>State and territory governments</p> <p>Other key stakeholders include:</p> <p>NASONG</p> <p>Austrade</p> <p>CRCNA</p>	<p>Consider as a budgetary initiative within the context of implementation of the Strategic Framework. Effort could progress in the meantime, however, to establish a stronger network of key case officers across Northern Australia (including State Agriculture Departments Trade and Investment Teams, Austrade and CRCNA).</p>	<p><i>Implementation of these recommendations is expected to have a significant effect on the industry. Developing an additional 5 per cent of the available arable land and/or diversifying operations to high value cropping could increase gross revenue for the industry by \$0.79 billion to \$10.0 billion per annum.</i></p>

The barriers and opportunities were developed based on the views of the market reflecting the perceived current state of investment in Northern Australia agriculture. The recommendations have been developed specifically to address these barriers and opportunities, as shown in Figure 31. For more detailed outcomes of the market sounding, refer to Appendix A – Market Sounding Report.

Barriers	Recommendations						
	Knowledge Building	Strategic Framing	Priority Agricultural DAs	Supply Chain Development	Property Identification	Landholder Readiness	Case Development
1 Cost of freight and a more expensive supply chain			✓	✓			
2 Lack of necessary infrastructure		✓	✓	✓		✓	
3 Adverse weather conditions	✓	✓					
4 Complex land tenure	✓				✓		
5 Access to utilities			✓		✓		
6 Exist strategy for investments		✓			✓	✓	
7 Lack of coordinated approach		✓					✓
8 Regulatory barriers	✓						✓
9 Insufficient data	✓				✓		✓
10 Lack of adequate and sufficient labour		✓	✓				

Figure 31: Barriers addressed

Appendices

Appendix A – Market Sounding Report

Introduction

PricewaterhouseCoopers (PwC) assisted the Cooperative Research Centre for Developing Northern Australia (CRCNA) as advisors to the Northern Australia Investor Identification Project (the Project) and part of this role involved managing the market sounding process.

This chapter is structured as follows:

- **Purpose and overview** - outlines the purpose of this report and provides an overview of its contents
- **Objectives** - lists the objectives of the market sounding process
- **Alignment with Government frameworks** - demonstrates how the market sounding process aligns with the government frameworks relevant to this Project.

Purpose and overview

The purpose of this report is to document the market sounding process and outcomes undertaken for the Project. PwC facilitated a targeted consultation process with four categories of market participants:

1. **Government** - Determine the role of Government in supporting agricultural investment
2. **Industry** - Understanding national and global agricultural industry trends, attitudes, preferences, constraints
3. **Community** - Capacity to accommodate investment and associated infrastructure
4. **Research organisations** - Understanding outcomes of other CRCNA research and how it relates to this Project.

Engaging with the market provides an opportunity to gain their perspective on:

- Northern Australia's competitive advantage for agricultural investment
- Barriers to investment in Northern Australia
- Investor requirements and experience when investing in Northern Australia
- Type of investors and investor characteristics
- Recommendations to facilitate investment in Northern Australia.

The findings of the market sounding process have been reflected in the main report.

Market sounding for the Project was undertaken in the period from September 2019 to January 2020 through a combination of face-to-face meetings and telephone communications with key stakeholders.

Objectives

The key objectives of the market sounding process were to:

- Raise awareness of the Project with Government, industry, community, research organisations and other relevant stakeholders
- Understand the key barriers to investment facing various stakeholder groups
- Validate proposed recommendations to increase investment in agriculture in Northern Australia.

Market Sounding Plan

Purpose and overview

This chapter outlines the market sounding process adopted for the Project. It provides an overview of the process and profiles the market participants and their respective insights. This chapter is structured as follows:

- **Market sounding process** - presents an overview of the market consultation process
- **Market sounding participants** - describes the participants targeted as part of the market sounding process
- **Market sounding outcomes** - summary of the overall key findings from the market sounding process.

Market sounding process

A targeted market sounding process was conducted to supplement and strengthen the desktop market research completed for the Project. Figure 32 demonstrates the schedule of milestones that was delivered through the market sounding process.



Figure 32: Market sounding milestones

Briefing material and industry-specific questions were developed in advance of the market sounding meetings. The key themes discussed in the meetings included:

- Current and potential investors in the Australian agriculture industry
- Opportunities and constraints to foreign and domestic investment in Northern Australia
- General attitudes of industry and local communities about foreign investment
- Investment preferences for investors and Australian land/business owners
- The process for inbound investment.

Project brief

Participants in the process require sufficient background information on the Project to ensure a meaningful and informed response to the market sounding process. This was achieved by providing participants with a brief background of the Project as well as an indicative list of questions in advance of the meetings.

The indicative questions/topics that were discussed with market sounding participants are shown in Table 8, Table 9, Table 10 and Table 11.

Table 8: Questions for industry

Information sought	Questions
Opportunities	<ul style="list-style-type: none"> • Which sectors/sub-sectors have potential for immediate development or investment? • Which areas are of interest for further investment and development? • Is there potential for expansion in the industry through passive investment?
Attitudes	<ul style="list-style-type: none"> • What is the general attitude of Australian farmers/owners about foreign investment? • Are there many current owners interested in expanding or selling?
Preferences	<ul style="list-style-type: none"> • Are there any investment preferences for current farmers/owners? • Do they prefer to sell or partner with foreign investors?
Case studies	<ul style="list-style-type: none"> • Have any potential investors approached the industry? • Are there any major deals that have occurred recently in Northern Australia? • If they were successful – did investors state why they chose this region?

Information sought	Questions
	<ul style="list-style-type: none"> • If they weren't successful – were there reasons as to why? • Are there any trends in investors requirements and preferences?
Constraints	<ul style="list-style-type: none"> • Are there barriers to inbound investment in Northern Australia? (e.g. complicated land ownership, government regulations, etc.) • Is government providing enough support to facilitate new investment?

Table 9: Questions for government

Information sought	Questions
Insights	<ul style="list-style-type: none"> • What is the department/agency's overall position on foreign and domestic investment into agriculture? • What is the department/agency's view on the current investment environment in Northern Australia (or specific jurisdiction)? • Are there any specific countries or Australian jurisdictions that the department is currently targeting for inbound investment?
Current initiatives	<ul style="list-style-type: none"> • Are there any current or planned strategies for investment attraction? • Are there any identified reforms required to increase investment traction? • Has the department/agency seen/worked with any investors recently?
Common issues	<ul style="list-style-type: none"> • Have potential investors or other relevant stakeholders raised any issues with investing in Northern Australia (or specific jurisdiction)? • Has the department found any recurring issues with foreign investment applications (e.g. insufficient information, insufficient understanding of the legislation and regulatory requirements to invest in Australia/specific jurisdiction)? • Are there any issues that the department has identified that is obstructing greater investment attraction?

Table 10: Questions for research organisations

Information sought	Questions
Insights	<ul style="list-style-type: none"> • What areas of research is the organisation targeting? • What are the findings of the research body so far? • Has the research identified any trends in the future for the agriculture industry (i.e. sectors that would be profitable in the future or would be profitable to expand/develop)?
Opportunities for investment	<ul style="list-style-type: none"> • Are there any specific sectors that look prospective for inbound investment? • Are there any emerging industries that may be of interest to investors (e.g. "fake" meat, healthier alternatives etc.)?
CRCNA research	<ul style="list-style-type: none"> • If the research body is currently undertaking research for CRCNA, does it see any overlaps between this project and their current research?

Table 11: Questions for land councils

Information sought	Questions
Insights	<ul style="list-style-type: none"> • What is the general attitude of communities to foreign land acquisition and potential partnerships with foreign investors? • If there is interest in potential partnerships, what type of partnerships are currently envisioned (e.g. joint ventures, human capital/resource support, etc.)
Indigenous land ownership	<ul style="list-style-type: none"> • What are the interfaces and requirements between Indigenous land ownership and land acquisition?

Information sought	Questions
Process in land tenure	<ul style="list-style-type: none"> • What is the process relating to Indigenous land ownership and changes in Northern Australia? • Are there any key steps that are crucial to successful inbound investment and tenure? • Are there any specific parts of the process that have been identified as challenging or problematic in previous investment projects (e.g. insufficient involvement with Indigenous land owners/organisations, timeframes etc)? • Is there currently any known support for inbound investment, especially foreign investment, in navigating the Indigenous land ownership space?

Table 12: Questions for investors

Information sought	Questions
Experience and competitive advantage	<ul style="list-style-type: none"> • Has your organisation previously invested in the agriculture sector in Northern Australia? If not, why? • If so, what was your experience with the process? • What aspects of Northern Australia attracted your investment?
Barriers to investment	<ul style="list-style-type: none"> • What barriers to investment are obstructing investment (or further investment) into Northern Australia?
Information required	<ul style="list-style-type: none"> • Are there any information gaps that are contributing to the lack of investment (e.g. through increased risk and uncertainty, unknown investment opportunities)? • What kind of support investors find helpful?

Market sounding participants

The market sounding participants are shown in Table 13. A range of stakeholders were contacted to ensure a holistic understanding of the investor market, current trends and the views of key stakeholders.

Table 13: Market sounding participants

Stakeholder	Type of stakeholder
Austrade	Government
Argyle Capital	Investor
ArGyll Consulting	Industry
Australian Barramundi Farmers Association	Industry
Blueshift Consulting	Industry
Cape York Land Council	Government
Charles Darwin University	Research organisation
Consolidated Pastoral Company	Investor
Indigenous Land and Sea Corporation	Community
James Cook University	Research organisation
Northern Australian Pastoral Company	Investor
Northern Land Council	Community
Northern Territory Department of Trade, Business and Innovation	Government
Northern Territory Department of Primary Industries	Government
Northern Territory Farmers Association Inc	Industry
Ontario Teachers' Pension Plan	Investor
Pardoo Beef	Investor
Queensland Department of Agriculture and Fisheries	Government

Stakeholder	Type of stakeholder
The Commonwealth Scientific and Industrial Research Organisation (CSIRO)	Research organisation
Trade and Investment Queensland	Government
Western Australia Department of Primary Industry and Regional Development	Government

Market sounding outcomes

This section outlines the market sounding outcomes. The key findings from each stakeholder have been summarised based on the organisation / government body.

Community

Cape York Land Council

The Cape York Land Council (CYLC), has the role of securing rights for Indigenous people through determination of native title and pursuant of land tenure, from tenure to Aboriginal freehold. CYLC also makes use of those rights to provide benefits to Indigenous people, for example, native title compensation from development.

Opportunities in Northern Australia that were highlighted include:

- Support – there is interest and support from Traditional Owners for agricultural development in the region
- Land availability – there is a significant volume of land that could be developed for agriculture
- Research – identification of, and research into, location of quality soil and water availability may increase investor interest.

Constraints in Northern Australia that were highlighted include:

- Supporting infrastructure – there is a lack of infrastructure to support road accessibility and export of produce, especially high value, fresh produce such as aquaculture.
- Regulation – pastoral leases and vegetation management laws constrain available land.

Indigenous Land and Sea Corporation

The Indigenous Land and Sea Corporation (ILSC) assists Indigenous people with the acquisition and management of land, salt water and fresh water so they can achieve economic, environmental, social and cultural benefits. In relation to agribusiness, the ILSC strategically invests in the agribusiness sector to maximise opportunities and benefits for Indigenous Australians, with a focus on laying the foundations for a thriving and sustainable Indigenous agribusiness sector.

The primary targets for partnerships with ILSC are investors interested in social impact investments.

Opportunities in Northern Australia that were highlighted include:

- Demand – Asian investors are highly interested in the beef sector as they are major consumers
- Opportunities for social impact – investing alongside Traditional Owners is appealing to investors interested in social impact investing
- Improving collaboration and understanding – more collaborative partnerships with Traditional Owners will help overcome perceptions and complexities of native title and ensure that Traditional Owners have a consistent stake in the operations.

Constraints in Northern Australia that were highlighted include:

- Supply chain infrastructure – the NT is currently lacking infrastructure to move food and produce from farm to export centres to final export markets. This lack of supply chain infrastructure is impeding investment from international investors as it decreases the attractiveness of agricultural investment in the Northern Territory.
- Lack of data – domestic producers want to expand however, perceive Northern Australia as risky due to a lack of information to inform investment decisions
- Complexity of native title – can be confusing for investors
- Illiquidity of the market – exit strategies are better in southern parts of Australia

- Distance to southern markets – markets for Northern Australia, particularly the Northern Territory, are predominantly international markets only.

Northern Land Council

The Northern Land Council (NLC) is an independent statutory authority of the Commonwealth, responsible for assisting Aboriginal peoples in the Top End of the Northern Territory to acquire and manage their traditional lands and seas. The NLC is focussed on enacting Section 19 of *Aboriginal Land Rights Act* and is responsible for communicating and consulting with Traditional Owners.

Potential investors are identified through their appetite and capacity to develop the land, while also contributing to upskilling Traditional Owners.

Opportunities in Northern Australia that were highlighted include:

- Collaboration – there is potential for co-ownership of land between investors and Traditional Owners.

Constraints in Northern Australia that were highlighted include:

- Trust – investors need to build trust with Traditional Owners which requires understanding
- Supply chain – road infrastructure is constrained which can limit the ability to transport produce.

Government

Northern Territory Department of Trade, Business and Innovation and Department of Primary Industries

The Department of Trade, Business and Innovation (DTBI) is the Northern Territory Government's coordinating agency for economic development. DTBI's mission is to drive private investment and create jobs in the Northern Territory. The Department of Primary Industries (DPI) brings together many of the key functions that drive economic development on Northern Territory lands, coastal areas and inland waterways.

DPI indicated that there is a cohort of investors described as 'frontier-type' investors that are interested in greenfield development, investing in new commodities and securing a prominent position in the supply chain. The investment environment in the Northern Territory is focussed on the primary industries for both new investments and re-investments. Small investors generally struggle to develop the necessary infrastructure which is critical to future growth.

DPI indicated that a 'translation' role may be required to convey to investors how the Government operates and the role it plays in the investment process, including in applications and approvals.

Opportunities in Northern Australia that were highlighted include:

- Collaboration – social impact investors are looking for opportunities to work with Traditional Owners as it aligns with their values and social responsibility.

Constraints in Northern Australia that were highlighted include:

- Supporting infrastructure – lack of supporting infrastructure in the Northern Territory (e.g. roads, freight terminals etc.)
- Information requirements – investors require a range of information to make informed decisions regarding regulation, environmental approvals, water and land use
- Certainty – well-informed investors understand that the investment process takes time, however, they also require certainty that they will be able to execute the transactions. Many investors choose not to begin the process as they cannot receive this certainty.

Queensland Department of Agriculture and Fisheries

The Queensland Department of Agriculture and Fisheries (DAF) works to achieve a productive and profitable agriculture, fisheries and forestry sector by promoting sustainability and innovation. DAF manage community resources and works with stakeholders to improve production and product.

DAF was successful recently in attracting and supporting the execution of a significant aquaculture investment in North Queensland. DAF employed a case officer to guide a large investor through the process of investing in aquaculture in North Queensland.

Investors often do not know the type or level of information that they will require to fully inform an investment decision. They require assistance to navigate the process of identifying what information they can access via government agencies, and this often spans numerous Government departments and levels of Government. Government agencies must also collaborate to ensure investments meet all requirements. Advocacy and strategy must be consistent and relevant across all development-focused Government agencies. The case officer was critical in clarifying the process and securing this high-value investment for North Queensland.

Key targets for Northern Australia include countries with high population growth, high growth of the middle to upper class and where food security is paramount, e.g. Singapore.

Opportunities in Northern Australia that were highlighted include:

- Case officers – there have been successful case studies in Northern Australia where an experienced case officer secured investment
- Joint ventures – the region is likely to see more joint venture transactions as it can be difficult to successfully operate new investments without a local/established partner
- Infrastructure – supporting infrastructure in Queensland is generally better than in the Northern Territory and Western Australia, especially energy supply.

Constraints in Northern Australia that were highlighted include:

- Capital intensive and high risk – investors require certainty that they will be able to enter and operate in the market
- Infrastructure – lack of supporting infrastructure (especially in Northern Territory and Western Australia)
- Aquaculture Development Areas in Queensland have provided successful results but improvements can be made such as:
 - Improvement in due diligence
 - Identifying areas where aquaculture operations are subject to the least amount of constraints
 - More clarity on the use of the land
 - Template approval and conditions for potential proponents.

Trade and Investment Queensland

Trade and Investment Queensland (TIQ) is the Queensland Government's dedicated global business agency, helping Queensland exporters take their products to world markets, and promoting Queensland as a good place for investment. Investors interested in the region generally choose one of the two industries to invest in. The two major sectors in Far North Queensland are agriculture and tourism. In the agricultural sector, several existing producers are reinvesting in their businesses resulting in increased production capacity. TIQ provided several insights into the investment environment of north Queensland and Northern Australia more broadly, including:

- The investment attraction and facilitation agencies in north Queensland are currently somewhat uncoordinated, leading to a low customer satisfaction for interested investors
- Past negative experiences and limited positive case studies for inbound investors, may deter potential investors from considering Northern Australia as an investment destination
- The difficulty in determining which investment facilitation agency is best placed to support a prospective investor may result in insufficient support and facilitation
- Incorrect information being provided to investors and a fragmented industry further contributes to a lengthy and complex investment process
- Information about water, native titles, soil quality and transport infrastructure (especially its susceptibility to flooding) is required
- Institutional investors are generally more interested in brownfield investments due to the lower risk however, occasionally greenfield investments may also be chosen.

Sophistication in the industry and capability of organisations to present business cases to interested investors is required for better investment attraction and facilitation. TIQ is currently working with the industry to develop/increase their attractiveness to investors.

Opportunities in Northern Australia that were highlighted include:

- Proximity to lucrative Asian markets – investors from Singapore and Hong Kong are good investor target markets as they are geographically close to Northern Australia while also being free markets and financial hubs within Asia
- Re-investment – existing agricultural producers are reinvesting into their business
- Competitive advantages – Northern Australia can focus on its competitive strengths to attract investors in produce that already has a market.

Constraints in Northern Australia that were highlighted include:

- Process can be confusing for investors – highly fractured industry
- Unsuccessful investments – negative case studies and investor experiences in the region
- Lack of strategic direction – Government agencies are more focused on operations rather than long term strategies to develop the industry
- Knowledge gap of advisors – investors that have identified a commercial opportunity are likely to employ professional services (technical, legal and commercial advice) to determine the viability and feasibility of the opportunity and process required to acquire the land and develop the opportunity. However, there is often a gap in advisors' knowledge of all the available Government support available.

Western Australia Department of Primary Industry and Regional Development

The Department of Primary Industry and Regional Development (DPIRD) work with Western Australia's nine Regional Development Commissions to develop regional Western Australia. One of DPIRD's roles is to grow and protect the state's agriculture and food sector, working with industries and businesses throughout the sector to identify and capitalise on opportunities for growth as well as to manage and overcome obstacles.

The regulatory plan developed by the Western Australian Government describes different pathways for successful investment processes and includes case management as part of the process. Case officers currently exist in Western Australia however, this is not widely promoted and generally more focused on mining and petroleum projects. There is a view that the prioritisation of resources is somewhat directed towards the southern areas of the state. The case officer approach was deemed very important and the capability of the case officer considered vital for successful investment facilitation.

Opportunities in Northern Australia that were highlighted include:

- Communication – Competitive advantages can be better communicated for a greater positive impact on investors.
- Case officer – expansion of case officers into the agricultural sectors is vital to securing investment
- Investor fact sheets – fact sheets for investors must be more targeted and palatable.

Constraints in Northern Australia that were highlighted include:

- Different process and regulation within Northern Australia – there are complexities to investing in Northern Australia that are partly specific to each jurisdiction, such as different legislation, land tenure, demographics and levels of infrastructure. This needs to be better communicated to potential investors.
- Native title considerations – investors are often not aware of native title and the important relationship that must be established with Traditional Owners
- Location of investment facilitation personnel – most investment facilitation personnel for Northern Australia are based in capital cities and lack local understanding of the region
- Negative case studies and investor experiences in the region.

Industry

Blueshift Consulting

Blueshift Consulting is a boutique corporate advisory and management consulting firm specialising in the aquaculture industry. Blueshift Consulting is leading the aquaculture research stream for CRCNA. In Blueshift Consulting's experience, Northern Australia's natural attributes are not sufficient to attract investors. A strategic opportunity is required which may include government intervention, investment-ready products and cheaper resources.

Chinese investors, especially, are less interested in greenfield investments due to perceived difficulties and complexities in navigating regulations and processes. However, if other parties develop infrastructure to support investments/projects in agricultural projects, the risk for investors is decreased. An example of this is the Ord.

Pre-zoned land is also highly attractive as a level of approvals have already been completed. The decision for Tassal to invest and expand in north Queensland is believed to be partly driven by the Queensland Government pre-zoning the area for development.

Opportunities in Northern Australia that were highlighted include:

- Quality of produce – Australia has a chance to capture more of the white prawn market after the presence of a new disease in Asia (currently the main producer of white prawns)
- "Clean and green" – Australia has strong biosecurity protocols and biosecurity reputation

- Diversification – aquaculture companies can also produce animal feed, potentially creating an opportunity to contract with farmers
- Abundance of land and coastline – vast coastline of Northern Australia allows for caged fish opportunities similar to those in Norway
- Geographic advantage – Northern Australia may be chosen over the south for aquaculture as there is probably a higher value-for-money use of water in southern regions (for example, in cotton production)
- Collaboration with Traditional Owners – higher concentration of Indigenous land and sea titles may be beneficial for joint development. For example, Sealord in New Zealand produces most of the Hoki fillets due to Indigenous ownership of sea titles.

Constraints in Northern Australia that were highlighted include:

- Infrastructure constraints – lack of a capable air freight hub in Northern Australia, contributing to an inefficient supply chain
- Industry – the aquaculture industry is too fragmented
- Climate – the effect of climate change on Northern Australia's climate and capabilities could be a problem in the future.

ArGyll Consulting

ArGyll Consulting is a consulting practice specialising in agricultural economics, policy analysis and strategic planning for industry and regional development.

Opportunities in Northern Australia that were highlighted include:

- Universities in Northern Australia do not offer extensive agricultural science as a higher degree. This is causing skilled people to study in southern states where they will potentially stay, rather than return to the north. Educational institutions in the north should increase their agricultural science offering and provide an incentive to stay in Northern Australia.
- Investment case officers – individuals with a genuine understanding of the industry, including a commercial understanding, and a broad range of contacts would be very beneficial.

Constraints in Northern Australia that were highlighted include:

- Skills gap – there is a need for skills attraction or investment as finding skilled employees is difficult
- Investor readiness – matching the right person to the right investor can be challenging, particularly if the property owner/manager does not have experience in such transactions
- Distance of agricultural areas to where Government is based creates a disconnect
- State/Territory inaction regarding development.

Investors

Argyle Capital Partners

Argyle Capital Partners is focused on agriculture and has a significant portfolio of water investments in geographically diverse markets. Their approach to agriculture investments is to look for properties that possess potential for transformation and development. They are currently diversified across horticulture, cropping and infrastructure investments. Argyle Capital have interests in Queensland, New South Wales, Victoria and Western Australia, primarily in the southern regions.

Opportunities in Northern Australia that were highlighted include:

- Weather is not a risk unique to Northern Australia – less exposed to cyclonic damage if the asset is inland. There are risks everywhere, such as frost in the south and drought. Acceptance of weather risks depend on the risk profile of the investor.
- Need for multi-generational infrastructure such as dams.

Constraints in Northern Australia that were highlighted include:

- Water security – Queensland has not seen any large-scale water infrastructure investment for some time. There are many areas that are productive that could be turned into high-value crops if water was accessible. There are similar challenges in the Northern Territory

- Development regulatory risk – challenges working with State Governments with changing views on development e.g. land clearing, environmental processes etc. ‘Red tape’ and ‘green tape’ and delays caused by bureaucracy and political cycles is problematic
- Distance of Northern Territory – supply chain and logistical risks
- Distance to market of Western Australia – long distances for freight and lack of infrastructure to get goods to market
- Supply chain infrastructure – not enough ports in Northern Australia
- Exit strategies – presently, the only assets of value (outside of horticulture) are cattle stations. It is harder to sell assets in the north as they are not like seasonal assets on the east coast that make money annually
- Lack of agricultural data at a granular level – some data is available but remains incomplete. Finding the data is hard and not customer-focused
- Skills shortages – Northern Australia has a relatively low population base, which is inhibiting the attraction of skilled employees.

Ontario Teachers’ Pension Plan (Ontario Teachers)

Ontario Teachers is Canada’s largest single-profession pension plan. They pay pensions and invest in assets on behalf of 327,000 working and retired teachers. Headquartered in Toronto, Ontario Teachers employs 1,200 people and has a real estate subsidiary Cadillac Fairview, which employs 1,500 people.

Ontario Teachers has invested in an avocado farm in Western Australia and two almond farms in South Australia and Victoria, with plans to grow and diversify their position for a well-balanced agriculture portfolio in Australia.

Opportunities in Northern Australia that were highlighted include:

- Relationship with Canada – good points of contact in home country through Australia’s diplomatic missions and relationships
- Proximity to Asian markets – geographically close to Singapore and Hong Kong, however needs to be tempered against ease of freight from Port of Darwin being more expensive than southern states due to economies of scale
- Infrastructure development – processing and transportation facilities being made available in the north would make investment in Northern Australia more attractive
- Information fact sheets for investors – detailed analysis on the opportunities and information on the location and availability of water and energy, coupled with detail on what the Government is prepared to fund for public infrastructure, would increase investment attraction in Northern Australia. Additionally, information on the direction of Northern Australia’s capabilities for export and airfreight would increase investment attraction.

Constraints in Northern Australia that were highlighted include:

- Distance from major centres – less accessible than the rest of Australia and export to various distribution centres is challenging
- Skilled labour shortage – access to and retention of skilled labour is difficult
- Misinformation – lack of information or contradictory information available regarding the accessibility and availability of water with no current or clear direction on water supply
- Legislation and regulation – lack of information of different legislation across the jurisdictions
- Administration and communication – there is no current government contact of the Northern Territory in home country’s current public government register
- Supporting infrastructure – processing facilities are non-existent in the Northern Territory and there is also a lack of social infrastructure to attract workers and their families to relocate.

Northern Australian Pastoral Company (NAPCo)

NAPCo is one of Australia’s largest and privately-owned cattle companies, commencing operations in 1877. It manages over 6.1 million ha in Queensland and Northern Territory. Combined, the property portfolio supports approximately 200,000 head of cattle. NAPCo oversees and controls its products through all phases of production, allowing for a vertically integrated supply chain of high-quality beef for both domestic and export chilled beef markets. It employs 180 people across its operations. With NAPCo breeding their own cattle, their biggest properties are experiencing severe drought and are holding half capacity due to lack of feed and water.

Opportunities in Northern Australia that were highlighted include:

- Access to markets – being able to road freight product to Darwin, SEQ processing facilities, Port of Brisbane or other ports to global markets
- Land availability – Northern Australia has access to properties of greater scale than southern Australia
- Investor information pack – showcasing the ability to offer stable operating conditions would make investment attractive as most investors what is within and outside of their control.

Constraints in Northern Australia that were highlighted include:

- Water – need reliable access to water
- Distance – distance from domestic customer base incurs significant transport costs
- Supporting infrastructure – lack of transport infrastructure (particularly rail) as well as internet and telecommunications connectivity (cropping and cattle is becoming increasingly reliant on data and data capture i.e. precision agriculture)
- Regulations – complexities with native title and land tenure can be challenging to navigate
- Weather – seasonality and adverse weather conditions may detract investors.

Consolidated Pastoral Company (CPC)

CPC is an Australian managed, majority foreign-owned agri-food business that owns and operates a portfolio of 13 cattle stations with a carrying capacity of 380,000 head of cattle across 4.5m hectares of land in Australia. Terra Firma (from the UK) are the majority shareholder of CPC. The company also holds a 90% interest in Juang Jaya Abdi Alam (JJAA) which owns and operates two feedlots in Indonesia. CPC direct sales channels primarily involve selling cattle and beef to Asian consumer markets, domestic feedlots or exporting processors, and exporting live cattle.

Opportunities in Northern Australia that were highlighted include:

- Potential for growth – investment in enabling infrastructure in Northern Australia would make investment more attractive

Constraints in Northern Australia that were highlighted include:

- Water – need reliable access to water
- Regulations – complexities with native title and land tenure can be challenging to navigate.

Pardoo Beef

Pardoo Beef own five cattle stations in Western Australia, with a vision to create a reliable, safe and secure supply of ultra-premium Wagyu beef for discerning domestic and Asian markets.

Opportunities in Northern Australia that were highlighted include:

- Investor information pack – this needs to outline permits, water availability, land capability, survey requirements and timelines.
- Senior officers group – a group of experienced case officers that are very valuable to investment attraction
- Availability – there are companies and properties that need investors to expand and grow.

Constraints in Northern Australia that were highlighted include:

- Cost – investors need the ability to pay numerous consultants to navigate regulatory issues
- Process – lengthy process and the amount of approvals required can cause long delays in the investment process and production. Investors can often see the product of investments in other places in a lesser amount of time
- Biosecurity – biosecurity differences between states and territories makes it hard for producers to expand across jurisdictions
- Skills – difficult to find soil scientists to assess properties and complete processes required by governments to achieve approvals
- Local governments – can be difficult to deal with as they are under resourced and response times are long
- Supporting infrastructure – finishing and processing facilities are required closer to investment locations.

Research organisations

CSIRO

CSIRO is Australia's national science research agency. CSIRO has developed the Northern Australia Water Resource Assessment (NAWRA), an online database with tools to present findings such as water and soil quality and agriculture opportunities. Since the Project's inception, additional information surrounding biodiversity, geology and economic modelling has been included. However, the information provided by CSIRO is mainly for specific catchments in Northern Australia due to limited funding. There is very little detailed information about land in the broader Northern Australia.

Opportunities in Northern Australia that were highlighted include:

- Advancements in agtech and studies
- Support – Indigenous landowners and communities are interested in inbound investment.

Constraints in Northern Australia that were highlighted include:

- Complex investment process – investors are usually not patient enough for the lengthy investment process/timeline
- Distance – remoteness of parts of Northern Australia increase the cost of operating and generally require a high dollar per hectare for investments to be profitable
- Data – there is a lack of information required for decision-making by investors
- Supporting infrastructure – there is a lack of facilitating infrastructure in Northern Australia which investors are not aware of. Additionally, social infrastructure is lacking which deters people from moving to the region.

James Cook University

James Cook University (JCU) is a world-class university and research facility. There are five campuses, which includes three study centres in regional Queensland and one campus in Singapore. JCU identified that Northern Australia has significant competitive advantages as an agricultural investment destination, however, the barriers to investment are prohibiting the realisation of these advantages.

Opportunities in Northern Australia that were highlighted include:

- Proximity to Asia – Northern Australian benefits from geographic proximity to lucrative Asian markets
- “Clean and green” – there is a reputation for Australia's pristine environment and premium produce
- Quality of water – there has been little to no human intervention to water, making the water quality higher
- Tropical climate – contributes to a fast growth rate of produce
- Open economy – relatively open to and interested in various business models
- Support – there is Government support in all jurisdictions.

Constraints in Northern Australia that were highlighted include:

- Size – the relative size of the industry is small compared to other nations
- Distance – it is not cost-effective to develop feed companies in the region and cost of production is relatively high compared to southern regions
- Weather – Northern Australia is highly susceptible to natural disasters
- Export infrastructure – there is a lack of infrastructure for cold freight through Darwin Airport.

Charles Darwin University

Charles Darwin University (CDU) is an Australian public university based in Darwin. Market sounding was conducted with an academic in CDU's Northern Australian Development department. CDU identified the various research areas of strategic destinations in the Northern Territory for the growing sectors of agriculture and tourism. CDU is accustomed to partnering with various Cooperative Research Centres, industry and Northern Territory Governments to knowledge share strategies and pathways to economic development of the north.

Opportunities in Northern Australia that were highlighted were include:

- Regional inclusion – jurisdictions in the north have access and ability to work together to expand the economic position of Northern Australia

- Business models – there is a need to focus on the development of economic institutions and business models on regional innovation that are beneficial and can be used to expand economic capabilities of Northern Australia
- Market literacy – application of marketplace literacy research of remote Indigenous context and associated financial implications for these regions could improve attractiveness of investment in the north
- Geographic position – Northern Australia is strategically situated close to tourism markets which could help increase regional economic development opportunities.

Constraints in Northern Australia that were highlights include:

- Skilled labour – there is limited sources of labour for conventional skills and entrepreneurial competencies
- Remoteness – there is a need to consider the involvement and impact of people living in remote regions.

Summary

The key findings of the market sounding are presented in Table 14.

Table 14: Key findings from market sounding

Topic	Market sounding outcomes
Competitive advantage	<ul style="list-style-type: none"> • Strong biosecurity reputation of Australia • Vast coastline • Geographic proximity to Asia • Significant unused land • Pristine environment • Tropical climate
Barriers to investment	<ul style="list-style-type: none"> • Lack of necessary infrastructure (including export facilities, ports, roads, water) • Exit strategies • Somewhat uncoordinated industry • Negative case studies and investor experiences • Limited access/availability to water • Difficulty attracting skilled workforce • Complex land tenure • Cost of utilities • Lack of complete information to inform investment decisions • High cost of production and freight • Economies of scale • Highly susceptible to natural disasters • Cost of production is higher than southern regions
Investor requirements	<ul style="list-style-type: none"> • Information surrounding the region and native title • Understanding of the water available and soil quality of the land • Single, coordinated reference point or repository of information for investors • Education and information about how to build trust and have open discussions with Traditional Owners • Understanding of the legislation and regulation of environmental approvals and land use
Investor identification	<ul style="list-style-type: none"> • Investors from UK, USA and Canada • Domestic producers • Investors from financial hubs in Asia – Singapore and Hong Kong • Countries with high population growth, high growth of the middle to upper class and have a focus on food security

Topic	Market sounding outcomes
Investor typologies	<ul style="list-style-type: none"> • Investors from UK, USA and Canada are interested, partly driven through the impact aspect • Domestic producers are interested in reinvesting and increasing capabilities • Institutional investors are generally more interested in brownfield investments

Market sounding participants provided the following recommendations:

- Increased provision of pre-zoned land to attract investors
- Relevant and detailed information should be available to investors that will enable them to make an informed investment decision. This information should be available from a single source
- Cross-agency case officers for agricultural investments will support investment facilitation and increase probability of executing transactions
- Better collaboration between jurisdictions across Northern Australia.

Appendix B – Key Stakeholders

Industry

Australia

Australia-Association of Southeast Asian Nations Chamber of Commerce

The Australia-Association of Southeast Asian Nations Chamber of Commerce (AustCham ASEAN) aims to support members to deepen Australian business engagement with ASEAN. AustCham ASEAN is committed to helping its members achieve business success through:

- Informing Australian businesses on regional integration developments and the business landscape with a particular focus on an annual business survey
- Explaining the contribution of Australia business to ASEAN markets
- Advocating for policies, rules and regulations that support Australia business activities in ASEAN
- Austrade.

Local producers and landholders and produce bodies

Local producers and landholders in Northern Australia will play a crucial role in identifying agriculture investors and the produce and land availability for further investment.

Northern Territory

Northern Territory Farmers Association

The Northern Territory Farmers Association (NT Farmers) is the peak body for all the plant-based industries in the Northern Territory. NT Farmers' focus industries include tropical exotic fruit, vegetables and forestry. NT Farmers undertake a variety of activities including:

- Maintaining market access
- Provision of grower advice and quality resources
- Grower-led and grower-centred policy and infrastructure priorities
- Facilitating research, development and extension activities to meet future industry challenges.

Territory Natural Resource Management

Territory Natural Resource Management (TNRM) is an independent, not-for-profit, membership-based organisation. TNRM has been working with landholders, community groups, industry and government to ensure sustainable management of water, land, soils and biodiversity in NT. The team of staff work with people across NT to identify natural resource management (NRM) issues and opportunities, and to plan and implement NRM solutions at a local and regional scale.

Queensland

AgForce

AgForce Queensland is a peak organisation representing Queensland's rural producers striving to ensure long term growth, viability, competitiveness and profitability of broad acre industries of cattle, grain, sheep and wool in Queensland. The AgForce Queensland Farmers Board sets the policy direction for the organisation and identifies its agenda of priority policy areas every two years. These priorities strategically target the issues thought to be of the most importance to Queensland agriculture. AgForce's current priority policy areas for 2019 and 2020 include:

- Enabling infrastructure
- Securing property rights
- Profitably managing resources/best practice
- Supporting our people.

Growcom

Growcom is the peak representative body for Queensland horticulture and strives for the long term growth and profitability of horticultural farms and the industry. Growcom's core membership consists of Queensland's fruit and vegetable producers and individuals, groups and relevant industries. Growcom's main roles include developing policy on issues affecting production horticulture and delivering professional services to horticultural growers and other stakeholders to enhance their business efficiency and profitability.

Timber Queensland

Timber Queensland is the peak timber industry body in Queensland. Timber Queensland is a non-profit industry association with a membership base consisting of plantation grower, harvesters, sawmillers and merchants through to manufacturers, architects and builders. Timber Queensland is committed to creating greater public benefit and political awareness of the forest and timber industries, and the valuable economic and environmental contribution they make to Queensland. A key role of the association is to support and encourage the development and expansion of the forest and timber industries as a means of securing the long-term business viability of the association members.

Western Australia

The Western Australian Farmers Federation

The Western Australian Farmers Federation (WA Farmers) is the largest and most influential agricultural advocacy group in Western Australia, advocating on behalf of more than 3,500 farmers. WA Farmers represents the voice of farmers throughout Western Australia and is continually working towards a more viable, profitable and sustainable future for the agricultural industry. The industries represented are grains, livestock (sheep and cattle), dairy and commercial beekeeping. WA Farmers has 17 zones across Western Australia which are led by zone presidents and coordinators. This enables the organisation to gather information directly from the farm and allows local members to express their views without having to head to the city.

Kimberley Pilbara Cattlemen's Association

The Kimberley Pilbara Cattlemen's Association (KPCA) is a not for profit industry development and advocacy body that represents a diverse range of producers with, on a cumulative basis, significant pastoral land holdings across the Kimberley and Pilbara and into the Gascoyne region of Western Australia. The membership base is also inclusive of Aboriginal producers and several related businesses servicing the industry.

Government Australia

Austrade

Austrade contributes to Australia's economic prosperity by helping Australian businesses, education institutes, tourism operators, governments and citizens as they:

- Develop international markets and promote international education
- Win productive FDI
- Strengthen Australia's tourism industry
- Seek consular and passport services.

Austrade leverages the deep commercial knowledge and relationships of Australia's international and domestic networks, and the badge of government, to deliver value for the nation's clients and investors. Some of Austrade's activities are connecting export-ready Australian businesses to overseas opportunities and work with them to achieve commercial outcomes and promote Australian capability internationally.

Northern Territory

Department of Primary Industry and Resources

The Department of Primary Industry and Resources (DPIR) brings together many of the key functions that drive the economic development on Northern Territory land, coastal areas and inland waterways, and its operations cover the whole of the Northern Territory. Industry sectors includes mines, fisheries, livestock, horticulture and agriculture. Responsibilities include regulatory and research functions related to agribusiness investment attraction and market and enterprise development.

Department of Trade, Business and Innovation

The Department of Trade, Business and Innovation (DTBI) is the Northern Territory's public sector coordinating agency for economic development with a mission to drive private investment and create jobs. The department is positioned to attract greater investment and trade opportunities to develop the north, enabling the advancement of a skilled and capable workforce and supporting business growth and sustainability. The department has an annual budget of approximately \$216 million and a Territory-wide network of regional offices.

Northern Territory Investment Territory Group

The Northern Territory Investment Territory Group is a branch within the DTBI responsible for investment strategy and attraction in the Northern Territory.

Queensland

Department of Agriculture and Fisheries

DAF works to achieve a productive and profitable agriculture, fisheries and forestry sector by promoting sustainability and innovation. DAF manages community resources, strives to improve production and products, leads research in overcoming animal and plant pests and diseases, and works constructively with stakeholders for mutual benefit. DAF primary remit includes:

- Agriculture
- Fisheries and forestry
- Biosecurity Queensland.

Trade and Investment Queensland

Trade and Investment Queensland (TIQ) is the Queensland Government's dedicated global business agency. TIQ assists Queensland exporters to take their products to world markets and promotes Queensland as a prospective place for investment. The agency has global representatives in 12 markets around the world and regional trade and investment advisors in major centres across Queensland. TIQ has three key roles:

- Work with partner agencies, industry organisations and international allies to promote better access to overseas markets and decision-makers for Queensland companies
- Attract investment to Queensland and assist potential investors into Queensland
- Facilitate purchases of Queensland services, expertise and products.

Western Australia

Department of Primary Industries and Regional Development

The Department of Primary Industries and Regional Development is committed to growing and protecting WA's agriculture and food sector. The department is supporting the agrifood sector to significantly increase its value by capitalising on growing global demand for food while safeguarding the state's natural resources. The department conducts targeted research and fosters innovation to enable the agriculture and food sector to overcome barriers for growth and increase its contribution to the state's economy.

Research

Commonwealth Scientific and Industrial Research Organisation

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) is Australia's national science research agency. CSIRO works with private industry customers, major Australian companies, small to medium enterprises and overseas corporation to solve challenges with science and technology. CSIRO operates 59 centres across Australia with key CSIRO sites for Northern Australia being Broome, Darwin and Cairns. CSIRO has a focus on developing Northern Australia, stating that the region is a very productive part of the country with substantial opportunities for further targeted development.

Fisheries Research and Development Corporation

Fisheries Research and Development Corporation (FRDC) is a co-funded partnership between its two stakeholders – the Australian Government and the fishing and aquaculture sectors. FRDC's role is to plan and invest in fisheries research, development and extension (RD&E) activities in Australia. FRDC has a significant responsibility in ensuring, on behalf of the Australian Government, that research is undertaken to assist in the management of the fisheries and aquaculture resource for ongoing sustainability. This means that a significant proportion of funding is directed at research that has a benefit for the three sectors of the fishing industry:

- Commercial (wild catch and aquaculture)
- Recreational
- Indigenous.

Grains Research and Development Corporation

The Grains Research and Development Corporation (GRDC) is one of the world's leading grains research organisations. GRDC is responsible for planning, investing in and overseeing RD&E to deliver improvements in production, sustainability and profitability across the Australian grains industry.

Northern Australia Crop Research Alliance

The Northern Australia Crop Research Alliance (NACRA) aims to identify synergies and collectively become more efficient in research efforts to take crop R&D in Northern Australia to a new level. NACRA is the initiative of three



organisations: Ord River District Co-operative, Chia Company and Kimberley Agricultural Investment. NACRA's primary aim is to undertake research into suitable food and fibre crop species (both new and existing) to improve the region's competitiveness and to meet growing international and domestic demand.

Community

Desert Knowledge Australia

Desert Knowledge Australia (DKA) is a statutory authority of the NT established to encourage and facilitate learning, research and sustainable economic and social development in the desert. DKA is a national not-for-profit organisation whose projects focus on renewable energy, desert leadership, digital innovation and desert research. DKA is the landlord of the Desert Knowledge Precinct where a group of organisations strive to make the desert a better place to work, learn and live.

Indigenous Land and Sea Corporation

The Indigenous Land and Sea Corporation (ILSC) assists Aboriginal and Torres Strait Islander people to realise economic, social, cultural and environmental benefits that the ownership and management of land, water and water-related rights can bring. The ILSC provides this assistance through the acquisition and management of rights and interests in land, saltwater and fresh water country. The ILSC has priority outcomes for achieving Indigenous benefits of access to and protection of cultural and environmental values and socioeconomic development. By committing to these priorities, the ILSC aims to help in building a secure and sustainable Indigenous land base, now and for future generations.

Northern Land Council

The Northern Land Council (NLC) is an independent statutory authority of the Commonwealth. It is responsible for assisting Indigenous peoples in the top end of the NT to acquire and manage their traditional lands and seas. The most important responsibility of the NLC is to consult with traditional landowners and other Indigenous peoples with an interest in affected land.

Appendix C – Agriculture Investors in Northern Australia

Table 15: Agriculture investors in Northern Australia

Company	State of investment	Country	Industry
Acton Land and Cattle Company	Queensland	Australia	Grazing
An Vien Pastoral Holding and Agriculture	Northern Territory	Vietnam	
Angus Pastoral Company	Queensland	Australia	Grazing
Arrabury Pastoral Company	Queensland	Australia/UK	Grazing
Australian Agricultural Company	Northern Territory and Queensland	Australia	Grazing
Australian Green Properties Pty Ltd	Northern Territory	Philippines	
BC Water	Queensland	Hong Kong	
Bettini Bros	Western Australia	Australia	Grazing
Brett Blundy Retail Capital	Northern Territory	Singapore	
Brook Proprietors	Queensland	Australia	Organic beef
Caason Group	Northern Territory	Australia	Natural resources
CK Hutchinson Holdings	Western Australia	China	Watermelons
Clark and Tait	Queensland	Australia	Grazing
Clean Agriculture and International Tourism	Western Australia	Vietnam	Grazing, breeding
Consolidated Australian Pastoral Holdings	Western Australia	China	Grazing
Consolidated Pastoral Company	Northern Territory and Queensland	UK	
Costa Group	Queensland	Australia	Fruit and vegetables
Cowal Agriculture	Queensland	USA	Cropping
Dowford Investments	Western Australia	Australia	
Dunkeld Pastoral Company	Northern Territory and Western Australia	Australia	Grazing
Gibson Grazing	Northern Territory	Australia	Grazing and feed lots
Gina Rinehart - Hancock Prospecting	Northern Territory and Western Australia	Australia	Grazing

Company	State of investment	Country	Industry
Grant Farris	Northern Territory	Australia	
Gunn Agri Partners/Cunningham Cattle Company	Queensland	Australia	Beef, cropping, dairy
Henbury Unit Trust Pty Ltd	Northern Territory	Australia	
Hewitt Cattle Australia	Northern Territory and Queensland	Australia/ Canada	Grazing
Heytesbury Cattle Company	Northern Territory and Western Australia	Australia	
Hughes Pastoral Group/Georgina Pastoral Company	Northern Territory and Queensland	Australia	Grazing
Hui Wing Mau	Western Australia	China	
Indigenous Land Corporation	Northern Territory, Western Australia and Queensland	Australia	Grazing
John and Kate McLoughlin	Queensland	Australia	
John and Robyn Roger	Queensland	Australia	
Jumbuck Pastoral	Northern Territory and Western Australia	Australia	
Keats Family Pastoral	Queensland	Australia	
Kerry Stokes (Australian Capital Equity)	Western Australia	Australia	
Kimberly Agricultural and Pastoral Company	Western Australia	Australia	
Kimberly Agricultural Investments	Western Australia	China	Cropping, cotton
Langenhoven family –Amanzi Property Group	Northern Territory	Australia	Grazing and ecotourism
Lord Cattle-Lord and Penna Grazing Business	Queensland	Australia	Grazing
Malcom Harris-Cleveland Agriculture	Northern Territory and Western Australia	Australia	Grazing
McCoy Family	Queensland	Australia	
McDonald Holdings	Queensland	Australia	Grazing
McMillan Pastoral Company	Northern Territory	Australia	
Minderoo Group/Harvest Road	Western Australia	Australia	
MSF Sugar	Queensland	Thailand	

Company	State of investment	Country	Industry
Napier Pastoral Company	Northern Territory	Australia	
Nico Botha	Northern Territory	Australia	Grazing
North Australia Pastoral Company	Northern Territory and Queensland	Australia	Grazing
North Star Pastoral	Northern Territory	Australia	
One Tree Agriculture	Queensland	Australia	
Outback Beef	Northern Territory and Western Australia	Australia	Grazing
Palgrove Holdings Pty Ltd	Queensland	Australia	Grazing
Paraway Pastoral Company	Queensland	Australia	
Pardoo Beef Corporation	Western Australia	Singapore	
Paspaley Pastoral	Northern Territory	Australia	Grazing
Passchendaele Cattle Company	Northern Territory	Australia	
Pembroke Resources	Queensland	Australia	
Peter Sherwin	Northern Territory	Australia	
Rural Funds Group	Queensland	Australia	
Sandover Pastoral Company	Northern Territory	Australia	Grazing
Scott Cattle Company	Northern Territory	Australia	
Scott Harris	Queensland	Australia	Grazing
Severin Family	Northern Territory	Australia	
Shanghai CRED/Shanghai Zenith/Shanghai Zhongfu	Western Australia	China	
Shanghai Zenith	Western Australia	China	Grazing, tourism
Shanghai Zhongfu/Kimberly Agricultural Investments	Western Australia	China	Grazing, cropping, cotton
Simmons Cattle Company	Queensland	Australia	Grazing
Stanbroke Pastoral	Queensland	Australia	Grazing
Sterling Buntine/Baldy Bay	Northern Territory, Western Australia and Queensland	Australia	
Steven Fogarty	Northern Territory	Australia	Organic cattle
Sunlight Holdings	Western Australia	Australia	

Company	State of investment	Country	Industry
Swiss Australia Farm Holdings	Queensland	Australia	Grazing
TBG Agri Holdings	Western Australia and Queensland	China	
Thames Pastoral Company	Northern Territory	UK	
TIAA-CREF Global Ag Properties	Western Australia and Queensland	USA	Cropping
Tim and Emily Edmunds	Northern Territory	Australia	
Tony and Julie Harrower	Northern Territory	Australia	Grazing
Usher Pastoral Company	Queensland	Australia	
Viv Oldfield-Donny Costello (Crown Point Pastoral)	Northern Territory	Australia	Grazing
Wentworth Cattle Company	Queensland	Australia	Grazing
Western Grazing Company - Gambamora Industries	Northern Territory and Queensland	Australia	Grazing
Yeeda Pastoral Company	Western Australia	Australia	

Appendix D - Overview of Short-Term Priority Countries¹⁰²

Argentina

Argentina is currently not a major source of FDI for Australia or a major trading partner, but there is increasing interest from local groups to explore investment opportunities in agribusiness and manufacturing, and to take advantage of Australia's extensive network of FTAs with Asia to expand trade in agricultural products. DFAT do not have a record of any recent investment data from Argentina however based on desktop research and market knowledge, it is understood that Argentina have agricultural investments across Australia in a variety of commodities and are actively pursuing investments in Northern Australia.

Brazil

Brazil is one of Australia's largest trading partners in Latin America, with a two-way trade of \$3,590 million (2018). Total foreign investment in Australia in 2018 was \$1 billion (it is not known what portion of this was FDI). Brazil's world-class agribusiness presents opportunities for investors to expand these operations into Australia.

Brazilian companies are exploring opportunities to expand operations and invest in Australia, including in bio-fuel production, broad acre cropping, animal protein production and processing, animal nutrition, and bio-pesticides. Many of these align with the Northern Australia development agenda. Companies such as JBS have invested in Australia to benefit from our extensive FTA network in Asia¹⁰³.

Canada

Canada was the twelfth largest investor in Australia, with total foreign investment in Australia totalling \$49 million in 2018. Of this total investment, \$37 million was FDI. Investment is a significant feature of the bilateral commercial relationship between Canada and Australia, with two-way investment stocks currently at around AU\$94 billion. Australia and Canada grant each other preferential tariff rates on a limited range of products agreed under the Canada Australia Trade Agreement (CANATA).

Significant portions of Canadian investments in Australia are made by major institutional investors, particularly pension funds. The Australian portfolios of these pension funds include investments in infrastructure, real estate and agribusiness. The technology and renewable energy sectors are also becoming an increasing focus for these pension funds as they look to broaden their investment mix in Australia.

Additionally, with the legalisation of cannabis for recreational use in Canada, the cannabis industry is expanding. Canadian companies are increasingly assessing Australia as a production base and a number have already taken stakes in Australian medical cannabis companies or established subsidiaries¹⁰⁴.

China

China was the ninth largest investor in Australia and the fourth largest investor from Asia, with total foreign investment in Australia totalling \$64 billion in 2018. Of this total investment, \$40 billion was FDI. The China-Australia FTA came into force in 2015 and enhances the growing trade and investment relationship between the two complementary economies. The FTA ensures the competitiveness of Australia's agricultural and manufacturing industries and assists in attracting greater investment to Australia.

The stock of total Chinese investment in Australia has increased by nearly 800 per cent from ten years ago. The Australian Government has been promoting its open investment regime and FIRB process to China, which continues to attract Chinese investors. The majority of investment has been in resources but is now moving into agriculture, tourism and infrastructure. Australia is an attractive investment destination for Chinese firms. Aside from complementary economies, Australia is favoured for its proximity, reputation as a safe investment destination, strong legal, political and business institutions and low sovereign risk. Chinese outbound investment has surged in recent years. It contracted globally in 2017 due to capital controls and new overseas investment regulations but is likely to continue growing in the medium to long term, driven by the needs of China's economy and in part by Belt and Road projects.

Germany

Germany was the eleventh largest investor in Australia, with total foreign investment in Australia totalling \$49 billion in 2018. Of this total investment, \$24 billion was FDI. Germany is experiencing a strong economic upswing, marking its 13th consecutive quarter of growth in the second quarter of 2018—the longest period of uninterrupted growth since German reunification.

¹⁰² Department of Foreign Affairs and Trade (2019), *Countries, economies and regions*, accessed at <https://dfat.gov.au/geo/Pages/countries-and-regions.aspx>

¹⁰³ Department of Foreign Affairs and Trade (2019), *Insights - Brazil*

¹⁰⁴ Department of Foreign Affairs and Trade (2019), *Insights - Canada*

German investment in Australia is broad and focused on advanced manufacturing, chemicals, defence, technology, agriculture, renewable energy and energy storage, financial services, infrastructure, and information and communications technologies. The launch of the EU–Australia FTA negotiations will significantly enhance economic and commercial opportunities for businesses in Australia and Germany, including for our agribusiness and services sectors¹⁰⁵.

Hong Kong

Hong Kong was the fifth largest investor in Australia and the second largest investor from Asia, with total foreign investment in Australia totalling \$119 billion in 2018. Of this total investment, \$16 billion was in FDI. However, a significant portion of this may actually originate from Chinese organisations investing through Hong Kong. The Australia-Hong Kong FTA and a bilateral Investment Agreement came into force in 2019. The Investment Agreement will protect investors from on both sides. Hong Kong’s investment sectors in Australia include utilities, transport, telecommunications, resources, clean energy and hotels, and increasingly agri-food, major infrastructure and health services.

Hong Kong’s economic growth and prosperity has been underpinned by an open trade and investment regime complemented by a transparent legal and regulatory environment. Free movement of capital in and out of Hong Kong has accelerated the city’s development as an international commercial and financial centre. Hong Kong will continue to be a priority market for investment across sectors including infrastructure, tourism, resources, energy and health. Hong Kong businesses see Australia as a safe, reliable and open investment destination with a well-performing and well-managed economy.

India

India was the seventh largest investor from Asia, with total foreign investment in Australia totalling \$15 billion in 2018. Of this total, \$949 million was FDI. The Australia-India Bilateral Investment Treaty was terminated in 2017. Australia and India are currently involved in the Regional Comprehensive Economic Partnership (RCEP) negotiations. RCEP is an Association of Southeast Asian Nations (ASEAN) centred proposal for a regional free trade area which would initially include the ten ASEAN member states and those countries which have existing FTAs with ASEAN – Australia, China, India, Japan, Republic of Korea and New Zealand. The target date for conclusion of RCEP is 2019.

India is the world’s fastest growing major economy and forecast to be the world’s third largest economy by 2030. Growth prospects are underpinned by the Indian Government’s reform agenda aimed at creating jobs and improving the business environment. The economy is experiencing urbanisation, a growing, young working-age population and continued structural shift from agriculture to services and industry. India’s current FDI to Australia is under-developed. Some Indian companies are building investments in Australia from a low base in a few strategic areas including renewable energy, other minerals and a range of services such as software and IT and financial services. Investment from India is expected to flow more readily as Australia’s presence in the Indian market grows. The potential for large-scale FDI from India is high as India’s outbound global investment tends to be in sectors where Australia presents many of its largest investment opportunities, including agriculture.

Indonesia

Indonesia’s total foreign investment in Australia was \$1.1 billion in 2018, of which \$1 million was FDI. Australia’s existing trade agreement with Indonesia, ASEAN-Australia-New Zealand Free Trade Area, has reduced a wide range of tariffs on trade between Indonesia and Australia. Additionally, in 2019, the Indonesian-Australia Comprehensive Economic Partnership Agreement was signed which is expected to improve the climate for two-way investment. The current regulatory environment in Indonesia is constraining, with several sectors remaining fully or partially closed to foreign investment. The Australia Government encourages more FDI into Australia by reputable Indonesian businesses, particularly in the resources and agriculture sectors.

Ireland

Ireland was the nineteenth largest investor in Australia, with total foreign investment in Australia totalling \$22 billion in 2018. Of this total investment, \$2 billion was FDI.

Irish investment in Australia is primarily in the sectors of aerospace, agribusiness, business services and pharmaceuticals.

Japan

Japan was the fourth largest investor in Australia and the largest from Asia, with total foreign investment in Australia totalling \$229 billion in 2018. Of this total investment, \$105 billion was FDI. The Australia–Japan partnership is our closest and most mature in Asia and is fundamentally important to both countries’ strategic and economic interests.

Japanese investment has been essential in the development of many of the export industries that have driven Australia’s growth, including in large-scale projects to meet Japanese demand for resources such as coal and iron

¹⁰⁵ Department of Foreign Affairs and Trade (2019), *Insights - Germany*

ore. Japanese investment has also begun to extend beyond the traditional areas of natural resources to sectors such as financial services, infrastructure, information and communications technology, property, food and agribusiness. Japan-Australia Economic Partnership Agreement (JAEPA) will further boost Japan's diverse and growing investment in Australia, generating employment growth including in regional Australia.

With a shrinking domestic market, Japan is pursuing growth opportunities overseas. Japan is Australia's second largest foreign direct investor, primarily in resources, energy and agriculture, but with an increasingly diverse portfolio including construction and manufacturing, financial and IT services, insurance and logistics. Between 2010 and 2016, Japanese direct investment in Australia grew by 78 per cent, partly due to new commitments in agriculture and resources - this also reflects new investments in renewables, services and technology. Additionally, reinvestment by Japanese companies is amongst the highest of any of Australia's major trading partners. This is where they retain profits from Australian operations for reinvestment in Australia.

Progress on agricultural reform has been key to help conclude the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (TPP) and the Japan-European Union Economic Partnership Agreement (J-EU EPA), as well as Australia's bilateral free trade agreement with Japan.

Malaysia

Malaysia was the eighteenth largest investor in Australia and the sixth largest investor from Asia, with total foreign investment in Australia totalling \$22 billion. Of this total investment, \$13.9 billion was FDI. The Malaysia-Australia FTA came into force into 2013 and benefits Australian exporters, importers and consumers by opening markets and freeing trade and investment between the two countries. Australia is Malaysia's third most popular investment destination and investments in Australia included property, tourism infrastructure, transport, energy resources, agribusiness and healthcare. Malaysia's sovereign wealth and pension funds seek investments that offer safe, long-term and steady income streams and have targeted Australia for their investment growth plans.

New Zealand

New Zealand is the fourteenth largest investor in Australia, with total foreign investment in Australia totalling \$47 billion in 2018. Of this total investment, \$7 billion was FDI. Australia and New Zealand benefit from one of the world's most comprehensive, effective and mutually beneficial free trade agreements.

Since the Australia and New Zealand Closer Economic Relations Trade Agreement came into force in 1983, two-way trade has grown at an average annual rate of around six per cent with Australia being New Zealand's top investment destination. A number of trans-Tasman initiatives have helped cement this strong investment relationship, including the Australia and New Zealand is shaped by the Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) Protocol on Investment, which has resulted in lower compliance costs, higher screening thresholds and greater legal certainty when investing across the Tasman.

Singapore

Singapore was the sixth largest investor in Australia and the third largest investor from Asia, with total foreign investment in Australia totalling \$85 billion in 2018. Of this total investment, \$28 billion was FDI. The Singapore-Australia FTA came into force in 2003 and continues to provide protection to Australian and Singaporean investors. Australia and Singapore celebrated 50 years of diplomatic relations in 2015 and the two countries committed to a Comprehensive Strategic Partnership (CSP). The CSP encompasses all aspects of the relationship including trade, defence, science and innovation, education and arts and acted to modernise the Singapore-Australia FTA. Some of the key investment declarations from the CSP are:

- In the economic field, the two countries will establish a Closer Economic Relationship (CER). Through the CER, Australia and Singapore will work to remove regulatory obstacles and enhance an enabling environment for business in order to encourage a significant boost to the flow of trade and investment over the next decade.
- To bring about greater economic integration, there will be cooperation to identify opportunities as a priority to enable increased two-way investment flows and enhanced private sector collaboration and exploration of investment opportunities in sectors such as food, agribusiness and infrastructure in new growth areas including Northern Australia.

Singapore's two sovereign wealth funds are heavily concentrated in the Australian property sector, with hotels and tourism investment a priority. Considerable investments were also made in the food and agriculture sectors, renewables sector, e-commerce platforms, health and other technology-based businesses.

South Africa

South Africa's total foreign investment in Australia was \$8 billion in 2018, with \$4 billion of this being FDI. South Africa is Australia's largest trading partner on the African continent, and a top 25 trading partner for trade in goods and services: There has been considerable South African investment into Australia:

- Woolworths Holdings Limited purchased Australia's David Jones and Country Road stores in 2014

- Growthpoint Properties is one of the top five office commercial leasing companies in Australia
- Outsurance owns Youi Insurance.

South African and Australia share structural, environmental and seasonal similarities between their economies. Businesses in both countries have an understanding of mining and agricultural commodity boom and bust cycles and critical inputs including water and energy availability. While Australia and South Africa are seen as natural competitors in the agriculture sector, South Africa is the 10th largest investor in Australian agricultural land. Opportunities exist for:

- Agricultural research and development
- Agro-processing, agricultural services and technologies.

South Korea (Republic of Korea)

The Republic of Korea was the sixteenth largest investor in Australia, with total foreign investment in Australia totalling \$27 billion in 2018. Of this total investment, \$5 billion was FDI. Australia's trade relationship with Korea is underpinned by the Korea–Australia Free Trade Agreement (KAFTA) which entered into force in December 2014. KAFTA resulted in improved goods market access to Korea for Australian exports including beef, sugar, wheat, malting barley, oil seed, cheese, corn, potatoes, wine, and dairy products such as butter and cheese.

There are opportunities for Korean investment in Australia's agribusiness and food sector. Korea's dependence on external supplies of food and agricultural commodities is creating opportunities in premium food, wine and e-commerce. Food safety and security concerns in Korea are also leading to investment interest in agribusiness assets.

Taiwan

Taiwan was the eighth largest investor from Asia, with total foreign investment in Australia totalling \$9.6 billion in 2018. Of this total, \$158 million was FDI. Taiwan has a high savings rate and relatively low rate of domestic investment which creates a significant pool of funds available for foreign investment.

Reflecting Taiwan's demand for Australia's energy and industrial inputs, Taiwanese FDI is predominantly concentrated in the energy and resources sector. However, investment has expanded to include biomedicine, renewable energy, energy storage, tourism infrastructure, agriculture and food and financial services. Taiwan's New Southbound Policy includes incentives such as beneficial loans and guarantees to Taiwanese businesses to spur investment in New Southbound countries, including Australia.

Thailand

Thailand's total foreign investment in Australia was \$7 billion in 2018, with almost \$6 billion of this being FDI. Thailand is ASEAN's second largest economy and a top 10 two-way trading partner for Australia. It has globally significant, export-oriented industries in automotive, agribusiness, electronics and tourism.

United Kingdom

The UK was the second largest investor in Australia, with total foreign investment totalling \$575 billion in 2018. Of this total investment, \$99 billion was FDI. UK investment in Australia ranges from small and medium sized technology firms opening new operations, through to large superannuation funds investing in major Australian infrastructure and energy assets. Major current and emerging commercial FDI opportunities include:

- renewable energy
- major infrastructure
- agri-food
- fintech
- edtech
- transport tech
- digital health
- defence.

The UK's Withdrawal Agreement to exit the European Union has been agreed by EU leaders but still has to be voted upon by the UK and European Parliaments. Brexit will be an opportunity for strengthened cooperation including through negotiating an Australia-UK Free Trade Agreement.

United States of America

The USA is the largest investor in Australia, with total foreign investment in Australia totalling \$940 billion in 2018. Of this, \$214 billion was FDI. The USA is the largest economy in the world and is Australia's largest foreign investor and Australia's largest economic partner. Since 2010, the US has been the largest investor in Australia in terms of FDI stock and more than a quarter of Australia's total inward foreign investment (AU \$897 billion) is from the US.

Leading sectors for US investment are mining, finance and insurance. In established agribusiness markets like the US, ag-tech solutions are needed to maintain competitiveness and increase efficiency. There has been interest from food processing companies in scoping Australia for innovation – from novel and nutritious ingredients to technologies to eliminate waste in the value chain. There is appetite from multinationals, wealthy families and pension funds to aggregate Australian farm and pastureland, and to build value-adding supply chains to Asia.

Vietnam

Vietnam's total foreign investment in Australia was \$823 million in 2018. The FDI proportion of the total has not been published. Australia and Vietnam have historically had bilateral links. In 2018, a Joint Statement on the Establishment of a Strategic Partnership between Australia and Vietnam was signed. The Joint Statement states the two country's commitment to deepen bilateral trade and investment and pursue more open trade and investment through global and regional economic integration. Vietnam is also part of the ASEAN-Australia-New Zealand Free Trade Area.

Vietnam is one of Southeast Asia's fastest growing economies and is expected to be a global top 20 economy by 2050. Vietnam has been transitioning from a centrally planned to a market-based economy. While significant reforms are still outstanding, changes to date have resulted in economic benefits for Vietnam, particularly through increased exports and FDI. Vietnam also achieved World Trade Organisation (WTO) membership which led to investment restrictions further loosening. Long-term trade and investment opportunities should increase in line with Vietnam's progress in implementing its legislative and administrative reform program and its rapid economic growth. Currently, Vietnamese outward investment is small and concentrated among Vietnam's high net worth individuals.

Appendix E – Agriculture Investors in Australia

Table 16 present a non-exhaustive list of historical, current and potential investors in Northern Australia and their primary commodity of investment. This iterative list should continue to be updated upon further engagement with the investment community.

Table 16: Agriculture investors in Australia (historical, current and potential)

Company	Country of origin	Primary commodity
Ace Farming	Australia	Dairy
Acton Land and Cattle Company	Australia	Beef
Adveq Almond Trust	Switzerland	Almonds
AJ and PA McBride Pty Ltd	Australia	Wool
Alan Pye	New Zealand	Dairy
Almondco Australia	Australia	Almonds
An Vien Pastoral Holding and Agriculture	Vietnam	Cattle
Angel Seafood Holdings Ltd	Australia	Oysters
Angus Pastoral Company	Australia	Beef
Archer-Daniels-Midland Company	USA	
Arrabury Pastoral Company	Australia	Cattle
Associated British Foods plc	UK	Sugar
Auscott	USA	Cotton
Ausnutria Dairy Corporation	Hong Kong	Dairy
Auston Corporation (Ontario Teachers Penion Plan Board)	Canada	Almonds
Australian Agricultural	Australia	
Australian Agricultural Company	Australia	Beef
Australian Aulong Auniu Wang	China	Wagyu beef
Australian Country Choice	Australia	Beef
Australian Dairy Nutritionals	Australia	Dairy
Australian Food and Agriculture	Australia	Crops
Australian Green Properties Pty Ltd	Philippines	Cattle
Australian Pastoral Land Company	Australia	Labour
Baiada Poultry	Australia	Poultry

Company	Country of origin	Primary commodity
BayWa	Germany	Renewable energy
BC Water	Hong Kong	
Bega Cheese Limited	Australia	Dairy
Bellamy's Australia Limited	Australia	Organic baby food
Bertocchi Smallgoods	Australia	Cured meat - bacons, hams, salamis
Beston Global Food Company	Australia	Dairy
Bettini Bros	Australia	Cattle
Boundary Bend Limited	Australia	Olive Oil
Brett Blundy Retail Capital	Singapore	Beef
BRF SA	Brazil	Poultry and pork
British Columbia Investment Management Corporation	Canada	Forestry
Brook Proprietors	Australia	Beef
Caason Group	Australia	Beef cattle, hemp, fertilisers
Cal-Maine Foods Inc	USA	Egg
Calavo Growers Inc	USA	Avocados
Camm Agriculture Group	Australia	Beef
Carlos Casado S.A	Argentina	Beef
Carrington Cotton Corp	Australia	Cotton
CC Cooper & Co	Australia	Sheep
China Agri-industries Holdings Limited	Hong Kong	Oilseed
China Foods Limited	Hong Kong	Grain
China Huishan Dairy Holdings Company Limited	Hong Kong	Dairy
China Mengniu Dairy Company Limited	Hong Kong	Dairy products
China Shengmu Organic Milk Limited	Hong Kong	
CK Hutchinson Holdings	China	Watermelon
CK Life Sciences	China	Salt
Clark and Tait	Australia	Sheep breeding
Clean Agricultural and International Tourism	Vietnam	Cattle

Company	Country of origin	Primary commodity
Clean Seas Seafood Limited	Australia	Kingfish
COFCO Meat Holdings Limited	Hong Kong	Cattle
Colinta Holdings	Australia	Beef cattle
Consolidated Australian Pastoral Holdings	China	Cattle
Consolidated Pastoral Company	UK	Cattle
Coolong Pastoral Australia	Australia	Grazing
Cordina Chicken Farms	Australia	Poultry
Corish Farms Pty Ltd	Australia	
Costa Group Holdings	Australia	Horticulture
Cowal Agriculture	Australia	Broadacre
Craig Mostyn Group	Australia	Abalone
Cranswick plc	UK	Meat Products
Cresud S.A	Argentina	
Danica Pension	Denmark	Pensions
D'Orsogna	Australia	Cured Meat - Hams, bacons, continental products
Daybreak Cropping	Australia/Canada	Broadacre cropping
Dongfang Modern Agriculture Holding Group Limited	China	Beef cattle
Dowford Investments	Australia	Wholesale distribution of farm supplies
Dunkeld Pastoral Company	Australia	Beef and lamb
Eastern Australian Agriculture	Hong Kong	Cotton
Elders Limited	Australia	Farming Supplies
Empresa Agricola San Juan S.A	Peru	
Excelsior	Brazil	
First State Super	Australia	Orchards and aquaculture
Flavorite group	Australia	Tomatoes
Fonterra Shareholders Fund	New Zealand	Dairy
Freedom Foods Group Limited	Australia	Cereals, dairy, plant-based products
Fufeng Group Limited	Hong Kong	Bio-fermentation products

Company	Country of origin	Primary commodity
G&K O'Connor	Australia	Beef
Garovaglio Y Zorraquin S.A	Argentina	Wheat/corn/beans/fruits
Gary Overton	Australia	
Gerry Harvey	Australia	Beef cattle, horticulture
Gibson Grazing	Australia	Cattle
Gina Rinehart - Hancock Prospecting	Australia	Cattle
Glanbia plc	UK	Nutritional Products
Glenthompson Pastoral Copmany	Australia	Sheep and cattle
Gofarm Australia	Australia	Agricultural and horticultural land
Golden Cockerel	Australia	Poultry
Graincorp Limited	Australia	Grains
Grant Farris	Australia	Cattle
Greentree Farming	Australia	Cotton
Growth Farms	Australia	Various
Gunn Agri Partners/Cunningham Cattle Company	Australia	Cattle
Hailiang Group	China	Beef Cattle
Hancock Agricultural Investment Group	USA	Almonds
Handbury Group	Australia	Sheep
Hazeldene's Chicken Farm	Australia	Poultry
Heilongjiang Feng Agricultural	China	Cropping
Henbury Unit Trust Pty Ltd	Australia	Beef
Henwood Family	Australia	Beef
Hewitt Cattle Australia	Australia	Beef
Heytesbury Cattle Company	Australia	Beef
Hilton Food Group plc	UK	Meat processing
Ho Myoung Farm	Korea	Beef
Hormel Foods Corporation	USA	Meat products
HSK Ward	Australia	Grains

Company	Country of origin	Primary commodity
Hughes Pastoral Group/Georgina Pastoral Company	Australia	Cattle
Hui Wing Mau	China	
Huon Aquaculture Group	Australia	Salmon
Indigenous Land Corporation	Australia	Predominately beef cattle
Inghams Group Limited	Australia	Poultry processing
Inversora Juramento S.A	Argentina	Cattle farming
JBS	Brazil	Beef
JCN	Brazil	
John and Kate McLoughlin	Australia	Cattle
John and Robyn Rodger	Australia	Grazing
Jumbuck Pastoral	Australia	Cattle and sheep
Kahmoo Pastoral Company	Australia	Lamb
Keats Family Pastoral	Australia	Pastoral
Kellogg Company	USA	Cereals
Kerry Stokes (Australian Capital Equity)	Australia	Various
Keytone Dairy Corporation	New Zealand	Dairy
Kimberley Agricultural and Pastoral Company	Australia	Beef
Kikkoman Corporation	Japan	Soy Sauce
Kimberly Agricultural Investments	China	Cotton
Kinrise	Australia	Cereals
Kraft Heinz	Brazil	Sauces
Laguna Bay Pastoral Company	Australia	Almonds and dairy
Lam Soon (Hong Kong) Limited	Hong Kong	Flour
Langenhoven family –Amanzi Property Group	Australia	Cattle
Lawsons Grain	Australia	Grain
Ledesma S.A	Argentina	Sugar
Leppington Pastoral Company	Australia	Dairy
Li Family	China	

Company	Country of origin	Primary commodity
Lord Cattle-Lord and Penna Grazing Business	Australia	Cattle
M. Diasbranco	Brazil	Cookies/crackers
Malcom Harris-Cleveland Agriculture	Australia	Cattle
Manildra Group	Australia	Bakery products
Marfrig	Brazil	Beef
McCoy Family	Australia	
McDonald Holdings	Australia	Cattle
McMillan Pastoral Company	Australia	Grazing
Megmilk Snow Brand Co Ltd	Japan	Dairy products
Meiji Holdings Co	Japan	Confectionary
Michael Hintze Premium Farms	UK	Lamb/wool
Midfield Group (Pomala Pty Ltd)	Australia	Meat processing
Millington Family	Australia	Merino sheep
Mills Family	Australia	Cattle/beef
Milly Milly Pastoral	Australia	Sheep
Minderoo Group/Harvest Road	Australia	Beef
Minerva	Brazil	Meat Products
Minnamurra Pastoral Company	Australia	Cattle
Molinos Agro S.A	Argentina	Soybean
Molinos Juan Semino S.A	Argentina	
Molinos Rio De La Plata S.A	Argentina	
Moonlake Investments	China	
Morella Agriculture	Australia	
Morinaga Milk Industry Co Ltd.	Japan	
Morixe Hermanos S.A	Argentina	
Mort & Co	Australia	Beef
MPD Dairy Products	Australia	
MRA Merrowie Pty Ltd	USA	Cotton

Company	Country of origin	Primary commodity
MSF Sugar	Australia	Raw sugar
Aquna Sustainable Murray Cod T/A Murray Cod Australia Limited	Australia	Murray cod
Murray River Organics Group	Australia	Organic food products
Mutooroo Pastoral Company	Australia	
Napier Pastoral Company	Australia	
Natural Dairy (NZ) Holdings Limited	Hong Kong	Milk products
Natural Food International Holding Limited	Hong Kong	Natural health food products made of grains, beans, nuts, dried fruits etc
NCMC	Australia	Pork
New Hope	China	Coal
New Zealand King Salmon Investments Limited	New Zealand	Salmon
NH Foods Ltd	Japan	Meat
Nichirei Corporation	Japan	Frozen processed foods
Nico Botha	Australia	
Nippon Suisan Kaisha Ltd	Japan	Seafood
Norco Co-op	Australia	Dairy products
Norman Farming	Australia	Cotton
North Australia Pastoral Company	Australia	Beef
North Star Pastoral	Australia	Beef
Oderich	Brazil	
Olam International Ltd		
One Tree Agriculture	Australia	Farming land
Ontario Teachers Pension Plan	Canada	Various
Optifarm Pty Ltd	Netherlands	Beef (Angus Stud)
Orient Agriculture	China	Beef
Outback Beef	Australia	Beef
Oz Group	Australia	Berries
Packer Family	Australia	
Palgrove Holdings Pty Ltd	Australia	Beef

Company	Country of origin	Primary commodity
Paraway Pastoral Company	Australia	Sheep (wool and meat)
Pardoo Beef Corporation	Australia	Beef
Paspaley Pastoral	Australia	Pearls
Passchendaale Cattle Company	Australia	
Pembroke Resources	Australia	Coal
Peter and Jane Harris (P&J Harris and Sons)	Australia	
Peter Litchfield and Family	Australia	
Peter Sherwin	Australia	
Pilgrim's Pride Corporation	Brazil	
Public Sector Pension Investment Board	Canada	
Quickfoods S.A	Argentina	
Reardon Farms	Australia	
RIFA Salutory	China	
Robert McBride	Australia	
Robertson Chowilla Pty Ltd	Australia	
Roche Group	Australia	
Roger Fletcher	Australia	
Romani Pastoral Company	UK	
Ron Harris (Ravensworth Agricultural Company)	Australia	
Rural Funds Group	Australia	
S.A San Miguel	Argentina	
San Remo	Australia	
Sanderson Farms Inc	USA	
Sandover Pastoral Company	Australia	
Sanitarium Health and Wellbeing Company	Australia	
Saputo	Canada	
Saudi Agricultural and Livestock Investment Company	Saudi Arabia	
Schroder AdvEq	Switzerland	

Company	Country of origin	Primary commodity
Scott Cattle Company	Australia	
Scott Harris	Australia	
Seafarms Group Limited	Australia	
Select Harvests Limited	Australia	
Severin Family	Australia	
Shanghai CRED/Shanghai Zenith/Shanghai Zhongfu	China	Beef
Shandong Ruyi	China	Cotton
Shanghai Zenith	China	Beef
Shanghai Zhongfu/Kimberly Agricultural Investments	China	Chia
Simmons Cattle Company	Australia	Beef
Simon and Andrea Rowe (Princess Royal)	Australia	Beef
SLC Agricola	Brazil	Cotton
Stanbroke Pastoral	Australia	
Sterling Buntine/Baldy Bay	Australia	Beef
Steven Fogarty	Australia	
Stone Axe Pastoral Company	Australia	Beef
Sundown Pastoral Company	Australia	Beef
Sunlight Holdings	Australia	Cotton
Sunpork Group	Australia	Pork
Swiss Australia Farm Holdings	Australia	Beef
Synlait Milk Limited	Australia	
TA Field Estates	Australia	Wool
TA&PA Brinkworth (Caparra Pty Ltd)	Australia	
Tasfoods Limited	Australia	Poultry
Tassal Group Limited	Australia	Salmon
TBG Agri Holdings	China	Beef
Terra Santa	Brazil	
Teys Australia	Australia	Beef

Company	Country of origin	Primary commodity
Thames Pastoral Company	UK	Beef
The A2 Milk Company Limited	Australia	
The Food Revolution Group	Australia	Fruit
The Midfield Group	Australia	Dairy
TIAA CREF Global Ag Properties	USA	Wheat
Tim and Emily Edmunds	Australia	Sheep
Tim Fairfax	Australia	Beef
Tongaat Hulett Limited	UK	
Tony and Julie Harrower	Australia	Beef
Toyo Suisan Kaisha Ltd	Japan	Prawns
TRT Pastoral Group	Australia	Beef
Twynam Agricultural Group	Australia	Beef
Tyson Foods Inc	USA	Chicken
Union Agriculture	China	Beef
Usher Pastoral Company	Australia	Beef
Vic Super	Australia	
Village Farms International	Canada	
Virdis Ag	Australia	Wheat
Vitasoy International Holdings Limited	Hong Kong	
Viv Oldfield-Donny Costello (Crown Point Pastoral)	Australia	Beef
WAMMCO International	Australia	
Warakirri Asset Management	Australia	Citrus and berries
Wattle Health Australia Limited	Australia	Dairy
Waverley Station	Australia	Beef
Webster Limited	Australia	Beef
Wen Quigan	China	
Wentworth Cattle Company	Australia	
Western Grazing Company - Gambamora Industries	Australia	

Company	Country of origin	Primary commodity
Western Rosella Farming	USA	Almonds
WH Group Limited	Hong Kong	
Williams Cattle Company	Australia	Beef
Wyadrigah Pastoral Company	Australia	
Yadlamalka Pastoral	Australia	Beef
Yakult Honsha Co Ltd	Japan	
Yashili International Holdings Ltd	Hong Kong	
Yeeda Pastoral Company	Australia	



Appendix F – Macroeconomic Profiles

CRC for Developing Northern Australia

Agriculture Investor
Identification Project

Macroeconomic Profiles



Contents

1. Overview
2. Summary
3. Short-term target countries
4. Long-term target countries
5. Not target countries
6. Australia
7. Assumptions and definitions

1

Overview

Overview

The purpose of the Northern Australia Agriculture Investor Identification project is to identify and characterise the range of potential investors who may be interested in establishing agricultural businesses in Northern Australia. The project aims to provide an investor-centric approach to investment identification as this structure will provide greatest benefit to relevant stakeholders.

The Macroeconomic Profiles form the first stage of the methodology to achieve these objectives. The profiles provide a broad overview of measures that are crucial in determining the potential for investor targeting:

- **Macroeconomic information** including credit ratings, population metrics, Gross Domestic Product (GDP) and cost of debt
- **World Governance Indicator** as a measure for sovereign risk
- **Foreign Direct Investment (FDI)** levels and flows of the country
- **Investment in Australia** in the last ten years and investment value in the agriculture, forestry and fishing industry
- **Produce demand** depicting the key agricultural imports of the country
- **Global agricultural investments** originating from the country
- **Australian agricultural investments** originating from the country
- **Agricultural production** in the country.

Based on these indicators, each country is classified as either a target country, potentially target country or not a target country for inbound agricultural investment in Northern Australia. This forms the foundation of the investor identification and advises on the next stages of the methodology.

Domestic investment is also considered however, the focus is on individual states and territories, considering the following measures:

- **Macroeconomic information**
- **Agricultural production in the state or territory**
- **Top export destinations.**

Some countries have limited data available however, all efforts have been made to research and provide as holistic view as possible for each.

2

Summary

Summary – International

● High/strong
 ● Moderate
 ● Weak/low
 ☑ Short-term target (next 5 years)
 ☹ Long-term target (5 to 10 years)
 ⊗ Not a target

	Economic indicators	Governance strength	FDI flows	Trend of investment stock in Australia	Target country?
Argentina	●	●	●	●	☑
Belgium	●	●	●	●	☹
Brazil	●	●	●	●	☑
Brunei Darussalam	●	●	●	●	⊗
Bermuda	●	●	●	●	☹
Canada	●	●	●	●	☑
China	●	●	●	●	☑
France	●	●	●	●	☹
Germany	●	●	●	●	☑
Hong Kong	●	●	●	●	☑
India	●	●	●	●	☑
Indonesia	●	●	●	●	☑
Ireland	●	●	●	●	☑
Israel	●	●	●	●	☹
Japan	●	●	●	●	☑
Kuwait	●	●	●	●	☹
Luxembourg	●	●	●	●	⊗
Malaysia	●	●	●	●	☑

Summary – International

● High/strong
 ● Moderate
 ● Weak/low
 ☑ Short-term target (next 5 years)
 ☹ Long-term target (5 to 10 years)
 ⊗ Not a target

	Economic indicators	Governance strength	FDI flows	Trend of investment stock in Australia	Target country?
Mexico	●	●	●	●	⊗
Netherlands	●	●	●	●	☹
New Zealand	●	●	●	●	☑
Norway	●	●	●	●	☹
Papua New Guinea	●	●	N/A	●	⊗
Philippines	●	●	●	●	☹
Russian Federation	●	●	●	●	⊗
Saudi Arabia	●	●	●	●	⊗
Singapore	●	●	●	●	☑
South Africa	●	●	●	●	☑
South Korea	●	●	●	●	☑
Switzerland	●	●	●	●	☹
Taiwan	●	●	●	●	☑
Thailand	●	●	●	●	☹
United Arab Emirates	●	●	●	●	⊗
United Kingdom	●	●	●	●	☑
United States of America	●	●	●	●	☑
Vietnam	●	●	●	●	☑

Summary - Domestic

Jurisdiction	Proportion of total Australian exports	Top agricultural production	Top export destinations
New South Wales	16.8%	Beef cattle, grain, sheep cattle	China, Japan and South Korea
Northern Territory	1.9%	Beef cattle, fruit and tree nut, vegetables	China, Japan, Indonesia
Queensland	24.5%	Beef cattle, sugar cane, grain	China, Japan, India
South Australia	3.9%	Grain, grape, sheep cattle	China, USA, Malaysia
Victoria	9.3%	Beef cattle, dairy, sheep cattle	China, USA, New Zealand
Western Australia	42.3%	Grain, beef cattle, sheep cattle	China, Japan, Hong Kong

3

Short-term
target
countries



Argentina

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: B

Population: 44 million

Population growth: 1.01%

Nominal GDP: US\$ 463 billion

Real GDP Growth: -1.18%

GDP per capita: US\$ 10,261

Investment/GDP: 16.24%

Debt/Revenue: 222.06%

Net FDI/GDP: 1.30%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: -0.26%

Cost of debt: 2.43%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	0.52	65.51
Political stability and absence of violence	0.17	53.33
Government effectiveness	0.16	59.61
Regulatory effectiveness	-0.29	41.34
Rule of law	-0.24	46.15
Control of corruption	-0.25	47.59

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$1.9 billion

Outward stock: US\$40 billion

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: N/A

Five year compound annual growth rate of total investment stock in Australia: N/A

FDI stock: N/A

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Poultry	Brazil
Fresh fruits	Brazil, Chile, Mexico
Soybeans	Paraguay
Bananas	Ecuador, Bolivia Brazil, Paraguay
Fish	Ecuador, Thailand, Brazil, Chile

Global agricultural investments

N/A

Australian agricultural investments

N/A

Agricultural production in Argentina

Source: Various sources

The top agricultural products produced in the country are soybeans, corn, soybean oil, wheat, beef, poultry, vegetables, lemons and sunflower oil.

Macroeconomic measures	Conclusion
Economic indicators	
Governance strength	
FDI flows	
Trend of investment stock in Australia	
Target country?	



Brazil

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: BB -

Population: 209 million

Population growth: 0.78%

Nominal GDP: US\$ 1.9 trillion

Real GDP Growth: 2.20%

GDP per capita: US\$ 8,957

Investment/GDP: 15.42%

Debt/Revenue: 220.11%

Net FDI/GDP: 3.91%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 10.18%

Cost of debt: 12.87%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	0.45	61.57
Political stability and absence of violence	-0.40	31.42
Government effectiveness	-0.28	41.82
Regulatory effectiveness	-0.11	51.44
Rule of law	-0.28	43.75
Control of corruption	-0.53	36.05

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$16 billion

Outward stock: US\$242 billion

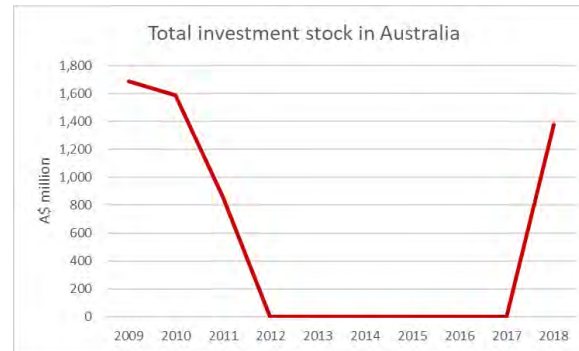
Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia : A\$1.4 billion



Five year compound annual growth rate of total investment stock in Australia: N/A

FDI stock: N/A

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Beef	US
Wheat	Argentina, US, Paraguay
Corn	Argentina, Paraguay
Malt	Argentina, Uruguay
Seafood	Ecuador, Thailand, Peru, Portugal
Wine	Chile, Argentina, Portugal, France, Italy

Global agricultural investments

Source: Various sources

Commodity	Country
Beef	US
Agtech	US

Australian agricultural investments

Source: Investment opportunities in Australian agribusiness and food Report

Meat processing: JBS owns 10 meat processing plants and five feedlots in Australia. It acquired Primo smallgoods in 2014.

Meat processing: BRF Foods acquired 70% stake in FFM Further Processing for US\$16 million.

Cotton: Cotton farmers are interested in developing a cotton farm and potentially a gin in Northern Australia.

Agricultural production in Brazil

Source: Various sources

The top agricultural products produced in the country are soy,

Macroeconomic measures	Conclusion
Economic indicators	Yellow circle
Governance strength	Yellow circle
FDI flows	Green circle
Trend of investment stock in Australia	Yellow circle
Target country?	Checkmark icon



Canada

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AAA

Population: 37 million

Population growth: 1.40%

Nominal GDP: US\$1.7 trillion

Real GDP Growth: 1.49%

GDP per capita: US\$46,517

Investment/GDP: 23.30%

Debt/Revenue: 188.27%

Net FDI/GDP: -2.50%

Commercial debt stock: US\$551 billion

Source: Bloomberg

10-Year Government Bond Yield: 2.23%

Cost of debt: 4.95%

World Governance Indicator

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.48	96.06
Political stability and absence of violence	1.11	88.57
Government effectiveness	1.85	97.12
Regulatory effectiveness	1.89	97.60
Rule of law	1.80	95.67
Control of corruption	1.92	95.67

FDI (2017)

Source: OECD Data

Outward flow: US\$49.6 billion

Outward stock: US\$1.3 trillion

Outward stock in agriculture, forestry and fishing: N/A

Outward flow in agriculture, forestry and fishing: N/A

Investment in Australia

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$48.7 billion



Five year compound annual growth rate of total investment stock in Australia: 11%

FDI stock: A\$36.9 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: A\$2.6 billion

Number approvals (across all industries): 227

Produce demand

Source: Various sources

Commodity	Country
Wine	Australia, France, Italy, US, Spain, Chile
Beef	US, Australia, New Zealand, Uruguay, Brazil, Netherlands
Meat (pork, lamb and goat)	US, Poland, Denmark, Germany, Spain, New Zealand, Australia, Ireland
Citrus	Morocco, Spain, US

Global agricultural investments

Source: Various sources

Some projects include:

Commodity	Country of investment
Plant-based meat	USA
Perennial crops	USA
Seafood	Latin America
Dairy	New Zealand

Australian agricultural investments

Source: Various sources

2 million hectares of agricultural land was owned by investors originating from Canada in 2017-18

Dairy: Saputo Inc. acquired Murray Goulburn for A\$1.31 billion

Grain: Public Sector Pension Investment Board (PSP) acquired BFB at Temora, NSW

Cereal and Canola: PSP purchased of Glencore properties in NSW through a joint venture

Avocado: Ontario Teachers' Pension purchased Jasper Farms

Almonds: Ontario Teachers' Pension Plan bought a 99% stake in Aroona Farms for \$115 million

Beef cattle: PSP invests in Australian farmland through its subsidiary Hewitt Cattle Australia (HCA) which acquired over 1 million ha and 750,000 head of cattle by November 2017

Organic meat: HCA acquired 15% of Arcadian Organic and Natural Meat Co. and two farms owned by the company

Agricultural production in Canada

Source: Agriculture and Agri-Food Canada

The top agricultural products produced in the country are apples, beef, canola, corn, dairy, tomatoes and wheat.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	✓



China

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

- LTFC Rating: A+
- Population: 1.4 billion
- Population growth: 0.50%
- Nominal GDP: US\$14.7 trillion
- Real GDP Growth: 6.19%
- GDP per capita: US\$10,404
- Investment/GDP: 44.96%
- Debt/Revenue: 213.37%
- Net FDI/GDP: 0.50%
- Commercial debt stock: US\$2.4 trillion
- 10-Year Government Bond Yield: 3.05%
- Cost of debt: 5.74%

World Governance Indicator

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	-1.50	7.88
Political stability and absence of violence	-0.25	36.67
Government effectiveness	0.42	68.27
Regulatory effectiveness	-0.15	48.56
Rule of law	-0.26	44.71
Control of corruption	-0.27	46.63

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$124.6 billion

Outward stock: US\$1.5 trillion

Source: Statista, Breakdown of China's outward FDI flows in 2017, by industry

Outward stock in agriculture, forestry and fishing: N/A

Outward flow in agriculture, forestry and fishing: US\$2.51 billion

Investment in Australia

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$63.6 billion



Five year compound annual growth rate of total investment stock in Australia: 5%

FDI stock: A\$40.1 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: A\$1.6 billion

Number approvals (across all industries): 6,816

Produce demand

Source: Various sources

Commodity	Country
Soybeans	US, Brazil
Grains	US, Brazil, India
Beef	Australia, New Zealand, Brazil, US, Mongolia, Uruguay
Seafood	Australia, New Zealand, Canada, US
Dairy	Australia, New Zealand, US, France, Netherlands

Global agricultural investments

Source: United States Department of Agriculture

Some projects include:

Commodity	Country of investment
Palm and olive oil	Indonesia, Italy
Rapeseed	Russia
Soybeans	South America, Europe
Dairy	New Zealand
Pork	USA
Corn	Ukraine
Cassava	Vietnam
Sugar	Jamaica, Cambodia
Wine	France, Australia

Australian agricultural investments

Source: Various sources

9.2 million hectares of agricultural land was owned by investors originating from China in 2017-18

Beef: purchased 45% share of Bindaree Beef, including a feedlot and processing plant, and Kilcoy for US\$100 million (majority)

Yogurt: acquired Manassen Foods for US\$516 million

Dairy: joint acquisition of Moxey Farms, acquisition of Van Diemen's Land Company

Wine: 10% of South Australia's Barossa Valley is owned by Chinese investors

Agricultural production in China

Source: CRCNA, North Queensland Market and Agricultural Supply Chain Study

The top agricultural products produced in the country are maize, sugar, rice, wheat and protein meals.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	✓

Germany

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AAA

Population: 82.9 million

Population growth: 0.32%

Nominal GDP: US\$ 3.9 trillion

Real GDP Growth: 0.54%

GDP per capita: US\$ 47,644

Investment/GDP: 21.20%

Debt/Revenue: 123.70%

Net FDI/GDP: -1.30%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: -0.26%

Cost of debt: 2.43%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.38	95.56
Political stability and absence of violence	0.57	66.66
Government effectiveness	1.71	94.23
Regulatory effectiveness	1.78	95.19
Rule of law	1.60	91.34
Control of corruption	1.84	94.23

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$91 billion

Outward stock: US\$1.6 trillion

Source: OECD data

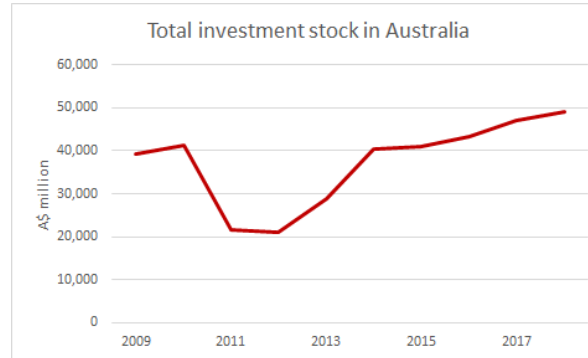
Outward flow in agriculture, forestry and fishing: (US\$31 million) in 2016

Outward stock in agriculture, forestry and fishing: US\$2.6 billion in 2016

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$ 49 billion



Five year compound annual growth rate of total investment stock in Australia: 9.6%

FDI stock: A\$23 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: US\$360 million

Number approvals (across all industries): 101

Produce demand

Source: Various sources

Commodity	Country
Tree nuts	US, Turkey
Wine	Italy, France, Spain
Dairy	New Zealand
Coffee	Brazil, Peru, Vietnam, Switzerland, Italy
Oil seeds	France, Poland, Netherlands, Austria

Global agricultural investments

Source: Various sources

Commodity	Country
Animal nutrition start-up	China
Digital farming platform	Argentina
Dairy	Kenya, New Zealand

Australian agricultural investments

Source: Global Ag Investing

Seeds, plant biotechnology and crop protection: Bayer acquired Monsanto for \$82 billion, one part of the seeds business is a breeding facility in Victoria.

Agricultural production in Germany

Source: various sources

The top agricultural products produced in the country are milk, pork and beef, wheat, barley, potatoes, cabbages and sugar beets.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	✓



Hong Kong

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AA+

Population: 7.45 million

Population growth: 0.79%

Nominal GDP: US\$ 381 billion

Real GDP Growth: 2.39%

GDP per capita: US\$ 50,809

Investment/GDP: 21.69%

Debt/Revenue: 21.34%

Net FDI/GDP: -5%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 2.12%

Cost of debt: 4.81%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	0.42	60.59
Political stability and absence of violence	0.84	75.23
Government effectiveness	1.90	97.59
Regulatory effectiveness	2.16	100
Rule of law	1.71	93.75
Control of corruption	1.61	92.30

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$ 86 billion

Outward stock: US\$ 1.8 trillion

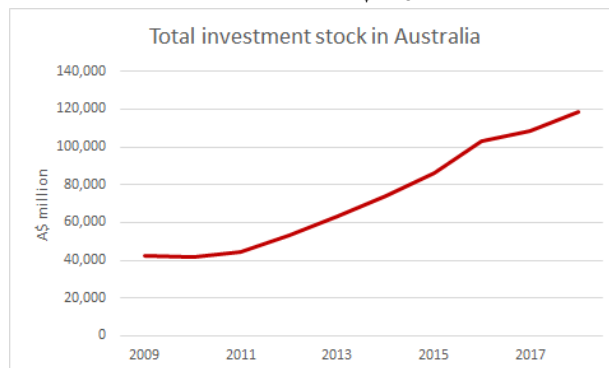
Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$ 118 billion



Five year compound annual growth rate of total investment stock in Australia: 13.6%

FDI stock: A\$ 25 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: US\$ 214 million

Number approvals (across all industries): 610

Produce demand

Source: Various sources

Commodity	Country
Beef	China, Brazil, US
Pork	China, Brazil
Vegetables	China
Fruits	US, Philippines, Thailand

Global agricultural investments

Source: Global Ag Investing

Commodity	Country
Cold chain logistics	India
Dairy	Kazakhstan
Food processing	Malaysia

Australian agricultural investments

Source: Australian Financial Review, FIRB

1.3 million hectares of agricultural land was owned by investors originating from Hong Kong in 2017-18

Citrus, banana, mango and blueberry: Conglomerate CK Group owns the Nutrano fruit group which owns over 2,100 hectares of farmland across Queensland, Victoria and Northern Territory. Nutrano has also acquired supply chain assets including Seven Fields and Abbotsleigh Citrus.

Wine: CK Life Sciences purchased 6,000 hectares of vineyards in Australia and New Zealand, one of which was a 700 hectare vineyard for \$15.7 million

Range of foods (including bread, milk, cheese, spreads): First Pacific purchased Goodman Fielder with Singapore's Wilmar International however, First Pacific has since sold its entire stake

Beef: Archstone Investment Co. purchased a 51% stake in Bindaree Beef Group believed to be worth between \$100-150 million

Agricultural production in Hong Kong

Source: Various sources

90% of the produce food in Hong Kong is imported. The top agricultural products produced in the country are vegetables, sheep and poultry.

Macroeconomic measures	Conclusion
Economic indicators	🟢
Governance strength	🟡
FDI flows	🟢
Trend of investment stock in Australia	🟢
Target country?	✅



India

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: BBB -

Population: 1.35 billion

Population growth: 1.03%

Nominal GDP: US\$ 3 trillion

Real GDP Growth: 7.28%

GDP per capita: US\$ 2,204

Investment/GDP: 31.70%

Debt/Revenue: 295.73%

Net FDI/GDP: 1.30%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 7.26%

Cost of debt: 9.95%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	0.38	60.09
Political stability and absence of violence	-0.82	17.14
Government effectiveness	0.09	56.73
Regulatory effectiveness	-0.25	42.30
Rule of law	0.004	52.88
Control of corruption	-0.23	48.55

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$11 billion

Outward stock: US\$155 billion

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$15.1 billion



Five year compound annual growth rate of total investment stock in Australia: 7%

FDI stock: A\$880 million

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Palm oil	Indonesia, Malaysia
Wine	France, Italy, Australia
Dried legumes	Burma, Canada, Australia
Nuts	Australia
Raw sugar	Brazil

Global agricultural investments

Source: Various sources

Commodity	Country
Agtech	Switzerland

Australian agricultural investments

Source: Global Ag Investing

Canola: Riverina Oils & Bio Energy crushes and refines over 165,000 tonnes of oilseeds a year in Wagga Wagga

Agricultural production in India

Source: Various sources

The top agricultural products produced in the country are pulses, dairy products, rice, wheat, sugarcane, fruits and vegetables and groundnuts.

Macroeconomic measures	Conclusion
Economic indicators	🟢
Governance strength	🔴
FDI flows	🟢
Trend of investment stock in Australia	🟡
Target country?	✅

Indonesia

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: BBB-

Population: 267 million

Population growth: 1.13%

Nominal GDP: US\$ 1.1 billion

Real GDP Growth: 5.06%

GDP per capita: US\$ 4,194

Investment/GDP: 35.15%

Debt/Revenue: 188.53%

Net FDI/GDP: 0.20%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 8.27%

Cost of debt: 10.96%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	0.12	50.73
Political stability and absence of violence	-0.51	29.04
Government effectiveness	0.04	54.80
Regulatory effectiveness	-0.10	51.92
Rule of law	-0.34	40.86
Control of corruption	-0.25	48.07

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: (US\$39 billion)

Outward stock: US\$860 billion

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2017)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$1.1 billion



Five year compound annual growth rate of total investment stock in Australia: 7.1%

FDI stock: N/A

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: A\$21.3 million

Number approvals (across all industries): 244

Produce demand

Source: Various sources

Commodity	Country
Non-durum wheat	Australia, Canada
Oil cake	Brazil, Argentina
Raw cane sugar	Thailand, Australia
Soybeans	US
Maize	Argentina, Brazil
Live cattle	Australia
Skim milk powder	Australia, US, New Zealand

Global agricultural investments

N/A

Australian agricultural investments

N/A

Agricultural production in Indonesia

Source: Various sources

The top agricultural products produced in the country are palm oil, rubber, cocoa, coffee, tea, rice and tropical spices.

Macroeconomic measures	Conclusion
Economic indicators	Yellow circle
Governance strength	Yellow circle
FDI flows	Red circle
Trend of investment stock in Australia	Yellow circle
Target country?	Green checkmark



Ireland

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

- LTFC Rating: A+
- Population: 4.85 million
- Population growth: 0.95%
- Nominal GDP: US\$ 384 billion
- Real GDP Growth: 3.80%
- GDP per capita: US\$ 78,553
- Investment/GDP: 26.00%
- Debt/Revenue: 258.25%
- Net FDI/GDP: 2.00%
- Commercial debt stock: N/A

Source: Bloomberg

- 10-Year Government Bond Yield: 1.1%
- Cost of debt: 3.79%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.29	90.64
Political stability and absence of violence	1.01	84.76
Government effectiveness	1.29	87.01
Regulatory effectiveness	1.58	91.82
Rule of law	1.42	88.94
Control of corruption	1.54	91.34

FDI (2017)

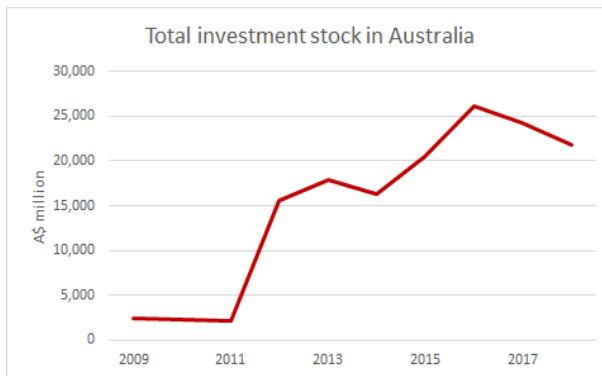
Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

- Outward flow: (US\$39 billion)
- Outward stock: US\$860 billion
- Outward flow in agriculture, forestry and fishing: N/A
- Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$ 21 billion



Five year compound annual growth rate of total investment stock in Australia: 7.1%

FDI stock: A\$1.7 billion

Source: FIRB, Annual report 2017-18

- Approval value in agriculture, forestry and fishing: N/A
- Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Beverages	UK, Netherlands, France, Italy
Grains	US, UK, Canada
Soybeans	Argentina, UK, Canada, US
Animal feed	US, Argentina, UK

Global agricultural investments

Source: Various sources

Commodity	Country
Dairy	New Zealand
Beef	New Zealand
Crop and livestock services	Kenya

Australian agricultural investments (2010-15)

Source: Global Ag Investing

Dairy: Milltrust Agricultural Investments acquired 2 dairy farms in NSW.

Agricultural production in Ireland

Source: various sources

The top agricultural products produced in the country are dairy, beef, sheep and cereals (barley and wheat).

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	✓



Japan

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: A+

Population: 126 million

Population growth: -0.20%

Nominal GDP: US\$ 5.1 trillion

Real GDP Growth: 0.61%

GDP per capita: US\$ 40,910

Investment/GDP: 24.58%

Debt/Revenue: 662%

Net FDI/GDP: -2.70%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: -0.14%

Cost of debt: 2.55%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.01	80.29
Political stability and absence of violence	1.12	89.05
Government effectiveness	1.62	93.27
Regulatory effectiveness	1.37	89.90
Rule of law	1.57	89.90
Control of corruption	1.52	90.38

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$ 160 billion

Outward stock: US\$ 1.49 trillion

Source: OECD data

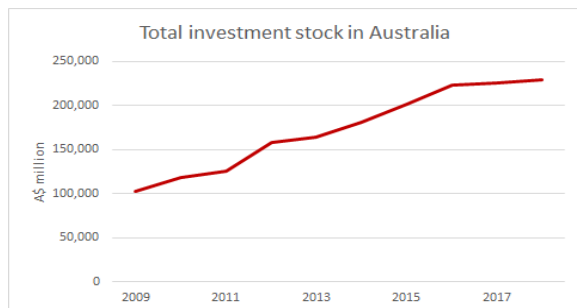
Outward flow in agriculture, forestry and fishing: (US\$87.5 million)

Outward stock in agriculture, forestry and fishing: US\$2.9 billion

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$ 229 billion



Five year compound annual growth rate of total investment stock in Australia: 6.8%

FDI stock: A\$92 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: US\$192.6 million

Number approvals (across all industries): 136

Produce demand

Source: Various sources

Commodity	Country
Beef	US, Australia
Pork	US, European Union, Canada
Corn	US, Brazil
Wheat	US, Canada, Australia
Soybeans	US, Brazil
Dairy products	NZ, European Union, Australia, US
Wine	Chile, France, Italy, Australia, Spain

Global agricultural investments

Source: Various sources

Commodity	Country
Seafood	Vietnam, Chile
Frozen food	France
Beef	US
Vegetable seeds	Spain, Italy, US
Kiwi	New Zealand

Australian agricultural investments

Source: Global Ag Investing

Dairy and juice: Kirin purchased Lion Dairy & Drinks however, it is currently undergoing a sale process for the company

Brewery : Japanese corporation Kirin purchased Byron Bay Brewing (as part of Lion Dairy & Drinks)

Tomato: Kagome Group invested \$21 million to expand its tomato processing plant in Echuca, Victoria

Brewery: Asahi Group Holdings purchased Carlton and United Breweries for \$16 billion

Agricultural production in Japan

Source: Various sources

The top agricultural products produced in the country are rice, vegetables and seafood.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	✓



Malaysia

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: A -
 Population: 31 million
 Population growth: 1.35%
 Nominal GDP: US\$ 369 billion
 Real GDP Growth: 4.40%
 GDP per capita: US\$ 11,277
 Investment/GDP: 23.63%
 Debt/Revenue: 306.78%
 Net FDI/GDP: - 0.30%
 Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 3.89%
 Cost of debt: 6.58%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	-0.40	34.48
Political stability and absence of violence	0.16	52.38
Government effectiveness	0.83	76.44
Regulatory effectiveness	0.68	74.51
Rule of law	0.41	64.90
Control of corruption	0.02	58.17

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$5.6 billion
 Outward stock: US\$129 billion

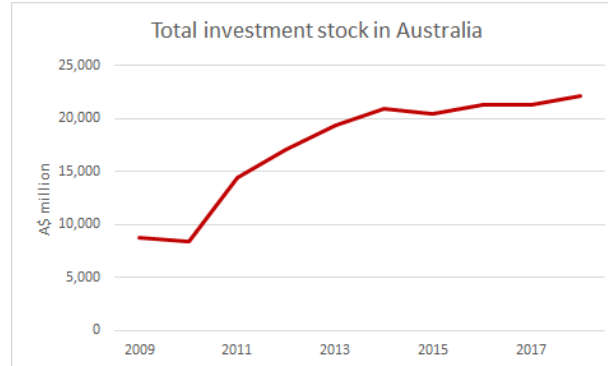
Source: OECD data

Outward flow in agriculture, forestry and fishing: N/A
 Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$22 billion



Five year compound annual growth rate of total investment stock in Australia: 2.2%

FDI stock: A\$13 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A
 Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Cereals, pulses	Australia, US, Canada, China
Beef, veal, sheep-meat	Australia
Wine	Australia
seafood	China, Indonesia, Thailand
nuts	China, Indonesia, Thailand
Vegetables & fruits	China, Indonesia, Thailand

Global agricultural investments

Source: Various sources

Commodity	Country
Palm oil	Papua New Guinea

Australian agricultural investments

Source: Global Ag Investing

2019: Malaysia's state-owned Sarawak Economic Development Corporation acquires Australia's Carmor Station for \$20 million in Northern Territory

Agricultural production in Malaysia

Source: Various sources

The top agricultural products produced in the country are palm oil, cocoa, fruits, vegetables and rubber.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	✓



New Zealand

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

- LTFC Rating: AA
- Population: 4.8 million
- Population growth: 1.89%
- Nominal GDP: US\$ 204 billion
- Real GDP Growth: 2.57%
- GDP per capita: US\$ 41,467
- Investment/GDP: 23.98%
- Debt/Revenue: 106.68%
- Net FDI/GDP: 1.10%
- Commercial debt stock: N/A

Source: Bloomberg

- 10-Year Government Bond Yield: 3.14%
- Cost of debt: 5.83%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.56	98.52
Political stability and absence of violence	1.59	99.05
Government effectiveness	1.77	95.19
Regulatory effectiveness	2.09	99.04
Rule of law	1.92	98.08
Control of corruption	2.24	100

FDI (2017)

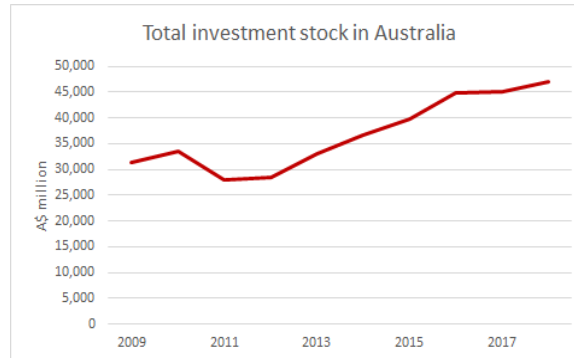
Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

- Outward flow: US\$404 million
- Outward stock: US\$17 billion
- Outward flow in agriculture, forestry and fishing: N/A
- Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$ 47 billion



Five year compound annual growth rate of total investment stock in Australia: 7.5%

FDI stock: A\$ 5.82 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: US\$ 46.8 million

Number approvals (across all industries): 27

Produce demand

Source: Various sources

Commodity	Country
Cereals (wheat), grains	Australia
Pork, Beef	Australia, European Union
Beverages	European Union, Australia
Seafood	Thailand
Animal/Vegetable fats and oils	Malaysia

Global agricultural investments

Source: Various sources

Commodity	Country
Dairy	Lithuania

Australian agricultural investments

Source: Global Ag Investing

2017 : New Zealand Superannuation Fund investment in Palgrove (beef industry).

Agricultural production in New Zealand

Source: various sources

The top agricultural products produced in the country are dairy, beef, fruits, sheep, goat meet and grain crops.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	✓



Singapore

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$37 billion

Outward stock: US\$962 billion

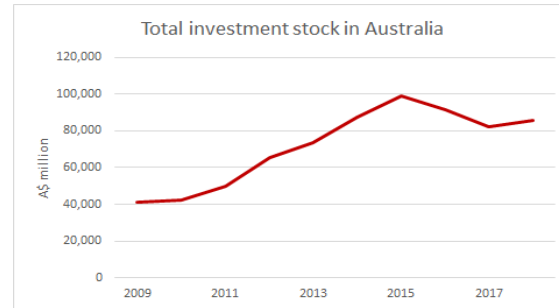
Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$ 85.4 billion



Five year compound annual growth rate of total investment stock in Australia: 1.7%

FDI stock: A\$ 26.28 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: US\$ 210 million

Number approvals (across all industries): 553

Produce demand

Source: Various sources

Commodity	Country
Beef	Australia, Brazil, US, New Zealand
Pork	Brazil, Australia, Netherlands, China
Poultry	Brazil, Thailand, US
Fish	China, Malaysia, Vietnam, Indonesia
Fruits	Malaysia, US, China
Wine & Beer	France, Australia, Italy

Global agricultural investments

Source: Global Ag Investing

Commodity	Country
Salmon	Poland, Japan, Africa, Europe, US
Processed food (sauce)	Vietnam
Sugar	India
Coffee	Myanmar

Australian agricultural investments

Source: Global Ag Investing, FIRB

512,000 hectares of agricultural land was owned by investors originating from Singapore in 2017-18

Apple: Duxton Asset Management invested US\$11 million into Rivercorp Land & Water

Barramundi: Barramundi Asia purchased Marine Produce Australia in Cone Bay (WA)

Beef: Pardoo Beef Corporation purchased Pardoo Station (200,000 hectares), Lake Glesna (500 hectares) and Chedaring Farm (430 hectares) in WA.

Range of foods (including bread, milk, cheese, spreads): Wilmar International purchased Goodman Fielder with Hong Kong's First Pacific, First Pacific later sold its stake to Wilmar International for US\$180 million

Sugar: Wilmar International purchased CSR's sugar business for \$1.5 billion

Agricultural production in Singapore

Source: Various sources

Little agricultural production in Singapore - 90% of the food consumed is imported.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	✓

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AAA

Population: 5.6 million

Population growth: 0.47%

Nominal GDP: US\$ 371 billion

Real GDP Growth: 2.60%

GDP per capita: US\$ 65,065

Investment/GDP: 28.95%

Debt/Revenue: 477.81%

Net FDI/GDP: 11%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 2.65%

Cost of debt: 5.34%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	-0.17	41.38
Political stability and absence of violence	1.58	98.57
Government effectiveness	2.20	100
Regulatory effectiveness	2.11	99.52
Rule of law	1.82	96.63
Control of corruption	2.13	97.59



South Korea

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AA
 Population: 51 million
 Population growth: 0.32%
 Nominal GDP: US\$ 1,6 trillion
 Real GDP Growth: 2.37%
 GDP per capita: US\$ 31,453
 Investment/GDP: 30.25%
 Debt/Revenue: 120.50%
 Net FDI/GDP: -0.80%
 Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 1.92%
 Cost of debt: 4.61%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	0.73	71.42
Political stability and absence of violence	0.28	58.57
Government effectiveness	1.08	82.21
Regulatory effectiveness	1.10	82.21
Rule of law	1.16	85.57
Control of corruption	0.48	67.78

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$34 billion
 Outward stock: US\$360 billion
 Outward flow in agriculture, forestry and fishing: N/A
 Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$27.4 billion



Five year compound annual growth rate of total investment stock in Australia: 8%

FDI stock: A\$5.2 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: \$5.4 million

Number approvals (across all industries): 94

Produce demand

Source: Various sources

Commodity	Country
Beef	US, Australia
Pork	US
Prepared food	US
Corn	US, Brazil, Argentina
Wheat	US, Australia
Vegetables	China
Seafood	Vietnam

Global agricultural investments

Source: Various sources

Commodity	Country
Controlled environment farming	Korea

Australian agricultural investments

Source: Global Ag Investing

Beef, sheep and goat: Ho Myoung Farm purchased 180,000 hectares of farmland near Bourke in western NSW for \$2.7 million

Agricultural production in Republic of South Korea

Source: various sources

Republic of South Korea has limited arable land. The top agricultural products produced in the country are rice, barley, millet, corn and sorghum.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	✓



South Africa

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: BB
 Population: 58 million
 Population growth: 1.35%
 Nominal GDP: US\$ 364 billion
 Real GDP Growth: 1.59%
 GDP per capita: US\$ 6,222
 Investment/GDP: 18.44%
 Debt/Revenue: 190.32%
 Net FDI/GDP: -0.40%
 Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 8.00%
 Cost of debt: 10.69%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	0.63	68.96
Political stability and absence of violence	-0.26	35.71
Government effectiveness	0.27	65.38
Regulatory effectiveness	0.23	62.5
Rule of law	- 0.01	52.40
Control of corruption	- 0.008	56.73

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$7.3 billion
 Outward stock: US\$276 billion
 Outward flow in agriculture, forestry and fishing: N/A
 Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$8 billion



Five year compound annual growth rate of total investment stock in Australia: 10%

FDI stock: A\$3.3 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Poultry meat	Brazil, Spain, Netherlands, UK, Germany
Planting seeds	US
Wheat	Russia, US, Australia, Germany
Rice	Thailand, India, China
Fruits	UK
Raw sugar	Brazil

Global agricultural investments

Source: Various sources

Commodity	Country
Dairy	New Zealand
Beef	New Zealand

Australian agricultural investments

Source: Global Ag Investing

648,000 hectares of agricultural land was owned by investors originating from South Africa in 2017-18

Agricultural production in South Africa

Source: Various sources

The top agricultural products produced in the country are grains, oilseeds, subtropical fruits, sugar, citrus, wine, vegetables, cattle, dairy, hogs and sheep.

Macroeconomic measures	Conclusion
Economic indicators	🟡
Governance strength	🟡
FDI flows	🟢
Trend of investment stock in Australia	🟢
Target country?	✅



Taiwan

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AA -

Population: 23 million

Population growth: 0.20%

Nominal GDP: US\$ 597 billion

Real GDP Growth: 2.32%

GDP per capita: US\$ 25,251

Investment/GDP: 21.33%

Debt/Revenue: 248%

Net FDI/GDP: -2.00%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 0.69%

Cost of debt: 3.38%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.01	80.78
Political stability and absence of violence	0.88	76.66
Government effectiveness	1.26	86.53
Regulatory effectiveness	1.36	89.42
Rule of law	1.13	84.61
Control of corruption	0.96	81.25

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$11 billion

Outward stock: US\$321 billion

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$9.6 billion



Five year compound annual growth rate of total investment stock in Australia: 8%

FDI stock: A\$138 million

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Beef	US, Australia, New Zealand
Dairy products	New Zealand, US, Australia
Wine	New Zealand
Packaged food	Japan, Australia, US
Soybeans	US
Corn	US, Brazil, South Africa
Poultry	US, Canada
Fresh fruits	US, New Zealand, Chile
Wheat	US, Australia

Global agricultural investments

N/A

Australian agricultural investments

N/A

Agricultural production in Taiwan

Source: Various sources

The top agricultural products produced in the country are rice, sweet potatoes, bananas, peanuts, soybeans, wheat, citrus fruits, sugarcane and tropical fruits.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	✓



Vietnam

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: BB
Population: 95,5 million
Population growth: 0.99%
Nominal GDP: US\$ 255 billion
Real GDP Growth: 6.60%
GDP per capita: US\$ 2,669
Investment/GDP: 24.81%
Debt/Revenue: 213.39%
Net FDI/GDP: 4.30%
Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 4.32%
Cost of debt: 7.01%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	-1.40	10.83
Political stability and absence of violence	0.30	59.52
Government effectiveness	0.002	52.88
Regulatory effectiveness	-0.39	36.53
Rule of law	0.06	55.76
Control of corruption	-0.58	31.73

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$480 million
Outward stock: US\$10 billion
Outward flow in agriculture, forestry and fishing: N/A
Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$823 million



Five year compound annual growth rate of total investment stock in Australia: 13%

FDI stock: N/A

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Dairy products	New Zealand, US
Wine	France, Chile, Italy, Spain, US, Australia
Meat	Australia, India, US
Corn	Argentina, Brazil, Thailand

Global agricultural investments

Source: Various sources

Commodity	Country
Seafood	Russia

Australian agricultural investments

Source: Various sources

Beef: Vietnamese businessman Pham Nhat purchased Vermelha Station in NT (200,000 hectares)

Beef: Clean Agriculture and International Tourism purchased 3 cattle stations in NT and WA for \$135 million

Agricultural production in Vietnam

Source: Various sources

The top agricultural products produced in the country are rice, sugarcane, cassava, coffee, corn, sweet potatoes, nuts (cashews) and seafood.

Macroeconomic measures	Conclusion
Economic indicators	
Governance strength	
FDI flows	
Trend of investment stock in Australia	
Target country?	



United Kingdom

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

- LTFC Rating: AA
- Population: 66 million
- Population growth: 0.6%
- Nominal GDP: US\$ 2.870 trillion
- Real GDP Growth: 1.06%
- GDP per capita: US\$ 42,943
- Investment/GDP: 16.96%
- Debt/Revenue: 215.05%
- Net FDI/GDP: 1.5%
- Commercial debt stock: US\$ 2.79 trillion

Source: Bloomberg

- 10-Year Government Bond Yield: 1.58%
- Cost of debt: 4.27%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.33	93.10
Political stability and absence of violence	0.26	56.67
Government effectiveness	1.41	90.86
Regulatory effectiveness	1.71	94.23
Rule of law	1.68	92.79
Control of corruption	1.84	94.71

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

- Outward flow: US\$ 117 billion
- Outward stock: US\$ 1773 billion

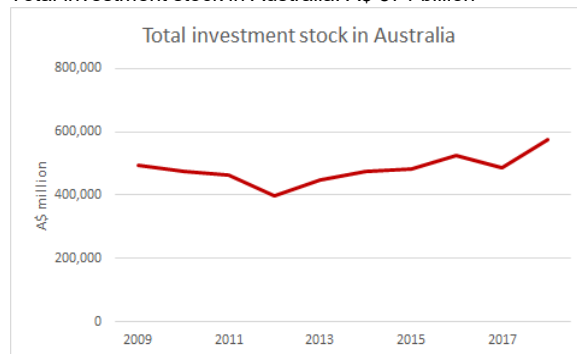
Source: OECD data

- Outward flow in agriculture, forestry and fishing: US\$ 155 million (2015)
- Outward stock in agriculture, forestry and fishing: US\$ 2.5 billion

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$ 574 billion



Five year compound annual growth rate of total investment stock in Australia: 4%

FDI stock: A\$ 481 billion

Source: FIRB, Annual report 2017-18

- Approval value in agriculture, forestry and fishing: US\$ 226 million
- Number approvals (across all industries): 438

Produce demand

Source: Various sources

Commodity	Country
Fruits & Vegetables	Netherlands, Spain, Germany, France, US
Meat	Ireland, Netherlands, Germany, Denmark, France

Global agricultural investments

Source: Global Ag Investing

Commodity	Country
Olives	Spain
Coffee, tea	Kenya
Farmland (own-and-lease)	New Zealand

Australian agricultural investment

Source: Global Ag Investing, FIRB

10.2 million hectares of agricultural land was owned by investors originating from the United Kingdom in 2017-18

Alcohol: Carlton & United Breweries acquired by Anglo-South African firm SAB Miller

Dairy: Longley Farm invested more than \$100 million in a high-tech milk facility in Casino, NSW

Almond: ADM Capital Europe purchased a 400 hectare almond orchard in Robinvale, Victoria and \$150 million+ worth of almond plantations across three states from Select Harvests

Processed food (dips): George Weston Foods (GWF) acquired Australian dips manufacturer Yumi's Quality Goods

Agricultural production in the United-Kingdom

Source: Various sources

The top agricultural products produced in the country are: dairy, beef, wheat, barley, sugar beet.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	✓



Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AAA

Population: 329 million

Population growth: 0.9%

Nominal GDP: US\$ 21.354 trillion

Real GDP Growth: 2.17%

GDP per capita: US\$ 64,656

Investment/GDP: 21.09%

Debt/Revenue: 293.52%

Net FDI/GDP: 1.3%

Commercial debt stock: US\$ 16.4 trillion

Source: Bloomberg

10-Year Government Bond Yield: 1.63%

Cost of debt: 4.32%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.05	82.27
Political stability and absence of violence	0.30	59.05
Government effectiveness	1.55	92.79
Regulatory effectiveness	1.63	92.79
Rule of law	1.64	91.83
Control of corruption	1.38	88.94

FDI (2017)

Source: OECD Data

Outward flow: US\$ 321 billion

Outward stock: US\$ 6.5 trillion

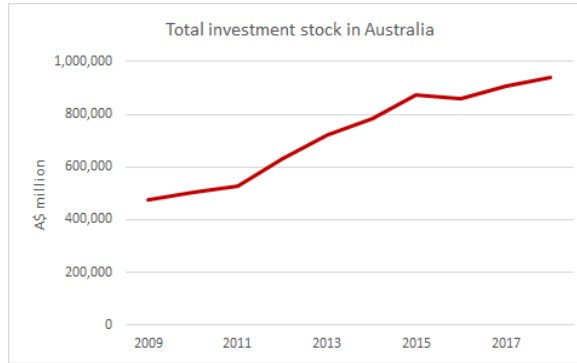
Outward flow in agriculture, forestry and fishing: US\$ 233 million

Outward stock in agriculture, forestry and fishing: US\$ 7.4 billion

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$ 939 billion



Five year compound annual growth rate of total investment stock in Australia: 5%

FDI stock: A\$ 189 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: US\$ 776 million

Number approvals (across all industries): 386

Produce demand

Source: Various sources

Commodity	Country
Seafood	Mexico, Canada
Fresh fruits	Mexico, Chile
Preserved fruits	Mexico, China
Vegetables	Mexico, Canada
Beef	Australia, Canada, New Zealand, Mexico
Wine	France, Italy, South Australia, NZ

Global agricultural investments

Source: Various sources

Commodity	Country of investment
Soy	Brazil
Grain and oilseed milling	Mexico, UK
Beverages	Canada, UK, South Africa
Fruit and vegetable preserving	Canada

Australian agricultural investments

Source: Global Ag Investing, various sources

2.7 million hectares of agricultural land was owned by investors originating from the USA in 2017-18

Citrus: Agriculture Capital (Equilibrium Capital) purchased a 500-acre citrus farm in NSW

Cotton: Hancock Natural Resources purchased Kalanga and Mobandilla aggregation

Wine: Jackson family Wines purchased the South Australian Yangarra winery

Wine: The Carlyle Group purchased South Australian-based Accolade Wines

Almond: Adveq Almost Trust acquired 12,000 hectares of planted almond groves in Victoria for US\$185 million, total land under the deal is 20,000 hectares

The US is the highest source of direct investments in South Australia by capital expenditures.

Agricultural production in the United States

Source: Various sources

The top agricultural products produced in the country are corn, soy, wheat, pork, beef and cotton.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	✓

4

Long-term
target
countries

Belgium

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AA
 Population: 11.42 million
 Population growth: 0.41%
 Nominal GDP: US\$ 530 billion
 Real GDP Growth: 1.36%
 GDP per capita: US\$ 46,359
 Investment/GDP: 25.26%
 Debt/Revenue: 193.04%
 Net FDI/GDP: -0.36%
 Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 0.91%
 Cost of debt: 3.6%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.38	95.07
Political stability and absence of violence	0.42	62.85
Government effectiveness	1.18	89.09
Regulatory effectiveness	1.24	86.54
Rule of law	1.34	87.5
Control of corruption	1.49	89.90

FDI (2017)

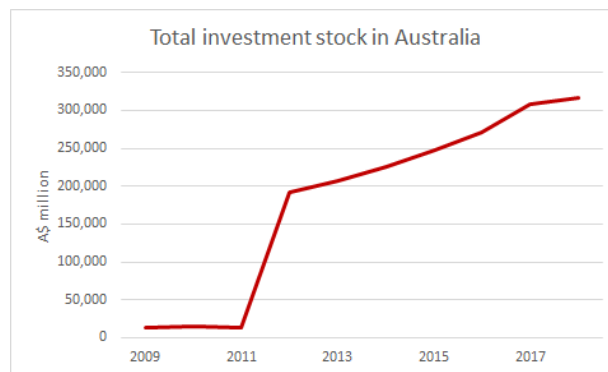
Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$24 billion
 Outward stock: US\$689 billion
 Source: OECD data
 Outward flow in agriculture, forestry and fishing: N/A
 Outward stock in agriculture, forestry and fishing: US\$ 6 million

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$316.9 billion



Five year compound annual growth rate of total investment stock in Australia: 9.4%

FDI stock: A\$2.4 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Fruits & Vegetables	European Union, Africa, Caribbean
Seafood	US
Wine	France, Spain, Portugal

Global agricultural investments

Source: Global Ag Investing

Commodity	Country
Farmland	India

Australian agricultural investments

Source: Parliament of Australia Research Papers

Sugar: Finasucre owns Bundaberg Sugar.

Agricultural production in Belgium

Source: various sources

The top agricultural products produced in the country are dairy, cereals (wheat, corn and barley), potatoes, bovine and poultry meat.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	⋮



Bermuda

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: A+

Population: 63,968

Population growth: 0.14%

Nominal GDP: US\$ 6.54 billion

Real GDP Growth: 1.10%

GDP per capita: US\$ 102,169

Investment/GDP: 13.77%

Debt/Revenue: 203.75%

Net FDI/GDP: 1.53%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: N/A

Cost of debt: N/A

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	N/A	N/A
Political stability and absence of violence	1.01	83.81
Government effectiveness	1.39	89.90
Regulatory effectiveness	0.84	77.88
Rule of law	0.87	79.32
Control of corruption	1.24	86.53

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: (US\$42 million)

Outward stock: US\$886 million

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$41.9 billion



Five year compound annual growth rate of total investment stock in Australia: 27%

FDI stock: N/A

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Dairy products	US, Canada, UK, Republic of Ireland, New Zealand
Poultry	US
Wine	US, France, Italy, New Zealand
Beef	France, Italy, US, New Zealand
Coffee	US

Global agricultural investments

N/A

Australian agricultural investments

N/A

Agricultural production in Bermuda

Source: Various sources

The top agricultural products produced in the country are milk, eggs, carrots, bananas, grapefruit and oranges.

Macroeconomic measures	Conclusion
Economic indicators	Yellow light
Governance strength	Green light
FDI flows	Red light
Trend of investment stock in Australia	Green light
Target country?	Ellipsis

France

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AA

Population: 66.98 million

Population growth: 0.18%

Nominal GDP: US\$ 2.7 trillion

Real GDP Growth: 1.40%

GDP per capita: US\$ 40,384

Investment/GDP: 23.37%

Debt/Revenue: 188.41%

Net FDI/GDP: -1%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 0.57%

Cost of debt: 3.26%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.14	85.71
Political stability and absence of violence	0.21	54.28
Government effectiveness	1.35	87.98
Regulatory effectiveness	1.15	83.65
Rule of law	1.43	89.42
Control of corruption	1.25	87.5

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$41 billion

Outward stock: US\$1.4 trillion

Source: OECD data

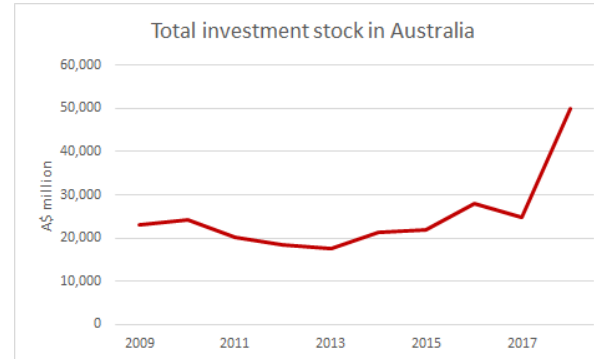
Outward flow in agriculture, forestry and fishing: US\$77 million

Outward stock in agriculture, forestry and fishing: US\$519 million

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$ 50 billion



Five year compound annual growth rate of total investment stock in Australia: 18.7%

FDI stock: A\$6 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: US\$200 million

Number approvals (across all industries): 82

Produce demand

Source: Various sources

Commodity	Country
Meat	European Union
Oilseed crops	US
Vegetables, Fruits	European Union, North Africa
Coffee, cacao	Sub-Saharan Africa
Seafood	European Union

Source: Various sources

Commodity	Country
Potato and rice	Nigeria
Dairy products	Belgium
Wine	South Africa

Australian agricultural investments

Source: Global Ag Investing

Wine: French Champagne House Thienot signed a joint venture with South Australia based Penfolds Australian Wine

Dairy and fruit juices: Parmalat Australia became part of the French giant Lactalis (processes and distributes milk, cream, dairy products and fruit juices)

Agricultural production in France

Source: Various sources

The top agricultural products produced in the country are wheat, corn, fruits, wine, dairy and livestock

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	⋮



Israel

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AA -

Population: 8,8 million

Population growth: 1.93%

Nominal GDP: US\$ 373 billion

Real GDP Growth: 3.20%

GDP per capita: US\$ 41,209

Investment/GDP: 21.22%

Debt/Revenue: 162.13%

Net FDI/GDP: 2.60%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 2.25%

Cost of debt: 4.94%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	0.69	70.44
Political stability and absence of violence	-0.87	16.66
Government effectiveness	1.38	89.42
Regulatory effectiveness	1.27	87.01
Rule of law	1.02	82.21
Control of corruption	0.82	79.80

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$6.3 billion

Outward stock: N/A

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$310 million



Five year compound annual growth rate of total investment stock in Australia: 9%

FDI stock: N/A

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Corn	US, Ukraine, Germany
Soybeans	US
Distillers grains	US
Feeds & fodders	US
Wheat	Russia, Ukraine, Germany

Countries of investment

Source: Global Ag Investing

Commodity	Country
Dairy	Russia

Australian agricultural investments

N/A

Agricultural production in Israel

Source: various sources

The top agricultural products produced in the country are dairy products, poultry meat, fruits and vegetables.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	⋮



Kuwait

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AA
 Population: 4,1 million
 Population growth: 1.98%
 Nominal GDP: US\$ 132 billion
 Real GDP Growth: 1.50%
 GDP per capita: US\$ 28,242
 Investment/GDP: 26.69%
 Debt/Revenue: 39.79%
 Net FDI/GDP: - 4.50%
 Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: N/A
 Cost of debt: N/A

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	- 0.60	30.54
Political stability and absence of violence	-0.04	43.80
Government effectiveness	-0.16	46.34
Regulatory effectiveness	-0.06	53.36
Rule of law	0.10	57.69
Control of corruption	-0.33	44.71

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$8.1 billion
 Outward stock: N/A
 Outward flow in agriculture, forestry and fishing: N/A
 Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$10.7 billion



Five year compound annual growth rate of total investment stock in Australia: 18%

FDI stock: N/A

Produce demand

Source: Various sources

Commodity	Country
Poultry	US, Saudi Arabia, Belgium-Luxembourg
Citrus	Egypt, South Africa, Lebanon, Turkey, Pakistan
Cereals	India, Australia
Chocolate	UAE, Italy, Egypt, UK, Germany, Poland, US
Rice	India
Banana	Philippines, Ecuador

Global agricultural investments

Source: Various sources

Commodity	Country
Farmland	Turkey
Sugarcane	Mozambique

Australian agricultural investments

N/A

Agricultural production in Kuwait

Source: Various sources

The top agricultural products produced in the country are dairy products (milk and cheese) and beef.

Macroeconomic measures	Conclusion
Economic indicators	Yellow light
Governance strength	Red light
FDI flows	Yellow light
Trend of investment stock in Australia	Green light
Target country?	...

Netherlands

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AAA

Population: 17.2 million

Population growth: 0.58%

Nominal GDP: US\$ 912 billion

Real GDP Growth: 1.86%

GDP per capita: US\$ 52,791

Investment/GDP: 21.21%

Debt/Revenue: 112.71%

Net FDI/GDP: -3%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 0.36%

Cost of debt: 3.05%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.56	99.01
Political stability and absence of violence	0.91	79.52
Government effectiveness	1.85	96.63
Regulatory effectiveness	2.04	98.55
Rule of law	1.82	97.11
Control of corruption	1.86	95.19

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$28 billion

Outward stock: US\$2.5 trillion

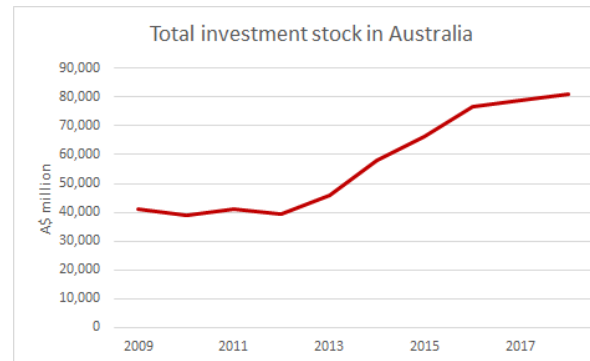
Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$ 81 billion



Five year compound annual growth rate of total investment stock in Australia: 12.3%

FDI stock: A\$53 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: US\$285 million

Number approvals (across all industries): 54

Produce demand

Source: Various sources

Commodity	Country
Citrus fruits	Italy, Spain, Argentina, Australia
Fruits	European Union, Colombia, Peru, US
Soybeans	Brazil, Argentina, Russia, Germany
Beef	Germany, Belgium, Luxembourg, France
Cheese	Germany, Belgium, Luxembourg, Italy
Coffee	Germany, Denmark, France, UK, Italy

Global agricultural investments

Source: Various sources

Commodity	Country
Nuts	East Africa
Farmland	Brazil

Australian agricultural investments

Source: Global Ag Investing, FIRB

2.5 million hectares of agricultural land was owned by investors originating from Netherlands in 2017-18

Citrus and high value crops: MERS Global Investments and Optifarm acquired three farmland properties in NSW from Twynam Agricultural Group

Agricultural production in Netherlands

Source: various sources

The top agricultural products produced in the country are livestock, poultry, eggs, vegetables and fruit.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	⋮



Norway

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

- LTFC Rating: AAA
- Population: 5.3 million
- Population growth: 0.70%
- Nominal GDP: US\$ 445 billion
- Real GDP Growth: 2.30%
- GDP per capita: US\$ 83,411
- Investment/GDP: 27.63%
- Debt/Revenue: 70.82%
- Net FDI/GDP: - 1.10%
- Commercial debt stock: N/A

Source: Bloomberg

- 10-Year Government Bond Yield: 1.75%
- Cost of debt: 4.44%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.69	100
Political stability and absence of violence	1.15	90
Government effectiveness	1.98	99.03
Regulatory effectiveness	1.81	96.15
Rule of law	2.02	99.51
Control of corruption	2.23	99.51

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

- Outward flow: (US\$2 billion)
- Outward stock: US\$207 billion
- Outward flow in agriculture, forestry and fishing: N/A
- Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2017)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$19.3 billion



Five year compound annual growth rate of total investment stock in Australia: 25%

FDI stock: A\$652 million

Source: FIRB, Annual report 2017-18

- Approval value in agriculture, forestry and fishing: N/A
- Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Seafood	US
Soybeans	Brazil, Canada, China
Wheat	Germany, Sweden, Poland
Rapeseed	US, Canada, Germany
Beef	European Union
Wine	Italy, France, Spain, Germany
Coffee	Brazil, Colombia, Sweden, Switzerland

Global agricultural investments

Source: Various sources

Commodity	Country
Salmon	Canada

Australian agricultural investments

N/A

Agricultural production in Norway

Source: Various sources

The top agricultural products produced in the country are seafood, barley and dairy.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	⋮



Philippines

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: BBB

Population: 106 million

Population growth: 1.39%

Nominal GDP: US\$ 365 billion

Real GDP Growth: 6.33%

GDP per capita: US\$ 3,377

Investment/GDP: 26.66%

Debt/Revenue: 168.64%

Net FDI/GDP: 2.00%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 6.88%

Cost of debt: 9.57%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	0.08	48.76
Political stability and absence of violence	-1.23	10.95
Government effectiveness	-0.06	51.92
Regulatory effectiveness	0.01	55.76
Rule of law	-0.41	37.01
Control of corruption	-0.47	39.90

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$1.6 billion

Outward stock: N/A

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$365 million



Five year compound annual growth rate of total investment stock in Australia: (15%)

FDI stock: N/A

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Beef & Lamb	Australia, New Zealand, US
Dairy products	Australia, New Zealand, US
Wine & Spirits	US, Australia, Spain, France, Chile
Wheat	US, Australia

Global agricultural investments

Source: Global Ag Investing

Commodity	Country
Animal feed	Singapore

Australian agricultural investments

Source: Global Ag Investing

1.1 million hectares of agricultural land was owned by investors originating from the Philippines in 2017-18

Farmland: Filipino banker Romeo Roxas purchased Epenarra (265,000 ha) and Murray Downs (265,000 ha) properties in NT

Agricultural production in Philippines

Source: Various sources

The top agricultural products produced in the country are rice, coconuts, corn, bananas, pineapples, sugarcane, cassava and poultry meat.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	⋮



Switzerland

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AAA

Population: 8.51 million

Population growth: 0.76%

Nominal GDP: US\$ 711 billion

Real GDP Growth: 0.94%

GDP per capita: US\$ 82,893

Investment/GDP: 23.16%

Debt/Revenue: 73.05%

Net FDI/GDP: -4%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: -0.23%

Cost of debt: 2.46%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.55	98.02
Political stability and absence of violence	1.20	92.85
Government effectiveness	2.05	99.51
Regulatory effectiveness	1.88	97.11
Rule of law	1.92	98.55
Control of corruption	1.98	96.63

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: (US\$34 billion)

Outward stock: US\$1.2 trillion

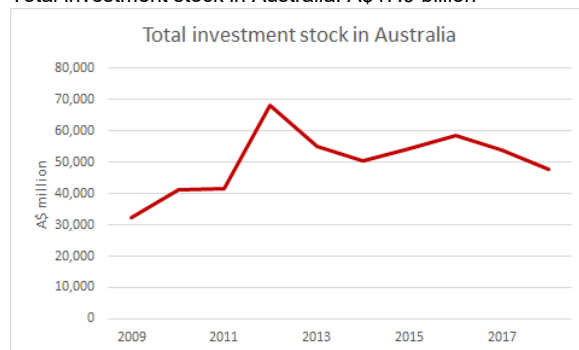
Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$47.9 billion



Five year compound annual growth rate of total investment stock in Australia: (1.2%)

FDI stock: A\$9 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: US\$49 million

Number approvals (across all industries): 51

Produce demand

Source: Various sources

Commodity	Country
Fruits & Vegetables	Germany, Italy, France
Beverages	Italy, France
Cereals	Germany, Italy, France
Processed food	Germany, Italy, France
Wine	France, Italy, Spain
Coffee	Brazil, Colombia, India, Italy, Spain

Global agricultural investments

Source: Various sources

Commodity	Country
Sustainable agricultural practices in supply chains	Luxembourg
Various agricultural investments	Ukraine
Agtech	US

Australian agricultural investments

Source: Global Ag Investing, FIRB

1.9 million hectares of agricultural land was owned by investors originating from Switzerland in 2017-18

Processed goods: Nestle Health Science invested A\$17 million to expand its capacities in Victoria.

Agricultural production in Switzerland

Source: Various sources

The top agricultural products produced in the country are dairy, vegetables, fruits, wine and cereals.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	⋮

Thailand

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: BBB +

Population: 70 million

Population growth: 0.31%

Nominal GDP: US\$ 543 billion

Real GDP Growth: 3.69%

GDP per capita: US\$ 7,843

Investment/GDP: 24.77%

Debt/Revenue: 166.75%

Net FDI/GDP: -1.00%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 2.74%

Cost of debt: 5.43%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	-1.04	21.18
Political stability and absence of violence	-0.75	19.04
Government effectiveness	0.38	66.82
Regulatory effectiveness	0.14	59.61
Rule of law	0.04	54.80
Control of corruption	-0.38	42.78

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$17 billion

Outward stock: US\$106 billion

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$6.9 billion



Five year compound annual growth rate of total investment stock in Australia: 2%

FDI stock: A\$2.2 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Beef & Lamb	Australia, US, New Zealand, Japan
Seafood	Vietnam, US, Norway
Soy	US, Brazil, Argentina
Wheat	US, Australia, Russia
Fruits & Vegetables	China
Dairy products	New Zealand, Australia

Global agricultural investments

Source: Various sources

Commodity	Country
Dairy & Beef farms	New Zealand
Pork	Canada
Livestock	Philippines
Poultry	Poland

Australian agricultural investments

Source: Global Ag Investing

Meat processing: CP Group signed a MoU with Australia's largest family-owned meat processor Thomas Food International in South Australia

Agricultural production in Thailand

Source: Various sources

The top agricultural products produced in the country are rice, cassava, sugar, seafood, poultry meat, frozen food, ready-to-eat foods, processed fruits and vegetables.

Macroeconomic measures	Conclusion
Economic indicators	Yellow
Governance strength	Red
FDI flows	Green
Trend of investment stock in Australia	Yellow
Target country?	...

5

Not target
countries



Brunei Darussalam

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: N/A

Population: 428,962

Population growth: 1.05%

Nominal GDP: US\$ 13.5 billion

Real GDP Growth: 0.05%

GDP per capita: US\$ 31,627

Investment/GDP: N/A

Debt/Revenue: N/A

Net FDI/GDP: N/A

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: N/A

Cost of debt: N/A

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	- 0.94	22.66
Political stability and absence of violence	1.18	91.42
Government effectiveness	1.14	84.13
Regulatory effectiveness	0.71	75.48
Rule of law	0.64	74.51
Control of corruption	0.71	75.00

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: (US\$85 million)

Outward stock: N/A

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$114 million



Five year compound annual growth rate of total investment stock in Australia: N/A

FDI stock: A\$0

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Cereals	China, US
Dairy products	US
Seafood	Malaysia, China
Poultry	Malaysia
Frozen beef	India, Australia
Animal feed	Malaysia
Rice	Thailand, Vietnam

Global agricultural investments

N/A

Australian agricultural investments

N/A

Agricultural production in Brunei Darussalam

Source: various sources

The country imports 80% of its food.

The top agricultural product produced in the country is vegetables.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	⊗

Luxembourg

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AAA

Population: 607,728

Population growth: 1.89%

Nominal GDP: US\$ 69 billion

Real GDP Growth: 2.30%

GDP per capita: US\$ 113,375

Investment/GDP: 18.27%

Debt/Revenue: 41.57%

Net FDI/GDP: N/A

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: -0.26%

Cost of debt: 2.43%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.52	97.04
Political stability and absence of violence	1.33	95.71
Government effectiveness	1.68	93.75
Regulatory effectiveness	1.69	93.75
Rule of law	1.73	95.19
Control of corruption	1.98	96.15

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$34 billion

Outward stock: US\$266 billion

Source: OECD data

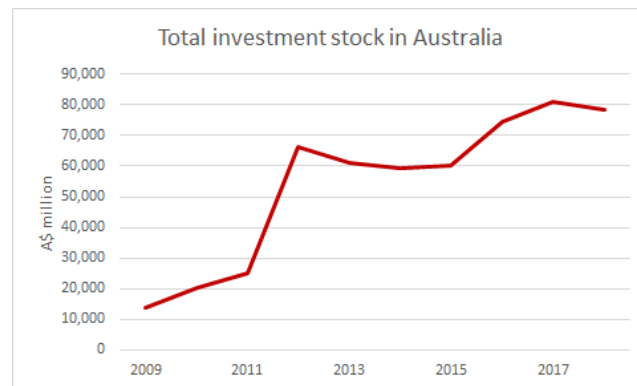
Outward flow in agriculture, forestry and fishing: US\$155 million

Outward stock in agriculture, forestry and fishing: US\$ 1.9 billion

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$78.4 billion



Five year compound annual growth rate of total investment stock in Australia: 7%

FDI stock: A\$9.5 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Meat	European Union
Cereals	European Union
Beverages	European Union
Dairy products	European Union

Global agricultural investments

Source: Global Ag Investing

Commodity	Country
Agriculture and ag-related projects	Rwanda

Australian agricultural investments

N/A

Agricultural production in Luxembourg

Source: Various sources

The top agricultural products produced in the country are dairy, beef & sheep, wine and cereals.

Macroeconomic measures	Conclusion
Economic indicators	🟡
Governance strength	🟢
FDI flows	🟢
Trend of investment stock in Australia	🟡
Target country?	⊗



Mexico

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: BBB+

Population: 126 million

Population growth: 1.12%

Nominal GDP: US\$ 1 billion

Real GDP Growth: 1.59%

GDP per capita: US\$ 9,668

Investment/GDP: 21.03%

Debt/Revenue: 229%

Net FDI/GDP: 2.01%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 7.73%

Cost of debt: 10.42%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	-0.07	42.85
Political stability and absence of violence	-0.64	23.33
Government effectiveness	-0.02	52.40
Regulatory effectiveness	0.19	61.53
Rule of law	-0.56	31.73
Control of corruption	-0.92	16.34

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$ 4 billion

Outward stock: US\$ 172 billion

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$ 116 million



Five year compound annual growth rate of total investment stock in Australia: 20%

FDI stock: A\$2 million

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Corn	US
Soybeans	US
Dairy products	US
Poultry meat & product	US
Wheat	US
Fruits	US, Chile, Peru
Pork	US, Canada

Global agricultural investments

Source: Global Ag Investing

Commodity	Country
Farmland	Brazil

Australian agricultural investments

N/A

Agricultural production in Mexico

Source: various sources

The top agricultural products produced in the country are sugar cane, coffee, cocoa, fruits, vegetables, corn, sorghum, wheat and beans.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	⊗



Papua New Guinea

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: B

Population: 8.6 million

Population growth: 1.97%

Nominal GDP: US\$ 22.26 billion

Real GDP Growth: 3.80%

GDP per capita: US\$ 2,587

Investment/GDP: NA

Debt/Revenue: 195.99%

Net FDI/GDP: 2.79%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: N/A

Cost of debt: N/A

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	0.13	51.23
Political stability and absence of violence	-0.58	26.19
Government effectiveness	-0.65	25.00
Regulatory effectiveness	-0.65	27.88
Rule of law	-0.82	20.67
Control of corruption	-0.89	16.82

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: N/A

Outward stock: N/A

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$1.1 billion



Five year compound annual growth rate of total investment stock in Australia: 50%

FDI stock: N/A

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Meat	Australia, China
Dairy products	Australia, New Zealand
Fish	New Zealand, Vietnam, Australia
Wheat	Australia
Palm oil	Indonesia, Malaysia

Global agricultural investment

Source: Various sources

Commodity	Country
Beef	US

Australian agricultural investments

N/A

Agricultural production in Papua New Guinea

Source: Various sources

The top agricultural products produced in the country are: yam, taro, banana and sweet potato.

Macroeconomic measures	Conclusion
Economic indicators	● (Yellow)
Governance strength	● (Red)
FDI flows	N/A
Trend of investment stock in Australia	● (Red)
Target country?	⊗ (Cross)



Russian Federation

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: BBB -

Population: 144 million

Population growth: - 0.013%

Nominal GDP: US\$ 1.6 trillion

Real GDP Growth: 1.49%

GDP per capita: US\$ 11,016

Investment/GDP: 23.05%

Debt/Revenue: 44.41%

Net FDI/GDP: - 0.80%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 7.13%

Cost of debt: 9.39%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	- 1.09	18.71
Political stability and absence of violence	-0.67	21.42
Government effectiveness	-0.07	50.48
Regulatory effectiveness	-0.47	32.69
Rule of law	-0.79	22.11
Control of corruption	-0.89	17.30

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$36 billion

Outward stock: US\$344 billion

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$80 million



Five year compound annual growth rate of total investment stock in Australia: (54%)

FDI stock: A\$5 million

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: N/A

Number approvals (across all industries): N/A

Produce demand

Source: Various sources

Commodity	Country
Citrus	Turkey, Egypt, Morocco, China, South Africa
Bananas	Ecuador
Soybeans	Paraguay, Brazil, US
Cheese	Belarus
Frozen beef	Brazil, Paraguay
Fish	Chile, Denmark, China
Pork	Brazil

Global agricultural investments

N/A

Australian agricultural investments

N/A

Agricultural production in Russian Federation

Source: Various sources

The top agricultural products produced in the country are cereals (wheat, barley), potatoes, sugar beet, sunflower, ovine meat and poultry.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	⊗



Saudi Arabia

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: A -

Population: 33 million

Population growth: 1.79%

Nominal GDP: US\$ 750 billion

Real GDP Growth: 1.80%

GDP per capita: US\$ 22,695

Investment/GDP: 25.88%

Debt/Revenue: 70.08%

Net FDI/GDP: -1.00%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: N/A

Cost of debt: N/A

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	-1.67	5.91
Political stability and absence of violence	-0.62	23.80
Government effectiveness	0.24	62.50
Regulatory effectiveness	-0.0008	54.80
Rule of law	0.09	57.21
Control of corruption	0.36	65.86

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$ 7.2 billion

Outward stock: US\$ 84 billion

Outward flow in agriculture, forestry and fishing: N/A

Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2018)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$4 billion



Five year compound annual growth rate of total investment stock in Australia: (6%)

FDI stock: A\$973 million

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: 48.8 million

Number approvals (across all industries): 33

Produce demand

Source: Various sources

Commodity	Country
Barley	Russia, Ukraine, Germany,
Rice	India
Frozen fowls	Brazil
Livestock	Sudan
Maize	US, Argentina

Global agricultural investments

Source: Various sources

Commodity	Country
Dairy products	US
Beef	Brazil, US, Argentina
Rice	Ethiopia, Sudan, Philippines
Wheat	Ukraine, Poland

Australian agricultural investments

Source: Global Ag Investing, FIRB

665,000 hectares of agricultural land was owned by investors originating from Saudi Arabia in 2017-18

Grain: Saudi Agricultural and Livestock Investment Company purchased 200,000 hectare portfolio of WA's biggest grain farmer John Nicoletti for \$60M

Agricultural production in Saudi Arabia

Source: Various sources

The top agricultural products produced in the country are: sorghum, dates, wheat, poultry and onions.

Macroeconomic measures	Conclusion
Economic indicators	Yellow traffic light
Governance strength	Red traffic light
FDI flows	Green traffic light
Trend of investment stock in Australia	Yellow traffic light
Target country?	Red X



United Arab Emirates

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AA
 Population: 9.6 million
 Population growth: 1.50%
 Nominal GDP: US\$ 414 billion
 Real GDP Growth: 1.42%
 GDP per capita: US\$ 43,004
 Investment/GDP: N/A
 Debt/Revenue: N/A
 Net FDI/GDP: N/A
 Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: N/A
 Cost of debt: N/A

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	- 1.09	18.22
Political stability and absence of violence	0.62	67.61
Government effectiveness	1.39	90.38
Regulatory effectiveness	1.01	80.76
Rule of law	0.79	77.40
Control of corruption	1.13	82.69

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$15 billion
 Outward stock: US\$139 billion
 Outward flow in agriculture, forestry and fishing: N/A
 Outward stock in agriculture, forestry and fishing: N/A

Investment in Australia (2017)

Source: DFAT, ABS 5352.0

Total investment stock in Australia: A\$11. billion



Five year compound annual growth rate of total investment stock in Australia: (21%)

FDI stock: A\$2.1 billion

Source: FIRB, Annual report 2017-18

Approval value in agriculture, forestry and fishing: A\$0

Number approvals (across all industries): 77

Produce demand

Source: Various sources

Commodity	Country
Meat and live animals	Brazil, Mexico, Argentina
Rice	South Korea, India, Pakistan
Dairy products	New Zealand
Raw sugar	Brazil, India
Wheat	India, Russia, Canada
Crustacean	India, Vietnam, Pakistan

Global agricultural investments

Source: Various sources

Commodity	Country
Diverse investments	Angola, Ethiopia
Farmland	Florida

Australian agricultural investments

N/A

Agricultural production in United Arab Emirates

Source: Various sources

The top agricultural products produced in the country are dates, sorghum, fruits & vegetables (citrus, mangos, tomatoes, potatoes, cucumbers), wheat, poultry and camel meat.

Macroeconomic measures	Conclusion
Economic indicators	●
Governance strength	●
FDI flows	●
Trend of investment stock in Australia	●
Target country?	⊗

6

Australia



Australia

Macroeconomic Information (2019)

Source: Standard & Poor, Sovereign Risk Indicators 2019 Estimates, World Bank

LTFC Rating: AAA

Population: 24.9 million

Population growth: 1.5%

Nominal GDP: US\$ 1.3 trillion

Real GDP Growth: 2.39%

GDP per capita: US\$ 54,851

Investment/GDP: 24.42%

Debt/Revenue: 113%

Net FDI/GDP: 2.80%

Commercial debt stock: N/A

Source: Bloomberg

10-Year Government Bond Yield: 0.92%

Cost of debt: 3.61%

World Governance Indicator (2017)

Source: World Bank

Dimensions of governance	Estimate	Percentile Rank
Voice and accountability	1.38	94.58
Political stability and absence of violence	0.89	77.61
Government effectiveness	1.53	92.30
Regulatory effectiveness	1.93	98.07
Rule of law	1.68	93.26
Control of corruption	1.79	92.78

FDI (2017)

Source: UNCTADSTAT, Foreign direct investment: Inward and outward flows and stock

Outward flow: US\$ 3.3 billion

Outward stock: US\$ 495 billion

Demand produce

Source: Various sources

Commodity	Country
Wine	France, Italy, New Zealand
Seafood	China, New Zealand, Vietnam
Dairy products	US, European Union, New Zealand

Domestic agricultural investments

Source: Various sources

Cattle and sheep: Mount Schanck South Australian cattle and sheep station has been sold by the Evans family to Thomas Food International

Dairy: Laguna Bay Pastoral Company purchased eight Tasmanian dairy farms

Farmland: Macquarie Group signed a deal with the Qatari owned Hassad Food Group to buy more than 100,000 hectares of farmland Australia-wide.

Cattle: Consolidated Pastoral Co sold bullock fattening depot Nockatunga Station to Malcolm Harris and family's Cleveland Agriculture

Agricultural production in Australia

Source: Various sources

The top agricultural products produced in the country are wheat, fruits (grapes, oranges, bananas) & nuts, vegetables (potatoes, tomatoes), cattle & calves, dairy products, sheep and lamb.

Top 10 agribusiness and food companies in Australia (2017)

Source: Investment opportunities in Australian agribusiness and food Report 2017

Company	Ownership	Commodity
Lion	Japan	Beer, spirits, wine, milk, juice and soy
Coca-Cola Amatil	Australia	Soft drinks, packaged fruit & vegetable snacks
Grain Corp	Australia	Grain
CBH Group	Australia	Grain
JBS Australia	Brazil	Meat
Olam	Singapore	Cotton, almonds, pulses, grains
Glencore Grain	Switzerland	Wheat, barley, oilseeds, pulses
Incitec Pivot	Australia	Fertilisers, chemicals
Devondale Murray Goulburn	Australia	Milk and dairy products
Teys	Australia	Meat

Conclusion

- High governance strength
- Strong economic indicators
- Diverse and highly developed agriculture
- Dynamic domestic investments

Australian states and territories macroeconomic profiles



Queensland

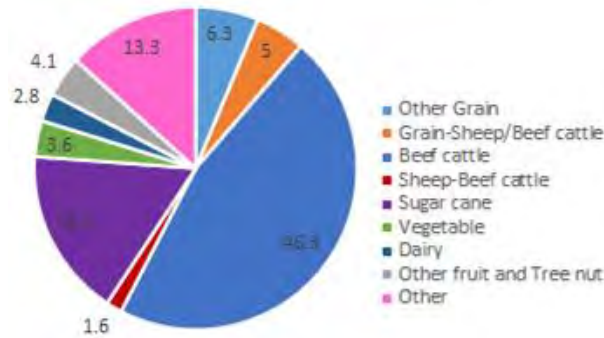
Macroeconomic Information (2019)

Population: 5.0 million

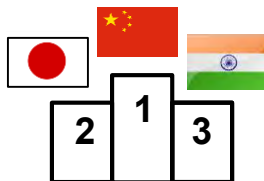
18.6% of Australia's GDP

Exports 24.5% of Australian goods

Agricultural production in Queensland



Top 3 export destinations



Northern Territory

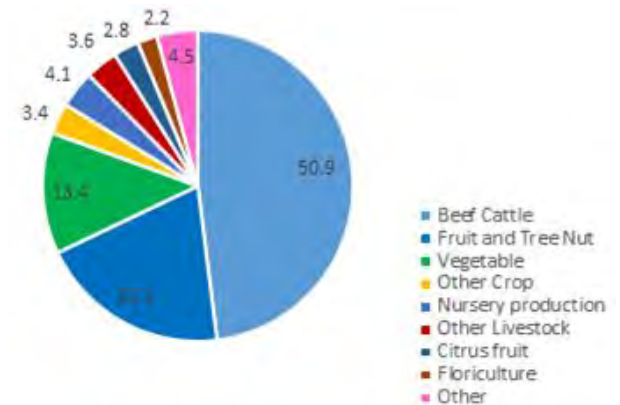
Macroeconomic Information (2019)

Population: 247,940

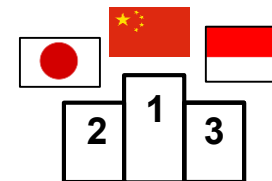
1.4% of Australia's GDP

Exports 1.9% of Australian goods

Agricultural production in Northern Territory



Top 3 export destinations



Australian states and territories macroeconomic profiles



Western Australia

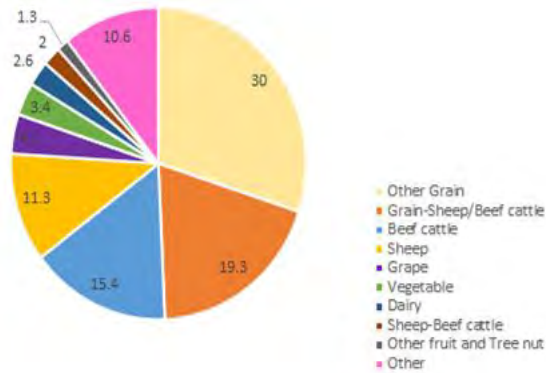
Macroeconomic Information (2019)

Population: 2.7 million

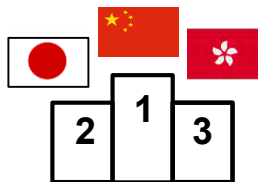
14% of Australia's GDP

Exports 42.3% of Australian goods

Agricultural production in WA



Top 3 export destinations



South Australia

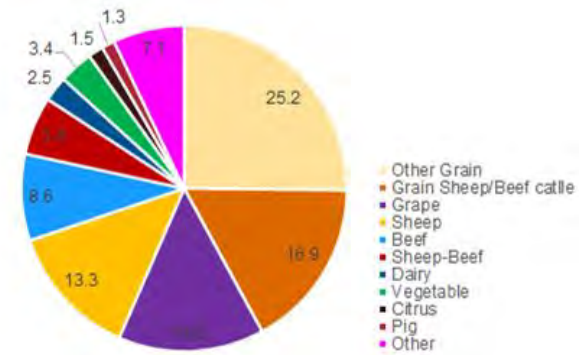
Macroeconomic Information (2019)

Population: 1.7 million

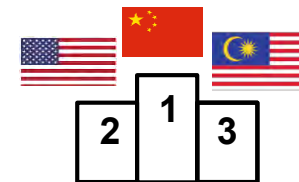
5.8% of Australia's GDP

Exports 3.9% of Australian goods

Agricultural production in South Australia



Top 3 export destinations



Australian states and territories macroeconomic profiles



Victoria

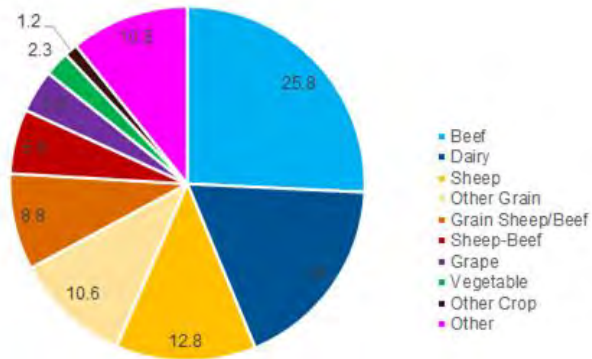
Macroeconomic Information (2019)

Population: 6.3 million

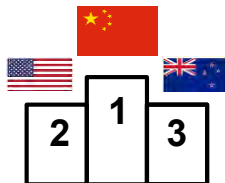
23% of Australia's GDP

Exports 9.3% of Australian goods

Agricultural production in Victoria



Top 3 export destinations



New South Wales

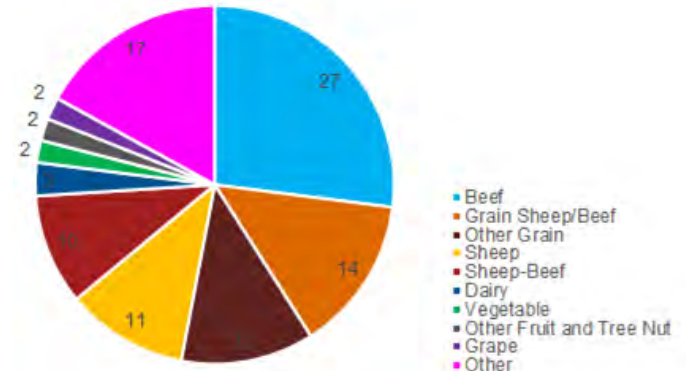
Macroeconomic Information (2019)

Population: 7.9 million

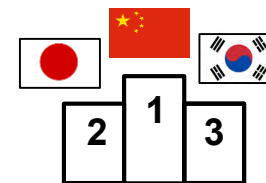
32% of Australia's GDP

Exports 16.8% of Australia goods

Agricultural production in NSW



Top 3 export destinations



7

Assumptions
and
definitions

Assumptions and definitions

Cost of Debt

The methodology in calculating the cost of debt is the sum of the global agriculture industry premium (to account for the default spread between government and private bonds) and the generic 10-year government bond yield of the respective country (the true yield). The Eurozone bond was used for countries in the region. The global agriculture industry premium is used as the investments are international, only domestic investments will utilise a different agriculture industry premium. The value of the global agriculture industry premium is 2.69% and sourced from Damodaran Online.

The World Bank Worldwide Governance Indicators

Governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced, the capacity of the government to effectively formulate and implement sound policies and the respect of citizens and the state for the institutions that govern economic and social interactions among them.

The World Bank's Worldwide Governance Indicators report on six broad dimensions of governance for over 200 countries and territories:

- **Voice and accountability** captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.
- **Political stability and absence of violence** measures the perceptions of the likelihood of political instability and/or politically-motivated violence, including terrorism.
- **Government effectiveness** captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
- **Regulatory quality** captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.
- **Rule of law** captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, as well as the likelihood of crime and violence.
- **Control of corruption** captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

The key outputs are:

- **Estimate** of governance ranges from -2.5 (weak) to 2.5 (strong) based on the governance performance in each dimension
- **Percentile rank** among all countries ranges from 0 (lowest) to 100 (highest) rank.

Thank you

www.pwc.com.au

© 2019 PricewaterhouseCoopers. All rights reserved. PwC refers to the Australia member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details. Liability limited by a scheme approved under Professional Standards Legislation.