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Development of a national foreign ownership register for agricultural land

The South Australian Farmers Federation (SAFF) is very pleased with the Australian Government's announcement that it will implement a national foreign ownership register for agricultural land.

Investment, regardless of whether it is domestic or foreign investment, is vital for the growth and success of Australia's agriculture. However, foreign investment in particular needs scrutiny in order to ensure maintenance of the national interest.

There needs to be special consideration given to foreign investment in agriculture and agribusiness due to wide community concerns and forecast increases in world population with less land for agriculture, and the need for food security and water availability.

As foreign investment in agricultural land is sensitive, the establishment of a national foreign ownership register for agricultural land will assist with any scrutiny of further proposed foreign purchases.

In relation to the threshold, SAFF would actually prefer that **ALL** foreign purchases were detailed in a register, enabling Australians to see who owns and is buying prime agricultural land.

If necessary, a \$2 million limit would probably be low enough to be able to monitor any progressive buying that may be taking place. There are often allegations that there is progressive buying of properties just below any trigger level of price and/or size.

By having no threshold (or a very small threshold), this will allow for greater scrutiny. Such scrutiny means decisions can be made in Australia's economic and social interest.

Of particular scrutiny should be state-owned enterprises that undertake foreign investment in Australian agricultural land and agribusinesses where the motive appears to be to secure a consistent stream of food supply for its people where this stream of food supply could have adverse effects on either or both the local producers and the supply for the Australian population.

The Federal Government must ensure that any foreign investment does not undermine existing marketing structures or transparency in pricing. It is critical that marketing, pricing structures and transparency continue to exist that are not detrimental to our farmers.

If the register is to have true value, it must include details of all current foreign ownership. However to assist in facilitating compliance, sufficient time will need to be given for existing foreign ownership to provide the appropriate details.

Consideration needs to be given to how to police those foreign entities which claim agricultural and related tax right-offs under Australian taxation rules while selling at high profits overseas. Australian farmers cannot compete and price of land inflates as the attraction of overseas investment increases for reasons that are not necessarily in Australia's interests. There may need to be a new/proper "Transfer Pricing Agreement" in place for these agribusiness situations, and this may have to be associated with the register.

With the register, it will be necessary to note sales between related parties. There needs to be proper and public disclosure for scrutiny of corporate land holder activity. There may need to be 'No Limited Liability' for foreign ownership of Australian rural holdings/enterprises. Associated with this there may need to be a requirement to maintain (or the need to return) the land in its initial productive state as purchased (or improved), and to not allow for its degradation for any potential short-term gain. There may be a need to be a disincentive to changing the land use from food production, plus an incentive to increase/improve food production.

If the register is to be of value it will need to contain more than just a \$ figure value and a register.

Consideration will also need to be given to what will happen to registered land-ownership and land-holdings if there is a finding of behaviour that is not in the spirit of any agreed regulatory framework or even in breach of the legislation.



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