



STATE DEVELOPMENT, INFRASTRUCTURE AND INDUSTRY COMMITTEE

Members present:

Mr GE Malone (Chair)
Mr MJ Hart MP
Ms KN Millard MP
Mr TS Mulherin MP
Mr HWT Hobbs MP

Staff present:

Dr K Munro (Research Director)

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

TRANSCRIPT OF PROCEEDINGS

FRIDAY, 24 AUGUST 2012

Roma

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Committee met at 11.05 am

ECROYD, Mrs Meredith, Grazier

ECROYD, Mr Timothy, Grazier

FINLAY, Mr Brent, General President, AgForce Queensland

HEWITT, Ms Lauren, Policy Manager, AgForce Queensland

JACKSON, Mr Colin, Grazier and Chair of the Injune/Arcadia Valley AgForce Branch

McGOWN, Mr Hugh, Grazier

PLANT, Mr John, Grazier

PLANT, Mrs Judy, Grazier

SAVILL, Mr Colin, Landholder

STRUSS, Mr Anthony, Chair, AgForce Leasehold Land Committee and Grazier

TURNER, Mrs Eunice, Private capacity

WHITTON, Mr Rick, Grazier

CHAIR: Good morning, ladies and gentlemen. My name is Ted Malone. I am chair of the State Development, Infrastructure and Industry Committee meeting here today. I welcome you on this lovely morning in Roma. With a bit of rain overnight and a nice cool morning, it was beautiful to fly into. I want to make a special welcome to Howard Hobbs, your local member. But, firstly, we have a very special occasion. One of our committee members is celebrating a birthday today—Tim Mulherin, my deputy. We will not sing happy birthday, Tim.

Mr MULHERIN: Thanks, Ted.

Mr HOBBS: It means you get more respect!

Mr MULHERIN: I am a senior now; I am 55.

CHAIR: I can recollect what I used to be able to do when I was his age. Other people present are Michael Hart, the member for Burleigh; Kathy Munro, the research director; of course Tim Mulherin, the deputy to the committee and member for Mackay; and Kerry Millard, the member for Sandgate. By way of introduction, perhaps, Howard, you would like to say a few words before we kick off.

Mr HOBBS: Thanks very much, Ted and the State Development, Infrastructure and Industry Committee. Welcome to Roma. This is a very important occasion. The issue of land tenure has been around for a long time. The Queensland government is probably the biggest owner of land outside Russia. I think that there is a time and a place to move on, so this is the opportunity that we have to put in place mechanisms to give security. The cornerstone of our rural industry is security of tenure. I think this is certainly a good opportunity for these matters to be discussed and talked about and taken forward, because I certainly believe that we are at a stage now where things need to change. I want to thank the committee for coming out here. Ted Malone is a very experienced member of parliament, is a landowner himself and has a very keen understanding of the matters at hand. So thank you very much. I wish you all of the best in your deliberations.

CHAIR: Thank you very much, Howard. By way of further introduction, this is a public hearing for the inquiry into the future and continued relevance of government land tenure across Queensland. The committee is holding a public hearing to consider evidence from witnesses for the inquiry into the future and continued relevance of government land tenure across Queensland. Now to some housekeeping, the hearing today is being recorded by Hansard and will be made available as a public transcript for people to download and look at. Today is a very special day and we expect to have some very good witnesses delivering submissions here today. Brent, if you would like to get underway.

Mr Finlay: Thank you, Chair, and thank you for the opportunity to appear before this committee. At the start I also want to support our submission. I believe it is an outstanding submission from AgForce. AgForce is the peak body of Queensland's sheep, cattle and grain industries. These industries cover almost 80 per cent of Queensland and by area are the largest group of stakeholders affected by this review. AgForce members manage over 50 per cent of the state of Queensland. Security of tenure is the largest issue for our organisation and our members. Tenure is the dirt that we build our businesses on. In lease renewals of recent times, over 85 per cent of those leases that have been renewed are in good or better condition—an outstanding result of our management. AgForce believes this committee has a once-in-a-generation opportunity to address many of the issues facing rural lessees and, in turn, increase the profitability and the productivity of our industry. Agriculture is one of the four pillars of the state of Queensland's economy. Agriculture is also the essential industry. We need to build value through this process into freehold land as well as we encourage transition of tenure. AgForce supports a full review into government tenure and we are ready to play our part.

CHAIR: Thank you very much, Brent.

Ms Hewitt: Further to our general president, we also wanted to have a chat about historically why tenure exists. We know that historically government owned tenure had a very large role in rural communities. It was set up to predominantly disperse settlement right across the state, facilitate the improvement of this land at no cost to the government, and provide an income return for what was a developing economy. This has well and truly now been achieved. Through a lot of submissions and a lot of the hearings initially this week we have heard that today there seems to be a common thought amongst many conservation groups that the real reason that government needs to have an interest in this land today is to ensure its good condition into the future. Today AgForce, along with a range of graziers who have a real and direct interest in this land, will explain why this presumption is wrong—why the government does not need to own this land to get good land management outcomes on it and why tenure conversion opportunities would not only provide short-term revenue opportunities but also build into our communities resilience and build a better future for agriculture in our state.

The truth is that government already has a real and significant opportunity and ability to regulate for land condition, and in fact it already does so. The government's own scientifically based leasehold renewals framework so far, which took 10 years to negotiate and build, has shown that 85 per cent of lessees to date have leases that are in good condition. In addition to this, graziers provide land management for over 80 per cent of the protected vegetation communities in Queensland at no cost. Some 35 per cent of Queensland is covered in wild rivers declarations because of a recognition that this land is in pristine condition. In addition, in 8.16 per cent of the state graziers in those areas are required to put in environmental returns on an annual basis just so that they can preserve their right to graze in a reef catchment. The fact is that the state does not derive a windfall return annually off the rental of this estate. Last year rural returns were \$25 million. It sounds low. In fact, it is 0.5 per cent of the unimproved value of this land. But the truth is that increasing fixed costs for graziers, particularly leasehold rent, which is compounding at 20 per cent annually per year until 2017, after which it will be uncapped, are playing a significant part on return on capital of these people. The truth is while graziers might pay 0.5 per cent of UV over the last 10 years graziers in Queensland have averaged a 0.4 per cent return on investment, exclusive of capital appreciation. The terms of trade for Queensland graziers have diminished since the 1970s.

Another little recognised fact is that lessees in addition to paying annual rents on these properties provide free land management across nearly 70 per cent of Queensland. They are also one of the only groups in Queensland that are actively trying to provide access to traditional owners and through the recent formation of a template ILUA, which was negotiated in conjunction with AgForce, the Queensland government and Queensland South Native Title Services, this has really expedited this access for traditional owners. In addition to this, our rural lessees provide the building blocks for rural and remote communities. The fact is that overregulation, a lack of security and escalating rents are taking their toll on rural Queensland and taking their toll on the ability of graziers to continue to provide all of these services. The committee today has the opportunity to change this and make decisions which will acknowledge the lessees' continued stewardship of this land. To this end, AgForce is strongly supportive of a full tenure review and urges the committee to take the road less travelled to look at what your real interest in this land is and, in doing so, not become distracted by short-term gains and changes that can be made to the Land Act which will inevitably come back to another inquiry in another 10 years. Thank you.

CHAIR: Thank you very much.

Mrs Turner: I want to support my submission in saying that when landholders have to renew their leases they need at least a 50-year lease with no interests. Especially if they have millable timber, they have to pay for that timber. I also want to raise forest grazing leases. The tenure should be a minimum of 50 years to a 99-year lease because fencing is so expensive and is usually on very inferior country, so the landholder needs support there. Thank you.

CHAIR: Thank you very much.

Mr Ecroyd: My wife and I own a preferential pastoral holding near Thargomindah in South-West Queensland. Going through the Delbessie lease renewal thing, which you can only do in the last 20 per cent of your term—you can only upgrade a lease in the last 20 per cent of your term. Even after 10 years of

one of the worst droughts ever, we have been assessed as in good condition, eligible for a longer lease to 40 years but not available due to native title. Apparently we can reapply, but why should we have to? Delbessie asks us to take yearly photos self-assessed and every five years department assessed, then 10 years. Why the red tape and constant surveillance on someone who, after 27 years and the drought, still has his country in good order? With 85 per cent of the leases assessed so far in good order—I know that my neighbour only missed out by one per cent—the country is being looked after. If we do not look after it, we are gone anyhow.

We need security of tenure so that we know where we are going. Every time there is an election coming up, a political party or somebody will think, 'We have to appease the environmental lobby so we will slap these pastoralists around the ears a bit.' It just goes on and on. Every time we turn around, there are new restrictions. We just cannot operate under these. With some of these tree-clearing laws we have now, our mulga country will end up as a monoculture, because mulga will take over and let no grass grow at all. That will just wreck our country. What we really want is freehold land with more access to fodder management, fodder harvesting and better access to thinning of young trees.

Mr Savill: I have a block of land at Mooney which I tried to freehold in the 1960s. The Forestry objected to the freehold on the basis of cypress pine. That prevented me from freeholding. Forty-five years later, not one stick of that pine has been touched and a hell of a lot of it is now rotten. That is absurd. I have had foresters come and quiz me about things and lecture me about damaging the trees. They themselves let them all rot. We need freeholding. We need the right to get control of that.

There are so many points to this, but land valuations are, as far as I am concerned, quite ridiculous where I am. They really are. We have one piece of land that would not have a chance of achieving a sale for what it is valued at—that is, the unimproved capital value. That has to be absurd. The valuers tell me that they cannot take into account early work that was done on these lands. Why not? I mean, it was done.

We need rationality—I think that is what I am trying to say—and we do not have it. We have really just been through a series of years that I would describe as a reign of terror. You are looking over your shoulder. You are trying to clean up a bit of ground. You are doing it legally and you are looking over your shoulder all the time. These blokes come along and lecture you. I mean, it is terribly discouraging for young people. My two sons run the place now. They have said to me a few times, 'What the hell is going on, Dad? We can't move.' I think freeholding is the way to go, but it does not solve everything, I know. In terms of native title, I do not know what you do about that.

That piece of land that I am talking about has the Mooney oil pipeline go right through it from east to west yet, according to Delbessie, we are supposed to provide land that is well kept. I agree with that, but how do you do that when you are not in control? Those people can just do what they like. They have been there for 45 years. In 1964 they came there. We need to be free of that.

You need security if you are trying to get finance. That is absolutely essential, obviously. You do not get the greatest security on leasehold land now. I have had a banker tell me that. He said, 'We can't do so much on leasehold.' Some people have said that the government has to push the rents up to have income out of it. Well, I say to that: if you could take the figure of leasehold production out of Queensland's economy for a year, you would see just how important it is and why it does not make sense to persecute us. My rental at the moment is just short of \$4,000 a year. Based on the Delbessie formula it will end up at \$18,000. It is just not affordable. It simply isn't. At the moment we can afford to run it because it is combined with two freehold blocks, but if you do not take the shackles off us, you will have people collapsing. There is no doubt. There are some lesser blocks of land around my area which are simply not operating. Whether they are still paying the lease figures, I do not know. Where is the future in that?

And then the valuers come along. They say that they work from land sales. Well, I have a bit of an idea that land sales are pushed up by valuations. Anybody coming into a new area, because he wants to know what his rent and rates are going to be, will look at the unimproved capital value. And if the unimproved capital value is high, that encourages him to spend up to buy. We have a near neighbour who bought about five or six years ago. He badly wants to get out, but he does not have a prayer. He paid the rates that were going then. He does not have a hope of getting out, and he knows it. I make the point that I think land valuations, as the authorities put them out, have a strengthening effect on land sales.

CHAIR: We might come back to that, Col. We will move through and there will be a further opportunity to comment.

Mr Plant: Thank you for the opportunity to speak to this inquiry. I have never spoken at such an event before. As a primary producer, my future business depends on secure tenure of our land. Our family has been on our property since 1935. Our special leases surround our freehold land, forming a major part of our operation. Four generations have worked our land, and the next generation is rearing to have her chance. We have to remain viable and productive for that to happen.

Our main concerns are loss of rights on freehold land, the duration of basic terms of leases and the restriction of the right to maintain previously cleared land on leases. We have witnessed areas of land that landholders have been forced by tree-clearing laws to leave untouched. Now it is being torn up and cleared for coal seam gas rights of way and coalmines are demolishing everything. Why do we not all have the same rights, especially when we pay extra money to freehold our land?

Something has to give. The amount of good freehold farming and cattle-fattening land being torn up for coal has to be replaced somewhere or our people will starve. To freehold some or all special leases would be a wonderful thought. It would provide more certainty for our businesses, encourage investment and greater guardianship over these lands, and increase production and therefore economic productivity and viability.

Terms of leases and their duration are of great concern. The 10 years offered by the previous government stops the outlay for fencing and other necessary repairs as there is too much cost and little time to recoup the investment. The 30- and 50-year leases of the past provided a lot more incentive to provide more substantial improvements and viable stocking rates. Fences are a big cost on all leases, but on some really big leases, because of the limited tenure, fences have been let go. Good fences could play a big part in the event of a disease outbreak.

If we could return to maintaining previously cleared or treated land it would be a great start and an asset to us. On some of our special leases the trees were treated up to three times but under recent governments we have had to cease maintaining these areas. This has contributed to cutting our stocking rate for cattle and viability, as well as providing a haven for wild pigs, dingoes and weeds, causing concern on our freehold land and our neighbours' land as well.

Even if we get terms and duration of leases improved, what is to stop successive governments from taking them back? What security of tenure do we really have? In 30 or 40 years, when gas and coalmining problems have moved on, we will need good land and knowledgeable people who can continue to feed the world with clean, quality products. We need security of tenure now so that future generations of farmers and graziers can be ready, willing and able to do the job then.

Mr McGown: Thank you very much for the opportunity. I am a third-generation grazier to have owned a piece of land in the Bollon district. There are only three leases left in the western portion of the Balonne shire. All the rest of the land is freehold. During that time I have had one visit from a land commissioner. It was in 1978 and I think he came in for a cup of tea. So the notion that the state was oversighting this land is clearly quite a nonsense. I understand that the state has the capacity to use satellite imagery and a range of other mechanisms, but it is clearly not sufficient if you see the work that goes into the Delbessie arrangements. Those of course apply to term leases; they do not apply to GHPLs.

I have had 30 years in public life. In that time I have had some experiences which I would like to share with you. One of those that is of particular interest to me was my time with the South-West Strategy Group, which was an enterprise reconstruction, natural resource management and regional development process integrated in 1994 under a funding package from the Commonwealth and the state. One of the deals that we were trying to address there is something that is replicated right across a lot of areas in New South Wales, Queensland and some areas of Western Australia. That is, the state, in its wisdom, owned the land that was then subdivided and allocated as it sees for its best purpose. That has led to closer settlement policy, additional areas being allocated and big blocks being subdivided into smaller blocks. Even the concept of a living area is still buried in state government policy, so when it says, 'You cannot combine more than two living areas together as a GHPL,' that is part of your corporations aggregation policy, which still exists. This heavy hand of the state government has not succeeded.

In 1901 there was a royal commission into the condition of western New South Wales, which is wall to wall leasehold land. We are addressing exactly the same issues nearly 100 years later in WEST 2000, which was the New South Wales equivalent of the south-west strategy. They had wall to wall leasehold land. In other words, the Crown or the state owning the land did nothing to deliver the outcomes that we were after. We had huge difficulties in the south-west strategy, and we made a number of submissions saying to the state, 'If you address some of these issues, we can make better progress in addressing these unviable areas, small blocks, people trying to get out of them. We need to amalgamate these areas.' We had impediments like stamp duty, survey standards, dissimilar title—absolute impediments to really good resource management outcomes. You have to remember: some of these areas where they had these structural adjustment programs were in our poorer land types. The state, in its wisdom, said, 'We do not want the big companies to own these as drought reserves. We will subdivide them and make them into smaller areas.' And that is where the problem started.

The notion that the state can make a better decision than the marketplace is something that you need to consider. You need to think about what is in the state's interests. What interests does the state want to reserve to itself in terms of owning 66 per cent of the state? To me, that is a real challenge for you. For example, I note that in the departmental briefings you had in Brisbane Liz Dann said that the first act that covered these lands was in 1860. That is not quite correct. The first act was the Australian Waste Lands Act. The Australian Waste Lands Act came into force in 1855, governed over by New South Wales prior to separation, and was actually on the books in Queensland in 1859 when the state separated. The point is: we are approaching the bicentennial of state management of all of these lands. I think it is an opportunity for you to make some really radical change and put your mark on the paper before the bicentennial of separation. Thank you, Chairman.

Mr Struss: Can I please table a couple of photographs that will further emphasise what I am talking about?

CHAIR: Permission granted.

Mr Struss: Thank you, Chairman. My name is Bim Struss. I represent my family today. Together with my wife, we own and manage Havelock, 50 kilometres north of Mitchell. I would like to paint you a picture. I stand before you as a basic farmer on a moderately sized cattle property. I am a fourth generation farmer. Our kids are the fifth and our grandsons are the sixth. I have immersed myself in the local community, representing the executive on a number of committees including the show committee. As chairman I proudly represent the AgForce Southern Inland Queensland division on the Cattle Board and the Cattle Council Australia. I also chair the leasehold and tenure review committees for AgForce.

My wife and I are passionate about our land. We adopt husbandry practices with our breeders to ensure they have a calf every year. Our pasture management is controlled to deliver maximum kilograms of beef from each paddock. Any profits are poured back into the property renovating and developing watering points and building new fences. We respect and look after the development of the land with little impact to our ecosystems. We are devoted environmental managers. We see ourselves as custodians for our future generations. We have absolutely no intention to sell our property, a feeling shared by my kids and, with the upbringing, I suspect our grandsons will be the same. We would prefer to expand our enterprise and offer the same opportunity to our sixth generation. To expand we need certainty; we need security.

The economic viability of moderate rural properties is uncertain. The annual compounding increase in leasehold rent underlined to improve productivity or economic advantage is a most debilitating cost. Conversion to freehold will provide the certainty we need. We then can plan our future. When my wife and I first moved to Havelock in 2003 and bought out the family partners, the UCV of Havelock was \$450,000 and we paid an annual rent of \$3,640. By 2008 it had increased to \$2.4 million and we were paying \$9,000-odd. Given the current plan of the previous administration of compounding interest of 20 per cent, by year 2017 Havelock will be paying \$32,000. We cannot afford that and we run a pretty tight show.

If your government was to offer broadscale freeholding at economical rates I can see no downside. There will be huge cost efficiencies to the state in administration. Property owners will be more likely to develop and expand their enterprises. Banks will be more than willing to lend on a secure title. Importantly, rural communities will be reignited. The kids will stay in the towns. The downstream effect on food production would be positive. The AgForce motto is 'every family needs a farmer'. This is true, but also important is 'every farmer needs a family'. Thank you for the opportunity to comment on this very, very important inquiry.

CHAIR: Thank you very much.

Mr Jackson: Mr Chairman, members of the committee, thank you for the opportunity. My name is Colin Jackson. I am a fourth generation custodian of GHPL north-west of Injune. I believe I am also an environmentalist. I am happy to say that 98 per cent of us I believe are very good land managers in all facets of land management, not just the facet of growing cattle, but the underlying bioregions protective belts, et cetera, et cetera, I believe we are very good at that. One thing I would touch on, and it was not in our submission, is the mental anguish that we have felt as landowners over the last 15 years. You will not get a group of landowners speaking on mental anguish. They will never say it, but it exists and I would like you to take that home. It has been a tough time for some people. Of course, we have felt under siege in 15 years of drought which is unprecedented. Being a land manager is a tough gig most of the time.

What has become clear is that we do not have any real rights whatsoever. We have lost control of who comes in the front gate. To me that has become a very serious situation. We have no control over anything basically and we are now there at the whim of whoever. It is not a good position to be in. I also urge you to look at state forestry. The previous government intended to turn it into national parks. Injune is an area of significant forestry. I do not believe that the state can manage that area. I believe landowners can manage it much better and would manage it better. When this mining boom passes, the town of Injune will need the forest products and the forest industry to survive. We know the boom will not last forever. Forestry is part of our community. In the cattle slump of 1973-74 I worked at the sawmill because that was the only employment in the district. Many others did. It provides employment outside core areas. It is a very important industry. It is sustainable. It may not be perfect, but it is certainly an important industry. Working together that industry can be improved.

To paint a picture, some of the leases have areas of state forest and leasehold land within the one parcel. What has happened is some of these leases are coming up for renewal and they are being told that they will not be renewed—that was under the previous government—and these people were going to have to walk off. I urge you to look well into this and maybe change the structure of those leases, because you do not lose control of the timber, the timber is still in control, it is not as if it is going to disappear. It just needs them to work together to improve that situation so there is investment. Because what we have found, especially in our region, is young farmers are not getting the opportunity. The young battler who does not inherit land gets the opportunity by buying the lesser land, working hard and diligently and over 10 or 15 years he may then get to invest in a better class of land and another young fellow comes along and buys the lesser land to get his start. It is a transition.

I urge you to go much further than where we are today. I really hope that you can go a long way with this. As all speakers have said, security is a big thing and it is a big thing for investment. If we do not get it right I believe we are in danger of losing the next generation of primary producers. That is how serious I believe it is. Thank you very much.

CHAIR: Thanks, Colin.

Mr Whitton: Thank you, Mr Chairman and committee. Thank you for allowing me to speak today. It is a very positive day, one of the few ones I have had in 42 years of being on the land. I would just like to talk mainly about the practical side. I have been through the Delbessie. I have had my new lease for 12 months now. I feel it was a waste of government money and a waste of my money for what it achieved. Sir Joh, by a sign of the pen, gave me 35 years extra on my lease back in the early eighties. I had two men from DERM come to home and stay three days. They had to do 30 sites to check on the condition of the land, which they found in excellent condition. Then I had two girls from some science people come in to check the riparian areas looking for frogs. They were there for three days. I had to employ Devine Agribusiness consultants to make sure that my property management plan did not have anything in it that should not have been there. That cost me \$6,000. DERM made about four copies of this property management plan before it was acceptable. I feel that at the end of the day if they had written across the top of my old lease 'renewed for 40 years' we would have received the same result. That is what I think of Delbessie.

Just on vegetation management, I have five points here I would like to quickly run through. Point one is: thinning, no permit required, no restrictive period, acceptable to have qualifying conditions—that is, the number of stems per hectare; No. 2, no permit to be required for destroying species encroaching into different ecosystems—we have a grave problem with encroaching timber; No.3, no permit required with above conditions 1 and 2, allows landholder to manage thinning at timely property management—in other words, if you do manage to get a thinning permit and you have a three-year drought you do not really have much time for thinning. No.4 is the benefit to government is a huge saving in not processing thinning applications. I got a thinning application, it took me two years to get it. It took a girl from AgForce half a day to fill it out because I could not make head or tail of it, another ex-bureaucrat who is a friend of mine to write the letter to try to explain to them why I wanted it and then Forestry came out and saw that they actually had trees there that they had forgotten about so they said no.

That brings me to Forestry. I have a pastoral lease but since they found these trees they are actually cutting them. These trees have not been cut ever. This is the first cut. A lot of the old timber is dead and cracked. Some people believe that cypress pine has the age limit of an elm tree, but I would estimate a pine tree's useful life at 150 years. If we are not going to cut this pine and use this very valuable, white-ant resistant timber—even if it is exported—we are going to waste it. There are thousands of acres of it already wasted. I think you seriously have to look at the pine situation. Everyone thinks of hardwoods and forests down the coast and everything else, but this cypress pine is a beautiful timber, even if carpenters do not particularly like it because it is hard to work.

Another thing I would like to bring up, talking about government policies, is that government employees need to have a hands-on working relationship with landholders. The fellow from DERM who did my thinning permit was a very nice fellow who had done a uni degree in herbarium or something in Brisbane. He worked there and he just used the book to work out what he had to do at my place. Now he works for the gas company. I think they are very smart; they have got him working for them. He had to come out home and count how many trees were in a hectare because it has to be a minimum number of stems. That is another government cost. We are quite capable of knowing how to thin this country to the standards that they set. We do not need big brother looking over our shoulder. They have their satellites. They are welcome on the place any time they like, so I do not really think we need them looking over our shoulder like that. Just on tenure improvement, there are three things there: financial security, succession plans and health and wellbeing. I just precis that. Thank you.

CHAIR: Thank you very much for all your input into this hearing. If anybody wants to supplement what they have said, I am more than happy for that to happen and, once that is concluded, there may be some questions from the committee to generate some discussion. I am more than happy to listen to any comments that you would like to make that you feel have been generated by somebody else. Would you like to make some further comment at all?

Mr Finlay: Thank you, chair. I think the issues that we raised at the start have been mirrored down by the whole of the panel. It is just a recurring theme there, again built around certainty of tenure. We build our businesses on it. We need certainty of tenure. We also need transition of tenure. There is a lot of talk about freehold—transitioning to freehold. We know that there are issues that would have to be overcome to do that, but it is certainly what we would encourage this inquiry to find.

CHAIR: May I also congratulate AgForce on their submission. It was an excellent submission. Thank you very much for that. It is going to be a great help to the committee as we move forward. Thank you very much and also to your people.

Mr Finlay: Thank you.

Mrs Turner: I would like to enforce or stress how important it is for when freeholding this land that it be interest free to the producer. Thank you.

CHAIR: Would anybody else like to make a comment?

Mr Ecroyd: I have been through a freeholding thing years ago south of Cunnamulla. It was not at all painful. It was very easy to do. We paid it off over a certain number of years. It was very good. The way I see it at the moment, one of your biggest problems is native title. Somehow this has to be brought to a head. It has dragged on and on. It has been going for I do not know how many years. I have three claims over my property over there and they are still fighting over who was there. They have to put a time line on Roma

that, bring the native title in. How you get around it otherwise, I do not know. It just seems to be a problem that stops any upgrades to our leases or going forward into freehold. Native title keeps rearing its head. Thank you.

CHAIR: Just to comment there, Tim, the unfortunate part about native title is that it is in law. It has been through the High Court. It is a federal issue. I take your point that it is certainly an impact, but I think it is possible to work through that. Obviously, we are going to have to work through that imposition, or that right that is there, into the future. So we have to look at how we handle that as well.

Mr Ecroyd: I know it is going to be there, but it needs to be—

CHAIR: Settled.

Mr Ecroyd: A time line set on when it has to be sorted out by, because it is just there worrying us all the time.

Mr MULHERIN: Tim, you were saying that your property has been assessed by Delbessie as being in good order and condition, but the real problem in extending your lease to a 40-year lease is that the native title issues have not been resolved. So they cannot really extend the lease. Is that what you have said?

Mr Ecroyd: Yes, that is what I have been told.

Mr MULHERIN: So what did they offer after they did the assessment?

Mr Ecroyd: It is 38½ years, which is what my other lease was. They cannot extend it past that because of native title. I know it is only 1½ years, but some of my neighbours out there had only 30-year leases. They have been assessed in good order but they cannot get their 40-year lease which, under Delbessie, we were promised. They keep saying it is because of native title.

Mr MULHERIN: You said your three native title claimant groups cannot even agree on an Indigenous land use agreement. So you cannot go forward until the court has determined which clan—

Mr Ecroyd: Sorry, they still seem to be fighting over that. I am not an expert on native title. I just know that there are three clans that have a claim over my property. They have been there for a fair while and they just do not seem to be able to sort that out. That is why I say something has to happen. Native title is going to be there, but they have to set a date and work it out by then and go from there.

Mr HART: Tim, can you explain why the 38½ years instead of 40? What is the time line issue there?

Mr Ecroyd: I am not too sure what our former lease was but Sir Joh gave us a 30-year extension back in the 1980s, I think it was. We must have had 8½ years left on our lease and they just added the extension on to what we had and it came out at 38½

Mr HART: So they have added another 30 years?

Mr Ecroyd: Thirty or 20, or whatever it was. He gave us an extension and they just added it on to what was remaining on my old lease. Why they did not make it 38 or 39, I do not know.

CHAIR: Thanks. Anybody else?

Mr Whitton: There seems to be an inconsistency here. When I did mine it was 30 years if your property was in poor condition, 40 years if it was in good condition and, if you were willing to give some area for heritage or something else, you got 50 years. So I stayed with the 40. Native title was not even mentioned on mine. I did also apply for a perpetual lease. My stumbling block was that I could not get an ILUA. But on my ordinary lease, there was one and I have 40 years. I had 35 originally and I got 40 with no mention of native title.

CHAIR: I think that was probably under the Delbessie scheme.

Mr Whitton: Under Delbessie, yes.

CHAIR: I am not sure your was under Delbessie, though was it?

Mr Ecroyd: Yes, mine was under Delbessie, but I have a preferential pastoral holding, which does not extinguish native title. I think my friend up there might have said that he had a GHPL, or something, which might extinguish native title. I am not too sure.

Mr Savill: First of all, I apologise, I did not thank you for the chance to be here at the start. Just going back to the point of evaluation and inspection of land, as I said before, we have the Moonie oil pipeline going right through the middle of the place. We have no control over it. I do not want to belittle Santos, but it has resulted in large bits of erosion that are quite nasty and they do not want to know about it, but that would obviously, in an inspection, reflect against me. What do you do about that?

CHAIR: I have just one question on that. Is that an easement through your property?

Mr Savill: Yes, it is, but a lot of the damage is off the easement.

CHAIR: Okay. Obviously, depending on who inspected it, they would either make an assumption that it was your problem or the easement problem.

Mr Savill: Yes. I approached the Santos people and I got nowhere, but I know that that damage was the result of their activities. I do not have a bad run with them, but it is a problem. Another problem is when they replaced large sections of the pipe about 30 years ago. The situation I am in is that it is more or less Roma

impossible for them to get in there and do anything unless they use our roads, which they do. But because there is a lot of sand involved, they just have a grader on troll all the time that just keeps digging it out. That ends up with just creeks running everywhere, really.

Another point I would like to make is that the fellow down the end there talked about cypress pine having a 150-year life span. I am not an expert—I would not know for sure—but I would suggest that cypress pine that is growing in sand does not have anything like that life span. We have a lot of pine—a big lot—and most of it is in sand. That was why I was not allowed to freehold. That has all been wasted. I doubt if there is a stick of it left that is any good. It blows down, it cracks; it does all sorts of stuff.

CHAIR: So you are saying the sustainable harvesting of cypress pine, particularly in the sand, needs to happen on a fairly regular basis?

Mr Savill: It does, probably on about a 30-year basis, I think.

CHAIR: To maintain the stand.

Mr Savill: Yes. It just does not last as long. All of that pine that was there 45 years ago when I tried to freehold, which prevented me, is virtually all wasted. What did they prove by doing that?

CHAIR: Just to get it clear, from your perspective if you were able to freehold that land it would make a considerable difference in terms of managing the erosion?

Mr Savill: Most definitely would, yes.

CHAIR: So what impediment currently, except for the easement, do you have with cypress?

Mr Savill: We cannot touch the areas that have pine. If you knock down one pine tree, they are on to you like a mob of crows on a daggy sheep. You just cannot do it. We just need to be able to go and do the work that is needed. If you had freehold title, you could do it and there would be more inspiration to do it.

CHAIR: And if it were possible to go to perpetual lease, do you see any issue was that?

Mr Savill: Yes, why not go the whole way, though? I think Queensland would be better off if people could manage their land freely. The great brigalow development scheme, Pat Comben, who was the minister, said was the greatest ecological disaster in Queensland's history. That is rubbish. It was the most fabulous success that has ever been in this state. You go for a drive through all the brigalow lands and just think of the produce that comes off there. All that came forward was a few three-legged goannas. It just did nothing. It was a fabulous success. Go up around Wandoan, Taroom and have a look. Huge production comes out of there, yet Pat Comben described it as the biggest disaster we have ever had.

Mr MULHERIN: I think Rex Patterson would have a different view.

Mr McGown: I just want to add a couple of comments that have been made. I spoke to sawmillers when I was involved in the vegetation laws. A couple of very successful sawmillers in this region said to me that they were buying freehold land to ensure that their industry was sustainable—their particular business was sustainable. They were sufficiently concerned about the access to the state owned cypress pine—and I think justifiably. You only have to look, for example, at the process that has gone on with access to state owned forests and the policy on Queensland plantations to realise that the state, if it becomes hostage to outside forces—whatever they may be—can throw an awful lot of people in private industry out the back door. For example, the issue of selling the trees off Queensland plantations has exposed a lot of industries now to the mercy of whoever owns those trees. I think that the state has sufficient legislation to manage a range of interests that are tenure blind at the moment. Therefore, the issue of what title they are trying to manage becomes irrelevant. My strong view, after 30 years of watching this evolve, is that the maintenance of the leasehold estate is actually an impediment to this state going forward. I believe that profoundly.

I think it creates more obstacles than it creates opportunities. The only advantage, in my view, of having leasehold land is that it is easier to reconfigure; in other words, you can divide blocks up on a lot on a plan, just put lines on a map because the state owns it. My understanding is that that is one of the issues that is coming up in the Mary Valley. Because the state owns so much of the land, they can actually cut it up as it suits them. That is one of the very few advantages of having large tracts of leasehold land. The rest of it, in my view, is an obstacle.

CHAIR: You make very good points, Gus. I guess that the sawlog industry and the maintenance of the sustainable timber industry in Queensland is a step we need to take and take fairly quickly, because particularly with the cypress, as indicated, and it is true of a lot of other timber as well, harvesting on a sustainable base is the way forward. Would anybody else like to make a comment?

Mr MULHERIN: Gus, you were saying earlier about aggregation with the south-west strategy back in the early 1990s. The issue—correct me if I am wrong—is that the grazing homestead lease was for the family grazing interest and you are only really able to have one or if you have other children you can get another grazing homestead lease and run it like a family corporate. Doing away with the grazing homestead lease and just putting into, say, a perpetual lease: what is your view on that and the impact it would have on family farming?

Mr McGown: It is actually the perpetual leases that have the restrictions on them.

Mr MULHERIN: Sorry, it is the other way around.

Mr McGown: It is the other way around. Corporates can own as many pastoral holdings as they like, but they cannot own a GHPL. If you are a family, for example, and you want to have a corporate structure, you cannot own a GHPL. It is a crazy anti-competitive business. The problem we had with the south-west strategy is that we were actually trying to put blocks together that made them more sustainable: differing soil types, there's a lot of advantages there. We actually were trying to tie blocks together that were up to 100 kilometres apart. Somebody might say, 'Look, I'll take on a block over here because this bloke's not viable and I'll amalgamate his with mine'. The objective we were trying to achieve is to tie those blocks together. If there was an agreement, it attached to the title. But if you had dissimilar title, you could not do it. So what they were doing is that, as a matter of preference, they would just attach it to the lease, if there were two blocks that were being amalgamated. It was a messy business. The south-west strategy actually put a submission to government that was not acted on, on a whole raft of things that are now in front of your inquiry.

Mr MULHERIN: What is AgForce's position on raising homestead perpetual leases and pastoral leases?

Mr Finlay: We are certainly interested, having taken perpetual leases through to freehold. We know that not all of our members would support that, but it seems to be an impediment to the expansion of agriculture.

CHAIR: I guess the other point, Brent, is taking leaseholds through to perpetual lease?

Mr Finlay: One of the concerns with that is native title and what we do with native title—and there has been a discussion about that today—whether it is non-extinguishment of native title or some other model. We don't have the answer to it, but I think we need to look at other models till we can transition it. We would support that.

CHAIR: Can I clarify something there: it certainly does not extinguish native title, but it does not trigger compensation.

Ms Hewitt: Yes, that is our understanding as well. I guess, AgForce has looked at some of the work that is being done in other jurisdictions that have done leasehold reform agendas, WA being a case in point. They are looking to move their term leases all to perpetual leases that do not extinguish native title. It is a new form of tenure that they are creating over there. We are certainly watching them very closely.

CHAIR: For the record, just to clarify that, to take term leases through to perpetual lease, it maintains native title but compensation is not paid. But if you were taking perpetual lease through to freehold, you would extinguish native title possibly, but it would activate a compensation package. Is that your understanding?

Ms Hewitt: Our understanding is that going to freehold triggers a future act, which does trigger compensation. Under the current framework, we understand that you do have to also resolve native title to get to the current form of perpetual tenure under the Land Act.

I also wanted to clarify something that we have touched on briefly today. It is quite a confusing issue, so for the benefit of the committee I would like to explain what is happening with leasehold rents in Queensland. In the mid 2000s, rural property had a bit of a bonanza. UVs in property rose significantly. Many properties experienced anything from 500 per cent to 2,000 per cent increases in unimproved values, and that is the value upon which rent is determined. At that stage, lessees were paying 0.8 per cent of UV as an annual rental figure. A review in 2007 determined that that was not high enough and so the figures were moved from 0.8 per cent of UV to 1.5 per cent, but they recognised that that could not be done overnight because of the substantial gap that would be in there. The government, at that time, decided to bring in a 10-year capping mechanism, so for the next 10 years until 2017, lessees are paying a compounding rate of 20 per cent increases per annum off the 2004 rental that they owned, bearing in mind that at that time the government decided to increase it from 0.8 per cent of UV to 1.5 per cent and also bearing in mind that lessees's UVs, the actual per cent, increased up to 2,000 per cent or 3,000 per cent in some instances. It was a substantial gap.

AgForce last year conducted a survey and the results of that survey are not published. We have had QUT working on the results and doing independent analysis on what that will mean for the probability of the grazing sector going forward post-2017. Those results are not yet finalised but in the coming weeks will be. The draft report shows that by 2017 graziers will be paying about 25 per cent of their profits annually to one single factor, and that is leasehold rent. Scarily, the trend seems to be that other graziers will pay higher and that higher proportion seems to be younger entrants. That is an average figure and a significant one for this industry.

CHAIR: Lauren, I am sure that the committee would be happy for you to forward that report to us when it becomes available. Speaking on behalf of the committee, I am sure we would be really keen to have a look at that. We would really appreciate that.

Mr MULHERIN: Maybe a briefing by them, too.

CHAIR: We can do. Do we have any other comments?

Ms MILLARD: With regard to national parks, there is a comment that was obviously forwarded earlier, but also some people have touched on it as well. The comment was that the policy of increasing national parks should be abolished. I do not know if that is just a general point. Obviously, I think that comes down to the fact that people are concerned about the way that the state has been managing the Roma

national parks, predominantly for rodents, creatures, critters, weeds, et cetera and, obviously, those problems encroaching onto your land. Is it the case that you feel that the state has not managed those national parks well? Anyone can answer that. It is an open question.

Mr McGown: I was a member of the Protected Areas Advisory Committee, so I have some sort of handle on this stuff. The problem with national parks is that the cardinal principle is that everything will be native. There cannot be any competition from introduced species, so that is the cardinal principle. We treat all the protected areas in this state as though they are a category 1 standard. In other words, all national parks are deemed to be of extreme value. There are no grey areas. I think, potentially, there is a capacity for people to assist with nature conservation on private land by nature conservation agreements and a raft of things. I think we have had this one size fits all in terms of national parks, which alienates a lot of people.

In my area, the first thing I can recall negotiating, and it was with the National Party in those days, was the introduction of national parks inside the barrier fence. There was a concern amongst landholders that these would become breeding grounds for dingoes and it was obviously hot property. I negotiated with the staff at the time that there would be at least a part-time manager on every protected area; there would be somebody there monitoring the people who came and went, the condition of it, reporting on it, developing the management plans. All of that has gone by the board. We have people travelling hundreds of kilometres between where they are based and where they are managing. Some areas are being managed well, depending on the style of the individuals involved, their commitment and what have you. But the resources just are not there to manage an estate of this size. I have always felt that a solution was to come back in the field a bit and to have a partnership with local landholders, to develop a range of alternatives to this one size fits all.

CHAIR: Can I clarify there, Gus: you were saying that there are grey areas in terms of national parks, that it is all regarded as pristine; the ultimate pristine area. But we well know that when national parks have been declared in more recent times, they have included, say, a block of land of which perhaps 10 per cent is pristine and of very significant nature, but the rest of it basically is grazing land. Perhaps to explore that a little more, do you think there is any opportunity to revert some of that less valuable national park back to some other tenure? What are your thoughts on that area?

Mr McGown: There is an outfit called the International Union for Conservation of Nature. They are an international body that sets standards for reserved areas and all our national parks are a category 1. There is good potential to come back a bit and to share that responsibility with other people who might be interested in running part of it. We have the absurd situation, for example, with bee keepers. The bee keepers were up in arms because they had to keep the boxes so far back from the edge of the boundary so that they did not interfere with the native species within the park. It became an absurd proposition, because not all these areas, as you say, are pristine. A lot of areas that have been acquired, I believe, were acquired for the notion of creating a percentage of the Queensland landmass as protected to satisfy some perception out there that we are doing something about nature conservation.

CHAIR: To explore that a little bit further and actually get it on the record: those areas that are not of the highest pristine value that are still within the national park, in your view would they be a very opportune area for commercial development or even for bee keepers, et cetera? Do you see any opportunities, basically, within national parks that are not necessarily at the very high pristine end? You mentioned the international organisation. Would they undertake some assessment of the national park to look at different values, I guess, of our national parks?

Mr McGown: I am not sure who would conduct that sort of work. I know that in the past people such as Rosemary Purdie have done some good work for the state. These are independent experts who have carried out survey work. They did it in the mulga lands, they did it in the Brigalow Belt. There were a whole heap of symposia that were set up to examine all this sort of stuff. I am sure it could be done. The question of how you separate that out in terms of the national park estate, I am not sure. I have not really given that a lot of thought. Certainly there are large areas of protected country at the moment which is not being effectively managed. If it is being disturbed as part of, for example, an agricultural property, the chances are it is not going to revert to its natural state; it will come back as a mishmash.

CHAIR: That is right.

Mr MULHERIN: Gus, you were talking about whether it was well managed, and that some are and some are not. Of course, with the ones that are not, if it is adjoining freehold property you have incursions coming from forestry reserves or national parks going back onto the freehold property. Do you think there is a real need for all government agencies that have an interest in land, that is, Transport, Main Roads, education, as well as national parks, forestry, and so on, that rather than just bearing their biosecurity obligations in their annual report around what they are doing, should all of that be reported in one document across whole-of-government, including government owned corporations? Should it be put in a report to parliament on an annualised basis, so that the parliament actually sees the scrutiny of how well those assets are being managed by the government?

Mr McGown: I suppose whole-of-government is a wonderful aspiration. I am not sure how easy it is going to be achieve. If you could report on the administration of areas of state responsibility which overlap within a landscape, I think that would be a wonderful outcome. There would probably have to be a cost-benefit arrangement about how it was going to be achieved, because I understand the state keeps saying—to us, anyway—‘We want to do more with less.’ Certainly, what we have at the moment—and it is more extensive in some areas than others—are transport corridors, resource companies and national

parks. We are still having a barney about stock routes. One of the things that has not been discussed here is about unallocated state land. We are having a barney because we still have little pockets of state owned land all over private property, particularly in southern Queensland—areas like bore reserves, water reserves. There is unallocated state land for no apparent purpose—old road reserves that are still stuck on properties. So what you do about all of those? I understand that there are native title implications, but they are a pain in the neck.

Mr MULHERIN: The point I am making is that each department or each agency in their annual reports have to report on how they manage their landscape under biosecurity provisions. By consolidating it into one annual report, it becomes a report to the parliament and you get a better understanding of how effective all the different agencies that are involved in land management are in managing those assets. That is the point that is made everywhere you go. You hear that some places are managed well and other places are poorly managed. But it all comes at a cost to both government and other landholders in trying to stop the spread of pests and weeds within the landscape.

Mr McGown: Tim, if you can achieve that I think it would be a wonderful thing. I must admit that somebody asked me some time ago with this tenure review, 'What are we looking for?' I honestly believe that it is about efficiency. This is about efficient state management of those things in which it retains an interest. If you think about that, that is land and the protected areas and all of those sorts of things. We have not done it really well up until now.

Mr MULHERIN: Because the state can come back on private landholders and say, 'You have responsibilities to manage these different categories of pests and weeds,' but at the same time the state, or the Crown, does not sue the Crown; whereas the Crown can impose conditions. In keeping with openness and transparency, the view that I wanted to express here today was for the need of some sort of registry.

I have a question of AgForce. You raised in your submission about the administration costs of state land. Do you want to elaborate more? I know that you have said that you have not been able to get details, but the administration costs back to the lessee and also the administration costs of government, could you elaborate more on that part of your submission?

Ms Hewitt: Yes, I think it is a one-line response. We do not know what the cost of administration of this land is. We have not been able to ascertain that from any of the budget allocations or anything like that. In terms of lessees' costs, the department foots the physical costs of all the assessments that are done. It is one of time. The average time taken to renew a lease is two years. The department recommends that you apply two years prior to the expiration of your lease. Many people receive multiple visits. You have heard people today say, 'We have had people who have stayed three, four, five, six, nights.' There have been multiple officers out on estates. Various teams are involved in Delbessie. It is not just DERM or the department of natural resources and water; it is actually DEHP, which has ecological assessments and they send officers on. They have different teams. With the five-year assessment, we have not even got to that point yet, but there is also an ongoing cost there back to the department and on to the lessee in terms of time. It is a difficult one to quantify. We have not got the figures from the department.

CHAIR: Thank you very much. I have just one question to Gus to clarify the issue that Tim was raising. I think we have seen over a long period departments reporting on their activities. I would be really concerned—and I would like you to make a comment on it—because I think having an annual report to parliament on the condition of land under the control of the department could be quite misleading, for instance, great control of feral weeds and pests in national parks. We all know what that is like. In terms of the Crown maintaining its asset, whether it is national parks or unreserved, or unallocated crown land, it would seem to me that there would be a real difficulty in the Crown assessing its own liabilities. From the perspective of tenure—and I am thinking through this as I speak, quite frankly—we have a real issue in fearless and honest reporting back to parliament in terms of the Crown assessing its own abilities and their achievements. Yet, as indicated by AgForce, we all know the impacts that the Crown can put on lessees, even as far up the tenure ladder as freehold. We are getting really to the crux of the issue of the management of land under different levels of tenure. It is either the responsibility of the Crown or, alternatively, the responsibility of those people who have control of the land. So when you are looking at the different levels of tenure, would you just like to comment on your views in respect of that matter? The role of this committee is to look at the very crucial area of whether the Queensland government should have control of almost 70 per cent of the land mass in Queensland and if there are alternative ways for us to maintain high-quality environmental and productive ventures on our land in terms of other types of tenure. It is a fairly complex issue that we maintain the ability to run tourism, to look after Aboriginal and Torres Strait rights and to maintain high productivity in terms of agriculture, forestry, fisheries—all of those activities that should be happening on some of our land, or a fair portion of our land, that are not current currently able to be done. That is what our committee is charged with doing and making a report to parliament. From your very own words, you have had a fair bit of experience in different layers of that sort of control. So I am putting it right on you, Gus.

Mr HART: You were talking about maybe the government not using land tenure to control its land but instead using planning laws. So can I just add that?

Mr McGown: I learned a lesson back in 1999 when the state imposed vegetation laws on all forms of tenure. I distinctly remember Rod Welford saying to me, 'This is going to be tenure blind.' I thought, 'We'll wait and see what happens with this.' Of course, I realise that the state has an unfettered power to

do whatever it likes. It can pass whatever legislation it likes. It can do whatever it likes. The question is what is the most efficient way of doing things. I have watched the evolution of planning laws in this state. The state has enormous technical capacity. For example, it can detect bare land from outer space. It has better and better capacity to be able to do that. It is not the be-all and end-all. I am not in favour of remote sensing as the only tool in your tool kit, but it is a good way of saying, 'We need to go and have a look at this bit of bare ground to find out why it is the case.' But instead, we have these long, drawn-out complicated processes based on tenure. There may be no relativity between tenure and land condition. It may be a totally different set of circumstances. I just believe that if you get the process right—in other words, which tools do we need to use to get the right outcome, who do we report to, because obviously the state has to be able to report to the balance of the community that it is managing the state's resources appropriately. I agree with that; it is just a question of what is the most efficient way of doing it. So to that extent, yes, I believe in planning laws as probably the better tool to do this than tenure management. That is my own view.

CHAIR: Brent, would you like to comment on that? That is a fairly big step forward.

Ms Hewitt: To add to what Gus was saying, the only real power that the state retains in leasehold land is the power of resumption. Everything else can be achieved through planning law. I wanted to take the opportunity to provide some more clarification in answer to Ms Millard's question about national parks. AgForce is certainly not opposed to national parks. We are opposed to the acquisition of national parks without the management and the resources to manage them. The Auditor-General's report two years ago showed that only 16 per cent of national parks in Queensland, I think it was, had a management plan in place to manage their values. It is a bit of an indictment.

Two of the examples that I would like to cite about national parks and our issues pertaining to protected areas are the close-down of grazing in a lot of the forestry leases. Previously, we had grazing permits or authorities in state forests. Obviously, through the SEQRFA process and gradually through the western hardwoods process those permits have been allowed to expire and grazing has not been allowed on this land. These are lands that previously graziers who held those permits would have been paying rents and rates on as well as managing those areas for free. Neither of those things are occurring now. The other issue that we have with the acquisition of national parks has been through Delbessie. There is a provision in Delbessie—it is called the future conservation area provision—which, through the renewals process, certainly a team of DERM officers go out and, subsequent to that, in a room DEHP or the environment department sit and determine from a high level what conservation values might be on those leases. As a requirement of the renewals process, they go on site and they determine whether there are any areas within or, indeed, whether the whole lease should be basically allowed, bought, purchased, taken for conservation purposes. That has been, or was part of the Greens real thrust—in general—to Delbessie; that they could essentially get the rights to come in and acquire national parks in these areas. We would certainly say that there are more other and effective ways to get national park estate. Freeholding certainly would not discourage that. You can buy them on the open market. Many people would sell them if they so desired. But certainly, we have seen a real issue with people who have previously had great land management—been deemed to be in good condition—and then the environment department goes out there and says, 'We want half of that lease. It's in good condition. It won't not be renewed.' We have a real issue with that.

Mr HART: If the government were to consider moving perpetual leases to freehold, can you give us an idea whether your members—and maybe we can get some comments from other people—could afford for that to happen and under what sort of terms and conditions they could afford for it happen? We have already heard from Mrs Turner that they would need to be interest free, but what other terms and conditions do you think we would need?

Mr Finlay: We are certainly interested in moving the tenure—the transition of tenure. I made the opening comment about building value into freehold. Unless there is actually value in freehold, why would people go to freehold? So we need to build value back into freehold land.

Ms Hewitt: Everyone is giving me a bit of a scary look here. I am not going to put up any percentage figures. We did not have the time with this inquiry to go back to our membership and ask, 'What are you willing to pay?' So we looked around at the other jurisdictions to see what has happened. There are a couple of jurisdictions where, with what we are doing today, there are some quite pertinent examples. There was one in New South Wales, the eastern continued lands leases, and one in South Australia, where they determined this very question. Certainly, in New South Wales there is actually a court decision that was handed down in essentially the Land Court down there about what the state's residual interest in leasehold land actually is. It is called Ashfield and I will certainly forward a copy of that on to you. Essentially, it was a resumption case of a perpetual lease in New South Wales. The state was resuming it and there was an argument over how much interest the state should be paying in that land, how much they had to pay for compensation. After the state basically got rid of this lease, or handed it over to a lessee 200-odd years ago, the lessee had maintained all infrastructure, they had cleared it, they had put in all the developments and they were responsible solely for 200 years of management of that area. The Land Court determined that the state's residual interest in that perpetual lease was equivalent to three per cent. So they allowed everyone with the continued land leases to freehold on the basis of three cent, that being what that lessee owed the Crown for their remaining interest.

Mr McGown: That is three per cent of UCV.

Ms Hewitt: That is three per cent of UCV.

Mr HART: Does that reflect the value of the land back where the original lease was proposed, with inflation, or something like that?

Ms Hewitt: That is essentially the rationale that the Land Court applied in that case. A similar case occurred in South Australia through what we know is the Perpetual Lease Accelerated Freeholding Program. They faced a very similar question and worked out what the state had to basically allow freeholding at in order for people to actually uptake it. We are advocating here for homogenous tenure, not more bits and pieces of the same. We do not want to be sitting here in 50 years' time and have bits and pieces of term freehold. They determined that lessees should be allowed to freehold at a rate of 20 times the annual rent that they were paying at that point in time. I cannot answer the chair about what exactly people would pay. That varies greatly, depending on people's individual circumstances, but they are two examples of similar cases in other jurisdictions.

Mr MULHERIN: Lauren, I suppose what is lost in all of this is that you have to go back. The land was originally virgin land given, and it was the landholder or the lessee who has put the capital in to develop the property over time. That court case basically took into account all of those things that then discounted what the states's actual interest is. I think that is lost in this whole debate about tenure. People think that because someone has leasehold, the state has freely given the leasehold land to an individual. It might have happened back when it was virgin, but then if it has changed hands people have paid market rates to acquire the property. I think that is lost in the whole debate. In an ideal world, the best outcome would be picking up on some remarks that Gus made—that the state has to determine what should be left in the national estate for conservation values, but the rest of the land, where possible, should be converted from whatever lease-bearing in mind you have native title issues to freehold if there is a longer-term benefit that will drive further reinvestment, which will drive productivity, which will drive profit, which will provide wealth for a community. That would be the view of everyone in this room, no doubt.

Just one other thing: if you were not able to convert to freehold, you raise the issue around annual lease payments. Have you given any thought to what sort of model you would come up with, rather than this three per cent of unimproved capital value? Is there a model that you could develop that is basically where both the state and the lessee share the good times and the bad times?

Ms Hewitt: Definitely. It has been an issue that we have been working on for about a year now. I am sorry to say there is no easy answer. There is no silver bullet to that one. It is very difficult. As I said, we have been working with QUT, which actually has expertise in this, having been involved in other jurisdictions' rent reviews. Professor Chris Eves was involved in a Lincoln University, looking at the south island of New Zealand through the high country. About 90 per cent of New Zealand is actually leasehold, the same as ourselves, and they are grazing leases. They considered it this very same interest.

In every jurisdiction that has done a comprehensive review on how rentals should be calculated on grazing leases, they have confirmed that UCV is not the correct way to do it. As you said, the UCV fluctuations, the way it is calculated—there are so many areas that can go wrong. I guess at the height of the boom when we said those UCVs rose anywhere from 500 per cent to 3,000 per cent, it was only seven per cent of graziers who were purchasing at that time. That means that 93 per cent of the graziers are now footing the increased rental costs for seven per cent of the people who were actually buying property at that time at those rates.

In a short answer, yes, New Zealand has a very good one that is linked to productivity. New South Wales, in the western lands areas, actually had quite a comprehensive tenure review about 10 years ago. They basically made a policy statement and came out and said, 'We decided we will not rent the hell out of this land, so we are going to put in place a calculation that keeps it forcibly low, essentially'. For example, Bim's property: I think Bim paid \$13,000 a year or something like that. We ran the calculations on what he would pay in New South Wales, 150 kilometres south, and it is equivalent to about \$600 a year. They have a very good calculation as well. There is a range of models that you can use, but the state to date has been very reluctant to move off a UCV base.

Mr MULHERIN: The point that Bim made, of course, is that the profits he gets he ploughs back in so that he becomes a better land manager in all facets of managing the property. It deals with climate variability, so that you are not a burden back on to the taxpayers in those sort of extreme conditions. You really try to develop a model. You would have to look at the costs that were incurred in developing the property, the costs that are incurred in maintaining it and take it to a higher level of management, and then the rate of profit that comes out of it. It is an area that fascinates me. I do not think it is the model that we have of just an arbitrary percentage figure. I would be interested to see the report from QUT on the impacts post-2017. Chair, if we could possibly have a briefing from AgForce and QUT once they forward the report to the committee, that would be most beneficial.

CHAIR: We will look at that through AgForce. I guess from where we are sitting right now, I have some very real concerns about basing rental on profitability. Two properties side by side will have different managers and different profits, depending on what you plough back into your property. Let us take the instance of live cattle export. It was going along really nicely and making good profits, but suddenly an action by government and you are down below the break-even point. I think that would be a hugely complex equation and very costly for government to implement that. I have not got the answers, but it is something that we have to look at in terms of our tenure. This committee will not be setting parameters in Roma

terms of the basis of the payment of rental. We will be advising the government in respect to the tenure basis. I have a text from my fellow parliamentarian who would like to ask a question. Can I ask the committee, does Mr Howard Hobbs have leave to ask a question? Leave granted.

Mr HOBBS: Thank you, Mr Chairman. I have a couple of questions. Mr Ecroyd, you talked about your experience with freeholding. I am wondering if there was a special freeholding title? We all know what freehold is, but if there was another new tenure, a freehold title tenure that, in fact, had a covenant that native title still remained and one day down the track you could extinguish that. This new title would be that you would not be paying any more rentals. The amount you paid would go towards, at some time, the payment of your freeholding. Would that have solved your problem?

Mr Ecroyd: I do not know. Back when we did freehold it, we were converted to a general homestead freeholding lease. That is what it was called. We had 30 years to pay off the value they placed on our land and there was no interest in that. Everybody around our area took it up except for one person, I think. He had a few different ideas. Anything, as far as I am concerned at the moment, that can improve my tenure and get rid of some of this Delbessie oversight that I see in it.

You have to remember, one size does not fit all. There are so many different types of land and rainfalls. I live in the mulga lands. The line between 10 inches and 12 inches rainfall goes through the middle of me, so I call it an 11 inch rainfall, which is not much. I survive on fodder harvesting. I have put in my submission that I would love a fodder harvesting thing included in whatever we get. The two people from DERM who turned up to do my assessment wanted to put one into it, but we got knocked back when it got down to Brisbane. As I said, I do not know what the answer is, but if we could get a lease that we can push it through to freehold, which I think you are proposing-native title, in a lot of ways, does not scare me. It is something that we can work through, but it has to be brought to a head sooner or later. This constant oversight from the state: every time an election comes around, you do not know what you are going to be hit over the head with. There is going to be something new come along to make life more difficult for you.

CHAIR: I guess if I can crystalise what Howard was saying, and I am assuming that what I am going to say is what he was suggesting, we would progress through to a freehold tenure that recognised native title, but did not compensate. I am not sure if that is possible. Would AgForce like to comment on that? As I said earlier, one of the problems we have is getting through to a freehold title to exclude native title that is compensatable. We would certainly have to have further thoughts on that matter. Is that what you were talking about Howard?

Mr HOBBS: It really was. Obviously you have your main freehold title that we know and understand today. I am talking about a newer one that, in fact, was another step. You did not have to pay any more Crown rentals. What you paid was going to paying your freehold, but native title is still there. We are not trying to avoid native title. That is right, Ted, yes.

Mr Finlay: We would certainly be interested in that model. I think I mentioned before that we need to look at different models to overcome native title. Potentially another model-and we certainly have not worked it up-is we have freeholding payments now over 40 years and to extinguish native title, whether that can be done in conjunction with the claimants as well. Some of that could go to them. We have not worked that model up. I think there is a number of models that need to be looked at.

CHAIR: Gus?

Mr McGown: I have a couple of points, if I may. Firstly, as I understand it, there is a register somewhere in the Titles Office where interest in relation to land can be registered. For example, a PMAV is attached to title. Things like water licences at that point in time can be attached to title. Theoretically, there does not seem to be any reason why an additional interest cannot be attached to title. I am not an expert on native title, so I do not want to enter into that. It is a very thorny issue.

The other point I would like to make is that even though, as AgForce has said, we have no real figures on the cost of administration of leasehold land, the one thing that we do know is that the administration of freeholding leases is virtually zero, because it is a contract, it is resolved at this point in time and providing the payments continue to be made there is really no administration required. In terms of revenue to the state it is cost neutral, whereas with the administration of continuing leases we just have no idea. It could be anything.

CHAIR: Thank you very much, Gus. Howard, do you have any other questions?

Mr HOBBS: I do have another question, if you do not mind. Mr Jackson, what is the best way to increase productivity of commercial timber on grazing land?

Mr Jackson: Thinning is certainly the best way that I know of in the cypress pinelands. I think from the comments that went around before, that win can happen with a special lease, not only on native title but also on forest lands. I believe we as land managers have that capability to also manage timber far more efficiently than state forests are at the moment. Thinning is certainly the best method. Fire has been used to some extent. Unfortunately, nowadays fire is treated very—not hysterically, but people get very nervous about fire, as we saw in the media just some time back. Therefore, the burning process occurs not always when maximum thinning, et cetera, can be achieved. It is occurring nowadays in the winter. That tool is not as effective as it once was.

CHAIR: Amongst the witnesses, are there any more comments to make?

Mr Savill: I think earlier Tim was talking about the management of state forests or national parks. He made some comment about the landholders managing part of it or whether the department does. We have a 9,000 acre state forest, which the department just does not manage. They do not go near it. All the fire control lines in it are hopelessly overgrown. I went to the department some time ago and said that this was a fire hazard for us, which it is. Because they said they did not have the funds to do it, I asked would we be allowed to go in and open up those fire lines and keep them clear. The answer was no. The fellow who told me, to his credit, said, 'Look I am ashamed of it'. He said, 'The result of that is that we have a volunteer firefighting brigade in the department and I have removed my name from the list because of that'. They do not manage it and they will not let us do it.

Mr MULHERIN: Ted, I just wanted to get AgForce's view on having a single reporting arrangement to parliament. As you have heard, the Auditor-General looked at national parks only, but there are other agencies, government owned corporations, that have responsibilities in managing land. We do not get an overall picture; we get a national parks picture. But there is a need to have that put under the spotlight of the parliament and the officers of the parliament, such as the Ombudsman and the Auditor-General, to take an interest in it into the future, going forward.

Mr Finlay: We are certainly interested in all management on public lands, also the responsible ownership of those lands by the government and also resourcing the management of pests and weeds. Our concern is around getting departments to actually look at managing themselves. We have heard about this a while ago. Our comment then was that there is an independent body that actually oversights, looking at the management and reporting. We would certainly support that with an independent body.

CHAIR: Any other questions?

Mr HART: Mr Plant, you have been very quiet since you gave your talk. It has been hammered home by everybody else that they would like to go to freehold. I think you said you had lost some rights with your freehold land. Can you elaborate on that a little and tell us what they are?

Mr Plant: I have not at this stage lost any rights with the freehold land, but on the leasehold land, which is right beside the freehold land, I have lost the rights to maintain land that was cleared. Because of the vegetation clearing act, we have been denied permission to keep that land in a viable and productive condition, which has added to pests, weeds, vermin and one thing and another. Has that answered your question?

Mr HART: I am sorry, I thought you said freehold land.

Mr Plant: I have a thought or a question to put to everybody here: we were talking about the brigalow scheme being a national disaster and one thing and another. To my way of thinking, right at the moment we have a far bigger national disaster happening to our land than the brigalow scheme or anything any farmer or grazier could possibly conjure up. I do not know how far I am getting into hot water here, but we have the Xstrata coalmine at Wandoan that will gobble up thousands of acres of prime farming and grazing land. I think they have bought all the land. I think that people have had to sell it out. In foresight, looking into the future, we are talking freehold titles against leasehold titles and one thing and another. Freehold title does not mean a whole lot at all if a coalmine wants to start digging your property up. On the news the other day they said in 30 years' time the coal will be all gone out of that Xstrata Wandoan coalmine. What is envisaged for all that ex-freehold country that has been tipped on its ear? What will the tenure or whatever of that country be? My biggest dilemma is, we need some security of tenure on any country to replace the viability of that country that is not going to be there to produce food for us and our city cousins or whomever.

CHAIR: Thank you very much. The committee is limited by our terms of reference, obviously. There is another committee looking at the issues that you are raising in terms of the viability of land after mining. I am assuming that if it is freehold land that Xstrata has bought, it will still remain freehold land after that, but whether it is productive or not is another matter. That is a real issue that I have as well.

Mr MULHERIN: Mr Plant, you also raised the issue that the same regulation should apply across tenure for all people or corporations. You made the point that miners were treated differently to farmers and graziers. Do you want to elaborate a little more on that?

Mr Plant: I do not really know how to explain that in any way other than this, and it is probably a childish way of doing it, but it is like a game of cricket. We have the coalminers on one side and the graziers and farmers on the other side. The coalminers go out dressed in their cricket gear. They play cricket under the rules as we see them. The farmers and graziers go out and, because they are resilient and they have tried hard and worked hard and managed their properties well over the years, they get one hand tied behind their backs to make it an even playing field for the miners. Also, because they are visionaries and they are looking far into the future, they get an eye patch put on. I do not believe that is cricket, but that is the way I see it and it is the way that a lot of my mates see it.

A proposed coalmining company came onto our place. They thought that we had coal down one of our bores. They have found out since that there is not. I quizzed this fellow. He wanted us to give them the right to mine the coal off our place. We could be shareholders. In 10 or 15 years' time when the coal was all gone they would just give it back to us. I told him that at the particular place there is some virgin brigalow-belah scrub. I told him that it has been—I do not know the right word—conservatively put aside as a scientific area, never to be touched. The graziers cannot touch it, they cannot do anything with it. You are barely even game to walk into it if there is a DNR fellow around there. I said, 'You're not going to be able to

tip that over and dig coal out from under it'. He said, 'Yeah, we'll be able to do that'. He said, 'All we've got to do is go and buy a little piece of land somewhere else and give that to the government, and we can do that no problems at all'. That makes fellows like me cry, because that bit of virgin scrub could be fattening a bullock to a hectare. If the miners had their way, it would end up second-class grazing land at best at the end of it.

Mr Whitton: I just want to comment on the cypress pine issue, again. For interests sake, a new neighbour of mine and I did a comparison between the country he bought, which was greatly overgrown by cypress press, and mine, which was not. We got the local scientists out to do a study of the land, just to see what the carrying capacity would be. On identical land, just separated by the boundary fence, I could run a beast to seven hectares and he needed 78 hectares to do the same. That shows what cypress pine can do to your country.

Mr McGown: Can I make a very quick point in relation to the question about land being taken up for other purposes, whether it is for the infrastructure to serve the resource or whatever the case may be; in the forestry sector, for example, it means shutting down hardwood resources and those sorts of things to the extent that the best resource you have available to you after you have made that decision is actually out in the cypress pine region. It just seems to me that whatever recommendations you are make in relation to tenure, you need to look past the point where you have current freehold extent, for example, to open up whatever land is available to you to take the place of this land that is actually being swallowed up by other sectors. I know that there are reviews going on in northern Australia and particularly northern Queensland about the opportunities that are there. I am staggered at the rate at which agriculture and the pastoral sector has been able to increase its productivity over time, just by using new techniques, new research and that type of thing. You have to do that. You know that, because you have a decline in terms of trade. You have to get more efficient. Therefore, the opportunities are going to present themselves out in this state owned land sector, if you like. I think that is something that is worth considering. You need to free up these resources, because they are going to be needed. Elsewhere—

CHAIR: You are losing it.

Mr McGown: You are losing it.

Mr Ecroyd: Something else that is probably only a small thing that needs a bit of legislation is this: at the present moment, the way I read it, you cannot upgrade your lease or anything unless you are in the last 20 per cent of your thing. Some of my neighbours and friends out here that did their leases two or three years ago, unless you change that legislation, no matter what you do it is not going to happen, is it?

Mr HART: I do not think that is right. Didn't we have a briefing on that? I think you can upgrade at any time. You just cannot renew your lease until its had 80 per cent of its time.

CHAIR: It depends what you mean by 'upgrade'.

Mr HART: You are talking about moving freehold or perpetual leases?

Mr Ecroyd: The information I have is that you cannot upgrade your lease until the last 20 per cent.

Ms MILLARD: That is what I thought, as well.

Mr HART: I think you are right, Tim.

CHAIR: We will look at that, anyway. That is a really good point.

Ms Munro: I think it triggers the Delbessie process at that point.

Mr Ecroyd: I was talking to one fellow who works for the mines. He used to work for the department. He came up with that one. It is just something that may need looking into.

CHAIR: Unless there are any further questions or points to be made, certainly I would like to thank everybody who attended here today. I think it was a very productive session. I thank everybody for coming. I know that some of you have travelled great distances. As a committee, we appreciate your input. The committee really appreciates the full and frank discussion we have had. As a committee we have a huge challenge to come up with some really good ways forward in terms of ensuring certainty to the productive sector of Queensland. I believe we have people on our committee who are really committed to making that happen. The understanding is that by 30 November our report will be tabled in the parliament. Then it is up to the government to accept and partly or fully implement the recommendations we make. Your comments today are on the Hansard record. A little time down the track, you will be able to log into the Hansard record and see the comments that have been made. I thank you again. We really appreciate it. I thank Hansard for the great work that they have done today.

Committee adjourned at 1.03 pm