STATE DEVELOPMENT, INFRASTRUCTURE AND INDUSTRY COMMITTEE

Members present:

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

Staff present:

Dr K Munro (Research Director)
Ms M Telford (Principal Research Officer)

PUBLIC BRIEFING—INQUIRY INTO THE FUTURE & CONTINUED RELEVANCE OF GOVERNMENT LAND TENURE ARRANGEMENTS IN QUEENSLAND

TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, 11 JULY 2012

Brisbane

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Committee met at 8.34 am

CHAIR: Good morning, ladies and gentlemen. I now declare open the public briefing for the committee's inquiry into the future and continued relevance of government land tenure arrangements in Queensland. Thank you for your interest and your attendance here today. I want to introduce the members of the committee. I am Ted Malone, member for Mirani and chair of the committee. Mr Tim Mulherin, member for Mackay, is the deputy chair but cannot be here today and has deputised Curtis Pitt, member for Mulgrave—and I have a letter that Curtis is deputising for Tim Mulherin. The other committee members are Scott Driscoll, member for Redcliffe; Michael Hart, member for Burleigh; Seath Holswich, member for Pine Rivers; Rob Katter, who is not present currently but will join us shortly, member for Mount Isa; Kerry Millard, member for Sandgate; and Bruce Young, member for Keppel.

The State Development, Infrastructure and Industry Committee is a committee of the Queensland parliament and as such represents the parliament. It is an all-party committee which adopts a non-partisan approach to its proceedings. In relation to media coverage, the committee has resolved to allow television coverage and photography during the hearing. The committee has also agreed to live broadcast of the hearing via the Parliamentary Service's website to receivers throughout the parliamentary precinct.

The program for today is as follows: 8.30 to 9.45, the Department of Natural Resources and Mines; 9.45 to 10.15, the Department of National Parks, Recreation, Sport and Racing; 10.15 to 10.30, morning tea; 10.30 to 11 o'clock, Department of Tourism, Major Events, Small Business and the Commonwealth Games; 11 am to 11.30 am, Department of Environment and Heritage Protection; 11.30 to 12 o'clock, Department of Agriculture, Fisheries and Forestry; and 12 o'clock to 12.30, Department of Natural Resources and Mines (Mining and Petroleum).

Although the committee is not swearing in witnesses, I remind all witnesses that these meetings are a formal process of the parliament and, as such, any person intentionally misleading the committee is committing a serious offence. It is the committee's intention that a transcript of the briefings will be published. Before we commence, may I ask that mobiles and pagers be switched off or put on silent mode. I now call on officers of the Department of Natural Resources and Mines.

BIRCHLEY, Mr Michael, Assistant Director-General, Natural Resource Operations, Department of Natural Resources and Mines

COONAN, Mr Greg, Director, State Land Asset Management, Department of Natural Resources and Mines

DANN, Ms Liz, General Manager, Land and Indigenous Services, Department of Natural Resources and Mines

HUNT, Mr Dan, Associate Director-General, Department of Natural Resources and Mines

JIMMIESON, Ms Shannon, Principal Adviser, Land Management and Use, Department of Natural Resources and Mines

LUTTRELL, Mr Andrew, Acting Executive Director, Aboriginal and Torres Strait Islander Land Services, Department of Natural Resources and Mines

McNAMARA, Mr Jim, Acting Assistant Director-General, Land and Indigenous Services, Department of Natural Resources and Mines

SMITH-ROBERTS, Ms Meg, Principal Adviser, Land and Indigenous Services, Department of Natural Resources and Mines

CHAIR: Welcome. Would you like to provide an opening overview of the Land Act 1994 and the land tenure arrangements in Queensland?

Mr Hunt: Good morning, committee chair and members. I want to thank you for inviting the department to parliament today to provide a briefing to the committee on land tenure. Today officers of my department will present a detailed briefing to you about land tenure that is administered by my department under the Land Act 1994 and provide answers to any questions that arise now or throughout the course of the inquiry.

Ms Liz Dann, the general manager of land use and planning within the department, will provide a detailed presentation. With the permission of the chair, I want to table the presentation that is going to be presented. As Ms Dann presents her paper there will be references to attachments that are included in the presentation I have just provided to you so that you can refer to them during the briefing.

Other officers who are in attendance today who can provide technical advice to the committee on matters such as native title, questions in relation to mining on state land and regional operations are Mr Jim McNamara, the Acting Assistant Director-General of Land and Indigenous Services; Mr Greg Coonan, the Director of State Land Asset Management; Mr Andrew Luttrell, the Acting Executive Director of Aboriginal and Torres Strait Islander Land Services; and Mr Mike Birchley, the Assistant Director-General of Natural Resource Operations. I think in the list we provided the committee there was also to be Mr Wally Kearnan, Assistant Director-General for Natural Resource Operations. Mr Kearnan is ill today, so he is an apology.

I understand that other government departments are providing presentations to the committee today on other land tenure types that are administered under other acts such as national parks. As such, the Department of Natural Resources and Mines presentation will only reference land tenure administered by this department and any associated portfolio responsibilities which may impact on state land tenure. I thank the committee again for the opportunity to provide the presentation today. I will hand over to Ms Dann.

Ms Dann: While I am aware that a number of you do understand Queensland land tenure, there might well be people on the committee who do not really have a good feeling for it. So I am going to start with some fairly fundamental overviews of land tenure, then go into a bit more detail particularly about the grazing and agricultural type leases, then give additional detail about tourism leases, given the committee's terms of reference, and then briefly touch on some of the differences between freehold and leasehold land and provide some information about the rural leasehold land strategy, or the Delbessie Agreement, and something about the survey requirements for freehold land.

Other than for issues of native title, which we will deal with later, with European settlement all land in the colony of New South Wales, which obviously included Queensland at the time, became the property of the state or the property of the Crown—as we call it today, state land. The Land Act 1994 is the primary legislation under which that state land is defined, is managed and is administered, and the primary purpose of that Land Act, as well as all of the previous land acts that went before, is to ensure that the land of Queensland is managed for the benefit of the people of Queensland.

In accordance with the relevant legislation, the government can choose to alienate that land and issue a deed of grant to a person. When that deed of grant is registered in the freehold land register, that alienated land becomes freehold land and ownership of the proprietal rights in the land transfer to the person holding that deed of grant. Not all of those property rights do transfer, as the state still holds or reserves to itself the mineral and petroleum in the land as provided for under the various resource acts such as the Mineral Resources Act and as recorded on that title.

But there have been a range of reasons across the years since the first Land Act in 1860 where governments have chosen to make land available as freehold title and where they have chosen to make some land available under leasehold title. For instance, leasehold land was used to encourage settlement in the western parts of the state without requiring the people to purchase land, or sometimes it was used to legitimise occupation of that land. It has been used where governments wanted to retain some level of flexibility in a landscape of changing needs and where a government has wanted to maintain oversight of the land and the land use. Leases have also been used at times where there have been early stages of major developments occurring and there has been an incentive to actually get that development going and then be allowed to apply for freehold of that land. So there are a range of reasons that a leasehold land system has occurred.

Where the state issues a lease to a person over that land, we generally call it leasehold land. There is a range of different types of leases, and I will go into more detail about them later. Where a road is required, state land can be dedicated as a road. The land is still owned by the state but it is formally identified as road, and that includes land that is formed and bitumened outside this parliament as well as land that is basically a dirt track that is dedicated as road, or it could be just a road that is shown on a survey map and is not formed and is not even used particularly, but it is all road from boundary to boundary and it is generally available for public use.

Under the Local Government Act and the Transport Infrastructure Act, local governments and the Department of Transport and Main Roads have the right to control, to construct and to maintain the roads, but the land itself is still owned by the state, and about two-thirds of that road is also stock route. If land is no longer needed as road, then that dedication as road can be removed and the land can be disposed of in the same way that other state land can be disposed of. For example, it can be sold as freehold or included in a lease or the like, and that applies as much to small slivers of road where there has perhaps been a road realignment or in fact large tracts of road that it has been decided are not needed anymore.

When a local government wants, say, a park or a town may need a showground, the state may identify a parcel of land which it is willing to supply for that purpose at no charge on the basis that that land is then held in trust for that purpose. That type of land which is dedicated to some community purpose is collectively called trust land and generally it takes the form of a reserve. It is still state land. However, trustees are appointed to manage it for the purpose for which it is set aside and those trustees are usually, although not necessarily always, the local governments.

Clearly, local governments may own a piece of freehold land. They may decide to build a park or a recreation area on it. That is their call. However, there are lots of parks and lots of community-purpose lands that are, in fact, trust land and held as reserves. I just briefly mention that there is another form of trust land called a deed of grant in trust. However, it is a tenure that is rarely used today. In essence, it is very similar to a reserve and it has trustees and it is identified for a specific community purpose.

If you could turn to the attachments to the paper that was provided, attachment No. 1 is a very small diagram that shows different types of landholdings that I have mentioned. So the parcel at the bottom right—the white—is freehold. Then you have the road and over the road there is a parcel of pink land, which is the leasehold land. Up in the top right-hand corner, there is a reserve. That is green. The diagram also shows a small sliver of red land that has no tenure or other type of holding. Perhaps it resulted from the realignment of that road. That is unallocated state land. As the name implies, it is state land that currently is not allocated to a person or any purpose.

There is, or there can be, a bit of a misapprehension that there is actually quite a lot of unallocated stated land, or vacant crown land, across the state. While there are quite a large number of individual parcels of unallocated state land, such as the ones shown in the diagram, they tend to be like the ones shown in the diagram—small in size and in odd locations. Other than the few occasional large parcels of land, the majority of land across Queensland is actually allocated to someone. So that is either as freehold or as leasehold, as road, reserve, or another tenure such as national park or state forest. Unallocated state land actually makes up less than one per cent of the state's land. In that diagram, should that adjoining freehold owner actually wish to buy that piece of land and include it in their freehold then at market value they can, and that is a process that happens on a regular basis. Almost once a week some land is joined into a lease or a freehold and sold in that way.

Over all of these types of tenures, other interests or other rights or permissions can also be created on top of them. So if you hold a parcel of freehold land you can issue a lease, and those leases tend to be registered in the titles system. That is not considered leasehold land but it is a lease over freehold. If you own a lease, you can actually sublease it. As long as the purpose of the sublease is consistent with the purpose of the head lease, subleases are allowed. Similarly, over a reserve a trustee can issue a lease. So as long as it is consistent with the purpose of the reserve, that is a legitimate interest. For instance, a council may issue a lease over a reserve to a sporting club, and as long as it is consistent with the purpose of the trust land then that is quite legitimate. Similarly, a road can also have permitted uses over it. So it be can used for a purpose other than road. For instance, if that road is not required for a period of time, a road licence can be issued over it, for example for grazing, or if the land is still required as road for the travelling public then another use which is not inconsistent with that, such as for an apiary site, can have a permit issued for that. So there are various layers that can be issued across the land.

The table in attachment No. 2 gives you an idea of the landholding across the state. About 24 per cent of the state is held as freehold land. About 66 per cent of the state has lease, licence or permits across it under the Land Act. About two per cent of the land is held as road. Less than one per cent is reserves or other similar trust land. The less than one per cent is unallocated state land and the remaining percentages are other tenures such as national parks, state forests and the like. Those are tenures that are not dealt with under the Land Act and I will leave them to people in other departments to actually deal with questions and explain those tenures.

The table in attachment No. 3 gives you a bit of an idea of the relative number of parcels or lots in the various types of holdings. So across the state there are more than two million individual parcels of freehold land and the unimproved value of the land—that is, the value without the houses, without the buildings and the like—is valued at some $453 billion at the moment. There are about 24½ thousand leases, licences or permits, and the land value of that is about $6½ billion. There are some three million hectares of road, which is valued at $44 billion. That may seem incredibly large compared to the leasehold land value, but if you consider that that includes all the roads in Brisbane and if you consider someone closing one of those roads and selling it then you see that the value of that land is very, very high. There are about 27½ thousand reserves or similar—that land is valued at about $15 billion—and there are about 21,000 parcels of unallocated state land, valued at about $1.7 billion.

The map on the final attachment shows the general areas of leasehold, freehold and various other holdings across the state. I will refer to that a couple of times during my presentation. Revenue to the state from the rental of state land brings in about $100 million per year and the revenue from the sale of state land brings in $10 million to $20 million per year.

So that provides a general overview of state tenures. For the purposes of the presentation I am going to go into detail about mainly four different types of leasehold land, in consideration of the committee's terms of reference, to do with pastoral and tourism. So I will explain briefly the characteristics of those different types of leasehold land—their purposes, their rents, their renewals, their conversions and their native title implications.

I will start with term leases for grazing and agriculture. In general, these leases are found in the western and northern parts of the state. If you look at the map, they tend to be the ones that I think are in yellow—a large amount of the land of the state. Currently there are just under 4,800 term leases for grazing and agricultural purposes. Basically, 'grazing and agricultural purposes' covers any type of primary production. Other states have grazing leases that are quite restricted to grazing. Our term leases for grazing and agriculture cover basically any form of primary production.

The leases can be for terms of up to 50 years or even to 75 years, although the majority at the moment are in the 30- to 40-year range. The average size of those leases is around 20,000 hectares, but there are a number that are more than 500,000 hectares and some are up to one million hectares. Anyone is able to hold them. There are no restrictions under the Land Act on who can hold them, so it can be an individual, a partnership or a company—a foreign company or an Australian company. In general, there are no restrictions on holding these leases other than you cannot be younger than 18 years or an undischarged bankrupt—those sort of restrictions. But on the whole, anyone can hold them and they are issued by the minister administering the Land Act. They are bought and sold on the open market, requiring only the minister's approval for that transfer. The minister's approval might be withheld if, for instance, the proposed transferee is found to be younger than 18 or something like that. It is rare that ministerial approval would not be given.

Historically, the leases tend to go on the open market for around the same price as a similar parcel of freehold land. The leases must be used for the purpose specified; that is, in this case—the ones I am talking about—grazing and agriculture. However, a lessee can use it for a secondary, ancillary or complementary purpose; for instance, low-key tourism, farm stay or even wind and solar power generation. They are acceptable uses of that land. Minerals and petroleum exploration and development may also occur on these lands under the provisions and consistent with the requirements of the relevant minerals and petroleum legislation.

Lessees pay an annual rent to the state, and that rent is currently calculated through a five-year averaged unimproved value of the lease multiplied by the prescribed rate, which at the moment is 1.5 per cent. The unimproved value of the lease is established under the Land Valuation Act by the Valuer-General. However, at the moment the land regulation also shows that rents are capped until 2017 at no more than 20 per cent above the previous year's rental. So no matter what the five-year average multiplied by 1.5 per cent is, the rent in the next year cannot be more than 20 per cent more than it was in the previous year.

I will give you a bit of a feel for some of the rentals. There is a 19½-hectare term lease north-west of Hughenden currently paying $4,726 per annum, or $91 a week. That is around 24c a hectare per year. There is a 20,200-hectare term lease south-west of Clermont currently paying $18,709 per annum. That is $360 a week. There is a 295,000-hectare term lease east of Charleville currently paying $11,344 per annum, or $218 per week. Those are just a couple that I have randomly selected to give you a feel for what the rents are.

Lessees of these leases generally have a right to apply for renewal of the lease. The applications are generally made only after 80 per cent of the existing term of the lease has expired, or it can be earlier if the minister believes special circumstances exist. If a renewal application is approved, the new lease is issued for the same purpose as the prior lease. So if someone has a mortgage over it, that mortgage can just simply transfer across to the new lease.

Native title is quite likely to still exist on these types of leases. While that does not impact on the day-to-day management of the lease, native title implications under the Commonwealth native title legislation have to be considered and appropriately addressed before any renewal or conversion of the lease to any other form of tenure can be approved. Under the Land Act, any tenure related action must be taken in a way that is not inconsistent with the Commonwealth Native Title Act. If native title is not found to have been extinguished, then action could be taken by negotiating native title holder consent to the action, for example in an Indigenous land use agreement, ILUA, under the Native Title Act. However, the renewal of these leases under the same or similar terms and conditions—so still grazing and agriculture—is usually able to occur without a Native Title Act process. Many of these leases come under the strategy called the Rural Leasehold Land Strategy, or the Delbessie Agreement. I am going to give you a bit of extra detail a bit later about what the Delbessie Agreement actually covers. I will keep going at the moment on the different forms of leases and come back to that.

A lessee can apply to convert their lease to, say, a perpetual lease for grazing and agriculture so long as the lease does not include a specific clause that says that it cannot convert. When considering such applications, the Department of Natural Resources and Mines will primarily need to ensure that native title issues have been appropriately addressed in accordance with the Native Title Act. If they have, the department also has other considerations such as the condition of the land, any public interest or planning requirements, and ensuring that various other statutory requirements have been met—for example, that the lessee is not in arrears of any payments that are owed. So that is term leases for grazing and agriculture.

Now I turn to perpetual leases for grazing and agriculture. There are about 2,750 of those across the state. They are generally grazing homestead perpetual leases, or GHPLs, which tends to be the acronym that is used. These leases are held in perpetuity. So they are not 99-year terms; they are actually in perpetuity. On the map you will see the pink areas. These leases tend to be up through the better grazing lands of the state. They tend to be about 750,000 hectares on average. Under the Land Act as it stands at present, these leases can be held only by individuals. This restriction has been in place for many, many decades, primarily to support the concept of the family farm. These days, of course, an individual can hold it under a family company type of arrangement, but, essentially, large companies such as AMP or the like cannot hold these leases.

In addition, an individual cannot hold two or more perpetual leases for grazing agriculture if the aggregated area of the lease would be substantially more than two living areas. The living area, which is defined within the act or regulation, is determined by a range of features primarily relating to the region in which it is located, but it is about what living can be made out of that area. Again, this provision was to ensure that the better farming lands of the state were not able to be aggregated into very large holdings by a small number of people. Again for these leases, the lessee can use their lease for a secondary or complementary purpose, so in addition to grazing and agriculture. They could also use it for low-key tourism or farm stay, wind or solar energy generation and the like. These leases are sold and bought on the open market, requiring only ministerial approval of the transfer and they generally sell for values very close to similar freehold land.

The rent, as for the term leases, is calculated by using a five-year averaged unimproved value of the lease, multiplied by a prescribed rate, which in this case is again 1.5 per cent. Rents are capped on these leases until 2017 at no more than 20 per cent more than the previous year's rent. To give you a feel for some of the rentals of these properties, a 7,500-hectare GHPL east of Hughenden is currently paying $1,286 per annum, or about $25 a week; a 10,000-hectare GHPL south-east of Emerald is currently paying $25,081, or about $482 a week; and an 800-hectare GHPL south-west of Roma is currently paying $3,124 per annum, or about $60. Renewal of these leases is not an issue because they are in perpetuity.

A lessee of a grazing homestead perpetual lease may apply to convert the lease to freehold, either directly or via a grazing homestead freeholding lease. I will give you a bit more detail about those in a minute. GHPLs are actually scheduled leases under the Native Title Act and, as such, they are deemed to have extinguished native title. This means that, in general, conversion does not require native title issues to be considered. As part of a freeholding application, there is consideration, however, of the state's ownership of forest products; for example, commercial timber and quarry materials. Resolution with respect to these items could be via payment for the forest products and quarry materials if it is decided that the state no longer needs them, or there may be a requirement for a special reservation under the Forestry Act to be put in place before freeholding is approved. In addition, in considering an application to convert one of these leases to freehold, the local government's planning strategies and policies and the opinion of the local government must be considered. For example, there may be new roads required that can be dealt with as a part of the whole conversion process.

Unless there is a purchase price or a formula actually stated in the lease, the purchase price is calculated as the unimproved value of the land being offered as if it were fee-simple freehold. For example, an 8,000-hectare GHPL located some 30 kilometres from Moranbah was converted directly into freehold earlier this year. The total purchase price, including stamp duty, GST and deed fees, was just under $2.5 million. However, the land regulation allows for a discount for purchase upfront instead of going through a freeholding lease, so the total purchase price was actually $1.88 million.

It is a requirement of any freehold approval that the land be surveyed. Survey requirements and why they exist are things I will deal with a little later, once I finish the overview of the leases. In addition, the act currently contains a provision that any perpetual lease for grazing and agriculture of more than 2,500 hectares converted to freehold along the lines I have just described must contain a restriction against being held by a corporation. However, the Governor in Council may, and regularly does, lift that restriction.

As I mentioned, should freeholding of one of these perpetual leases for grazing and agriculture be approved, generally the lessee can actually elect to purchase that land outright, for example using bank finance, or they can elect to take a freeholding lease. A freeholding lease is, in effect, a term purchase of the land from the state. The freeholding is approved upfront, but the ownership is actually obtained by paying off the purchase price of the land to the state in rent-like annual payments known as instalments. In effect, the government is providing a banking role. There are about 1,200 freeholding leases that exist for grazing and agricultural purposes. As I said, these are generally called grazing homestead freeholding leases, GHFLs.

For freeholding leases issued before 1990, the terms of the freeholding are that the land is paid off over a term of 60 years, interest free, based on that purchase price of the unimproved value of the land, as outlined earlier, at the time the application to convert was received. For freeholding leases issued after 1990, the land is paid off under a term of 30 years, with interest, and again based on that unimproved value of the land at the time the application to convert was received. The interest is actually set in the land regulation and it is set as the Suncorp Metway business banking variable lending base rate, which is currently in the order of 8.94 per cent. Again, these freeholding leases are bought and sold on the open market and require ministerial approval of the transfer. That is primarily about ensuring that the instalments are not in arrears. The lessee can choose to pay off the entire GHFL at any time. There is no restriction. They can actually pay it off or they can continue to have it for the term. Native title is generally not relevant to the issue of the freeholding title, because native title issues will have been dealt with, if there were any, at the time of conversion of the lease.

That covers the majority of the types of leases that are used for primary production. Obviously a lot of primary production occurs on freehold land, particularly that land east of the divide, but it also occurs on these types of leases. I have to stress that I have spoken in generalities, because there will always be little exceptions along the edges, but this is, in general, the scheme of the leasehold tenures for grazing and agriculture that exist at the moment.

There are a range of other leases issued under the Land Act. They may be term, perpetual or freeholding, along similar lines as the ones I have spoken of already, but for different types of specific purposes. For instance, tourism ventures may occur on freehold or on leasehold land. Freehold is generally preferred for any sort of commercial development. However, there are occasions where, for some reason, the state wishes to maintain the actual ownership of the land. For instance, it has been a longstanding government policy that, in general, some of the iconic lands—the Queensland coastal islands, the Southport Spit—have actually not been freeholded. In those instances, there will be leases for tourism purposes.

These types of leases tend to be for a term of about up to 30 years. However, they can be for a term up to 100 years where there are significant developments, significant investment involved. Ownership is generally not restricted to any class of person, other than being over 18 and the like. However, the minister does have the right to consider whether the proposed lessee is actually capable of facilitating the use of the leased land and may request information from the proposed lessee which assists the minister in making that decision. This provision was instituted, I think, in the early 1990s to mitigate against the risk of half-finished, abandoned developments.

Again, lessees are required to pay rent, which is calculated in accordance with the land regulation. The current prescribed rate for a tourism lease is the lesser of six per cent of the three-year averaged unimproved value of the leased land or an amount that is 10 per cent more than the rent payable for the lease for the immediately preceding period. In other words, they are capped at 10 per cent until June 2015. There are currently fewer than 120 of these tourism leases across the state. Again, to give you a feeling for some of the rentals involved, an island off the Central Queensland coast has an annual rent of $12,100, an island off the North Queensland coast has an annual rent of $44,044 and a site on the Gold Coast has an annual rent of just under $2 million.

Unless there is a condition of the lease or a provision of the act that actually prohibits its renewal, the lessee of a tourism lease can generally apply for a renewal of that lease and the chief executive of the Department of Natural Resources and Mines or his delegate assesses the application and, taking into account the requirements of the act, may offer to renew the lease. That offer may be subject to terms such as to change some of the conditions of the lease, but, like other term leases, existing tourism leases may well be subject to native title rights and interests. This means that any conversion of the lease to freehold requires that native title is considered. If it is found to still exist it would require resolution through, for example, the negotiation of an Indigenous land use agreement, an ILUA, under the Native Title Act for that conversion to freehold to be allowed to occur. There may be all sorts of other conditions as well in the lease that must be fulfilled prior to freeholding being approved. For instance, there may be a requirement in the lease that a certain level of development of a site has been reached.

There are a variety of other leases that exist for a variety of purposes including residential, charity, sporting and recreational activities, telecommunication facilities and other commercial uses. While, in general, freehold is the preferred tenure for residential and commercial leases, in a particular instance the state may wish to use leasehold tenure. For example, the state may be planning to use certain land for some future use and in the short term is happy to allow leases.

Rent on these leases is again charged in accordance with the land regulation and generally depends on the purpose of the lease. Attachment 4 in your document actually provides some of the information about the various categories of rent and the methods of calculation. To give you a couple of examples, a residential lease out of Charters Towers has an annual rent of $2,484, or $47 dollars a week. A business lease on the Gold Coast has an annual rent of $6,900, or $132 a week. A telecommunications site in Brisbane has an annual rent of $15,540. A lease held by a charity in Rockhampton has an annual rent of $103.

In general, the lessee may apply to renew their term lease or convert their lease to freehold unless the act prohibits it or a condition of the lease prohibits it. Each application is assessed on its merits, taking into account the requirements of the act's renewal and conversion considerations but in particular the requirements of the Commonwealth Native Title Act. For instance, the lessee of a business lease in an urban area may apply to renew their lease, but the evaluation of the land undertaken by the department assesses that the most appropriate tenure for the land is freehold and, in this instance, says that native title has been found to be extinguished by some past action. As a consequence, rather than renewing the lease the department may actually suggest, 'We would prefer to deal with that lease as an application to convert to freehold,' so that the lessee can purchase the land and be granted a freehold title.

In a very brief summary, with some of the differences between the leasehold land and the freehold land, given what I have just explained, the lessees must comply with the purpose of the lease and the conditions of the lease. They must pay an annual rent to the government, payable by 1 September each year, or their freeholding instalment. They must comply with the provisions of the Land Act; for instance, controlling pests and weeds on the lease. They require the minister's consent to sell or sublease the lease and they require the minister's consent to any subdivision or amalgamation of the lease. Leasehold land also is not subject to land tax, whereas freehold land generally is.

Resource acts such as the Mineral Resources Act, the Petroleum and Gas Act and the Geothermal Energy Act generally are tenure neutral or tenure blind, if you like. If there is something that applies to an owner or to freehold land, it will apply to a lessee and to the leasehold land as well. Similarly, the Vegetation Management Act for all practical purposes applies equally to freehold and leasehold land.

Earlier I mentioned the rural leasehold land strategy or the Delbessie Agreement. I might just briefly talk to you about that. In January 2007, amendments to the Land Act established the legislative basis for the current administrative arrangements for rural leasehold land, the purpose being to promote the sustainable management of Queensland's rural leasehold land while, at the same time, ensuring productivity and security of tenure. The agreement provides for an incentive based land management framework and focuses on improving profitability, productivity and sustainability of these lands, and it aims to identify issues relating to declining land condition, such as loss of productive pastures and an increase in declared pests and animals, and assists lessees to secure long-term economic, social and environmental sustainability.

Currently, it focuses on rural leasehold land with terms of greater than 20 years and with an area covering 100 hectares or more. Under the strategy, 40-, 50- or even 75-year leases can be issued where the leased land is in good condition and agreements relating to Indigenous access and use and protection of significant natural environmental values, if applicable, are in place. The 75-year term specifically applies to leases in the Cape York region where all or part of the leased land is an area of international conservation significance under the Cape York Peninsula Heritage Act.

Under the Land Act, all new and renewed Delbessie leases are subject to a land management agreement being in place. That land management agreement is a written agreement between the minister and the lessee about the management and use of that leased land, and it is registered.

Two of the general provisions that must be considered before deciding whether or not to offer a new lease include the condition of the leased land and the extent to which the leased land suffers from or is at risk of land degradation. This requires an assessment of the leased land condition as part of the lease renewal process, and the land management agreement document actually identifies the assessment from that and all of the issues. However, all holders of leases, licences and permits under the act are subject to a condition that the lessee, the licensee or the permittee has the responsibility for a duty of care for the land. The duty of care for leases issued for agricultural, grazing or pastoral purposes includes taking all reasonable steps to avoid causing or contributing to land salinity; conserving soil, water resources and biodiversity; protecting riparian vegetation; maintaining perennial and productive pastures and native grasslands; and managing declared pests and weeds. This duty of care is reflected in the land management agreement under the negotiated relevant actions and management strategies to address the identified issues.

When I mentioned freeholding earlier I said that I would come back to the issue of survey on freehold, and I am aware that it has been mentioned by a number of stakeholders leading up to this committee's work. Fundamental to the Torrens title system, which is the foundation of our state's land registry system, is that when land is freeholded the registered owner is entitled to have an unambiguous understanding of the spatial definition—the extent and the area of the land that he or she is entitled to occupy. The state also needs to be in that same position of having an unambiguous understanding of the spatial definition—where the boundaries are, basically—of the land that has been granted, and this definition can only be achieved by a survey of the land.

Where a landholder is uncertain about their boundaries, they are limited in their ability to properly exercise the ownership rights without potentially affecting adjoining owners. In the case of freehold ownership, that need to be certain about the extent of ownership is the greatest. When the state grants a freehold interest to land, the state, in determining the sale price of the land, must be fully aware of the size and the extent of the lands being freeholded, and to satisfactorily do that a survey is required. This provides for our state's highly secure, low-risk ownership rights, and that secure land registration system is fundamental to a healthy state economy.

Recent advances in surveying and in position technologies have significantly reduced the cost of surveying large pastoral holdings in remote areas, and the costs of these surveys tend to be generally low compared to the value of the land that is actually being freeholded. In addition, there is a special survey standard for surveys in remote areas that permits a reduced level of requirement without diminishing the certainty of the location of the boundaries. Consequently, that is why a survey is required to freehold titles.

That completes my presentation. No doubt the presentation has actually raised as many issues as it has answered for you, but the department would be pleased to address the committee's questions today and as it moves forward with the inquiry and to assist in the provision of any facts or figures or other information as you require. Thank you for the opportunity to present.

CHAIR: Thank you very much. That was a very in-depth briefing. The committee really appreciates the work that has gone into that briefing. We have a little time. Are there any questions from committee members, or is there any supporting information that the deputation wants to give?

Mr HART: Page 11 refers to sporting clubs, residential charities et cetera. In attachment 4 you said that there is a method for how the rents are calculated. I cannot actually see that there. How are rents on these sorts of facilities calculated?

Mr Coonan: The land regulations prescribe a set minimum rent for our charities and clubs. Virtually all of them were set at $100 in 2009, subject to annual increases. I think it is up to $104 at the moment this year. For really big clubs which are licensed and have pokies, a few of those are on a calculated rent. They are at five per cent of the three-year averaged unimproved value, and there are only a small number of those.

Mr HART: Do you have any idea where we stand with regard to rental arrears—rents that have not been paid on time?

Mr Coonan: I do not have at hand the figures on the current debt situation. Overall, we have had reasonable levels of debt. The vast majority of lessees always pay on time. In terms of details, I would need to get that information for the committee.

Ms Dann: It appears that you are missing one page. That is why you do not have that information. We will get that information to you as soon as possible.

CHAIR: One of the other issues is the calculation of value of land, and that can apply to an island, for instance, or, more importantly in rural areas, land—freehold or otherwise—that has potential for mining, whether it is coal or gas. I understand that the department values land by the previous sale of land in the area. Have you ways and means of recalculating the value of land when taking into consideration the extraordinary prices of land being sold for mining purposes?

Ms Dann: The Valuer-General does take that into account. Where there are extraordinary circumstances, they are able to not include that information in their assessment of the sales information. If it is useful to the committee, the Valuer-General may be able to brief you, if you would like it, on those sorts of issues.

CHAIR: Thank you.

Mr KATTER: Could you explain what mechanisms there are through these systems if, say, there was a large perpetual lease and it was a grazing holding and the company wanted to convert that to freehold? I am not too sure how it is regulated to subdivide that from there. I understand that it is very difficult. Maybe you could explain the framework to perhaps stop freeholding of parcels down to areas that would be unsuitable for that sort of country. Perhaps it is a large pastoral lease and someone saw the opportunity to convert it to freehold and subdivide it into smaller parcels, which may be a benefit in some circumstances but may be a disbenefit. What sorts of mechanisms are in place to stop that sort of action?

Mr Coonan: When a lessee wants to convert their lease, they are able to make application, with a perpetual lease, to convert to freehold and we would assess that application based on the merits of that case. As Liz pointed out, we would not need to deal with native title without perpetual leases. If a person proceeded to freehold their perpetual lease and then if they wanted to subdivide that land into smaller parcels, having gotten it to freehold they would then be subject to the processes of the Sustainable Planning Act and reconfiguration of lots. So that is a separate consideration if they go down that path. In terms of a lessee wishing to subdivide an existing lease—sorry, just to be clear on your question, is that more what you are after? Is it what an existing lessee would do?

Mr KATTER: Yes. How do you deal with it if you see that it is a large leasehold grazing property that is probably not suitable to be carved up too small? What is the mechanism there because, from a planning point of view, there must be an assessment based on productivity that that is not suitable for cutting down to a certain size?

Mr Coonan: There are a couple of things we would look at there. In terms of the assessment of the conversion or an application of a subdivision, we would look at the living area aspects of it and whether it is a property that is able to be subdivided into a viable unit. We would also have consideration of the planning scheme and what areas of land the planning scheme provides for subdivision so that we do not get out of step with the planning schemes in terms of the size of our properties. Generally, we would not want to subdivide properties into unviable small units.

CHAIR: Mr Curtis Pitt has a question.

Mr PITT: Thank you, Mr Chair, and I also thank you for allowing me to have leave to be with this committee today. I have a question relating to a bill on the *Notice Paper* that lapsed because of the election, the Aboriginal and Torres Strait Islander Land Holding Bill 2011. That was seeking to provide an incentive in the form of a rental discount of 25 per cent over five years for resolving native title over certain rural leasehold lands. Is that something that is still, from the department's perspective, a worthwhile venture to pursue?

Mr Hunt: That bill is still being considered by the government and no decisions have been taken at this stage about whether it goes forward or not.

Mr PITT: I have a follow-up question. It may be to Andrew Luttrell, but I am not sure. It is related more to the housing perspective under the Aboriginal Land Act with 99-year leases. I was just wondering if you were able to give the committee an overview of how progressed certain individuals are or certain communities are in terms of their ability to enact homeownership on 99-year leases.

Mr McNamara: The issue to do with land tenure and Indigenous community land is probably an entire subject in itself. The aspects that you raise about the Aboriginal Land Act and the 99-year leases in particular and progress being made towards seeing some of those homeownership residential leases being granted are being largely coordinated through the department of communities' program office in Cairns. I can liaise with them in relation to the briefing that they might be giving to the committee to ensure they cover that subject matter.

Mr PITT: I will just set a meeting with Allen Cunneen. I was just wondering about it from the department's perspective. I realise that the coordination is being done there, but it is a whole-of-government approach. So I just wondered if there are any land impediments or any surveying impediments that there are still concerns over that you may be able to enlighten us on.

Mr McNamara: There certainly have been identified barriers in terms of the speed at which the leases can be granted. I do not think any of the barriers are insurmountable, but each of them needs to be considered and ways to deal with them resolved. We work very closely with the program office. The survey network has improved incredibly over the last few years under the remote Indigenous housing national partnership agreement arrangements, which have enabled a survey for 40-year leases for social housing, as well as some other survey infrastructure framework that has been done through this department which has raised the survey standards in the community to a point where completing the survey for what we would call the township areas is in a much better position than it was a few years ago and, consequently, the costs for any additional survey work are reduced over time. So surveys are certainly one element to do with the take-up of leases, but there is also the readiness of the community to take on those arrangements—the readiness of the individuals to be willing to make an expression of interest and actually pursue it and the readiness of the lenders to provide the finance, in particular the work that Indigenous Business Australia is doing with the communities.

Mr PITT: I have one last question. It is a follow-on from that. At the moment the Queensland government is in quite a good position to be able to enact homeownership on those 99-year leases. Would it be a matter of months instead of years in terms of seeing our first person across the line?

Mr McNamara: Yes, I believe it is months, not years. There are a number of expressions of interest that are being worked through at the moment. They have been categorised in a way that identifies which ones would be most ready. Again, it is perhaps more for the department of communities to comment on, but I expect that it would be months, not years.

CHAIR: Thank you very much. I am probably going to pose some fairly difficult questions for the department, because our terms of reference are very wide and we have a very significant role in terms of coming up with a report that reflects our terms of reference. One of the questions we are charged with answering is whether the tenures that have just been described—very complex and very detailed—are an appropriate method or an appropriate way in which the Queensland government holds tenure titles in Queensland. I know it is possibly a policy issue, but it seems to me that they are very complex, even in terms of the questions Mr Pitt asked. Are the tenure titles that we have in Queensland appropriate for us to move forward with? Mr Hunt, do you have any views in respect of that matter? It is very complex. As I indicated, the committee is charged with a fairly heavy responsibility in trying to sort out those titles issues.

Mr Hunt: It is a very complex issue. One of the questions that our minister asks me quite regularly is why the state needs to be holding 66 per cent of the land of the state under the Land Act. We welcome the formation of this committee and this inquiry. We see it as assisting us in finding alternative ways to deal with that land.

It is a good question. Queensland has done it this way and it is a system that has developed historically over the last century or more. Other states—other jurisdictions—do it different ways. We are quite open to considering other ways of managing land throughout the state. In the end, it does not have to be state land; it is land that is being used by people for productive purposes. If we can find better ways of managing the tenure system to encourage that productive use of land, that is a positive thing that I think the government is quite open to. It is certainly something that our minister is pushing us strongly to find options for. I do not have an answer for you, but we are certainly keen to work with the committee in finding those options.

CHAIR: Thank you very much. I am not sure if you quite answered my question, but it is certainly a step in the right direction. I will pose a view that you might be able to comment on. It applies to both Aboriginal and Torres Strait Islander land and leasehold land in Queensland. From the department's view, would you have a broad view that the conversion of leasehold title into freehold title would be a step in the right direction in terms of the productivity and the development of the land? I guess the security of ownership is a given, but for the potential of further development of regional Queensland, for instance, would your view be that the titling of freehold land would lead to further development in regional Queensland as opposed to terms of tenure in leasehold type situations?

Mr Hunt: The less complex we can make the system overall, the greater encouragement we are giving to the economic use of the land. I think that is a positive thing that we need to work towards. One of the things that we need to be very careful of in that process is native title considerations. That is something that we are looking at very closely. There are certainly ways to work through that to simplify the tenure system whilst still working alongside the native title system, which is a fact of Commonwealth law that we need to work with.

CHAIR: Thank you for that. That is probably another part of my question. The native title system is very difficult to work through. Are there opportunities within the Queensland government to smooth that transition? I know it is a Commonwealth statute, but there are always better ways of doing things. I am conscious of the sensitivities of the issue, but is the department looking at better ways of handling that issue?

Mr Hunt: I will ask Jim McNamara to comment on that. It is a very complex area and Jim is an expert in that field.

Mr McNamara: I think as Ms Dann's presentation pointed out, at every step in considering changes to land tenure native title becomes a consideration. I think it is really important that it becomes part of the everyday business in considering land dealings. The Native Title Act provides a solution for every situation. What causes concern, I think, is that some of the solutions are not necessarily simple or easy or cheap to do. Where there are a number of transactions where there is a personal benefit, an individual benefit, the responsibility is placed on the individual to resolve that issue with the native title party and the solution, in many cases, will be the negotiation of an Indigenous land use agreement. There is not a play book for how you get from A to Z in that process. You work with the representative bodies and so on to use the assistance that they can provide to the native title party to get agreement.

There are examples where the state has engaged with the parties to broker what we would call template agreements—I think Mr Coonan and Mr Pitt referred to this—under the Delbessie Agreement and the Indigenous land use agreement framework with some incentives built in. I am sure you will get a presentation from AgForce and perhaps from the North Queensland Land Council, who were also engaged in that negotiation, about the process and what seems to be some success to streamline the way Indigenous land use agreements can be achieved on pastoral leases.

The state has also developed guidelines for negotiating Indigenous land use agreements. Those guidelines are on our website. We have what we call work procedures for the way you consider native title in relation to every sort of land dealing. These are available on the department's website as well. So if someone is looking to obtain a permit for a particular purpose over a bit of unallocated state land, if they have the wherewithal they can go to the internet and see upfront what the process is to achieve that. Otherwise the department, during the application process, will alert the applicant to the fact that there is a native title process to be followed.

CHAIR: Thank you very much for that.

Mr HOLSWICH: I have a question about unallocated state land. It was mentioned in the presentation that quite often these are odd parcels of land, maybe from road realignments or whatever the case may be. Are there any particular reasons the state holds on to those parcels of land?

Ms Dann: In general the state is quite keen to allocate them, because it means that the management, the responsibility and the use of those lands can be taken on by someone else. So there is no particular strategy for holding on to them, unless there is a particular known use to which the state wants to put it later.

Mr Coonan: Just to add to that, if native title does exist in an area, it is most likely to exist on unallocated state land. Native title nearly always needs to be fully addressed before we can deal with it. It does tend to slow down the allocation of it. It does not stop it, but it does slow it down.

Mr HART: I want to get a sense of the history of this whole subject. I want to ask about the rent calculation process. For instance, one of the lessees there pays a five-year averaged unimproved value times a prescribed rental rate of 1.5 per cent. Can you give me an idea of whether that has changed over time or when the last change was? Are we able to get something like a time line over the whole land tenure process—where the starting point was, where we went to, where we are now?

Mr Coonan: We certainly can provide that for you. Is that mainly for the rural rent or did you want all of the different rents?

Mr HART: All of them, yes—just to get an idea of where we started, where we went to and where we are now and maybe lead on to where we want to go.

Mr Coonan: We certainly can. We can take it back to the 1980s quite readily and then there is a bit of research after that to do to go further back. Is that far enough for you?

Mr HART: I am talking about major milestones.

Mr Coonan: Just how far do you want to go back? We can go back to 1860 or something like that. So probably the last 30 years of history? Would that be sufficient?

CHAIR: I think in the last 30 years—just the major milestones—would probably be sufficient.

Mr Coonan: Yes, we can do that.

Mr KATTER: I wanted to bring this up earlier. An issue that comes up a lot in my electorate relates to leasehold land rents and the threat of 2017. The rents are based on the same things as a house on the coast, where if the value improves so does the rent. I sympathise with some graziers. I am probably singling out individual cases. There might be a grazier who is located in a heavily infested prickly acacia area where they spent a couple of hundred thousand over a couple of years to treat that prickly acacia, which was introduced by the DPI in the 1960s. They have been tending their land well and did not indulge in any expansion, but the property boom has fuelled these increases in valuations and that is driving up their rents. I probably did not need to introduce the prickly acacia issue, but I make the point that they have managed their land well and they have been good custodians. As they are in the cattle industry they have not indulged in the property boom, which has made the values increase and, therefore, their rents increase. So a lot of these landholders, who operate on pretty lean margins, are now being stung with these increasing rents, and 2017 is a bit of a threat to them. Has there been any discussion about productivity based rent or maybe adjusting that mechanism?

Ms Dann: The government has committed to undertaking a review of what happens post 2017. I believe that we are going to kick that off pretty quickly.

CHAIR: I thank the department very much for briefing us today. I believe that we have gained a valuable insight. If the committee has any further issues, I would be hopeful that we could contact the department to settle them. The time allocated for the briefing of the Department of Natural Resources and Mines has now expired. On behalf of the committee, I would particularly like to thank you for your attendance today. Thank you very much.

COOK, Mr Clive, Senior Director, Conservation Strategy and Planning, Department of National Parks, Recreation, Sport and Racing

GLAISTER, Dr John, Acting Director-General, Department of National Parks, Recreation, Sport and Racing

CHAIR: I welcome officers from the Department of National Parks, Recreation, Sport and Racing. Thank you very much for coming along this morning. Would you like to make an opening statement?

Dr Glaister: Good morning, Mr Chair, and other members of the committee. I acknowledge the traditional owners of the land on which we are meeting as well as the traditional owners of the various lands that the government manages across Queensland.

Thank you for the opportunity to give this briefing to the committee on the issues relating to the current land tenure arrangements in Queensland, and, in particular, how they pertain to ensuring Queensland's pastoral and tourism industries are viable into the future, balancing the protection of Queensland's ecological values, maintaining ongoing and sustainable resource development and addressing the needs and aspirations of traditional owners. I hope that my briefing today gives the committee an appreciation of some of the issues affecting both lands and waters that the department is responsible for and land tenure arrangements that impact upon the effective delivery of our business.

Since commencing in this role only three months ago, I have become acutely aware of the contribution that our natural environment and the department can play in the creation of a prosperous economy while also providing the social and environmental obligations that we all expect. A wise use of our natural resources and natural capital will ensure the prosperity of many industries. I am increasingly convinced that the priority as land managers is to engage through the application of multiple use of protected areas and be more outward looking in our approach without destroying the very values that we have set aside these lands for in the first place.

That is not to compromise the inherent values, either. Many of services that are provided by nature—clean water, fertile soils, natural resources—are difficult to put a price on. But it is clear that many individuals, businesses, communities and industries rely on the natural systems and resources. It is clear that the protection of these special places also brings with it support for the wellbeing of all Queenslanders and other visitors. In this context, the government is keen to see that the conservation and stewardship of land is socially, culturally and commercially beneficial and that the community and environment thrive with our assistance and support, without, as I say, destroying the very values that make these places special.

I would like to commence my submission with an overview of why the lands that the department manages are relevant to this review, followed by a summary of challenges and issues facing the state and then, finally, the key actions that I believe are necessary to take to address these. It is these actions that I believe may be of most interest and relevance to the committee's review.

The department has custodial responsibility for over 12 million hectares of land—that is, approximately seven per cent of the state of Queensland. Of this land, approximately 687 properties are protected areas—mostly national parks—that are of international importance, representing the most environmentally significant places for plants and animals, contributing to our understanding of Queensland's history and for the enjoyment of people. In addition to protecting ecosystems and landscapes of international significance, these areas are places where Indigenous culture and links to land and sea country are celebrated.

The committee should be aware that much of Queensland's protected areas have been or are subject to native title claims, with many of the claims subject to varied aspirations for economic, social and environmental outcomes that will markedly alter the way we view the role of the state in the management of some public lands. In fact, in many cases it will be the courts that determine the bundle of rights and interests that native title holders may exercise over their claim areas, including state land being managed by the department. It is these rights at law that pose probably the greatest challenge into the future. I will expand on this in more detail later as a key issue of interest to the committee.

Protected areas are a critical investment for the health and wellbeing of Queensland communities, including Indigenous people, for whom the connection with country is both a spiritual and a cultural obligation. These lands also make an essential contribution to the commitment of returning Queensland's tourism industry to No. 1 as it supports the four-pillar economy for Queensland.

Nature, culture and diverse landscapes are synonymous with national parks, and images of many of our iconic parks, like the Whitsunday Islands, the Daintree and Fraser Island, are showcased internationally as unique ecotourism and community destinations. Ecotourism is a significant contributor to Queensland's economy at both a regional and a state level.

National parks, marine parks and other protected areas are some of the state's biggest tourist attractions, drawing more than 38 million visits per year. These lands already make a huge contribution. For example, tourists who visit our protected areas contribute around $4.5 billion annually to the state's economy, representing around 28 per cent of the total visitor spend.

Five of Australia's World Heritage areas, more than any other state in Australia, are based wholly or partly in Queensland and include Fraser Island, the Wet Tropics, the Gondwana rainforests of Australia, the Riversleigh Australian fossil mammal site and, of course, the Great Barrier Reef. The department manages the Great Barrier Reef in partnership with the Commonwealth's Great Barrier Reef Marine Park Authority and the Wet Tropics with the Commonwealth's Wet Tropics Management Authority.

In addition, the department manages three state marine parks, comprising approximately seven million hectares of fish habitat areas, wetlands, mudflats, sandbanks, beaches, reefs and rocky islands. These include the Great Barrier Reef Coast Marine Park—which complements the Great Barrier Reef Marine Park—the Great Sandy Marine Park in Hervey Bay and the Moreton Bay Marine Park on the doorstep of Brisbane. They are also important for the growing recreation and tourism markets in enterprises such as whale watching, boating, fishing and diving—all of which have flow-on effects to regional and local economies.

The department is also responsible for the management of state forests and timber reserves, comprising just over three million hectares. These forests exemplify the term 'multiple use', with many user groups sharing the land for their specific industry or purpose. Although these lands may have been originally declared for timber production and watershed protection, they have grown to serve many purposes. Graziers, beekeepers, foresters and the horticultural industries work seamlessly over these lands to produce forest products. Below ground, the coal seam gas industries are now extracting the newer resources to be found beneath these lands. Several thousand wells are expected to be drilled in state forests across the Bowen and Surat basins over the next decade.

The compatibility of this resource boom with other existing forest industries is an emerging challenge for the department. At the same time, many members of the community want to access the same areas. This means that we must manage the various users and uses to avoid interactions between them. For example, you can imagine the safety concerns around incompatible uses. I believe that it is the state's role to ensure that the continued access to and protection of these resources is done in a consistent way, ensuring the benefits are there for all sectors of the Queensland community.

In addition to the department's mandate to manage the protected area and forest estate, Sport and Recreation Services has the role of increasing participation in sport and active recreation, particularly in the outdoors. Most sports activities and many recreational pursuits occur outside the protected area estate, primarily on reserves for community purposes, on some local government freehold land and on other state owned land. Frequently, sport and recreation is a secondary use of the land. From a recreation and sport perspective, the main issue is gaining access to suitable land to meet increasing demand and to provide for the diversity of activities.

This next point is pretty important. The population in South-East Queensland is expected to reach approximately 4.4 million people by 2031, representing a substantial increase in growth and demand for sport and recreation services. It is clear to me that access to land is one of the key challenges facing us in the coming decade. Whether it is for cultural purposes, for tourism and recreation or for industry, the expectations for increased access will only escalate, with the key issue being to find places where these activities can co-exist and provide economic, social and environmental benefits for all Queenslanders.

I reiterate that all of this is being looked at on only seven per cent of the total area of the state. I believe that it behoves us to also explore other state tenures so that the inherent values of this relatively small percentage are not irreparably compromised for future generations of Queenslanders.

Turning to the key issues, I began my presentation with the importance of land for Indigenous people, and here lies one of the most challenging issues facing the state. Indigenous people are increasingly advocating for access to land to express their native title rights. The native title determination process is one of the few formal opportunities that Indigenous communities have had to engage with the state and express their aspirations about land ownership and land use.

Land that is currently government land tenure—in other words non-perpetual leases, some reserves, forests, protected areas and unallocated state land—is generally the only land that is eligible to be considered for native title recognition. Only a small portion of this land, generally unallocated state land, is potentially available for Indigenous ownership for development purposes. As a consequence, there is a rapidly emerging precedent and expectation for native title rights to be granted over these lands. Native title needs to be taken into account when allocating government owned land to other parties. Where native title is not wholly extinguished, any future land dealing that affects or impairs the exercise or enjoyment of native title rights and interests is a 'future act'. Therefore, any proposal for tourism, recreation or industry over these lands may trigger requirements of the native title future act regime, or compensation.

In recognising access to Indigenous people, the state may find itself limiting access to others without an adequate package of land available to offer as compensation. Unallocated state land can be used for this purpose. Successful native title parties can realise their rights to possess, occupy, use and enjoy a specific area, in some cases to the exclusion of all others, without restricting access to other state lands such as protected areas.

Revenue sharing between the state and native title parties of the proceeds from future unallocated state land land sales within a determination area is one opportunity that should be further explored. The ability for Indigenous people to have joint management responsibility over protected areas outside of Cape

York and North Stradbroke Island is also a priority area for further investigation, and I believe that a formal policy position on this by government is required prior to legislative change. There is some urgency on this issue as the courts have initiated expedited dealings on native title matters, and the resource requirements on the department in handling multiple claims are significant and growing.

For the tourism industry and recreational users of our estate, it is again access that is their highest priority. Individuals and businesses actively seek access to the most scenic and adventurous land that is available, often within national parks and forests. In some instances, it is not the tenure of the land but rather its primary purpose, for example for conservation or as a water catchment, that restricts its use for tourism and recreation. Historically, some tourism and recreation activities have been excluded from the protected area estate because they are not considered 'nature based recreation' under the Nature Conservation Act 1992. The Newman government has indicated its intention to review the Nature Conservation Act 1992 to provide a more balanced proposition for the tourism and recreation sectors for national parks particularly.

Furthermore, approximately 67 per cent of the land in Queensland is leased under the Land Act 1994, with 44.5 per cent of these leases pastoral holdings and 11.7 per cent grazing homestead perpetual leases. There is no requirement for holders of these leases to provide public access to this state owned land for activities such as sport and recreation, despite the fact that they may often be mutually beneficial and compatible. Collectively, this means that approximately two-thirds of the state is locked away from public use, creating increasing pressure on the protected area and forest estate, reserves for community purposes and local government freehold land to provide for the tourism, sport and recreation needs of the community.

This limited supply of land becomes most evident when we are trying to meet the needs of hard-to-locate sport and recreation activities such as off-road motorcycling and shooting disciplines, which require significant buffer areas and are inconsistent with some existing land tenures because there are inherent safety risks for the public. The 'not in my back yard' syndrome is most vocal with these sports, as neighbours of urban parks and forests routinely call for motorised sports such as trail bikes to be regulated away from these areas. Illegal use of these lands by unregistered riders is a significant compliance issue for departmental staff and the Queensland Police Service, with periurban parks the source of constant complaints because there is nowhere else to go. What is required is investigation into unallocated state land that is particularly suited to these purposes and the protection of that land from surrounding urban encroachment to enable the particular sport to develop there.

In addition, changes to the Land Act 1994 may enable conditions to be placed on leases to allow, for example, limited public access for sport and recreation. The economic benefits of long-distance trails have been well documented. However, the current Queensland legislation does not easily enable the consistent management of linear trails outside the protected area estate which cross multiple tenures. Although the Recreation Areas Management Act 2006 provides for consistent management of multitenure areas, this legislation has not been applied to trails or in areas which do not include protected areas. A greenways tenure, similar to that existing in South Australia under the Recreational Greenways Act 2000, which provides for the establishment and maintenance of trails for recreational walking, cycling, horse riding, skating or other similar purpose, could be considered for linear trails.

I referred earlier to the compatibility of emerging industries on multiple-use lands such as forests. The rapid growth of the coal seam gas and mining sectors has seen a marked increase in these industries actively pursuing access to state forests. Although the net occupation of forests for gas well exploration and production is small, the effects on other users through fragmentation and alienation during field development can be significant. Timber Queensland, the peak industry body for Queensland's timber industry, has raised concerns regarding the loss of access to native forest log timber resources on state forests and other state owned land as a result of clearing conducted by gas companies for infrastructure development. It is important that the state receives fair and reasonable compensation for these impacts—for the loss of land and the loss of timber and grazing production over the life of the industry. The costs of managing these lands in line with community expectations cannot be understated.

Maintaining the highest standards in land condition by controlling pests and managing fire is an issue that remains at the forefront in this current economic and natural disaster climate. Introduced pests are recognised as one of the biggest threats to biological diversity and have the potential to also cause significant economic and social impacts. Fire is a critical element of the Queensland Parks and Wildlife Service management program for parks and forests in Queensland. In managing fire on parks and forests, the department places the highest priority on protecting human life, followed by protection of infrastructure and environmental values. Management issues shared by local communities and the department include pest plants and animals, water quality, fire management, pollution and fencing for stock. These issues are best addressed through cooperation between neighbours, local governments, other community members and the department.

More than 10,000 properties share a common boundary with protected areas and forests, so good neighbour relations continue to be vital for protected area and forest management in Queensland. Ensuring that the state is a responsible neighbour and responsive to natural events, in particular fire, is therefore not an objective but rather an obligation.

These are just a few of the challenges facing the department over the next decade and I would now like to detail the key actions that have been initiated as a response. The land management challenges and complexity of interests across all of these land and sea scapes are immense and multidimensional. Commonwealth, state and local government legislation interplay over many of these land and sea tenures, often under shared management arrangements but applicable to specific industries and activities.

I am particularly interested in appearing before the committee because I think this next sentence says it all: it strikes me that in recent times we have become captured by the legislation that governs the lands that we manage rather than it being a tool to assist us in managing it. It has also been used as a weapon against common sense and good intention. I see this as one of the principal tasks in the coming years: to devise a new model of governance for all of these lands—one that supports sound land management, one that simplifies the complex and burdensome administrative arrangements and one that provides economic, social and environmental benefits for all Queenslanders.

I would now like to outline to the committee how this will be achieved to ensure that land under the control of the department is utilised for its best and most suitable purpose. The DestinationQ forum is the government's first step in ensuring a whole-of-government approach to tourism in Queensland and will help Queensland restore its position as Australia's No. 1 tourist destination. One of the key initiatives to emerge from this event is a review of the Nature Conservation Act 1992 to ensure that the objectives meet the contemporary aspirations of society. I have already commenced this review, beginning with a state-wide analysis of all protected area and forest tenures to ensure not only that land of exceptional environmental value is afforded the highest possible protection but also that land is appropriately classified to provide for improved accessibility for tourism and recreation.

In recent weeks I have also requested advice on policy surrounding public access to public lands including state forests. I am confident that this advice will outline the current and emerging hierarchy of interests on these multiple-use land tenures in a way that ensures forests are preserved for their best and most practical purpose. Many of the terrestrial and marine lands under the department's stewardship are jointly managed in partnership with the Commonwealth government and in collaboration with traditional owners, the New South Wales government and local government. In line with my desire for the department to be more outwardly focused and collaborative, I intend to explore more flexible governance arrangements where local government, Indigenous peoples, neighbours and other organisations with natural resource management expertise may support and perhaps even lead the delivery of our business.

In closing, I would like to acknowledge the efforts of all of my staff across this department. Collectively they represent a highly specialised and well-equipped land and sea management workforce capable of a diverse spectrum of business, from policy to science and land stewardship. With many working in remote parts of the state, they remain responsive to the many challenges that I have mentioned today, doing their very best under extraordinary conditions. Finally, I wish to thank the committee for this opportunity, and I am pleased to take any questions from the chair or committee members.

CHAIR: Thank you very much for that very detailed report. I appreciate the effort that the department has gone to to brief us this morning. I am just wondering if I could seek leave for you to table that report.

Leave granted.

CHAIR: We have time for perhaps one question and I might pose that. Has the department looked at the way in which other states, or even places such as New Zealand, operate their national parks in conjunction with the very high pressure of community expectations?

Dr Glaister: We have. I think there are some interesting parallels to be drawn from what we have here in Queensland with, in particular, places like New Zealand and Tasmania. New Zealand in particular has some interesting evolution around litigation and what is able to be done in a national park. There is, for example, quite a lot or work and it is now coming to fruition around impacts of things like horse riding. So we are certainly looking at innovative examples interstate and overseas for where we might take it, and these will be certainly useful in our rewrite of the act.

CHAIR: Further to that, other states, but more particularly New Zealand, would also have native title issues in respect to their national parks.

Dr Glaister: That is true. I actually worked in New Zealand for a little while so I am familiar with it. It is slightly different in terms of their legislation and their Indigenous ownership. The biggest difference is that New Zealand had a treaty and that brought with it certain rights and responsibilities.

CHAIR: Thank you very much. The time allocated for the briefing from the Department of National Parks, Recreation, Sport and Racing has now expired. Thank you for your attendance here today. We appreciate the briefing you have given us, particularly the report that will be tabled.

Proceedings suspended from 10.14 am to 10.35 am

COE, Mr Matt, Project Manager, Department of Tourism, Major Events, Small Business and the Commonwealth Games

JONES, Mr Mark, Director and Ministerial Policy Support, Department of Tourism, Major Events, Small Business and the Commonwealth Games

MARTYN, Mr Paul, Deputy Director-General, Department of Tourism, Major Events, Small Business and the Commonwealth Games

CHAIR: Good morning. I welcome to the committee hearing this morning representatives of the Department of Tourism, Major Events, Small Business and the Commonwealth Games. We would like you to discuss matters relating to the State Development, Infrastructure and Industry Committee's report into the future and continued relevance of government land tenure arrangements in Queensland.

On behalf of Hansard, I would ask departmental officers to identify themselves when they first speak and to speak clearly and at a reasonable pace. It is the committee's intention that a transcript of the briefing be published. I remind officers to press the button for the microphone on the desk to operate and to again press the button when you have finished to deactivate the microphone.

Mr Martyn: Thank you, Chair. Our department has been recently created and includes Tourism Queensland, Events Queensland and the Commonwealth Games Corporation. I will provide an opening statement if the committee allows.

The department welcomes the opportunity to contribute to the review of land tenure being undertaken by this committee. Today I would like to brief you on the following matters relevant to the review: to provide an overview and some strategic context about the importance of tourism as a pillar of the Queensland economy under the new government; to talk about the key drivers and impediments to attracting investment in the industry, with an investment friendly land tenure system being an important part of the equation; to inform the committee about the issues being raised by the tourism industry and its land tenure reform priorities; to outline our current complementary investment attraction efforts to respond to the issues mitigating against investment including regulatory, policy and industry development initiatives; to advise the committee of the key characteristics that we believe a land tenure system needs to provide to maximise opportunities for the tourism industry; and, finally, to provide you with some ideas or concepts which you may wish to consider in your review of the current land tenure system.

Importantly, the department does not purport to be an expert or to have intimate knowledge of the intricacies of Queensland's land tenure system but, rather, is here as an advocate for the long-term growth and sustainability of the tourism sector.

In terms of the importance of tourism, it is well known and you have heard this morning that the government is committed to the growth and development of Queensland's tourism sector. The government recently held the inaugural and highly successful DestinationQ forum in Cairns on 25 and 26 June 2012. The outcomes of this forum committed the government to a range of significant actions to ensure the Queensland tourism industry is returned to its place as Australia's No. 1 tourism destination.

Driving the government's overarching tourism agenda is a commitment to deliver on the national tourism 2020 growth target. For Queensland this means we must double overnight visitor expenditure from $15 billion to $30 billion. To deliver this, we will need an additional 16,400 new hotel rooms for Queensland and 21,190 new international airline movements in this state. These are ambitious targets and we will need to work closely with our key partners both inside and outside government to ensure these goals can be achieved. This does mean working with the land tenure system to deliver the best possible outcomes to tourism.

What does the land tenure system mean for tourism development? This morning you heard from our colleagues in the Department of Natural Resources and Mines who provided you with a comprehensive overview of the state's land tenure system so I do not intend to elaborate on that. Our primary interest in the review is focused on how the state's land tenure system can create a commercial operating environment that provides certainty of land tenure to attract long-term investment in ecologically sustainable tourism developments and infrastructure.

With this in mind, the committee may wish to consider the following points. Investment attraction for tourism projects will play a major role in achieving the government's 2020 growth target. The Queensland government's land tenure system can help to facilitate the development of the tourism industry in Queensland to meet that target, and this can be assisted through reducing red tape for tourism infrastructure developers as well as facilitating access to government land for tourism related purposes.

If we turn to background on tourism investment in Queensland, as I have said, to achieve the government's growth target Queensland needs significant investment in new and revitalised tourism product to compete more effectively in an increasingly global market. Research commissioned by our department has highlighted the fact that, despite major new investment in tourism product in the 1980s and 1990s, since then we have seen lower levels of investment in Queensland. The analysis identified the key drivers of tourism investment being business confidence, economic growth, return on investment and probable construction costs. Investment has also been volatile, dependent on a small number of large projects and, particularly important, vulnerable to broader economic shocks.

The bottom line is that, to remain competitive with nearby overseas destinations, significant investment and reinvestment in tourism product is required to reach our 2020 potential. Improving land tenure to make it more attuned to the needs of the tourism industry can contribute to achieving this goal. Over the last two years significant effort nationally has gone into understanding the barriers to new investment in tourism and how these barriers can be addressed by governments both state and federal. National research has identified two key barriers to tourism investment, commercial barriers and regulatory barriers.

To turn first to the commercial barriers, tourism faces challenges in attracting investment due to the high Australian dollar and depressed economic conditions, and I think that would be generally understood in the community. Other key issues that impact on tourism investment include the comparative lower returns for tourism investment when compared with alternative kinds of investment—for example, residential or commercial and the uncertain cash flows due to the high levels of seasonality of the industry and again the volatility of the industry in global and domestic markets. This means investments in the tourism sector often have reduced access to finance when compared with those in other sectors of the economy. Secure tenure can help provide confidence to banks to lend and reduce commercial risk for tourism.

In terms of the regulatory barriers that have been identified at a national level, the long, iterative approval process for new developments which includes federal, state and local approvals, the lack of certainty and clarity of process in the approvals regime and complex regulatory processes often being misaligned with the commercial realities faced by investors.

Two major reports undertaken as part of the national tourism regulatory reform agenda—namely, the LEK and Allen reports—delivered a series of recommendations that focused on addressing red tape that has impeded tourism investment, and developing a model of best practice for government facilitation of tourism investment. As part of a national approach, Queensland is addressing a number of the recommendations from these reports, in particular, through the government's proposed planning reforms and in ecotourism.

In terms of the industry's views on the land tenure system, the Queensland Tourism Industry Council in its *Game changing priorities for the future of tourism in Queensland*, released at the end of last year, commented that—

Queensland's regulatory and legislative provisions and land tenure conditions are inadequate to accommodation innovative land use opportunities that have emerged in other destinations, both interstate and overseas.

Further, QTIC has stated—

... lack of efficiency, lengthy approvals process, multiple agency responsibilities and disproportionate taxes and charges are powerful deterrents for capital attraction.

These concerns were reinforced at the recent DestinationQ forum. Attracting new investment is a major priority of the government. As outlined in the government's tourism policy platform, it is committed to facilitating new investment, to improving approvals processes and to reducing red tape and duplication for people keen to invest in Queensland tourism. Building on the government's tourism policy and the outcomes of the recent DestinationQ forum, we have adopted a strategic and forward-looking approach to promote tourism investment. Following the election, the government moved swiftly to establish a dedicated tourism investment attraction unit. Its key role is to identify and develop investment opportunities for the tourism industry in Queensland.

The initial focus of the unit is on creating new investment opportunities in a number of priority areas, many of which require land tenure considerations to be addressed prior to them becoming investment ready. We are currently progressing catalytic investment projects identified in tourism opportunity plans developed for the state's 10 tourism regions. Some of our priorities include the redevelopment of island resorts, particularly along the Great Barrier Reef, and ecotourism, which featured prominently at DestinationQ.

If we turn to ecotourism in particular—and I know it has already been raised this morning—one of our major priorities is to unlock our natural assets and national parks to allow the potential for tourism to showcase them through new and unique ecotourism experiences, to improve tourism access to many of the state's natural assets and national parks. So far, efforts to stimulate ecotourism development on national parks through private investment have failed. This has been due partly to economic and commercial factors. However, the constrictive and non-commercial nature of regulatory requirements under legislation such as the Nature Conservation Act 1992 has also contributed to this lack of success.

The experience of other Australian jurisdictions and feedback from the industry have demonstrated the key requirements for viable investment on national parks to include: firstly, encouraging tourism related developments through commercially viable lease terms that reflect the nature of the investment and the likely return, for example up to 50 years; secondly, negotiable lease rents or payments that reflect the nature of the investment and the likely return; and, thirdly, the recognition of the high costs of establishing and operating a tourism development in a national park, particularly in a more remote location.

Importantly, one of the priority outcomes of DestinationQ was a commitment to address impediments to ecotourism facilities. This has included cutting ecotourism red tape by reducing the current permits required to access national parks and developing a new Queensland ecotourism plan, including a review of the Nature Conservation Act, to enable greater access to Queensland's 12 million hectares of national parks and 72,000 square kilometres of marine parks, benefiting ecotourism.

In terms of the Tourism in Protected Areas, or TIPA, initiative, the department also supports industry's requests for greater certainty for tourism operators. TIPA is still only in its early stages of implementation but is intended to address key issues including, firstly, commercially viable permit agreement tenures and fees for commercial tourism operators; secondly, active industry involvement in setting visitor-carrying capacities at key sites; and, thirdly, recognising and rewarding high-standard ecocertified operators and including effective enforcement of permit conditions.

Linkages to the planning system will also be important. The tourism department is working closely with other government stakeholders to influence the planning and regulatory environment. The department has already been involved in the development of a planned temporary state planning instrument based on the four pillars of the Queensland economy, including tourism, which was recently announced by the Deputy Premier. The temporary planning instrument will require consideration of the need for economic development, including tourism, as a priority in the development of regional and local planning schemes.

In addition, the department has been working on the development of a geographical information system, GIS, spacial mapping tool to support local governments in identifying locations suitable for tourism investment. This includes looking at land tenure within a region and its preferred uses. All of these actions—the temporary planning instrument and the GIS tool—will complement any actions taken in relation to land tenure for the Queensland tourism industry.

In terms of the policy outcomes that we would seek from a review of the land tenure system, we have looked at industry feedback and I suppose we think there should be two fundamental characteristics of the system: it must provide for security of tenure to facilitate private investment; and it must allow for the diversification of land uses to support tourism.

In terms of security of tenure, land tenure security provides landholders with certainty about their property rights. When property is held in freehold or under a long-term lease, it allows for longer term investment decisions and easier access to finance from banks and other lending institutions. Like any sector, tourism proponents must be able to demonstrate to investors that they will have a commercial return on investment. If tourism industry projects are restricted to relatively short lease terms, the reality is that they are less likely to secure finance and be able to make those longer term investment decisions.

In terms of the second point, diversification of land uses, under current state lease arrangements the leasehold area is generally restricted to primary or secondary uses. For pastoral holdings, tourism activities are generally limited to low-key tourism. The Queensland government has identified food, wine and agritourism as priority niche markets for development, and such purposes should be considered in any review of the land tenure system. While the demand for major tourism investments on pastoral holdings has not been apparent, opportunities for larger tourism investment on leasehold estates may be being lost. Further, under the current restrictions leaseholders are unable to access potential alternative income streams except to a limited extent, and these alternative income streams could provide for the sustainability of their pastoral businesses.

In terms of ideas and options for your consideration, the current tenure arrangements could be amended to consider specific land-use arrangements for tourism activities, for example under a new lease type at special rental rates, or to amend restrictions that exist under current tenures such as pastoral leases. Where there are environmental sensitivities for land uses, long-term leasehold options may be preferable as the state will retain the ability to monitor compliance with the conditions of the lease, and such options may be appropriate for ecotourism.

In terms of offshore islands, there may be some examples to address longstanding issues in relation to these islands. If these issues could be addressed through an amendment of the existing tenures, investment on some of Queensland's offshore islands might become more attractive. Although the Land Act allows for freeholding on offshore islands under certain conditions, in the most recent past there has been a general policy to not allow this form of tenure arrangement. Due to the complexity of some of these issues, advice would need to be sought from the Department of Natural Resources and Mines as to the benefits or otherwise of consideration of freehold tenure over state land on islands.

In terms of unallocated state land, there has been a degree of discussion around opening up USL for tourism purposes or making USL available for tourism purposes in priority when disposed. It is understood there are limited stocks of USL available in Queensland. However, anecdotally it is also understood that the quality of the current stock is generally poor. Even so, as agreed by the government and industry at DestinationQ, it is important that every opportunity is taken to deal with the USL sites in a way that is potentially suitable for tourism.

The department sees opportunities to work with the Department of Natural Resources and Mines to investigate sensible amendments to some of Queensland's land tenure arrangements: firstly, to facilitate more tourism on existing leasehold estates; secondly, to allow for new types of leases to be used for tourism purposes; and, thirdly, where appropriate, to allow for freeholding of leases currently used for tourism purposes to increase the certainty of tourism proponents in their land tenure and allow for longer term decision making.

In addition, we will follow through on other key land tenure related recommendations that flowed from the DestinationQ forum. These include a commitment for the newly established Tourism Cabinet Committee to consider crown land rental rates for tourism related purposes and land-use planning, tenure and approvals processes for land use adjacent to existing ecotourism experiences and developments.

In terms of native title, we see challenges and opportunities in relation to native title. There are challenges. In particular, in order to allow more tourism on existing tenures, like pastoral estates, it is likely that native title issues would need to be addressed. Further, when freeholding an existing lease, the freehold title would only transfer the existing rights under the lease, and native title for this freehold land would also need to be addressed to extend the potential uses of that land. On the other hand, while native title may present a challenge for the tourism industry, it may also be an opportunity. If tourism developments are being proposed, it may be possible for the proponents to work with native title holders to negotiate an Indigenous land use agreement, ILUA, that results in mutually beneficial Indigenous tourism attractions. Such an approach might reduce the time taken to negotiate an ILUA. In the context of tourism, there may be opportunities to improve certainty of tenure and to better align land tenures, particularly leasehold, to the needs of the industry.

I conclude by saying that changes to the land tenure system represent an opportunity to build investor confidence, facilitate a supportive investment environment and assist in attracting new investment in tourism. The Queensland government is eager to ensure that tourism in and near protected areas is sustainable, environmentally sound and able to deliver commercial returns, and it may be that leasehold options could assist here. In addition, we need to acknowledge the needs and aspirations of traditional owners, particularly in view of providing economic opportunities for Indigenous people to participate in the Queensland tourism industry. That is the end of my prepared remarks. I am very happy to take questions.

CHAIR: Thank you very much, Mr Martyn. I thank you for the work of your department in preparing that report. I would like to seek leave to have that tabled. Is that possible?

Mr Martyn: Certainly, yes.

Leave granted.

CHAIR: We welcome that report. Might I suggest that the department may like to make a submission to the committee in respect to some of the matters you raised, particularly your issues with tourism and the offshore islands. I think that certainly is a challenge for the committee to look at. Obviously our terms of reference are mainly about the simplification of the land tenure system in Queensland and the sustainability of the land tenure system. Within tourism, I think you have a significant role in determining the final report in terms of the committee's outcomes.

Mr HART: Mr Martyn, on DestinationQ: are you free to talk about any particular instances that were raised with you about land tenure and why it might be slowing down tourism ventures? Are there any particular instances that you can mention, even in vague terms?

Mr Martyn: The way we addressed key industry issues at DestinationQ was that there were six key themes identified that were needed for the development of the industry. One of those themes was investment, infrastructure and access. There were around 75 industry operators in the room working to look at issues and examine options. I understand that these issues around tenure were raised by industry operators who felt that the system was perhaps not as flexible as it could be, and the issue of allowing tenures that could be taken to banks was particularly raised by industry.

As a result of the work of that group, the Tourism Cabinet Committee has committed to look at these issues. Sitting beneath some of the key actions that came out of that theme are a range of further actions that the government will consider in that process. Certainly operators were not backwards in coming forwards in relation to those issues. I know that the Deputy Premier was in the room and was very engaged in that conversation. We see from our department's point of view and listening to the feedback from industry that addressing it is important, and this committee and this opportunity we think is very timely.

CHAIR: Thank you very much. In terms of the national parks and the opportunity to expand tourism into that area, and in relation to the Tourism Queensland conference et cetera, were any issues highlighted in terms of increasing tourism and the opportunity to interact with national parks?

Mr Martyn: Industry was very keen to talk about that issue, Mr Malone. Industry feedback fell into two broad categories. Firstly, there was a widespread view that the regulatory requirements for tourism operators to conduct tours and activities in and on national parks were complex and unwieldy, and actually there was a commitment coming out of the forum to address that, to reduce the number of permits. Secondly, industry expressed the view that they felt that national parks had been, in their words, locked up and not made available for ecotourism development.

As a result of that, the government's response has been, firstly, to develop an ecotourism plan. One of the things we are very conscious of is that tourism and the environment are sometimes seen to be antagonistic, but, in fact, from our point of view they are complementary. Good tourism operators want to showcase the environment. Good tourism operators understand that visitors expect them to be totally sustainable and committed to environmental outcomes. Many tourism operators themselves are committed environmentalists. What they are saying is that the ability of tourism operators to be on parks can actually help the park service. Many tourism operators are actually prepared to do in-kind work and help the rangers with the maintenance of the park. They are actually prepared to conduct interpretative activities with visitors to encourage an appreciation of our natural environment.

One of the things that is motivating us is figures that show that visitation to national parks by young people is down, which is a social problem for this state. We need to get young people out there. One of the best ways we can do that is to create experiences that engage with nature. What I think the industry was

saying was that the preservation of national parks is absolutely critical and we need to preserve those environmental values, but also the presentation of that to Queenslanders and to international tourists is important. The more people who see the environment and the more people who experience it, we believe the more they will be committed, as a society, to preserving and protecting it. We are also conscious that, in terms of the World Heritage conventions, World Heritage is not only about preservation but also about presentation.

The feedback from industry coming out of that group was that we want to be responsible custodians and we want to use our parks to encourage visitors to this state, and that the businesses are happy to demonstrate that they are certified with ecotourism Australia and they are happy to be audited and accredited and actually demonstrate that they are achieving those benchmarks. What they ask for in return is a more commercial environment, because attracting finance for any kind of investment at the moment is difficult, particularly for smaller tourism operators.

We came out of the DestinationQ forum with a great deal of optimism about the industry's commitment to national parks. We have been working very collaboratively with the Department of National Parks, Recreation, Sport and Racing on the development of an ecotourism plan which will map out what are the kinds of ecotourism product that will position Queensland to compete globally. Many other places purport to have natural splendours. We would say that Queensland is unique and has many products. We need to market them effectively to the world. We need to ensure that the product fits the market. Also we need to make sure that the investment occurs in that quite high-level product that we need to compete.

Mr PITT: Given that less than five per cent of Queensland is actually national parks—and I know that there will be an argument that we have to make the best use of what we already have, but there is an issue of accessibility into a lot of those parks because of where they are located—is there any consideration being given to environmental land offsets for ecotourism leases in that regard? It is just a general question.

Mr Martyn: The concept of offsets is one that is widely used in terms of offsetting environmental and economic considerations and I think that will be part of determining where to go from here. In other states the experience with ecotourism investment—high-quality safari tents et cetera—has actually been that the operators have made a very positive contribution and have been happy to demonstrate their environmental credentials and particularly to demonstrate a return to the park in which they are operating, and that is absolutely critical.

CHAIR: Mr Martyn, thank you very much to you and the department. I really appreciate the comments that you have made. As I said, if you feel you wish to make a submission to the committee, you are more than welcome to do so. The time allocated for the briefing of the Department of Tourism, Major Events, Small Business and the Commonwealth Games has now expired. The committee thanks you for your attendance here today and the work that you have done.

ROBERTS, Mr Tony, Deputy Director-General, Environmental Policy and Planning, Department of Environment and Heritage Protection

CHAIR: Good morning. We are running a little behind time. We now have a presentation by the Department of Environment and Heritage Protection. I now call on the Department of Environment and Heritage Protection for their briefing. Welcome. For the record, could you please state your name and the capacity in which you appear before the committee. Would you like to make your presentation to the committee?

Mr Roberts: Good morning, Chair, and members and thank you for the opportunity to present to the committee this morning. My name is Tony Roberts and I am the Deputy Director-General of Environmental Policy and Planning in the Department of Environment and Heritage Protection, or EHP. I am attending this morning to assist the committee with its inquiry and to respond to questions the committee members might have about how tenure issues affect the department's operations and, in turn, what impacts the department's operations might have on Queensland's tenure arrangements. I note, firstly, that the terms of reference for the inquiry are quite broad. So I need to make it clear from the beginning that no state government land tenures are directly vested in the department, although the department does hold some parcels of freehold land in South-East Queensland that were acquired for koala conservation purposes, and the ultimate tenure of those parcels is yet to be determined.

However, the department does have a substantial environmental regulatory responsibility that influences the way in which land is used in Queensland. There is also a considerable amount of scientific information held by the department on the state's biodiversity values, which is used to support the government's land use planning and acquisition processes. EHP leads and undertakes the acquisition and transfer of lands destined for reservation for conservation, sustainable resource uses and public use purposes under both the Nature Conservation Act and the Forestry Act. Its bioregional assessment work helps inform this process.

In addition to these regulatory and research functions, the department oversees a voluntary nature refuge program, the greatest area of which is based on pastoral leasehold land. This program has been delivered in the past with the public support of AgForce. Further, EHP has a significant role in the state's formal planning processes and works with the Department of State Development, Infrastructure and Planning to produce environmental management elements of the Queensland suite of regional plans. EHP also develops supporting tools such as the Queensland Coastal Plan and various other planning instruments that address the state's environmental concerns.

This contribution to the planning processes is intended to encourage the sustainable balance between meeting the economic and population demands for growth in Queensland while maintaining the health of the natural environment on which the Queensland lifestyle depends. EHP also plays a part in representing Queensland's interests in national and international environmental policy forums. It also has a direct role in some aspects of wildlife management and threatened species protection as well as the preparation of state level biodiversity policy. The department, therefore, maintains a very close interest in the administration of Queensland's land tenure system notwithstanding that many of its functions and particularly its regulatory role are exercised in a way that is tenure blind.

Following that brief introduction and with regard to the committee's objectives here today, I propose to make some observations about the department's activities as they apply to Queensland's environmental and heritage values and to comment from the department's perspective on some of the factors that the committee might consider in any exploration of potential changes to the state's tenure arrangements. I would like to expand on the department's interests in, or influence on, the state tenure arrangements under the following five headings—that is, environmental regulation; nature refuges; managing biodiversity and pastoral values; heritage protection, that is, built heritage protection; and the Cape York bioregional management plan.

Firstly, in relation to environmental regulation, EHP's regulatory role is largely governed by the provisions of the Environmental Protection Act working in combination with the Sustainable Planning Act and its integrated development assessment process, or IDAS. Under IDAS, EHP has the concurrence agency function in several areas that requires the department to assess the affected development applications on environmental heritage values of the lands where the development is proposed. The development assessment process can take into account factors such as places entered on the Queensland Heritage Register, the existence of statutory regional plans and local plans and other planning instruments such as state planning policies.

We have five Queensland state planning policies that currently address the state's environmental and heritage interests. They are Koala Conservation in SEQ, which is SPP 2 of 10; Healthy Waters, which is SPP 4 of 10; Air Noise and Hazardous Materials, which is SPP 5 of 10; Coastal Protection, which is SPP 3 of 11; and Wetlands of High Ecological Significance in the Great Barrier Reef Catchment, which is SPP 4 of 11.

Queensland's integrated development assessment system requires EHP to provide referral or advice agency input to local governments which, in most cases, are the assessment manager and the decision manager. Where EHP is the concurrence agency for development assessment involving environmental heritage matters, local government authorities are obliged to observe the department's requirements. EHP also has an advice agency role for some development applications and here its recommendations to local governments are not binding.

Environmental assessment of proposed mining, gas and petroleum projects are exempt from the Sustainable Planning Act. EHP's consideration of mining activities is governed separately by the Environmental Protection Act and relevant sections of the Mineral Resources Act in which the Department of Natural Resources and Mines exercises primary responsibility.

Coal seam gas and petroleum extraction and mining require an environmental authority, or an EA, under the Environmental Protection Act from the department before any activity can begin. An EA imposes conditions that reduce or avoid potential impacts. The way in which those conditions are applied is not generally influenced by the tenure of the land involved. Under the Environmental Protection Act, EHP maintains two public registers: firstly, a contaminated land register, which contains data on known locations of contaminated land; and, secondly, an environmental management register, which contains data on other sites with previous or current uses that are low risk to human health and the environment. The tenures of the lands recorded on these registers are incidental to the listing on these registers.

To repeat an important point referred to in my introduction, most of EHP's assessment functions in examining proposals that may have an effect on Queensland's environment are undertaken tenure blind. They are determined by the type of activity that is proposed and by the nature of the biological or natural values rather than the tenure involved. The level of assessment is applied in the same way regardless of whether the land subject to the development application is freehold or leasehold. When considering the environmental impact of development applications, other factors such as local government zonings are more relevant considerations for the department than the type of land tenure involved. The exception to this is the assessment of development applications involving Queensland heritage places, but I will enlarge on this later in my presentation.

The second area that I would like to highlight for the committee's interest is nature refuges. The department leads Queensland's nature refuge program. Nature refuges are areas of land declared under the Nature Conservation Act which the landholders voluntarily agree to dedicate and protect for conservation purposes whilst continuing to own. They are not a discrete tenure in themselves, but they enable owners to continue compatible and environmentally sustainable land uses while voluntarily setting aside some, or maybe all, of the land for a specific environmental purpose.

The voluntary nature refuge agreements are negotiated directly between the landholder and EHP and they are designed to ensure that sustainable production and conservation can co-exist. Owners of freehold land, leasehold land, Queensland government agencies and local councils are among the participants in the nature refuge program. An area nominated for a nature refuge is assessed for its bioregional characteristics, current condition and proposed and future uses. Factors include whether the proposed area contains habitat for plant and animal species that are rare or threatened or whether they are part of habitats or vegetation types that are themselves threatened, for example, endangered or of-concern regional ecosystems. Other criteria may include whether the ecosystems are poorly represented in existing reserves or national parks, contain remnant vegetation or provide access corridors for native animals, linking areas of remnant vegetation with existing reserves. The nature refuge agreements are made in perpetuity—that is, they run with the land—but it is important to note that nature refuges do not prevent mining, gas or petroleum exploration or development. Declared nature refuges are attached to the land title and bind successors in title.

There are currently 411 registered nature refuges in Queensland, with 76 per cent of those occurring on freehold land. However, the land tenure type with the greatest land area subject to nature refuges is pastoral lease, with 72 per cent of the nature refuge land by area falling under that tenure. These figures reflect the acceptance that nature refuges have found with rural landholders over the years.

I mentioned previously that nature refuges do not preclude mineral exploration or development, nor gas and petroleum extraction. Therefore, nature refuges do not carry the same level of legislative protection for environmental values as, for example, national park tenure, nor is there any expectation of public access, for recreation or other purposes, to what remains essentially privately operated and often commercially focused land. Notwithstanding that the area may be strong in meeting environmental values, it is not the department's usual practice to pursue a nature refuge agreement over a location that is known to be highly prospective for mineral or other resources.

Should this committee's deliberations run to proposed changes for the land tenure arrangements, those changes should be carefully examined in relation to the existence of nature refuge agreements as well as the capacity to negotiate new voluntary agreements into the future. Accordingly, I would invite the committee to consider these factors in forming its recommendations and I would be happy to provide the committee with more detailed advice and information at a later date, when you start to prepare your draft recommendations.

The third area that I would like to highlight for the committee's consideration is managing land for pastoral and biodiversity values. As well as providing scientific advice on biodiversity values of potential nature refuges, I would also draw the committee's attention to the role that the department plays in selection and gazettal of new national parks and its role in assessing environmental values and the condition of pastoral leases due for renewal under the Delbessie Agreement, also known as the State Rural Leasehold Land Strategy.

The department has identified 13 key bioregions in Queensland and has developed systems to map and assess the environmental characteristics and integrity of various land types and wetland areas. These systems enable EHP to rank land for its conservation value, assessing its specific values to account for

factors like rarity, diversity, fragmentation, habitat condition, resilience, threats, and landscape connectivity. These factors determine what land should be identified as potential future national parks or other protected area tenure. The more critical role an area plays for ecosystem, the more value it has in contributing to biodiversity outcomes. These bioregional planning assessments were developed to provide a consistent approach to assessing biodiversity values at a landscape scale. This information has helped to inform the implementation of the Delbessie Agreement as well as support the department in its land acquisition and land management functions undertaken under previous organisational arrangements.

As some of the committee members would be aware, Delbessie supported the environmentally sustainable and productive use of rural leasehold land by producing an incentive for landholders—or leaseholders in this case—to manage state held land for its environmental as well as its pastoral values by offering leaseholders opportunities to extend the term of their lease. In the case of both national parks selection and term lease decisions under the Delbessie Agreement, biodiversity data provided by the department has informed its and other departments' tenure selection and land management decisions.

The committee may wish to give consideration to including in any changes it may recommend a requirement to condition lease renewals or freeholding transfers on the basis of recommendations from EHP on the suitability of all or part of the land as potential additions to Queensland's protected area or forest estate. This would ensure that the highest conservation value and broader public benefit additions to the future Queensland protected area estate and forest estate can be made in a way that is cost effective and at the same time provide certainty to the landholder, resource industry interests and the Queensland community.

I would also draw the committee's attention to the need to amend the current tenures under the Nature Conservation Act to potentially support the government's policy for broader sustainable public use. In this regard, the Premier has recently committed to review the Nature Conservation Act to enable greater access to national parks and marine parks benefiting ecotourism. This is a matter that EHP intends to pursue in collaboration with the Department of National Parks, Recreation, Sport and Racing and would have regard to any recommendations of this committee in doing so.

The fourth area I would like to perhaps highlight for the committee is the department's role in cultural heritage. In addition to its responsibilities for the natural environment, EHP has responsibility for administering the Queensland Heritage Act. This act protects the state's historic heritage places, often described as built heritage but which also includes Queensland's archeological sites. To discharge its responsibilities under the act, the department works closely with the Queensland Heritage Council, an independent statutory body established under the act.

The Heritage Council is responsible for considering applications to enter places on the heritage register and also, from time to time, for considering their removal from the register. However, while the Heritage Council makes listing decisions on places that are potentially of state heritage significance based on recommendations from the department, development applications proposing changes to privately owned heritage places are considered by the department itself exercising its concurrent authority under IDAS, the Integrated Development Assessment System.

It is in this field of development assessment that the government ownership of land influences how the department's regulatory functions are applied, and it marks an exception to my previous comment about the exercise of EHP's regulatory functions being tenure blind. The exception arises when changes are proposed to government owned heritage places. In this case, the decision is ultimately made by the minister responsible for the place, but only after the proposal has been considered by the Heritage Council, which then provides the minister with its recommendations. The minister is, however, not bound by the Heritage Council's recommendations. A listing as a place of state heritage significance travels with the property's title, but no state government or Heritage Council approvals are needed to sell that heritage property.

The last area that I would like to highlight for the committee's consideration is the department's role in the Cape York bioregional management planning process. Land tenure arrangements are also a live issue on the Cape York Peninsula. As the committee members would be aware, during EHP's preparations of the Cape York bioregional management plan the narrow nature of some grazing leases has been raised by some leaseholders. This bioregional management plan will be designed to maximise economic opportunities for appropriate development by gathering community feedback on development opportunities, aspirations and constraints and ways to reduce red tape. For example, whilst some graziers are looking to diversify into other areas such as tourism, the current requirements under the Land Act limit the purpose for which the lease can be used and leaseholders report that this is constraining options available to them to improve the viability of their businesses. For example, under these constraints, while a smaller scale farm stay may be approved, a more complex tourism enterprise would not.

The bioregional management plan is exploring how areas can be identified for particular purposes—for example, tourism and agriculture—and how these areas can be regulated for that purpose by fast-tracking approvals and removing the need for material-change-of-use applications. While there is currently provision in the Cape York Peninsula Heritage Act for 75-year leases, graziers have indicated that, although this is welcome, it does not solve the underlying issue of viability and they are seeking more diversification options. The department is working with the Department of Natural Resources and Mines to explore the most efficient way to do this through the bioregional management plan and associated legislation such as the Land Act.

Other issues being examined include how constraints in the Aboriginal Land Act and the Native Title Act can be streamlined through the planning, for example, by providing template Indigenous land use agreements, ILUAs, where Aboriginal landholders want to expedite tourism or other enterprises on deed of grant in trust, DOGIT, land. The final plan is likely to guide development planning decisions and help identify with affected groups and government departments likely development zones such as horticulture, aquaculture and tourism nodes and other key resource areas based on viability criteria such as soil quality.

In conclusion, I hope this brief summary has been of some assistance to the committee. I look forward to working with the committee and the department looks forward to working with the committee in relation to its future deliberations.

CHAIR: Thank you very much, Mr Roberts. The committee found your comments very enlightening. We will be working with the department in putting together a final report and welcome you, if you feel fit, to make a submission to our inquiry. I seek leave to have your speaking comments tabled.

Leave granted.

CHAIR: Thank you very much. The time for the submission by the Department of Environment and Heritage Protection has now concluded. Thank you very much for your attendance here this morning. Again, I appreciate your comments. The committee really appreciates the work that the department has done in preparing that report.

Mr Roberts: Thank you very much.

BURKE, Mr Charles, Director, Sustainable Agriculture, Department of Agriculture, Fisheries and Forestry.

CHAIR: Welcome, Mr Burke, from the Department of Agriculture, Fisheries and Forestry. We invite you to make an opening statement to the committee. Thank you very much.

Mr Burke: Thank you for the opportunity to provide a briefing on the perspective of the Department of Agriculture, Fisheries and Forestry on this inquiry into the future and continued relevance of government land tenure across Queensland. First I would like to introduce, by way of context, the importance of tenure and title and how it fits into an agricultural strategy.

In launching the government's agriculture strategy, 'A 2040 vision for Queensland Agriculture', the Premier, the Hon. Campbell Newman MP, identified agriculture as one of the government's industry pillars. This strategy aims to ensure that over the long term Queensland has an efficient, innovative, productive and successful agricultural sector.

There are a number of key elements that underpin this strategy. Some of them include: the improvement of job, career and investment opportunities in the agricultural sector for both graduate professionals and vocational entrants; a greater focus on ensuring ongoing competitiveness and building export opportunities; a better balance between mining, urban development and agriculture; an increase in the stock of high-production cropping land and other productivity improvement through science and technology; and a strong future for agriculture with increased production to double food production by 2040.

Those five key strategies have a foundation in tenure and title. I am aware that you have had a number of briefings from other agencies regarding this already. A lot of those agencies have gone through the technical aspects of the tenure and title arrangements currently in Queensland. DAFF has been requested to provide a briefing on discussion of how land tenure arrangements in Queensland affect Queensland's pastoral and agricultural industries. To provide the relevant context for this briefing, a number of questions will set the desired outcome for land tenure arrangements in Queensland and in particular how they relates to the terms of reference for your inquiry, which I note have been mentioned a couple of times today. They are significantly broad enough to look at all of the aspects that relate to land tenure. Today, I will confine my statements to issues that have a direct relationship to the industries and the portfolio covered by DAFF.

In order to establish the issues that affect Queensland's pastoral and agricultural industries, this is an opportunity for us to presented a checklist that would address the desired outcomes to deliver on the government's agriculture strategy, which I have outlined. Any of these principles would be used as a checklist. They would include, firstly, a tenure system that will provide the required foundation to ensure investment security. There is currently limited evidence to suggest that the current tenure system is a major impediment to investment security. With the subsequent impact from the GFC, availability of finance is now highlighted as important; therefore, a tenure system needs to account for this security. Historically, finance was available on the premise of equity within ownership and tenure. More and more we are seeing a move to a balance in that security for cash flow and the ability of business, notwithstanding the fact that tenure still plays an important role in security involved with investment and that provision.

Secondly, a tenure system should also provide for diversification and not be a barrier to this. In order to ensure potential diversification through initiatives such as irrigation, intensification, business expansion or whole-of-chain developments, the tenure arrangements need to reflect flexibility.

Thirdly, a tenure system should encourage the sustainable management of the natural resources and, as importantly, should not impede the sustainable management of the natural resource. This would require acknowledgement of the fact that, historically, conditions were set within leases that imposed certain resource management conditions that were significant at the time however do not necessarily apply now. For example, under the Forestry Act, any proposed changes to tenure arrangements have the potential for impacts on the state's ability to meet its current and future supply for forest products and quarry material. Other arrangements that would enshrine the sustainable management of a natural resource also apply to issues of biosecurity.

Fourthly, a tenure system should also strive for efficient land tenure administration and land usage. This will allow market forces to assist in the achievement of commercially viable rural enterprises through the transfer and restructure of rural property. An efficient system will deliver cost-delivery outcomes for government as well as administration efficiencies and savings for lessees. For example, under the current Delbessie system there has been extensive comment from lessees that land management agreements have become too lengthy and detailed to implement, with some of these LMAs over 100 pages in length. It is this sort of efficiency in administration which will help deliver business efficiency in the pastoral and agricultural sectors.

Fifthly, a tenure system should also provide consistency of title and tenure across the state with an aim of increasing homogeneity. There are currently a significant number, as you have already heard today, of different tenure arrangements across different land types and geographical locations. A consistent approach would address fragmentation of title and tenure which provides opportunities for not only government to increase efficiency but also administration and red tape relief for lessees.

Sixthly, a tenure system that does not create impediments to economic development is also imperative. For example, intensification such as irrigation development or other business development requires a water allocation as well as significant financial investment. It would be advantageous if a tenure system did not place restrictions on the application for either of these important elements for development of any project.

A review into the continued and future relevance of government to land tenure has the potential for significant ramifications for industry, the community and the government. A tenure system that adequately addresses the above issues has the potential to support viable, balanced and sustainable businesses across the industries represented by DAFF.

I have deliberately kept my presentation today short as I believe the six key points that I have outlined on behalf of DAFF should assist with your inquiry. I am happy to answer any questions that the committee may have. I am also happy to take on notice any questions that cannot be answered here today and provide a response as soon as possible.

DAFF would also like to commit to provide any further information that the committee may request in the future to assist and inform its deliberations. I would just like to close by saying thank you again to the committee for this opportunity to provide this briefing as a review of the continued and future relevance of government to land tenure does have significant importance for many of the industries relevant to DAFF.

CHAIR: Thank you very much, Mr Burke. Those comments were terrific. Could you make your notes available to the committee?

Mr Burke: Certainly.

CHAIR: There probably will be some questions but we do not have a lot of time. With respect to forestry tenure, do you see the Forestry Act as appropriate to maintain land under government ownership while hopefully having a sustainable timber industry in Queensland?

Mr Burke: I would like to answer that by saying that I am not exactly sure that the actual tenure arrangement is critical. It is the expectation that currently the state owns all forest products. So it is about the products and the access to those products. The government has commitments and arrangements to provide that product both for forest products and for quarry material. These forest products are harvested and collected from a range of tenures, so it is not necessarily about the tenure; it is about the arrangement that is in place over the top of the tenure.

CHAIR: I make the point that I get a lot of representations from sawmillers—and there are fewer and fewer of them—that their only available logs are on freehold land. Has there been a decrease in forestry land across Queensland or the ability to harvest timber out of those forestry reserves?

Mr Burke: I am not in a position to answer that directly. I would certainly be happy to take that on notice and provide that detail for you.

CHAIR: Thank you very much. Are there any other questions?

Mr KATTER: I was just wondering if you could provide some comment on an issue. I know there has been some discussion in the past about the Flinders agricultural precinct in north-west Queensland, where there could be a strong opportunity to provide outside investment if we look at the tenure so an investor does not have to invest in a large leasehold parcel but has the opportunity to put capital into a smaller freehold part or some other tenure. I am sure you are aware of it. Can you provide any comment on that?

Mr Burke: Not specific comment, because other agencies administer the actual handling and are lead agencies with whatever the tenure arrangement is over a particular block of land. Obviously, what we would expect and what we would be hoping—and as part of your inquiry what we hope you can outline—is that diversification and flexibility in those sorts of arrangements need to be considered and balanced with the other tenets of protecting the state interest.

CHAIR: Sustainable agriculture is obviously a big issue right across Queensland in terms of the red tape and the overarching bureaucracy in terms of, for instance, building a farm dam, water allocations and those sorts of things that make it difficult to invest in a sustainable agricultural project. Has the department looked at ways of lessening the red tape? I know it is not a tenure issue, but certainly in terms of the profitability of pastoral and agricultural enterprises red tape is a fairly big issue. It is not outside the bounds of our reference, but it is certainly on the periphery. Have you any comments with regard to that?

Mr Burke: Certainly the department is working closely with other agencies where there are already acknowledged opportunities for reform. We are working very closely with the Department of State Development, Infrastructure and Planning on a whole new planning review regime. Certainly, there is not a particular issue that can be addressed with one stroke of the pen; it is a suite of programs. The presentation that I have made today we prepared in light of things like the planning review process and other aspects that are happening on a regular basis. We are certainly taking a very active role in making sure that we address those issues that you raised.

CHAIR: I have another question on the Delbessie Agreement. Is there any potential to streamline that process? A comment was made in respect of the 100 pages of sign-off. Has the department looked at that matter?

Mr Burke: We have not looked into the actual detail as yet. We have taken representations from people who have these arrangements in place and we have fielded comments about some of the implications of working through the land management agreements. There is always potential in any system to make refinements and improvements. I would hope that as part of this process we might be able to. We would be more than happy to play an active role in gathering that information and working out exactly what would be relevant and effective refinements.

CHAIR: Thank you again, Mr Burke, for your comments and the work of your department in preparing a presentation for the committee. The committee is very appreciative of your comments. We welcome further discourse between the committee staff in terms of any questions we might have. I welcome your department to make a submission if you feel fit to do that. We thank you very much for making yourself available.

GRUNDY, Mr Jim, General Manager, Mining and Petroleum Operations, Department of Natural Resources and Mines

HUNT, Mr Dan, Associate Director-General, Department of Natural Resources and Mines

CHAIR: Welcome back to the Department of Natural Resources and Mines. We will now get a briefing relating to the component of mines and petroleum in respect of our referral by the government to this committee. Welcome back, Mr Hunt, to brief the committee. Would you like to make some opening comments?

Mr Hunt: Thank you, Chair. We are back now to talk about the mining part of the tenure system. I have with me Mr Jim Grundy, the General Manager of Mining and Petroleum Operations, who is responsible for the tenure systems across the various areas. I will ask Jim to walk through a factual summary of the tenure system for mining and petroleum in Queensland. We do not have a submission for the committee at this stage, but we are happy to provide something in writing later to back up what we say today. I will pass over to Jim.

Mr Grundy: Thanks, Dan. What I would like to do is sort of paint the picture, if you like, for resource development—that is, from a hierarchy point of view to explain the tenure regime within Queensland and essentially the role of the Department of Natural Resources and Mines in its stewardship role of allocating access to mineral and petroleum resource exploration and development. Essentially, the hierarchy of resource development really starts with the collection by the government through the geological survey of Queensland of all of the data and geological information across the state which they develop into information and knowledge—that is, data packages which are accessible through an electronic system. The interactive resource tenure mapping is arguably the most hit website in Queensland as far as information across the globe about Queensland's mineral and petroleum endowment is concerned.

Once a proponent or an interested party has found an area of interest, the next phase within a resource development is exploration. So you trawl through all of the data and you find your target and area of interest. If the land is available, then exploration is the next phase which is to determine the existence, quality and quantity of any mineralisation in an area of ground. Out of that exploration phase, if they find traces of mineralisation, potentially economic—so a commercial development—then they will go into a predevelopmental feasibility stage, which is coming out at exploration before you commit to go to a mining and development stage. So the main game for the government obviously is production. Out of production then the economic returns and the benefits through royalties and various revenue is produced.

As they mine then the tenure runs in parallel with an environmental authority. So the tenure gives all authority to access land as a priority to develop up and prove up resources. The level of that activity that is allowed under our legislation is managed through the environmental authority. So you might say that you are going to do an open-cut mine, for instance, but the level of disturbance and the nature of that is authorised under the environmental authority. So they progressively rehabilitate then as they mine and then you go to a mine closure or a mine decommissioning. There have been areas in the past where this has not been done properly where we still have an abandoned mine legacy in Queensland. So in a whole life cycle approach, if you like, that is generally the framework in which the tenure management system is set up.

If I can take you through the main pieces of legislation that govern resources extraction in Queensland, there is the Petroleum Act 1923. That is an old piece of legislation that is still in existence as it had to take account of some pre-existing rights in respect of conventional petroleum development. The Petroleum and Gas (Production and Safety) Act 2004 followed up on the Petroleum Act, and that is largely the legislation that governs CSG, coal seam gas, and liquified natural gas developments. Coal and all metallic and other minerals are governed under the Mineral Resources Act 1989. A recent piece of legislation that has been introduced for looking at particularly the potential for renewable energy is the Geothermal Energy Act. There was a Geothermal Exploration Act initially. That has now been superseded. The Geothermal Energy Act 2010 governs all geothermal activity. Lastly, the Greenhouse Gas Storage Act commenced in 2009 which was for the development and investigation of carbon capture and storage.

Under all of those pieces of legislation the framework is consistent. So there is a process of getting authority to access land, which is prospecting and exploring, and then there is like a development tenure and then there is a production tenure for all of those areas. Coal seam gas and petroleum also have additional tenures to deal with pipelines, so you will have a pipeline licence and you might have a petroleum facility licence, and I will take you through briefly what they are.

Essentially, the types of tenures that we talk to are the small mining, which are mining claims; the machinery mining and the larger scale commercial mining and mining leases; petroleum leases for petroleum and coal seam gas; pipeline licences for conveying the gas to the facility for processing—so you have a petroleum facility licence; and then, under geothermal, there are geothermal exploration permits and geothermal leases and greenhouse gas storage and injection leases. So it is a similar framework and hierarchy across all of the legislation for resource development.

Minerals are owned by the Crown—essentially, all of the resources. The only exception to that is where under some of the old titles of state and fee simple going back to the turn of the previous century coal has been reserved to some titles, but generally across all areas the minerals are the property of the

Crown. Therefore, they do not attach to the title to the land, so any mineral prospectivity is blind to that particular land use as such. The regime under the legislation has to provide a fair and equitable access arrangement so that companies can get access and explore for resources.

I have a detailed presentation which I can provide which is basically tenure management 101, which will take you through a breakdown of all of the tenures. What I thought I would do is just give you a quick guide to how we administer it. The state is divided into three regions and we have district offices based around the state. There are 10 offices which are managed by a mining registrar, who is responsible for processing tenures for industry. They do community engagement, they assist in compensation negotiations and generally are the authorised officers for enforcing the legislation. They are then supported by regional centres where the majority of the major assessment activity occurs—that is, northern, central and southern regions.

Effectively, the objectives of all of the legislation—which are fairly common not just in Queensland but across all of the other jurisdictions—are about encouraging and facilitating exploration in mining, providing that administrative framework to expedite and regulate the activity. The objective of exploration, even through production, is to enhance the knowledge of the state's mineral and petroleum endowment; hence, the geological survey of Queensland captures all of this data. Holders and companies have an obligation to report to the government regularly on what they find so that we get a detailed mapping, if you like, of the potential resources across the whole of the state. The objective clearly set out in the act in doing so is to minimise land use conflict and ensure an appropriate financial return via royalties and rent to the state. These are leasing arrangements, so they are not in perpetuity. You pay a rent to hold that lease for a set term, for which you can apply for renewal if you can justify that there is still mineral potential and that you have complied with all of the requirements of what you were to do. The state then collects a royalty on the production of the profit made from the mining. Overall, it is to encourage landcare management across the exploration, development and mining phases.

Essentially, the main issues then that we deal with in managing the tenures for resources are working in company with the Environmental Protection Act—that is, with the Department of Environment and Heritage Protection. We also work within the system for mining where, if an application for a lease is made, there is a public notification where the public can object or make objections to either the environmental authority or the mining lease. If that is the case, then it is referred to the Land Court. There is then a process where the Land Court does an independent consideration of all of the elements as set out in the legislation and makes a recommendation to the minister.

The Commonwealth Native Title Act applies across all of the states, so all tenures have to go through an environmental assessment, a resource assessment and a native title assessment. The native title assessment determines whether or not the land is exclusive of native title or could still be subject to native title. If it is, then there are options to go to an Indigenous land use agreement between the proponent and the native title group or a right-to-negotiate process which is all set out in the Commonwealth legislation. The department has published procedures and guidelines across all of those processes and we integrate very closely with the environmental regulator to deliver the projects in a streamlined fashion as much as we can. Also, the Aboriginal Cultural Heritage Act applies across all of our tenures as well.

The major area of activity for us at the moment is clearly coal seam gas. One of the issues that the department is currently working with industry on is that coal has been the major commodity of interest, particularly within Asia, for energy. At the moment we have a regime where there are overlapping tenure rights to explore for and develop coal. So you could have coal seams that would be traditionally mined for coal and there may be deeper seams that are suitable for coal seam gas extraction. So the regime that we try to administer is to look at coordination arrangements and co-development so that we maximise the potential development of the state's resources.

In an ideal sense you want to drain the gas pre underground mining in particular. If you can get an arrangement where the gas company can come in and extract the gas in commercial volumes, the miner then comes in later on, subject to making sure all of the safety and health components are correct, and exploits that coal seam which is, from a safety perspective, desirable because you have eliminated a lot of the gas risk associated with those mines.

Can I say, that has been a challenge for the department and for industry and they have worked through our legislation to the point where currently under consideration is how we can find a more streamlined and effective way of dealing with the overlapping requirements. But that is, at this point in time, I guess, from a tenure management perspective, challenging for us but also challenging for landowners because the regime for tenures can have overlapping tenures. They can have a number of different tenures over a parcel of land at one point in time.

It is critical, going back to the objectives of the legislation to minimise land-use conflict, that there is an appropriate land access regime in place, there is a proper code of conduct and conditioning for activities for companies. Some obviously do it better than others. It is a constant requirement for us to ensure that companies are doing the right thing. We do have an on-ground compliance and communication role that goes with managing tenures.

Clearly, in support of all of that regulation and approvals processing is a support base. It is an education process for industry but also for the community, for local government and for landowners as to everybody's rights and entitlements under legislation. We spend a lot of time and effort bringing out

information and fact sheets, not only to put on the website but also to actively take out to community meetings—and we regularly do that. We will be working closely with the Gasfields Land and Water Commission—with the LNG enforcement unit, which incorporates a number of aspects of government processing. My responsibility is to oversee that all of the requirements of the legislation are met and justified before making a recommendation for the grant of any tenure.

We have a significant number of tenures across the state, particularly for exploration. I think it is fair to say that since 2007 and 2008 we have seen, in line with the resources boom that is well recognised, a large increase of land being taken up by companies. We are working through a lot of that to make sure of their bona fides in taking up that land, that they have the capacity to actually undertake the work. They are probably the two areas at the moment in which the department, in my area of business for managing tenures over land, is ensuring that they do the right thing and that they do what they say they are going to do. Effectively, we have a regime such that if they cannot do that then they must relinquish land that they hold and give other people the opportunity to explore.

It is critical for us to keep in touch with technology. One company may use a different target style of mineralisation and technology to prove up a resource. Once they have tried it, if they have not been successful you will find that other companies will take over and will have tenure over the ground in a sequential basis because technologies change. For instance, you talk about basalt cover. A lot of technology now has the capacity to look under that hard cover to see what resources are underneath. That is largely what the geological surveys of Queensland are about—to try to keep proving up prospective areas so that we can maintain that pipeline of resource development and revenue coming through to the state.

I have not gone into the small scale side of it, but the small scale industry is critical for rural and regional Queensland, and we recognise that. We have a regime at the moment under our legislation that is, I would say, a one-size-fits-all type of approach which can be difficult for the small scale industries. We are working to look at a package that is more suitable, as far as regulation goes, for the small scale industry—and I am talking about opal mining in Western Queensland and gem mining and alluvial gold mining in particular in Northern Queensland. We are working closely with those organisations to make sure that our regulation fits the scale and impact of that. But we do recognise they play a critically important part, particularly within those rural and regional towns.

Fossicking is the lowest scale, if you like, in the hierarchy, which I have not mentioned before. Queensland is known as a preferred destination for precious and semiprecious stones. We have a significant number of people who come up from down south who go through the state. We have a number of areas dedicated for fossicking. We are currently working with the national parks area to look at access to some state forests so that particularly the lapidary clubs have access to that pursuit. We try to link that in with tourism opportunities like national trails throughout Queensland. They do need to be regulated, so we do have fossicking licences. Most of those are issued by local agents so that gets people into those shops so that they can get their licence. I guess that is the full suite of activities under the resources legislation under which people will see others entering and accessing land to undertake authorised activities.

CHAIR: Thank you very much, Mr Grundy. I think your comments and your briefing will certainly support the inquiry. Our referral from the government was in relation to mining with regard to pastoral and agricultural properties. If there are any issues that you or the department feel you would be able to make a submission to the committee on, we are more than happy to take that on board. You did mention that you had a more significant paper that explored all of the opportunities. Did you indicate that earlier?

Mr Grundy: The presentation I have explains the hierarchy of all of the tenures. It goes into quite a bit of detail of what that authority actually provides.

CHAIR: Would you be happy to provide that to our committee?

Mr Grundy: Yes, I can do that.

Mr KATTER: I am not so well informed on the subject so I hope this makes sense, but I was approached by a mining company that said they had spent a very significant sum and they had been there five or 10 years and were hoping to approach the government to expand or enhance the security they have over that lease because there is nothing much to stop the government or the department coming in at short notice or letting someone else take a part of that. They said they wanted to upgrade that security of the lease. It might have been an exploration permit. Can you explain what that scenario is and if that plays a role in what we are talking about here?

Mr Hunt: The normal process is that people will have an exploration permit, which they may well hold for some years. Normally an exploration permit is for five years. As they work through that permit and explore the area they will relinquish part of the ground as they go through that period. Those permits can be renewed. It is quite possible that people will spend a lot of money on exploration as they go through the process. When they have a viable target, when they believe they have an economically feasible mine proposal, they will then go into the process of applying for a mining lease. That can take a couple of years. It is fairly typical to take a couple of years because as part of that process they need to go through and obtain the environmental authorities—if it is a major development it may require a full environmental impact statement; they need to resolve native title issues, which typically will take 12 to 18 months, through a right-to-negotiate process; and they need to do the resource assessment with our department. There are

also some other issues that they will have to address now that strategic cropping land is a particular issue that will need to be addressed. So there are a range of hurdles they have to jump to get the mining lease. That is a detailed process—it can take a bit of time—but it is a system that works quite well for industry.

The biggest thing that we need to provide for industry is reliability. Industry is quite comfortable, I think, if they know that a process is going to take two years and it is delivered in two years. It does not have to be an instantaneous process, but it has to be reliable. In terms of security of tenure, when they have an exploration permit they have a priority right to apply for a lease. Nobody can come in on top of that and apply for a lease when they have an exploration permit, as long as they keep it current. If they allow it to lapse then there is open access to that ground. But if they keep their exploration permit current they have a priority right to apply for a mining lease. You have to have an exploration permit to qualify for a mining lease, in general.

Mr KATTER: That last bit got to the crux of it. If they have an exploration permit and they have proven that it is a viable resource and they want to mine it, there might be some delay but there is very little risk that they will lose that to another company?

Mr Hunt: No, little risk of losing it to another company as long as they are in good standing with their exploration permit and they are completing their work programs as committed. Every exploration permit has a work program that the company commits to undertake. At times they do get cancelled because people have not undertaken the work, but that is unusual.

Mr HART: With regard to freehold and government leasehold land, does your department play any role in negotiating any sort of access once a mining permit or an exploration permit is issued in any fashion?

Mr Hunt: Basically we set out the rules for access and there is a land access code. The responsibility for negotiating access rests with the holder of the particular mining tenure. It is their responsibility to negotiate access with the landholder, but they do that within a set of rules that are embodied in the land access code. That code came in in 2010. Prior to that there were different sets of rules in different bits of legislation but we have tried to make it consistent across the set of mining tenure legislation. There was a review late last year under the previous government chaired by Dr David Watson looking at reviewing that land access framework. The report of that review was handed to the past government during the caretaker period and this government has recently released it for consultation. So that is out for consultation at the moment and we are looking for feedback from industry and landholders in relation to that review document.

The department's registrars are available and authorised to act as mediators should the parties wish to use them. It is open to the parties to actually work out their access arrangements under whatever arrangements they work out between themselves, but the department can be used as a mediation method, or they can use others.

Mr Grundy: Just going to your particular question, yes, what we find is that we provide a conferencing capability, particularly for landowners. As you would expect, large pastoral leases in particular could have a number of tenements on their particular land so we encourage agreement making because there are quid pro quos, if you like. So, if you could upgrade a track while you are there, if you could help do some improvements on the land as opposed to a straight monetary type consideration. a lot of the time the mining registrar can help facilitate to target those discussions. The last thing we want is for it to end up in the Land Court. Very few actually do end up in the Land Court, but occasionally you will get a determination of compensation. You cannot undertake any activities until you do agree and have a compensation agreement in place that is fair to all.

Mr HART: What the question was particularly aimed at is: is there any difference between, say, freehold land and a lease that has been issued by the government with regard to access? Does the government have any rights to do anything different that the owner of freehold land might have as far as access goes?

Mr Hunt: The short answer is no. The mining tenure system is effectively blind to the base tenure system across the state. The mining tenure is not actually an interest in land, and that is specified quite clearly in the act. What it provides is a right to someone to go and mine the minerals that are owned by the state that are on people's land. The only difference in relation to some freehold land that is in titles that predate 1910, I believe, is that some titles will hold a private royalty right. That does not change access to the minerals—the access goes on in the same way—but for titles that predate 1910 in some circumstances there may be a specific allocation of the royalties to the freehold owner of the land.

Mr MULHERIN: With those private royalty arrangements, does the state achieve any royalties or is there another system imposed over the top to extract some value?

Mr Hunt: No, the state does not have any right to royalties because the titles in those lots vest the ownership of the minerals in the owner of the title. There are not a terrible lot of them.

Mr MULHERIN: Are they just in the south-east corner?

Mr Hunt: No, there are a lot around Ipswich. There are some in southern Central Queensland. There are a couple near Moura. There are some around Kingaroy that I am aware of, but it is relatively rare and you cannot even make a blanket statement that any title prior to 1910 will have it. You have to actually go and read the title.

Mr MULHERIN: After you go through the exploration phase, the feasibility stage and then the actual development and extraction, when a mine operator closes the mine because it is uneconomical, when do they relinquish their mining tenements?

Mr Hunt: In general they relinquish their mining tenement after rehabilitation has been completed. The environmental authority that mines have will have rehabilitation requirements included as part of it, so they will work through the process. The mining lease stays on foot during rehabilitation and they are only allowed to relinquish the mining tenure and relinquish the liability that goes with that after rehabilitation has been completed. That is in the ideal world. The reality that we have to accept is that in some cases companies will go belly up, and that has happened in the past. That is how we ended up with abandoned mine sites. There are relatively few of them in recent years, though.

Mr MULHERIN: Is there a time line on that rehabilitation?

Mr Hunt: There will be in each particular case. It will be in relation to the specific circumstances of that mine

Mr MULHERIN: So 10 years? Fifty years?

Mr Grundy: It depends on the nature of the disturbance. The current incentive within the environmental regulation is for progressive rehabilitation. So at any point in time you only have a certain amount of area disturbed and then the financial assurance that the government holds should match that liability on site. The period of time for a coal lease can be 30 to 50 years. It is quite a long period of time and a long strike length for the resource. For smaller areas, for instance, a couple of renewal applications that we have considered recently have applied for renewal for an extra five to seven years to complete rehabilitation. So depending on the scale of the operation it can be a number of years to complete.

Mr MULHERIN: During that time perhaps new technology could make that mine more economical to recommence mining. What steps do they have to take—

Mr Hunt: If they wanted to recommence mining when they were in a rehab phase, they would have to go and get a new environmental authority, so the underlying tenure might still work but it is the environmental authority that allows them to undertake particular activities on the site. If they are in the rehabilitation phase, the only activities they would be allowed to undertake would be those related to rehabilitation. So they could apply to change that if the technology changed and there was an economic target for them.

Mr MULHERIN: When a mine is shut, if there has been no progressive rehabilitation, when does the rehabilitation work commence?

Mr Hunt: It depends again on the particular environmental authority and what is stated in that.

CHAIR: I think we are outside the terms of reference. I think Michael Hart has a question.

Mr HART: You talked briefly about private royalties. This might be a controversial question but I wonder what the scope—

Mr MULHERIN: Is this outside the terms of reference? You ruled against me that royalties are not in the terms of reference.

CHAIR: I think you are right. We are out of time as well. Thank you again for your attendance at the public meeting today. I really appreciate the department's presentation. The further reference to that document will be helpful to the committee. I would also like to thank the Parliamentary Service for their support of the committee's hearings today.

Committee adjourned at 12.22 pm