

Property Rights Australia Inc.
PO Box 2175
Wandal QLD 4700
Phone (07) 4921 4000
Email: Pra1@bigpond.net.au

August 18, 2016

Property Rights Australia submission to: Productivity Commission, Draft Report, Inquiry into the Regulation of Agriculture

Property Rights Australia (PRA) is a not for profit organisation with members in all states but mostly in Queensland. PRA was formed primarily to protect a range of property rights, including rural property rights. It aims to promote fair treatment of landowners in their dealings with government, businesses and the community. Our philosophy is that if the community (or business) wants our resource for any other purpose such as environmental protection then the community must pay fair and unsterilised value for it.

Initial Submission by PRA to this Inquiry February

2016 http://www.pc.gov.au/data/assets/pdf_file/0010/195985/sub045-agriculture.pdf

Property Rights Australia appreciates the Productivity Commission's recognition of the imposts placed upon portions of the agricultural sector by environmental regulation including vegetation management. The analysis has been very thorough.

For example the Productivity Commission tells us that,

The bottom line is that landholders are required to bear the cost of providing many communitywide benefits from better environmental outcomes. While the community may demand better environmental outcomes, because the costs fall on landholders the community is not necessarily aware of the cost of achieving those outcomes. Such an arrangement is likely to encourage the community to continue to demand greater levels of environmental protection simply because they are not paying for (or not paying the full cost of) that protection.¹

Another perverse incentive created by native vegetation and biodiversity conservation regulations is that they impose the greatest costs on landholders who, by choice or chance, have substantial native vegetation remaining on their properties. Past actions that resulted in native vegetation being well managed are not rewarded.²

¹<http://www.pc.gov.au/inquiries/current/agriculture/draft/agriculture-draft.pdf> pp107-8

² *ibid.* p109

And also

Requiring governments to fund conservation helps discipline governments' demand for conservation on private land (rather than treating it as a 'free good' where more is always better). Importantly, where governments choose to allocate land for conservation, they should provide adequate funding to manage and maintain the holdings free from weeds and pests which can affect adjoining properties.³

We thank the Productivity Commission for their thoughtful approach.

However, there is an ever increasing body of legislation impacting landowners and lessees which rarely registers with the public.

Nature Conservation Act Qld

Recent legislation in Qld has restored the "conservation of nature" as the sole object of the Nature Conservation Act 1992. The additional matters that are to be removed from the object are references to social, cultural and commercial uses; community use and enjoyment; and the involvement of Indigenous people in management.

This has led to 78 families who have had grazing permits on forestry leases, some since first settlement of the area, being evicted from those leases on the expiry of their lease.

These former forestry leases were converted to National Park at the stroke of a pen at some time in the past, without evaluation of conservation values and without notification to the lessees. No consultation with the affected families was undertaken as they were considered by the Government and Department not to be immediately affected.

For these affected grazing families, these leases were all that allowed them to remain viable or gave them economies of scale. In at least one case, where the family has been there for almost 200 years, their home and farm infrastructure is located on the former forestry lease.

Needless to say, no credit has been given for environmental stewardship and it has been a constant feature of environmental legislation that good environmental stewardship, rather than being rewarded, is often targeted for acquisition at no advantage to the landowner.

It is clear that the Government Department has no plans to manage weeds, feral pests or fire loads: "lock up and leave" is the favoured form of management.

³ Ibid.

Resources and the “Right to Say No”

A right of veto by agricultural landholders over resource development would arbitrarily transfer property rights from the community as a whole to individual landholders.⁴

Property Rights Australia (PRA) feels that the Productivity Commission has misconstrued the reasoning behind the development of “the right to say no” to the resources sector.

PRA finds the above quote in the draft report as quite disquieting. It incorrectly suggests that a property right is currently somehow vested in “the community as a whole”. PRA believes that the landowner most certainly has a property right and if that right is impinged upon or transferred it should be fully compensated. The Productivity Commission should carefully consider the use of the same principle, as suggested in this quote in the draft, if used in another context.

The Right to Say No is not a call to have resources vested in anyone but the crown. It will not lead to the end of mining projects. It will however mean that proponents will have to pay true and fair market value for loss of production, factors of production and loss of amenity and privacy. It is a call for fair treatment.

The Productivity Commission has been constant in each and every other case discussed in advising that the market sorts out every problem, and reliance should not be put on legislation to favour one land use over another. The resources sector seems to be the only exception where (Qld) legislation has been amended several times to favour the resources industries in areas where they interact with landowners.

The Right to Say No Philosophy has only been adopted by landowners since it became obvious that the linking of financial interests of the State Government with the success of the resources industries compromised the State’s ability to make fair and effective laws for all of the occupants of a resources area. Our area of knowledge is Queensland and all comments relate to Queensland legislation but the sentiments are common to other jurisdictions.

PRA believes that there is a lot of merit in an idea put forward by a former economist with the Productivity Commissioner and now Queensland Senator, Matt Canavan. This is a reform that is worthy of consideration because it removes the State government’s conflict of interest being both the receiver of the royalties and the industry regulator. It will allow a true commercial arrangement to proceed between the gas company and the landowner.

⁴ Productivity Commission 2016, *Regulation of Australian Agriculture*, Draft Report, Canberra.

This is consistent with the concept of the separate “right to say no” reform. With the State receiving a tax cut out of the monies paid, it will be in the States interest that the landowner gets the best deal possible.⁵

Many of the costs of resources industries are being internalised by the agricultural community-only a detailed study by a body such as the Productivity Commission would be able to determine how much, but we can state very confidently that those costs are considerable. It should never be forgotten that dealing with resources companies is not and should not be the primary occupation of agriculturalists. But they are thrown into this situation without choice or an appropriate skill set. They are not expert in negotiating with resources companies, the law or the myriad of other choices they must make including the choice of a primary advisor and when such an advisor should be engaged. This is particularly the case on the first occasion that a landowner engages with a resources company and is yet to learn that the rules of engagement are not what has commonly been within his experience.

Landowners have been treated with contempt by Government and resources companies. The blatant lack of respect shown by resource companies to the landowner, their crops and animals, their time, their factors of production, their profitability and amenity would be how most landowners who deal with resources companies would characterise the experience.

Easily forgotten is that the landowner is an unwilling participant in this process and his or her primary occupation is the operation of an agricultural enterprise. It should also be recognised that many landowners are dealing with multiple resources companies and related infrastructure. I think the most we have heard of is thirteen. This takes a considerable amount of time with resources companies quite often demanding your presence at a meeting which can be at an inconvenient time or the volume of phone calls and their untimely nature which would otherwise be considered harassment.

Landowners are required by law to negotiate with resources companies and such negotiations are time sensitive. Some, particularly first time landowners, have found themselves dumped without warning in the Land Court and they and their advisors are often unaware that they, not the mining company, are responsible for their own legal and expert costs. Some have been left out of pocket for hundreds of thousands of dollars and must sell, if they can, in order to recover costs. This is an example of what we refer to when we say it is a call for fair treatment.

⁵ <http://www.queenslandcountrylife.com.au/story/3473877/royalties-need-rethink/?cs=4785>

The Role of Government and Legislation - “The Right to Say No”

The Government has tried to pass these negotiations off as just another commercial negotiation.

Nothing could be further from reality.

A commercial negotiation involves a willing buyer and a willing seller. There are usually competitors and negotiations are real. Whatever the commercial negotiation is, there is usually some history, price reporting, transparency, past contracts, experience and conditions to draw on to arrive at a fair deal. This is not the case with resources and an imbalance of power exacerbated by legislation exists.

P & E Law informs us that,

When initially drafting CCAs for our clients we sought to redress the imbalance by including clauses which required the CSG companies to:

provide physical disclosure of any document that would have an impact upon the rights and obligations between the landowner and the CSG company, such as noise modelling and management plans;

provide for the ability of the CCA to be set aside in the event that full disclosure had not occurred;

and

provide for damages payable to the landowner in the event that full disclosure had not been made.

These clauses have been vigorously opposed by CSG companies and have not been included in any agreement to date. In our view the current legislation should be amended to require a CSG company to disclose all relevant matters and identify with particularity each and every impact and likely impact that would occur as a consequence of the advanced activities. Without that knowledge, the landowner cannot fairly negotiate or provide legitimate and informed consent.⁶

If, in a true commercial negotiation the deal, the price, the timing or anything else is not satisfactory, either party can walk away. Not so with resources.” *In other areas of law relating to contracts a person entering into a contract as a result of “compulsion” can have the contract set aside.”⁷*

⁶ P & E Law submission to Senate Inquiry Into Unconventional Gas p3-4 submission 246

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Gasmining/Gasmining/Submissions

⁷ Ibid.

With resources, contracts are widely differing between companies, they are usually confidential and many reasonable requests of landowners are refused outright.

Your presence is compulsory and an agreement must be made within a legislated timeframe (20 business days) and there are many stumbling blocks along the way, many of them legislated and undesirable.

In Queensland, if an agreement is not made in 20 business days, a very short timeframe for a lopsided negotiation with many complex issues, it is taken that an agreement has been refused.

A conference can then be called by either party but the legislation is written in such a way that a landowner can be denied legal advice or even the support of a friend with the expectation that there will be a signed agreement at the end of it. None of the politicians who voted for this legislation would buy a house without legal advice and it is indefensible that they expect landowners or occupiers to sign a more complex agreement without it. Resources companies can and do send highly trained people either former lawyers or trained negotiators.

At common law parties to a contract generally have the power to terminate where there has been repudiation.

In our experience CSG companies insist on maintaining drafting in their agreements which prevents a party from terminating the agreement where there is a breach. This is inconsistent with a party's rights at common law and enhances the imbalance in power between gas companies and landholders. Despite our attempts to have this drafting removed from agreements, we have not been successful.⁸

If no agreement is reached here, the Land Court can be called upon to make a Conduct and Compensation Agreement. Some landowners have found themselves at this stage while still believing they were in negotiation. This can be a huge expense for the landowner with the resources company able to access the land immediately with no Land Court decision likely for up to Eighteen months.

The philosophy that the Land Court is meant to ensure that no landowner or occupier is left worse off by the presence of a resources company does not often work in practice. All attempts by landowners to highlight the very real outside stressors put on landowners and have reforms introduced have resulted in more legislation which favours resources.

There is allowance made for what landowners regard as limited expenses. However these are not usually paid until a Conduct and Compensation agreement is signed while landowners are required to pay their bills in a normal business cycle. Sometimes a project does not proceed and the landowner can be left permanently out of pocket or for a considerable length of time.

⁸ Ibid. p5

Resource Legislation - Opt Out Agreements

One of the most pernicious provisions of the Queensland resources legislation is the option for landowners to opt out of the requirement to negotiate a Conduct and Compensation Agreement (CCA) or a Deferral Agreement. Landowner groups and solicitors who act on behalf of landowners have lobbied hard over multiple pieces of legislation and multiple consultations to have this provision removed from the legislation. Government excuses do not hold water but criticism of this style of agreement by law firms in particular drew vilification from the relevant Minister who accused them of simply trying to drum up business. Property Rights Australia had quite separately however, had come to exactly the same conclusion and we stand by it.

To a frustrated owner or occupier who is having his work program constantly interrupted and with no previous experience with resources companies and how difficult some of them can be, this may seem like an easy option.

However the Opt out Agreement, once the 10 day cooling off period expires, goes on title and is binding on successors and assigns.

It cannot be revisited.

Owners and occupiers lose their right to have disputes settled in the Land Court.

Statutory protections are inadequate, and difficult and expensive to enforce and enforced they must be as resources companies do not see themselves as co-operating because they are obliged to do so.

It can be signed by an owner or occupier.

The definition of occupier is simply under S48(b) of the MERCP Act *"a person who has been given a right to occupy the place by an owner of the place or another person mentioned in paragraph (a)."*⁹

It is right and proper that in many operations occupiers should be consulted and compensated but in this case an occupier of varying status or involvement should not be able to sign away the perpetual rights of an owner. The definition is too casual for that.

Although other clauses, often allowing less invasive procedures or contracts, call for various permutations of each owner and each occupier to be notified and give permission for various activities, the allowance of an occupier to sign an opt-out agreement is too simple a giving away of rights and will disadvantage landowners. Inexperienced landowners are also likely to be persuaded to take the least frustrating option.

⁹ Mineral and Energy Resources Common Provisions Act Qld S48

Resource Legislation - “New” infrastructure

Present legislation, after an attempt by the previous Government to remove them, allows for restricted areas or buffers (which are considered inadequate), around specified permanent buildings and infrastructure such as wells and bores connected to a water storage and distribution system. There is also provision made for “make good” agreements for impaired bores in an Immediately Affected Area.

Already, resource companies and authorised officers conducting conferences, usually disregard landowner’s reserve bores and will disregard impairment of water supply in those bores. “Make good” is an inadequate instrument anyway and shows that COAG’s requirement that agricultural water supplies not be affected is already not being adhered to. Some bores have already been replaced or compensation (inadequate) paid and more are predicted by the Government’s Underground Water Impact Report (UWIR). The road to a remedy for bore or water replacement is a long and stressful one with companies taking inordinate times to drill new bores or offering compensation which is a fraction of actual cost to dig and equip a new bore, which then brings it in under the heading of “new” infrastructure. Compensation can turn out to be no compensation at all.

“New” infrastructure is unprotected from resource activity. “Make good” provisions, designed to protect lost or impaired water supply in bores does not apply to “new” bores.

The definition of “new” has morphed in recent times from the granting of a resources lease, to the time of application for a resources lease, to the granting of the original resource authority such as an authority to prospect or exploration license which can stretch back for decades.

This means that over the decades-long lifetime of the resources project, agricultural enterprises will be constrained by non-protection of “new” bores and wells which can be drained or impaired without replacement. “New” principal permanent residences (other houses, worker’s accommodation and non-permanent buildings are not covered anyway), “new” bores, “new” cattle yards, “new” sheds, “new” watering points and “new” irrigation systems will not be protected. Effectively, any improvement made after an original resource authority has been granted has no protection. No better strategy could be devised to kill the agricultural sector.

The non-protection of “new” bores is a particular concern as an agricultural enterprise simply cannot survive without water.

Under these conditions, legislated coexistence is an unachievable myth with landowners and occupiers not only unable to increase productivity-which is usually encouraged-but being constrained by ever decreasing agricultural productivity with ever-aging infrastructure and housing, with insufficient or no water and substandard accommodation for both owners and workers.

Property Rights Australia can see many agricultural enterprises deteriorating and simply being abandoned rather than sold, with production and productivity increases having become impossible.

This scenario will be caused by nothing other than legislation and inadequate protections given to landowners.

Conclusion of “The Right to say No”

Those of us working in the space trying to improve conditions for landowners have been treated like anti-mining radicals, when we have been responding to numerous genuinely heartbreaking cases, which run from years of grinding stress and despair and business loss, to a particular incident or set of incidents which caused business loss, stress and suicide.

Landowners have no protection outside a Conduct and Compensation Agreement from resource contamination. Resources companies limit their liability to landowners and constantly refuse, according to lawyers familiar with the field, any truly worthwhile agreement. In the event of a contamination incident, there is provision for compensation to be paid to the state but not the landowner.

There are indications that livestock producers may be liable for chemical or physical contamination in meat or meat products caused by resource industries over which they have no control. When they sell livestock they must sign what is only nominally a “voluntary” declaration, the Livestock Production Assurance (LPA), which is a declaration that their animals are free from contaminants. It is a legally binding document. MLA has obtained legal advice on the matter but has consistently refused to release it in spite of numerous requests. There are also signals that consumers in some markets may in future have the will and the means¹⁰ to discriminate against products produced in a resource area.

There is nothing free market or fair about being a landowner with an active resources lease over your commercially obtained land. Apart from all the obvious drawbacks, it is a business liability risk.

A Right to Say No would mean that both parties would have to negotiate in good faith with full disclosure and fair compensation would have to be paid for business and personal loss, and property damage, in an atmosphere of mutual respect rather than the bullying which is all too apparent under present conditions.

¹⁰ MLA and Peak Bodies are facilitating whole of supply chain traceability with a positive spin on it. However it will also give end users the ability to discriminate against products from areas which they perceive as not where they want their food to come from.

Competition Policy

*The existing competition regulation and oversight is adequate for managing concerns about abuse of market power by supermarkets and traders engaging with farm businesses. The current focus on the potential for the misuse of market power by wholesale merchants and supermarkets engaging with farmers is not well supported by evidence.*¹¹

“Misuse of Market Power” may be the wrong section of the Competition and Consumer Act to focus on and it is irrelevant to supermarkets’ relationship with suppliers. However it is certain that existing competition regulation is not adequate for managing concerns in dealing with agricultural markets

Competition Commissioner Rod Sims made us aware of that at a parliamentary hearing into the Senate Inquiry into Processor Consolidation.¹² Under his advice the focus has been taken away from misuse of market power and collusion to new recommendations of the Harper Review to look at “concerted practices”.

Free and unfettered competition seems to get a Guernsey in all discussions around a free market. Some of the attitudes and recommendations around the operation of agricultural markets are alarming. The attitude that agricultural producers and small suppliers have sufficient competition when they have only two major supermarkets to sell to with limited other competition or that agricultural producers have a robust price setting mechanism when they are constrained by geography and infrastructure and so limiting them for choice of acquirer, among them.

In a price taking market (more sellers than buyers) and in the case of agricultural markets this is an extreme situation, free marketeers have the unqualified opinion that the constant grinding down of prices leads to efficiency and productivity increases.

It is also self-evident that with the bruising competition between these businesses that eventually, the productivity gains to be made are not worth the extra investment. This is a situation that does not have a solution in free market economics. Competition law seeks to manage it in sophisticated economies but Australia’s competition law is historically weak, reforms will take time to implement and until recently had no agricultural expertise anyway.

Many of our agricultural enterprises are required to sell into markets with limited competition and transparency to multinational companies with whole of supply chain involvement and yet any attempt to manage this situation is frowned upon by the free market which includes the Productivity Commission.

¹¹ Productivity Commission 2016, *Regulation of Australian Agriculture*, Draft Report, Canberra

¹²

The free market also seems to include a plethora of environmental and animal welfare groups who have inserted themselves along the supply chain and in government with demands that appear to be, but often are not based on science, are certainly not based on economic factors and have no disregard for our fundamental legal freedoms which have developed over hundreds of years.

In principle, it would appear to the Australian community that the disaster that the dairy industry has become is an instance of serial market and competition law failure starting with the supermarkets' \$1 litre milk. This was found to benefit consumers by the ACCC, a doubtful finding in itself, but it put small stores and many processors out of business. Property Rights Australia understands that competition law aspires to protect competition not competitors but when whole sections are carved out of an industry that is not a sunset industry, surely the possibility of market failure comes to mind. The upshot is that with prices under pressure the most vulnerable sector in the supply chain, the producer, has no resilience to withstand the price vagaries that are an inevitable part of a world market. However, when an entire industry is imploding, surely market failure is obvious.

Was it a market failure that in 2013 and 2014 when world beef prices were at an all-time high and producers were receiving record low prices? This was said to be as a result of oversupply in Australia caused by drought and the live cattle ban. What part of a free, or not so free market caused the live cattle ban?

Beef is a very elastic product and in the past, a glut has been eaten by an enthusiastic and appreciative population who have benefited from and enjoyed lower prices.

During 2013 and 2014 the average consumer would not have detected any change in the price of beef and consumption did not rise. Real supermarket competition would have ensured that there was an effective price drop. Meat processors made a fortune. A truly competitive market would have ensured that producers gained some of that price spike and improved their resilience but it was not to be.

The beef production industry has been constrained by lack of competition and bargaining power but unlike the dairy industry where the knock on effects of previous decisions is all too visible the beef industry is more like a boiling frog where the indicators are less visible but do exist. They are such things as the increasing age of farmers because children can see that there are more profitable places to be and industries where their efforts will be appreciated. Foreign capital injection will not save our rural industries and there is likely to be considerable churn if that becomes the norm. Australian agriculture is a difficult skillset with lifelong continuous improvement and we are in danger of losing all of that producer knowledge and not having it replaced.

Also indicative of the duopsony of the supermarkets is the case brought by the ACCC for Unconscionable Conduct on behalf of small suppliers of various products to Coles. The penalties were minute.

*The reregulation of sugar marketing in Queensland has the stated objective of allowing sugar cane growers to choose their marketing arrangements. However, the evidence suggests that the preferred choice of marketing arrangements is likely to reduce the productivity and profitability of the industry by constraining investment and structural adjustment.*¹³

The Commission recommendation that the Qld Sugar Industry Act be repealed is also of concern as it seems to show a lack of understanding that producers are limited by geography in choice of mill with a perishable product, decisions to supply a different company are not easily accommodated and there is no bargaining power on price.

The attempt to deal with this by retaining an economic interest in the milled product is the only solution available. The only bargaining power is in choice of marketer which could be a free market decision but is resisted by multinational, vertically integrated millers where growers have no price transparency. The possibility of transfer pricing by these international companies seems not to have been considered.

To badge it simply as re-regulation of the sugar industry is disturbing and we would like to see a much more detailed explanation of the rationale. We would also be interested to hear the Commission's analysis of how producers can insert competition in bargaining for prices in their geographically constrained areas.

The Commission's conclusion that "the preferred choice of marketing arrangements is likely to reduce the productivity and profitability of the industry by constraining investment and structural adjustment." The Assumption here is that "the industry" is the millers and investment is (often vertically integrated) foreign investment and that the producers or canegrowers are just so many ants that require "structural adjustment". This assumption is what has almost destroyed the entire dairy industry and will cause implosion of other industries.

Producers have as much right to a competitive market as others in the supply chain and if that is not the case then competition policy should be robust enough to take care of it.

Producers of agricultural product have been vilified as xenophobic and having a sense of entitlement in all discussions about price and competition. Free marketeers, the Commission among them, seem to repudiate the right of producers to a fair and profitable price with an example given above in the sugar industry where it is obvious that "the industry", or the important part of it, are the millers and that foreign investment will be nothing but a benefit and the all too expendable producers can look after themselves.

¹³ Productivity Commission 2016, *Regulation of Australian Agriculture*, Draft Report, Canberra p

This is a common theme through many agricultural industries where it is the processing or infrastructure that is important and the producers are the sacrificial lambs on the free market altar.

This was case in the discussion about the ADM takeover of Graincorp. It has been the case in the continuous consolidation of the beef industry and the glaringly obvious flaws in competition policy for the dairy industry have already been alluded to.

Property Rights Australia and almost every agricultural producer in the country would like to ask the Productivity Commission what it takes to point out that a sector is in genuine crisis and not just in need of “structural adjustment”. If the realisation that this is the case does not occur soon, there will be some industries for which it will be too late.

There is not just a human cost to this uncaring, laissez faire attitude, but a cost to the country with agricultural industries contributing significantly to the country’s wealth. We are not talking about sunset industries here but about vibrant industries which long term have a bright future if allowed to flourish and where the bottom of the chain, the producers, have sufficient protection from a competition regime which allows them to flourish, not flounder.

There has been a philosophy in the past that in some cases small business was at times also a consumer and entitled to protection from unacceptable behaviour. This seems to have gone out the window and we are left to our own devices. There is not an unlimited supply of producers. We do suffer as an industry from lack of competition and investors in mills and processing works will not save the industry. It is a time to move to an era of respect for producers and the serial constraints on the industry that have ensured that the majority of producers are now efficient but on the poverty line.

Soils

policies that seek to protect existing land uses as an a priori objective are unlikely to be consistent with the promotion of efficient land use

it is likely that conflicts between residential and agricultural land uses would be more effectively managed directly through planning and zoning regulations, rather than indirectly through laws barring actions in nuisance against agricultural land uses ('right to farm' laws)

In declining to support any special protections for High Quality Agricultural soils is to make the assumption (as children are quite wrongly taught in schools) that one of the uses for soil is for building things on.

High quality agricultural soil has a set of criteria applying to it which applies to 3-6% of Australia and is irreplaceable. Its use is presently being impacted by the resources industries struggling with the myth of co-existence and the inability of some suitable areas to be cleared for agriculture due to environmental regulation.

Animal Welfare

- *The Commission considered a number of options to improve the standard setting process. These included establishing an independent animal science and community ethics advisory body to provide independent advice in the standards setting process, or alternatively, for an independent body to be responsible for developing the standards and guidelines. Another option considered was the Australian Government taking responsibility for all aspects of farm animal welfare regulation. On balance, the Commission considers that the most effective approach would be to establish an independent body tasked with developing the national standards and guidelines. The body would be responsible for managing the RIA process for the proposed standards, and would include a science and community ethics advisory committee to provide independent and rigorous evidence on animal welfare science and community values. The body would also disseminate information to the community on best-practice farm animal husbandry practices and contemporary animal welfare science, including through the development and publication of the standards and guidelines.*

The body could also be responsible for regularly providing an independent assessment of the effectiveness of monitoring and enforcement activities, and assessing the performance of the live export regulatory system.¹⁴

Property Rights Australia believes that the Commission should allow industries to find their own way on animal welfare with the assistance and regulatory support as requested by the industry.

Although the Commission has put some requirements such a requirements being evidence based, agricultural trust in bureaucratic committees, no matter how they are formed is at an all-time low. This has developed over a number of years with bodies from which representatives may be drawn being seen as not representative nor responsive to their industry community, over representation and undue influence of environmental and animal welfare organisations who wield a great deal of political influence in spite of reserves they are supposed to have as the holders of Deductible Gift Recipient Status and the politicization of science with science and academics in some instances being required to disclose in some cases where they obtain funding from but not organisations to whom they have allegiance and for whom they may do work pro bono.

We regard any committee with representatives of green or animal welfare organisations on it or representative bodies who are attempting to cater to the demands of these organisations as a committee at risk of being manipulated and politicised.

¹⁴ Productivity Commission 2016, *Regulation of Australian Agriculture*, Draft Report, Canberra p

Great Barrier Reef Regulation

Regulation of agriculture in the name of protection of the Great Barrier Reef is a fraught issue. Some areas have already been regulated with always threats of more. Much of the justification for the Reinstatement of the Qld Vegetation Management Act is protection of the Reef.

Far too often landholders are used as a political football, kicked around as a cause of reef harm, in efforts to secure green preference deals at elections.

None of us wants to see the reef harmed but it is literally teeming with activist scientists who cherry pick results and research with the objective of confirming pre-determined objectives.

The voices of experienced moderate scientists who claim that the damage from sedimentation and even farm fertilizers and chemicals have been drowned out by the very loud, overfunded, advocate scientists backed by green organisations and parroted by politicians.

Those scientists who want more robustness in the science with better designed projects and repeatable results have been drowned out by those who are driving a political agenda.

The decision to prioritise pursuing landowners rather than any other of the possible factors harming the reef was made as early as 2001 after what amounted to a tantrum by the WWF representative on an expert and supposedly independent committee. The very eminent scientists on the committee caved to her demands and reef policy has followed that path ever since.¹⁵

Property Rights Australia wishes to take this opportunity to thank the Productivity Commission for its attention to the often onerous regulations placed on agriculture.

¹⁵ WWF Says 'Jump!', Governments Ask 'How High?'
Dr. Jennifer Marohasy and Gary Johns