



Caroona Coal Action Group Inc.

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24th February 2011

The Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Secretary

Inquiry into Foreign Acquisitions Amendment (Agricultural Land) Bill 2010

Thank you for providing the Caroona Coal Action Group the opportunity to submit our comments on this very important issue.

It is vital that all foreign investors, whether private or Government owned, has the Australian Government approval prior to the purchase of farmland greater than five hectares with the purchase not being able to proceed without this approval. Any food resource acquisition including marketing, production and food related companies should have Foreign Investment Review Board (FIRB) approval. Although this Bill is related to agricultural Land it is important that the cumulative impact of foreign investment is considered when assessing acquisitions.

With food security such an issue, fast-growing populations and the impact of natural disasters, Australia needs to guarantee their own food security. If we continue to hand over prime agricultural land to foreign investors for the purpose of their own food security and for other resources like water and minerals we may not be able to sustain our own food supply.

Although the Bill lacks some detail it is acknowledged that further guidelines and details will follow. We feel that strong emphasis should be on having a tight application process and subsequent notification of foreign investment and less reliance on penalties for not notifying of a proposed acquisition. Without prior Government approval the purchase **does not** proceed.

We also strongly support for a review including change or intended change in land use to be completed by the FIRB where agricultural land has already been sold to foreign investors.

We would like to add the following supportive comments for consideration when formulating the Bill:

- We do not have reciprocal freehold ownership rights with most countries
- Foreign investment purchase values are generally unrelated to local production profitability thereby distorting realistic land values
- Direct “export” of produce reducing open market competition
- Loss of potential for Australian based value adding
- Low book value of “direct export products” with profit margins generated overseas reducing Australia’s foreign trade income and taxation
- Lack of quality control on direct “exports” and risk to Australia’s agricultural reputation

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- Likelihood of direct importation of agricultural input products and machinery, reducing local and Australian monetary circulation multiplier effect
- Increased risk of exotic disease through increased international farm to farm human, livestock and machinery movements
- Potential for corruption of regulations through diplomatic pressure by foreign governments
- Reduced local community unity and associated voluntary services
- Foreign investment of farmland means that any government aid such as drought relief could be paid to the foreign investor
- We are putting our country at risk for defence security if we sell our land to Governments of other countries

We understand that this submission is not to be disclosed or released without the permission of the committee. We agree for the submission to be published by the committee when appropriate.

If you have questions regarding the submission please do not hesitate to contact either Sandy Blomfield or Prue Green.

Yours sincerely

Sandy Blomfield
Chairman

Enquiries: Prue Green CCAG Executive Officer

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