

# Chapter 2

## Land use

2.1 A key component of food production is the availability and productive use of fertile agricultural land. Issues raised during the inquiry were focussed on the following aspects of land use for food production:

- competing uses for agricultural land;
- planning measures to maintain agricultural production;
- the cost of agricultural land relative to rates of return from agricultural investment;
- changing agricultural land ownership arrangements; and
- foreign ownership.

### Competing land uses

2.2 This inquiry elicited an important debate about the increasing demand for, and use of, fertile agricultural land for purposes other than food production. Concerns about competition for land and the effect on food availability and price were typified by the following comment from the Western Australian Farmers Federation:

...there is a lot of pressure on the hard stuff that we use to produce the food, and that is land. The high productive land in this state is being used for urbanisation, lifestylers and tree and wood production, and if carbon trading gets up, that will only continue. The normal agricultural pursuits are being pushed out into the drier, lower rainfall, much more variable areas of the state. The writing is on the wall, but we seem to be completely intransigent about putting in place systems and laws in this country that protect the smaller farmers and agriculture in general.

Unless we do it, and very quickly, another 10 or 20 years and people will go hungry. The price to produce the stuff is going to go through the roof.<sup>1</sup>

2.3 This chapter explores concerns raised about the following competing uses, potentially diminishing the land available for food production:

- urban encroachment;
- biofuels; and

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1 *Committee Hansard*, 24 March 2009, p. 27.

- mining.

### ***Urban encroachment***

2.4 The land on the fringes of Australia's major cities has been an important food growing area, due to the arable qualities of the land and the proximity to consumers that ensures food freshness and minimal transport costs. However, population growth and associated housing development in major cities is encroaching into land previously used to provide food for their inhabitants.

2.5 The Planning Institute of Australia noted changing land uses around Australian cities from food production to housing development:

Historically most early settlements have been established close to productive land and most had market places for selling and distributing food. Traditionally, large allotments also provided opportunities for residents to grow their own produce. As towns and cities grew and new settlements were created, these productive farming areas have been pushed further out as development expanded. Now, increasingly many of the areas of traditional farming at the fringes of our cities and towns are under pressure for development for residential or related purposes.

Since 1945, the expansion of Australian cities has removed more than one million hectares of rural land. If current trends continue, by 2021 Melbourne will have lost another 25,000 hectares of rural land to urban development.<sup>2</sup>

2.6 The NSW Department of Primary Industries (DPI) also noted recent trends affecting productive agricultural land:

In recent years, competition for agricultural land and water resources has intensified due to increasing population pressures and associated demand for urban and peri-urban development (particularly in coastal areas), the growth of other resource-intensive industries and increasing public concerns about environmental management. This competition for agricultural land will continue to intensify due to demographic changes, such as population growth, the ageing of the population and the migration of people from cities to coastal and regional centres. It is therefore essential that planning mechanisms reflect the range of values held by society generally, rather than specific local interests.<sup>3</sup>

2.7 The DPI submission noted that agricultural interests are often sacrificed for the amenity of new residents:

Encroachment of agricultural land by urban development and subdivision leads to the potential for conflict between urban and lifestyle use and agricultural activities. Tensions can result at the interface between

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2 *Submission 43*, pp 1-2.

3 *Submission 39*, p. 9

agriculture and residential or 'lifestyle' land uses that can have long term consequences for farm productivity. New rural land owners may object to routine agricultural practices, which may result in constraints being placed on farmers in relation to the use of chemicals, noise, light spill, odours, appearance of buildings and structures, clearance of vegetation, and access to water resources. Farmers may experience problems with issues such as lack of weed control and stray domestic dogs.<sup>4</sup>

2.8 Growcom indicated that, in Queensland, the loss of productive land is an issue of major concern:

Increasing urban pressure on farming in urban fringe areas is creating land use conflict and marginalising viable farming operations. The pressures on farming enterprises includes meeting the environmental expectations of the urban lifestyle community, who want the lifestyle of acreage properties but are not prepared to accept that normal farming practices need to be carried on around them. These landholders are often unaware of the importance of minimising biosecurity risks, observing quarantine restrictions, preventing the spread of weeds and maintaining essential farm infrastructure such as fencing. At the same time higher land prices, land taxes and Council rates induced by development and lifestyle investors make it increasingly difficult for farms to remain viable or to further develop or expand to maintain or improve productivity.<sup>5</sup>

2.9 The Victorian Farmers Federation expressed concern that the most fertile agricultural land in Victoria is also becoming more popular for residential use because of its amenity.<sup>6</sup> The federation commented that, while planning guidelines require dwellings in farming zones to be necessary for a farming operation, this requirement is loosely interpreted by councils under pressure to fragment land for housing development.<sup>7</sup>

2.10 The Urban Research Centre in the University of Western Sydney informed the committee that an estimated quarter of the value of Australian agriculture comes from peri-urban areas, with 40 per cent of the value of NSW vegetable production coming from the Sydney region. They indicated that encroachment into this land has not been properly addressed:

While there have been some notable exceptions, protection of peri-urban land for agriculture in Australia has too often been haphazard. This has resulted in agricultural land being lost to housing development.

Protecting and preserving agricultural land close to the city is important when we consider facing a future in which there is decreasing fuel resources that drive current food systems and economies more broadly. The

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4 *Submission 39*, p. 10.

5 *Submission 23*, p. 9.

6 *Submission 22* p. 6.

7 *Committee Hansard*, 25 March 2009, p. 3.

production of food close to the city markets ensures access to fresh produce that relies less on a fuel intensive distribution chain that requires both refrigeration and long distance transportation of food.<sup>8</sup>

2.11 The Urban Research Centre argued that it is not realistic to shift food production further away from cities, claiming that the spread of housing into arable land may leave nowhere left to move to.<sup>9</sup>

2.12 VicHealth suggested that moving food production away from populated areas risks food security:

The transfer of land from agriculture to housing increases the food transport distances and increases the vulnerability of populations to food insecurity if there are disruptions in the food supply chain [26]. Peri urban regions comprise less than 3% of the land used for agriculture in five mainland states of Australia, but they have historically accounted for 25% of the total dollar value of agricultural production [28]. The rapid rate of urban sprawl experienced in recent years has resulted in a significant loss of productive agricultural land in per-urban areas.<sup>10</sup>

2.13 The Food Fairness Alliance (FFA) expressed concern about the capacity of Sydney to sustain itself:

...it is important that biodiversity & sustainable agriculture is protected in the Sydney Basin, with its fertile soil, access to water, transport, & in close proximity to Sydney, to ensure that Sydney can become a sustainable city nourished by a healthy fresh local food supply.<sup>11</sup>

2.14 The FFA submitted that perishable food grown close to the city is a key component of its affordability for consumers.<sup>12</sup>

### ***Biofuels***

2.15 There has also been controversy about incentives to use productive agricultural land for biofuels, where it was previously used for growing food. In 2008 global food prices skyrocketed, causing considerable social upheaval in many countries and leading some governments to place restrictions on the exportation of food. Part of the blame for this spike was attributed to subsidies for ethanol production designed to reduce greenhouse gas emissions and reduce dependence on oil.

2.16 In 2008 the Lead Economist of the World Bank Development Prospects Group released a report on steep price rises in food commodity prices. The report

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8 *Submission 102*, p. 2.

9 *Submission 102*, p. 3.

10 *Submission 28*, p. 5.

11 *Submission 40*, p. 1.

12 *Committee Hansard*, 5 March 2009, p. 51.

stated that although contribution of biofuels policies to the 130 per cent increase in food prices between 2002 and 2008 was difficult to quantify exactly, demand for biofuel was a significant contributor, more so than energy and fertiliser costs. The report concluded that the US and EU-driven demand for biofuels via subsidies and mandates reduced grain supply, distorted production decisions and triggered price rises across grain types, exacerbated by the export bans imposed by poorer countries in response.<sup>13</sup>

2.17 In Australia, the Commonwealth Government encourages ethanol production by subsidising ethanol producers at a rate of 38 cents per litre.<sup>14</sup> Significantly, NSW also imposes an ethanol mandate on fuel retailers, requiring that two per cent of the total volume of petrol sold in NSW is ethanol.<sup>15</sup>

2.18 The Australian Lot Feeders' Association (ALFA) told the committee that state government ethanol mandates will greatly effect local grain supply for other users:

While Federal Government assistance and protection of the ethanol sector is undoubtedly distortionary, of most concern is the combined grain and food price impact of proposed State Government ethanol mandates. Essentially these mandates will distort grain markets as they provide a guaranteed ethanol related demand for grain which is disconnected to grain supply. This discriminates against other grain users in the market place who have to then pay inflated prices for residual grain supplies that may or may not be available. Plainly speaking mandates will create a perpetual drought with grain stocks indefinitely struggling to meet the food and fuel needs of society. With Australia's climate and hence crop production already inherently variable, the onset of climate change as predicted within the draft Garnaut report will lead to further pressures to meet such food and fuel demands.<sup>16</sup>

2.19 ALFA recommended that state and federal government subsidies for ethanol be removed.<sup>17</sup>

2.20 Mr Geoff Ward predicted that biofuels would be primarily sourced from grain feedstock, affecting food production. He said:

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13 Mitchell, D., 'A Note on Rising Food Prices', *Policy Research Working Paper 4682*, The World Bank Development Prospects group, July 2008, pp 3, 16-17.

14 AusIndustry website, 'Ethanol Production Grants', accessed 12 July 2010 at [http://www.ausindustry.gov.au/EnergyandFuels/EthanolProductionGrantsEPG/Pages/EthanolProductionGrants\(EPG\).aspx](http://www.ausindustry.gov.au/EnergyandFuels/EthanolProductionGrantsEPG/Pages/EthanolProductionGrants(EPG).aspx).

15 NSW Land and Property Management Authority, Biofuels in New South Wales, accessed 13 August 2010 at <http://www.biofuels.nsw.gov.au/>.

16 *Submission 8*, p. 2.

17 *Submission 8*, p. 2.

My estimate of the net grain needed as feedstock to fill an E10 and a smaller biodiesel mandate in NSW could be about 1.4 million tonnes annually.

It would have been difficult to meet this mandated demand for grain in three of the last six years in NSW. If biofuel mandates had been in place existing grain end-users would have been affected to a greater extent and food price inflation more pronounced.<sup>18</sup>

## **Mining**

2.21 In its second interim report the committee examined specific concerns about proposed mining on the Liverpool Plains area of NSW. The committee heard evidence that food producers in that region are deeply concerned about the potential effects of mining development on their land and concluded that the Liverpool Plains should not be subject to mining activities, due to its fertile and drought resistant characteristics and food producing capacity.<sup>19</sup>

2.22 The committee also notes concerns about potential mining in Queensland's prime agricultural regions. AgForce argued that latent exploration permits signify a threat to vast areas of the state's agricultural land, warning that existing agricultural producers are potentially unaware of, and vulnerable to, mining interests:

...we have very much a sleeping giant here. Some of these exploration permits of upwards of 50 years old. Indeed, we actually have landholders who are not even aware that there are exploration permits already granted over their properties. Indeed, because of the variations of some of the gas and petroleum resources, rather than mineral resources, you can have multiple permits over your property, depending on the different extraction methods or different items as well.<sup>20</sup>

2.23 AgForce noted the need for a balanced approach:

...there will be many of our members and members of other farming organisations around the country who would welcome the opportunity to realise there is a huge asset under their property and may offer them the opportunity to realise on that. We do not want to restrict the trade; we do not want to restrict the opportunities. What we do want to do is make something sustainable, equitable and, in the long run, manageable.

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At the moment it is the opposite; it is not a choice. It is the right of a mining company; it is not the choice of a producer.<sup>21</sup>

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18 Private capacity, *Submission 5*, p. 2.

19 Senate Select Committee on Agricultural and Related Industries, *Food production in Australia: Second interim report*, November 2009, p. 22.

20 *Committee Hansard*, 4 March 2009, p. 38.

21 *Committee Hansard*, 4 March 2009, p. 39.

2.24 From the perspective of our food producing capacity, AgForce told the committee that good agricultural land could be lost for good:

...the removal of this good agricultural quality land to an open cut system, regardless of whatever indemnities or bonds get put in place for remediation of those systems afterwards, a lot of studies are now coming back to say that it will never get anywhere near the productive capability it once was.<sup>22</sup>

### **Planning measures to maintain agricultural production**

2.25 The committee received a number of suggestions for planning mechanisms to be used to maintain existing agricultural land for the purpose of food production. The Planning Institute of Australia noted the importance of planning to ensure continuing food production, including:

...identifying land suitable for food production that should be protected from more intense development and promoting a range of initiatives to support community participation in food production, as is increasingly the case in some parts of Europe through urban micro-farming, edible backyards and productive streets.<sup>23</sup>

2.26 The Planning Institute recommended:

Areas of productive land should be mapped and this should be used as the primary spatial planning constraint for urban containment so as to protect and enshrine productive land as the most valuable to the any urban areas survival.<sup>24</sup>

2.27 The Victorian Farmers Federation advocated protecting the most productive agricultural land from encroachment to maintain efficient and quality food production systems.<sup>25</sup> VicHealth recommended that:

An agricultural overlay is needed in Planning Provisions to protect productive land from further urban development'.<sup>26</sup>

2.28 The Urban Research Centre (URC) expressed a similar view, arguing that better planning is required to enable housing and food production around cities to co-exist:

The current failure to plan for the co-existence of agriculture and housing in peri-urban areas arguably only delays the inevitable. If such planning is done now, however, the co-existence of farms and housing can be managed to ensure best outcomes – environmentally, socially and economically.

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22 Mr Drew Wagner, Senior Policy Adviser, *Committee Hansard*, 4 March 2009, p. 36.

23 *Submission 43*, p. 2.

24 *Submission 43*, p. 2.

25 *Submission 22*, p. 7.

26 *Submission 28*, p. 5; see also Dieticians Association of Australia, *Submission 36*, p. 2.

While there is still land available governments have the opportunity to plan for the protection and preservation of urban agricultural land.<sup>27</sup>

2.29 The URC that tools be developed to map and assess food producing land on the urban fringe and make appropriate zoning decisions, as well as exploring alternative agricultural options within cities such as rooftop gardens and backyard production.<sup>28</sup> Food Chain Intelligence also recommended that consideration be given to using hydroponics to cultivate horticultural products on the roofs of large commercial buildings.<sup>29</sup>

2.30 The DPI indicated that, although some regulatory approaches are being adopted in NSW to address land use conflict, local solutions may in some cases be the preferable approach:

The nature of land use conflict means that local solutions are often appropriate, and in many cases it is more effective to address this issue in non-regulatory ways.<sup>30</sup>

2.31 Dr Estrada-Flores of Food Chain Intelligence recommended that a minimum quota of arable land dedicated for food production (as opposed to biodiesel production) be established and enforced.<sup>31</sup> Dr Estrada-Flores argued that food production should take precedence:

...in terms of financial aspects for a grower, if I get more money out of biodiesel then I will produce for biodiesel. If I get more money for food production I will produce food. It is just natural...the best crops should be reserved for food production because that is a primary necessity. Biodiesel is not exactly a necessity.<sup>32</sup>

## Returns on agricultural investment

2.32 The committee heard that in recent years the price of agricultural land has increased considerably, despite declining terms of trade. One consequence of this has been that farmers are, to varying degrees, converting some of their equity to debt. Currently farmers may therefore be making a reasonable living income, and their land values rising, however, there is concern that rates of return on capital investment are well below other commercial endeavours. This suggests that, over the longer term, land price rises may not be sustainable and, without improved returns, some farm debt positions could deteriorate.

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27 *Submission 102*, p. 3.

28 *Submission 102*, pp 3-4.

29 *Submission 1*, p. 5.

30 *Submission 39*, p. 10.

31 *Submission 1*, p. 7.

32 *Committee Hansard*, 5 March 2009, p. 5.



2.33 Mr Charles Burke of AgForce told the committee that lifestyle is an important consideration for many landowners, which means that land often remains used for food production despite relatively poor returns on investment:

I am a fourth generation producer on our property, and we have this discussion all the time. Our country is worth more as real estate than it is to run cattle on. But we are still making an income that is sustainable for us and is adequate for our needs. We choose to do what we do because added to the economics there is a lifestyle choice in that.<sup>33</sup>

2.34 The Western Australian Farmers Federation (WAFF) indicated that land prices reflected eternal optimism amongst farmers that seasonal conditions would improve to boost future returns.<sup>34</sup> Mr Michael Norton, President of WAFF, also suggested that banks are reluctant to 'sell up' farmers for fear that resulting property price falls would affect their overall agriculture portfolios.<sup>35</sup>

2.35 The Victorian Farmers Federation (VFF) agreed that current land values are predicated on improved conditions:

We would have to be concerned in the long term if the current weather patterns hold or got worse about the underlying asset value. At some point the capacity for agriculture to continue to source finance when the annual returns are not there will dissipate. If they cannot source finance to operate their businesses obviously you start to see a large number of 'for sales' and there will be incredible pressure on the land values.<sup>36</sup>

2.36 The VFF indicated that the banking sector was unconcerned at this stage about shrinking land values, but equity problems may create a snowball effect:

Generally the equity levels in agriculture are quite high and of course as you suggest that is underpinned by land value. A return to good seasons would see those land values shored up even for a couple of years, but obviously we are concerned that if you did see a number of farmers reach a sensitive threshold where they can no longer source finance because there were concerns about increasing debt levels and forced sales occurred ... you may see some significant losses in equity and you might end up with a snowballing effect which would obviously be of grave concern.<sup>37</sup>

2.37 The committee also heard evidence about the effect of agribusiness managed investment schemes on land prices. The effects of tax incentives for managed investments is examined in Chapter 3.

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33 *Committee Hansard*, 4 March 2009, p. 40.

34 *Committee Hansard*, 24 March 2009, p. 39.

35 *Committee Hansard*, 24 March 2009, pp 39-40.

36 *Committee Hansard*, 25 March 2009, p. 5.

37 *Committee Hansard*, 25 March 2009, p. 5

## Alternative ownership arrangements

2.38 Another consequence of rising land prices unmatched by rate of returns is that young farmers are faced with borrowing costs to enter the industry that exceed what can be made from farming. The Tasmanian Institute of Agricultural Research explained:

The age of farmers is rising to the point where in other industries most would be retired. The entry of newcomers is restricted by costs of entry due to the need for large scale farms to be efficient in the existing systems and to the small proportion of the total food value that returns to growers.<sup>38</sup>

2.39 Consequently, alternatives to the traditional family farming business structure are becoming more prevalent as an effective and efficient way to bring capital and expertise together in the agricultural sector. Mr Burke from AgForce suggested that alternatives to these existing ownership structures will become more common:

I think we are seeing a generational shift within agriculture. Certainly in discussions that I have regularly with the banking sector, it is certainly looking and encouraging people to view alternative ownership systems. Once upon a time, if you wanted to farm a piece of dirt, you went and put a huge noose around your neck and bought it. I think there are a lot of people now who are the average farmer age of 57 or 58 who perhaps have not got somebody coming along in the next generation who want to take it on. Traditionally, those people would have sold that block of land, realised the asset and then taken off. Now those people might view it as an asset because of its capital value. It is still appreciating as a capital asset and they are looking at alternatives in how to use it. We might see more leasing and we might see more sharecropping or share-farming arrangements. I certainly think that needs to be explored.<sup>39</sup>

2.40 The VFF noted that there are few agricultural industries where people can enter 'from scratch' without coming from a farming family whose land is passed on. VFF suggested that, consequently, there would be an expansion of leasing and share farming arrangements in the cropping sector to enable generational refreshment.<sup>40</sup> They did not consider, however, that corporate farming would become more common than the traditional family farm model:

...even though there has been quite a lot of commentary in the media over the last probably 10 years about corporate farming, I still believe that the majority of agriculture in Australia will remain in family farm hands. That is the culture of the industry and I suspect it will stay that way. There will undoubtedly be large investments made by non-family farmers, but I think the majority of agriculture will still operate on land and systems conducted

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38 *Submission 62*, p. 3.

39 *Committee Hansard*, 4 March 2009, p. 41.

40 *Committee Hansard*, 5 March 2009, p. 6

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by family farms which may by their very nature be corporate in size and structure anyway.<sup>41</sup>

2.41 VFF further commented that the profit incentive for farmers provided through the family farming structure increased the chance of long term capital appreciation and proper stewardship of the land.<sup>42</sup>

2.42 Kondinin Group Ltd (KGL) commented that farming viability required economies of scale of production and new ways of attracting capital to achieve it:

Farmers over the last five or six years have seen quite an upward swing in terms of land values and the amount of capital employed in running a farm. There has been a lot of consolidation and farms have been growing, but now there are real capital constraints on farmers being able to swallow up neighbouring farms or grow to an efficient scale. That is an area that as a nation we really need to have a proper look at and we need to ask: is there some opportunity for large-scale collaborative investment schemes that could be put in place that do not necessarily mandate but have a function of investment into restructuring agriculture, both from the point of view of a sound investment and the point of view of restructuring our industry at a landholding level and at a supply chain level?<sup>43</sup>

2.43 KGL suggested a unit trust investment scheme in which unit holders would provide the capital investment for agricultural enterprises.

2.44 AACL Ltd discussed their business model with the committee, whereby investors provide capital to existing farmers to produce a crop on their behalf.<sup>44</sup> AACL Ltd explained:

Our business model is based on a share-farming concept, where we bring together investors and existing farmers—by and large, family owned farming operations—and they enter into a relationship to grow grain over a period of time. The investor provides the money; the farmer provides the farm, the infrastructure and the expertise to do it. The farmer actually grows the grain on behalf of the investor, and the investor carries the production risk and the price risk. The farmer is actually contracting, providing services and putting his infrastructure into growing the grain. So the farmer is providing almost exclusively a service there, but he does have a profit share opportunity. We set, with each farmer, something called a target value, which is a minimum return back to the investor above which the farmer shares in any outperforming.<sup>45</sup>

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41 *Committee Hansard*, 5 March 2009, p. 8.

42 *Committee Hansard*, 5 March 2009, p. 9.

43 *Committee Hansard*, 24 March 2009, p. 61.

44 *Committee Hansard*, 1 July 2009, p. 62.

45 *Committee Hansard*, 1 July 2009, p. 62

2.45 AACL further explained that the farmer gains access to no-risk capital that offers 'a form of multi-peril insurance', and investors diversify their risk by having the grain from contracting farmers pooled.<sup>46</sup>

2.46 The committee notes that a prominent alternative ownership structure that has emerged in recent years is managed investment schemes (MIS). Due to the significant interest in this issue the committee discusses MIS and their effects on agricultural production in the following chapter.

### **Foreign ownership**

2.47 Finally, the committee briefly explored the prospect of foreign ownership of Australian agricultural land, particularly the existing regulatory approach to major foreign land acquisitions.

2.48 The Foreign Investment Review Board (FIRB) informed the committee that investment in agricultural land by foreign investors is generally exempt from the requirement to notify the government in accordance with the *Foreign Acquisitions and Takeovers Act 1975*. Only if the acquisition exceeds 15 per cent of a business or corporation whose Australian interests are valued above \$231 million, or where the investment is made by a foreign government or their agency, is it subject to scrutiny from the Australian Government to establish whether any national interest concerns are raised.<sup>47</sup>

2.49 The committee notes that incremental purchases exceeding the threshold amount in aggregate are not required to be disclosed. The committee also notes that in some countries the distinction between foreign governments and companies is not necessarily straightforward.

### **Committee view**

2.50 Land available for agriculture is declining across the globe as expanding populations inhabit fertile land that could otherwise be devoted to food production. Although this problem is not as severe in Australia as it is in countries with a smaller land mass, urban encroachment is nonetheless affecting the capacity of Australian producers to grow food in the areas in which it is demanded, which in turn affects its quality and affordability. Competition for fertile land from mining and biofuels also threatens to reduce Australia's productive capacity.

2.51 The committee recognises that it is difficult for governments to dictate to landowners the purpose for which their land must be used, particularly when agricultural production may not presently be the most profitable possible use. However, Australian governments need to give serious consideration to mechanisms

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46 *Committee Hansard*, 1 July 2009, p. 62.

47 *Committee Hansard*, 7 June 2010, p. 40.

for protecting our most fertile agricultural land from alternative uses in the interests of our long term productive capacity and food security.

2.52 The committee also notes the marginal viability of agricultural production and the difficulty for potential young farmers to enter the sector, due to high land prices which combine to leave agricultural production vulnerable to structures that are less desirable than traditional family farming. Corporate farming models have the advantage of attracting extra capital to agriculture, though there are questions about the availability of labour and long term stewardship of the land. More significantly, though, Australia risks foreign companies, many with close ties to their home governments, purchasing substantial strategic interests in Australian land without needing to be vetted for national interest concerns. Australia needs to be careful that Australia's productive capacity is not undermined by foreign interests producing food on Australian land that is not intended for trade, but for direct supply to countries that have not managed their own food security needs.

### **Recommendation 1**

**2.53 The committee recommends an audit be undertaken to establish the extent of foreign ownership of commercial agricultural and pastoral land, and ownership of water, in Australia, with particular emphasis on ownership by sovereign and part-sovereign-owned companies.**

