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Infrastructure, Planning and Natural Resources Committee
Parliament House
George Street
BRISBANE QLD 4000

By Post & by Email: ipnrc@parliament.qld.gov.au

Dear Committee

Re: Stock Route Network Management Bill 2016

AgForce Queensland (AgForce) is the peak lobby group representing the majority of beef, sheep & wool and grain producers in Queensland. AgForce represents around 5,000 members and exists to ensure the long-term growth, viability, competitiveness and profitability of these industries. Our members provide high quality food and fibre products to Australian and overseas consumers, manage a significant proportion of Queensland's natural resources and contribute to the social fabric of rural and remote communities.

Thank you for the opportunity to provide comment on this Bill.

As outlined in the attached submission, AgForce has been involved in stock route reform discussions for over a decade. Unfortunately, however, this current Bill fails to address a number of the initial purposes for significant reform and as such, AgForce is unable to support it in its current form. AgForce has made a number of recommendations for the Parliamentary Committee and look forward to discussing these.

If you have any questions, please do not hesitate to contact General Manager – Policy, Lauren Hewitt [redacted]

Yours faithfully

Charles Burke
Chief Executive Officer

Overview & Introduction

AgForce would like to thank the Parliamentary Committee for the opportunity to make a submission to the *Stock Route Network Management Bill 2016* and also for gaining an extension to the consultation so as to avoid scheduling important hearings over the Christmas break.

AgForce spear-headed the need for reform of the Stock Route Network (SRN) since 2003 when a collection of AgForce landholders and Local Government (LG) officers approached the then Lands Minister. Following three years of discussions, a Bill was produced in 2006 aimed at rectifying the following identified issues:

- The Stock Route Network (SRN) is often heavily overgrazed and this is not acceptable and is contrary to the intention of the network
- There are inconsistencies in dealing with councils – problems when crossing multiple borders over long trips
- The SRN is being used for substitute agistment instead of dedicated to traveling stock
- Fees charged are not adequate to cover costs
- Asset management (eg, waters) are of concern as some are maintained by landholders adjacent and some by Council
- There was a need to consider closure of minor or unused routes
- Management of the SRN was not working: parochialism a problem & resourcing a problem

In fact, in a position paper published by LGAQ in 2002, the following issues were cited with regard to the network:

- Maintenance of unused sections of the SRN
- Inadequacy of fees and charges in the recovery of management and administration costs
- Capacity and practicality of enforcement of regulation
- Capacity for on-ground management of SRN and its use with limited resources
- Autonomy of LG to utilize the SRN and
- Management of conflicting uses of the SRN

Since the failure of the 2006 Bill, there have been several other attempts to reform the network, presumably driven by recurrence of the same issues outlined above.

Unfortunately, however, AgForce believes this current Bill does not address all of the abovementioned issues and has been worked up in isolation to its users, leaving a potential void in ensuring good implementation resulting in an inevitable repeat of poor human behaviour.

It is important to note that after LG, AgForce's members have the most interest in the SRN, being the SRN-users, holding current permits and also (except for direct State Government funding) funding all facets of the SRN including:

- GA fees
- Travelling stock fees
- Watering Agreements
- Any finally, in the instance that the above fees do not cover maintenance, primary producers find the SRN through their rates.

Comments on the Bill

AgForce has outlined its comments on the Bill in the following sections below:

a) Comments on specific clauses
b) Omissions and/or broad issues with the Bill and
c) A path forward

a) Comments on Specific Clauses

Clause 2 - Commencement

As this is to be set by proclamation, given the heightened significance of LGs in the Bill, AgForce stresses the need that they be ready to apply this new framework prior to a proclamation date being set. It is recommended that commencement be at least one year after proclamation to allow for a smooth transition.

Clause 3 – Purposes of the Act

AgForce endorses the stated hierarchy of uses.

Clause 4 – Principles Underpinning the Act

AgForce endorses the proposed hierarchy of permits being:

1 Travel approval
2 Unfit stock or short-term grazing approval (GA) (emergency)
3 Short-term GA and long-term GA
4 Harvesting approval

AgForce has previously questioned the department what consultation with adjacent landholders will be done when approval for an unfit stock permit is granted due to an illness prescribed by regulation where that illness poses a health/welfare threat to cattle on adjacent land. The consultation and process implemented in this situation needs to be consistent with the *Biosecurity Act 2014* and existing DAF procedures and notifications.

Clause 7 – Stock Route Network Register

AgForce understands the SRN register has not been established nor has final classification of the SRN into categories been done. Given the importance of this categorisation, prior to commencement of the Act, DNRM must conduct genuine consultation with affected and/or adjacent landholders to ensure that any existing secondary stock routes are appropriate to be classified as primary, and to ensure connectivity of the primary network.

AgForce have previously reinforced the need to do this with the Department who have responded that AgForce needs to point out any known issues however, we are not in a position to do this across the entire SRN and given the regional complexity of the task we believe it would be better done by the Department

Clauses 9 and 10 – Local Special Interest Areas

Whilst the clauses currently state that special conditions must not prevent access to the SRN in these areas, it should also be explicitly stated that such conditions should not also result in additional GA costs.

Under these clauses, there is no protection against 'land banking' of the SRN via gazettal of nature refuges and other special interest areas. Given the primary purpose of the route is for stock, AgForce would support protections being built into the Bill to ensure that the State and others are not able to frustrate this purpose through over-laying designated state and local special interest areas.

It is unclear who will pay for the management costs associated with imposition of a maintenance condition.

Clause 13 – State Special Interest Areas

AgForce notes that protected plant protections (under the *Nature Conservation Act 1992*) have not been identified as a sub-section under (1) and queries whether this is on purpose given the potential pasture harvesting on the SRN.

Clause 14 – Maintenance Conditions for State Special Interest Areas

As noted above, it is unclear who will pay for the management costs associated with imposition of a maintenance condition.

Clauses 16-18 – Temporary Conditional or Closed Status

AgForce supports the 12-week cap on notices provided under this section however, queries how monies will be collected to pay for any rectification works associated with SRN closure?

Clause 19 - State Stock Route Management Plan

AgForce has not been provided with a copy of this Plan and given the importance of it, believe that it should have been developed upfront and tabled with the Bill.

AgForce has previously posed questions regarding the duration and content of the plan to DNRM who responded that these are questions to be directed to the stakeholders affected – AgForce queries who these stakeholders are and when this will be? Given the process and contents of the State Stock Route Management Plan is currently so undefined, it will require significant consultation as it underpins the success or otherwise of this Bill.

Clauses 20-21 – Pasture

AgForce queries the order in which adjacent landholders will be offered these approvals in the instance there are no existing approvals and there are multiple adjacent landholders?

Importantly, any harvesting on the SRN must be done using the Department's Mobile Assessment Tool (MAT) to ensure that pasture growth is not inhibited for other SRN users.

Could it be foreseeable that another lower hierarchy purpose of the SRN is for it to be managed for fire hazard and weed and native species encroachment – if so, how/does the Bill facilitate management for these purposes?

Clauses 22-23 – Stock Facilities

Clause 16(6) allows for removal of stock facilities. AgForce notes that this would be likely to affect approval holders and as such compensation should be payable if there is an active GA. Alternatively, a reduction in grazing fees would be more in line with what happens when a landlord changes conditions.

With regard to the ability of LG to 'relocate, remove or sell' secondary stock facilities, it should be noted that these assets are expensive to replace and should always be retained for the future when it may be utilised again. AgForce does not support removal of these facilities.

Where LG is considering what to do with these facilities, LG needs to discuss with local landholders the best and most efficient use of these facilities prior to making a decision. In many instances, a long GA or water facility agreement where the landholder agrees to pay fees and/or do all maintenance would be preferable to removing the facility.

Clause 24 – Maintenance of Stock Facility by Approval Holder

AgForce contends that some approval holders may elect to do maintenance in lieu of paying rents on the land – something that should be encouraged under this Bill.

Clauses 25-26 – Water Facilities

AgForce questions the duration of the water facility agreements? Further, where the facility is granted on a GA they should be the one agreement rather than separate agreements.

AgForce also requests further information about how fees associated with water facilities will be set? Given the variable condition and flow of water facilities, as well as whether the user has adjacent land, means that the derived benefit could vary significantly. AgForce believes the fee setting process for water facility agreements should be discussed as part of Advisory Committee given this aspect has never been part of previous SRAP discussions.

Clause 27 – Applications

In the event that an application requires more information and requests more from the applicant, the one-week time should apply from the date the applicant receives information about deficiency. If it is taken from the date the LG issue the request for more information, due to lengthy postal processing timeframes, it is foreseeable that an applicant would not even receive the notification within the week. One approach could be to assume standard delivery times in different areas, or just have a lengthy period to respond.

Clause 27 notes only a 'person' can apply for approvals – many agricultural enterprises are not 'people', rather are corporations or trusts.

Clause 27(5) also references that an application fee is applicable to local government before the approval is issued and believe that there should be a degree of consistency across LG to ensure fees are same.

AgForce supports GAs being transitioned to a common start date, preferably the start of the rate-paying period.

Clause 28 Requiring more Information for Application

As outlined earlier in this submission, given the lengthy delays with postal communication, it is highly likely to take longer than 7 days for each communication to occur between LG and the applicant. This again calls into question whether the date the 'application is made' is the date it is sent or received. This needs to be clarified.

Clause 31 – Considerations – Generally

AgForce supports the inclusion of considering whether applicants, or their associates, have had any previous offences against the Act however stresses that the associate relationship should be a current rather than historical test.

Clause 35 And 36 – Considerations – Grazing Approval (Short-Term and Long-Term)

Clause 35(2) and Clause 36(2) note that a LG cannot grant GAs unless they are reasonably satisfied that the applicant has a fencing maintenance agreement with the owner or occupier of the private land next to the approval area. In the situation the applicant and adjacent landholder are the same, then maintenance of the fence needs to continue. If it is going to be a primary stock route then all fencing needs to be maintained for future use within the SRN.

Given that 'fencing maintenance agreement' does not have a defined form or outcome, AgForce wishes to discuss the form of this policy and how it will be imposed.

Mandating that fencing maintenance on the SRN is solely the responsibility of the adjacent private landholder will do little to encourage additional fences being installed.

Clause 40 – Approval Periods

AgForce has historically supported five year permits on both primary and secondary SRs where there was a set pasture retention which could be audited and verified. AgForce does not believe that a one-year permit engenders a long-term view of on how the resource should be managed. Therefore, we believe that all GAs should be conditional upon maintenance of appropriate fodder reserves on primary routes – in fact this is far more important than whether the permit is issued for one or five years.

Without an underpinning compliance regime, the GA duration will only serve to continue current poor management which is not being addressed, regardless of the permit duration.

Clause 43 – Amending Approval on Approval-Holder's Application

AgForce asserts that Clause 42(2)(iii) might better be expressed as a percentage change increase in head – ie, rather than 20 head, restrict increases by 20 percent.

AgForce also questions whether head numbers will be calculated in animal numbers or animal equivalent (AE) numbers – the latter being preferable.

Clause 53 – Stock on Network without Approval

This clause requires graziers putting stock on the SRN must either hold an approval (Clause 53(1)) or hold the requisite public liability insurance and give the LG oral or written notice of the proposed travel – DNRM have indicated this is primarily for property management and/or animal husbandry practices. It is recommended this be clarified and a standardised policy and plain English fact sheets be drafted and communicated outlining what insurance coverage is required, signage and supervision requirements.

Clause 56 – Inspecting and Measuring Harvested Pasture

As we have discussed previously with the Department, we believe that the pasture tool built for LG should be utilised for GAs, travel permits and also harvesting approvals. This should therefore be used as the 'harvest record' as required in this clause.

AgForce fully supports the use of the MAT tool by stock route supervisors to ensure adequate pasture on the SR being maintained.

Clauses 80 Onwards – Seizing Stock

These provisions and timeframes need to be consistent with existing SARCIS and DAF rules and processes.

Clause 105 Onwards – Reviewing Decisions

AgForce submits that there needs to be a mechanism to review all original decisions (cf travel approvals or unfit stock approvals) by an institution outside of local government, preferably State Government.

Clause 128 – Advisory Panels

AgForce notes that the Chief Executive may establish advisory panels – we strongly recommend that such a panel be set up to consider the regulations, establish the register and oversee the

implementation of and first two years of the new Act. The advisory panels need to include local government and grazing industry representatives. AgForce is aware of regional areas, such as Longreach and Emerald, where LG and AgForce graziers are keen to work together to have their own SRN oversight group - something the Bill needs to allow to occur.

Clause 124 onwards – Amounts Payable to Local Governments

AgForce supports penalties and fines going back to local government and being used for administration, maintenance and improvement of the SRN or stock facilities, but queries how this would be policed. There has been a long history of LG not being willing to enforce compliance on landholders and drovers in breach of the Act stemming partly from a combination of:

- A lack of resourcing
- The high cost of conducting legal proceedings, and also
- From a reluctance to fine people in close-knit communities where everyone knows everyone else.

LG have historically been upfront about this lack of enforcement; hence previous versions of Bill have contemplated roving compliance squads so that a local officer was not forced to do compliance in his own local area. Further, it was a clear recommendation (number 13) of the SRAP that:

- 5% of GA fees collected by local government be pooled to establish a compliance fund for resolution of breaches relating to abuse of the SRN
- The compliance fund may be accessed by LG and used to resource enforcement of the provisions of the SRN framework
- LGs may outsource enforcement of provisions to other local governments' local laws or compliance officers where necessary.

AgForce endorses the position that a portion of fees recovered from travelling stock permits and GAs would be directed back into a fund for compliance given the high cost associated with seeing actions through. More detail and discussion on the above concepts should be considered as part of the Bill's consideration given the significance of this problem and the fact the compliance issues have not been dealt with well by the Bill.

Clause 133 – Directing Local Government to Perform Functions

Most landholders, and even LGs are aware of some LGs that fail dismally in their maintenance and investment of the SRN in their area. In some LGs the SRN has become a haven for pests, weeds and stock whose owners treat the SRN as their (free) back paddock. This is despite having management plans in place and the ability to go to the Minister if there is a belief that LG is not properly managing the SRN. In fact, this was one of the key criticisms of SRAP members over the last decade.

AgForce questions how Clause 133 will change this situation, particularly when it is unlikely that there will be little oversight from State Government with regards to ongoing management and administration of the SRN.

Clauses 140 Onwards – Transitional Provisions

AgForce submits that all existing approval holders should be given the first opportunity to hold the new GAs/water facilities/other approvals when their current approval lapses.

Dictionary

Re 'Land Degradation' – corrective notices issued to the approval-holder should only apply in these instances where the approval-holder is found to have been responsible for the degradation.

Re ‘Fencing Maintenance Agreement’ – has a broad definition with no detail, but is likely to be an area of controversy. Who and how will this definition be set? AgForce submits that a common definition and application should be adopted across all LGs.

b) Omissions and/or broad issues with the Bill

Management of Vegetation under the Vegetation Management Act 1999 (VMA)

AgForce supports the approval-holder being granted permits and/or notifications under the VMA where vegetation growth has inhibited the grazing ability of the SRN. The Bill needs to provide a simple process for this.

Grazing Fees & Revenue Raising Grazing Authorities

AgForce believes that the rent calculations should be capped at the equivalent to adjacent property – usually 0.75%, but no more than 1.5% of Unimproved Value pa (term and perpetual lease rents respectively). Allowing rents above this value allows LG to set rents above market value, hence encouraging lessees requiring short-term agistment to bid high and thereby diminishing their available monies for ongoing maintenance of the land. Setting a cap will also prevent the situation whereby rents will vary across shires.

The current Bill differs from previous iterations and discussions which contemplated that fees collected would be socialised for the purpose of infrastructure installation and maintenance – and whilst we did not support this socialisation, there is a strong need for infrastructure investment and maintenance.

The Bill fails to outline a process for negotiated fee-setting between the approval holder and LG. Negotiated fee-setting would be of great assistance in the instance where the approval holder agrees to undertake hazard reduction burning, vegetation and weed control for the benefit of the SRN in return for reduced fees. This is something that might also be of particular use if the particular section of the SRN has limited grazing value.

Increase Travelling Stock Fees

SRAP, the old Lands Protection Council, Local Government and the SKM report have one common recommendation – that the fees for traveling stock be revised to reflect the user pays principle and the level of benefit gained from the activity and offsets the SRN management costs. All considered the fees outdated and not reflective of the benefit gained from the permitted use or significantly contributing to the cost of administering the permits. The 2006 SKM report (now a decade old) showed that in order for local government to recoup its management costs through stock route fees alone, a charge of 29 cents per head per day would need to be made – the current fee equates to one cent per head per day.

AgForce understands that due to a Labor election promise, fees for travelling stock are not proposed to be increased, despite universal agreement that the current fees be raised. The current and future health of the SRN should be elevated above party election promises, particularly where stakeholders are agreed. In SKM's words, '*There is an obvious need to address this short fall in the provision of the SRN if it is to be sustained into the future*.'

Funding of Capital Infrastructure Installation and Maintenance

Currently, water facilities are largely installed and maintained on an annual funding program by DNRM, making long-term funding and planning difficult and at the whim of state government. The cutting out of stock route infrastructure grants to local governments would result in degradation of water infrastructure on a shire-by-shire basis.

Some LGs are seeing the writing on the wall and are implementing upgrading watering points before the grants disappear. The new regime will result in varying standards and reliability of water supplies, and inevitably greater pressure on the stock routes of shires that manage theirs better.

The Need for Current Budgetary Analysis

The following excerpts from the 2006 SKM report indicates just why it is important to gain an overall current budgetary picture of the network before setting fees.

Annual Expenditure on the SRN

The costs incurred by State and Local Government in the operation and maintenance of the SRN are outlined in the following table.

Table E.1. Costs Associated with the Operation and Maintenance of the SRN (2004/05)

Component	Local Government	State Government	Total Cost
Operating & Maintenance	$2,457,909	$1,331,801	$3,789,710
Capital	-	$400,000	$400,000
Depreciation[a]	-	$1,000,000	$1,000,000
Total	**$2,457,909**	**$2,731,801**	**$5,189,710**

Notes: (a) Depreciation funded by the Queensland Government.
Source: AECg*roup*

Full Cost Analysis

The annual full cost of the SRN is estimated to be approximately $5.69 million.

Table E.2. Full Cost Summary by Stock Route Type

Component	Primary	Secondary	Minor	Unused	Total SRN
Operating Cost (Local Government)	-	-	-	-	*$2,457,909*
Operating Cost (State Government)	-	-	-	-	*$1,331,801*
Total Operating Cost	-	-	-	-	$3,789,710
Return of Capital (Depreciation)	$278,870	$235,124	$289,561	$285,797	$1,089,354
Return on Capital	$322,150	$236,338	$161,256	$87,963	$807,706
Full Cost	**$601,020**	**$471,462**	**$450,817**	**$373,760**	**$5,686,770**

Note: This excludes the annual expenditure of the State on infrastructure maintenance and upgrade work, which is capital in nature.
Source: AECg*roup*

At this cost, the average rate-payer (which includes primary producers), rather than the SRN user, will be subsiding the network – something AgForce considers unfair.

When the Department was questioned recently if they still provide for the depreciation of the network (as was the case in 2006 when SKM showed this was funded to the tune of $1,000,000/year) the Department was unclear whether this was currently the case. AgForce recommended that an update of the SKM figures should be done prior to debating this Bill so as to inform rent-setting.

The fact these costings have not been updated and provided to stakeholders highlights the need for further budgetary research and analysis prior to legislative reform, particularly when the reform is conducted under the auspices of redressing budgetary problems.

Limited Oversight of LG

As outlined earlier in this submission, in some LGs there are substantial weed infestations which are a breach of state legislation, their own SRN management plans and inhibit the ability for the SRN to be used for any approval/productive outcome. Given this Bill increases LG's stake in the SRN, there needs to be a strong and effective mechanism to enforce compliance of the SRN plans. AgForce is concerned that the call-in power by the Minister is unlikely to be utilised by the average SRN-user or ratepayer.

SRAP had previously discussed the need for four roving stock route supervisors. Having these employed by the State could mean they are comfortable handling compliance as well as providing an oversight role – something AgForce would support.

Access Roads on Private Country

When initial discussions on SRN reform commenced, the Government were originally going to have a uniform GA across the State and every LG was going to impose a fee on all Crown lands. Some of these Crown lands were roads rather than stock routes (essentially they were three-chain roads) and under the premise above, the users of these areas would have to pay a fee regardless of whether they were deriving a grazing benefit from them – something which AgForce does not support.

c) A Path Forward

Revisit SRAP Recommendations and Rationale for Reform

The SRAP process and previous iterations of this Bill have received significant stakeholder feedback and more importantly, outline the compelling reasons for reform. Without compiling a checklist of these reasons and then conducting a cross-check to see if they will be solved by the Bill and therefore if there is an imperative for change, this Bill is likely to miss the mark. It therefore runs the risk of costing stakeholders valuable time and effort with no redress of the well-cited issues.

Implement the Recommendations in Sections a) and b) of this Submission

AgForce has outlined a series of recommendations on the Bill, most of which have already been previously put to the Department, many with limited amendment. Many of these relate to the need to ensure a level of consistency across the SRN, and a level of oversight and compliance for both LG and SRN users to underpin the SR's availability for travelling stock.

Consider the Bill along with the associated Regulations

Given the significant detail (including important aspects such as fee-setting) devolved to the associated regulations, AgForce believes that the regulations should be tabled with the Bill.

Rural Hearings for Parliamentary Committee

AgForce strongly recommends the Parliamentary Committee travel to rural Queensland to consult on this Bill with affected stakeholders. We recommend the following locations in addition to a Brisbane-based hearing:

- Emerald
- Roma
- Blackall/Barcaldine and
- Julia Creek/Richmond.