



Rabobank

Rabobank Australia Ltd
ABN 50 001 621 129 AFSL 234 700

Postal Address PO Box 6384
East Perth WA 6892

Office Address Level 3 Durack Centre
263 Adelaide Tce PERTH WA 6000

Telephone (08) 9318 8713
Facsimile (08) 9818 8701
Internet www.rabobank.com.au

Kristina Crichton
Commercial Clerk
Standing Committee on Public Administration
Legislative Council
Parliament House
GPO Box A11
Perth WA 6837

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Subject **Submission by Rabobank Australia Limited to Inquiry into Private Property Rights**

Introduction

Rabobank Australia Limited (**Rabobank or the Bank**) welcomes the opportunity to make a submission to assist The Standing Committee's Inquiry into Private Property Rights.

Rabobank is a part of the international Rabobank Group headed by the cooperative Coöperatieve Rabobank U.A. (**CRUA**), a leading specialist in food and agribusiness banking. CRUA has nearly 120 years' experience providing customised banking and finance solutions to businesses involved in all aspects of food and agribusiness. CRUA is structured as a cooperative and operates in 40 countries, servicing the needs of approximately 8.6 million clients worldwide through its own Branch presence and/or locally incorporated subsidiaries (such as Rabobank in Australia) and a network of more than 1000 offices and branches internationally.

In Australia, Rabobank is one of the leading agricultural lenders and a significant provider of business and corporate banking and financial services to the food and agribusiness sector. Rabobank has 61 branches throughout Australia. Of these 61 locations, 56 are in regional and rural areas contributing to the Australian economy as a regional employer and as an active promoter of food, agribusiness and regional affairs. Rabobank is also an authorised deposit-taking institution, and reinvests 100% of all deposits raised back into the food and agriculture sector through loans.

Response to the Terms of Reference

Rabobank notes that the Western Rock Lobster Council (WRLC) has also made a submission to this inquiry, and the bank supports many of the points raised by the WRLC.

Rabobank would like to address points C & D from the Committee's terms of reference, which are that the House:



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(c) recognises the property rights of government-issued licences and authorities including commercial fishing;

(d) asserts that fair and reasonable compensation must be paid to the owner of private property if the value of the property is diminished by a government encumbrance or resumption in order to drive as public benefit;

Rabobank is aware of Aquatic Resources Management Act 2016 (ARMA) which will come into effect to replace current legislation, Fish Resources Management Act 1994 (FRMA). Rabobank recommends the ARMA be amended in order to safeguard the access rights of fishermen & license holders, and to protect the sustainability of the industry.

Previous instances of reduced catch limits and removal of units from the WA Rock Lobster industry have been put in place without any form of compensation. When quota management was introduced, the lack of support led to significant social and economic hardships on individuals and coastal communities and resulted in major industry restructure with over two thirds of the commercial fishing fleet leaving the industry. In the case of Rabobank's Geraldton branch, eleven clients left the industry during this period, ten of whom were active vessels and one being an investor.

More recently, following the proposal to increase TACC in the WA Rock Lobster industry by 1700 tonne to 8000 tonne (of which 1385 tonne was to be controlled by WA Government), significant uncertainty was created regarding the management of fisheries, and the values tied to the present rights of resource access attributed to fishing licenses within managed fisheries.

As this proposal was made available to industry and further industry meetings held, we saw the following reduction to unit prices (confirmed sales advised by brokers):

	Pre announcement	Post announcement
A zone	\$10,000 / unit (July 2018)	\$8,500 / unit (November 2018)
C zone	\$8,050 / unit (November 2018)	\$6,400 / unit (December 2018)

As Rabobank applies lending value to fishing quota, the above reduction in quota value would have ultimately seen clients lending abilities impacted, which may have stifled the flow of credit thereby creating further uncertainty. In today's current modern economy where growth and sustainability are critical, it is unreasonable for the State to burden individual citizens, in this case commercial fishermen (and investors, some of which is investors superannuation), with the costs of loss of property value by government for reasons of public benefit. With the proposed changes no longer proceeding, the market value of units has reverted, and stabilised.

Recommendations

Rabobank recommends the Fisheries Adjustment Schemes Act (FASA) be amended, broadening the scope for effective compensation linked to resource access changes to underpin aquatic resource sustainability due to shifts in community requirements over time.



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Rabobank believes Part 3 of ARMA supports and further strengthens the argument that resource access rights of all fishers need to be clarified and supported by legislation under already determined allocation TAC policy (Toohey), but more particularly reallocation principles need to be determined by the community in consultation with the fishing industry.