



Landholders called to action on spiralling rents

AgForce is urging primary producers to rally behind efforts to keep leasehold land rents at realistic levels.

AgForce CEO Robert Walker said landholders can send a clear message to government about the impact high land rents can have on farm profitability just by completing a survey.

“The majority of grazing land in Queensland is leased by landholders from the government with farmers and graziers making annual rent payments based upon the unimproved value (UV) of the property,” Mr Walker said.

“In 2007 the Queensland government raised the percentage for calculating rural rents from 0.8% of UV to 1.5%. At that time a decision was made to cap annual rent increases, to ensure they couldn’t rise more than 20% in any one year.

“That arrangement ends in 2017 and from then, rents have the potential to sky-rocket.”

Mr Walker said under the current system, leasehold land rents could increase by as much as 1100% in twenty years in line with rises in property values.

“However just because the land is more valuable doesn’t mean a primary producers profit will increase,” Mr Walker said.

“Over the last 20 years the pastoral zone in Queensland has seen land prices increase dramatically but that hasn’t been reflected in farm income as costs have risen sharply across the same period.”

Mr Walker said AgForce needs hard data on the impost rental payments represent to agricultural enterprises, and a survey will help gather that information.

“Data on items such as farm profitability, costs and rents will be essential in convincing any government to review the current rental methodology so we’d urge landholders to participate,” Mr Walker said.

AgForce will work with rural property and investment expert Professor Chris Eves from the Queensland University of Technology who is investigating the impact of rising leasehold rents on farm profitability.

To complete the survey go to http://www.surveymonkey.com/s/AgForce_leasehold_land_review

For comment, contact Robert Walker on 0438 363 001.

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Who is AgForce? AgForce represents thousands of Queensland broadacre producers who recognise the value in having a strong voice. AgForce leads the way to ensure agriculture’s social, economic and environmental contribution is recognised by all levels of government. AgForce works alongside landholders, encourages and supports the next generation, builds industry partnerships and skills and promotes agriculture - for secure, sustainable, progressive and profitable food and fibre into the future.