



STATE DEVELOPMENT, INFRASTRUCTURE AND INDUSTRY COMMITTEE

Members present:

Mr GE Malone (Chair)
Mr MJ Hart MP
Mr R Katter MP
Ms KN Millard MP
Mr V Johnson MP

Staff present:

Dr K Munro (Research Director)

PUBLIC HEARING—INQUIRY INTO RELEVANCE OF GOVERNMENT LAND TENURE ACROSS QUEENSLAND

TRANSCRIPT OF PROCEEDINGS

THURSDAY, 30 AUGUST 2012

Alpha

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Committee met at 11.01 am

CHAIR: Good morning, ladies and gentlemen. I declare open the public meeting for the committee's inquiry into the future and continued relevance of government land tenure across Queensland. I thank you for your interest and your attendance here today. I would like to introduce the members of the committee. I am Ted Malone, the member for Mirani and chair of the committee. Other members present today are Kerry Millard, on my right, the member for Sandgate; Michael Hart, on the extreme end, the member for Burleigh; Rob Katter, the member for Mount Isa; and we have the legend from the bush on my extreme right, Vaughan. I think he needs no introduction. He is a good mate.

The State Development, Infrastructure and Industry Committee is a committee of the Queensland parliament, and as such, represents the parliament. It is an all-party committee and adopts a non-partisan approach to all of its proceedings. In relation to media coverage, the committee has resolved to allow television coverage and photography during the hearing, although we do not have too many cameras here today.

The hearing program for today is as follows: from 11 to 11.30 we will meet with the Barcaldine Regional Council; from 11.30 to 12.30, we will meet with AgForce Queensland and leaseholders. Although the committee is not swearing in witnesses today, I remind all witnesses that the hearing is a formal process of the parliament and, as such, any person intentionally misleading the committee is committing a serious offence. For the benefit of Hansard, I ask witnesses to identify themselves when they first speak and to speak clearly and at a reasonable pace. It is the committee's intention that the transcript of the hearing will be published. Before I commence, I ask that mobiles and pagers be switched off or put on silent mode. I now call on Des Howard from the Barcaldine Regional Council to introduce himself and give a summary of his submission. Thank you, Des.

HOWARD, Mr Desmond, Chief Executive Officer, Barcaldine Regional Council

Mr Howard: Thank you, Ted. Our submission, I guess, mainly applies to town facilities or infrastructure on town reserves that we have facilities on. In our submission we really wanted to address the problems that we have with the wastage of land and the processes we have to acquire additional land. The two parts that we have is the vacant crown land part and the acquisition of that for future development. The process currently is far too slow. For some of it, there is land that we require for standard community infrastructure such as rubbish dumps, for example. A recent case of ours is that we had to purchase freehold land to build a rubbish dump on. That process took two years from when we started to when we got the land. In that time, we are probably not managing the existing dumps in an environmentally friendly way, so it is really just a drawback to it. That is just a simple case.

I guess the other issues are the land that we have and that we are trustees for, such as showgrounds and those sorts of things, and if we want to carry out any other use on that land we have to apply for secondary use of that land and develop a plan for that. A recent case of that probably went on for over two years also, to develop a plan to enable us to use that land for another purpose. Currently, excluding camping and water reserves and those type of reserves, road reserves and stock rests, we have approximately 100 other reserves for the purposes of everything from health centres, water, sewerage, rubbish dumps, airports, pounds, dips, local government purposes which is a very general sort of one, showgrounds, gravel pits, museums and cultural type stuff, town reserves and cemeteries. There is a whole range of them and that is not all. Some the inconsistencies we see in those include trying to do something that is not the purpose of that reserve, which is a drama. It is a massive process to try to go through and do it, and I believe that it costs us a lot and it costs the state a lot.

I guess the other real problem for us is the process just to open land. That is a major issue for us, particularly in this town of Alpha where we have been trying now for several years to open additional land. This town could well have as many as 12,000 workers within 50 kilometres of the place within a few years, with the mining development proposed, if it goes ahead. Currently, this town still has 10 blocks of land that we can sell off in Alpha. Beyond that, we require some of that land for ourselves as well. The problems that that causes is that there are other lands and other approvals being sought by private developers, but not necessarily in the best place for development or where those developments should be. We are also restricted by where we have to develop. Alpha is flood prone, of course, and we can only develop to the west. The process to do any of this means it is going to be too late by the time we can get it through. I think, in general, that is the main crux to our submission.

CHAIR: Thank you very much, Des. Before we go on, I would like to seek leave from the committee for Vaughan Johnson, the local member, to participate in the hearings. Do I have agreement? It is agreed. Thank you, Vaughan. Des, in relation to the transfer of USL to freehold, it will trigger, obviously, native title implications. Has that been a hassle for your council? Have you been through that process?

Mr Howard: We certainly have. It does, but we recognise it is a process we have to do. We think that it can be managed, as long as we know that we can. To acquire state land now and freehold it, the process is that we can go through that whole process before we get a valuation. We are paying full market value or 50 per cent if we clear native title for that land. But it is really hard to value a rubbish dump. What is the market value for a rubbish dump or community infrastructure? We are not talking about land that we want to develop and make money out of. We are talking about simple community infrastructure, water bores and sewerage works and that sort of thing.

CHAIR: Are the native title holders well recognised in the area or is there some debate about that?

Mr Howard: We do not run into problems with them. It works. We recognise the process and go through it.

CHAIR: The committee is very sympathetic to the points that you put forward and that is one of the challenges that we have. Vaughan, do you have any questions?

Mr JOHNSON: What Mr Howard has just said here is a topic of conversation for every shire right across, I would say, Queensland. The native title factor is strangling the prospects for growth. In the Central Highlands Regional Council area, Blackwater is a classic example where they are trying to get developments with camp sites, et cetera, on the perimeter of town. Native title is a factor there. As Mr Howard just said, in relation to Alpha and the proposed developments of these mines just to the north in close proximity and the numbers of people he is talking about in terms of population growth, native title is going to be a significant issue here. That matter was raised yesterday at the Local Government Managers Australia meeting in Longreach. Minister Crisafulli was asked that very question. He has been made aware of it. I know that our government is aware of trying to expedite the process. It is an issue for all these shires. I think it is one that has to be put on top of the agenda for the process to be expedited to eliminate the problem of development taking place. Especially with the Barcaldine Regional Council, they need to be able to get some of these projects up. There are people showing interest in the projects now and native title is going to be a deciding factor.

CHAIR: Thank you very much, Vaughan. The committee is very much aware of the issue of native title in conjunction with freeholding and perpetual lease et cetera. That is well recognised.

Mr HART: One of the points that was raised by the council was with regard to stock routes and the Stock Route Management Network Bill went through the last parliament. Can you give us some details on what the issues are there? I understand some councils would like to see this bill enacted and some would not like to see it enacted. Some of the conservation groups would rather see land locked up. Can you give us some background on that?

Mr Howard: This council has some concerns with some stock routes. There probably needs to be some sort of categorisation. One of the big imposts on the process that we are concerned about is how is that going to be managed? Is it another problem that is left to council to try to manage—the grazing agreements and those sorts of issues? In some cases we have actually found that stock routes, for various reasons over the years, do not even connect anymore. There have been some of those found and they stop. They go so far and they stop. So travelling stock have a real issue should the landholders not be agreeable to let them through. So there are issues with it. There are stock routes that run right through and some of them are mile-wide stock routes, which run through grazing land and it is obviously a real problem for the landholders as well in some cases. This council has been reluctant to close some stock routes, because that is an avenue for us for a road, but in certain cases there is probably never going to be a road in there. For the process of opening roads and closing roads, I guess it is advantageous to use stock routes at times for those, but stock routes do not normally run in the best place for a road. Quite often they are running from water to water.

Mr HART: So what would you like to see the government do about that?

Mr Howard: We probably do not have the answer. I think that each area has to be really looked at. I think there are so many differences. We see a vast difference between the stock routes that travel through this end of our council area to the western end and the downs country is very different. The numbers of travelling stock have well and truly reduced. There are far fewer water facilities on them now, so they probably cannot use them as frequently as they once used them. Quite often there is no feed on them when they want to use them, which is usually in drought time. It is a difficult one, that one. Sorry, we do not have the solution.

Ms MILLARD: I am not sure if this question or this comment was made by you but if it was not, perhaps you could comment. There was a comment made that we have some notes on for the states to meet the cost of native title claims over land considered simply because of the complexity of the issue moving forward. What are your thoughts on that?

Mr Howard: Yes, we certainly agree with it. It is a process. That probably refers a little bit to community infrastructure. The cost for us, as I was saying, which includes a native title cost and that whole process, is a huge impost to councils to open up basic community infrastructure.

Ms MILLARD: So do you mean the costs incurred, like administrative costs?

Mr Howard: Administrative costs for the process, yes, and then obviously the purchase of the land on the end of it. We are led to believe that state departments can transfer land from one department to another whereas we cannot. If we want a parcel of land, we apply like everyone else and pay market price for it.

CHAIR: And a simple template for dealing with ILUAs or native title, that obviously would be helpful as well, I would assume.

Mr Howard: Any form of simplified, standardised system, yes.

CHAIR: Getting back to the stock routes, I would assume that there are quite a number of camping or water reserves throughout the area as well. Are they still in existence or have they been closed, as a general rule?

Mr Howard: The reserves are still there.

CHAIR: Yes.

Mr Howard: Most of them now have some form of permit to occupy by a landholder over them. The water facilities are far less now than what they used to be.

CHAIR: Obviously, with the situation where very few cattle use the stock routes anymore, there would be an opportunity for the government to look at putting some more secure tenure over those. Somebody has to make a decision whether the stock routes are closed and passed on to adjacent properties. That is going to be a fairly difficult avenue to explore, because different areas are using stock routes and some are not. Obviously, that is going to be a bit of an issue.

Mr Howard: We have no problem with the unused or the classification of unused stock routes, providing council can have some input into the ones that they believe are truly categorised as unused. There are some stock routes—some of the larger ones—that probably definitely need to be kept open.

CHAIR: The new government has made a determination that councils will have greater control over their areas. So I would assume those sorts of things would come back to a real input from the local governments in the area. Vaughan, have you anything else you would like to say?

Mr JOHNSON: Can I make a comment on the stock routes?

CHAIR: Yes, absolutely.

Mr JOHNSON: There are probably about three different zones in Queensland for stock routes. There is the far western area—the Georgina, Diamantina—and the far western Cooper routes and further inside into this inside country and further north back up Charters Towers way and then you have your inside country again in your coastal strips. I know some of that country is built up, but if there is one thing that I am passionate about and which has been coming out of this country it is that stock routes are a sacred and integral part of the movement of cattle—or livestock for that matter; sheep, too, when they get back in vogue again. Heavy transport now does provide a lot of the need for the moving of cattle. But with store cattle coming out of the territory and the gulf regions, we need stock routes to be feeding our back country stations into the southern end of the Channel Country. In the good seasons we see a lot of those cattle walking right through to the bottom end of the Channel Country. So in connection with our western shires, it is paramount that these stock routes be kept in their current form forever and a day. I know in a meeting with the Longreach Regional Council two days ago with Minister Crisafulli the issue was raised about the watering facilities on these stock routes. I know back in the country where I come out of at Quilpie I had one of these reserves and I always had the agreement, when I took that bore over, that I always gave walking stock a drink. Regardless of whether the bore was working or not, you let them walk in and get a drink. That is just an unwritten rule in the back country; you do not deprive stock of a drink. As far as the stock routes go, it is something that I believe that we have to look at very closely to make certain that they are secured in their current form forever and a day, because they are vital to the grazing industry. The pastoral industry survives off the back of the cattle industry in these western areas.

CHAIR: Just for a bit of clarification on that, Vaughan, this committee will be making recommendations around tenure. It is probably a bit of a longbow to include stock routes, but it certainly comes under our jurisdiction. From your perspective, would it be best that the jurisdiction of those stock routes and the usage of those be handed back to councils?

Mr JOHNSON: I believe that, if they are going to be handed back to council, there has to be some agreement struck between landholders and the council or a component of state government to see that they are not going to be abused. Some councils have let some of these graziers and pastoralists—maybe graziers in the central region—fence stock routes into their aggregation, which is depriving those travelling stock of feed on a lot of occasions, because it has been flogged and if it has been flogged there is no grass for walking stock. I just think that some ruling has to be made and an agreement has to be struck that, if councils are going to be in charge, the landholders have to care for them. If there is a watering facility, they have to be made responsible to look after the watering facility. At the same time for noxious plants and weeds, they have to be made responsible for that. Councils do not have the funding or the finance to be able to do that. I think if the landholder is going to be getting some advantage out of those stock routes they have to contribute something towards the upkeep of them.

CHAIR: Good point. Thanks, Vaughan. Are there any other questions from the committee?

Mr KATTER: I had one. I am not sure if this came from Barcaldine, but this piqued my curiosity—that land managers have access to a full range of options not limited by restrictions of lease conditions. I am just wondering if you have any examples of that in your patch. I would just be interested to hear some comments on that.

Mr Howard: No, we probably do not have any good examples of it. We can see where there are problems with the current system. We do not necessarily know, unless we go chasing up, what is in some of those leases. I am talking about rural land, grazing land until there is a problem and we are told, 'You should have managed that.' The system is too divided. There has not necessarily been a good partnership there.

Mr KATTER: I am certainly pretty favourable towards something like that.

CHAIR: Just to clarify, under a lot of the lease conditions even growing fodder is not allowed on certain landholdings. Certainly, operations like bed and breakfast or a small tourist accommodation is not allowed on leasehold land, either. I think that comment really refers to that—so there are more options available for people on leasehold land. That is a very good point.

Mr HART: Just going back to town reserves and infrastructure land, you mentioned that you would like to see that in freehold. But given the native title issues that might need to be overcome to get to that, would there be any sort of better model of tenure? Maybe just a straightforward perpetual lease that had no conditions?

Mr Howard: It comes down to how those leases or the trusteeship of those lands is granted. Currently, of the some 20-odd different ones that we deal with, an example is the Barcaldine showgrounds where we cannot run a caravan park on in its off-time without having a rather restricted process.

Mr HART: So if there was a tenure that was like a council lease tenure and that was all it said, would that help?

Mr Howard: That is right, probably certainly would. If we had the freedom—I can give another example—we have a block of land with a park which surrounds some council buildings. We have to go to the state and get approval to build a skate park on it or something like that. So that whole process is absolutely crazy, given that we have been occupying that land with infrastructure on all of these sites for some 100 years.

CHAIR: That is certainly an issue that we are dealing with. Thanks very much, Des. We appreciate your attendance here today. That is very helpful. Thank you very much.

Mr Howard: Thank you.

HAIN, Mr John, Leasehold landholder

CHAIR: I invite Mr John Hain to come forward. Thanks, John, if you would like to introduce yourself and give us your submission.

Mr Hain: Thank you. My name is John Hain and I live at Summer Hill, a grazing property between Ilfracombe and Aramac. Our operation is a family concern. In 2004, we paid \$4,400 in rent for our leases per year. We now pay \$13,952—an increase of 217 per cent. In 2017, when the 20 per cent is removed, we will be paying \$28,125, and that is providing land values do not increase. In comparison, our commodity prices are: in 2004, we received \$1,020 per bale of wool; in 2012, \$1,395 per bale—an increase of 37 per cent. In 2004, we received \$45.50 per head for cull sheep; in 2012, \$57.50 per head an increase of 27 per cent. In December 2004, the Queensland cattle market index was 212 points. Last week, it was 188—a decrease of 11 per cent. The more we develop our properties the more the rent increases. Sure, the value of the property increases but why should we have to pay potential value on something that has occurred due to our own effort and expense?

One of the big issues confronting the rural sector at the present time is getting the next generation to return to the farm. For this and the above reasons, I think that there are two issues that this review should look at. The first is that leaseholders need certainty about increases in rentals. Rents need to be set at an affordable level, with increases no more than the CPI and land values playing no part in the process. Farmers are at the end of the line and are unable to automatically pass on the increases in costs. They have to be absorbed without any increases in income.

The second is that there needs to be a more equitable method by which farming families are able to convert to freehold title. I have taken time out today to attend this inquiry in the hope that a more common-sense approach will be adapted for these matters so that we might have a brighter outlook for our next generation to return to the farm.

CHAIR: Thanks very much, John. One of the committee's terms of reference is to look at sustainability and the ongoing tenure issues across Queensland. One of the issues that raises its head in converting from leasehold to freehold is the impact of native title and compensation, which is quite expensive, time consuming and very difficult to handle. I do not want to put you on the spot, but as a landholder do you see freehold as the most secure tenure or would it be a perpetual lease which does not include the compensation factor?

Mr Hain: Our situation is that we already have perpetual leases. We have four grazing homestead perpetual leases. But, yes, I do consider that freehold is the most secure tenure for the simple reason, as I have said before, of the increases in rents. It gets to a stage where it becomes unsustainable if the rent keeps going up and up. Sure, land values increase but that is of no value to the ongoing landholder. It would be of value to the landholder who wishes to sell. I suppose it makes bank managers sleep easier at night. But it does not really affect the ongoing landholder that much. I know that in recent times banks have been lending money based on increases in value, but that does not happen today—it is just on what your return is.

CHAIR: We have had hearings in North Queensland and Western Queensland where property values have declined very substantially because of one decision by the federal government to restrict live cattle exports. Even though everything was done properly on the land, one decision by government can actually impact tremendously on the viability of a property. It is very difficult sometimes to set in place a land tenure that actually reflects issues that are way outside of the weather or anything else. Even that is unreliable and unpredictable. So it makes it very difficult in some cases to be able to correlate between the value of a property and the product that it sells or exports or the income that is achievable on that property. So it does put in doubt a lot of issues in terms of secure tenure and the ability of landholders to borrow against their asset value. I am really just pointing out some of the complexities. One of our charters—the Newman government's view—is to increase food production across Queensland. You do not have to comment on that, but they are certainly some of the issues that we face.

Mr Hain: Yes. At the moment one of the biggest issues affecting all exporters—and this is not a state matter—is the value of the dollar. That live export will not only affect live exporters but it will have a secondary effect on other producers because those cattle will have to come back into the system of domestic killing.

CHAIR: In your situation do you believe that the unimproved value that is placed on your property would be achievable in a sale if you sold your properties? That really is the test, isn't it?

Mr Hain: I do not know at the moment. It is a bit hard to tell. Some people say that land values have decreased by up to 35 per cent. But I do not know.

CHAIR: Have there been no sales recently in the area?

Mr Hain: There was one sale of a small block recently but I do not know what the value of that ended up being. No, I do not know. Our property is a property that needed a lot of development. That was halted under the Vegetation Management Act. We did quite a considerable amount, but we have land that is really undeveloped and unable to be developed.

CHAIR: Are there any other questions from the committee?

Mr HART: John, when we were speaking before this hearing started today you made a point that you have not made yet and I would like you to make it. You started to when you were talking about increasing rents. When we were talking I asked you why you would want to go from a perpetual lease to freehold and your comment was that you were worried about what future governments would do. Could you expand on that a bit?

Mr Hain: Yes. As you can see, in 2004 our rents were \$4,400 and by 2017 they will be a bit over \$28,000. Under the previous government, the Treasurer was saying that the government still needed to receive a more commercial return on their investment. There is uncertainty of where the rents are going to go. It gets to the stage where it makes our operation unviable. We have a lot of other expenses as it is. These properties cost quite a bit to maintain. In our own situation, at the moment we have two kids at boarding school and that is not cheap. We do not really have any excess money at all. We just need to have more certainty about where the rents are going to go. For that reason I think they need to be set at a reasonable level now and then no further increases above CPI. Freehold title would give you certainty. In previous times when governments were looking for money they discounted the unimproved capital value to raise money so that people could buy out the leasehold and have freehold title. I would be interested in making some submission about that. That is the biggest problem now: uncertainty of rents.

CHAIR: I think you have made your point really well, John. We appreciate that. Others have made similar submissions to the committee.

Mr KATTER: You probably covered most of what I was going to ask about. But you raise a very important issue in relation to leasehold land rent. I encounter that a lot in my own patch in Mount Isa, especially through the downs country. Another interesting point is the prickly acacia. People have spent hundreds of thousands of dollars on eradicating that. It was something introduced by DPI. Leaseholders are bearing the cost of managing that, yet they are seeing their leasehold land rents escalate. I think one of the biggest challenges that this government has is dealing with that issue. Under the current trajectory, it could be devastating when that buffer is removed in 2017. I think that is a highly pertinent issue.

In relation to converting to freehold title, I just make the comment—I think this has been raised in one of the other submissions, and I apologise that I probably was not there for that—that in Mount Isa I think they can pay off their leases over 30 years at a low interest rate and at the end of it the title is converted to freehold. I think I saw that in one of the submissions. I was wondering if you would be favourable to that sort of thing or if you had come across that.

The last point is in relation to leasehold land rents. I see Lauren from AgForce here, and I know they have done a lot of work on this. Were you thinking long term? It would need someone smarter than me to come up with a solution, but I thought that it should be matched more to productivity and benchmarking I suppose on returns from your different country types. Is that what you would like to see happen with your leasehold land rents?

Mr Hain: Yes. I think what needs to be done is for it to be set now at a level and worked out not so much on what your gross income is but on what your net income is and so on from there, as you say. On the converting to freehold title issue, my thoughts are that the government probably does not want to go back to people paying them out over 30 years. But if they gave a good discount so that people could afford to buy the land, then I could go to my bank and say, 'This is how much it is going to cost me to pay out my freehold.' That would give me certainty of tenure. Not only that, but it would give me certainty of rent rates. Then the government would have to write off, so to speak, a lot of land value but then they would also receive considerable amounts of money which might be helpful.

Mr HART: John, that makes sense, but how do we stop someone from making a big windfall? I am not saying that they should not make a windfall. But what is to stop someone from buying a property at a discounted rate and selling it the next day?

Mr Hain: No. I am just not quite with you.

Mr HART: I think you are talking about a very significant discount on the value of the land that is being proposed to you. So the government sells that land to you and then, if you were to sell it the next day for its real value, you will have made a significant windfall that the government has missed out on.

Mr Hain: Yes, but the government is never going to get that money anyhow because we cannot afford to pay it out.

Mr HART: No, but if somebody buys it then there would have been somebody who was willing to pay that money.

Mr Hain: Yes, but they would still have to buy it back.

Mr HART: They would buy it at its real value. Can you see a problem?

Mr Hain: Yes, I can see that now.

CHAIR: Because under the previous scheme, if you wanted to sell your property while you were in the process of freeholding, in that 30 years or whatever it was, obviously government was paid out before transfer of title.

Mr Hain: Not necessarily, no.

Mr KATTER: I know in North Queensland there is not much difference between the value of leasehold and freehold so I don't know if there would be much opportunity there.

CHAIR: I could be wrong, but my understanding was that if you had a freeholding lease that had to be paid out before the property was on sold?

Mr Hain: No

CHAIR: It could be transferred from one property owner to the next.

Mr Hain: We originally came from New South Wales and when we first moved to Queensland we bought a property at Isisford and it was transferred.

Mr JOHNSON: It is ongoing.

CHAIR: That clarifies that. Thank you very much.

Mr JOHNSON: In relation to Mr Hain and his comment, he has made a very valid point to the committee. He has made reference to Summer Hill being in four leases. In 2017 if they are paying \$28,000 in Crown rent, some places are only paying that sort of money and less per year for freeholding application that goes to the government. Say in 10 years time he decides to sell Summer Hill and he has only got three years to run on the lease, it is going to devalue that property unless he can get a long-term lease, whether it is 30, 40 or 50 years, because no-one is going to buy it. But the real thing that people have to realise is that Western Queensland and northern inland Queensland, as you know being from the farming industry yourself, Chair, we are price takers not price makers and we are governed by seasonal conditions. That has been a big factor in the west ever since time immemorial. I think we have to have some hard and fast rules. I would be hoping that your committee might make a recommendation to look at having the processing of these leases expedited and making certain that when they do get close to expiring that they are fast tracked for upgrading. I know a lot of constituents who want to sell a property and they cannot get the leases approved so they are strangled in selling the property and if they do sell like that they will sell at a devalued price. I think that is something that has to be looked at.

CHAIR: Mr Johnson, the member for Gregory, makes a very valid point. It is one of the issues that has been raised at just about every one of our hearings. I appreciate your comments.

Mr Hain: If I may say—I did not have time in my two minutes—even though ours is a perpetual lease, as the rent increases it makes our lease worth less. If I wanted to sell, people will come to look and will say, 'How much do you pay in rent?', and if you are paying a high rent they take that into consideration. I think that you are really going to start seeing now a differentiation between leasehold and freehold for that simple fact.

CHAIR: Thank you very much, John. We appreciate you coming in today. You have given some very valuable information to the committee and I am sure that that will be reflected in the report.

Mr Hain: Thank you for having me.

HEWITT, Ms Lauren, Policy Manager, AgForce Queensland

LEAHY, Mr Stuart, Member, Tenure Committee, AgForce

CHAIR: Thanks, Lauren and Stuart. Lauren, we have met before. Thank you for joining us today. Lauren, would you like to make an introductory statement and we will go from there.

Ms Hewitt: Thank you, chair. I would just like to thank the committee for listening to us again. We would like to obviously support everything in our submission which raises many of these points and many more. AgForce is obviously the peak body for the largest stakeholder that is affected, we believe, by this tenure inquiry, being rural lessees. Simply put, this committee has a once-in-a-generation opportunity to improve the resilience of our land, to increase the productivity of our land and increase the profitability issues that fit here for lessees and their rural communities.

Today we are advocating for comprehensive reform of land tenure in Queensland. Today you are going to hear people talking about the lack of security they have, the impact that increasing leasehold rents are having on their businesses and things like aggregations. We have noted all these in our submission and we believe that they need reform. We believe that the reform should go wider than this and that the reform should be comprehensive and look to freeholding as the silver bullet to these things. Freeholding is the only answer that will resolve these issues that we are facing here today and these issues that individual graziers will speak about.

The common response to why the government needs to continue its interest in leasehold land seems to be that we need to maintain leasehold land to ensure its ongoing good condition. We believe that is false and last week we provided evidence as to why. In fact, the government's own science based program has shown that over 85 per cent of leases assessed so far are in good condition. Reading through some documentation, and there is plenty of it on land tenure in Queensland, there is a review nearly every 20 years into why the government continues to own this land. There was Carter in the 1960s, Wolfe in the 1990s and we had another round of it in the State Rural Leasehold Land Strategy which was only finalised 10 years ago after 10 years of negotiation. Reading through the Delbessie documentation this week, it cites the key challenges to leasehold estate going forward as being, number one, achieving sustainable rural communities. Increasing rents are significantly impacting on lessees' ability to hold and maintain these rural communities and placing them under stress. We are seeing the economics of farming favouring larger enterprises meaning that people are managing them remotely and this is impacting on local communities as well.

The second issue that the Delbessie documentation cites as being a challenge going forward and one that the Land Act should address is the security of tenure. Today we will hear people talk about forestry leases, the inability for people to get equity on those leases and the difficult and complex process that the Delbessie renewals processes means for some individuals. Number three, importantly, that the Delbessie documentation states as one of the key challenges facing lessees is profitability and it is one that government can play a role in. We also agree that that is a significant issue facing the industry. Since the 1970s graziers have faced the declining terms of trade which is at its lowest. Input costs are rising and one of the substantive ones of those, as you have heard, is rent. The previous government put in place a rental methodology that failed to consider the profitability of rural leases when they jumped from .8 to 1.5 per cent. The fourth issue that the Delbessie documentation raised was what is the community interest in sustainable resource management. At that time, 10 years ago when Delbessie was finalised, it was considered and conceived that the average punter in Brisbane had a significant interest and should have a significant involvement in sustainable resource management. Today I wonder what this is. I think the average punter in Brisbane has no idea that the Queensland government owns nearly 70 per cent of the land, nor do they care. It is these graziers here today who have invested and continue to manage this land who are the real stakeholders and hold the real interest in this land. In contrast, Australian farmers I suppose are also recognised as being key innovators and adopters of technology. They have taken on board best practice management in a range of programs to improve their land management capabilities and benchmarked them against the rest of the graziers in the country. There are a range of issues that this Delbessie documentation cites and they are consistent with issues that are found in Wolfe, issues that were not resolved in Wolfe, the same issues again in Carter and the ones at the turn of the century that dealt with why would government continue to hold this land. They have not been resolved. Today we believe that the committee can resolve these issues.

As we have said, we are looking for comprehensive reform on the tenure system and we believe that freeholding is the only way that we can get this. We acknowledge though that the road to freeholding is difficult. There are, as we have seen, issues with native title, with the cost of survey standards and we acknowledge that they are tricky. We also acknowledge that there are ways that we can get there. We have heard people in the Cape this week talk about setting up a common compensation amount, talk about better ways to resolve native title, to work with local graziers. We would like to work with you on these solutions. We do not believe that they are insurmountable and we do not believe that we should be constrained by thinking of things under the current Land Act standards and that we should look outside of that to creative solutions that perhaps have not happened in other jurisdictions and, where they have not, come up with our own.

AgForce is excited to work with this committee and we are excited to develop these solutions. We put this to you today and we hope that you take the feedback and consider it deeply. Stu Leahy here is a member of our tenure committee at AgForce. He is a bit unique. He is our only freeholding member. He has been able to provide some very useful comment on what we need to do in order to get an accelerated freeholding program or build security into freehold for lessees looking to go there.

CHAIR: Do you want to make a comment, Stuart?

Mr Leahy: I would like to thank the committee for inviting me along to assist AgForce in its submission. I am a landholder from the North Burnett district, Eidsvold and Monto. My wife and I own freehold land. My role in the family enterprise is to provide off-farm income. I am a woody weed agronomist, a pasture agronomist and I have recently finished a graduate diploma in property valuation. I am not registered as a valuer so I do not do valuations, although I have just started to assist graziers who are looking at changing from perpetual leases to freehold. A number of them do ask me, 'You as a free holder, what have you got to offer? What can you tell me that you've got that we haven't already got?' I find it difficult at times.

In AgForce's submission there is a section on indefeasibility of title. It is a section that if you look at the heading you would probably flick through it pretty quick, but if I asked everyone in this room today, a group of academics or even a group of lawyers what is the title system that Australia currently uses we would probably all agree that it is the Torrens title system. That answer would be correct for every state in Australia except Queensland. In Queensland approximately only 20 per cent, I believe, of the titles are under the Torrens title system.

CHAIR: Because they are freehold.

Mr Leahy: And they are freehold. Every other state in Australia, both leasehold and freehold titles, are under the Torrens system. This is trying to get your head around this indefeasibility. The reason that the Torrens system came about back in 1856 was to speed up conveyancing between purchasers and vendors for the legal profession, but most importantly it was to provide security by introducing the concept of indefeasibility. As a bush person, to me, indefeasibility means unchallengeable, or it means it cannot be defeated. Once I have my name on the register against that lot and plan then that is it, it cannot be defeated, it cannot be challenged, it is mine. So, I have been given indefeasibility of title on my freehold block. Everyone else in this room does not have that security.

When in Australia in 1956, 1860 they started to convert all the titles to the Torrens system the legal profession were extremely concerned because at that stage we were using the system that we used back in England and there were a lot of documents and a lot of deeds and a lot of things that had to be collated to get it into Torrens and the lawyers and the legal profession back then were concerned that people were going to lose their title in the process of conversion and that they needed to establish some sort of compensation fund if that did happen. So they started statutory compensation funds and that backed up the indefeasibility. Those funds still operate today. In every state in Australia freeholders and leaseholders have access to indefeasibility of title and the compensation fund—except in Queensland where leaseholders do not have that. We have an opportunity through this inquiry to rectify this anomaly that has occurred, this thing that is so peculiar to Queensland.

I have brought along as evidence, and in our submission we do talk about this particular paper, a paper by Cradduck and Blake and I would like to give you a copy of that. Most of you may have it, but there it is. That is my evidence of what the status is in Queensland at present.

CHAIR: Just before you do that, Stuart, I will ask the committee to grant leave for that document to be tabled.

Leave granted.

Mr Leahy: I guess my take-home message is that, for some reason over the years, every state in Australia has brought across all leasehold titles in the Torrens, have given them security of tenure and have given them access to that fund—except it has not happened in Queensland and I do not know why. If you were a leaseholder and you were looking to convert over to freehold, you would be asking yourself the old buyer beware question, 'What's in it for me, because I'm going to have to pay a lot of money for this?' Would indefeasibility of title be one of those things? Probably not. I can almost guarantee that everyone I run into does not know anything about it, and I doubt there would be many people in this room who are aware of it. One of the reasons that they would change and convert to freehold—from my experience and the people that I deal with—is the crippling rents. That has been talked about by the previous person and I think it will be talked about today but not by me.

What extra rights do we have as freeholders? Historically, and if you look at Central Queensland as an example, if the leaseholders and permit holders of land abided by their lease and they did the right things—they built their fences, they built their dams, they built their yards and they cleared the scrub, or the fragile ecosystem as it is now called—they were given the opportunity to then purchase the property, purchase the leasehold, and they could also purchase the trees of value on that property and convert over to freehold. The children and the grandchildren of those original leaseholders who converted to freehold have seen a gradual decline in the rights of freeholders.

Way back then, if you had freehold land, you could do pretty much what you wanted. But with government planning and government development schemes, many of the rights have been taken away until you get to an eventual stage where all the statutory acts start coming in on top of freehold land—such

as the conservation management act, the Integrated Planning Act, the Water Act, the state forestry planning act, the Wild Rivers Act and the Environmental Protection Act. Then eventually in 1999—and you might have been ear bashed by Property Rights Australia over this one yesterday if you were in Rockhampton—the Vegetation Management Act was introduced and it stripped away the rights to natural justice that all leaseholders and freeholders had, and it took away our trees that we bought. In 2009 the regrowth clearing moratorium act came into play very, very quickly and they invented a classification of vegetation that did not previously exist and they called it endangered regrowth—it did not exist. Without any compensation, without any consultation and without any notification, they took away the capacity of leaseholders and freeholders to increase the productivity of our land. That last act, that regrowth clearing moratorium act, should be totally repealed—in total. Section 50 of the Vegetation Management Act that deals with compliance officers, or that section that deals with authorised officers, really does need to be changed.

So I sit here before you as a freeholder wondering what it is that I own on my property. I think I own the soil, but the soil is made up of minerals and the minerals are vested in the state. On our particular property, Peabody, which is an American company, owns the soil. I think I own the water. Back in 2001 in our district, 30 farming families got together and applied to access water from the Mulgildie aquifer for livestock. We were told that the allocations for that water had been completely taken up by two mining companies that at that stage did not exist and that there were no more allocations for us. We have been fighting, but we have given up fighting, basically. We cannot get access to that aquifer.

As I said, we thought we owned the trees but the big ones were taken away in 1999 and the little ones were taken away in 2009. Perhaps I own the buffel grass, but in 2009 I phoned a bloke from the WWF, because I was pretty hot under the collar about what he was doing, and in the process of telling him that if we did not control this regrowth there would be no grass there to hold the soil together and the soil would flow out to the Barrier Reef, he told me that buffel grass was one of the most noxious weeds there is in Queensland today and that it needed to be banned and eradicated. So I do not know if we are going to own the grass down the track.

CHAIR: Thanks very much, Stuart. You make a very good point. Are there any questions from the committee?

Mr HART: Just to summarise, you are worried about sovereign risk of future governments with your freehold?

Mr Leahy: It is worrying that very, very quickly, when you think you have rights to be able to control the weeds on your property, a government can in the last five or six days of an election campaign introduce a concept and promise everyone that they will stop the ability of graziers from being able to control those weeds and legislate it.

Mr HART: What is your solution to that?

Mr Leahy: Repeal that act.

Mr HART: I realise that, but sovereign risk as well.

Mr Leahy: I guess politicians can spend a length of time in government and they can get to that 15-year stage, and it is long term but really it is only every three years. I do not know how you stop certain parties from pandering to certain minor groups in the community. I do not know how you do that but that seems to me what happens—that the Greens get hold of a party and they take over and they infest the bureaucracy with their own species until they get what they want: you need some weed control.

CHAIR: I think the view of the committee is that endangered regrowth is an oxymoron in itself. For most of the properties in Central West Queensland, one of the conditions of actually taking up the ballots at the time was that they had to clear the scrub and maintain the condition of that holding. Basically, that was all turned upside down with the moratorium on regrowth. It does not even make sense, quite frankly. I will leave those comments at that.

I was really interested in your comments in terms of the Torrens because the committee has been briefed on that situation. From my perspective, you explained it far better than some of the bureaucrats who explained it to us. There is probably just one point that sticks in my mind and one pertinent question to ask. Under the Torrens system with leasehold, it would mean you would have secure title of that lease for the term of the lease. That would be correct, I am assuming. Then if you take it to the next stage so that at the end of the term basically you relinquish that right. I guess the real question would be: what advantage is there in having a Torrens system for leasehold that is different to what we have now? For instance, the Vegetation Management Act was nearly as bad in New South Wales and Victoria and probably even worse than what we had in Queensland. They had the Torrens system for the leasehold. Can you tell me what the advantages are?

Mr Leahy: There are two separate things there, because the Torrens system just deals in basically registering property. To sort of clarify it, as far as I know, freehold land is under Torrens and they get indefeasibility of title, or unchallengeable title, and they get access to insurance if something goes wrong. It is administered by the Land Title Act, and I think it is section 104 of the Land Title Act which deals with indefeasibility. Leasehold land is not registered and is not controlled under that act. It is registered in a leasehold register that the department runs, I think, and it is controlled or administered by the Land Act 1994. You have the Land Title Act 1994 for freehold land, and you have the Land Act 1994 and there is no

indefeasibility of title and no access to the government insurance fund. So none of those things are going to help us with overriding legislation that comes in and tells us how we should be running our blocks. It is more of an administrative process.

CHAIR: I guess the point I was trying to draw from you—and you may not even be able to answer it, and I am not trying to put you on the spot or be a smart-arse about it—is that, with the New South Wales system, for example, the leasehold land is in the Torrens system but the leaseholders were still badly impacted. The legislation came over the top of the Torrens system there to create just as much angst out there in the bush as we had in Queensland—in some cases even more. So the Torrens system of registering under the titles et cetera did not really help them either, did it?

Mr Leahy: It is two different things, once again.

Mr HART: Is it a higher level of legal comfort that you would suggest?

Mr Leahy: Yes, absolutely. The whole idea of the Torrens system was to enable landowners to have total security through that term ‘indefeasibility of title’.

Mr HART: You consider that if it is not in Torrens you do not have that level of protection?

Mr Leahy: You do not have indefeasibility of title. It does not state it in the act that covers leasehold land.

Mr HART: Did we hear, Chair, that there was something to do with surveying?

CHAIR: In the larger pastoral leases that is an issue, converting to freehold.

Mr HART: We are looking at that, so take comfort from that.

Mr Leahy: I can give you an example of why. When we bought one of our blocks at Mulgildie and paid our money for it and we went and started farming, about 18 months into it we got a letter from the bank saying, ‘There has been an issue. Your legal firm shut down and the owner of your country is not you; it is the previous vendors. The whole conveyancing process did not occur. It is no problem—it is our fault—but we need to get the signatures from the vendors onto the conveyancing and get it put onto the register so that you have title.’ I just went into panic mode wondering whether these people were going to sign the documents. So it does happen. It happened to us and it happens regularly but not often. Had I known that it was freehold land and it was indefeasible land, I would have been compensated. I would not have got the block, but I would have been compensated through that fund. But if I had leasehold land, I would have got nothing. I would have had to walk away. That is why it is so important.

Mr HART: I understand.

CHAIR: Lauren, is there anything else you would like to add?

Ms Hewitt: Last week we foreshadowed that we had been working on a report which will be released soon. Professor Chris Eves from QUT has done Queensland’s first analysis of the profitability of leasehold enterprises in Queensland. I thought you might be interested in hearing some of the figures that he had relating to average return of income over a five-year period, 2006 to 2010. The enterprises were grouped into five categories according to their gross farm income, the first category and the lowest being those under \$150,000. Their average annual return of income over a five-year period was negative 1.79 per cent. For enterprises with \$150,000 to \$300,000 gross farm income, it was negative 0.48 per cent; for those with \$300,000 to \$500,000, negative 0.26 per cent; for those with \$500,000 to \$750,000, negative 0.14 per cent; and for those with over \$750,000 gross farm income, negative 0.28 per cent.

The survey found that, essentially, if the rental figure was removed from the total expenditure costs of the rural properties in the extended case study—that five-year period—then the number of those groupings would have shown a neutral or slightly positive average income. But for those who were returning in most of those instances even 0.5 per cent, that was negated back to neutral or negative when rent was in.

Mr HART: Sorry, what was the period?

Ms Hewitt: From 2006 to 2010. Obviously we have had 100 per cent increases in rental since then.

Mr KATTER: What was the last point you made? What was the change? That would have been positive if—

Ms Hewitt: Those who even had a return of 0.5 per cent positive were generally falling into a negative category because of rent.

CHAIR: The rents were causing—

Ms Hewitt: Were knocking them negative.

Mr KATTER: Okay. So the total value—

CHAIR: Yes, and that is to go to 2016.

Mr HART: That’s a bit of a worry, isn’t it?

CHAIR: Yes. Thanks very much, Lauren and Stuart. Obviously we will be dealing again with AgForce as we move forward, so thank you very much for your attendance here today. We really appreciate it.

BAKER, Mr John, Private capacity

Mr Baker: My name is John Baker. I am a landholder from the Middlesmount area. I would like to thank the committee for inviting me to appear as a witness. I appreciate this opportunity to air our thoughts. As Lauren said, it is a once-in-a-lifetime opportunity to review these leases.

By way of background, we lease 522.3 hectares of state forest which is part of state forest 21, which was formed in the mid-1970s when the surrounding properties, including ours, were converted to grazing homestead freeholding leases. Our lease is a 50-year lease which started on 19 August 1976 and expires on 18 August 2026. This lease is just one corner of a paddock where the bottom end of the range area comes down onto our property, Booroondarra, and has never been fenced off. It just runs, as it always has, as part of that particular paddock. The other properties that have sections of this state forest in their area mostly operate in a similar fashion, although some of the areas of their state forest are a lot larger than ours and make up a substantial portion of their property—up to a third, I guess. They are all of a similar fashion: they are not fenced off; they just run as part of the overall property. The lease arrangement that we have enjoyed to the present has been quite satisfactory from our perspective. The rent has been reasonable, the conditions have been reasonable and the term is adequate. As I said, it is a 50-year lease, which is a pretty reasonable term.

The concerns that local graziers in our area have are with the suggestions that these leases could be converted to national parks or that they may not be renewed when they expire. This area of the state forest has a large population of rosewood trees, which local timber-cutters have been able to access for cutting for fence posts. This arrangement generally works fine but, as always, there are some individuals who tend to make a nuisance of themselves and pushed tracks across freehold land, blew fences down and poached timber from other freehold areas. Like I said, this is a separate issue from what we are discussing here today, although if these state forests were converted to national parks then this valuable and renewable resource would be lost.

Under the terms of this lease it is our responsibility to maintain this land free from noxious plants. We also maintain firebreaks and try to prevent bushfires from destroying the timber. The cattle also assist in this by reducing the fuel load. These benefits would be lost if the state forest were converted to national parks, with devastating consequences for native flora and fauna. By way of example, nearly three years ago a bushfire got into an area of range country near home that had not been grazed for a couple of years and it just burnt everything. Whole stands of rosewood and spotted gum were just black stumps and holes in the ground where the fire burnt the roots out of the ground. Lord only knows how many animals perished in that.

In my submission my thoughts were that things should remain basically as they are, with the option to renew that lease when it expires in 2026. I have just had a few thoughts since that time and was wondering if there was a way that these leases could be converted to freehold title, a perpetual lease or something along those lines. Obviously the Crown would want to retain the ownership and control of the timber and the harvesting of it, but this could be operated in a similar fashion to mineral licences, which are owned by the Crown and made available to people other than the landholders, and could operate possibly in a similar fashion to now where if the timber-cutter wants to cut timber he applies through Forestry for a permit but they can still override whatever freehold or perpetual lease title it was.

The benefits I see in this are that it gives the graziers security of title that would enable them to borrow against that asset for business expansion, which could take grazing pressure off these areas if graziers were able to expand to all productive land. There would be a financial benefit to the government, firstly for the sale of these freehold titles if they were converted to freehold title and also through a reduction in administration costs by not having to send out invoices for rent every year. That is basically all I have.

CHAIR: Thanks, John. The intention of the state government has been to stop those forestry leases going across into national parks. That happened just in the nick of time, I have to say. Our terms of reference basically are to look at the need for the state government to be involved in those areas. We probably will not make the rules—we will make a referral back to the government—but my view is that we actually need to allow logging to continue or even grow through those areas. I think there is certainly a case to look at the availability of some of those forest properties or reserves to go back into some sort of more secure tenure. We will certainly be taking your submission on board. Thank you very much for that.

Mr KATTER: I am not sure I have grasped it properly. You were talking about a grazing homestead perpetual lease and then having another lease beside it with the rosewood on it?

Mr Baker: We converted to grazing homestead freeholding lease, which has essentially been paid out and it is total freehold now. There was an area of range country and we just have one corner of it, but the other properties next door had bigger areas of it. When we had the option we could have purchased the timber on it, but it was too much money. We could not afford it at the time. So the option was to convert it to a state forest lease.

Mr KATTER: That is what it is now.

Mr Baker: That is what it is now. We only have a small portion of the state forest—522 hectares is all that we own. Some of the other properties next door have a lot bigger area than that.

Mr KATTER: I have not run across those too often. Is that excised or surveyed essentially from your main freehold—

Mr Baker: That is right.

CHAIR: It was part of the freeholding agreement.

Mr KATTER: They were looking at putting those in national park?

CHAIR: They were all going over to national park. It would have happened earlier this year. Thanks, John. I think that covers it. It is pretty straightforward. Thanks for coming in. We appreciate you travelling from Middlemount.

Mr Baker: Thanks very much for the opportunity.

CHAIR: Can the next person come forward?

ROBINSON, Ms Emma, private capacity

Ms Robinson: Thank you for the opportunity to speak. My name is Emma Robinson. I am a landholder from Charters Towers. My family and I have made the 500-kilometre trek here today because we really think land rent and the issue of leasehold tenure is the biggest issue impacting our business. I do not want to be melodramatic, but it is not our eight-week-old baby that keeps us up at night; it is the worry about the impact that land rent is having on our long-term viability and concerns about our long-term tenure: will our lease be renewed into the future and what conditions might be imposed on it? We have two 60,000-acre term leases south of Charters Towers. They were both renewed six years ago.

Mr JOHNSON: What sort of leases are they?

Ms Robinson: They are term leases. They were both renewed six years ago for a term of 30 years which, at the time, was the only term made available to us.

These leases have been held in my husband's family since 1998 and my husband and I purchased these leases as part of a family succession plan in 2005. In 2017 when the land cap is removed on current UCVs we will be looking at paying about \$60,000 in land rent. That is about \$1,100 a week and we will be essentially paying the Crown more than we are paying ourselves. While this is down from \$80,000 due to a lowering of UCVs in the last couple of years, land rent will be the biggest cost to our business after interest on debt. Coupled with the cost of rates, it means we will be up for about \$85,000 before we sell a beast. Regardless of our profitability, regardless of seasonal conditions, we will need to find that \$85,000.

In 2000 our land rent was approximately \$8,000. So over the period, land rent will have increased 7½ times. Our fixed costs have pretty much doubled, but the average price paid for cattle remains roughly the same. I think the use of UCVs to calculate land rent is a fairly blunt tool. It is extracting a land rent payment on effectively what is a historical paper value. We are currently paying rent on UCVs that have been strongly influenced by the mining boom. In our area the properties that have sold in the last five to six years have all sold to people who have been bought out by mining companies. They are cashed up and willing to pay beyond potential value because they have the money in the bank.

Minimal leasehold land is selling at the moment, so it may be years before government valuers can quantify that shift and we see a shift in our rental payments. So we continue to pay maximum rent and we have no way of knowing how much we will be paying into the future. While there is no doubt we have all benefitted from the rising value of land, we are really motivated by the long-term prospect of running a viable grazing enterprise rather than chasing potential short-term capital gains.

The current 20 per cent cut provides some reprieve but for me it is akin to the boiling frog story. To quote the agricultural economist Phil Holmes, it can take you 30 years to go broke in the bush. I think a lot of leaseholders are already on that path, whether they know it or not. Land rents are essentially a dead cost and we have no way of managing it. We are already operating at highest and best land use. We cannot shift to a different enterprise to try to be more profitable. For us this means making choices about what we will not do so land rent can be paid. This includes employing fewer staff or no staff. It means postponing necessary capital improvements such as fences and waters which are critical to grazing sustainability. For a local community it means \$60,000 that is not being spent in local businesses. In the longer term—and it has already been mentioned today—the magnitude of land rent payments will impact on our long-term viability and will no doubt reduce options for us relating to children's education, capacity for superannuation not to mention our future succession plan.

The impact of land rent has been magnified by legislation that places a cap on our capacity to develop. Conditions on our previous lease, which expired only five years ago, required a clearing of brighalow and the construction of dams. While I certainly acknowledge that community values and science have changed, the landholder wears the full cost of the cap on that development and, at the same time, is paying increasing amounts of land rent and having increasing environmental obligations such as the implementation of ERMPs and also is wearing the full cost of responsibility for weed and feral pest control. We currently spend about \$15,000 a year on weeds such as Parkinsonia and rubber vine, which are essentially public weeds; they are there regardless of how good a producer we are. We can certainly easily double the amount we are spending on that sort of control.

In short, we are paying about 7½ times more land rent. We are taking all the commercial risks. We have a cap placed on our development. We are having increasing environmental obligations placed on us by the Crown. So we are clearly not the same as the commercial lessee in George Street. These sorts of conditions are leading all leaseholders down the path towards unviability. History records that in periods of extreme drought or plagues or poor industry conditions lessees have walked away from their leases because they could not afford to pay the land rent and the rates. If such conditions were to recur, I think that again would become a plausible possibility and its impact is magnified by the level of debt most lessees are now carrying.

In the longer term I think leasehold policy provides us with no pathway for moving out of what has essentially become a rent trap. Under the previous government we felt a noticeable shift from being landholders with some rights to, at best, being renters with minimum rights. I see tenure security towards freehold as a way of moving us out of that cycle. For my generation, I do not think there has ever really been a realistic opportunity for freeholding. We cannot convert to perpetual due to native title issues. We

have recently signed ILUA but we cannot look at converting to perpetual until we are in the last 20 per cent of our lease. High UCVs and high interest short-term freeholding conditions make freeholding simply unaffordable. We would effectively be buying the place twice.

Current leasehold tenure perpetuates a short-term mentality where temporary options are preferred over long-term improvements because of uncertainty about ownership. Portable houses, portable yards, pumps and absentee lessees are all symptoms of a lack of certainty about leasehold tenure. Lessees need the security of freehold to be able to make the capital investments needed to be more efficient and viable in the long-term.

The rhetoric that sustainability needs to be driven by government is a really old paradigm. Knowledge about grazing sustainability has really come a full circle. In our area, the 10-year Wambiana grazing trial shows that more money is to be made by conservative stocking rates through increased weight gain and lower costs. I believe that message has really hit home to producers. As a tertiary educated primary producer, I think the suggestion that a lease can be better managed out of an office in George Street is just wrong. For us, the sustainability of our grazing lands is paramount to our profitability. Our property has its challenges, but nothing excites us more than seeing improvements to land condition that we have made through changes in our practices. We are motivated by our connection to the land, not by government legislation.

The options of freeholding need to be affordable and long term. They should be available at any time in the lease. I believe graziers are generally open to commonsense native title agreements that promote cultural rather than simply economic gains. Interim environmental agreements can be developed to ensure leases are in good condition before they are freeholded, and the science and the systems are already in place to achieve this. The government funded VegMachine is one example. It takes annual satellite photos of land condition to provide a baseline. We have used these in our enterprise to show improvements in land condition over time.

I think there will be suggestion by some that, by providing opportunities to freehold, government will be giving public land away and that full market value should be paid. I think it needs to be remembered that in many cases full market value has been paid, comparative to freehold, to purchase the lease. For many family enterprises, it is their livelihood; it is their home; it is their superannuation; it is often for multiple family members. When you divide that value and take away the debt, there is often not a lot left to reflect the lifetime of work that has been put into that lease.

For me, the opportunity for freeholding has already skipped a generation and I do not want to be part of the next generation to miss out. I think you can fix the land rent issue by taking the opportunity to get the freehold right. That would give us the confidence to invest in our business long term and it will free up the necessary cash flow that has previously been consumed by land rent to make important capital improvements and meet the targets that have been set by the current government to double food production by 2040.

CHAIR: I would like to congratulate you, Emma. That was absolutely wonderful. I do not know that we can add any more to that. I think that was excellent. That actually clarifies in a nutshell all the issues that we have been dealing with. Michael is really good at asking questions.

Mr HART: Thank you, Mr Chair. We have had very good feedback for the committee. Can I ask just a couple of questions. In rough figures, as a percentage of your turnover or expenses, what is your rent?

Mrs Robinson: It is about 20 per cent.

Mr HART: Obviously we are considering moving leases to freehold. That is what we are here for. People will come forward to go to freehold. Have you given any thought to what a better lease payment scheme might be, if it is not attached to unimproved capital values?

Mrs Robinson: I have been part of the AgForce leasehold committee and we have been looking at this issue. We have looked at lots of different equations and formulas. It seems to me that the starting point needs to be what is affordable and then working back from that to find a formula. That is pretty much what has happened in the Northern Territory, it is what has happened in New South Wales. When we talk to people, they say, 'What we're paying now is pretty much the upper limit'. They are paying about \$25,000 now, so I think people are pretty much at the upper limit of what they can afford to pay.

Mr JOHNSON: Let's hope you get a good season.

Mrs Robinson: That is right. One of the concerns that I have is that we have had a run of fantastic seasons and we have been profitable for the last couple of years because of those seasons. We are heading into a El Nino. We have lost live export. There are going to be some real issues. We are on the fringe of that better country and we have those issues, so the further north you go the bigger those issues are going to get.

For me, the process for freeholding needs to be attractive so that the majority of people move towards that direction. We have only been in our area for a fairly short time, but when I talk to people who have been in our area for, say, three generations and going into the fourth and who are still leaseholders, I say, 'Why didn't you freehold when there was the opportunity?' They always say the same thing. They say, 'At that time we had death taxes' or they had to pay out a sister or a brother. Every family is in a similar situation where it was not as easy as just ticking a box and making that step. Every family had the issue of

death taxes or succession to work out before they could take that opportunity and then when they were ready for it the opportunity was gone. So I think the freeholding pathway has to be attractive, so that it is a plausible option for the majority.

Mr HART: So you do not see any other way, as far as lease payments go?

Mrs Robinson: As a minimum, why couldn't lease payments, whether they have to be increased slightly, go some of the way towards ultimately freeholding?

CHAIR: That is right. Robbie?

Mr KATTER: I have a quick question. Congratulations on your presentation. It was excellent. I am curious: you said you have finalised an ILUA?

Ms Robinson: Yes, we are in the early stages of signing up for it.

Mr KATTER: I do not know how much you wanted to share about that, but I am interested because I have not run across it a lot with the big pastoral leases, but have you found that process all right?

Ms Robinson: It has been largely facilitated through AgForce. It is the Jangga tribe. It is a huge area of country coming out of Mackay, out to Mount Coolon and Collinsville and we are on the northern fringe of it. Reading through the conditions, they are largely about access to undertake cultural activities. I do not have any issue with that if it is genuine. I have no issue with that. I guess the issue we would have is if it is for economic gain, because I guess the margins are so tight in our game that there is not the opportunity to contribute.

CHAIR: And you are negotiating an outcome?

Ms Robinson: Yes. It is basically an access agreement across a huge area of land, so whether or not they are actually coming onto our property, I am not sure.

Mr JOHNSON: Mrs Robinson, in relation to your operation, are you turning off finished cattle or just all cattle?

Mrs Robinson: We aim to turn off finished cattle. That is what we are ultimately working towards. But depending on seasonal conditions, we keep taking cuts out of those cattle until we have a number that we can carry through. I guess a point that I would like to make is that live export is such an important industry from an environmental point of view because in those dry years that we have had, it allowed us to send any unfinished cattle. When they were still accepting multiple classes of stock, it allowed us to send off unfinished cattle to the boat and get something for them. In dry years, pretty quickly you cannot give cattle away.

Mr JOHNSON: How many breeders are you running?

Mrs Robinson: We are running about 1,600 breeders.

Mr JOHNSON: You have to run about 500 to pay your rent?

Mrs Robinson: Yes.

CHAIR: Thank you, Emma. At a number of our hearings we have made the point about a government decision, which happened overnight almost, that almost destroyed the ability of exporters to source their cattle into the market. I very strongly made the point that environmentally that was a really difficult decision for graziers, because not only were they holding the cattle that they intended to sell, but also the up-and-coming cattle. I think it was a bit of an eye opener for some of the other groups who have come to present to us, that environmentally it had a huge impact, as well as economically, basically on the back of an ABC program whose credentials were very doubtful. We are very understanding of that. Thank you very much for coming. We appreciate you, your husband and children travelling that long distance.

Mr Hain: Chair, would I be able to revisit a point along the lines of something that Mrs Robinson said?

CHAIR: Please come forward to the microphone.

HAIN, Mr John, private capacity

Mr Hain: Thank you for allowing me to come forward. I am a bit of a slow thinker. During my time Mr Michael Hart mentioned that if the government was to discount the unimproved capital values for the land so that people could then buy out leasehold and make their land freehold, then they could do that today and resell tomorrow. However, up until now, land that is freehold and land that is leasehold has been more or less making the same amount of money, so you would be very silly to go and pay out the leasehold today and then sell tomorrow, because it would cost you that much extra.

Mr HART: I think we were talking about a discounted rate, though.

Mr Hain: Yes, but even at a discounted rate, no matter how much, it would still cost you money because the value of leasehold and the value of freehold land, at auction or private treaty or whatever, has nearly been the same. You do not get a discount because you buy leasehold land.

Mr HART: I think in that conversation we were having, you were talking about the government selling you land they now want nearly \$2 million for—

Mr Hain: Yes.

Mr HART: For \$300,000.

Mr Hain: Yes. Our land, on an unimproved capital value, is worth just over \$1.8 million. I think it is nearly \$1.9 million. No matter what we discounted it down to, even if it was \$300,000, I would be silly to pay out that \$300,000 today and sell my land tomorrow because it would have cost me that \$300,000. But, as I said before, I think that that gap is going to widen because of the costs, the increases in rents. The gap will widen between leasehold and freehold, because of the increases in rents on leasehold land.

CHAIR: I think you make a good point. Thank you very much. Can we have the other people come forward.

DANIELS, Mr Frederick, private capacity

HAWKINS, Mr Richard, private capacity

FINGER, Ms Michelle, private capacity

FINGER, Mr Steven, private capacity

CASSONI, Ms Paola, private capacity

CHAIR: Thank you for coming down and talking to us today. I will ask you to introduce yourselves for Hansard. I will start with Larry and then we will take your submissions, if that is okay with you. Just talk for a minute or two and then we will come back.

Mr Daniels: My name is Larry Daniels. My issue is, firstly, native title. I did do an ILUA and I met a lot of difficulties. I did it in conjunction with my solicitor and I have her narrative here as well, which I lay on the table.

CHAIR: Right. We will leave it at that and come back to you.

Mr Hawkins: Richard Hawkins. I have a GHPL, as well as a small term lease. I rent a little bit of country from SunWater. My issue is basically land rent. It takes a pretty big issue to get me to front up to something like this. It really is one of the biggest issues that we are facing right now and it is to do with the use of UCVs to determine land rent.

CHAIR: Richard, we will come back to you. Michelle?

Ms Finger: Good afternoon, we are Steven and Michelle Finger. We wanted to discuss forestry leases, the extreme lack of security these leases have at the moment and the limbo position that they have been left in. We were told that they were going to get turned into national park and we have since heard that that is not going to happen, but we have not heard what is going to happen. I just want to talk about that.

CHAIR: Paola?

Ms Cassoni: I am a landowner and a nature refuge owner. I would like to talk about security of tenure.

CHAIR: Okay, Larry, the microphone is all yours.

Mr Daniels: I run a family partnership with dryland farming. The nature of dryland farming is that they have to be very practical and very efficient on the world scene today. The next generation is also with me, my son and his wife, on the farm. They do most of the work. We got it back in 1970 when my father brought the property that I am on. He had a farm on it that went to the boundary fence. We bought the place the other side of the property and it was farmed to the boundary fence. We pulled the boundary fence down and farmed right through. We use the latest farming methods. We practise zero till up and down the slope, controlled traffic, precision ag.

About five years ago, in the corner of the two blocks was a little area of about 10 acres that nobody owned—or the government owned and had never been taken up. The deal with that was we said, 'What do we do?' They said, 'You can purchase it'. That would solve that problem, but we had to do an ILUA. We said, 'We'll deal with that'. We had to get a licensed valuer to value it, which they did, and it was about \$3,000. I gave the cheque to the solicitor to give to the land department. With the Indigenous land use agreement, I put that in the hands of my solicitor. I said, 'You deal with that', which she did. It was taken over by the Guranj Land Council. She tracked that down and it was now defunct. It was taken up by the Southern Queensland Land Council. When I put my submission in, I got in touch with my solicitor and said, 'I am doing this. Do you have anything you can help me with?' She said, 'Yes, I'll do it as a concerned citizen. I will do up a summary and a narrative of events.' I have her summary here and a narrative of the events which I would like to table, to go with my original submission.

CHAIR: Is leave granted for that to be tabled?

Leave granted.

Mr Daniels: In her summary she says that she found that it was defunct and she went to the southern Queensland land council. She dealt with them. It got to the stage where it would cost \$50,000 to \$100,000 to come up and look at this \$3,000, 10-acre parcel of land. So then we had to go to a permit to occupy which meant that it could not be farmed. I went back 50 years in technology. I was taken back 50 years, and we are supposed to be growing more food to feed a hungry world! That is pretty much my story.

CHAIR: So how many acres was it again?

Mr Daniels: It was 10 acres. There was a little grassy knob nearby. I fenced it into that. I asked, 'Can I put a bit of quinoa on it?' I was told, 'No, you can't grow the quinoa.' I was allowed to put forage in, so I added value as a forage crop and cattle grazed. You have to have water to those things, so I had to fence more land and get water to it. For a practical and efficient farmer, there is a screw loose.

CHAIR: Is your farm freehold land?

Mr Daniels: It is freehold.

CHAIR: So to get that 10 acres into your freehold land—

Mr Daniels: Yes, it is 10 acres. It even has a name—lot 23.

CHAIR: So how much do you reckon it is going to cost you by the time you pay compensation?

Mr Daniels: It will be \$103,000 I suppose. It is valued at \$3,000. To pay for the land use—the ILUA—it is going to cost between \$60,000 to \$100,000. She says in the summary that that was the figure they gave her over the phone. They would not put it in writing.

CHAIR: That is very helpful. Thanks, Larry. We appreciate it.

Mr Daniels: The solicitor did go on to say that perhaps you should look at what you do with local government. Had it been a local government thing, it probably would have stopped when the Gurang Land Council was not operating and was defunct. There probably would have been a certain amount of time and that was it. According to Des Howard this morning, it is not foolproof either, but it sounds like it might be a bit easier than what we have to go through.

CHAIR: That is a fairly good illustration. We are grateful for that, Larry. Thanks very much for coming in. Richard, would you like to make an opening statement?

Mr Hawkins: My concern is about the unimproved capital value method of determining rent on leasehold land where land sale prices have the value of the improvements deducted and the remainder is assumed to be the unimproved value owned by the state for that category of land. I am talking here specifically of my type of leasehold land—specialist beef grazing land, which I am familiar with—although it would apply to other types, too, I would imagine. It is concerning that the contribution of innovation by the beef industry to the sale value of land is not considered. Without the continuous improvement, adoption and adaptation of operation methods, the sale value would be very much less. If industry was operating as it was 10, 50 or 100 years ago, then the sale value would be vastly less, especially where there is no significant alternative use for that land.

While others have contributed, very much has been invented by landholders or their employees, often after many costly failures. I know that it is probably impractical to put a value on the contribution of this innovation to land sale prices, but what worries me about this is that governments and other groups sometimes insist on the state getting a fair return on the unimproved value of the land. In my view, because the UCV is distorted, what they actually want is a good return on the state's as well as part of the leaseholder's value too. Maybe it is considered that because no individual can lay claim to the improvement in methods the ownership of that value reverts to the state. If that is the case, then why does not the state charge freeholders for that part accrued since the freeholding of their land? I think that if this UCV method of determining rent is to continue, it at least needs to be acknowledged by the department that it is merely a way of comparing the value of one piece of land to another and that the UCV is not the real value of the state's asset. In the end the state can charge what they want, but the return on UCV reasoning is very wrong and should not be allowed to be used as justification for huge unsustainable rent increases.

CHAIR: We are hearing this message clearly right across the state, Richard, that the unimproved value of land is out of kilter with the real values, and some of that has been pushed up by different circumstances where there is mining industry or different developments. So the context of your concern is that there is no real connection between the value of the land and what is being regarded as the value that you have to pay rent on.

Mr Hawkins: Especially where there is no alternative use, that land would be worth very little without, for instance, the beef industry where that is the only use for that land. That value has been built up in small increments over the years with very little help from the government.

CHAIR: That would be a fair comment in terms of Larry's property where he has developed water on the property. I am assuming you are not on a scheme, Larry, but you actually provide your own water. Is that right?

Mr Daniels: Yes.

CHAIR: So that land would be of a very low value except for the fact that he has put the improvements on it to be able to crop it.

Mr Hawkins: I am talking more about, rather than structural improvements, method of operation and that sort of thing.

CHAIR: Yes, true.

Mr HART: Richard, can you give us an idea of what sort of percentage of rent you are paying of your turnover?

Mr Hawkins: No, I would have to get back to you in terms of what I am actually paying.

Mr HART: Can you just do it roughly?

Mr Hawkins: Percentage of my gross income?

Mr HART: Yes.

Mr Hawkins: I would have to get back to you, but I think it is probably around 20 per cent.

Mr HART: Twenty per cent?

CHAIR: That seems a fairly general figure.

Mr HART: Have you got any ideas on any sort of other lease payment structures?

Mr Hawkins: I would really go with what AgForce recommends, but I think possibly a reasonable starting figure and then CPI increases or something like that.

Mr HART: Anything related to profit turnover?

Mr Hawkins: Yes. It certainly needs to be related to profit, for sure.

Mr HART: So a small base fee and something related to—

Mr Hawkins: One thing that does worry me about going away from UCV is that if there is an industry downturn the rent could still be going up with the CPI increases. So we need to be careful of that as well.

Mr HART: But if it was related to turnover it would not.

Mr Hawkins: Yes.

CHAIR: Thanks, Richard. That was very useful. Michelle, would you like to make an opening statement?

Ms Finger: Good afternoon, everyone. We are here today to represent our family partnership comprising Steven's mother Alison, Steven and myself. We run a modest cattle grazing operation over two small freehold blocks and a 56,000-acre forestry lease. While there are definitely important issues affecting the tenure and security of all the lease types, we are going to focus on the forestry lease today as it has the most severely restrictive conditions, it is our largest holding and it is also our place of residence. In the lead-up to the deadline for submissions we had some family medical emergencies involving, first, myself and then our young daughter. This kept us away in Mackay with medical appointments right up until the afternoon when submissions closed which meant I was not able to put the time that I would have liked to have been able to into my submission. In this light, if the committee would allow, I would like to put forward an additional submission. It is the same information but it is more concise and it is more specifically relevant to the inquiry than my original.

CHAIR: Is leave granted?

Leave granted.

Ms Finger: Thank you very much. I have also been asked to bring along a letter from David Scott and family who are fellow forestry leaseholders and who were not aware of this inquiry until after the closing date, and they would like to contribute if permitted. Their letter is in that bundle.

CHAIR: Thanks.

Ms Finger: We feel that the current conditions imposed on the forestry leases are both unfair and unworkable. The extreme lack of security and the conditions which specifically inhibit structural improvements to the lease prevent the land from being managed in either a profitable or environmentally sustainable manner. The banks have absolutely no regard for forestry leases as they currently stand and will not lend a single cent against them, which makes it very hard to fund management projects and impossible to expand our business to maintain viability or to facilitate succession planning.

In 2007 the harvesting of timber was closed down on our lease which directly goes against the core purpose of our lease and gives the land no continued relevance as a forestry lease. In November last year we were informed through AgForce that our lease was designated by the government at the time for conversion into national park. We feel that this would achieve nothing for conservation as I have explained in detail in a paper I have written entitled 'Conversion of Queensland's state forest leases into national parks', a copy of which is in the bundle. I understand that there have been a number of submissions to this inquiry with the theme that Queensland is in desperate need of more national parks. However, I question whether this notion is based in scientific and practical reality or if it is drawn from some romantic ideology. I have included with my submission a number of attachments giving evidence against national park tenure as an effective strategy for conservation, including letters from renowned environmental scientists and groups such as the Queensland Wildlife Preservation Society. We have recently been verbally reassured by several members of parliament that our lease is no longer designated for conversion into national park, though we have not received an official statement on the matter and are still living in limbo waiting to receive confirmation of this issue and of our future.

Possible solutions I propose include the creation of a new tenure that can maintain the forest as a state asset while providing the lessee with more incentives to manage the land in an environmentally responsible manner and providing more security—enough security such that the lease can be used as equity for finance, as this has been a major issue for our family. I implore the government to recognise that there is a limit to the extent that landholders can bear the public cost of conservation. I encourage you to move away from the big-stick style legislation that we have seen in the past which is clearly ineffective and

look towards an incentive based approach that rewards landholders who are making an effort to be environmentally responsible and sustainable on behalf of all Australians. This family has worked hard and made many sacrifices to make a living off this land and also ensure its protection. I feel they deserve some recognition for their efforts and to be treated with more respect and consideration than what previous governments and their departments have shown. I sit here before you today as someone who cares equally about both our family business and conservation of our lands and wildlife. I thank you all for your time today and I thank the committee for undertaking this important inquiry and allowing grassroots people like ourselves to be involved in it.

CHAIR: Thank you very much, Michelle, and your family. I know you have travelled a long way. You have land around—

Ms Finger: Clermont.

CHAIR: Okay. I trust your medical emergencies are all over and everything is okay.

Ms Finger: Sort of.

CHAIR: The points you raise are very relevant. Of course the issue of tenure of forestry across to national park has been halted, and this inquiry will be addressing what transpires out of that. So you are at the right place at the right time. I just thank you again for travelling. That is really good and I wish you well. Are there any questions?

Mr JOHNSON: Ms Finger, we made a representation on your behalf. You spoke with John McVeigh on this matter, didn't you?

Ms Finger: Yes.

Mr JOHNSON: You made a deputation at Beef 2012 or was it as Fork Lagoon?

Ms Finger: Fork Lagoon.

Mr JOHNSON: I would just like to back up the chairman in putting your fears to bed, if I can say that. The issue of forest leases becoming national parks is well and truly buried. There will be no more national parks. They have too many now. They are not managed properly. And I have to say to you: sleep easy.

Ms Finger: That is excellent. We are not interested in selling at this point. But we are still in a limbo situation. If we were wanting to sell, we have nothing on paper from anybody to say that. Everybody has heard in the media and whatever that they are going to be converted to national parks, so if we did want to sell our lease at the moment nobody would touch it with a 10-foot pole and we have no way of assuring anybody.

CHAIR: If you could reach up and grab a star, what would you like your lease converted to? Would you be looking at diversifying into something else or do you just want certainty and the ability to run it as a grazing property?

Ms Finger: I am quite happy to run it as a grazing property. I think the harvesting of the timber was a very valuable thing for the environment and for the state. Stopping that was just silly. There was absolutely no justification for it whatsoever. So I am quite happy for the timber to be harvested. There are some really silly conditions if you read the terms and conditions on a forestry lease, being if they choose to resume it they can give us as little as six months notice, they only pay unimproved value, and for any structural improvements that you want to put on the place you have to get prior written approval if you want any compensation for it and then it is still not guaranteed.

CHAIR: That is right.

Ms Finger: There is even a clause that if they do resume it you might have to actually foot the bill to have your improvements removed. So all of these conditions mean that you cannot manage your land in a way that is environmentally sustainable because you cannot justify fencing riparian zones and you cannot justify putting in stock watering points to spread your grazing pressure because you might lose all of this investment in six months time. So environmentally-wise the conditions are disastrous, and business productivity and profitability-wise they are obviously disastrous.

Having no equity has been a huge issue for our family. As I have explained in my submission, we are in a really strange place where the place is not worth selling because the value of the cattle that we can actually run there is worth more than the land. We have no equity. If you want to buy anything else, you have to have the cash for it. You cannot borrow a cent. We have no future viability because we cannot expand our business and we cannot succession plan. So, even if we are safe from conversion to national park, the forestry lease still needs reviewing.

CHAIR: What type of timber was on it, Michelle?

Ms Finger: Mainly rosewood. There had been sawmills there in the past, harvesting mainly sleepers.

CHAIR: I personally would like to see local sawmills start up again. I think it is important that we maintain a timber industry in Queensland. I am probably speaking outside of the committee now, but I find it unbelievable that we are importing timber into Queensland from overseas where it may be clear felled. I have made those comments before as well. We are very conscious of the issues you raise. The committee has to report by 30 November this year to the parliament, so hopefully we can put this together fairly quickly.

Mr JOHNSON: Mr Chairman, can I just ask a question of Ms Finger before you close?

CHAIR: Certainly.

Mr JOHNSON: In relation to that exchange of dialogue and your representation to John McVeigh, with the permission of the committee, Mr Chairman, I will follow that through and find out where that paperwork is so that you can have peace of mind and so that you can have that piece of paper in your hands.

Ms Finger: Yes. We just want something to say, 'No. You're not going to be turned into a national park.' We are not interested in selling. If you look through *Country Life*, there are now a lot of forestry leases up for sale. I think a lot of people are panicking and getting out of it because they think they are going to be lost to a national park and have not been told any different.

CHAIR: Thanks, Vaughan, I appreciate that. I invite Paola Cassoni to make some comments.

Ms Cassoni: My name is Paola. I am here as a nature refuge owner but I am also presenting my thoughts as a volunteer for the benefit of all Queenslanders. There are two points that I want to make, apart from the ones that I have made in my submission already. One is about offsets and one is about our work as custodians of gazetted conservation areas.

Development has taken its toll on our natural heritage, which kept shrinking fast. Governments heard the science and took the step to protect some areas and national parks, with secure tenure, were established. But we still kept losing species and habitats. So, to counter the decline, more areas were earmarked for protection and nature refuges were established. But they are left to the very fate that they were designed to avoid because their tenure is not secure.

When the nature refuges started to be targeted by development, the government brought in the catch phrase 'we need to strike a balance' when the ecological imbalance had been in the red for decades. Then the government played the make-believe game with the offsets. If you have two dodos and you roast one for a Sunday dinner, with a few ratios and a bit of cunning, you tell the people that, although you have eaten one, the other is still alive. It gets a bit trickier though for the next Sunday dinner when you want the only other dodo that is left. But not to worry, the Ecofund is here to solve those tricky situations because money apparently can resurrect dodos.

What I am saying to the government is this: be clear. Say it how it is: tell us the crime without insulting our intelligence and disregarding our work, because the only winners in the offset game are the developers and the resource companies. Remnant vegetation is called remnant for a reason: that is all that remains; that is all there is left. So when you allow a protected area to be destroyed you shrink even further the already recognised 'too small of a percentage' of that particular ecosystem. And by cheating on biodiversity you ultimately cheat on the human race because we are also part of the ecosystem. We are living organisms.

I turn now to my second point. Somehow our society functions not only because there are people going to work every day but also because there is another bunch of people that look after our fellow human beings beyond their call of duty—people who drive and serve Meals on Wheels for the elderly; people who spend their evenings counselling for Lifeline; people who sort clothes in charity shops; people who read books to the dyslexics in schools; people who make the soup kitchens possible; people who keep their heart, and often their house, open to the homeless, to the street kids, day after day, year after year. These people are not costing the government a bob and are improving our society greatly but quietly.

Some others are sensitive to the dwindling species issue and take up as wildlife carers. They may buy a block to keep it from clearing—that is our case—or they may decide not to clear part of their block, like the Avocet Nature Refuge, and forgo that paddock that could have been extra fodder for the cattle rather than feeding the flashjacks. They weed in national parks on weekends. They pick up cans and bits of plastic and nets on the beach. Their dedication is driven by passion, not by economics. As nature refuge owners we are part of those volunteers that care for the bush, and the state is alienating us.

When we talk about a block of land of high biodiversity values, it is not as simple as putting a fence around the boundary and forgetting about it. After you buy it, the real work begins because feral animals, together with exotic grasses choking the natives, can undermine the very existence of native wildlife. They take ever so much time to keep under control. We get to know our country. We know the layout, as during the year it changes with the dry and wet spells. We recognise the patterns. We know when we have to put the pig traps out. We know when we need to start the firebreaks while causing the least harm to the brolga nesting nearby. We know when is the best time to eradicate the weeds for maximum results—and that is during the flowering stage or probably earlier on. Cats are aplenty this year, and we have to know what to do about them and so on. We are the ones who will be held to account if those threats get out of hand. We have been at it since we bought the place and we should be keeping on for 999 years—God bless our good health! It is easier to go against two levels of governments and the whims of a billionaire than eradicate exotics and ferals. We are the ones who have signed up to agreements that also allow the government to keep its international commitments on biodiversity.

Then a resource company comes along and asks us to sign a compensation agreement for the damage they will do in an advanced exploration stage, but we have already pledged, 10 years before, our duty as caretakers of the refuge to protect its viability into the future. Our investment cannot be quantified in dollars. We do not want to be paid for damages because there should not be any. We want instead to be

recognised for our passion and efforts, our time and money, our valuable contribution to this country, and we want to be respected with the certainty of tenure that all volunteers and caretakers of our native bush deserve.

So those are my two points. One other nature refuge owner has another angle on this. She is the owner of the Black Snake Nature Refuge, located in the peri-urban area of the Sunshine Coast. She says—

Signing on to the Nature Refuge program was a gift from our family to the people of Queensland. The destruction of Bimblebox Nature Refuge sends me a clear message that my gift is not valued by the State. Along with other owners ... I will be watching with interest (and supporting) the first landholder who chooses to begin legal action to revoke the Nature Refuge status of their lands on the basis that the State has broken the agreement. There may well be a landslide of such class actions up the eastern Queensland seaboard and inland, as landowners such as I realise that our gift has been deemed worthless in the long term, and our children unnecessarily deprived of a potential real estate asset that they currently cannot realise.

CHAIR: Thank you very much and well done. Are there any questions from the committee? I think you have covered it really well, even the member for Burleigh does not have a question. Vaughan, do you have a question?

Mr JOHNSON: Where is your lease located?

Ms Cassoni: Fifty kilometres north-west of Alpha. It is the Glen Innes estate.

CHAIR: Ladies and gentlemen, thank you very much for your input today. I believe that the committee has gained valuable information that we can use in our summing-up. I believe that the committee has gathered some valuable information that will assist the inquiry into the future and ensure the continued relevance of government land tenure across Queensland.

I also thank our parliamentary service for travelling out here today on a minibus and for recording the proceedings. The *Hansard* will be made available. I move that, pursuant to section 50(2) (a) of the Parliament of Queensland Act 2001, the committee authorises for publication the public evidence given before us today. Is the motion seconded?

Mr HART: I second the motion.

CHAIR: There being no objection, it is so authorised. I now declare the meeting closed. Thank you very much for your attendance here today.

Committee adjourned at 1.24 pm