



MOBANDILLA LAND COMPANY LIMITED

26 February, 2010

Senate Finance &
Public Administration Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Email: fpa.sen@aph.gov.au

Dear Sir

Thank you for the opportunity to make this submission. I note terms of reference relate to “Native Vegetation Laws, Greenhouse Gas Abatement and Climate Change Measures” and I am not sure where my concerns may fit. However, as a 70 plus year old I make this submission with a view that Australia is currently experiencing a dry climate cycle which is not necessarily linked to permanent climate change, either man made or natural. At my age I have witnessed many climate variables which have not been permanent. The 1950’s-60’s for example, were unusually wet and I recall rightly or wrongly people were blaming the atom bomb. In the late 70’s conditions began a drying phase which we continued to endure. I believe this cycle will end and seasons will change.

However, my real concern and the reason for this submission relates to the handling of water issues in the Murray Darling River System and the very negative role governments have played. In the early 70’s governments were encouraging landowners to take up water licences/entitlements without having done adequate, if any, research into what the system could sustain. Landowners encouraged by government took up the challenge and developed tens of thousands of acres to irrigation at enormous cost on the assumption that the water entitlements were secure.

As development continued it became obvious to all the entitlements had been over allocated and were not sustainable and governments, both State and Federal, but pressured by the Federal government through financial incentives to the States, began a process of limiting water use largely without compensation for the many millions of dollars spent by landowners in establishing their irrigation enterprises which were encouraged by government.

This company began developing an area in 1999 spending in the order of \$1.5 million on water and pump infrastructure only to face a Development Moratorium which was in place

from 2000 to 2008 and whilst the Moratorium is now lifted, all effort to re-establish commercial activity on this area has been met by delay after delay.

Commercially this has meant that a \$1.5 million development has been unable to be utilised for 10 years to date through government inefficiency and no compensation offered to assist business viability and keep us in business whilst government sought to address the issues of over allocation.

My point is that governments are elected to serve, ie. assist and help the Australian people and utilise funds raised through taxation for the benefit of the people, it is not as is so often quoted "government money", it is the peoples money and should be used wisely. Governments appear to be only reacting to crisis not forward planning as is so very obvious when looking at what is/has been happening in the Murray Darling River System. What is now happening could be argued as forward planning but the horse has already bolted and business is being crippled.

Landowners have lost millions of dollars through having their ability to produce curtailed/restricted after developing land in good faith and sanctioned by government. This loss of productivity is similar to that experienced by landowners through the restriction of the native vegetation legislation, again where large numbers of properties have been made unviable under the implementation of this Act and without compensation by the Australian people (not government, via government as they only manage these funds).

The Native Vegetation Act and many other Acts and restrictions that restrict farmer's ability to produce should be repealed in a world of ever increasing people to feed and clothe.

If the world is short of food then this country with its vast areas of fertile soil should be increasing its food producing capacity by in part bringing water that is abundant in coastal areas inland where it can be viably utilised. Mr Howard set aside \$10 billion for the Murray Darling which is more than enough to achieve this water diversion. Or is the shortage of food another furphy like "Climate Change" and the "Millennium Bug" and it is just that western civilization will only feed people if they can afford to pay.

The viability of food production in Australia has been receding fiercely for the last 30 years and has now reached a point that there is a negative return on capital in many areas. Compare this to our Big 4 banks that returned over 30% profit in 2008-09. Young people are leaving the industry in droves and taking their knowledge bank with them as I am speaking about young people brought up on farms/properties and the older generation is dying out. I understand the consensus is that "Corporations" will take over the bush. I run a public company and I assure anyone that cares to listen that without a return and ability to pay dividends, this will not happen at least not until corporate farming grew to a point they can control the food chain and this would result in substantive cost of living rises for them to be able to pay a dividend. Why would people invest in rural Australia when they can invest in a bank that is generating in excess of 30% return of capital?

Rural industry is being governed out of existence and is in danger of collapse. This is exacerbated by ever increasing impediments to our ability to function.

What is going to happen to the Australian population in a world crisis when our ability to produce food has been severely limited and whilst importation of food is impossible, we must realise the ability of an enemy to prevent all international trade with Australia will be simple

in today's satellite technology. No longer do destroyers need to scour the ocean looking for merchant shipping, this can be done with the touch of a button!

We need only to look at the experience of Britain and Europe during the Second World War (before this new technology was available) to see the result of a country that was not feeding itself but relying on cheap overseas imports. Senators are probably too young to recall that Australia signed a 15 year meat agreement with Britain following the war which saw all our meat exports go to Britain, so they did not starve, and this because rural industry there had been overlooked by politicians and allowed to waste away.

I enclose for your reference a letter written by a British farmer and published in the Farmers Club Journal about "Global Free Trade: for good or for ill" which I believe illustrates the pitfalls of a free trade morality and I recommend Senators take the time to read.

We need incentives and encouragement not further bush bashing and red tape on the back of the extremely questionable science of global warming. The "fear" of which I believe is instrumental in the creation of many of the restrictions on our ability to produce and if this is correct then we are already beginning to be governed from outside our borders by unelected bodies, ie. the ability of our elected government of any persuasion to govern is being limited.

It is frustrating to note that if the area referred to above ultimately becomes productive, we are faced with even more draconian laws and restrictions to be able to use it.

Under the Queensland "Land and Water Management Plan" currently in force, we will need to submit a plan of our irrigation system and the crop we intend to grow and have this plan approved by the Department of Environment and Resource Management before we can use our water.

These regulations are found in Section 5.1 and 5.2 of the plan and if we intend to change our irrigation or cropping practice then a new plan has to be submitted and approved.

So now after 110 years of federation and before, when rural producers cleared land with an axe and mattock in isolation and without access to any medical help to get the land into production to make a living by feeding the Australian population and other countries, we are now to be told by beaurocrats where and how we are to do this. It appears to me that it won't be long before the decision is made to let them do it, if they're so smart!

Yours faithfully

R C (Bob) Yabsley
Managing Director

Food And National Security-The British Are Worried

[PRINT](#)

Food and national security are seldom if ever mentioned in the same sentence. Recent terrorist events have caused us all to take security seriously. Back in the seventies when the Commonwealth Heads of Government met in Australia and someone let off a bomb in Melbourne the then Prime Minister of India Mr Desai, called Australia a placid place and encouraged us to preserve that condition.

We have preserved our placid country and we take an abundance of food for granted—it's the way life is—we have never considered food and national security in the same context. Should we?

Henry Fells is an English farmer and he looks back at the history of farming in that country, the need for national food security for an island nation and expresses some concerns about his government's pursuit of cheap food at the expense of domestic agriculture. We reprint Henry's article as it appeared in the Farmer's Club Journal.

Henry has agreed to write for us every other month. He will keep us up to date with what is going on in his part of the village and no doubt give us an insightful look at EU farming.

Henry is a member of the Farmer's Club in London. Google the Farmer's Club, they have been in the middle of London for ages and their Web site says they welcome overseas members. Might just be the place to stay on that next trip. Looks quite grand and comfortable.

Global Free Trade: For Good Or For Ill?

THE POSITION of the British Government, and that of Defra, seems to be quite clear: That we have a moral duty towards under-developed countries to lead the way in introducing the maximum amount of Free Trade, and in persuading other countries to follow our leadership.

This was the Prime Minister's central theme at the G8 summit in Gleneagles in 2005. It was our "moral duty" – and when you look at the numerous pictures on TV of suffering in the Third World, that clearly rings a bell in people's minds.

If only it were as simple as that!

I certainly would not, nor I imagine would anyone reading The Farmers Club Journal, wish to advance arguments that could lead to policies harmful, or potentially harmful, to under-developed countries. Considerable damage was certainly caused by the dumping of heavily subsidised production into some of them.

But to believe that that this, alone, is good reason for Global Free Trade is an over simplification. Furthermore, to believe that anything even remotely resembling complete free trade globally is achievable is an illusion.

What is possible is that some countries, notably the UK, might well go further down that road than many others. Indeed, that is highly likely, given that home food and other agricultural production is a very low priority for the British Government.

It has, of course, all happened before. Free Trade came to the forefront of political thinking in the 1840s with the Repeal of the Corn Laws in 1846. By then the Industrial Revolution was well under way and Britain was enjoying great industrial prosperity, a prosperity most definitely not shared by the working classes.

Morality apart, there was an increasing recognition that some of that higher standard of living had to be passed onwards and downwards to those working in the factories. The Treasury, however, saw this as a real danger to industrial profit.

Its solution lay in the possibility of riding on the back of the opening up of the Corn Belt in America and the chance to import cheap food. This did not really come about until the mid 1870s, by which time Trans-Atlantic shipping linked to the development of American railways transformed the supply chain.

Cheap cereals flooded in and the ex farm wheat price in Lincolnshire dropped from £14 a ton (£4,000 at today's values!) to less than £2 in a decade. British Agriculture went into deep depression, which, apart from a break of six years during the 1914-18 War, lasted until 1939. But it is important to realise that it was not just farming that suffered, for Britain was operating a system that was the nearest to free trade

that any country has ever approached.

The consequence was that Britain's massive economic advantage over all other nations vanished, as America and Germany rapidly caught up. And this was the turning point in the transformation of Britain as a major industrial power to the one we know today, where production, of whatever kind, is seen to be of much less importance than financial and other service industries.

It is important to realise just what effects that agricultural depression had on the rural scene as a whole. No talk of diversification in those days; no development of widespread tourism; no 'added value' via organic production (it was all painfully organic anyway); no environmentally-sensitive grant aid.

No... the depression was acute and real. Poverty and degradation were widespread, and the damage to the rural environment was painful in the extreme. And all the result of politics riding on the back of low-cost food production overseas, allied to low-cost shipping. A Cheap Food policy was well and truly born!

We all know what brought that to an end... 1939 and the desperate need to survive. No access to imported food, cheap or dear. Certainly, no cheap shipping. And that led, Post War, to an agricultural revolution, both scientific and technical, that surpassed anything that had happened before. All fired by the emotion that – "Never Again...."

Well, 'never' is a very long time, and certainly not a word to be found in any political dictionary. So, here we are again, the wheel has turned once more and the farming industry is moving into depression. And this after, first of all, the 1947 Agriculture Act, which set out its major aim of achieving national food security; and then, after our entry into the EU, the policies of the CAP aiming more at political stability in the rural areas of continental Europe.

But eventually it began to dawn on the political elite that the CAP was both expensive and inefficient. The world was perceived to be 'full of cheap food'.

No questions were asked about just why any particular food was seen to be 'cheap'. Not low cost shipping this time, but efficient air transport operating on tax-free fuel. And the political, and economic, benefits arising from keeping some form of restriction on escalating wage levels were seen to be of the greatest importance.

So global free trade has two separate political attractions. It keeps the apparent cost of living down. And it leads with a high moral tone.

Let us, therefore, look somewhat more closely at these two issues.

What about keeping the cost of living down? Outside of agriculture, hardly a day passes without further dramatic news of financial decline, of pensions crises, of increased borrowing, and the certainty that Gordon Brown's targets cannot be met. There are reports of industrial decline, of falling production, and of skilled scientists emigrating to better jobs.

So perhaps we do need 'cheap food' to help us as a nation? But for how long will it remain 'cheap'? Not for long if burgeoning world populations and changing diets are anything to go by.

As a recent comment in the Telegraph put it: "What free trade does is to dissolve the ability of nations to sustain and protect themselves. It is a Trojan Horse for internationalism. We need to return to judicious protectionism to guard both the strategic interests of our country and the social stability of our society".

The wisdom of that comment was surely emphasised by the horrendous cost of the 2001 outbreak of FMD... and one could list so many other examples.

What, then, about the morality of helping the underprivileged in the Third World? First of all, we ought to be clear about what we mean by that part of the world. Africa is one thing, and one with some of the worst problems, but even there, sub Saharan Africa is a very different picture compared with North or South Africa. And all of that highly complicated and diverse continent is far removed indeed from the position in India, other parts of Asia, and of China.

No 'one fits all' solution has any relevance. If there were to be one single sentence of any value, it would be 'help them to help themselves'. Certainly, my experience, to say nothing of that of Norman Coward, in Ethiopia, and of FarmAfrica, bears that out. Free handouts quickly develop into a dependency culture.

Most important of all, we have to ask ourselves: why is something cheap? Both Brazil and China are recognised as the major players. So let us see why.

Brazil is a world's biggest exporter of beef, increasingly so with poultry meat, and also soya. And, we should note, Tesco is now buying bioethanol from Brazil.

Why is it all so cheap? Principally because of a massive devaluation of Brazil's currency a few years ago. But more than that. Huge destruction of the rain forest - 26,000 sq km were burned in 2004, and little doubt more than that in 2005 - mostly to be devoted to huge-scale cattle ranching paying very low wages.

FMD has broken out once more in the area from which we import beef. When shall we see the next outbreak in the UK? And did you see the report based on information from the World Bank that Britain is the biggest importer, in the EU, of illegally logged timber, much of it from Brazil but also from the Congo and Indonesia?

Why? Because it is so much cheaper. What a surprise!

China, as we all know, dominates the High Street shops. Favourable currency again, coupled to very low wages. But how many people know what is happening out in the Chinese rural areas? Some 94% of Chinese live in 46% of the country – that part which is being industrialised and land hunger is taking over the bulk of productive land.

The other 54% is where they produce most of their food, but for how much longer? National food security is now moving to the top of China's agenda. Desertification is increasing at 360,000 ha annually and dust storms cause huge damage.

Cereal production is falling significantly. China is now a major importer of soya. And water is fast becoming the scarce resource.

Africa bears no resemblance to either of these. Sub Saharan Africa is desperately short of food, with no food security. Populations are exploding, despite Aids. And the bulk of farming is desperately extractive, with soil erosion a huge problem.

More than anything they need farming education and technology. The potential is certainly there, but it has to be realised. Soil conservation; water storage and irrigation; fertilisers; plant and animal disease control; and, yes, GM.

What they do not need is the promotion of organic production and the banning of GM-produced product.

But they do also have to trade, and in some areas they are now doing that very successfully. Coffee is a good example, although high production in parts of Asia and South America has enabled the major buyers to force the price down... an illustration of the dangers posed by the big multi national companies using their financial muscle solely for their own profit benefit.

When it comes down to it, global free trade opens the door to the power buyers, and their incentive is certainly not the highly moral one. When the EU sugar regime is reformed with the spoken expectation that this change will help the Caribbean and parts of Africa, where do you suppose the sugar will come from?

Almost certainly Brazil. And that will lead to yet more land and labour exploitation, to soil erosion, and to accelerating climate change following loss of rain forest.

Just think that through before you get too excited. As in so many instances these days, narrowly based emotion over-rides factual and logical analysis in policy making.

Henry Fell.

[Close Window](#)