

From:
To: [RRAT Committee \(SEN\)](#)
Subject: Submission on Inquiry into FIRB
Date: Tuesday, 14 August 2012 2:32:55 PM

The Secretary Could you please accept the following as a submission to this inquiry.

During 30 years of representing a rural constituency the issue of farm land ownership or more importantly its value remained a constant. So too was the nature of the protagonists who split equally between those who wished to sell their property for the highest return and those usually incumbents who wished to purchase as cheaply as possible. It was not unusual what's more that many sales were of a distressed nature resulting from borrowings based on values set in some previous pricing boom.

My earliest recollection were buyers from Germany and impassioned pleas from a neighbor to instruct the FIRB to disallow the higher offer from the foreigner.

The tax driven Forest Plantation industry was attacked not because of foreign ownership issues but simply because the Foresters were paying too much for land. When this debate reached fever pitch in the Parliament I was visited in my office by farmers pleading that the programme continue so they could sell and "retire with dignity".

Land ownership issues were not confined to Rural Property with the involvement of Japanese investment in the Gold Coast another period of public concern.

The only constant in all these and other examples is that every square metre of the lands involved is still exactly where it was before the arrival of European settlers and that land generally retains or increases its economic contribution to the Australian economy. More often than not those be they foreign or local who paid too much have retreated with their tale between their legs and the Title reverted to Australian ownership at a discount.

Of all the commodities available in Australia to foreign investment land is the only one that cannot be transported elsewhere nor can its productive capacity or employment potential.

The issues of corporate behavior in the conduct of the related business is an ongoing issue of concern for other Departments with the ATO the one of most importance. Australia already has laws related export price shifting and if the foreign owner gets preferential tax treatment in their homeland is of little concern to Australia if they have paid their proper taxes in Australia.

As in many other areas technology and in particular automation will place increasing demands upon the capital requirements of farming enterprise and wealthy partners may become a necessity.

The real issues facing Australian farmers is not who might offer a higher price for their land but the continuing cost structures placed upon them particularly by Government initiatives such as green tape. A west Australian farmer has served two Jail Terms for reclearing an area of scrub to remove poisonous plants that were killing his livestock and many other farmers are prevented from increasing their productive capacity through compulsory Government land acquisition without compensation through State Government clearing bans which extend well beyond any area of land that might be acquired by foreign investors. After a battle to deregulate the wheat selling market the Government has done nothing to ensure competition in the bloated handling transport and export sector. In WA the Labor and now Liberal Government continue to delay the construction of a private Port that would offer farmers the opportunity to make private arrangements to export their own products. If the Committee has a real interest in farmers future it might call the incumbent Premier to explain why this locally funded initiative is being disrupted when it was the subject of an International Tender won by a West Australian Business about ten years ago. Should the Committee wish me to give personal evidence on this particular issue I am available any where the Committee meets.

The other issue is telling our customers how to handle our livestock even within their own cultural

regime One can only speculate when we will insist they consume our meat products with a knife and fork. It was the first Secretary of the Arab Oil Cartel that reminded his members that humanity did not depart the Stone Age because the world ran out of Stones and therefore it was essential they did not restrict supply lest their customers found alternatives.

To summarize Provided appropriate Corporate governance to AUSTRALIAN STANDARDS is maintained there is little problem in who owns the land However if Australian Governments continue to impose cost burdens and impediments upon the Rural sector and offend their customer base there will be plenty of Australian farmers joining the ranks of willing SELLERS

Hon. Wilson Tuckey