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## **Landmark reforms deliver greater security of tenure**

Farmers and graziers on rural leasehold land will benefit from greater security of tenure, reduced land rental costs, and better pathways to freehold title under major Queensland Government reforms announced today.

Deputy Premier and Minister for State Development, Infrastructure and Planning, Jeff Seeneey said the changes were part of a package of reforms to help Queensland's primary producers and showed the government had a strong plan for a brighter future for rural and regional Queensland.

"We committed at the 2012 election to support and grow agriculture as one of Queensland's four economic pillars and these reforms help meet that promise," Mr Seeneey said.

"The passing of the *Land and Other Amendments Bill 2014* means that graziers now have access to rolling term leases that deliver one of the most critical ingredients for agricultural businesses - long term investment certainty.

"Graziers can now confidently invest in their properties and businesses knowing their leases will be renewed on a rolling basis.

"This legislation also delivers on a key promise to reduce land rental costs for farmers and graziers and allow easier, more affordable access to freehold title.

"Labor allowed leasehold land rents to spiral and threaten farm profitability. Our government is reining rents in and easing the financial burden on rural leaseholders which will boost the sector, creating jobs and growing the economy."

Minister for Natural Resources and Mines, Andrew Cripps said these were common-sense reforms to promote business certainty for farmers and graziers in an industry sensitive to extreme weather, rising operating costs and volatile markets.

"Leaseholders will now benefit from rolling term lease arrangements for agriculture, grazing and pastoral land including state forests and timber reserves, with a much quicker and simpler lease renewal process and minimal requirements for the roll-over of a lease," Mr Cripps said.

"Rural rents for primary production term leases, licences and permits along with the annual cap on rent increase will all be halved and land rents for all primary production tenures will be calculated using annual valuations rather than the 5-year average, providing much needed rent relief to industry.

“We are also providing a real opportunity for farmers and graziers to upgrade their properties to freehold title at an affordable rate.

“We’re delivering fairer and more realistic prices for those who consider the option to convert to freehold and businesses will have greater negotiating power with financial lenders and confidence to invest.

“For the first time, the freehold title cost will accurately reflect the State’s residual interest in the land, given it has often been leased for generations, and the lessees have been responsible for the cost of its ongoing management.

“It’s a Can-Do plan for the future, contrasting sharply with Labor which still has no position and ignored the agriculture sector for so long.”

AgForce CEO Charles Burkes said the reforms showed the government had listened to rural Queensland and delivered solutions for primary producers who were lessees.

“For years lessees have raised questions about the overtly complicated lease renewal process and unaffordable rental calculation methodology,” Mr Burke said.

“Furthermore, under the previous structure for converting leasehold land to freehold, landholders were forced to again pay for properties they had already purchased and often spent millions of dollars improving over generations.

“AgForce presented the Government with a range of evidence about the unsustainability of this structure and a range of alternatives to this and we congratulate the Deputy Premier and Minister Cripps on responding to the critical needs of the agriculture industry.”

Under the changes, lessee’s will still need to ensure the land is surveyed to the appropriate standard for freehold title and will be required to pay the market value of State-owned commercial timber on the land that is not reserved to the State under an agreement.

A lessee applying to purchase the freehold title of a term lease must also have addressed native title, including payment of any costs and compensation, to meet the requirements of the Commonwealth *Native Title Act 1993*.

More information on the Government’s land tenure and rural rent changes is available online at [www.dnrm.qld.gov.au](http://www.dnrm.qld.gov.au) or by calling 13 QGOV (13 7468).

#### **NOTES FOR THE EDITOR:**

- The government will lower the rental cap for the primary production rental category from 20 per cent to 10 per cent.
- Under the changes, the full unimproved value of a property will no longer be used to set the freehold price of a rural leasehold land lease.
- When calculating the value, the Department of Natural Resources and Mines will now use the accounting method ‘net present value of revenue’.
- For the 2014-15 financial year, the net present value cost of conversion to freehold title will equate to around 11 – 14 times the lessees’ annual rent payable.
- Due to trends in the economy, the cost to convert lease to freehold title will vary from year to year.

- The government is currently finalising arrangements for this change, and information on the specific formula for the cost to freehold will be available to lessees in the coming months.