



INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES COMMITTEE

Members present:

Mr J Pearce MP (Chair)
Mr CD Crawford MP
Mrs AM Leahy MP
Mrs BL Lauga MP
Dr MA Robinson MP

Staff present:

Ms M Westcott (Acting Research Director)
Ms M Telford (Principal Research Officer)

PUBLIC BRIEFING—INQUIRY INTO THE STOCK ROUTE MANAGEMENT BILL 2016

TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, 30 NOVEMBER 2016

Brisbane

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Committee met at 8.31 am

CHAIR: I declare open the public briefing for the Infrastructure, Planning and Natural Resources Committee's examination of the Stock Route Network Management Bill. Thank you for your attendance here today. I am Jim Pearce, member for Mirani and chair of the committee. The other committee members here with me today are: Dr Mark Robinson, deputy chair and member for Cleveland; Mrs Brittany Lauga, member for Keppel; Ms Ann Leahy, member for Warrego; Mr Shane Knuth, member for Dalrymple, who will be here but is not present at this time; and Mr Craig Crawford, member for Barron River.

Those here today should note that these proceedings are being broadcast to the web and transcribed by Hansard. Media may be present so you may also be filmed or photographed. The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament.

The aim of the briefing today is for the committee to gather preliminary information in relation to the bill. Before we commence, could you please switch off your mobiles or put them on silent mode.

HAENFLER, Ms Anita, Acting Director, Land Policy, Land and Mines Policy, Department of Natural Resources and Mines,

HINRICHSEN, Mr Lyall, Executive Director, Land and Mines Policy, Department of Natural Resources and Mines

CHAIR: I now welcome representatives from the Department of Natural Resources and Mines. Would you like to make an opening statement?

Mr Hinrichsen: Yes, I would like to make an opening statement. First of all, I would like to thank the chair and the committee members for this invitation to provide a briefing on the Stock Route Network Management Bill 2016. I would like to provide a brief opening statement outlining the key objectives of the bill, some of the implementation arrangements and the consultation that the department has undertaken in preparation of the bill.

First of all, the bill provides for a consolidated act for managing stock travel and grazing on Queensland's stock route network and certain other roads and reserves that are off the network. The policy objective that underpins the bill is that having a connected and well-managed stock route network is important for the state and its pastoral industry. That is particularly so in times of drought. For this reason, the bill makes it clear that the main purpose of the stock route network is for travelling stock on foot. It also recognises that the network has other uses such as grazing and that parts of the network are also used for road travel purposes.

Consultation over many years has highlighted a number of issues with existing arrangements for managing the state stock route network. In particular, those issues include lack of clarity around the roles of the state and local governments with managing the network. It is currently administered under several pieces of legislation and this bill addresses that. There is the need to strengthen local governments' ability to manage stock activities on and off the network, reduce regulation and provide more contemporary management, enforcement and compliance arrangements. There is currently the inability to recognise the network's important natural and cultural heritage features. There is a significant disparity between local governments' administrative costs associated with the network and the cost to network users.

The bill proposes to improve the way the network is managed to make it easier for both the users of the network and local governments who are the day-to-day managers of the network. As day-to-day managers of the stock route network, local governments are currently responsible for issuing travel and short-term agistment permits; for managing the network's infrastructure, which includes water facilities and stock holding yards; and for undertaking compliance and enforcement. However, under the existing arrangements, the state government is responsible for issuing what is referred to as long-term grazing permits both on and off the stock route network. Under the bill, local

governments will now be the decision-makers for authorising all stock related activities on the network, including the long-term grazing. This will reduce the number of government entities the landholder or a drover of stock has to deal with for travel and grazing approvals.

The state government will continue to be responsible for the strategic oversight of the network and for ensuring that the act is effectively administered. This will be through the development of a state management plan that sets out the management outcomes necessary to maintain an integrated and connected stock route network for travelling stock. The bill provides powers for the minister to direct a local government to perform functions under the act and to step in and take action if they are not.

Stock travel decisions made by a local government, as they are now, will also continue to be reviewable by the state. For state controlled roads, state consent through the chief executive of transport will be required before a local government can issue approval under the bill. This is to ensure the operational integrity of the state's transport network and for obvious road safety reasons.

The bill reduces the existing management and administrative burden on local governments. In particular, under the current arrangements, local governments are expected to maintain stock facilities on the entire network. They are also required to prepare a local management plan for the network in their area and have that plan approved by the state government.

Classification of stock routes under the bill will be simplified from four categories down to two, which will be primary and secondary routes. Local governments will then focus their management efforts on the water facilities on the primary network, which is the most important part of the network for travelling stock. Additionally, councils will no longer be required to prepare these local management plans. Instead, it will be all under a state management plan that will be developed in consultation with local government.

The bill introduces a revised application and approvals framework and establishes an order of priority in which the network is to be used. The highest priority is to be given to travelling stock, with grazing and pasture harvesting only permitted where it does not impact on the ability of travelling stock to utilise the network. It will provide the local governments with greater clarity when making decisions about how the network should be used. The bill also provides for contemporary enforcement and compliance powers for local government, such as the ability to issue caution notices to persons to prevent or remedy an offence or to prevent or minimise land degradation on the network.

Under the bill, local governments and the state for the first time will be able to identify areas of special interest that contain significant features of natural or cultural heritage. Conditions will then be able to be imposed on approvals to minimise any impact of travelling or grazing stock or pasture harvesting on those areas.

Another key objective of the bill is to provide a framework for local governments to authorise stock travel, grazing and pasture harvesting off the network to reduce the number of government entities that a landholder has to deal with in gaining approvals. This includes roads that are under local governments' control, reserves where the local government is the trustee of that reserve and state controlled roads with the state's approval.

The bill will provide improved opportunities for local government to recover their management and administration costs associated with the network. Local governments are currently limited in the fees they can charge under the existing arrangements with the state setting all fees. Under the bill, the state will continue to be responsible for setting the fees for travelling stock approvals. This is in recognition that stock travel on the network is a state interest and there is a need for a consistent statewide fee for that purpose.

It is our minister's intention, as he outlined in his explanatory speech on the bill, that standard travel fees will not increase from their current level other than by annual indexation. This recognises the impact of drought on rural Queensland and that the network is mainly used to travel stock in such times as drought. Where applicable, the fees will be set through a regulation made by the state under the provisions of the bill.

Just to provide the committee with some context as to the quantum of the fees associated with travelling stock based on the current arrangements, a typical mob of cattle travelling for, say, 60 days at a rate of 10 kilometres per day—a mob of 1,500 cattle—will cost \$900 for that travel approval. As I mentioned, in accordance with the minister's commitment, that charge for travel will be maintained under the regulation that will support this bill.

The state will also set a minimum fee for the grazing approvals on the network. The local governments will now be able to set fees for stock grazing activities on the network that are at or above that minimum fee that the state specifies by regulation; for any pasture harvesting—making hay out of excess grass that is available on the network; and fees for stock travel, for stock grazing and pasture harvesting on roads and reserves that are not part of the stock route network.

They will also be able to set a cost recovery administrative fee for processing the applications. These fee arrangements provide local governments with some flexibility to set fees at a level that accurately reflect their individual costs of administering the network. It also reflects one of the key principles of the bill that users of the network should pay a reasonable amount to help maintain the network and that amount should reflect the benefit that users derive from the network.

Currently local governments retain only half of the revenue that they collect for travel permits, short-term grazing permits and water facility agreements associated with the stock route network. The other half of the revenue that is collected currently needs to be remitted to the state. For 2014-15, the local government 50 per cent share of the revenue that was due was about \$185,000, with an equivalent amount then required to be remitted to the state. Under the proposal in the bill, all fees remitted for those purposes on the network will be retained by the administering local governments.

The revenue that the local governments will be able to retain under the framework will include all revenue from water facility agreements. It will also include additional revenue from the long-term grazing approvals on the network and other roads and reserves. Currently those arrangements are administered by the state and the state retains all such revenue associated with those long-term grazing approvals. Currently that generates the state around \$496,000 per annum. That money, in future, will be retained by the administering local government.

The bill also provides that all fines and penalties for offences under the bill will now be paid direct to local governments. That will support their enforcement and compliance efforts. Importantly, the bill also makes it clear that all revenue that a local government receives from the network must be spent on the administration, maintenance and improvement of the stock route network in their area.

The bill will commence by proclamation and that will allow time for the department to work with local governments, the Local Government Association of Queensland and other key stakeholders in implementing the arrangements in the bill. The implementation will be phased over one to two years to enable a smooth transition of functions being adopted by the local government. The department will also work closely with other departments and key stakeholders during the development of the state stock route management plan and the associated regulation.

The state government has committed to continuing to provide and maintain a web based stock route management system, which is a computer system that allows the local governments to issue and record approvals, identify stock and pasture condition across the stock route network and assist with monitoring, enforcement and compliance by providing up-to-date information on stock route network usage. The state will also continue to provide capital works funding for water facilities on the stock route network. In 2015-16, the state made \$800,000 available to local governments for capital works on the stock route network. That funding will continue to be available.

I will outline some of the consultation that has been undertaken. This bill has been under development for many years. Recent consultation on the bill has specifically included discussions with the Local Government Association of Queensland, AgForce Queensland, a number of conservation organisations, drovers through the Queensland drovers association, native title representative bodies and the Queensland Beekeepers' Association. Local government mayors, chief executive officers and other local government and staff with stock route management responsibilities were invited to participate in a number of teleconference briefings across 2015 and then, finally, in September 2016.

Further consultation was also undertaken with local government representatives as part of the local government stock route implementation group and where the department was invited to attend local government conferences and other forums. I am now happy to take any questions that the committee might have in relation to the bill, thank you.

CHAIR: How long has it been around? It has been around for quite a few years, has it not?

Mr Hinrichsen: The bill has been in development for some time. Most significantly, a bill was introduced in 2011 to replace the existing framework. That bill lapsed when that parliament was dissolved in early 2012. There have been a lot of processes in reviewing that process leading to the bill that we have before us today.

CHAIR: The cooperation between local government and those people using the stock route itself, is there any history there? Are there any disputes that we need to take into consideration?

Mr Hinrichsen: The stock route network has been around for many, many decades. There are from time to time matters of dispute—most recently, and probably significantly, when a large mob of cattle were en route from the Northern Territory through to, I think their destination was ultimately, Victoria, where parts of the network were in severe drought. There was competition for the available pasture that a large mob of cattle would be accessing. Water as well is critical in those periods. In that case, the state government intervened in the approval process for that mob of stock. Consistent with the objective of this legislation, the primary use of the stock route network is for travelling stock. Regardless of who might own them, where they are coming from and where they are going, it is about a legitimate use of that route network for moving stock from A to B on foot.

CHAIR: You would be aware that we are going to do a trip around Central Queensland and out west. Are there any issues that we should be aware of with regard to having consultation with local government?

Mr Hinrichsen: I was not aware that the committee was travelling to regional areas, but I am sure that will be very well received. We have had a number of local governments making contact and they are very keen to show the committee their hospitality and talk them through the issues that they have. The views are many and varied in local government. The Local Government Association of Queensland has worked very closely with our department and is very supportive of the key elements of this bill.

Most of the issues that have been raised, quite legitimately by local government, relate to the implementation arrangements. Much of that is providing adequate time to transition the arrangements. It is probably fair to say that some local governments are ready to go now and others will take more time. Much of that, I suspect, reflects the level of usage of stock route networks within their particular area. Some local governments are very familiar and there are large numbers of cattle or sheep moving through their areas. For others, it is a less frequent experience. We recognise that some local governments are, if you like, more ready than others and, hence, the implementation time. It is not a bill that will commence on assent. There will be time to work through with local governments to ensure their readiness.

There will, no doubt, be issues raised with the committee in relation to fees—the adequacy of certain fees—and how the costs associated with the network should be distributed among the various users. The bill itself does not prescribe fees. The fees will be set through regulation. Where local governments are able to set those fees for the off-network activities, particularly for the pasture harvesting, the bill recognises that they are best placed to assess the cost and the benefits associated with the access that is being provided. Local governments will set those.

There are issues that are frequently raised about consistency across the network. That is the key reason for the minister retaining in the bill the role of the state in setting travelling stock fees. If you were travelling from the north to the south, from the west to the east, there will be a consistent rate that is applied.

The interaction between the drovers who are using the network to travel stock from A to B with local landholders, who in times of drought can also be keen to utilise local roads, local parts of the network to depasture drought affected stock, is always a significant issue in terms of priority for access. The bill adopts a longstanding principle that the first priority for use of the network is for travelling stock. Other uses are to be accommodated, provided they do not impact on that primary objective. No doubt, the committee will hear various views on that. By and large, the use of the network is very strongly supported by local government and by rural groups with an interest in this space.

CHAIR: Is there any means for mediation if there is a dispute between the drover and local landowners?

Mr Hinrichsen: The issues vary. Depending on the type of approval that is in question, there is always an opportunity for common-sense discussions on the ground and, more often than not, they are facilitated by a council's local stock route management officer. There can be instances where, for a travel approval, for example, matters are elevated to the minister responsible for a determination. There are also internal review mechanisms through the administering local government, or indeed, in those cases that are hotly contested, even through judicial review channels. If it were useful, we would be able to provide the committee with a run-down on the various disputes, or the formal dispute resolution mechanisms that exist under the bill.

CHAIR: Thank you. That would be good.

Dr ROBINSON: I have a few questions. It may well be that at a future briefing we will follow through with more questions that we might not get through today. I was part of the committee that looked at the related bill in 2011. It became quite a complex thing. In terms of the issue of the need for change, I am trying to get my mind around from where the forces for change are coming. Is it broken? Where is it really broken? Why do we need substantial change in the administration of a system if it is largely working, or have there been some very major conflicts that have ended up being drawn out in court that I have missed or something like that? I would be interested to know why we need to have a substantial change to the management of the stock route system. The state government's role in that seems to be a stronger hand. Can you comment on that?

Mr Hinrichsen: Thanks, deputy chair, for your question. There are many aspects of the current legislation that date back to 2002 that are quite dated, particularly in relation to the hierarchy of approvals. The role of local government tends to be not as clearly defined as it is proposed to be under this bill. The issues to do with revenue are quite significant. Currently, local government has very little say and little ability to ensure that their revenue stream is commensurate with the level of service that they provide. In that space, the bill proposes that the state's role in setting fees, for example, is restricted to those areas where there is a significant state interest. The highest example of that is for travelling stock. It is a consistent fee that the state sets. Elsewhere, those fees will be determined by the administering local government.

In that context, the state is clarifying the roles that local governments have had traditionally, providing them with the ability to ensure that the revenue base that they are receiving is commensurate with the services that they are providing and removing some of the what you might refer to as administrivia associated with preparing their local management plans that tend to be, as you would expect, a carbon copy from one local government to another, but each local government still needs to prepare their own plan and have it submitted for approval. There can be then subtle differences that can cause unnecessary confusion for users of the network. Instead, we will have one overall plan, which will be developed in consultation with local government. Also, significantly, there is the revenue that local governments collect for travelling stock, for short-term grazing that they currently need to pay back to the state.

In many respects, in terms of the revenue that the state generates from its land services program, it is a very small amount of money. In 2014-15, I mentioned that that 50 per cent share was around \$185,000. That is not terribly significant in terms of revenues to the state but can be very significant to a small local government that is providing those local services.

The overwhelming objective of the act is to support local governments in that space to give them contemporary tools and allow them to retain the revenues that they generate associated with management of that network. At the same time, the state will continue to meet its obligations when it comes to the stock route management network, the computer system that supports the local governments in using the stock route network, as well as capital works program which currently is around \$800,000 per annum.

Ms Haenfler: If I could add to that answer that Mr Hinrichsen has provided, a lot of the feedback we have also received from many stakeholders has been around enforcement and compliance and the need for, I guess, more modern tools to be available for local governments to actually undertake that role. They have that role currently, but we have had feedback that some of the tools that are currently available do not really reflect more contemporary arrangements and, similarly, that the penalty levels under the current legislation are not necessarily meeting community expectations about what some of the penalty levels should now be. I will give an example of that: under the current legislation there are offences for taking water from water facilities that are made available for travelling stock on the network. We have had feedback that those penalty levels are currently very low, whereas community expectations in the bush are that that is quite a serious thing to do, to take water without approval, and so that penalty level has been increased.

The other issue that I think we have also received feedback on alludes to what Mr Hinrichsen was saying: local governments currently do not receive a significant proportion of their administration costs back through the current fee arrangements and that has been an ongoing issue for many, many years. Even when you have been involved in the 2011 bill, that would have been an issue back then. That issue has not gone away; it still exists. One of the things that the bill is looking to do is to find ways to better target the resources that local governments have towards the priority areas of the network.

One thing the bill does do is change the classification of the current stock routes. There are currently four classifications, which are primary, secondary, minor and unused. That will now be reduced down to primary and secondary. The consequence of doing that under the bill will be that local governments' main maintenance efforts for the network will now be focused on the primary network. Currently they have to maintain the entire network under the legislation. Really, we need to redirect their resources to the more priority areas and that would be the primary network which is most used for travelling stock.

Dr ROBINSON: Thank you for those answers. Are there particular councils saying this is not working as a system or it just needs tweaking? You are talking about a major restructuring of this in terms of the state government's role. It appears to be a stronger hand of state government with ministerial intervention. I work off a philosophy of letting local people sort a lot of local things out. I guess in a sense that might assist that, but I am unclear about what this looks like on the ground. Are there major disputes between two councils where stock routes are going through that are using huge amounts of time to resolve and that the minister is having to get involved in to resolve and where it is going to court? Show me where this is breaking down.

Ms Haenfler: Firstly, just in relation to the minister's power to intervene, that is a power that currently exists in the legislation. That is almost just being carried over. There have been examples on the ground where there have been disputes between councils, where a mob has been coming through from one council and is going to traverse into another part of the network in another local government's area. There have been those disputes. I think Mr Hinrichsen alluded to an example where that occurred, particularly when there is peak drought time. We have had feedback that there is, from time to time, disputes on the ground between graziers and drovers.

Mrs LAUGA: I just wondered about the transitional provisions of the bill. I see in the minister's explanatory notes that there is a two-year transitional period. What is the program for that transitional period?

Ms Haenfler: Thank you for your question. Firstly to explain, the bill, once it is passed, will commence by proclamation. That is the first thing. Once it is proclaimed to commence then the transitional provisions will kick in. There will be another two years after commencement for certain things to transition. The main items that we have provided transitional arrangements for include the existing state management strategy and individual local government plans that they have in place. Under the current legislation there is a state management strategy but also I think there are 24 key local governments that have to have an individual management plan. They will continue and there will be up to two years to allow the state to consult and, I guess, negotiate with local governments about what should be included in now a single state management plan. The reason why we are moving away from individual local government plans is that it is a lot of red tape for local governments to have to do those plans. There are quite significant preparatory requirements under the current legislation and they have to get those individual management plans approved by the state. There is nothing to stop a local government in future still having their own management plan, but they just will not have to come to the state for approval. That is a red-tape reduction mechanism from our point of view.

The other issue that transitional arrangements are provided for are if there is an existing application that has been made before the date of commencement of the bill what happens to that. Basically if there is an application for a travel approval or a grazing approval then it will be assessed under the new legislation. One of the most significant transitional arrangements, however, is for permits to occupy for long-term grazing that have been issued by the Department of Natural Resources and Management under the Land Act. As Mr Hinrichsen alluded to, the bill will now provide that, in future, permits to occupy for long-term grazing will not be issued by the state by DNRM, they will be replaced by something called a grazing long-term approval under this bill and local governments will be able to issue those. However, we have had discussions with AgForce and other representatives of the pastoral sector and we have acknowledged that current holders of permits to occupy need time to transition to the new arrangements so we are allowing up to two years for those permits to continue after the commencement of the act and the Department of Natural Resources and Mines will be working with those existing permit holders to advise them of the new requirements as well as working with the relevant local governments about how those new arrangements will unfold.

Ms LEAHY: I might just pick up on the permits to occupy if I may, please. You mentioned the PTOs will be replaced with grazing long-term approvals and local governments will be issuing those. Will local government have to put expressions of interest for those, let us say, camping and water reserves, out to the public in a fair way? I am quite familiar with camping and water reserves. There are people who have permits to occupy some that are land locked, some that are on primary,

secondary and minor current stock routes. There are a lot of issues there with those and I am just wondering what that process will look like because I think it is important that landholders who currently have those PTOs know what that looks like.

Mr Hinrichsen: Generally, member for Warrego, there will be a process where the councils determine the best and fairest way to provide that access. It is also very important to recognise that there are many, many circumstances where, say, a section of unused road or a reserve is effectively hemmed in by existing landholders. Then it would be logical for that process to favour the existing landholders as opposed to the process being open to all and sundry. I guess in those processes the state wants to leave local government to manage it as they best see fit. We would imagine that in many, many cases where there are existing permits to occupy they would simply be rolled over from being administered by the state with the current holder of those permits to occupy under this arrangement, then dealing with the response of a local government through a direct transitional arrangement.

Ms Haenfler: Just to further add, the bill does provide that for long-term grazing approvals that the application to apply in the first instance will be to a landowner that is adjoining the stock route network for the part that they want to graze.

Ms LEAHY: Can I ask a supplementary question. Who then sets the fee on the grazing long-term approval.

Mr Hinrichsen: Where the long-term grazing is on the network there is a minimum fee that is set by the state through regulation. Just to finish that, that is a minimum fee. The local government will be able to determine if they believe the fee should be at a higher level recognising the services that they provide. Where it is off the network, so on a road or reserve that is not part of the stock route network, the local government will have exclusive discretion in setting the fee that is applicable to grazing off or harvesting fodder on that particular road or area of reserve.

Ms LEAHY: You talked about red-tape reduction. I am quite aware the department of Main Roads, on the minor and unused routes, place a considerable amount of red tape and requirements on people who wish to use those road areas. Has there been any consideration to reducing that red tape? I will give you an example. I am aware of, say, Cunnamulla to Thargomindah, that stretch, whereby the requirement from the Department of Main Roads was that on about a 50 kilometre stretch of road that the landowner would have to contain the cattle and actually stay there all day and temporarily fence that area. I know, for instance, on the Warrego Highway near Roma that they do actually insist on that. I have seen people sitting there beside the highway all day tending their stock when they are quiet cattle, they are behind a hot wire, there is no possibility of them actually breaching that hot wire. I am just wondering if there has been any work done with the Department of Main Roads on that?

Ms Haenfler: We have been in discussions with the Department of Transport and Main Roads. One thing they are looking to do is to review what state controlled roads currently form part of the stock route network and whether it is appropriate for those roads to continue to do so. One of the factors in that, though, is that we still need a connected network for the state. We are in discussions with them about how that would still happen, so other alternative routes.

The intention under the bill, however, is that local governments are still the prime approver of any stock travel grazing approvals even if they are on state controlled roads. The Department of Transport and Main Roads has asked, though, as they currently do—so it is really not a significant change in that sense—that they still have the right to consent to the approval being granted by local government. We are happy to have further discussions with them based on some of the examples you have just provided to see how we can work with them to reduce red tape.

Ms LEAHY: I suggest that we investigate that area fairly thoroughly because I can see significant issues as this transitions through and there are significant issues already.

CHAIR: Thank you very much. Unfortunately, we have run out of time this morning. Thank you for your responses; they were very good. Having spent some time on the stock route with my dad and a couple of thousand head of sheep, I do understand a lot of the issues around stock routes. The committee looks forward to your continued assistance during our examination of this bill. Thank you to Hansard. A transcript of these proceedings will be available on the committee's parliamentary web page in due course. I now declare the briefing closed.

Committee adjourned at 9.17 am