



# ***STATE DEVELOPMENT, INFRASTRUCTURE AND INDUSTRY COMMITTEE***

## **Members present:**

Mr GE Malone (Chair)  
Mr SN Driscoll MP  
Mr MJ Hart MP  
Mr SA Holswich MP  
Mr R Katter MP  
Ms KN Millard MP  
Mr TS Mulherin MP  
Mr BC Young MP

## **Staff present:**

Dr K Munro (Research Director)  
Ms M Telford (Principal Research Officer)  
Ms M Westcott (Principal Research Officer)  
Ms R Campillo (Executive Assistant)

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

### **TRANSCRIPT OF PROCEEDINGS**

**WEDNESDAY, 22 AUGUST 2012**

**Brisbane**

## WEDNESDAY, 22 AUGUST 2012

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### **Committee met at 8.37 am**

**CHAIR:** Good morning. I declare open the public hearing for the committee's inquiry into the future and continued relevance of government land tenure across Queensland. Thank you for your interest and your attendance here today. I would like to introduce members of the committee. I am Ted Malone, member for Mirani and chair of the committee. With me are Tim Mulherin, member for Mackay and deputy chair; Michael Hart, member for Burleigh; Kerry Millard, member for Sandgate; and Bruce Young, member for Keppel.

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 which adopts a non-partisan approach to the proceedings. In relation to media coverage, the committee has resolved to allow television coverage and photography during the hearing. The committee has also agreed to live broadcast of the hearing via the Parliamentary Service's website and to receivers throughout the parliamentary precinct.

The program for today is as follows: from 8.30 to 9, Queensland Trust for Nature, Queensland Conservation Council, Protect the Bush Alliance, National Parks Association of Queensland and Dr Jan Aldenhoven; from 9 to 9.30, Wildlife Preservation Society of Queensland, Ecofund Queensland, the Wilderness Society, WWF and Australian Rainforest Conservation; from 9.30 to 10.30, the Torres Strait regional council and the Redland City Council. We then break for 15 minutes for morning tea. Then it will be: from 10.45 to 11.15, Gerard Batt Lawyers for Xstrata, and the Queensland Resources Council; from 11.15 to 12.15, the Great Sandy Straits Marina Resort tenants association, the member for Hervey Bay, Spicers Group, Holman Webb for Agreedto Pty Ltd, Kingfisher Bay Resort, Queensland Tourism Industry Council and the Noosaville Marina Pty Ltd; and from 12.15 to 12.45, the Spatial Industries Business Association, the Surveying and Spatial Sciences Institute and Geoff Edwards.

Although the committee is not swearing in witnesses, I remind all witnesses that this 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 and into the microphone. It is the committee's intention that the transcript of these hearings be published. I also ask witnesses to press the button on your desk to activate your microphones before speaking and to press the button again when you have finished to deactivate the microphone. Before we commence, may I ask that mobile phones and pagers be switched off or put on silent mode.

**ALDENHOVEN, Dr Jan, Private citizen**

**DONATIU, Mr Paul, Executive Coordinator, National Parks Association of Queensland**

**HUTCHEON, Mr Toby, Executive Director, Queensland Conservation Council**

**O'HARA, Mr Benjamin, Chief Executive Officer, Queensland Trust for Nature**

**CHAIR:** Welcome. Would you like to provide an opening statement of two minutes on your key issues for the inquiry into government land tenure across Queensland?

**Mr O'Hara:** The Queensland Trust for Nature supports private conservation on land in the state of Queensland. Established in 2004, the trust has preserved in excess of 100,000 hectares through the use of the nature refuge system and a revolving fund. The trust promotes the use of a revolving fund in the fact that it can acquire environmentally sensitive land at a rate of up to 25 to 33 per cent of the original acquisition price of a single acquisition. This, in effect, promotes the private landowner as steward of the ongoing management and reduces the expense to state. These environmentally sensitive pieces of land are secured under the nature refuge act. The nature refuges, though, are at the moment an imperfect covenanting process in the fact that mining exploration leases can expunge them. We support the integration of an assessment criteria such that nature refuges of significant biodiversity and environmental factors are of elevated status the same as national parks.

However, in the essence of this inquiry, we believe that the promotion of private land tenure in the state of Queensland through the use of a fund such as a revolving fund mechanism that the trust currently operates can promote significant savings and increased area by way of up to 400 per cent increase in area acquired and preserved, or a reduction of up to 25 to 30 per cent of a single, sole acquisition price. I would seek leave to table a letter supporting the calculations I have just outlined and would be happy to answer any questions in due course.

Leave granted.

**Mr Hutcheon:** We are the peak environment organisation of Queensland representing over 60 environmental advocacy organisations. I also speak on behalf of our members who have not provided submissions but we have done so on their behalf. Our submission broadly covered a number of headline issues. They include the cardinal principle around national parks, the need to actually grow protected areas in Queensland, the questions about the security of land under nature refuges, the need to honour forestry land use agreements and the whole debate around leasehold to freehold land. Many of my colleagues will cover in more detail some of those issues. I would just like to focus in my brief time on two things. One is the growth of protected lands in Queensland.

Comparisons are often drawn with New Zealand, the USA and Tasmania and what they do in terms of accessing protected lands. The fact is that in those jurisdictions, whilst percentages are open to debate, they have a far larger protected area estate that allows both the protection of nature and appropriate other use. In Queensland we do not have that. We have only five per cent of land under protected areas. In actual fact, what we should be doing is growing the protected area estate that is beyond simply nature conservation but looking at allowing appropriate other uses on those lands.

The second part is obviously the leasehold to freehold debate. We would argue that maintaining the leasehold estate is a better way for the state to both manage and improve the condition of two-thirds of the land mass of Queensland, that it does allow the co-existence of native title where freehold does not. It becomes extinguished. And the big issue really for the future is around food security. We believe that opening up the leasehold lands to freehold will inevitably attract foreign ownership of Queensland, and we think that would be a very backward step.

**Dr Aldenhoven:** I am a wildlife film-maker and a biologist living on North Stradbroke Island. Perhaps the most famous wildlife film-maker in the world is Sir David Attenborough. I read recently that when he was asked to name the loveliest place in the world he said North Queensland. He commented: 'Absolutely fabulous. Wonderful birds. Rainforests. Barrier Reef. Space. Mountains. Magnificent.' His words remind me just how fortunate we are to have the diversity of natural treasures that we do across Queensland. But only five per cent—or even less than five per cent—is protected in national park. I think we need much more if we are to ensure those treasures last for future generations to enjoy.

We also need to uphold the cardinal principle which underpins management of national parks. That principle boils down to management for nature first, not humans first. I think it is inconsistent with that principle to allow high-impact activities in national parks such as horse riding or hunting, heavy-duty four-wheel driving, motorised bikes, resorts, shopping. A better strategy, I believe, is to develop those opportunities outside and adjacent to national parks. Then you have the best of both worlds and you are also not deterring the visitors who come here for pristine values.

I would like to say something specific about North Stradbroke Island. Much of what happens with regard to land tenure on the island is governed now by a piece of legislation called the North Stradbroke Island Protection and Sustainability Act 2011. This act has a significant impact on the island's environment and the community as it determines when sandmining ends. It also has implications for native title and the ILUAs between government and the traditional owners. So I would ask that if any changes are anticipated to that act you ensure the island community, including the traditional owners, and the public at large across Queensland are notified well in advance and that we have the opportunity at every stage to be involved and consulted because the implications are huge. Really, I guess that goes for the whole process of the inquiry, that we continue this process of consultation.

**Mr Donatiu:** Thank you for the invitation this morning. Since 1930 NPAQ has promoted the preservation and wise management of national parks in Queensland. Unlike the extent of national parks in Tasmania, where they cover 24 per cent of that state, and New Zealand, where they cover over 11 per cent, national parks, as Toby mentioned earlier, actually occupy less than five per cent of Queensland. They are definitely the jewels in our conservation crown and preserve some of the very best landscapes and natural attractions in this country.

Six out of 10 people in Queensland have actually visited a national park. In 2003-04 approximately over 16 million visits were made to national parks and other protected areas. Visitors to our national parks actually spent over \$1 billion in that same period—2003-04—contributing over \$400 million to our gross state product. Those visitors were directly responsible for the employment of over 7,000 people.

Any high-impact form of accommodation, such as resorts, or recreation, such as horse riding, motorbikes and quad bikes, actually directly threaten the national park's natural condition. Put simply, allowing horses, motorbikes and unchecked access to four-wheel drives to traverse national parks will actually introduce weeds, compact tracks, create erosion and increase the risk of bushfire and accidents. Allowing these types of infrastructure and recreation to expand actually puts at risk substantial components of the tourism industry in our state.

NPAQ does support the identification and use of land suitable for various types of recreation, such as recreation reserves. We recognise the increased interest in motorised forms of recreation in particular, and we certainly encourage the government to facilitate the development of venues for these types of recreation on that large proportion of Queensland—over 90 per cent of the state—that is not national park.

Finally, as Ben mentioned earlier, there are actually over 400 nature refuges in Queensland covering almost three million hectares of land. Participating landholders in this program have managed remnant vegetation on their land for generations, and the vital ingredient in the success of this program is obviously

their goodwill. The likely destruction of the Bimblebox Nature Refuge in Central Queensland sends a very strong message to other conservation minded graziers and land managers that their efforts are actually not highly valued or held in high regard. As stated earlier, we certainly believe that there should be a class of nature refuge, like national parks, that are actually exempt from mining.

National parks are the heritage of all Queenslanders and they are for our grandchildren and for their grandchildren. Managing our national parks for nature first means that they will indeed be available for the public to enjoy and to appreciate.

**CHAIR:** Paul, in terms of national parks, I guess one of the big issues as a government, and previously when we were in opposition, is the management of national parks—not only the infrastructure but also the manpower that is required. Do you see ways and means we can overcome that? I am particularly interested in your thoughts with regard to, I guess, tourism ventures or other ventures outside of the national park but close to it, in conservation areas. Could you expand on that a little bit?

**Mr Donatui:** One of the things we have advocated for some time is actually a bioregional approach to the management of protected areas so that in a given area you would actually look at a bioregional management plan for that bioregion, including all the protected areas in that bioregion. You might still have standout plans for your iconic parks—places such as Fraser or Lamington or Girraween—but you would look at how you would effectively manage key issues and threats to those protected areas across those regions. For example, if you had a key feral issue then you would look at how you would deal with that issue across that whole bioregion, rather than having separate and individual management plans for all protected areas within that region. I think it would be a much more effective way to actually deal with the operational resources that are available currently to look at that bioregional approach.

In terms of tourism ventures, we are on the record as saying that we prefer them to be adjacent or close to national parks, on a variety of other land tenures. I guess the opportunity is there for the government to consider how it will also design new national parks in the future and whether it might actually incorporate other forms of tenure close to or within national parks that allow those types of accommodation to co-exist.

**CHAIR:** You have made a statement there about the iconic national parks. I am just wondering if you are suggesting that there should be a priority on national parks. We have the extremely, highly valuable national parks that are absolutely the best and possibly parks that are more of a general nature, that are representative of a significant amount of Queensland. Do you see that the national parks could be divided into those two or three categories? What are your thoughts on that?

**Mr Donatui:** I would probably be reluctant to put an emphasis on some parks more than others, although those associated with those parks obviously would. There are parks obviously that attract a lot of visitors and therefore a higher management load than others. However, the actual representation of parks across the state is much weaker in western areas. We would certainly be advocating a greater establishment of parks in western areas. That could easily be done alongside a range of tourism opportunities to build local regional economies as well.

**Mr MULHERIN:** Toby, you said 'appropriate other uses' on the National Estate. What do you deem as appropriate other uses?

**Mr Hutcheon:** It depends upon what has been categorised. The example I would use is the USA. According to the Parks Service in the USA, 27 per cent of the land mass of the USA is under protected area of some form. The parks claim that 12 per cent of that is for nature conservation under IUCN categories but the rest is for appropriate use. For example, they determine what is okay for walking, what is okay for four-wheel driving and what is okay for other recreational or tourism opportunities. And I would suggest that that is a good way for Queensland to proceed—not to look at national parks in terms of accessing them more greatly but actually growing more of a protected area estate that allows those other protected uses. Let us face it: Queensland is a fantastic place. We have great wilderness. We have great iconic places outside of parks which I think are probably more attractive to both recreational users and tourism. We should be developing those opportunities. That is our point.

**Mr MULHERIN:** I think, Paul, you mentioned feral pests and weeds in the National Estate. I think currently each department reports in their annual report around their management programs for feral animals and weeds. Do you have any views about whether there should be a whole-of-government reporting mechanism just on the management of feral weeds and pests in the National Estate, across all agencies of government that have an interest in land and also the GOCs? Do you have any views on that?

**Mr Donatui:** I guess the process I would be advocating is probably the State of the Parks reporting that they use in Victoria, which does, I understand, take a whole-of-government approach to what is happening in parks and provides, I think, an annual report on how effective management actions are in their protected areas. So a process like that, which we have yet to adopt in Queensland, would be useful here and I guess would highlight the specific management issues and the requirements to deal with those issues on our protected area estate.

**Mr MULHERIN:** What about all land that is held by government or government agencies?

**Mr Donatui:** As a broader tool, I can imagine that being extended to other types of land tenure.

**Mr MULHERIN:** Just having a single report to parliament that brings together National Parks, Primary Industries with their forestry reserves, Main Roads with their road reserves—all of those should be incorporated in one annual report to parliament about the management of those?

**Mr Donatiu:** There would obviously be some advantages in doing that in terms of examining the issues across those types of tenures.

**CHAIR:** Feral pigs, woody weeds across national parks and other areas are huge issues for the government to tackle. Jan, I was interested in your thoughts in terms of infrastructure and tourism ventures on land alongside or adjacent to national parks. Could you comment on that?

**Dr Aldenhoven:** From my own experience going to national parks in different parts of Australia, for instance, the Otway Ranges, they have a national park and a great walk, and there is such a variety of activities you can do there. They have allocated to some of the forestry areas horse riding and mountain bike riding, but then you have the national park which covers key conservation areas and key scenic areas which are just for walking. You now have a whole region that is hanging off that policy and lots of businesses have sprung up—food businesses and all different types of accommodation. That is a beacon to the rest of the world as well. Carnarvon Gorge is heading that way, too, and works very well. I can see it happening for Stradbroke. So that is what I am thinking.

**CHAIR:** I think it is fair to say that walking activities right throughout the world are huge. There are the great walks in New Zealand and even in Western Australia. We have established a number in Queensland. Do you see opportunities to do more than that—to put in place infrastructure where people can camp on the outside of a national park and access it as part of a longer walk et cetera?

**Dr Aldenhoven:** Yes, definitely, and having a range of different types of accommodation so those who want to do the hard slog and have the pack on the back can but those who want to go somewhere more comfortable at night and have the pack moved from one place to another can also. In my age group there is a growing number of people around the world who now want to do those sorts of activities. We meet them on walks and it is a whole network. They have internet conversations going on.

I would like to add one thing. Coming from a filmmaking background, the most successful wildlife films in the world are those that show pristine landscapes with the flowers, plants and animals in those pristine landscapes. They translate across all cultures. They are the most economically successful films, and filmmakers want to come to Australia from all over the world because we have those features. Let's not take them for granted.

**CHAIR:** Thank you very much, Jan. Do we have any other questions?

**Ms MILLARD:** I am not quite sure who to direct this question to but I am thinking Toby because you represent 60-odd groups.

**Mr Hutcheon:** Yes.

**Ms MILLARD:** With regard to the management of forestry plantations, is there something specific that you are wanting such as a certain percentage? Are any of the groups saying they want a certain percentage increased or decreased? Also, are you open to other ideas of traditional types of plantings—for instance, bamboo is a great product. In the north it grows fast, it is very sustainable and it is used around the world for a lot of products—furniture, scaffolding, clothing et cetera.

**Mr Hutcheon:** In the next session Martin Taylor from WWF will be able to answer this better than I can because he has more expertise so I would ask you to direct that question to him as well. Broadly speaking, what we are saying is there is a strong need to honour the agreements that have been made between the government, the industry and conservation environmentalists. I think it is important that those are honoured so that we can move forward to a more sustainable industry and a better environment. My point is to maintain the principle of honouring those agreements, but Martin can certainly answer more fully those questions.

**CHAIR:** Our time has run out. Thank you very much for your attendance today, ladies and gentlemen. I now call for the next set of witnesses.

**BOYLAND, Mr Desmond, Policies and Campaigns Manager, Wildlife Preservation Society of Queensland**

**ESPOSITO, Mr Anthony, Manager, National Indigenous Conservation Program, The Wilderness Society**

**STARK, Mr Peter, Chief Executive Officer, Ecofund Queensland**

**TAYLOR, Dr Martin, Protected Areas Policy Manager, World Wildlife Fund Australia**

**CHAIR:** Who would like to start with an opening statement?

**Mr Esposito:** Further to our submission, which is largely focused on Cape York but some of the issues have wider implications across Queensland, the reason we are so concerned about focusing on Cape York is that it represents one of the most dynamic areas of change around the tenure system in the last 20 years. A lot of the tenure system in Queensland has been a matter of settled law and practice for a very long time. With the advent of native title, a large amount of change started to flow through into the tenure system and that was particularly apparent in Cape York. From our perspective as an environmental organisation, the changes in conservation thinking and environmental protection have also been a key driver in change, not so much in the tenure system but how the tenure system is regulated.

We think what has happened on Cape York—perhaps despite or maybe even because of the competition over land use, contentious issues and high levels of public debate—is that we have a high level of innovation around the way land is being managed: the way the tenure system is being changed; the way Aboriginal land claims are being settled; and the way the environment is being protected at the whole of landscape level rather than simply attempting to pick up parcels of land for protected areas that are otherwise surrounded by unregulated or unmanaged landscapes.

In our submission we make note of the work of Dr John Holmes from the University of Queensland. I think his work in articulating the progression of the tenure system in Queensland is a really valuable aid to the understanding of this committee, I would suggest. What he does describe is a particular dynamic occurring right across northern Australia, again exemplified in Cape York where the historical pastoral estate is actually diminishing in favour of other land uses. We have seen this in Cape York, particularly with the voluntary process of acquisitions and land returned to Aboriginal people as a matter of land justice and of conservation outcomes in that mix. I guess that has been reflected in considerations of land use since CYPLUS—the Cape York Peninsula Land Use Study and through things like the Cape York Land Use Heads of Agreement and, in particular, up to the Cape York Peninsula Heritage Act, which was passed by the previous parliament with unanimous support. In other words, it is a consensus framework for land management in Cape York.

What that reveals in terms of the way in which the state plays an active role in regulating a management tenure system—protecting the environment across tenures, including protected areas, but also important features of vegetation management and water resources: the way in which it embeds sustainable pastoralism as a goal and offers lease extensions; the focus on areas of international conservation significance, all within an agreed framework—is that it is possible to update the tenure system, maintain a lot of the values and deliver a new model of economic development.

**CHAIR:** Anthony, we are looking at a two- or three-minute time frame.

**Mr Esposito:** Sorry, I was not keeping track.

**CHAIR:** Martin, would you like to make a statement?

**Dr Taylor:** On behalf of the Australian Rainforest Conservation Society, I would like to talk briefly about the Delbessie Agreement on leasehold land and the state forest process. Both agreements were signed between industry representatives—Timber Queensland, AgForce, the Australian Rainforest Conservation Society and the Queensland government. These were historic agreements. They are critical not just to the conservation of Queensland's unique biodiversity but also to the future of those industries themselves. Peter Kenny, the then president of AgForce who signed that agreement with the Australian Rainforest Conservation Society, realised that green credentials for industry were very important and the Delbessie Agreement provided a mechanism to prove our green credentials in how we manage the land and raise livestock. This is very important to ensure good land management across the grazing industry. It is important to retain leasehold tenure under a regulatory framework that mandates an appropriately defined duty of care. Freehold could put that future at risk. Good management requires monitoring and there is a whole protocol in the Delbessie Agreement for monitoring and maintaining good land condition. The ARCS also advocates the use of wireless sensor networks where landholders are able to get real-time information about the condition of their properties and make decisions that improve profitability and sustainability.

On the forest estate, that agreement was also signed by industry principally out of concern for the future of the industry and also for the purpose of conserving our biodiversity. The current agreement is to phase out native forest logging by 2024. There is a whole process of moving on to a plantation base aided by government which would be far more effective for the industry in the long haul. It is a far more sustainable future for the timber industry in Queensland.

The areas that are being considered to bring across have been chosen by a very rigorous scientific process. There have been very large and extensive reports, expert fauna panels and biodiversity assessments to choose the forests that would be protected for their conservation values. It is in stark contrast to other states. Compared to other states, Queensland has had peace in the forest industry because of this agreement. The needs of the timber industry and the conservation needs have both been considered together and the problem has been solved with the state forest process. Tinkering with that would really unsettle things considerably, not the least for the timber industry itself which is now planning to have a future of plantation based timber production.

If you will allow me, I will now put on my WWF hat and briefly add to some of those points drawing on our own submission. We believe public land is critical to two of the government's pillars of growth—tourism and agriculture. The expansion of the national parks system is critical to save wildlife. I might add, drawing on the submission, that some of the early acquisitions to save some of our very threatened species were done by the Bjelke-Petersen government back in the 1970s—Epping Forest National Park to save the northern hairy-nosed wombat and Taunton National Park to save the bridled nailtail wallaby. That has been a pattern in Queensland. We have very endangered mammals here. The northern hairy-nosed wombat is still down to about 150 individuals. This is the largest burrowing herbivore left in the world, and the only places it has are just two little places in Queensland. It used to range all the way down to Victoria. So those parks have been critical to save this wildlife from extinction. But they are not just saving wildlife; they are saving a \$4 billion a year tourism industry. Visitors to national parks spent \$4.43 billion according to a study which I submitted along with our submission.

Another issue that has been raised which I will just touch briefly on in closing is that there has been a fair bit of talk about freeholding of leases. A point that is very important to remember is that leasehold land can already be freeholded. The Land Act already provides a mechanism for freeholding of leasehold land. No new mechanisms are needed. The mechanism is already there. The fact that it has not been taken up is largely because there is no business case for it. For the places that are still in leasehold, it is better to be in leasehold. Not only that, we now have a mechanism to ensure the public interest in maintaining land condition on those properties for the benefit of the industry itself to maintain the sustainability and to maintain the land condition and prevent degradation. With that, I will close.

**CHAIR:** Thank you very much, Martin. We will move on to the next presenter.

**Mr Stark:** Thank you, Chair. Ecofund is a government owned company that offers specialist advice and trading services in the carbon renewable energy and environmental offset markets. Our key interests in this inquiry are twofold: firstly, to ensure that any review supports the delivery of environmental offsets for Queensland major project developments; and, secondly, to ensure the ability of farmers to participate and gain a revenue stream from the Carbon Farming Initiative. I will expand on these two points. Firstly in terms of environmental offsets, the current situation is that developers pay landholders to deliver environmental outcomes that counterbalance the impacts of their projects. Environmental offsets require parcels of land to be secured on title. The problem is that for leaseholders of state owned land the eligibility of environmental offsets is not clear. Although not formally restricted in the policies, our experience is that the government at this time prefers not to support offsets on leasehold or state owned land. The ideal situation is to remove this uncertainty. All land tenures should be available for use as an environmental offset subject to fulfilling the policy requirements. This change will make the market better for landholders and easier for project developers. It will cut green tape.

Secondly, in terms of the Carbon Farming Initiative, the current situation is that carbon farming is a potential income stream for farmers either by planting trees, managing existing trees or managing farming practices to create and sell carbon credits. There are a number of already approved methodologies. We support CFI projects on marginal or degraded lands. Carbon farming projects need to remain in the ground for 100 years. This needs to be factored into any tenure considerations, in particular for leasehold land. Some legislation in October 2010 was passed to allow carbon rights to transfer from the state to lessees, but no further guidance material has been provided yet on it. These tenure rights have not yet been tested by an actual long-term carbon farming project. The ideal situation is that we would like to see this market supported and all land tenure types having the capacity to support CFI projects. This will create a new potential revenue stream for our farmers. In summary, Ecofund's projects need to be secured on title practically in perpetuity. Whether environmental offsets or carbon farming projects can be done on leasehold or state owned land is either not clear or needs to be decided. I thank the committee for its time and the opportunity today.

**CHAIR:** Thanks very much for that. Now to Des.

**Mr Boyland:** Thank you for the opportunity to appear before the committee. In the submission on behalf of Wildlife Queensland I focused on several aspects, including rural leasehold land, the Delbessie Agreement, the need for expansion of the protected area estate and the maintenance of the cardinal principle of management for national parks, nature refuges and the enactment of the Stock Route Network Management Bill. This morning I will focus on nature refuges and the stock route bill, as I am confident others who are presenting will more than adequately cover the other issues.

The 411 declared nature refuges in Queensland comprise slightly over 2.9 million hectares and complement the national parks and other conservation tenures in protecting our declining biodiversity. Unfortunately, current legislation does not protect these refuges that comprise a range of tenures from Brisbane

leasehold to freehold from mineral or petroleum development. Under the Nature Conservation Act, there are different classes of national parks subject to different management regimes. It is only logical that for nature refuges—the result of an agreement between the landholder and the government for the protection of biodiversity and conservation of the environment—a number of different classes exist subject to differing management criteria. Wildlife Queensland, together with like-minded organisations, has been advocating for a tiered system of nature refuges for some time. One purpose would be solely for conservation. One category would be for grazing and conservation, showing they can co-exist. The third class would in fact reflect the current situation. This view is shared in part by AgForce.

Nature refuges are a means of expanding the protected area estate at minimum cost to the government. The fact that nature refuges are not protected against mining is a disincentive for some landholders to enter into such an agreement. Amending the legislation to reflect a tiered system would be a positive step in achieving balanced protection for biodiversity. The iconic stock route network, with appropriate management, is another tool to assist in balance protection of Queensland's ecological values. The balance management of the network has been the subject of discussion for several years, culminating in a bill that was introduced into parliament and referred to a committee and that committee reported back. Support for bona fide travelling stock is its primary function. However, this expansive network in Queensland, which occupies some 2.6 million hectares and covers approximately 72,000 kilometres, has various other values. The stock route network plays a significant role in protecting biodiversity and the network provides refuge for endangered species and ecosystems. Such examples include the grassy white box woodlands and the endangered *trioncinia retroflexa* herb.

The network also provides refuges for wildlife. In a section of the network near Taroom, over 30 greater gliders were recorded within a few kilometres and near Yarraman over 84 species of birds were recorded in under four hours. This network serves as a wildlife corridor that links national parks and other areas of remnant vegetation. These stock routes must be retained, restored and managed effectively. Fragmentation of this network must be avoided at all costs. Enactment of the Stock Route Network Management Bill will assist in achieving a balanced protection for our flora and fauna. I also seek leave to table some maps that show where the stock routes actually intersect with various flora and fauna and also the conservation status of the various sections on the stock route.

**CHAIR:** Is leave granted by the committee for the maps et cetera to be tabled?

Leave granted.

**Mr Boyland:** Thank you. I can provide those maps in electronic form, if required, to the committee.

**CHAIR:** Electronic form is fine.

**Mr Boyland:** Finally, there are other organisations more qualified to comment on the needs and aspirations of traditional owners. However, Wildlife Queensland strongly supports that the needs and aspirations of traditional owners are not only listened to but actioned. Thank you, committee.

**CHAIR:** Thank you very much, Des. In terms of your introduction and statement, Peter, I was interested in the environmental offsets and more importantly your comments about carbon farming, because I think that that can be a great step forward. As a farmer growing sugar cane, I do believe that we are locking up carbon dioxide into the sugar, so that is a natural process which as yet is not recognised obviously in the whole scheme of things. Could you just expand on that a little bit more? Carbon is a very highly sought after component of soil and the conversion of carbon into soil is obviously one of the things we are looking for. Maybe you could explain that a little bit better.

**Mr Stark:** Yes, there are a number of approved methodologies currently in place. There are more and more methodologies being added all of the time to the Carbon Farming Initiative. In time they could include many different practices which I think will add value to property owners and farmers.

**Mr MULHERIN:** Des, in your submission you mention ensuring that pastoral and tourism industries are viable into the future. What is your view on forestry reserves and cattle being able to graze in forestry reserves?

**Mr Boyland:** My views on that vary greatly depending on the actual conservation status of those forestry reserves. Some would qualify for national park status; others would be more appropriately categorised as conservation parks in that—and the committee may be aware—according to an approved management plan, grazing can in fact occur on a conservation park as well as protecting the conservation values. Unfortunately, a lot of the forestry practices in the past have been and would remain unsustainable because of the rate of growth of eucalypts. The harvesting rate is such that the trees do not get to the status they should be for a sustainable industry. That is why the industry, if they are wise, will move on to a plantation approach to providing timber.

**Mr MULHERIN:** I also note comments about pastoral leases being perpetual leases. What is your view on perpetual leases where a pastoral lease went to a perpetual lease? Would you envisage that that could have some sort of Delbessie framework around a perpetual lease?

**Mr Boyland:** In terms of them going into perpetual lease, I must admit that Wildlife Queensland would prefer not to see land moved from rural leasehold because that way the government can ensure that the land is looked after for the long term. I must also admit that quite a lot of the farmers or most of the farmers and graziers actually endeavour to do that. With regard to a perpetual lease, there are hurdles you

Brisbane - 7 - 22 Aug 2012



have to jump through to get to a perpetual lease. First of all, you have to address native title issues and then you have to clearly establish how you can manage that into the future in a sustainable way. We have no objection to land moving into a perpetual lease because of the safeguards that are in place at present to ensure the long-term viability of that land.

**CHAIR:** One of the big questions obviously with conservation is the ability to maintain that. I was involved with the Berserker wilderness area in Rockhampton only a couple of years ago where it had not been control burned for quite some time and there were conditions like we have this year in terms of a lot of fuel. It was horrific, quite frankly, not only for the people living around the area but also for the wildlife and the vegetation in that area. From what I observed there, a lot of the trees were killed and there was hardly an animal left in that whole area. It is great to have conservation, but it also has to be maintained in order to maintain that diversity of animal life and fauna. So it is not just setting aside land for conservation. With the intervention of white people, obviously fires are not as prevalent as they have been in previous thousands of years. We do have to have intervention by mankind to ensure that that conservation area remains as it is. Would any of you like to comment on that particular aspect?

**Mr Stark:** At Ecofund, in the environmental offsets and the commercial arrangements that we see predominantly, I can mention not only lump sum payments from project developers—most notably resource companies—to landholders to secure that area on title, but also a revenue stream over 20 years to ensure weed and pest eradication and fencing et cetera are maintained.

**Mr Esposito:** I have some comments on that. I think the conservation world recognises the need for active management. The idea that you can put a fence around a remnant national park and leave it go just does not fly. There is a major focus on how you bring active landscape—scale management, in fact, to the environment and how you set up and manage protected areas. The role of fire is critical. The role of traditional owners potentially is critical right across the protected area estate and much of the landscape where native title is. There are economic opportunities off that. Natural resource management, land management, conservation, carbon farming—these all present active land management opportunities, particularly for Indigenous people in remote areas, and there are jobs involved. It needs to be addressed.

**Dr Taylor:** I agree with Anthony that no-one has ever suggested that we should take land and simply put a fence around it; that actually does not happen. The state does have very extensive fire management programs. It is not that that is easy; it is a difficult process. It is difficult to balance all the factors. It is difficult in that, when you have such a small protected area of state, you cannot have the scale of disturbance that probably applied when there was an entirely natural landscape. When you get a disturbance in a very small pocket, it is far more destructive, as you yourself have observed, Chair. So fire does have to be very carefully managed. Of course the role of traditional owners, particularly on public land, could be very useful there.

**CHAIR:** We will take one more question from Rob Katter, the member for Mount Isa, who I have not introduced yet.

**Mr KATTER:** Thanks. I am not too sure who is the best person to answer this question. I am interested in the talk about returning it to its natural state. I guess a good working example is, for instance, if you take a parcel of land that has been developed for grazing and it is called a nature refuge or reverts back to national park. I believe in the past they would shut down the artificial waters and then ecosystems would develop around that. Now I have heard of instances where they are retaining some of those artificial waters—say, dams or stock waters—because it has possibly enhanced the ecosystem. I am interested in your comments. That is a good case in point. What is a natural state? Where do you classify it as going backwards or being enhanced?

**Dr Taylor:** It is a very good question. To just take waters as a good example, there have been very profound examples of permanent artificial water throughout the outback, through the arid zone. Bilbies, for example, retract away from where there is artificial water. A lot of the effect comes through not just the attraction of grazers there but also the feral animals—cats, foxes and so forth. Water is a double-edged sword. Yes, you might get more waterbirds in places where they were not before, but you are also getting things that you do not really want there. So the sensible management of water, particularly on those western grazing properties, could probably strike a really good balance for production. Simple things like shutting off waters—if you can, when they are not in use—so they are not available to ferals could really increase both production and biodiversity advantages.

**CHAIR:** Thank you very much. Our time for this part of the hearing has finished. I now call witnesses from the Torres Strait Regional Council and the Redland City Council to come forward.

**GELA, Mr Fred, Mayor, Torres Strait Island Regional Council**

**PHOTINOS, Mr Gary, Manager, City Planning and Environment, Redland City Council**

**SCARCE, Mr John, Chief Executive Officer, Torres Strait Island Regional Council**

**CHAIR:** I welcome witnesses from the Torres Strait Regional Council and the Redland City Council. We will have a two- or three- minute opening statement and then we will move into question time. Gary, would you like to make a statement for the committee?

**Mr Photinos:** Thank you. On behalf of Mayor Councillor Karen Williams and the council, thank you for giving us the opportunity to make a submission and appear before the committee. Our submission has been compiled by a number of people within the council, so if I cannot answer the questions this morning I am more than happy to take them on notice and provide you with a response at a later date.

Redland City Council is situated in South-East Queensland. It is made up of mainland areas and island communities. We have a total area of around 537 square kilometres. We have island communities—Coochiemudlo, Karragarra, Lamb, Macleay, North Stradbroke and Russell islands. We are located on Moreton Bay and we border Brisbane City, Logan City and Gold Coast. Our submission as it appears on your website is numbered 89 and we structured it along the terms of reference of your inquiry.

On the topic of 'Ensuring our pastoral and tourism industries are viable into the future', our submission recognises that various forms of land tenure provide access impediments for the creation of a connected community. The submission makes reference to the council's adopted seven 'Cs' connection strategy which aims to create a set of major green corridors and recreation pathways across Redland city. It recommends that the state give consideration to the seven 'Cs' principles which Redland will use to guide determination of the broader connections articulated in this project. The seven 'Cs' strategy is attached to the submission. The seven 'Cs' strategy just takes a helicopter view of the whole of the city. It recognises that there are different land tenures, be it national parks, conservation parks, open space recreational parks, road reserves. The different land tenures provide opportunities for connectivity across the whole estate.

Our seven 'Cs' strategy suggests we take a helicopter view of that, draw up the lines and then try to deal with the access issues. For instance, we have Venman national park, and if we were allowed to have access for public thoroughfare through that area it would provide a magnificent connectivity for a trail through the whole of Redland city in the southern parts and the hinterland areas.

On the topic of 'The balanced protection of Queensland's ecological values', Mayor Councillor Williams wanted me to emphasise that the southern Moreton Bay islands has a history of inappropriate land development. The council previously submitted to the Liberal National Party during the recent state election the SMI Needs Campaign, which is also attached to our submission. It highlighted these challenges and identified that council requires a strong partnership with the state to deliver a sustainable future for these island communities.

The submission makes reference to a staged voluntary land exchange program currently being implemented by council. It recommends that, to address the unnecessary red tape, regulation or procedures that are associated with the transfer of land, council be provided with a strategic ministerial exemption that in effect exempts all potential land exchanges identified as part of that subject program from the current tendering and auctioning provisions. It simply means that, if we want to exchange property with a current landowner with land from our land bank of currently owned council land, in order for us to deal with those people we then have to seek an exemption from the minister from the public auctioning and tendering process to dispose of that land every time we have to go through that exchange process. When you are going through 350 land exchanges, you can see how that becomes an onerous process.

In addition to this, we have submitted a proposal to create the southern Russell Island conservation park—again, to deal with the legacy of poor planning processes that occurred in the 1960s and 1970s. The submission actually proposes to create a conservation park on Russell Island. The submission seeks the state government's active support for the creation of the southern Russell Island conservation park to protect land and ecosystems and resolve the ongoing issue of reducing the number of unsustainable freehold allotments on the southern Moreton Bay islands.

The proposal in detail suggests that council would consider surrendering its freeholding of some nearly 800 lots that it currently has acquired over a period, for the state then to assist in the residual land that is still in public ownership in those areas—most of it is tidal, under water or drainage constraint—amalgamating those titles, closing the roads, creating the one reserve. Council, in the submission it has made, accepted to take over the trusteeship of that conservation park once that has been created. It is a long process and it does actually need some strong partnership with the state.

We also talk in our submission of thinking outside the estate. The Koala Bushland Coordinated Conservation Area, which includes Daisy Hill Conservation Park, Venman Bushland National Park in South-East Queensland and also the Don and Christine Burnett, is an example of multiownership, multitenure land arrangements of conservation and recreational. The reserves are owned by the Queensland Parks and Wildlife Service, Logan City Council and Redland city.

Our submission makes the recommendation that the key objectives of the multiownership tenure Koala Bushland Coordinated Conservation Area arrangement should be revisited to determine whether the arrangement is working and whether issues with tenure and management need to be revised to allow for better coordination and cooperation. Investigations should also determine whether the objectives of the arrangement have been realised or whether the KBCCA is underutilised, in particular for recreation and education. The Koala Bushland Coordinated Conservation Area, if planned for holistically, could support a broader range of activities over a much larger area than is currently accessible. Some areas are more highly visited than others. The underlying reasons for this should be investigated including tenure, management and cooperative arrangements between the different agencies.

Under the title of 'Ongoing Sustainable Resource Development' we have a little matter of unnecessarily having to apply to the minister for resource entitlements. We have several thousand hectares of land that we currently hold in trust from the state for various uses and designated under trusts mainly for park and environmental purposes. This land is managed by council and any dealings that we have on that land means that, in the first instance, we have to make an application for resource entitlement before the matter is then considered through our normal development land use planning processes.

**CHAIR:** Gary, have you got much more to go?

**Mr Photinos:** One paragraph, Mr Chair.

**CHAIR:** That is fine.

**Mr Photinos:** Finally, with regard to the needs and aspirations of the traditional owners, I turn to the North Stradbroke Island land use planning and future land tenure arrangements associated with native title. You may be aware that on 4 July Quandamooka native title on North Stradbroke Island was acknowledged through the Federal Court native title determination. At this time two Indigenous land use agreements were executed between the Quandamooka people and the state government and between the Quandamooka people and the Redland City Council. These arrangements were registered on 9 December.

The submission highlights several land tenure issues and recommends the need for state government direction on state planning instruments and the state government to lead and fund the planning investigations associated with these issues. In the submission we mention that the unplanned land releases that occurred on the Southern Moreton Bay Islands in the sixties and seventies should not recur on North Stradbroke Island.

**CHAIR:** Thanks very much, Gary. Fred, it is great to see you here on behalf of the Torres Strait Island Regional Council. I think you would have to take the record for the furthest submitter to our committee at this stage. Welcome and thanks for coming. Would you like to make a statement, Fred?

**Mr Gela:** Thank you, Mr Chairman. First and foremost, I would like to pay my respects to the traditional owners of the land on which we are gathered here today. It is unfortunate that I am unaware of the tribal name, but nevertheless I would like to acknowledge them and pay my respect to elders past and present. In my opening I will do away with the technicalities. I think I would like to have a discussion directly with the committee members in the hope of addressing a number of the complexities that we face as a local government in the area.

My council represents 15 communities that are scattered right throughout the region. We have tenure arrangements coming out of our ears. We have reserves, we have DOGITs, we have native title and we have Katter Leases. In terms of council progressing to look at community development such as putting basic infrastructure on the ground, in terms of coming to a mutual agreement at the end of the day sometimes it takes more than 18 months. I am hopeful that we can look at streamlining some of the State processes to ensure that we acknowledge the systems and arrangements that were once in place that governed us in the first place prior to the Westminster system coming into place. We had a land mechanism that was in place and that was respected and it is still respected today. None of the arrangements that are in place are providing the council with the opportunities that the council and my people need in terms of economic development and growth.

Katter Leases are something that communities right throughout the region have been wanting for quite some time. There are applications that are still pending ministerial approval. I think what we need to do is address that in the first instance. We need to consult the people within the Torres Strait to look at the mechanism that was once upon a time in place and that is still respected today but is not acknowledged by government. It is disregarded by government. There are mechanisms that are put in place in front of us that do not work in our favour at all; it works against us. Forever and a day we will be in a situation where we are trying to close the gap. We have the answers. We have the solutions but it is never taken into account.

**CHAIR:** Thank you, Fred. John, would you like to say something?

**Mr Scarce:** The position that council is trying to take is more along the lines of trying to step away from the mothering aspect or the Big Brother aspect that has been placed upon the communities of the Torres Strait by government for many, many years and giving it back to the people of the Torres Strait to make their decisions on how they wish to progress forward. It has openly been said, and it will be on the record now, that freehold needs to be attained and given to the traditional owners of that land as it was prior to colonisation so their systems are respected and they can do with the land as they see fit. If they

wish to bring in a Novotel Resort or run resorts for the benefit of their people, they should not be hamstrung by a piece of legislation that states forever and a day this will be communal land. The mechanisms of the tenure arrangements are in place such that any defaults that occur with even 99-year leases and 40-year leases it comes back to communal land. Another mechanism needs to be put in place so we can get real investment and real economic growth into the Torres Strait.

**CHAIR:** In terms of the Torres Strait Islander committee and the Torres Strait Island Regional Council, that is certainly one of the issues the committee is looking at and giving a lot of thought to in trying to sort that whole issue out. There has been a bill introduced into the parliament. I guess you are aware of that. That will help somewhat but the bigger issues of freeholding and ownership of land are right at the crux of the committee's hearings. I really appreciate you coming and talking to us.

Gary, in terms of the island communities and the amalgamation of those lots, it seems to be a very sensible step forward. The committee might have some questions in that regard, but it does appear there is a real opportunity to create a conservation area and probably more significant areas where the land has not been particularly disturbed for a high level of conservation. Would you like to comment on that?

**Mr Photinos:** The Southern Russell Island Conservation Park sits in the Moreton Bay Marine Park so it does provide a nice complement of protected areas. It just comes down to the will to acquire the land. Council has done a lot of the heavy lifting for the last 20 years in relation to changing the ownership of that land tenure into public ownership, but when you look at the maps you can see splatterings of private ownership within that southern part. Some people are reluctant or are just hanging on to their land. I think there are no developable rights available on that land, and I suppose someone has just got to bite the bullet and acquire that land, whether it be compulsorily or otherwise. We are hanging on to the last few threads of privately owned land that stops this conservation park from being realised.

**CHAIR:** Fred, in terms of the Torres Strait Island Regional Council opening up the opportunities for infrastructure perhaps where ownership is given to the council in terms of the development of a hotel or tourist ventures on some of the lovely islands you have in that area, do you see the provision of infrastructure such as sewerage and water as a problem or is it just a challenge?

**Mr Gela:** I can reflect on the current processes that are in place now. In order to put in place a piece of infrastructure that is essential to life in our communities, the council is having to consult through another mechanism that has been introduced under federal legislation which is the prescribed body corporate. This is a corporation that represents the traditional rights and interests of native title holders. We are having to consult with these individuals and mechanisms are put in place—triggers—for when compensation is payable and when it is not payable. A series of negotiations have been occurring such as that. They are long, drawn out and very expensive. Once again, it is contradictory to our customary law. In our law it is totally reflective to how land is managed down here. If John Scarce holds a freehold, John Scarce is the only one who has the ability to negotiate the terms in relation to that piece of property because it is his. The concept is the same in our customary law: my land is my land. I am the only individual who has the right and the authority to speak on that land. It is my choice what I want to do with my land.

Native title has been determined underneath the Mabo court hearing. In the simplest terms, that has brought attention in terms of acknowledging that there was a mechanism of ownership that was in place but that is not exactly what we wanted. There was much more that was wanted. There was much more that Koiki wanted to achieve at that time, and that was the recognition that our customary law and our rights to our land are similar to granting an individual freehold under a freehold arrangement exclusive right. Under our law it is my choice in terms of what I want to do and in terms of deciding the fate of that land.

What we are requesting to ensure that council is progressing is infrastructure development. People acknowledge that because infrastructure is needed. Some of our communities have just the bare essentials and some do not even have the basics. In consultation with this corporation it has been identified that there are areas that still need to be developed for the sake and the benefit of the region—for the community as a whole. I particularly want to dive in in terms of looking at creating wealth creation and economic development, because in our communities there is a strong welfare dependency. It is not a mentality that we have. It is just that our people have not been given the choice. You are either employed by the council as being the one major stakeholder in your community or the limited Commonwealth agencies that provide employment at the local level. There are a lot of potential industries that would be sustainable and viable. It is just a matter of ensuring that people are able to grow, and that has not been done before.

**CHAIR:** Freehold land is important. I own freehold land but we are still constrained by local laws—what you can do on that land in terms of development et cetera by your local council or government. So there are some constraints even on freehold land. I think it is St Mary's where they had a block factory—

**Mr Gela:** St Paul's.

**CHAIR:** So they are the opportunities that come with loosening up or freeing up the title. We are really keen to look into that. That is where the committee is heading so your submission today is very timely.

**Mr YOUNG:** Fred, how much land is tied up in DOGITs? Is there a large percentage of land that you have tied up in DOGITs?

**Mr Gela:** That is a very good question, Bruce. All 14 of my communities are tied up in DOGIT. Only one is reserve. Murray Island is reserve and all 14 communities from Hammond within my electorate all the way out to Saibai-Boigu, which is only a 10-minute boat ride to the border line of Papua New Guinea, are DOGIT communities.

**Mr YOUNG:** When you say that, you mean 100 per cent of the land mass is tied up in a DOGIT?

**Mr Gela:** Yes.

**Mr YOUNG:** It would be good to see some maps on that.

**Mr MULHERIN:** Fred, you were saying that prior to European government or governments of the islands the tenure system was that your property was your property and you knew your property and that the Mabo dispute actually came out of a dispute on Mer Island between Eddie and another person where Mabo said, 'This is my land,' and it was in dispute. Have all of those issues been determined up there? Would you still have disputes over land between individuals?

**Mr Gela:** There are still disputes in some areas. I think what we need to do is acknowledge the system of land governance that was in place in the past. It was underneath the tribal system. For example, if you look at a land mass—an island—there are tribes on that same island. Each tribe had a chief, a leader. When it comes down to talking about land development in that particular area, there is the one representative that represents that clan. When it comes down to individual parcels of land—say, for argument's sake, hypothetically speaking, if it is Gela land—then we do have a spokesperson who represents our family. So that tribal clan—that individual—consults that representative. When it comes down to that individual parcel, it narrows down to a block of dirt that is, hypothetically speaking, mine. That Gela representative consults with me because I am the owner of that same land. It is a similar system to mechanisms that are in place now under the freehold arrangement. It is like the example I provided in the first instance in terms of John Scarce's freehold block. I do not think John would allow me to make a decision on his freehold block, would you? I do not think so. That is the same token and the same gestures that are practised under our cultural law, and that has never been taken into account.

There is a lot of potential there. I am looking at the current fiscal system of government right now. Here we have a wonderful opportunity. We are not talking about any more investment out of government coffers, but we have a wonderful opportunity in terms of growing our communities and establishing footprints that have never been established before to provide ourselves with the much needed employment opportunities—opportunities that we never had to grow as an individual, as a race of people. It is a wonderful opportunity. Let us take that opportunity. Let us grab the bull by the horns and let us do it together.

**Mr MULHERIN:** So what you are saying is the clan issues have not been resolved over ownership of land in those DOGIT communities?

**Mr Gela:** In terms of looking at that as being a debatable issue with regard to the number of disputes that come up, one would think that there would be 100 per cent that turn into disputes. Many would think it would be a high percentage. It is not. It is only a small number of disputes that occur from time to time and it is not necessarily with the wider community; it is with that particular family in terms of Gela saying, 'That is my land, not your land,' so it goes down to that little family group. It is not the community as a whole.

**CHAIR:** Just following up on that, Fred, let us say I am a big-time developer and I want to build a motel or hotel on a particular island and I want to build it on that particular piece of ground, but it is going to benefit the whole island and I just have to negotiate obviously with a few elders on that particular piece of land yet it is going to affect the whole island. How would you negotiate through that provided we put in place freehold ownership somehow or other? Provided we put in place freehold ownership, that developer would have to negotiate, firstly, with the council but then back to the individual owners of those particular lots on that particular island.

**Mr Gela:** Consultation would occur similar to everywhere else. Before a development is developed, a development application is submitted through council and so forth. Prior to that, the nuts and bolts need to be in place in the very first instance before they submit that application—a series of consultations with the TOs. Once again, it will be the choice of the TOs, the traditional owners. I will refer back to discussions that have been occurring in communities in relation to the national partnership agreement which is the Commonwealth investment that is on Torres Strait's doorstep. There is \$300 million to be invested into the Torres Strait. It is on the proviso that two conditions are addressed. The first is a 40-year lease is in place and that area would be leased to the state and the tenancy management of those rental properties transition over to the state from the council. In consultations we have had individuals stand up in public forums stating and quoting our cultural law, stating openly that, just like our culture, it is my land and under our cultural law I am the only one with the delegated authority and right to speak on that land. Nobody argues against that. That is something, in terms of looking at a large mass development in a community, where the decision is made by the landowner. Apart from that, for obvious reasons, there has to be full-on community consultation to look at whether or not the community is prepared for that, whether or not the community is willing to adjust to that. But at least the opportunity is there, because right now the opportunity is not there.

**Mr MULHERIN:** If those issues were resolved, if you are an individual owner would you sell the land or lease the land?

**Mr Gela:** That is the choice that the individual landowner has to make. What I am talking about is opening the doors that have never been opened before. With regard to the cattle lease provision that has been put in place, the cattle lease people are grasping that. We have been urging government to make a decision on the longstanding leases that have been waiting and pending ministerial approval. It is as old as the Community Services Act. It is nearly 23 years old in the making and it has been waiting for a tick and a flick. We are fast approaching those Katter Leases being issued. So once again there are opportunities there, but we need to look even beyond that.

**CHAIR:** Is that federal government or state government?

**Mr Gela:** The Katter Leases are state government. They are Katter Leases issued in perpetuity.

**Mr Scarce:** Just to add to that in terms of the determination of the freehold, we have those other mechanisms. We have the 40-year lease, we have the 99-year lease and we have the cattle lease in place, but at the end of the day if somebody wants to have home ownership on there they really cannot go to the National Australia Bank and get it, because when the leases default they default back to only the community. So the risk associated with such an investment from a commercial organisation—from a Novotel, from anybody else—is too great. They will not do it. That default mechanism needs to be able to come back where another commercial entity or interest can come in and actually take over that. They are all parts of the consultation which would need to happen within the Torres Strait so people actually understand that, if it is freehold land and you default on your loan repayments, at the end of the day the bank is going to sell it and it could be a John Scarce who comes in and lives in that house on Poroma. That is the reality of it all, and that is something that they will have to do. At this point in time they do not have that choice to be able to do that.

To follow on from an earlier question from the chair before in relation to infrastructure and things like that, we have limited water supply and everything else like that. I think we have somewhere in the vicinity of 11 desalination plants that we are operating now. So any investment that we would have from a Novotel or anything else like that would need to be a self-sustaining little biosphere themselves. They would need to have their own desalination plants for their water. They would need to factor all of that into their costs. We would not be able to supply it on a lot of those areas. We have the same issues with our waste and our rubbish tips and all of that sort of stuff. They would need to have mechanisms in place to be able to remove that, and it could be a win-win situation. They might put systems in place where they are turning that garbage into generating electricity, and we will put all of our garbage through there as well. There are lots of other add-on benefits of things that we struggle with as a council every single day—providing water, providing sewerage, getting rid of waste and all of those other things that we may be able to do in collaboration with these others if they have the ability to do it.

**Mr MULHERIN:** At the end of the day that would be a condition that the Torres Strait regional council would put on a developer—all those conditions. Fred, just getting back to the Katter Leases, they are across a number of islands. Does the council want that issue resolved for future housing? What is the issue around the Katter Leases?

**Mr Gela:** Council's position in the matter is straightforward. The applicants who have applied for those Katter Leases have jumped through all of the hoops that have been placed in front of them. They have met every one of those conditions. As far as we are concerned, our position in the matter is whether the state minister is going to approve it, because there is no way in hell that I can see that those applications by those applicants, who well and truly have valid entitlements, can be disregarded. They need to approve it. For planning purposes, we need to know whether or not these entitlements are going to be issued. Once they are issued, we know that these footprints exist, because at this present stage we have identified where these footprints are and we do have some social housing built on those areas. So it is a matter of whether or not you are going to invest X amount of dollars in terms of bringing up that standard of accommodation—it is a rental property—and risk a situation at the end of the day where a cattle lease is issued. Once the cattle lease is issued for the land underneath and there is infrastructure attached to the land—I am not a lawyer, but correct me if I am wrong—once it is issued, then for obvious reasons the infrastructure that is built on that land is that individual's. The council as the landlord and as the asset owner have to consider and make a decision on what they are going to do with that piece of infrastructure that sits on that land.

**Mr Scarce:** In addition to that, the bill as it stands at the moment means that if any of those Katter Leases are determined there is immediately no native title impact because it will happen before any native title determination, so that has burnt a hole in the middle there. As it stands today, once we have gone through and those Katter Leases have been issued, we get everybody to fully understand what that is. Some of them may wish to return them back to the council. Currently the legislation states a hole has been burnt and it is pulled into unallocated state land, but I believe the bill that was introduced yesterday will actually allow that to be turned back into DOGIT land. So that will come back to council ownership. It is a win-win situation. For council we have a trustee DOGIT over an area that does not have native title that actually assists us in other things that we want to do in the future as well. That bill introduced yesterday will be able to assist in a lot of those things, but it still does not address those other issues that Councillor Gela was talking about with the freehold.

**Mr YOUNG:** Are these cattle lease applications new, or were they already existing? Were they there before?

**Mr Gela:** The Katter Leases were applied for and they should have been issued prior to 1995 I think. I am pretty sure, but I would need to double-check that. In 1995 any further applications were deemed frozen from that point on, so applicants were encouraged to apply well and truly before 1995, because at that time there was limited work in terms of looking at what would happen if an individual defaults. I think there was little dialogue around that in terms of forming and developing some sort of mechanism to ensure there is a level of protection. A submission was made to the lands minister back then in terms of declaring all cattle lease applications frozen from that point on. But all the applications that I am talking about are applicants who have jumped through all the hoops necessary. They have been stamped with the common seal. They have been approved and accepted by the council for that particular community and they have been, I guess, sent on in the hope that they are processed with the Department of Natural Resources, as it was back then in those days.

**CHAIR:** Is that right, Bruce?

**Mr YOUNG:** Yes, I am clear with that. So those applications are still sitting there and you want determination on those applications?

**Mr Gela:** In the discussions that we have been having, we have been told that there are X-number of valid entitlements that will be issued. I think it is a matter of process. I am not sure whether or not the department was waiting for the bill to be put through, the bill yesterday that was endorsed. I would like to make a comment publicly to the inquiry to seek your assistance and support in urging that those Katter Leases with those individuals with valid entitlements need to be processed as soon as possible, because they are nearly 23 years old.

**CHAIR:** I think that is correct, Fred. I think that bill should go through the parliament before the end of the year, so that should clarify that fairly clearly. On the issue of freehold title, say there is a freehold block of land granted on tribal land and for one reason or another that was forfeited, the banks took it over and resold it on. If it goes out on the open market, anybody can buy it. Is that going to be in conflict with the traditional-type tribal ownership of land? Certainly it is a tremendous change in the way in which the islands traditionally have been owned or operated.

**Mr Gela:** There are three points that I want to make. Firstly, I think we need to look at at least opening the doors that have never been opened before to Indigenous communities, to provide us with the necessary tools and the opportunity and the options to grow ourselves and develop ourselves. Let us face it: money does not grow on trees. We do have the drive and the passion in terms of developing ourselves, without governmental assistance. This is what I am on about.

Secondly, in the series of consultations, it should be made clear at that point in time, prior to entering into any arrangement, that these are the risks that may come with it. So individuals are well and truly prepared and in the right mind in order to make those decisions.

Thirdly, when you look at it, once those decisions are made and the footprint is in place, then for obvious reasons there is a lot of spin-off opportunities that will be provided to communities, not to mention vast opportunities for small businesses to be established, to act like leaches in providing the necessary adventure tours, for argument's sake, if it is a motel. There is a level of employment and growth. Spin-offs are there. That benefit will never change. Even if the operator is gone, you still have that same footprint that is doing exactly the same thing in your community and the spin-offs are the same. Whichever way you go, it is the same, I guess, benefit in the community and you cannot change that.

I think it is about providing the opportunity and the options. In discussion with the state, we will be looking at doing some modelling around a community bank approach in terms of developing that as a mechanism in terms of in times of default. It is no ordinary bank system. I am not talking about a Bendigo Bank, I am not talking about National, I am not talking about Westpac; I am talking about a community bank setup.

**CHAIR:** I think I can speak for all of the committee, Fred: we are determined that we certainly will—and it is a big part of our terms of reference—look at how the committee can support your determination. We congratulate you on your determination to make that happen. As I say, I think I speak on behalf of all the committee when I say that we are keenly interested in looking at that situation. John, did you want to say something?

**Mr Scarce:** Just in relation to the question, if we go back to before colonisation, my understanding is that under their system they traded their land, they went to war over their land, they offered their land as a dowry and gifts. People who were displaced from other communities were given parcels of land and everything like that, right throughout. I do not see that there is anything different with the system that they had prior to colonisation and giving them the freehold to give off and to do what they see fit to do.

**CHAIR:** I think Michael Hart would like to ask a question and then we might wind up.

**Mr HART:** I wanted to be 100 per cent clear on that, gentlemen: what you are suggesting, I think, is that if you gain freehold title to that land and for some reason it gets lost in the system, that native title would be completely extinguished on it forever; is that what we are saying?

**Mr Gela:** Through a series of consultations people are going to be clear with that, and that is correct. What I am urging the committee to do is this: do not look at the risk that my people will have. It is the risk that we have to deal with. It is our risk; it is not your risk. All I want you to do is open the door and provide

Brisbane

us with the much-needed opportunity and provide us with the options that we have never had. Let us make that choice. My people will be engaged in that. People are going to be clear about that. We are educated individuals. We know what English means. All I am asking for is the opportunity. Give us that chance.

**CHAIR:** I think you have made a very good point. We congratulate you on coming down and thank you very much for your submission. I also thank the representatives of the Redcliffe council. We will break for a coffee if you would like to join us. Thank you very much for your submission today.

**Proceedings suspended from 10.21 am to 10.59 am**



**BARGER, Mr Andrew, Director, Resources Policy, Queensland Resources Council**

**BATT, Mr Gerard, Solicitor for Xstrata Coal, Gerard Batt Lawyers**

**MULDER, Ms Katie-Anne, Adviser of Resources Policy, Queensland Resources Council**

**CHAIR:** Would you like to make an opening statement?

**Mr Batt:** I am here representing Xstrata Coal and I have a very narrow focus in relation to the submissions I have made in respect of the committee review of the Land Act. I am a surveyor and a solicitor and I appear as a witness to this public hearing.

The Mineral Resources Act provides mining companies with rights and obligations with respect to Queensland resources by way of grant of mining leases. These mining leases are granted independent of the underlying tenure, save for reserve and restricted land as defined in the legislation. Once granted, it gives mining companies exclusive, long-term, physical possession of the land, subject to the payment of compensation to the dispossessed landowner. In my experience, mining companies, in lieu of payment of that compensation, often seek to acquire the underlying tenure the subject of the mining lease to satisfy their commercial needs.

Chapter 4, part 2, division 2 of the Land Act operates to restrict acquisitions of corporations in circumstances where the underlying tenure is or has been leased from the state. I refer by way of example to section 145 and section 174. These sections of the Land Act were enacted to prevent aggregation of large tracts of state land by corporations. Mining corporations do not require large tracts of land; their focus is limited to the localised resource the subject of the mining lease. This leads to a situation where mining companies have exclusive, physical, long-term possession of the restricted land but cannot obtain the leasehold or can only obtain ownership after significant delay and additional government approval.

I think it is accepted that the state has obligations to protect state land and to develop state land in such a manner as to provide the best economic outcome for Queensland. The Land Act and the Mineral Resources Act operate incongruently in this regard by giving mining companies, on one hand, exclusive long-term possession but, on the other hand, denying those companies the ownership of the land. The land, when rehabilitated by the miner, may not be ideal grazing land.

The historical context of these provisions is grounded in the closer settlement policy. That policy was designed to subdivide large pastoral holdings into smaller, family owned operations. The restrictive provisions of the Land Act I referred to earlier are representative of this policy. Whereas previously the state government could only control use and ownership of land through the conditions attached to leases, today other statutory instruments operate to regulate planning and land use; namely, the Sustainable Planning Act, the Environmental Protection Act and the Mineral Resources Act. Mining leases granted pursuant to the Mineral Resources Act usually have stringent conditions attached to them, including environmental conditions pursuant to an environmental authority.

Corporations are legitimate and in many cases preferred vehicles for business. Corporations are also subject to and generally satisfy land management requirements in similar respects to individuals. The Land Act restrictions act as an impediment to negotiations between mining companies and landowners. Repeal or amendment of these restrictive provisions would have a beneficial impact of streamlining that approval and the development of state owned resources.

**Mr Barger:** I appreciate the opportunity to come and speak with the committee this morning and, like our submission, I will try and keep it fairly brief. Essentially, you will have seen from some of the large and complicated submissions you have received that the patchwork quilt of tenures that operate within the state is complex. Really, our submission and our appearance this morning are to reinforce the message that, as well as all of the agricultural forms of tenure—leasehold, freehold—that exist across the state, underlying those is an equally complicated system of resource tenures that can co-exist with each other and indeed with different forms of tenure. Really, the essential point we want to make is that reforms to those surface rights that exist should be done in a way that is consistent with the underlying rights that tenure operators have.

I should probably also talk a little bit about the perspective of the Resources Council. We are the peak body for resources cast very broadly, so our membership interest includes not just companies like Xstrata and QGC, who have both made submissions, but also companies interested in renewable energy like geothermal, exploration, minerals processing—the full value-adding chain in the resources industry.

In looking through the submissions that have been made to the committee, one of the ones that jumped out at us, albeit focused on an appropriately agricultural perspective, was the one from the Department of Agriculture, Fisheries and Forestry, which set out a series of principles for what a good tenure system might be. That seemed to us to be a good starting approach. The frustrations that you can hear in some of the discussion under those principles is echoed in the resource industry. The same issues are dealt with by our member companies in terms of lease conditions, rents, renewal, the security of the tenure and the pathway forward for a resource tenure, whether that is petroleum and gas or the Mineral Resources Act—the way there is an opportunity to move that up the tenure hierarchy so you can go from an exploration right through to a production right if you have demonstrated that there is a sufficient resource there.

You have not had a lot of submissions from resource companies. There has not been a lot of focus on this issue to date because of the predominantly agricultural focus of the tenure system. I think it is paramount that, in considering changes to how that might operate, you extend your focus below the surface, because that is where the interaction of the different tenure types starts to get quite complicated. I am happy to field any questions the committee might have.

**CHAIR:** The committee's terms are reference look at the security of tenure and the opportunities of the state government having control over so much land in Queensland. I think you have touched on a fairly viable direction in terms of securing not only the agricultural leases but also understanding the complexities of the underground lease. I think Gerard made the point that mining leases do not necessarily need a huge block of land; they just need to be able to operate on the land that has the mineralisation. Can either of you make some suggestions to the committee about how we might accommodate all of that?

**Mr Barger:** The issue of surface rights—what you do if you are interested in extracting some resources from an area of a property and you determine that, for the security of tenure, you might want to own that—and what you do with the rest of the property is a live one. There is a lot of debate at the moment around co-existence and whether agricultural, resources and indeed tourism can co-exist with ecological values all within the same property boundaries.

The LNP government initiated a process of an agricultural land audit, which is partly around this idea of saying, 'Is there some country which is potentially productive which might have something to contribute to the government's target of doubling food production that sits within resource tenures, production tenures—whether they are mining or petroleum—which is not necessarily being used?'

Increasingly what you are seeing—because of an increased focus from the community on ensuring agricultural land is being used and maintained and its productivity is not being degraded—is almost a default position, even if a property is being bought, to try to get the people who have worked that country to stay on it or to lease it back to them at a peppercorn rent so that you get some continuity of production through time. It is also an important part of making sure that those communities remain vibrant, because if you just come in willy-nilly and displacing people then once the resources have been extracted and that land is rehabilitated you have a peculiar situation of having a resource company owning an agricultural asset which they may have limited ability to maintain, whereas if you retain some of that agricultural value by bringing the landholders in as a manager and continuing to operate that property, you do two things. First and foremost, you maintain that continuity of production but the other thing is that you immediately, as the new economic activity in the region, give yourself an insight into how your neighbours see you. Your farm manager might say to you that it is not helpful to bring supplies in at the time the school bus is running. If you reschedule that to an hour later, people are not then worried about their kids waiting for the bus to come through. You get really immediate feedback in terms of that sort of good neighbourhood policy. So it is increasingly being seen as not just good economic asset management but actually part of that larger issue of demonstrating your credentials as a good neighbour.

**Mr Batt:** As I said earlier, my focus is a little bit more narrow, given the commercial aspects of the company that I act for. I acknowledge your comments in relation to good planning principles that must apply across the whole of Queensland, in particular these communities that have their core economic outcome being resources. However, if you narrow the focus down to the landowner, the co-existence of a particular landowner with a particular miner can sometimes be hazardous in the sense of the conflicting land uses. Often the mining companies wish to remove that impediment to their commercial exploit and the landowner often sees the commercial gain of moving on to another property where he cannot co-exist with a miner and he can have full ownership and full control. However, there is also a market force that applies. There is a premium in the market for coal companies to pay these landowners to get control of that land they are looking for.

I really think it comes down to the size of the land. If there is a severance—for example, you have one parcel, the mining lease is in the middle and you have a severance between each side of the property with the mining lease in between—that causes problems for workplace health and safety and a whole range of other aspects from an operational perspective for a mining company. If there was an opportunity for a landowner to subdivide a parcel and retain an economically viable pastoral property then the co-existence can operate quite well. I think it is a conflict between those competing interests that causes the dilemma with the Land Act and the way in which you might control that. My submission might be that if you were to impose conditions on the mining lease and/or the environmental authorities to enable the rehabilitation to deliver the land back in an economic form at the end of the mine, then amalgamation of that land later on might occur. Also, closer settlement might make the land more viable because there is more intensification of the remaining land by the landowner.

**CHAIR:** The comments you have made, Gerard, in terms of rehabilitation and returning that land back to whatever it was before in terms of grazing—it is difficult with cropping, but certainly in grazing—I think is a good step forward. The committee would be keen to look at the opportunities there. One of our terms of reference also is to look at the opportunities with tourism. My electorate covers quite a bit of the mining area in Central Queensland. I think there is a latent opportunity for visitors to actually visit mining operations. I know there is a huge issue with workplace health and safety, but I think it is one area that we have not actually explored to any great extent. Would either of you like to comment on that? It is certainly not going to be a profit driver for the mining companies, but for the economy of Queensland it could actually be of real benefit.

**Mr Barger:** It is a good question, and you are right: the issue of taking people on to an operating site is complicated. There is a fair bit of legislation around how that operates. Perhaps some of the answer is what you start to see in, say, Mount Isa and Blackwater, where there are visitor centres set up that replicate that experience of going underground. Perhaps more importantly, both are staffed by people who have worked in the industry. In the same way that if you visit a working farm you very quickly get a sense from the farmer of their pride in the place and what they have achieved, sometimes when you get into those visitor centres it is hard to escape because they want to tell you another story about what happened when they were underground 25 years ago.

For a long time the resources industry has been an economic bailiwick of the economy. I think that increasingly looking to ways in which the presence of the industry can bolster other aspects of the economy like tourism is a sensible evolution. There are some issues that need to be done around the operational sites. Moranbah has a dragline bucket set up outside town and it is a rare person who drives past that without photographing it. Decommissioned equipment, the scale and size of that is interesting. But ultimately I think it is the human interactions. You want to provide an opportunity for people to sit down and have a chat with somebody who works in the industry because one of the things that always strikes people who visit sites is the passion of the people on site for what they are doing. I think particularly for international tourists, if they are coming from somewhere where perhaps they do not have as much primary production in their economy, that is a really powerful legacy to leave somebody with. So I think the challenge is to try to work around some of the complex health and safety regulations and open that avenue up because, you are right, it is potentially a rich avenue for expanding the scope of offerings that the tourism industry has.

**CHAIR:** Obviously underground is a difficult area, but there are a lot of people who would actually like to overview an open-cut operation to see the magnitude of the operation. That could probably be done relatively easy under workplace health and safety issues. That is something that we would like to explore at a later date.

**Mr HART:** Your submission suggests that we should open up perpetual leases to corporations. Are you suggesting corporations in general or resource companies? How would that work? If we did that, how would you see the leases being on-sold at the end of the term? A mine might have a life of 40 or 50 years, not perpetual, so how would you see that occurring in the future?

**Mr Batt:** The resources companies, if you just take that in the first instance, have a very narrow need for use of the land for the resources that lie under the land. As I said earlier, the necessity is often that they want to acquire the ownership of the property. The historic context of the closer settlement was that corporations at that time, 1819 and then later on in 1962, were not common. Ownership of land was not often held by companies and the corporate structures under the Queensland Companies Code at that time and earlier were quite limited. Corporations these days are very, very effective and good corporate citizens and I would suggest to you that with the proper planning tools the removal of the restriction for the aggregation of large tracts of land would possibly be in the interests of Queensland. So I would not make a distinction myself between a mining company and a pastoral company that might own large tracts of land because I think the historical context has moved forward now. In those days there were no planning tools. They did not have planning acts, sustainable planning acts, integrated planning acts or anything like that. They did not have environmental conditions. I think there are a whole suite of legislative processes that could be followed that allow the land to be held by corporations but opened up and allowed to be used for various purposes with proper planning tools in place. I think there are effective legislative measures in place already, and I think some of those are already under review again by this parliament, that facilitate that use of land by those corporations.

**Mr MULHERIN:** They were originally set up to protect family farming interests with the grazing homestead perpetual lease and then the pastoral lease where you could have investment by corporations which was further to the west. I suppose some families which then became family corporates can get around it if they have got enough children to aggregate and set up the company structure around a number of properties. How does it really impact on mining from the point of view of if the mine acquires the property it is actually in breach of the grazing homestead lease as it is a corporation?

**Mr Batt:** Often, depending on the type of tenure that is underlying the mining lease, the mining company will make a specific decision as to whether or not they would negotiate the acquisition of that land as opposed to the payment of compensation. That conflicts between their commercial needs which is to effectively operate and own the land that they operate the mining lease on. To answer the question, I think that if those impediments were removed specifically for mining companies then it would facilitate the development process and the approval process and get access to the resources a little bit more quickly. The Land Court determination of compensation would be removed, if that was allowed, because then it would go back to market forces for the purposes of the acquisition and the negotiation. I think that if you were to expand beyond the mining company that the market forces would also dictate how that might occur.

**CHAIR:** We have no further questions so thank you very much for attending today and submitting to the inquiry. We appreciate your attendance.

**Mr Batt:** Thank you very much.

**DUELL, Ms Danielle, Chief Executive Officer, Spicers Group**

**GSCHWIND, Mr Daniel, Queensland Tourism Industry Council**

**MAXWELL, Mr Ray, Secretary, The Great Sandy Straits Marina Resort Tenants Association**

**PYNE, Mr David, Solicitor, Holman Webb Lawyers, on behalf of Agreedto Pty Ltd**

**ROHAN, Ms Amanda, Queensland Tourism Industry Council**

**SMITH, Mr Gary, Managing Director, Kingfisher Bay Resort**

**SORENSEN, Mr Ted, Member for Hervey Bay, Queensland Parliament**

**THYNNE, Mr Paul, Director, Noosaville Marina Pty Ltd**

**THYNNE, Mr Peter, Director, Noosaville Marina Pty Ltd**

**CHAIR:** Thank you, ladies and gentlemen. Starting on my right, would you like to make a short statement to the committee.

**Ms Duell:** Good morning. The reason for the submission from the Spicers Group was to comment on some future investment activity that we are considering in national parks and the commercial viability of that investment. We would like the committee to give consideration in particular to commercially viable lease terms and tenure to reflect the nature of the investment and the likely return, for example, up to 50 years or more for lease terms. Secondly, we would like the committee to consider commercially viable and negotiable lease rents and to give consideration to the non-financial value created by private investment for public benefit and also give consideration to some of the high costs of establishing and operating a tourism related venture in a national park which is potentially remote as well.

We also support a review of the Nature Conservation Act to provide a more balanced access for the tourism and recreation sectors in national parks and that the land is appropriately classified. We also would like you to note that we definitely support that land of exceptional environmental value has the highest possible protection, but that tourism, recreation and educational uses does not necessarily need to interfere with that. We also share the widespread view that some of the regulatory requirements for tourism operators to conduct tours and activities in, on and around national parks are currently unnecessarily complex and unwieldy and we support a review of that. Thank you.

**Mr Peter Thynne:** We have a small lease on the Noosa River. There are quite a few leases along there. We have two issues that are becoming bigger issues each day. One is that tenure runs out in the year 2017. Our own particular lease has 11 tenants. All our businesses are water based and they have young families, et cetera. There has been significant investment on our part. We have invested \$4.5 million into that lease. It is getting to the stage now where, being a marina, it needs upgrading. We need to spend more money, but there is no right of renewal in 2017. That is one area that I think is very important for the people of Noosa River.

The second thing is our lease itself has specific wording in it that is subject to a range of interpretation. Without reading out the whole lease to you, we are a marine facility purpose which these days in the modern era encompasses all sorts of things. In our case we do not encompass lots of things. We are more boats. We have a floating restaurant. We also have some masseuses within our lease. We have water sports injuries from time to time. They have been operating there for two years now. DERM have asked us to give them 90 days notice because they do not comply with the wording of the lease. The lease does say 'purposes incidental to' so we have been able to cite a case where one of our tenants actually had a crash and about five people were injured. Had we had masseuses there, there were beds to lay them on and there were people with some expertise to look after them until the ambulance got there. DERM did not agree with our interpretation of 'incidental to' which we think is ridiculous. Also we run commercial vessels. We are looking at putting five more berths in and DERM have said they have to be commercial vessels. In the actual wording it says 'including the mooring of vessels.' I think at any marina in the world these days you will find private and commercial.

The renewal of lease then becomes a big issue. I have a recommendation on both of these issues. One is with the renewal of lease that there be immediate inclusion in the existing lease for a further 20 years and beyond that date, 20 years on, there is an option by both parties, subject to certain conditions. But I think that 20 years should run five by five by five by five so that you can then deal with any issues that evolve around interpretation because in five years time things might change. It gives you an opportunity to change that, but the lease runs for 20 years, say. I think I have covered both the things I wanted to say there. If I haven't, I am here for questions after. Thank you.

**Mr Smith:** Tourism is the mainstay of many regional economies. It provides employment; in our case we employ 400 people in the Fraser Coast region, which has one of the highest unemployment rates in the state. It generates economic activity throughout the region throughout the small business community.

Remote area tourism is extremely difficult to operate in a financially sustainable manner, and that is due to a range of factors. One of those factors is generally the high cost of operating in those remote environments. Evidence of this is that seven island resorts have closed in Queensland in the past few years, which would be over 1,000 jobs directly and many more flow-on jobs in the regional economy. One of the key issues with remote area tourism is that often businesses have no access to community infrastructure such as water, power, sewerage or waste disposal. They need to build, operate and maintain this expensive infrastructure, and it is often at a cost that is well in excess of tapping into city, town or state supplied infrastructure.

So these are my issues regarding state government land tenure, as detailed in my submission. Firstly, much of the tourism support infrastructure in our business is on state owned land, which we have access to under various tenure permits to occupy leases. This infrastructure includes: a seabed lease, which we constructed a jetty on; a foreshore permit, which allowed access to that jetty from freehold land which we control; and land under various tenure for water storage, waste disposal and an airstrip. The rents are currently levied on those sites at varying rates as detailed in my submission. I believe the tourism support infrastructure sites should be rent free to assist businesses in a minor way, but it would improve the viability of remote area tourism.

Secondly, I would like to highlight the increasing costs of land tenure for tourism purposes. Under the previous government, a new category lease was introduced about three years ago—category 13, island and mainland tourism leases—whereby the rent increased from four to six per cent of the three-year average land value. That was a 50 per cent increase in the rent. That rental has been capped for a period, and I believe it is capped through to 30 June 2013 at about 10 per cent up on what it was in the past. But once it is removed it is a 50 per cent increase in cost.

I contend that this should be reviewed and looked at on some form of capacity to pay basis—once again, to support the viability of regional tourism. At the very least, that 50 per cent increase from the previous government days should be reversed. I believe the rental rate also for tourism leases across the state should be consistent with rates applied to other industries, such as agriculture, which as I understand it is quite a bit lower.

**Mr Gschwind:** Thank you for the opportunity to present a submission to you. We as an organisation speak on behalf of our members of course but we also take into account the views of the broader industry and some of those reflected here today. The state government has declared a very clear objective for tourism and the tourism industry. There are very clear policies and very clear agendas for the tourism industry which we support. They are commonly referred to as the 2020 targets which the government hopes to achieve which aim to double visitor expenditure by the year 2020. That is a significant increase obviously—a doubling over the next eight years—and to achieve that the government and the industry need to put in place a number of measures. Some of those were identified at the DestinationQ forum, which the government hosted in June this year. Under the heading of DestinationQ, a number of issues were identified that relate to land tenure and to the rules and legislation that govern the use of land and landscapes. For our industry, land and landscapes are the key assets. That is what we sell. Although the tourism operators make their money out of selling beds, seats on aircraft or tours, ultimately what attracts people here is substantially and significantly the landscapes and the land.

As I said, the rules that govern the use of that land and the holding of that land are very important to us. We believe there is much room to accommodate tourism in a more effective way. Traditionally, land use and tenure arrangements have been crafted and drafted for agriculture and resource use, and tourism has not been represented or reflected well in those rules and there is a significant opportunity to address that.

The specific points in our submission—and I will only highlight them here in broad terms—relate in the first instance to your first term of reference, which is 'ensuring our pastoral and tourism industries are viable into the future'. In relation to that, I would reiterate what has been said before: the lease rents have to be commercially viable and reflect the nature of the business and the nature of the business environment in which that business operates. Clearly, that is not the case. As Mr Smith just highlighted, that is not the case for island leases in particular but it is also inappropriately reflected for other leases that relate to tourism.

The second point is the lease terms. Ms Duell from Spicers Gap also spoke about the lease terms that need to reflect the commercial life of the investment and the commercial conditions that the investment is made under. That certainly has to be established, as it was a very clear issue addressed and identified at DestinationQ—that to attract investment we have to provide certainty, and that provides certainty under landholdings and tenure of leases.

We also have to consider and accommodate the special needs and special circumstances of island leases in particular. Fraser Island is just one. We have dozens of islands in Queensland which attract tourists to the state, and we have seen significant challenges for those. We have seen many failures. Notwithstanding that we continue to promote Queensland as a destination with many islands and highlight them as key honey pots for the tourism visitors, they struggle and in fact they fail. We have to address that and the government has a role to play, including through this particular inquiry.

The second area that we obviously have a keen interest in as an industry is the second and third terms of reference that you talk about—‘the balanced protection of Queensland’s ecological values’ and, to a lesser extent, the ‘ongoing and sustainable resource development’. In the first instance, we see our industry very much as compatible in a multiuse sense with other land uses, so we certainly see that agriculture and tourism can coexist quite happily, perhaps less so in the resource side. We have to indeed consider very much where there are conflicts where the two uses—tourism and resource—are not compatible, and where we have to accommodate the long-term future of tourism also as we grant perhaps broader or wider resource use opportunities.

So we think it is very important in a structural sense and in a legislative sense to reflect the type of use, the type of activity, that takes place under tourism, the opportunities that exist. For us it is about opportunity. The state government is committed to creating new tourism opportunities. Under the current land tenure arrangements, these opportunities are limited. If we want to create more opportunities, we need to have more flexible, more tourism focused and more tourism viable provisions on the use and holding of land for tourism purposes. These are the key aspects. Of course in practical terms we would expect that the tenure and the land use agreements, whatever the instrument may be, are simple, efficient and allow operators to do their business without needing to have many lawyers and many experts advising them on how to structure these agreements.

**Mr Sorensen:** I have been asked by a lot of small businesses to put this submission in. As you know, the land tenure across Queensland includes a range of leases, including the Department of Transport and Main Roads, TMR, or the department of natural resources, DERM. These leases can be wet and dry leases. In Hervey Bay there are various leases, predominantly tourism based businesses along the Esplanade, foreshore and the Urangan boat harbour. These leases are either with TMR or DERM. In the boat harbour itself, we have a residential area called the Great Sandy Straits Marina, and I will let my colleague here talk about that in a minute.

It is a real dog’s breakfast in the boat harbour itself. There are different leases. I will give you a few examples. The transport department leases it off the DERM department, and they charge a premium of about three per cent on these leases so the lessee then ends up paying about nine per cent. Then there is the ratchet clause in there which ratchets up the valuation. The leases are based on those valuations but when the valuations drop the leases do not drop. It is making it very difficult for a lot of these people, especially in the Urangan boat harbour, to make ends meet.

A couple of hundred yards down the road along the Esplanade, they have an averaging system. These leases are all over the place. Some are with DERM, some are ratchet clauses, then you have averaging clauses and it goes on and on. You talk to each different person and they have a different lease with the government. At the end of the day it is the government that owns it.

They are some of my difficulties. I know there are a lot of people struggling in that Urangan boat harbour, even the clubs and organisations. For example, a commercial enterprise for a club is at seven per cent; a community club is at five per cent; amateur clubs can be three per cent; and the volunteer emergency services are peppercorn, which they should be. That gives you a bit of a briefing of where I come from. I am here for the community, especially the businesses and the residential community.

**CHAIR:** Does anyone else want to speak on this issue?

**Mr Maxwell:** Thank you for the invitation. I am secretary of the GSSMR Tenant’s Association and a resident on site, one of the approximate 300 leases under sublease arrangement. In a way, I think we are seen as the bottom of the food chain in this tourism type development. I have not got this in my notes, but I was sitting here thinking that the best way to sum it up—and I have been involved in this association for quite a few years now—is that I had two overseas investors who owned subleases over units in Sandy Straits say to me that what we are stuck with here is something you would expect to find in a Third World country, not in Queensland. Both of those—one was from Germany and one was from America—sold out some years ago now. From our point of view when we look at it, if the Mafia were in charge of state property development, they could not have done any better than the Sandy Straits land tenure.

I have called my paper the analysis and lessons of a state sponsored property scam. I do not say there is a deliberate scam involved—although there could be—but it looks to me like there might be elements of incompetence, negligence, unethical behaviour and perhaps corruption. The actions of the state to date—including currently a demand by sublessees that they pay for the land a third time and also take over liabilities in the order of \$10 million that were caused by the state, which are actually excluded from our state approved sublease—are really no less than an abuse of state power, in my view.

Sandy Straits has to be unique in Queensland. Incredibly, the property has had three land tenures. Each has been unsuitable or a failure in its circumstances, particularly the current one. This alone suggests that there are important lessons to be learnt by the committee. If Sandy Straits is a disaster never to be repeated, which it is, and if the land value has already been extracted twice over, which it has, and if freehold is agreed, which it is and we currently sit on a lease, why can’t the state bring the stakeholders together and resolve the land tenure? The land has undergone three changes of tenure for the benefit of the developer to ensure the sale of the 300 subleases, so why not make a fourth change for the sublessees whose savings actually funded the development and the public works?

There is a current legal action before the Land Appeal Court. However, it is my view that it will not solve the state's problems no matter the determination of the land price, which is the subject of the appeal. The whole situation remains seriously unjust and will continue to waste everyone's time and effort for years to come. I ask: is there a solution to this mess? I say that there is, but there is also a need for all three stakeholders to share the pain, those stakeholders being the state, the head lessee and the sublessees. The major problem to date is that no-one seems to be listening or wants to know. If they had listened, surely action would have been taken by now to rectify this situation. I can only hope that this committee may at last take a hard look at what went wrong and why to result in two basic outcomes: first, to ensure that the lessons are learned and our type of land tenure is never repeated again; and, second, to rectify the substantial wrong that should never have occurred in the first place and direct a resolution on an equitable basis for all stakeholders. I thank you for allowing me to speak.

**CHAIR:** Thank you very much.

**Mr Pyne:** I would like to thank the committee for the opportunity to talk to my submission that was filed on behalf of Agreedto, which is the head lessee at the Urangan boat harbour. With DERM already having made an offer to freehold, the state has already conceded that freehold tenure is the most appropriate form of tenure for that development. Where our matter has come unstuck is the value to be paid for that freeholding, which is currently before the Land Appeal Court. In a nutshell, the state has determined a value of \$10 million and our client contends the value to be zero. However, it is critically important that one understands that this is not a case of the lessees wanting something for nothing, nor is it a case of the government being asked to give away its valuable asset for nothing or without being compensated in any way.

On one hand we have the state. At the commencement of the development, the developer constructed for the state various public works to a value akin to the then freehold value of the land. Since that time the lessee has paid state land rent well in excess of that original value for the land. So for this parcel of land, which the state has leased on a perpetual basis, the state has been paid not once, not twice, but three times and it is rising continually. On the other hand, each of the sublessees have already paid full market value at freehold prices for their 999-year subleases and then they have been forced to contribute on an annual basis a rapidly growing land rental cost. This is something that freehold owners do not have to bear.

In our Land Court appeal all we ask is for the value to be applied as intended by the Land Act itself. The act was drafted to ensure a fair outcome on conversion to ensure that neither the state nor the lessee is advantaged or disadvantaged. The market value for this piece of land as freehold encumbered by approximately 300 non-income producing subinterests is zero. This is not in dispute. Why then DERM has persisted with a perversely technical and, in our view, wrong interpretation of 'unimproved value' without having regard to the proper construction of the act, which result would leave the lessee to pay \$10 million plus and the very next day have that land be valued at zero, simply beggars belief. Whilst we remain confident that the court will correctly determine a proper value of zero, there remains some other concerns including that the title itself contains a number of errors, which has been caused by the number of years that it has existed in its current shape and also the proper assistance of other state government departments to ensure the conditions of the offer can actually be met and the proposed tiered community title scheme can be properly established.

There also remains a bone of contention among sublessees that they are, by the terms of the offer itself, going to be held responsible for ongoing maintenance and potentially substantial repairs for public use infrastructure on lands separate and different to the lands in question under the freeholding. This inquiry is a great first step to learn from the errors of this particular development but also to commit to the lessee and the sublessees to properly and fully address the problems at the Great Sandy Straits Marina Resort.

**CHAIR:** Thank you very much, ladies and gentlemen. Are there any questions from the committee?

**Mr HART:** This is a general question to all. Is anybody happy with their lease? It seems to me—and I have some firsthand experience in my own electorate of state government leases to businesses. Those leases appear to be very old leases that are very basic and do not necessarily reflect what it is that the business is actually attempting to do. I am talking particularly to Peter in this instance. Does everybody agree that their leases are too basic in format and have not been well thought out? Is anybody actually happy with their lease?

**Mr Peter Thynne:** I will answer quickly if that is okay. In my case—and they are all different leases here—our lease is not bad, but it runs out. We have a lot of money there and we have to stop spending because we have no surety. The other thing is the interpretation of the wording in that lease. Once those two things are fixed, it will be a good lease from my point of view.

**Mr HART:** Are you within 80 per cent of the tenure of your lease? Is that the problem?

**Mr Peter Thynne:** No, that is not a problem in the water based lease in our situation.

**Mr HART:** How long is your lease?

**Mr Peter Thynne:** It is 20 years with five to go.

**Mr HART:** So you have not reached 80 per cent yet to trigger—

**Mr Peter Thynne:** No. We do not have it written in our lease that there is a trigger. So there is no trigger there.

**Mr Maxwell:** Can I make a comment on that? We have a different lease. It is a 999-year lease. That is basically forever. That is what I thought I bought into. We have found—and I have done the work on it—that that lease has no chance of lasting as a residential property lease beyond 30 to 50 years; there is no chance at all. If the growth in land value exceeds the rate of inflation and you plot out the graphs—and I have done that—about 15 to 30 years into the lease the tenants, which is what we are, will be paying something like \$100,000 per year in land rent in today's dollars. I have laid out in the submission how it works and have plotted out the graphs. The same applies to the 75-year lease.

The project started out as a 40-year lease, which is where it should have stayed, but there would have been no-one buying strata property with a 40-year lease. So to attract the general public, a 75-year lease was adopted. That was shown to be not good enough to sell into the market, so they adopted a 999-year lease. Underneath it all, the whole thing is a fraud because it cannot last more than about 30 to 50 years. That is why I say that perhaps there was a deliberate intent to eventually see the property collapse so it could be cleared out for redevelopment. It is a con on the people who are funding it because my kids, for example, will not see any value in the property at all.

**Mr Smith:** In the case of most of our leases, we have not had any issues with leases or permits to occupy; it is really about the cost for us and perhaps some consistency across the different tenures. As I say, there are permits to occupy leases. Why they all need to be different I do not know. Why does each site need to be separately leased? Is it possible in an island scenario to have all on one form of instrument? I do not know.

**Ms Duell:** In our case we do not yet have any government leases. All of our developments are on privately owned land. So we are here from a proactive viewpoint, learning from the lessons of our colleagues.

**Mr Sorensen:** I will give you a couple of examples that people have recently come in to see me about. One camping lease on Fraser Island jumped from \$30,000 to \$90,000 to \$100,000 in lease fees, but their income remains the same. The income cannot jump up to that figure. The other one is a fisherman who operates a fishing business including coldrooms at the harbour. He has used up 80 per cent, but they told him his lease is not going to be renewed and he would like to know why. Some of these people are not happy with their leases at all. There are so many different leases, so many different things in them. There is nothing that is similar across-the-board. It is a dog's breakfast at the moment.

**Mr Maxwell:** I have another comment that might be relevant. Development projects such as Sandy Straits include a provision which the sublessees were not made aware of. Apart from that, we pay land rent based on the land valuation. The methodology that is adopted—and this has occurred at Sandy Straits—for calculating the land rent means that over almost 20 years we have actually paid a growth in land rent that is double the growth in land value. Depending on how you do the numbers, our land value has gone up by between 10 and 13 per cent per annum. That was over 17 years when I did the numbers. The land rent actually went up by around 24 per cent per annum. So in the case of our lease there is a problem with the methodology used for calculating the land rent. I would think that would be typical of development projects that involve residential type property.

**CHAIR:** I was interested in Spicers' situation. In terms of the development around national parks—and I think you were talking more about development in national parks. Can we just clarify that? I know that we are not keen on furthering development of pristine national parks. However, setting up infrastructure close to or within the boundary of a national park is a fair step forward. With regard to your organisation's expertise, do you see that as an option?

**Ms Duell:** We are definitely interested in it. When this government expressed its interest in doing that, we certainly put up our hand. That is partly why we are here today, and we thank you for the opportunity to be here. We are definitely interested. Some of our landholdings adjoin Main Range National Park. We have just bought another block of land in that region and we are looking at setting up trails—walking and potentially cycling trails—between a number of our properties in the Scenic Rim area. We are interested in the possibility of setting up an echo camp site in national parks or perhaps in the Main Range National Park in the Goomburra area as a pilot project.

Before we would do something like that, we would need some clarity and investment certainty around it because there would be quite a bit of infrastructure. It is not just the one-off costs of establishing the site; it is the ongoing maintenance costs and so on. We are definitely interested. As I said, we are also interested in setting up trails that link our private properties to national park land as well.

**CHAIR:** It would be fair to say that in your operation within a national park, even if you were on the outside of a national park, it is in your best interests to have some hand in maintaining the national park. So you would actually take over some of the ongoing maintenance of the trails, et cetera?

**Ms Duell:** We would certainly be interested in doing that. Obviously we would need the appropriate access to the site and would have the capabilities to maintain infrastructure like tracks. I guess that is what I was pointing to in our submission as well, that if we are maintaining that infrastructure that may also be used by the public, that encourages greater access, greater interpretation and education of the natural assets that we have, that would be considered in calculating the lease terms and conditions, as well.



**Mr Gschwind:** Could I just add to that, if I may. That is an area where there is a lot of opportunity for the tourism industry and the government has identified that. In the past, when we have, as an industry, supported the conversion of other tenures on unallocated state land or forestry leases to national parks, we generally supported that notion of greater protection, but we then found very often that the conversion took place immediately and blocked out not just extractive use but also the tourism use, even non-infrastructure related tourism use. That caused a great big problem. It led to many areas now being under national park tenure that lend themselves effectively to some kind of use. Forest camps, forest trails: they are now no longer useable for us as an industry when we could have used them. A special tenure arrangement would be highly appropriate for that. Also, other non-national park but conservation-type areas could be used far more effectively. It is not always hard infrastructure. Sometimes it is temporary infrastructure or just a type of use that could be implemented. It is a very important area for our industry and again has been identified by the government itself under DestinationQ.

**Mr MULHERIN:** Gary, you were talking about the different tenures that Kingfisher operates. What would be the perfect tenure system for a resort on an island? With an island, there is always double-handling costs with getting stuff from the mainland onto the island. Because it is a lease arrangement, basically leases go up based around land values in the surrounding area, plus CPI or whatever. Is it better to come up with some sort of model that reflects the cost of the development profit and loss, so in the good times you pay more in and in the leaner times you pay less, rather than have this sort of fixed percentage of the valuation? It would be nice to hear your thoughts on that, or anyone else's thoughts.

**Mr Smith:** That is an excellent question. I think that is a very good idea. The way it works at the moment, our revenues in the last three or four years particularly, with all the reasons you know about—the dollar and general economy—revenue is going this way and costs are going this way, and that is all costs. This is a relatively small part of it. Our resorts compile not just of leasehold but we have freehold as well, so we have land tax going up for the same reasons. I think some sort of tenure where it was tied in to ideally profit—ideally profit—and then we would not be paying anything at the moment, I can tell you. Even if it was revenue, it would be an improvement. I think profit based would make a lot of sense.

**Mr MULHERIN:** Yes. It is taking into account the establishment costs in the first place, because of the infrastructure. I suppose the trick will be how Treasury agrees, really, on what is profit and what is loss. Anyway, I was keen to hear that view.

**Mr Smith:** I think the problem at the moment is that a lot of these businesses are not making a profit. We are trying; that is why I am here. We are looking at every cost we can. We are looking at ways of improving our viability, so we can continue, not just to operate but to improve our product as we go.

**Mr MULHERIN:** The next question is to Ray. When was the Great Sandy Straits Resort developed initially? How many years ago?

**Mr Maxwell:** The development commenced about 1992. The lease was awarded at the end of 1991 and the first construction was about 1992. It took until 2003, so a bit over 10 years, for the development program. It was first occupied by sublessees about, probably, the end of 1994.

**Mr MULHERIN:** Ray, you were saying that there is a matter before the Land Court and that is really over the quantum of the freehold and that will be resolved, but you said that it will not resolve things going forward. Can you elaborate a bit more on that?

**Mr Maxwell:** On the condition of the offer of freehold, the problem is that you have to agree between the head lessee, the sublessees and the state. So the state is dealing with the head lessee, but it is actually going to end up in the hands of the 300 sublessees. Our sublease makes no mention of all, what I call, the public infrastructure, which is on separate lots outside the occupied residential sites. From our point of view, when we bought in those things were being looked after by somebody else.

If you look to it, and it is a bit complex but it is demonstrable that the sublease specifically excluded the public works and the freehold offer says that we are to take with it a 50-year lease over these public works. Somebody else actually had responsibility for them under the current lease structure, but for us to get freehold we are supposed to take them over. This is something in the order of a \$10 million liability. From our point of view, as those works run into problems—and there are substandard engineering problems with them—in the 50-year time frame there are going to be collapses. From our point of view, I can see that the owners of the future freehold will just close down those areas to stop public access, because of safety issues. We are talking about the boardwalks and the seawall protecting the site. There is going to be what might become resistance over how the works are to be cared for. There will be differences of opinion over how the standard of work is to be kept up.

I believe there is a latent problem with the major seawall that protects the whole harbour. It has substandard engineering design and construction. I have always said that it is not a matter of 'if' but 'when' there is going to be a major legal barney between all of the parties over who is responsible for that. The council could be involved, the state is involved, the sublessees are involved, the designer is involved and the constructor is involved. That is not being clarified simply by determining what the land price is.

**CHAIR:** There are a number of similar issues throughout Queensland that are a real concern in terms of sublessees. Certainly it is a big issue. I am not sure that granting freehold from the government to the prime lessor is actually going to fix the sublessees' problem. That is where the crux of the problem will be. The committee is looking at the tenure of land. The only way that we can work with that, obviously, is to make a recommendation to government that some leases could possibly go across to freehold.

In your situation, in terms of the sublessees it is a step further away from that even. It is a complex issue between the head lessor and the sublessees. The committee will have some difficulty making some recommendations in that area, but certainly I hear what you are saying. As I said, it is uncommon, but there are other sites around Queensland that suffer from the same deal. In terms of the Noosa issue, it is a straight-out government lease and we have a number of those, which Ted talked about. Hopefully the committee can come to grips with them and actually get some simplification in terms of that leasehold land.

**Mr MULHERIN:** Ray, on the area that the sublessee has to maintain for the next 50 years, I take it that that is public space so it is a community asset. You said that you have the ability to close it down; is that right? Legally you can do that?

**Mr Maxwell:** We do not have the legal ability, no. There are 300 sublessees there, many of whom are quite angry. That is all I can—

**Mr MULHERIN:** Do you have the legal capacity to do that?

**Mr Maxwell:** No.

**Mr MULHERIN:** I would not have thought you would have.

**Mr Maxwell:** Straight up, no. There may be issues of safety and so on that they have to be closed. With one of them, half of it is a public access that was fought over for years through the development, on the north side. It is nowhere near the normal community standards, listed as a grassed area. It is the perimeter walkway. It is in the wrong place and it is the wrong width by a substantial margin. I believe there is no way a new project or projects in the past would have left the works in the standard in which they have been left. For example, with that pathway, as the population increases around Hervey Bay with the proposed now-on-hold developments around the harbour, which will inevitably occur, something is going to have to be done about these areas.

**Mr MULHERIN:** Finally, Peter, a 20-year lease with options: is that sufficient time to make viable investment decisions or should a lease be longer?

**Mr Peter Thynne:** The lease should be longer, and I am taking into account that situations on rivers do change. Longer is better, from the tenant's point of view. From the long-term planning of what is going on the river, you could not lock it in for that period because demand changes, things change. That is why I am suggesting—

**Mr MULHERIN:** The river changes.

**Mr Peter Thynne:** Yes.

**Mr MULHERIN:** The other thing is that you made a really valid point about the specific use of the lease that is outdated, where it did not take into account vertically integrated businesses from the marine environment to onshore development associated with marine infrastructure where it is a complete supply chain, it is a complete experience that people want when they visit there, from being offshore to onshore accessing a range of services.

**Mr Peter Thynne:** I think what has happened now is the blending of the marine use and the tourist use into one. They are moving a couple of hundred thousand people into the Everglades and onto other boats from there, which they were not doing 15 years ago. Therefore, the terms of the lease should incorporate maybe suitable tourist activities as well. Just with the wording, if you have all these wordings that we have been hearing about today, one other lessee might say, 'Well, he can't do that because my wording does not say this'. I think part of it is getting consistency with the wording. If you go for 20 years or whatever, I think you should really have it with these five-year options to cater for interpretation, because that will always happen. That was my recommendation.

**Mr MULHERIN:** So it is really to reflect commercial reality and contemporary views.

**Mr Peter Thynne:** Yes.

**Mr HART:** Tim asked the question that I was going to ask a little while ago, about percentage of valuation rents. I am wondering how everybody would feel about something similar to what happens in a shopping centre, where you pay a base rent and then you pay a percentage of your turnover. I think profit will be too hard to calculate, but the turnover figure is the turnover figure. Would that be a good idea, do people think? Your microphone is still on, Peter.

**Mr Peter Thynne:** I do not think that would be, because in the case of a supermarket you have a commercial developer acquiring freehold land and committing a lot of money to it. He needs a high commercial return. He creates a lot of facility for the customers that come there, whereas on these leases we create our own individual business. It is land where we have heard over here that a lot of infrastructure is being put in by the then tenant, so he does not need to go paying rent that is locked into turnover and things like that, I would have thought. Gary has disagreed a bit with that, saying that maybe profit rent is good. It is certainly good when you are not making any profit, but when you are making squillions it does not work that well. I am not sure that is the answer.

**Mr HART:** Turnover relates to profit to a certain extent.

**Mr Peter Thynne:** Yes, it does.

**Mr Smith:** I think it is a model that could work. At the end of the day, the devil is in the detail, isn't it? It depends what it comes down to. I accept profit could be difficult, but, then again, we file tax returns and the federal government seems to have no problem getting their share of that. I would not rule that out as an option. My concern with that model would be that over time circumstances change and the liabilities change and that is something that would not be taken into account under that model.

**Mr MULHERIN:** You would need to take into account the establishment cost of the enterprise in the beginning as well.

**Mr Smith:** It is all of that.

**Mr MULHERIN:** Because you are not going to make money first up.

**Mr Smith:** The difficulty is that across the state, particularly in remote areas, the costs and the viability issues are so different. But I definitely think the current model does not work.

**Ms MILLARD:** Just going back to a comment from Peter from Noosa Marina with regard to having five-year intervals for renewing the lease, I want to get an idea of what other people thought of that type of condition. Obviously the business changes. Sometimes there are influences from within the business to change the style of the business, other times it might be outside influences, whether it be environmental or economic. As somebody mentioned, there are also situations with water sports where it does not cover a type of craft. The way technology is moving on there could be new types of craft that come out that are not covered. Is a five-year interval review something that people like the idea of?

**Mr Peter Thynne:** I was not specific on five-year renewal of the lease, I was specific on the opportunity every five years to visit interpretation. I think the terms should be solid.

**Mr Smith:** DERM, in relation to commercial tour operator permits, which is a form of tenure over national park, are looking at changing to a model which was a 15 year-permit with a five-year rolling renewal. So at the end of every five years you get another five years on the end if you have met all of your conditions. That gave you 15 years in a tour operating business to plan out ahead and to make sure that your capital investment plan is structured appropriately to the viability of a business. It also gave DERM the ability to then make changes every five years. That will work in a low capital intensive operation, like a tour operating business where you might run buses or boats for a resort. In our case we committed over \$50 million. Most of that is on freehold, but the other resort we run on Fraser Island was on leasehold and that was probably built at around a cost of \$20 million. You do need long-term tenure obviously to recoup that investment.

**Mr Gschwind:** The renewal process of the lease has to also reflect the renewal of the investment. Most of these tourism investments are not made once at the beginning of the lease, they are continuously upgrading, they are continuously reinvesting. That is one of the very challenges that we have in our industry, that there is not enough of that. So, if you have a 20-year lease and at year 18 you have to make a substantial re-investment in your product, you are only going to do that if you have a horizon ahead of you that is reflective of that investment cycle.

**Ms MILLARD:** Obviously there are a few different models from what the three of you have just made comment on. What I am saying is it is not a renewal every five years, it is just a review of what you already have. You might have a lease that is for 50 years and maybe you have it reviewed every 10 years because obviously capital has to be put in and you need to know where you are going. The government needs to know where it is going. Obviously that gives us some indication perhaps of trying to make life a little easier.

**CHAIR:** Thank you very much, ladies and gentlemen, for coming in and presenting to the committee this morning. I think we have gained a valuable insight into some of the issues that the committee has to face as we move forward. We are actually developing a report that will be presented to parliament on 30 November. We have a lot of work to do. This is our first hearing. We thank you again for attending our inquiry here today. I will now conclude this segment of the inquiry.

**COOK, Dr John, Independent Researcher**

**de LANGE, Mr Jack, Chief Operations Officer, Spatial Industries Business Association**

**EDWARDS, Dr Geoff, Independent Scholar and Rural Landholder**

**POZZI, Mr Phillip, Partner, Bennett and Francis**

**CHAIR:** I will give each of you the opportunity to introduce yourself and then go back and give you the opportunity of giving us a two- or three-minute overview of where your submission is coming from and then we will go into a question and answer type program with the committee. I will start with you, Geoff.

**Dr Edwards:** Good morning. I am an independent scholar and a part-time rural landowner. I was in the lands department for 16 or 17 years close to land administration.

**Dr Cook:** My name is John Cook. I am an independent researcher. I have had something like 50 years experience in the land business as a surveying practitioner, as a teacher at QUT and, more recently, as a researcher. My interests are in sole land management business.

**Mr Pozzi:** My name is Phillip Pozzi. I am the past chairman of the Land Surveying Commission of the Surveying and Spatial Sciences Institute. We have a fundamental interest obviously in land tenure and its implications for surveying and preparation of plan surveys and, as well with John, land management issues as well.

**Mr de Lange:** My name is Jack de Lange. I am chief executive officer of the Spatial Industries Business Association in Queensland and chief operating officer nationally. I started life as a surveyor many years ago working for what is now NRM but it was called something else then. I have been in private practice as well. I have been managing the association and its predecessor for the last 22 years.

**CHAIR:** Thank you very much. We will go back to Geoff to give us a couple of minutes of his views and we will move on from there.

**Dr Edwards:** Thank you, chairman. Thank you for the invitation. A dear old lady, a fourth generation farmer in the Mallee in Victoria, said once, 'Weeds, rabbits, vermin, erosion, salinity—farmers and conservationists have the same problems.' So I come from a perspective that a lot of the stakeholders in rural leasehold land have very similar objectives and we need to make sure that tenure assists them and the government to achieve those objectives.

Five quick comments: first of all, tenure is a tool and it can be fashioned to deliver whatever public interest objectives the government wants. They can change with time and they need to change, but it is a tool. Once leasehold is freeholded that tool is more or less abandoned. My paper is primarily built upon reading the submissions that have been passed. I am going to try to put forward a logical framework to assist the committee. It builds upon my earlier paper, but I would like leave to table a supplementary paper based upon my understanding of the submissions.

Five quick points: tenure is a valuable tool. It remains a valuable tool. Its purpose needs to be reconsidered in the era sustainable management. The second point is that tenure should not be a whipping boy for other ills and other woes that are besetting occupiers of land, one of them being free trade which is forcing down the prices and the profitability of rural land and another one is very complex environmental regulation which I think is very much a dog's breakfast and needs revision. But tenure can be independent of that.

Underresourcing of departments is another issue which makes the tenure system very difficult to work. In my experience there was never enough staff and capacity to do the forward planning and the consultation that would have made the tenure system operate more smoothly. My third summary point is that there are misconceptions in the submissions. One is that security means freehold. That is not so. I did table a paper earlier which points out that security has a number of dimensions, including transparency and predictability and honesty and so on and does not require land to be freeholded. Another misconception I think, and I think this is in the AgForce paper, is that there will be a massive improvement in productivity if land is freeholded. There are a lot of reasons why land is not as productive as it might be and one of them is poor soils and that needs to be factored in. Tenure is not a panacea for a lot of other issues.

My fourth point is that rural lessees producing public goods are largely not compensated. The carbon farming initiative makes a step in that direction but it is very immature and very complex.

My fifth point is that tenure can be used as a way forward and it is because of the essential nature of the state as a landlord. In commercial practice a landlord has the responsibility of regenerating the asset every so often. That is not happening at the moment. Treasury does not have any significant budget for the state to assist lessees to regenerate the asset from time to time. So a true stewardship approach might see the state as a partner to lessees, leaving lessees responsible for fair wear and tear but the state to step in as a partner with stewardship assistance from time to time. I think there is a way forward to use the tenure mechanism in the modern era.

**CHAIR:** We have limited time, obviously, but you can seek leave to submit your paper for tabling.

Leave granted.

**Dr Cook:** My concern is the ability to redefine the land settlement pattern in the light of changing circumstances. We have been through a lot of exercises that have brought about monopolisation of land. Then there were closer settlement movements. Then there were living area movements. The living area movement survived down as recently as the Wolfe report in 1990 or thereabouts. I was given a brief at that time to advise on what should be the living area. I could not work it out, to be quite frank, because it depended on too many things. It was a movable feast. The Commonwealth was also at that time financing rural consolidation, at the very same time as others were trying to force things into subdivision.

I think what we can do is get better governance systems about the way these things are managed in a community type arrangement. I think we have the model for that in the Body Corporate and Community Management Act. It works well with residential type development and with some industrial types. I imagine it has been working with tourist type developments.

**Mr Pozzi:** Variations thereof, yes.

**Dr Cook:** Phil will be able to tell you a lot more about the actual practice of this, but the matter is that these are very flexible arrangements which basically adopt a system of governance. You create the arrangements whereby you can work the whole thing out within the community and they can occupy the land and work in cooperative type ventures. One of the things that has copied that sort of model is the whole of the water planning situation. That has very much the same kind of governance arrangement. Land without water is not going to be very much use for anything. I think it is important to think about those two things together. I think there must be some way of streamlining that and, basically, delivering a much more flexible arrangement through these community management type arrangements. We have seen plenty of failures in the past. I think these things are a matter of going in smaller leaps and working up successful developments. I think that is something that we will learn from as we go.

**Mr Pozzi:** John and I represent the same organisation. John is at one end of the spectrum on that level. The practical level is the one that a large number of our members will operate at—that is, the surveying, the planning that comes with these tenures and what is now a fairly complex arrangement. There are a large number of acts—the Mixed Use Development Act, Sanctuary Cove act, South Bank Corporation Act—that are especially enacted and that have often complex and difficult survey and associated titling requirements. As John said, there are some much simpler methods. Any tenure arrangements would need to consider the practicalities and, I hope, be designed to ensure they become a simpler operation from the perspective of both the landholder, the lessee, and those who are trying to provide the plans, advices and documentation that go with that associated tenure.

**Mr de Lange:** The Spatial Industries Business Association represents a whole bunch of people out there in private practice—in this context, the surveyors who are doing the surveying of all sorts of land tenures and deposit plans in what used to be called the titles office. In our membership we probably cover about 90 per cent of the cadastral activity in Queensland. That is why we are here.

I do not have a lot to add to the submission I have already sent you, which is only one page, and also adds on what Phil has just said. When there are changes being made to land tenure, or any prospective changes to land tenure arrangements, please talk to those who have to implement these things. So much legislation is passed without talking to the surveyors. I can recall legislation being passed by this government that even the titles office did not know about, and it affected land title. That is my plea.

There have been some spectacular recent examples of legislation that affected surveying that surveyors did not know about until after the event. For example, in recent times the city council put in a requirement for a height limit of 8½ metres above natural level for any building. That is fine, but the natural surface was not defined in any way that surveyors could consistently define on the ground. It took a couple of years to solve that problem. More recently we have had vegetation management and now coastal management relying on mapping which is totally unsuited for the purpose to which it is being put. In all of these practical things, as Phil has said, we really need to involve those people who have to implement them on the ground. In the case of this committee's ambit, it is surveyors and mappers out in private practice.

**CHAIR:** Thank you very much, Jack. Thank you, gentlemen, for briefing the committee on your issues. I think one of the things we have to grapple with, I guess, is that the upgrading of tenure from lease to any more secure tenure may require the realignment of boundaries or the resurveying of boundaries. In the bigger areas, accuracy does not have to be as precise as in urban areas. With the latest technology, is there any way of doing that without going onto the ground itself? Can you actually do that with GPS type instruments?

**Mr de Lange:** Yes, there are. There are already regulations in the titles office that allow surveys in low-value land, for example, to be done by GPS and other methods. These have been done. Some of them have been done by aerial photography. It still requires some visitation on the ground. Particularly in rural areas, as you say, there are a lot of properties that have never been surveyed at all and many that have not been surveyed to the required standard for freeholding and building mortgages on, for example. Something will have to be done to them. Technology is growing all the time. Even in some really low-value areas, some of the satellite imagery is now getting accurate enough to do those sorts of things.

**CHAIR:** What accuracy are we talking about—by satellite or GPS?

**Mr de Lange:** Some of that gets down to one-metre pixels.

**Mr Pozzi:** One of the considerations should be in relation to subsurface tenure as well. There are some serious issues in relation to the integration of the subsurface and the surface. In the Department of Natural Resources and Mines now and the previous department of mines we have had an issue, which is still continuing, where there is no linkage in some cases between the surface and the subsurface. In terms of the issue of coal seam gas and this well that is supposedly burning, I think that is just going to exacerbate from here because there is not this integration between the datasets. It is probably not as much a direct tenure issue, but it comes back to that link between the mapping that is available for tenure and the way they tie together. I would implore you to consider the impacts of leasing and coal seam gas. Where the fracturing in seams extends under property, people are not understanding when it will become a problem. We have had subsidence issues with Collingwood Park. I think you have an opportunity to consider that in total and arrive at a solution.

**CHAIR:** To get a clearer understanding of that, the actual mining leases are defined by survey, are they, on the surface?

**Mr Pozzi:** Yes, they are, but you will find if you look further that there are a whole series of plans that are backlogged, and the leases may have been submitted but the plans that go with those leases may not have been examined. There are requirements for down-hole mapping on seams and wells. All of this gets done, but one part gets stored over here and another part gets stored over here. There is no integration. There is no reason, with the computer mapping and technology we have now, for them to not be integrated and to build a complete model from surface right down through subsurface.

**Mr HART:** Phil, when you say 'over here' and 'over here', what does that mean? Where are they and how do we get them back together?

**Mr Pozzi:** I will probably go back to the historical arrangement, before we changed back to the department of natural resources. I have to keep remembering where we have gone to. We were the department of environment and resource management and we were also DEEDI, which had the mines taken into it. There are mines inspectorates, there are mining districts, there are files held in mining districts, there are plans that have been thrown out because storage space became limited and there are things stored in old sheds behind various places. It is all improving.

The department of natural resources has a fantastic database and I think Mines have their MERLIN system as well. But as I understand it, there has been a sort of a protecting of each other's turf. The linking can be done. In fact, Richard Statham, who is the Registrar of Titles, the chief surveyor, has in fact written a paper and worked out how this can happen. It is quite a considerable source of discussion amongst SSSI at the moment as to making this happen so that you get all of the information from the various sources—and are required by legislation—and tie them together.

**Mr HART:** Just for our information, what would be the request that we would be making—to drag all the survey information into one source?

**Mr Pozzi:** Yes, that would be. Not necessarily just straight surveying but some of the mining information as well. We have a paper that has been prepared on it. I do not have it with me at the moment, but I can certainly make that available. It is a much better background paper and it deals specifically with those issues and how you would pull them together.

**CHAIR:** Would you mind sending that through to the committee?

**Mr Pozzi:** Certainly.

**Mr MULHERIN:** Geoff, you made some comments that if there was a change of purpose for leasehold land it should go back out to the marketplace for public submissions around the use of that land. What is the situation where, say, you are running a grazing property and you want to add value to your grazing property by having farmstay tourism? Are you suggesting that the grazier would have to go out to a competitive marketplace arrangement to operate a farmstay arrangement? What are you really suggesting there?

**Dr Edwards:** Thank you for the opportunity to correct what I think is probably a misleading statement in the paper. By saying that, I was referring to the multimillion dollar tourism operations and referring to the fact that if there is going to be a multimillion dollar resort of large scale then a grazing lease is not the appropriate tenure for it. It needs to go out to the marketplace and go with proper design and preparation and proper town planning before it is put to tender.

In terms of small scale tourism, I actually think very much the opposite from that. I think the system should be liberalised very much and that grazing lessees should be allowed to shift from being simply producers of animal products or food and fibre to being custodians of that landscape and capable of gaining income from a whole range of sources which can include tourism, stewardship payments for carbon and biodiversity, if that can be done, and all kinds of grants and other sources.

I am trying to read the future, and the future is already shifting some of the leasehold estate, especially the lower productive lands, away from grazing. They are already being taken up by Aboriginal conservation and in some cases mining interests. I see that trend continuing. I feel that we must honour the landholders—the lessees—as custodians of that part of the landscape and enable them to gain a profit not just from international commodities, which are subject to international corrupt markets and all those problems of free trade, but also from a range of local goods and services. I think the land tenure system

Brisbane

should be liberalised significantly. I was involved in the present regime. I think we should very much liberalise that for anything smaller than the multimillion dollar tourism projects to allow them to be a source of regeneration of those leases.

**CHAIR:** I think, Geoff, you would not have any argument with the committee in regard to what you were just saying.

**Mr MULHERIN:** John, you were saying that land and water go hand in hand, that without water there are limitations on what you can do with land. What are you suggesting? A reconnection of land and water title?

**Dr Cook:** I think if you are going to do planning for water it is usually done in a catchment area or over some sort of area where there is some evaluation of the resources available. It seems to me that if you do that kind of evaluation and if you look at the vegetation and a few other things, then you may be able to come up with the idea of what the planning area might be. It may be that the local people might decide that they would like to enter into some community arrangement.

I agree with Geoff that we have to be thinking about the future here. I looked at some of the rural broadcasts over the weekend and they talked about Racecourse Mill and its treatment of bagasse and squeezing extra products out of the bagasse. There is a plant there. There could be all sorts of new transport arrangements involved in that. There could be tourism things that might attach to it. There could be all sorts of things, and you do not know what they will be. Provided you have the land in a way that you can divvy the thing up, you can come up with a creative rural settlement which basically has its own township and governance arrangements. Those arrangements are already there. They are already in legislation. The thing that is not there is the ability to use leasehold tenure along with freehold tenure. Frankly, I think that is easy to do. You can make an arrangement where you can incorporate that land into a proper plan and come to whatever financial arrangements you need to. It all depends on coming to some understanding of what the potential is, reaching the agreements and being able to put them into practice. I think that is a way of revitalising a lot of this rural economy, quite frankly.

**CHAIR:** Thank you very much, John. Thank you, gentlemen, for attending today.

**Committee adjourned at 12.49 pm**