

SUBMISSION ON REGULATION OF AUSTRALIAN AGRICULTURE

Productivity Commission

Dear Sir or Madam,

My name is Andrew Rea. Our family own freehold grazing land in Queensland about 50 km west of Bowen and also freehold grazing land about 150 km west of Rockhampton.

I would like to thank the Commission for giving me the opportunity to make further comment on the "Regulation of Australian Agriculture", which is at times excessive and lopsided, which imposes an unfair burden on the agriculture sector who are largely only interested in producing clean wholesome food for either export or local consumption without being detrimental to the health of the environment, which has to be either maintained or improved at all times. If the environment is compromised the long term sustainability of the agriculture sector will automatically become short term, environmentally and economically. If the agriculture sector is continually under attack from outside, it is only human nature that decisions will be made in the interest of survival, be it intentional or in the heat of battle that will be at the expense of the environment.

In the previous submission on the 11/2/2016 I covered subjects that unfairly impact on our grazing business such as inadequate compensation for "Advanced Activities", non-payment of landholder's time and non-payment of legal fees.

The other comment I made was the right of landholders when you have a SDA (State Development Area) placed over your land, in our case, freehold land. Your rights to protect your property, your family and yourself are almost wholly removed and you are at the mercy of large multinational resource companies which are sanctioned by State and Federal Government legislation. If you don't agree to their terms they take you to court, (most landholders do not have that sort of finance) or the government steps in and compulsorily acquires your freehold land. A lifetime of work is severely under threat. Nobody has the right to do that to someone who has done nothing wrong. The government must work on the belief that "Might is Right", yet they are espousing how they support small business.

The SDA was placed over our freehold grazing land for a proposal to build a railway line to specifically carry coal. After 3 years of untold hours of lost time on our behalf, our future is still in limbo. The cost of this in dollar terms would almost be impossible to calculate, but it would be substantial. We have had meetings for discussion of so called compensation. Resource companies can make statements which are proven to be blatantly untrue and government and their representatives are totally ineffective or unwilling to take a stand against misleading and deceptive statements, but the same government or their representatives are willing to use the power to resume my freehold land. I think this is hardly fair. In fact, it is unfair, unjust and un-Australian.

Landholders are being forced to subsidise under-capitalised and under-resourced companies which have the blessing of the government to the detriment of Australian agriculture. In fact the make-up and management of my freehold property will be permanently damaged.

2.

Ownership of construction material (gravel) on my freehold land has been retained by the government. Anyone wanting access to that resource has the right to traverse my freehold land. I cannot charge them let alone stop them. Dust across my pasture and stock disturbance just seems to be another “Regulation of Australian Agriculture” that the landholder has to endure for the good of the resource sector.

As my property stands today I don’t need any more water facilities and fences etc., but because of this proposal for a railway line, I have to spend in excess of \$750,000.00 (please find attached costing of infrastructure) to build extra infrastructure in an attempt to maintain the same level of beef production pre SDA. After this money has been spent there will be no extra beef production to generate money for the maintenance or replacement of this infrastructure when it reaches its used-by date in approximately 30 years. This will be another expense forced upon me because I have had the right to protect my property taken from me.

The only money available to me is to use the money from the total compensation package (which I can’t disclose because I have been forced to sign a confidentiality agreement). Now I have to plan ahead 30 years to fund the maintenance and replacement of infrastructure, which is not earning any extra income, for when it has to be replaced. I have no reason to believe that input costs such as materials, wire, fence posts, drench and steel products will not continue to rise at the same rate for the next 30 years as they have for the previous 30 years.

Input materials	7.5% PA
Inflation for last 30 years	3.61% PA
Maintenance costs	2.26% of the cost of the infrastructure as per financial statements PA

If the remainder of the compensation money is placed in the bank with compounding interest every 3 months, at the end of 30 years with maintenance costs subtracted and replacement cost subtracted there is no money left. This poses the question as to where is the money for Injurious Affection, Severance and Disturbance which is supposed to offset any loss of property value.

If you average the three valuations which have been carried out on our property, that compensation figure, for the loss of value, is in excess of \$1.75 million in arrears. I simply cannot sustain this loss. Serious thought has to be given to royalties or some such like for affected landholders if governments are serious about agriculture.

If governments continue down this path with the current “Regulation of Australian Agriculture” tilted heavily toward the resource sector, to the point where landholders can’t protect themselves and are continually forced to subsidise under-capitalised, under-resourced resource companies, agriculture and the environment as we know it are at risk.

A point I would like to make. The “Report of Targeted Compliance Program” for Queensland coal mines on 29/1/2016, shows to date, only 0.003% of the 165,000 hectares of land disturbed by mining has been certified by Queensland Department of Environment and Heritage Protection as acceptable rehabilitation.

3.

I think it is time the government had a long hard look at whether they want the practice of a finite industry trampling all over an infinite industry to continue.

The present system of "The Regulation of Australian Agriculture" is unsustainable financially and emotionally for landholders.

Thank you.

Andrew Rea,

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