

5 September 2012

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Sir,

Submission to the Senate Inquiry:
Examination of the Foreign Investment Review Board National Interest Test

I wish to make the following submission.

In terms of the developed countries, Australia is the country which has been identified as most in danger of suffering the effects of climate change. Australians grow up in this superb country aware that we inhabit a land of “droughts and flooding rains” . . .in particular, the southern States.

“Unfortunately, new data and analysis generally are confirming the likelihood that outcomes will be near the midpoints or closer to the bad end of what had earlier been identified as the range of possibilities for human-induced climate change.”¹

You would be aware: many Australians are very concerned that there is no register (other than in Queensland) of foreign ownership of land in Australia. We need to know, for example:

- I. Which country owns what;
- II. What is the entity that holds the land;
- III. What is the extent of the land holding;
- IV. Whether the holding is, broadly, in agricultural or residential land;
- V. The nature and purpose of any holding, including licences and rights over resources;
- VI. What is produced from the holding;
- VII. What domestic and export market is lost to Australians; and
- VIII. What is contributed to Australian wealth.

These are just some of the many questions that arise and should be analysed in the case of any foreign ownership.

¹ Garnaut Climate Change Review – Update 2011 Australia in the Global Response to Climate Change Summary
Ross Garnaut PART I: THE GLOBAL SHIFT 1. Beyond reasonable doubt page 2

“Information on foreign investment in agriculture and agribusiness is limited. Some sources are reported below, but there is no systematic source of data on foreign ownership of agribusiness companies. Nor is there regular information on the nationality of foreign investors or about the type of entity involved. The extent of investment by foreign government entities is also not known.”²

This amounts to plain negligence on the part of any government looking to protect its national interests. There should be tight regulation, monitoring and supervision of our land and its resources.

Of particular concern is the sale of agricultural land across this nation to foreign interests. In many cases, it is open for Australians to conclude that many other nations can also see the imminent consequences of climate change and so have taken wise steps to mitigate these changes by ensuring food production for their people. This is why there has been significant foreign investment in prime agricultural land in this country. Does this mean that Australians are unnecessarily naïve, blind, spendthrift of their precious resources or just feeling powerless in the face of such sales. A Foreign Investment Review Board ceiling of \$231 million for agricultural land purchase is egregiously careless when it is measured against the grim forecasts of climate change. We are in no position to assume that “there’s plenty more land where that came from”. There just “ain’t”.

It is Australia that should be looking to protect its agricultural interests because we face food security issues of our own in the face of uncertainty in climate. Additionally, if we are sufficiently lucky that we will have enough, then our interests for generating future wealth lie in selling Australian agricultural produce to countries less sufficient than our own.

Take, for example, Tully in North Queensland. The sugar mill has been sold to Chinese interests. A significant number of agricultural land purchases have been made in the area by the same interests. Say approximately 10% of the area’s wealth is dominated by sugar and ancillary industry. Where is processing to take place? Are Australian jobs at risk? Are sugar markets off shore? Are they closed to Australia? Have we lost the markets for the sale of our produce? We lose in our domestic market and close opportunities in our export market. Not smart.

There are so many more stories of far greater loss to this country.³ Then there are the Liverpool Plains. These are the “sweeping plains” of Dorothea Mackellar’s poem. That’s my former hometown, Gunnedah, which commemorates her vision and from which area she is reputed to have written the poem. Those plains are a precious breadbasket – they always have been. So now, how much has been sold

² Foreign investment and Australian agriculture November 2011 Rural Industries Research and Development Corporation Chapter 1.

³ See for example Foreign investment and Australian agriculture November 2011 Rural Industries Research and Development Corporation page 22 .

to Chinese coal interests or the coal seam gas interests. And oh, I'm sure the land (and its water) will be returned in pristine condition in 30 years.

There is a concurrent pincer movement that impinges on our food production. This is the supermarket duopoly where one reads regularly in the media of our farmers who cannot survive in the squeezed down, "Dotheboys" economy. So they sell up. So we lose yet another dairy farmer, another fruit and vegetable grower.

Are Australians to be left as mere servants in our own land where we develop the interests of others and contribute to the wealth of other countries when we send our produce off to their markets?

The new gold is agricultural land that produces clean, chemical free, regulated fresh good food: Australians are good at producing great food.

The new gold diggers are the foreign interests that seek to benefit and profit from our farmland. Australians lose the benefit and the profit.

Margaret McLennan