



SUBMISSION TO THE
SENATE STANDING
COMMITTEE ON
REGIONAL & RURAL
AFFAIRS AND
TRANSPORT

Agribusiness Council of Australia

SUBMISSION TO THE SENATE STANDING COMMITTEE ON
REGIONAL AND RURAL AFFAIRS AND TRANSPORT

*An examination of the
Foreign Investment Review Board (FIRB)
National Interest Test*

Committee Secretary (via rrat.sen@aph.gov.au)

SENATE STANDING COMMITTEE ON
REGIONAL AND RURAL AFFAIRS AND TRANSPORT
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1 EXECUTIVE SUMMARY

The **Agribusiness Council of Australia (ACA)** was instigated at a meeting of Australia's agribusiness¹ leaders held in the Senate Hearing Room, Parliament House Canberra on 12 May 2011. Following that meeting, a steering committee was formed to establish the ACA as a peak industry body for Australian agribusiness. Western Australian agribusiness leaders re-affirmed the intent of this national initiative at a WA-version of the meeting held in the Legislative Council Chamber of the Western Australian Parliament House on 16th September 2011.

As the ACA is in its formative stages, the steering committee will refrain from public comment on any policy issue until such time as the ACA is formally constituted, its Council members are duly elected, and the organisation sets about establishing its *modus operandi* and priorities for the advancement of Australian agribusiness. This is to ensure that ACA garners widespread industry support for its establishment, without controversy, and becomes successfully established before initiating an all-inclusive, solutions-oriented, professional, apolitical, agribusiness industry lobby and advocacy group. At its core, the ACA will have a widely agreed and clear vision for the future development of agribusiness and make a positive contribution to the development of the Australian and global economies.

The original proponents driving the development of the ACA would wish that all involved in the future will never lose sight of its core concern; the genesis role that higher education and training plays in driving industry productivity. When all is said and done, it is our people that both drive and benefit from our industry. The more skilled our people are in their industry, the more they will benefit all Australian people.

Accordingly, this submission is primarily to extol the virtues of the formation of the ACA and the likely benefits its undertakings will bring to Australia's 2nd largest industry – agribusiness: economic activity that is crucial to the very nourishment of human life. Agribusiness in Australia today is highly fragmented and many industry-wide intentions '*fail at the gate*' because of a lack of an agreed peak industry body to represent this major sector of the economy. In Australia today, with over 4,000 agricultural organisations, and a similar amount of agribusiness organisations throughout the wider sector, there still exists no single representative voice for the agribusiness sector, whereas the United States' Agribusiness Council was created by President Lyndon B. Johnson in 1967 to give the sector a voice at the highest level. As a result, even the best intentions of government are weakened because there is no economy-of-scope or scale when dealing with the complexities of the sector. Thus, government-industry interfaces can be fractious, adversarial, and politicized at times given the past history of some representative groups. The ACA's intent is to move to a professional solutions-oriented approach, to best advance the cause of the industry using a fresh start, with a focused, contemporary strategic vision appropriate to the age.

The ACA will be inclusive at all times – but it can only do that once successfully established. In a very real sense, **one solution to a key problem facing this inquiry is in fact provided by the benefits that will inevitably follow the creation of the ACA.** The ACA will provide a more effective and efficacious strategic industry structure, one that 'reforms' agribusiness in the Australian economic and political landscape. The ACA will facilitate improved economies-of-effort and scale at the highest levels – nationally & internationally.

Such a united and coordinated approach will be pivotal, not only in devising policy for domestic land tenure and related monitoring systems, but also for maximising the efficiency and effectiveness with which national policy responses are implemented. The ACA will contract with government to build the solutions required.

¹ See definition of agribusiness in attached "Why Agribusiness Matters" (Attachment 7.1 "Why Agribusiness Matters" on page 20).

2 TERMS OF REFERENCE

An examination of the Foreign Investment Review Board (FIRB) National Interest Test, including:

- i. how the test was applied to purchases of Australian agricultural land by foreign companies, foreign sovereign funds and other entities in the past 12 months;*
- ii. how the test was applied to purchases of Australian agri-businesses by foreign companies, foreign sovereign funds and other entities in the past 12 months;*
- iii. the role of the Government, regulators and receivers, including their obligations under the Corporations Act 2001 and/or the Foreign Acquisitions and Takeovers Act 1975, including the role of the Australian Securities and Investments Commission, in upholding the test;*
- iv. the global food task and Australia's food security in the context of sovereignty;*
- v. the role of the foreign sovereign funds in acquiring Australian sovereign Assets;*
- vi. how similar national interest tests are applied to the purchase of agricultural land and agri-businesses in countries comparable to Australia; and*
- vii. any other related matters.*

In conducting this inquiry, the committee should examine ways of improving the transparency of decisions made by the FIRB under the test and all other rules which govern its operation.

3 ABOUT THE AGRIBUSINESS COUNCIL OF AUSTRALIA

Agribusiness Council of Australia (ACA) was instigated, discussed, and endorsed at a meeting of Australia's agribusiness leaders held in the Senate Hearing Room, Parliament House, in Canberra on Thursday 12 May 2011. A copy of the resolutions from the meeting is at Section 5.1 on page 15.

Immediately following that meeting, a steering committee was formed to progress the wishes of the meeting, and principally to work to establish the ACA as a new peak industry body for agribusiness in Australia.

A Western Australia version of the agribusiness leaders meeting held in Canberra re-affirmed the intent of the national initiative and further considered a range of WA State specific agribusiness issues. That meeting filled the Legislative Council Chamber of the Western Australia Parliament House with WA agribusiness leaders on Friday 16 September 2011. A copy of the proceedings of that meeting is at *Section 5.4 on page **Error! Bookmark not defined.*** A meeting of Victorian and NSW agribusiness leader's is being organised and proposed for the Victorian and NSW Parliaments respectively.

The ACA proposes to launch soon and commence operations in late 2012, and thence conduct rigorous Council election processes under the guidance of the Australian Electoral Commission to ensure the entire agribusiness industry, (including educators) are represented in such a way that no one group or groupings of the industry can unduly influence or dominate another. This approach ensures only commonly shared views and values are advanced. The whole idea is to ensure industry representation and governance achieves optimal coordination along the value-chain, from production to consumption and onwards to recycling; and further, ACA includes all the supporting industries crucial to enabling the agribusiness value-chain in its remit to ensure that the whole agribusiness system operates in the most efficient, effective, and efficacious way possible (the support industries are the 'forgotten many' in the agribusiness sector).

The ACA also proposes to create a A\$5 billion capital-protected, industry advancement trust fund to address "industry attractiveness" issues currently hampering agribusiness's ability to attract the talent it needs to grow and prosper. The ACA has learnt from decades of industry inattentiveness and will be working towards "re-writing the agricultural narrative" (conclusion from Senate Inquiry Report (Commonwealth of Australia, 2012)² which will advance its benefits to the wider public.

In addition, the recent Senate Inquiry Report (Commonwealth of Australia, 2012)³ into agricultural and agribusiness education and training wholly accepted key contentions in ACA's submission as reflected in Recommendations 9, 10, & 11 of the report, and follows:

Recommendation 9	<i>The committee recommends that the government facilitates the development of a national peak industry representative body for the agricultural production and agribusiness sectors.</i>
Recommendation 10	<i>The committee recommends that the government commits to regular consultation with the new peak body established in recommendation 9 regarding policy changes that impact upon agriculture and agribusiness.</i>

² See http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=eet_ctte/agribuisness/report/index.htm






³ See http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=eet_ctte/agribuisness/report/index.htm

Recommendation 11	<i>The committee recommends that the new industry peak body develops and presents to government a national strategy for addressing the skills shortage, industry productivity, and food security.</i>
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Accordingly, the ACA will lead the creation of a development comprehensive “*Australian Agribusiness Productivity Improvement Plan (AAPIP)*” using a genuine all-inclusive and iterative approach that engages all sectors involved in Australia agribusiness (including preferences for Government’s facilitating role). The AAPIP will also include:

- (1) Those matters contained in Senate Inquiry Report Recommendation 11 (above), i.e. skills shortages, industry productivity and food security;
- (2) Key policies and solutions to improve Australia’s agricultural and agribusiness land tenure systems and related ownership monitoring processes and reporting (including performance appraisal thereof); and,
- (3) Other matters of strategic importance to Australia agribusiness productivity and industry competitiveness in a global marketplace.

The AAPIP will maximise Australia’s competitive advantage when operating within its global agribusiness market: since agribusiness is the world’s largest industry. The ACA will also ensure its *modus operandi* will:

-  Ensure a whole-of-industry systems-based approach improves agribusiness productivity (i.e. a relentless attention to increasing productivity to the ultimate benefit of society).
-  Actively influence international bodies to maximise multi-lateral agribusiness advancement negotiations (e.g. UN, FAO, WTO, etc.);
-  Utilize new virtual-organisation and networking technologies to extend its global reach for the benefit of Australian agribusinesses;
-  Adopt best practice ethical standards, and create an Australian lobbyist professional development standards and an organisation to focus upon it; and,
-  Oversee the development of the agribusiness industry via its perpetual professional development;

4 SUBMISSION ADDRESSING THE TERMS OF REFERENCE

4.1 Terms of Reference (TOR)

- i. how the test was applied to purchases of Australian agricultural land by foreign companies, foreign sovereign funds and other entities in the past 12 months;*
- ii. how the test was applied to purchases of Australian agri-businesses by foreign companies, foreign sovereign funds and other entities in the past 12 months;*
- iii. the role of the Government, regulators and receivers, including their obligations under the Corporations Act 2001 and/or the Foreign Acquisitions and Takeovers Act 1975, including the role of the Australian Securities and Investments Commission, in upholding the test;*
- iv. the global food task and Australia's food security in the context of sovereignty;*
- v. the role of the foreign sovereign funds in acquiring Australian sovereign Assets;*
- vi. how similar national interest tests are applied to the purchase of agricultural land and agri-businesses in countries comparable to Australia; and*
- vii. any other related matters.*

4.2 Comments applying to all Terms of Reference (TOR)

The **Agribusiness Council of Australia (ACA)** wishes to make the following comments with regard to all of the Terms of Reference:

1. The restrictive definition of 'agriculture' in the Act restricts appropriate policy responses appropriate to Australia's competitive positioning of agriculture and agribusiness in the global marketplace.
2. The high level of 'industry fragmentation' in the Australian agribusiness sector (of which agriculture is a crucial subset) further restricts the Australian Parliament's ability to consult with the industry when developing appropriate public policy responses to issues (i.e. including public perception about the desirability or otherwise of foreign ownership of Australia land, businesses, and infrastructure).
3. There is a tendency, albeit possibly unintended, for public institutions and advisors to devise public sector delivered solutions for policy problems, particularly where the main stakeholders in the problem are public institutions. **The ACA recommends** that the Parliament adopt as a universal practice the requirement of public organisations and policy advisers to devise efficacious policy responses that compulsorily include a range of policy options or solutions, and that at least one policy option or solutions include the option of private sector delivered solutions (in response to policy challenges facing the Australia people). This would have the desirable effect of building into the culture of our public sector institutions, constant attention to the capabilities and competitive needs of our private

sector. It would remain the province of the Government to choose the most efficacious from all the policy options or solutions advised to them (including those for delivery by the private sector).

4. The Australian Parliament, via COAG forum should continue to be cognizant of the Australian Constitution and needs of the Australian system of federation. In solving national problems in a global marketplace there is a tendency, albeit possibly unintended, to devise solutions for delivery by the Commonwealth Government in preference to delivery by other Australia jurisdictions. **The ACA recommends** that the 'lead government' concept continue to be used. In the case of the implied need for a national land tenure information system, and following appropriate evaluation and agreement, COAG should empower and resource the best performing jurisdiction to provide solutions to achieve such a national system (to the extent possible). In other words, the jurisdiction with the 'best practice' approach should provide the lead role in the management and development of a nation-wide approach.

The Agribusiness Council of Australia (ACA) will comment on the following terms of reference:

4.3 TOR 1: How the test was applied to purchases of Australian agricultural land by foreign companies, foreign sovereign funds and other entities in the past 12 months

The ACA notes that:

1. The definition of 'agriculture'⁴ used by the FIRB is restricted, in the main, to agriculture or 'farming operations' and it consequently detrimentally affects much of the administration of the *Foreign Acquisitions and Takeovers Act 1975 (FATA)*.⁵ There is much more to agribusiness than farming. Therefore, contemporary approaches to analyses of the economy is restricted to that, and thus whole swathes of the wider 'agribusiness economic system' are absent. This is a major flaw in this and other modern policy debates on the Australian economy. Agribusiness is the world's largest industry – it is how the world feeds its entire peoples. In that regard, the smaller subset of agriculture or farming grossly understates the importance of the agribusiness sector (Australia's the 2nd largest industry), and effects its competitive stances in the global economy accordingly [i.e. there is a constant tendency to devise piecemeal rather than whole-of-system competitive stances (private sector) and policy responses (public sector)].
2. Only the Foreign Investment Review Board (FIRB) can provided factual information as to how the national interest test⁶ was applied to each and every purchase of Australian agricultural land by foreign companies, foreign sovereign funds and other entities of public interest within the last 12 months. This is because no other entity is privy to all the information provided to it, about all parties, and no other entity is made aware of the criteria upon which the national interest is evaluated and/or decisions made, based upon those evaluations by the FIRB. There is, in fact, no open and transparent "National

⁴ See Moir, Brian; 2011 page

⁵ See <http://www.firb.gov.au/content/fata.asp?NavID=11> (as at 25-Aug-12).

⁶ The *Foreign Acquisitions and Takeovers Act* (1975) permit the Treasurer to prohibit certain acquisitions by foreign persons if s/he considers that the acquisition would be "contrary to the national interest.

Interest Test” or decision making process made available publicly. Only the decisions of the FIRB are made public, and only on a case by case basis.

Further, it is likely that the majority of purchases are not scrutinised at all (beyond basic conditional filtering criteria), and that only those purchases brought to the attention of the FIRB for a variety of reasons are actually evaluated with any degree of rigour. Thus, public perceptions about the thoroughness of the FIRB processes are not based upon a blanket of widespread detailed evaluations of each and every purchase that falls within the purview of the Foreign Investment Act.

3. The FIRB assesses all purchases within its remit on a case-by-case basis.
4. Since most land tenure administrations and land tenure information systems fall within the remit of state governments, this gives rise to the fact that a plethora of reports attest to the lack of a comprehensive national register or information system (e.g. Moir, Brian; 2011). Thus, in a management sense, the FIRB is ‘flying blind’ in terms having a systemic basis of understanding or having an overview of land ownership.
5. The only basis for FIRB decisions, and consequently, policy advice to the Government is that provided by the Australia Bureau of Statistics using best available sampling techniques.
6. Whilst it is possible that the FIRB has accumulated data and information about land tenure Australia-wide just by virtue of its long-standing existence as an organisation (i.e. FIRB’s own knowledge management systems), it nonetheless does not have a comprehensive data base covering every actual property/land/water title in Australia. This is also evidenced by the unilateral efforts of various state governments to establish their own foreign ownership data set (which also means that not all state governments have such a comprehensive information system, further exacerbating the need to have an up-to-date and accurate property/land/water ownership information system to support decision-making).
7. The considerable advances in geo-spatial mapping and data gathering technologies readily available in the market place today.
8. The apparent lack of data set integration, of physical land data and land tenure data, particularly at the national level (since not all jurisdictions have land tenure information systems capable of accurately advising the actual land ownership situation on a title by title basis).
9. The FIRB makes case-by-case decisions in the national interest with the best information it can garner at any given time. However, this does not include accurate land tenure ownership data on a property-by-property basis. Thus, current decision-making in the national interest is limited to sampling data in the main (i.e. not the actual situation).

In summary, the integrity of any assessment under the FIRB’s case-by-case decisions in the ‘national interest’ is diminished by the extent to which access to complete picture of national-wide land tenure data interfaced with geospatial/title data is not available to best inform the FIRB decision-making process. In other words, to best assess the tree, one needs to first evaluate the whole forest.

The ACA recommends;

**ACA
RECOMMENDATION 1**

"That the FIRB, following COAG approval of the best policy approaches to assess the extent of foreign ownership of Australia land, businesses, and infrastructure, thence receive sufficient resources to enable the development, via public tender processes, of a 'shared' national land tenure management information system based upon geo-spatial data interfacing with land title ownership data".⁷

4.4 TOR 2: How the test was applied to purchases of Australian agri-businesses by foreign companies, foreign sovereign funds and other entities in the past 12 months;

The ACA notes that all comments in TOR 1 above (Section 4.3 of this report) apply here. The ACA makes no significant distinction between agricultural land and agricultural businesses (in Australia) in relation to the national interest test. This is because, with the exception of Australia agribusiness ownership of foreign-based land, businesses, and infrastructure, all businesses and infrastructure must be located on a land title somewhere within Australia sovereign territory (land and waters). ACA Recommendation 1 is worded to reflect this.

This also reflects the ACA's belief that definitional problems are at the core of policy responses with regard to the wider agribusiness sector. There is a widespread 'paradigm lock' with regard to commonly held perceptions about agribusiness with usually results in only part of the problem being identified (i.e. just agriculture), and not the whole (i.e. agribusiness). Consequently, this results piecemeal policy responses to a strategic issue wider in scope than the majority of perceptions about the extent of the industry.

Are we devising policy responses for the tree or the forest, the fish or schools of fish, farmers or the entire food system?

This ACA Recommendation 1 also applies to this section (i.e. TOR 2).

4.5 TOR 3: The role of the Government, regulators and receivers, including their obligations under the Corporations Act 2001 and/or the Foreign Acquisitions and Takeovers Act 1975, including the role of the Australian Securities and Investments Commission, in upholding the test;

As previously stated, and now paraphrased, the integrity of any assessment under a case-by-case approach in the 'national interest' is diminished if the complete picture is not available to decision-makers. Again, to best assess the tree, one needs to first evaluate the whole forest.

Thus, the ACA notes that all comments in TOR 1 above (Section 4.3 of this report) apply here, and more so. Since, if the FIRB decision making is hampered by the accuracy and timeliness of its management information systems (i.e. the ability to assess the nation re status of foreign ownership of land, for example), then that also





⁷ To the extent possible, the costs should be shared equitably between jurisdictions.

applies to anyone else too, inclusive of those being the subject of TOR 3 in this section (i.e. government, regulators, receivers, acting under the Corporations Act 2001, the Foreign Acquisitions and Takeovers Act 1975, or any other relevant legislation, including ASIC, ABARES, ABS, DAFF, and a plethora of other Commonwealth and State agencies with could benefit from a more comprehensive approach to building a more sophisticated land tenure information system).

4.6 TOR 4: The global food task and Australia's food security in the context of sovereignty

4.6.1 Food Security as National Security

The ACA believes that contemporary Australian debate about Australia food security is largely misplaced without due regard to assessing the national security impacts arising from the food security status of other nations. Common misnomers are:

-  Food security is a problem for other countries.
-  A good policy response would be to identify trade investment opportunities for Australian agribusiness in the food security problems of other countries.
-  Food security problems of other countries have no national security implications for Australia.
-  Food security as a national policy issue is irrelevant because the Australian domestic food security status is high. Australia has always been able to feed itself and export food surpluses as well.

The reality is that there are very real, medium and long-term national security implications for the food security problems of other countries.

The Committee is asked to ponder this very carefully indeed, for the following reasons:

1. A sophisticated national land tenure system (with a foreign ownership identification capability) would be able to provide accurate and timely information about significant changes in ownership. So, for example, it would be able to accurately determine trends in ownership by country. This would most likely reflect the food security and national security assessment of each country so identified.
2. Global demand for food and international food prices are at historically high levels, and this phenomenon is likely to continue into the foreseeable future in response to growing populations and declining agricultural land and other factor conditions.⁸ See more information on this see Section 5.1 and the paper "Why Agribusiness Matters" on page 15 (Duncanson, 2011). Hungry people make the world a very unstable place.

⁸ See "The Coming Famie" (Cribb, 2010)

3. The ACA believes that the policy response to the food security issue is greatly understated when only domestic food security responses are devised. Food security is a global issue, agribusiness is the world's largest industry, and Australia is not immune from those considerations.
4. If the Republic of Korea is leasing half of the Republic of Madagascar's arable land, then that is only the tip of the iceberg in terms of expression of a challenging future for global food security, and its impacts on Australia.
5. Unfortunately, because of Australia's relative wealth, Australia will be the last to feel the effects of rising food prices (because we can 'afford to pay'). When the effects of global food demands do kick in, will it be too late? The threats to Australian sovereignty do not arise from domestic food security problems, but from challenges posed by the formidable aggregation of likely foreign food shortages.
6. In terms of the 'national interest', global food security is at least as important as Australian food security, if not more. Tracking foreign ownership of Australian land, water, businesses, and infrastructure is an increasingly important tool when making those assessments.

4.6.1.1 The Republic of Madagascar Case

This is an example to demonstrate a simple point. Does the Republic of Madagascar know more about the foreign ownership of arable land in Madagascar than Australia knows about its own situation?

The future global demand for food is so strong that it is continually understated as a looming policy issue of national security interest. The scale of demand is huge and even if Australia were to treble its entire agricultural exports, it would barely meet the food demands expected across Asia (i.e. China, India, and more). The extent of the problem will be highlighted starkly in the event of prolonged drought in countries with major populations currently capable of feeding their own populations (e.g. India).

Reflecting these global trends, the Republic of Korea, via the Daewoo Corporation proposes to lease 50% or arable land in the Republic of Madagascar. For further details see:

1. <http://www.time.com/time/world/article/0,8599,1861145,00.html>; and,
2. <http://www.cesr.org/downloads/Madagascar%20fact%20sheet.pdf>

The ACA we would welcome the opportunity to provide further comments if so requested by the Committee.

4.6.2 Domestic Food Security Policy

The National Food Plan currently under development by the Commonwealth Government Department of Agriculture, Fisheries, and Forestry (DAFF) is, in effect, an admission that Australia does not have a current domestic food security policy of any consequence. Australia is developing one now, there is no known food security policy preceding it. The ACA is making a contribution to the "National Food Plan" as part of that process. Much of the detail of Australian food security should be contained therein.

ACA
RECOMMENDATION 2

"That the National Food Plan, when completed, inform the FIRB deliberations with regard to the 'national interest test', particularly when determining the value of key Australia agribusiness assets in the context of foreign acquisitions".

4.7 TOR 5: The role of the foreign sovereign funds in acquiring Australian sovereign Assets;

Once upon a time China leased Hong Kong by concession to the English for 99 years.⁹

The Republic of Korea leases more than 50% of arable land in the Republic of Madagascar.¹⁰

Societal perceptions of undesirable impacts can be lessened and national interest protected if foreign all sovereign funds are prohibited from owning freehold land, but are permitted to acquire leasehold title on terms acceptable to the national interest.

ACA
RECOMMENDATION 3

"That foreign sovereign funds be allowed to purchase conditional leasehold rights or concessions to Australia land, but not freehold title to Australian agribusiness land (particularly highly productive agricultural land), providing that the Treasurer retains the right to approve freehold acquisition by foreign sovereign funds that are clearly in the national interest".

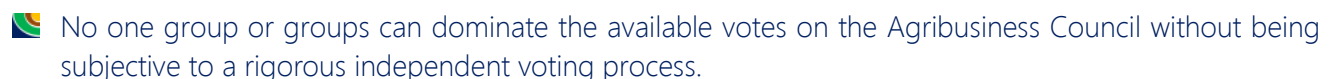
4.8 TOR 6: How similar national interest tests are applied to the purchase of agricultural land and agri-businesses in countries comparable to Australia; and

The ACA do not wish to comment on this term of reference.

4.9 TOR 7: Any other related matters



4.9.1 Working with a united industry via the Agribusiness Council of Australia

Only the ACA can provide a consultation mechanism that maximises the Government's confidence that it is dealing with the genuine shared interests of the Australia agribusiness sector (Australia's 2nd largest industry by contribution to GDP), because:

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⁹ See http://en.wikipedia.org/wiki/99-year_lease

¹⁰ See <http://www.time.com/time/world/article/0,8599,1861145,00.html>

-  No other group claims or has claimed to represent the entire agribusiness sector (only components of the industries within it).
-  The ACA is inclusive in construct, highly professional in its focus on providing solutions to intractable policy problems, and apolitical in representing its interests to governments in all jurisdictions.

The Committee is encouraged to engage with and support the ACA as the peak industry body recommended by the Senate Inquiry report into higher education and training to support Australian agriculture and agribusiness (Commonwealth of Australia, 2012).

The modus operandi of the ACA is to first form a complete picture of the issues, concerns, impacts and those affected by any issue from a national standpoint.

The ACA recommends that, in the detail of a land tenure information system, there must also be a ‘risk rating’ to the industry in terms of the national interest. This sounds onerous, but Australia’s major banks do these types of risk rating all the time.

Relatedly, the Australian Bureau of Statistics (ABS) should update the SIC codes (also known as the ANZSIC, or Standard Industrial Classification codes) and their census collection methods to better reflect the full agribusiness sector as a holistic and separate industry classification (with appropriate criteria for classification), and not just restrict national evaluations to the agricultural production (farm) sector. Only then can we truly quantify foreign investment on a whole-of-sector basis. Once industry classifications are “right” then a clearer picture emerges for decision-makers, and optimised policies can be devised for the whole sector, not just parts of it.

The ACA observes that those entrusted with enabling all Australians to make informed and complete decisions with regard to foreign ownership and related issues have been frustrated for the want of enlightened managerial responses to building more sophisticated information systems using contemporary data integration techniques to value add to existing land title and geo-spatial mapping systems. These issues have been around for many years/decades/centuries and we need to get them “right” now.

The creation and functions of the ACA is not about capacity building (as a substantial industry infrastructure already exists), rather it is about capacity development – building upon what already exists. The ACA believes that it is about prioritising our most important and urgent national issues and with informed consent, providing options, devising solutions and acting decisively ‘in the national interest’.

The ACA wishes to assist Committee, and thus assist government to overcome this crucial national information gap about the nature of our strategic national assets. The ACA will seek to engage specialist agribusiness firms to assist with bridging this gap.

4.9.2 FIRB Act Definitions

The ACA believes that any definition in any legislation should be reviewed from time to time because of its profound generic effects on the efficacy of that legislation. In the case of the FATA, the problem definition is that pertaining to “Australian Rural Land” (see <http://www.firb.gov.au/content/definitions.asp?NavID=10>).

ACA RECOMMENDATION 4

"That the RRAT Committee recommends to the Government that the FATA definition of "Australian Rural Land" be amended to reflect contemporary meaning of the term 'agribusiness' so as to improve the efficacy of the application of the Act and its regulations in the national interest (i.e. to enable strategic assessments on a whole-of-industry/economic sector basis)."

4.9.3 ABS Definitions

The ACA believes that any definition in any legislation, regulation, or codes should be reviewed from time to time because of its profound generic effects on the efficacy of them. In the case of the ABS, this has been a problem with regard to agriculture and agribusiness for some time. In application, using traditional ABS definitions, sampling effects and all that derives from them, is understated in terms of completeness (i.e. only part of the sector is surveyed, and an holistic analyses of the wider agribusiness and food system are consequently diminished to the point of ineffectiveness. This situation is a challenge to conventional thinking and approaches, but must be addressed.

The ACA believes that any future assessments in the national interest based on ABS's current industry classification codes (and thus sampling techniques) renders holistic analyses of the wider agribusiness sector high on impossible.

ACA RECOMMENDATION 5

"That the RRAT Committee recommends to the Government that the ABS industry classification codes and consequential data aggregation techniques for 'agribusiness' be amended to reflect its contemporary meanings so as to improve the efficacy of industry analyses by any third party (i.e. to enable better assessments of data on a whole-of-industry/economic sector basis)."

4.10 Transparency

Finally, with regard to transparency: The ACA believes that the case for transparency about the FIRB application of the national interest test is not made (i.e. it should remain the remit of the FIRB and the Treasurer). However, the case for transparency in regard to the building of a national land tenure system is another matter. Using contemporary approaches to data management, the public can have a role in refining the system (i.e. authorised user interfaces in the development of the system's content).

In the vernacular, there is no national land tenure information system yet, so why is it that GoogleEarth™ seems to be able to map the world in inordinate detail, add data, and let others value-add and verify data? The technology and skills to build the system exists, why can't it be built to suit the national interest? The ACA is keen to assist (a) with the process to acquire the system, (b) building it, and (c) continually refining it.

5 ATTACHMENTS

5.1 Why Agribusiness Matters

See attached to e-mail transmitting this submission to the Committee.




5.2 Agribusiness Leader's Resolutions (Canberra 12-May-11)

Agribusiness Leaders' Convocation Thursday 12 May 2011 Senate Committee Room, Parliament House

Recommendations





FOR GOVERNMENT

There is a serious gap in supply and demand with thousands of graduate jobs in agribusiness and agricultural research unfilled. Part of the reason is the high cost of educating these graduates compared to Arts or Commerce graduates. In addition these students graduate with a high HECS debt.




-  Provide "HECS" relief for students studying at regional universities needs to be provided as well as providing the youth allowance/living away from home allowance for any student attending a regional campus
-  Provide "HECS" relief for agricultural/agribusiness/horticultural graduates working in regional areas (for say 5 years or more) should be a national priority
-  Make Apprenticeship /Certificate/Diploma Schemes a high priority – Increase number and quality

FOR INDUSTRY




Industry needs to fund programs designed to increase the numbers of students wanting to study agribusiness/agricultural science

-  Start in Primary Schools to attract industry interest
 - Focus on curriculum from early age
-  Need to capture student interests at Yr 10 level
 - Career Path Mapping – Lack of clarity about entering Agriculture
 - Options in Tertiary sphere
 - Opportunities in Apprenticeships
-  Fund Training programs to broaden experience of Graduates entering Industry
-  Fund a Media Campaign to boost image of Agriculture

IMMIGRATION - Government






-  Migration Occupations in Demand List (MODL) to include agribusiness professionals.
-  457 Visas –Very difficult process (Urgent need for Agronomists from South Africa)
-  Government campaign in Ireland, the UK, Canada, the USA, and southern Africa, to increase number of agricultural graduates applying to migrate to Australia (as done with police and nurses) and support regional training / bridging course be developed to assist in preparation for Australian condition (through matching grants from Industry)

IMMIGRATION - Industry

-  Industry to offer matching funding for work-place training of overseas graduates.
-  Recommend qualifications/credentials that industry would accept from an agribusiness professional that would form recommendations to Department of immigration for inclusion on skilled migration list.
-  Focus immigration debate on Agricultural sector and required skills

INDUSTRY

Establishment of the Agribusiness Council of Australia

-  Need for a peak body representing key stakeholders (focus on industry)
-  Industry funded and led (similar to the Minerals Council of Australia)– reflected in the Board of Directors;
-  Foundation would manage the activities of the ACA;
-  Large Capital Fund with capacity to make change in the Industry
 - o Enabling the whole Agricultural Industry to have capacity and ability to make change
 - o Media Liaison would be a very important factor for such a Peak Body
 - o Promote image of Agriculture
 - o Significant funding would be required to start such a peak body
 - o Long-term sustainable funding important
 - o Support mechanism for youth in the agricultural sector
-  Help set up the National Food Security Agenda – Strategic Industry Decision-making
 - o Focus on manufacturing capacity in Australia

The Agribusiness Leaders' Convocation made an urgent call for a Senate Standing Committee Inquiry – (Standing Committee on Education, Employment, and Workplace Relations) on all the matter marked for action by the Government.

Meanwhile a Steering Committee is being set up to work for the Establishment of the Australian Agribusiness Council by September 2011.

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