



## **National Farmers' Federation**

### **Submission on the establishment of a national foreign ownership register for agricultural land**

1 February 2012

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## NFF Member Organisations

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## **Executive Summary**

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the Government's policy consultation paper on establishing a national foreign ownership register for agricultural land.

As food security concerns escalate around the world, Australian agriculture and its supply chain is increasingly seen as being a strong investment prospect for international investors. Fresh interest, particularly from regions such as the Middle East and China, has driven much public debate and discussion on the issue. Global companies have been attracted to Australian agriculture by numerous elements. These include Australia's reputation for high quality and safe production, our proximity to key Asian economies, counter-seasonal production for the northern hemisphere, relatively low levels of sovereign risk and a productivity record that is the envy of agricultural producers around the world.

NFF supports policy that encourages ongoing investment in Australian agriculture but also ensures the continuation of a transparent, market orientated and globally competitive industry.

The NFF view is that a national foreign ownership register is a critical step in responding to the community concerns around investment in Australian agriculture. The register should provide a robust and accurate database that can be used to monitor and report on trends and developments that are likely to have an impact on the agricultural supply chain in Australia. The register should not stifle genuine, commercially motivated foreign investment through excessive or intrusive reporting requirements. However it must be effective in delivering a clear picture of the current level of foreign investment, the impact that investment is having, and provide a basis for any future amendments to government policy that can prevent negative impacts on Australia's agriculture sector or the economy more broadly. It should be linked directly to the Foreign Investment Review Board (FIRB) process to help inform the national interest test and be used to inform and guide policy in the area of foreign investment in Australia to prevent or correct negative impacts on Australia's agricultural sector or the economy more broadly.

This paper responds directly to the issues and questions raised in the November 2012 consultation paper.

## **NFF policy position on foreign investment**

Foreign investment has historically been an integral part of Australian agriculture. Such investment has been overwhelmingly positive for Australian farmers, the agricultural supply chain and regional communities. It has delivered significant amounts of capital into production systems at a time when finance has been more difficult to access. This capital has improved efficiencies and ensured that our farmers can continue to compete in a highly distorted global marketplace for agricultural commodities.

Yet the global food crisis and concerns over future food availability have prompted concerns over a new wave of foreign investment that is starting to emerge in Australian agriculture. Rather than being underpinned by genuine commercial forces where profits are the driver, food security has emerged as a new factor for investment. With state-owned enterprises entering the market, questions have been raised as to whether this type of investment is driven by the profitability of the venture, or by sovereign food security concerns.

This raises the question of transparency in the supply chain, potentially jeopardising competition at the farm gate and having a negative impact on the local market. At an extreme level, this could also lead to Australia's own food security goals being compromised. NFF seeks policy measures that avoid these outcomes and to ensure investment delivers maximum benefits to Australia, and to do so, greater transparency is needed.

NFF has for some time called for a national land register that makes it compulsory for all foreign persons and organisations that acquire or transfer an interest in agricultural land and water to report the sale within a prescribed timeframe.

The establishment of a comprehensive register to document and review foreign investment in agriculture, land and water access entitlements<sup>1</sup> will provide information that will allow a more informed debate on the issue. A register will contribute to increased community understanding while remaining welcoming towards foreign investment.

This register should be a post-acquisition recording system to document actual transactions (including subsequent sales) rather than just proposals that may or may not proceed (as occurs under the Foreign Investment Review Board) and give a more accurate picture of current foreign ownership of Australian agricultural land and emerging investment trends as information builds up over time.

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<sup>1</sup> This term is used throughout this submission and refers to the perpetual or ongoing entitlement to water and includes water access rights, water delivery rights and irrigation rights as defined by the *Water Act 2007* (Cth). It does not include water allocations which is the specific volume of water allocated to a water access right in a given water accounting period – otherwise known as annual allocations and annual water.

## **Australia's current foreign investment environment**

The OECD Foreign Direct Investment restrictiveness Index (FDI Index) measures statutory restrictions on foreign direct investment in 55 countries, including all OECD and G20 countries, and covers 22 sectors. The FDI Index gauges the restrictiveness of a country's FDI rules by looking at the four main types of restrictions on FDI:

- Foreign equity limitations;
- Screening or approval mechanisms;
- Restrictions on the employment of foreigners as key personnel; and
- Operational restrictions, e.g. restrictions on branching and on capital repatriation or on land ownership.

NFF recognises that the FDI Index is not a full measure of a country's investment climate. A range of other factors influences the attractiveness of a country to invest in, including how investment regulations are implemented. Barriers to entry can also arise for other reasons, including state ownership, the size of its market, the extent of integration with neighbours and even geography.

Nonetheless, FDI rules are a critical determinant of a country's attractiveness to foreign investors. Furthermore, unlike geography, FDI rules are something which governments have influence over.

It is worthwhile noting that Australia was ranked 15 on the OECD foreign direct investment restrictive index in 2012. This ranking was reported to be less restrictive than China, Canada and New Zealand but slightly more restrictive than the US. Australia with New Zealand is in a unique geographical location near the growing Asian countries and in a stable political climate making it an attractive economy to invest.

The OECD Index should be seen for what it is, an index or indicator of the current investment regime in various countries. It is one factor to help examine the issue of foreign investment but should not be seen as the stand-alone measure of the foreign investment climate.

## **Rationale for a foreign ownership register for agricultural land**

As noted above, there has been significant debate and discussion on the issue of foreign investment in Australian agricultural land.

NFF recognises that along with many benefits there are potential risks from foreign investment in Australian agriculture, which include:

- Loss of Australian control of strategic industry or national assets such as water access entitlements and/or processing, transportation and marketing infrastructure;
- an associated reduction of access to, control of and participation in these by local producers;
- Disproportional and negative influence on markets by particular entities;
- Foreign state owned and/or supported and/or controlled businesses channelling production through non-market routes to home countries or otherwise distorting local

markets and prices or acting with politically or strategically driven motivations that have a negative impact on the domestic supply chain;

- Negative impacts on rural communities as a result of issues such as:
  - decreased employment opportunities via enterprise consolidation,
  - artificial inflation of land values beyond their profitability return as a result of non commercial finance arrangements, or
  - implementation of technology or practices that are outside reasonable community expectations;
  - transfer of industry driven R&D expertise to potential competitors
- Immediate and cumulative negative impacts resulting from changes in land use which have a negative impact on capacity of food or fibre production; and
- In the longer term and in extreme circumstances may reduce the capacity for domestic food security.

QUESTION 1: What should be the scope of a national foreign ownership register for agricultural land, including definitions?

NFF strongly supports the establishment of a comprehensive national register to record the foreign ownership or investment in agricultural land and water access entitlements. The core components of the register should include:

- An accurate record of who owns/has an interest in what (land and water), how much it is, where it is, what it is worth and what it is used for.
- Whether that ownership/interest is ‘sovereign’/”state controlled” or commercial – ie what is the capacity/risk of market distortion and or manipulation.
- Information that shows change over time – of holding, interest, value and usage.
- A streamlined process that avoids duplication and encourages compliance

The register needs to be robust and reliable to provide information on issues such as cumulative purchases of agricultural land or related businesses including infrastructure and processing assets. It should report on links, direct or otherwise, to foreign government or state controlled entities and the potential and actual impact of any investment on the domestic market.

The register should include the definition of agricultural land, the total value of any land or water access entitlements, the total area of any investment and the planned activity to be undertaken as part of the investment. For water access entitlements, the register should include the volume, the water access entitlement type (e.g. NSW High Security), the catchment (e.g. NSW Murrumbidgee) and the Country of Origin for the foreign entity.

As part of the process to improve transparency, there may be commercial sensitivities critical to the investment decision (competitor access to information etc) that may need to be considered and these would need to be addressed as part of the development and implementation of the register. Notwithstanding that, the impact of foreign investment across the agriculture supply chain should be a core component of any register. Relatively minor investment in a critical part of the supply chain can have significant impacts across the entire production cycle. It is important that the government register monitor and report on the impacts of investment in agriculture across the supply chain and have regard to what type of impact the investment will have.

The register should have a monitoring and reporting capacity to provide insight into the trends and levels of foreign investment that can be used as a guide to assist in determining future policy. NFF is of the view that the register should provide transparent advice and data to ensure investment from any source does not undermine the existing marketing mechanisms and pricing structures that underpin farm gate returns for Australian farmers. The register should be national but have streamlined links with the states to ensure no duplication in terms of administrative burden but ensure clear communication and alignment. The register could also be linked to the Australian Tax Office (ATO) and the Australian Securities & Investments Commission (ASIC) as a check against the registered entities.

Australia's 'national interest' is not defined in legislation but the Government has provided a two page policy statement on the National Interest Test aimed at ensuring investments *'do not adversely affect the sustainability of Australia's national agricultural resources, including their economic, social and environmental contribution to Australia'*.

In considering the effect that a foreign investment proposal has on the national interest, the FIRB examines the following factors:

- The quality and availability of Australia's agricultural resources including water;
- Land access and use and biodiversity;
- Agricultural production and productivity;
- Australia's capacity to remain a reliable supplier of agricultural production, both to the Australian community and our trading partners;
- Employment and prosperity in Australia's local and regional communities;
- National security implications;
- Competition (may seek advice from ACCC);
- Other Australian Government policies (e.g. tax revenues, environmental policies); and
- The character of the investor (e.g. extent of independence from foreign governments).

While the NFF recognises the distinct objectives of both a national register of foreign ownership of agricultural land and the FIRB process, there is a clear link between the two regimes, which must be reinforced. The register should be an accurate post acquisition recording system that can be used as a reliable resource to help inform the national interest test. There is a direct contextual link with the relevant data that the register can provide to assist both the existing FIRB process but importantly any future policy developments to ensure Australian agriculture retains the capacity to produce competitively priced food and fibre for domestic and international markets. As findings of the national register become apparent, NFF is of the view that it would be worthwhile to consider the appropriateness of the FIRB process including issues of transparency around the process and the effectiveness of the national interest test.

***Recommendation -***

***NFF supports the scope of the proposed national register to include:***

- ***Land, water access entitlements and strategic processing infrastructure assets;***
- ***All foreign entities with a significant or controlling interest in the asset;***
- ***The current and future use of the land or asset and the capacity to review and report on the impact of the investment on the sector; and***
- ***The establishment of strong linkages with the FIRB national interest test.***



**QUESTION 2: What interests should or should not be included when defining foreign ownership?**

For transparency it is the capacity for foreign entities to distort the normal market function and/or exert non-commercially motivated influence that is of most concern. This would point to the need to monitor the level of control in addition to just ownership of agricultural land, water access entitlements or other assets and ensure the business environment remains strictly market driven.

However, the capacity to report and document negative influence on the market can be difficult to determine so financial interest is a suitable proxy. Presumably, indirect or more removed interests are also hard to monitor. It is also important to obtain a comprehensive picture of the extent and trends of foreign interests in Australian agriculture and so a broad range of interests should be captured. Significant foreign financial interests in agricultural assets, including companies, trusts, leases, and licenses should also be captured by the register.

The 2012 threshold level of investment for non-government foreign entities that triggers a referral of a proposed purchase of agricultural land or agribusiness to the FIRB is a 15% or greater interest in a primary production business.

***Recommendation: That the national register include transactions where a 15% or greater cumulative interest is held by foreign entities in an agricultural asset that generates an actual or ‘imputed’ revenue stream and includes land banking.***

***Recommendation: That the national register includes transactions where a 15% or greater cumulative beneficial interest in the entity acquiring or leasing a water access entitlement is held by foreign entities***

**QUESTION 3: What do you view as the most important data requirements of a national foreign ownership register for agricultural land, and why?**

<b>Data collected</b>	<b>Purpose</b>
Identity (name and business number) of investing entity or entities	To track cumulative interests over time and strengthen relevance and capacity of FIRB assessment process
Nationality of the foreign entities	To track trends in sources of investment and identify any national interest issues
Entity type (for corporations, solely commercial or state-involvement)	Important gauge of potential motivations for investment
Nature of entity (state owned/controlled enterprise, individual, corporation or trust including % foreign interest, associated business operations)	Important for understanding sectors of investment interest across time
Identity and type of asset purchased (amount, type and classification of land; and volume, security and water sharing plan area for water access)	Important to track capacity to influence production or supply chain in Australia

entitlements; infrastructure; processing facility)	
Geographical location, current industry sector(s) amount and value of asset purchased	Important to track investment locations and magnitude over time in Australia
Main intended/actual use of the land and water access entitlement (output type and average value of production)	Important to track impacts on industry viability in different areas over time
Further development proposed or not (including land use change provisions, capital amount to be invested, number of persons employed, time scale)	Likely impacts on local socio-economic factors either from existing land use or change in land use
Cumulative purchases of agricultural land or water access entitlement by an entity or related entities.	Track level of investment by related entities or countries.
Current ownership status (including domestic or foreign interest)	Identify who is divesting the asset.
Financial arrangements of foreign interests – e.g. under a lease or licence, part or joint interests in companies or trusts	Identification of structure and nature of business entity.
Details relating to involvement in the sharing of profits or income from the use of, or dealings in, agricultural land	Transparency of commercial intent of the investment.
Cumulative sector impacts	The register must be able to be searched and report on each industry/sector to gauge industry-specific impacts.

***Recommendation: That the national register include the above data.***

**QUESTION 4: How do you think the following terms should be defined for a national foreign ownership register for agricultural land, and why?**

**Definition of ‘agricultural land’**

Definitions can be based on use or business activity or alternatively on geographical location, e.g. in rural or remote regions. Applying a location based system runs a risk of ‘lines of maps’ exclusion of relevant land or business interests. The FIRB defines agricultural or rural land as that used wholly and exclusively for carrying on a business of primary production (i.e. at a commercial scale). This may also rule out diversified businesses that still retain a significant primary production component. The definition from the *Income Tax Assessment Act 1997* seems to be comprehensive.

***Recommendation: NFF supports a definition of agricultural land as ‘land on which a primary production business is undertaken, including production resulting from the cultivation of land, animal husbandry, horticulture, aquaculture, forestry, viticulture or dairy farming’.***

### **Definition of Foreign person or entity**

The consultation paper refers to the definition of a foreign person and foreign corporation being defined under the *Foreign Acquisitions and Takeovers Act 1975*. The Act treats a foreign corporation as a ‘foreign corporation to which paragraph 51(xx) of the Constitution is applicable or a corporation that is an external Territory to which this Act does not extend’ and a foreign person is defined as:

- a) a natural person not ordinarily resident in Australia;
- b) a corporation in which a natural person not ordinarily resident in Australia or a foreign corporation holds a controlling interest;
- c) a corporation in which two or more persons, each of whom is either a natural person not ordinarily resident in Australia or a foreign corporation, hold an aggregate controlling interest;
- d) the trustee of a trust estate in which a natural person not ordinarily resident in Australia or a foreign corporation holds a substantial interest; or
- e) the trustee of a trust estate in which 2 or more persons, each of whom is either a natural person not ordinarily resident in Australia or a foreign corporation, hold an aggregate substantial interest

The *Income Tax Assessment Act 1997* defines a resident to mean a person who resides in Australia and includes a person whose ‘permanent place of abode’ is in Australia and who has actually been in Australia, continuously or intermittently, during more than one-half of the year. The resident definition includes a company, which is incorporated in Australia, or if not incorporated in Australia carries on business in Australia and has either its central management and control in Australia, or its voting power controlled by shareholders who are residents of Australia (the secondary residency test).

These are standard definitions already being applied to foreign investors and in the interests of streamlining of the register with other Commonwealth legislation it seems sensible to retain these definitions.

***Recommendation:***

***NFF supports the application of definitions of foreign persons and corporations as already exist under the Foreign Acquisitions and Takeovers Act 1975 and the Income Tax Assessment Act 1997 when establishing the national register.***

***The Register must be able to report on the entities structure and links direct or otherwise to state owned enterprises.***

### **Definition of Water Access Entitlement**

***Recommendation: The NFF supports the application of the definition of water access entitlement, water access right, irrigation rights, water delivery rights and tradeable water rights as defined by the Water Act 2007.***

**QUESTION 5: What additional information could a national foreign ownership register for agricultural land collect, and why? For example, what types of water access rights (such as a water access entitlement) could be included?**

Australia is an arid continent and water resources are an incredibly important element to productive and profitable agriculture. With tradeable water access entitlements goes significant control of productive potential (50% of the net farm profits comes from irrigated production in Australia). This asset class should be monitored.

For water access entitlements, the register should include the ownership and trade of water access entitlements (including tradeable water rights, water access rights, water delivery rights and irrigation rights). The information to be recorded should include the identification number that applies to entitlement, the volume of entitlement, the type of water product/security (e.g. high, general, low or supplementary), and the water resource plan area to which the water access entitlement is linked. If there are any associated water delivery (particularly in public or private gravity fed irrigation schemes) or water use licences (the latter refers to the land on which the water is to be applied and can therefore be linked to the land register), these should also be included.

The 2011 ABARES report into foreign ownership stated that 40% of red meat processing is undertaken through foreign owned plants, namely JBS Australia (Brazil), Cargill (US)/Teys and Nippon Meat (Japan), and this proportion may be greater in some states such as Queensland. Given the market influence that can accompany control of processing of agricultural goods, it is important that significant processing facilities in each sector be monitored across time.

***Recommendation: That the national register include additional information relating to water access entitlements, along with food and fibre supply chain assets that are significant on a regional, state or national level.***

**QUESTION 6: Is it desirable to exclude from a national foreign ownership register of agricultural land some smaller transactions? If so, what threshold is appropriate, and why?**

It is expected that the register will capture assets being used for primary production businesses and there is little to be gained from recording non-business or revenue earning that is below a minimal level.

The Australian Tax Office has an extended Taxation Ruling (TR 97/11 Income tax: Am I carrying on a business of primary production?) which defines what a 'primary production business' is and could form the basis of a self-assessable system by which foreign investors can determine if they are subject to the register.

It is important that Australia's transfer pricing rules be applied to foreign investment. This will counter 'international profit shifting' or underpayment of Australian tax by requiring businesses to price their products on the basis of what parties acting independently would reasonably be expected to have done in the same situation, i.e. at arm's length and reflecting a fair return for the activities carried out in Australia, the assets used, and the risks assumed in carrying out these activities.

**QUESTION 7: Do you consider it important that the national foreign ownership register for agricultural land should include an initial stocktake of land holdings by foreign persons noting the potential compliance and other costs that may be involved? Why?**

The development of an accurate basis for monitoring and analysing trends over time is a critical step that needs to be taken to establish the register. NFF strongly supports an initial stock-take of current ownership of agricultural land that will consolidate all previous work and provide a foundation of reliable and accurate information on which future policy can be based.

There must be comprehensive baseline data that underpins the future of the foreign ownership register and this needs to be robust, all encompassing and accurate to ensure that all relevant impacts and potential impacts can be reported on. Once the register is established the requirement for data can be reviewed and revised according to relevant developments.

There is considerable potential for high impact at critical points across the agriculture supply chain. There is already significant foreign investment and ownership in the agribusiness sector including sugar, dairy and beef. The impact of this (and any new) investment should be monitored to ensure that it does not result in negative impacts on the market via price manipulation or market power. The foreign ownership register must facilitate a transparent and market driven environment for foreign and domestic farmers and or investors.

The register should also provide improved clarity on whether increased scrutiny is required for the agricultural sector and whether it needs to be listed as one of the sensitive sectors of the Australian economy. The register should continue to facilitate appropriate review of investments by state owned enterprises and sovereign wealth funds to determine that the investment is commercial in nature and the investor is not seeking to drive an agenda that is contrary to the interests of Australian agriculture or more broadly the Australian national interests.

**QUESTION 8: What is the most effective way to undertake an initial stocktake?**

Due to the costs and administrative resourcing required for an initial stock take plus the recording of other purchases and sales occurring in the same establishment period, NFF is of the view that there could be merit in phasing the process. The important priority should be to establish the register accurately documenting the current situation followed by the recording of new investment in agricultural land, water access entitlements and processing assets.

NFF understands that to date there has been only periodic surveys so even if it takes 1 to 2 years to accrue the data this will be an improvement on previous systems. For example, one option could be that existing land purchases must be registered within the first 9 months, existing water access entitlements by the end of the first 12 months and existing processing facilities within the first 15 months after the register is enacted. New purchases within this period would have to be registered within 3 months of settlement.

State-based systems such as the register in Queensland should be used to the greatest possible extent to collect this information, and modified as required to ensure a full and consistent set of data is collected across jurisdictions for collation and reporting by the Commonwealth. Thus within 2 years the system might be fully up-to-date and operational.

The intent should be to establish a clear picture of the current level of foreign investment in agriculture, monitor and report on the impacts of this investment and use this information to inform future policy development in this area.

***Recommendation: NFF supports a sequential stock take of existing holdings with ongoing registration of new purchases, with data collected at a state level and aggregated federally.***

**QUESTION 9: What specific rules or other arrangements do you consider important to include in any compliance framework?**

To ensure holdings are reported to the register there should be a mix of incentives and penalties to encourage business to comply with the requirements. The incentives should be strong enough to promote compliance but not too onerous that potential investors in Australia are discouraged and go elsewhere. Similarly, the penalties should be sufficient to ensure compliance. Such a system will require an understanding of what overseas investors are likely to accept and that will be effective at ensuring compliance. The register should also comply with relevant WTO and other regional or bilateral trade agreements.

***Recommendation: NFF seeks a robust but equitable system that encourages and ensures strict compliance but that is streamlined and as efficient as possible. It should be developed collaboratively by the appropriate Government departments at a state and Commonwealth level.***

**QUESTION 10: Having regard to arrangements in Australian jurisdictions and overseas, what timeframe for the provision of registration information do you consider appropriate?**

***Recommendation: As stated above, NFF support a 3 month (90 day) period within which new transactions must be reported.***

**QUESTION 11: How should information collected in the register be reported and disclosed, and in what level of detail, while meeting privacy and confidentiality obligations?**

It is important that commercial sensitivities and privacy considerations are applied to any disclosure of investment decisions, as would be fair for any domestic investor. There are statistical methods that can be applied to the pooling or aggregating of data to ensure that there are enough data sets combined upon public release to ensure that individual information cannot be identified or separated out. Depending on the density or consistency of information this pool size will vary, e.g. due to there being few processing facilities the aggregated data might only be able to be presented at a state or national level, whereas for land holdings the data may be able to be presented at a local government level.

The Commonwealth could be responsible for data aggregation and reporting at the national level with the states retaining the capacity to deliver more targeted reporting depending on the specific public interests within their state and available resourcing. The reporting regime should be able to take advantage of all relevant information held by Commonwealth and state

agencies and follow established freedom of information request processes. Such reporting should occur annually and not less frequently than every two years.

***Recommendation: NFF supports the National register delivering annual information at as fine a scale as possible consistent with privacy and cost considerations.***

**QUESTION 12: How could the data collection processes underpinning a national foreign ownership register for agricultural land be coordinated with other related data collection processes?**

NFF is of the view that the information gathered should be reliable, transparent and accurate. In relation to the coordination of the data, it will be important that the register utilise existing reporting arrangements and standardised boundaries, including land title and local government information. Ideally, the process should not add un-necessary burden to the current process of title transfer and the data should be collected as a by-product of the course of doing business.

As the consultation paper suggests, all states and Territories have existing land title systems and registers of water access entitlements. Where these are recording the required information, it may be relatively straightforward to include foreign ownership reporting requirements into those existing State registers. Processing sector assets generally require ASIC and ATO and occasionally environmental or other State approvals to operate. This may be another point of data entry for those businesses to avoid the need for duplication.

As a general principle, NFF supports the removal of unnecessary red tape and the minimisation of regulation wherever possible.

***Recommendation: NFF supports the use of existing systems of reporting such as land title and water access entitlement registers, the ATO and ASIC to facilitate the collection of necessary foreign ownership data.***

**QUESTION 13: Do you have any suggestions or comments on how to minimise the regulatory burden associated with a national foreign ownership register for agricultural land?**

The register should be comprehensive in its structure and scope to capture all significant agricultural business interests of foreign investors, but seek to minimise any additional regulatory burden, by using existing data collection processes and systems and with longer implementation times. The register should look to take advantage of efficiencies and reduce costs by utilising all existing regimes and databases within state and territory governments. . Provisions should be put in place to ensure data is transparent and freely available notwithstanding any commercial in confidence issues.

***Recommendation: NFF supports a broader collection of targeted information that provides relevant information from within existing state and territory government agencies local councils and other appropriate stakeholders.***



**QUESTION 14: Please consider providing any general or additional feedback to the working group to assist in developing a national foreign ownership register for agricultural land.**

The NFF agrees with the suggestion in the consultation paper that any national foreign ownership register for agricultural land needs to be designed and implemented in a way that is consistent with Australia's international trade obligations and maintains Australia's reputation as a safe and reliable place to invest.

Australia is a party to a number of free trade agreements and bilateral investment agreements, which seek to strengthen trade and commercial ties and encourage investment in both the agriculture sector and beyond. Any obligations under a national foreign ownership register for agricultural land must be consistent with Australia's existing international trade commitments.

The register should provide a robust and accurate database that can be used to monitor and report on trends and developments that are likely to have a negative impact on the commercial supply chain in Australia or globally. Any monitoring program should not stifle genuine, commercially motivated foreign investment through excessive or intrusive reporting requirements but it must be effective in delivering a clear picture.