3rd August 2012

The Research Director
State Development, Infrastructure and Industry Committee
Parliament House
George Street
BRISBANE QLD 4000

Submission to the Inquiry into the future and continued relevance of government land tenure across Queensland.

Property Rights Australia is a not for profit incorporated organisation representing enterprises and individuals in all states but particularly in Queensland.
We will confine our comments to rural land tenure.

OVERVIEW

In any review of Leasehold Land Legislation and to consider change, it is necessary to first establish some fundamental principles relevant to the exercise.

1. The first and most important core principle is to recognise farmers, most importantly family farmers and their intergenerational knowledge of how to farm in Australia's unique landscape, as a treasure that is in imminent danger of being lost. The unscientific demonization of our farming community by some governments and various environmental groups has formed an inaccurate perception of the farming community, has lead to intrusive and unnecessary legislation and the demise of rural industry.

2. Governments should recognise and accept that any land including Leasehold Land, that primarily and principally produces animals or crops that are converted to food or fibre should be broadly considered to be food and fibre factories. These food and fibre factories are priceless treasures to the State and the Nation. It is recognised that areas need to be put aside for conservation but it is an unacceptable imposition on rural business to expect working farms to also be conservation parks. Government should retain ownership of dedicated conservation areas where government funds are expended.

3. Governments recognise and accept the reality of serious food production shortages on a Global basis.

4. Government should always be vigilant to ensure that all policies, legislation and regulation relevant to these production systems, should assist those enterprises to be productive and profitable, as no factory can be sustainable if it is not profitable.

5. The fifth core principle must be to ensure absolute security of title and tenure to the landholder and absolute security to manage that land in a productive and profitable manner and to develop that land in a cost effective and realistically practical manner.

6. Any new Policy in the area of Leasehold Land must recognise and address the regulation and legislation nightmare of laws imposed by the former Government that unduly and unscientifically restrict the abilities of landholders to manage and develop that land to realise its productive capacity.

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The most damaging and unscientific based laws and agreements that affect and restrict the existing and potential capacity of food and fibre factories include but are not limited to:-

A. Vegetation Management Act.
B. The relevant Regrowth Protection Acts.
C. The Great Barrier Reef Protection Acts.
D. The Wild Rivers Act.
E. The Delbessie Agreement.

7. These laws have been harshly criticised by the following reputable Scientists and Lawyers:-
    a. Professor Bob Carter.
    b. Professor Peter Ridd
    c. Dr. Jennifer Marohasy
    d. Dr. Bill Burrows
    e. Dr. Ian Beale
    f. Dr. Wolfgang Kaspar
    g. The Queensland Council of Civil Liberties
    h. Professor Suri Ratnapala

In any review of Leasehold Land Tenure one single fundamental question must be addressed. That question - "Is it in the State's best interest to have some 60/70% of Queensland's land mass managed by bureaucrats and Government under leasehold tenure or would it be better to convert significant areas to Freehold Tenure and sell that land to the occupying landholders?"

There is inarguably a strong case in favour of a significant shift to freeholding current agricultural leasehold land, in particular Perpetual leases, and in converting Term Agricultural Leases to Perpetual Leases.

- The Department has been complaining for a decade or more that the cost of administering Leasehold Land exceeds the revenue received from those Leases.

- If the leasehold rent revenue was increased to the level that the Department claims it needs to run its operation and its ideological rates of return on asset value, the cost would most likely bankrupt the leaseholders.

- The conversion of significant leasehold areas to Freehold Title would achieve a few mutually beneficial objectives.

    (a) There would be a capital infusion for the State.
    (b) The work load and cost of Public Service Administration would have to diminish relative to the amount of land no longer requiring attention from the Agency.
    (c) Likewise the Agency workload and cost of administering of Perpetual Leases has to be significantly less than Term Leases.

Delbessie Agreement

The arrangements for lease renewal under the Delbessie Agreement are long and cumbersome and expensive for the State as well as the landowner with an eighty page plus manual for government officers on how to conduct an inspection.
The State had been led by the environmental movement to believe that the vast majority of leases would be in poor condition. This has not proved to be the case. Many of the problems which they had foreshadowed have not eventuated with salinity being a prime example.

A lease with only a short period of time to run is unsaleable and a period to renew in excess of two years is a huge impediment on people who wish to retire or who are in ill health and quite reasonably wish to sell at an opportune time both season wise and economic climate wise.
Surely a brief and timely inspection by DEEDI personnel should be enough to determine if a lease needs a full inspection in order to be renewed.
Any leases adjudged to be in good condition should be given the maximum tenure available without further requirements.
The unreasonable and excessive demands of environmental groups have been disproportionately borne by rural landowners in Queensland and NSW. In a price taking market, extra impediments to profitable business cannot be passed on to the consumer so they need to be adequately compensated for at the ground level.

Anomolies in the renewal process.

- Only native grasses are of interest to inspectors. The Land Act as passed by parliament requires that the grasses should be perennial, preferential and productive, not necessarily native. Some land officers have an unreasonable and negative view of Buffel grass which is a highly productive and erosion preventing grass. A great deal of research has gone into determining the most productive plants and their introduction should not be interfered with for less than weighty scientific reason.

- The Land Act as passed by parliament also says a lease should be kept clear of "encroachment of woody vegetation." The Delbessie Agreement as it appears on the DERM website says that it should be kept free of "encroachment." This anomaly seems to have given inspectors or the department license to interpret, in alternate ways, what should be governed by the Act.

- At least one landowner has been charged and fined in excess of the average for clearing the "woody vegetation" known as Turkey Bush without a permit. Many would argue that he was doing a better than average job of fulfilling his lease conditions.

- Drought has disadvantaged some producers and curtailed the length of lease granted although this is supposed to be allowed for. The inspection procedures and supposed safeguards in place do not recognise differences between a working farm and a destocked area.

- The need to have either an Indigenous Land Use Agreement or Nature Conservation Agreement to get a longer lease renewal period is unacceptable under the present protocols.

- There is presently a duty of care by landowners towards future conservation areas. There are heavy penalties in place for non-compliance. The flora and fauna which are judged to be in these parks are determined by a committee in Brisbane doing a desktop survey. Some landowners have been given documentation relating to future conservation areas many pages long and full of disclaimers about future court action, populated with flora and fauna which neither they nor experienced DEEDI people have seen in that proposed conservation area. There is also the possibility of natural disaster (such as fire) which is outside the control of the lessee, destroying the area. Experience with the Vegetation Management Act does not give confidence that activists within the department will be fair and reasonable in adjudging whether a landowner should be charged or not for not fulfilling his duty of care.

- It is not always possible to identify genuine Native Title holders. Where Native Title holders are identified there should be a standard, government sponsored agreement which is quickly and easily negotiated.

There are few reasons why the Queensland Government needs to own large tracts of farming land. It may be necessary so that it can recapture land held by companies or foreign government owned entities who regard themselves as immune from state or federal government laws. These companies may be not paying taxes and royalties, not abiding by government policy such as to supply a domestic market first, harming the environment or undermining our biosecurity. It may also be the case that instead of using the land for food or fibre production it is just allowed to stand idle and unmanaged.

The vast majority of family farmers have proven themselves to be good land managers and the harm caused to the reputation of our farmers by the unjustified and strident claims of green groups needs to be reversed. The publicly available demographics show the economic harm to farmers validates what they have been trying to articulate for decades. Their voices have been drowned out by environmental groups crying wolf.

Regards

Joanne Rea

Joanne Rea
Chairman
Property Rights Australia Inc.

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