

Advancing Rural Queensland

AgForce media release: 9 November, 2011



Real data needed for rent debate

Peak farm group AgForce is seeking an urgent meeting with Queensland Treasurer Andrew Fraser to discuss leasehold land rents.

AgForce CEO Robert Walker is disappointed with today's comments from the Treasurer and Minister for Natural Resources Rachel Nolan that imply AgForce is overstating the significant cost that leasehold land rents represent for its members.

"The reason we are having a conversation about leasehold land rents is because the government has asked for our input, and now we're being criticised for giving it," Mr Walker said.

AgForce is conducting a survey of landowners to develop policy in preparation for a government review into leasehold rents. The data being collected by the survey has never been gathered before, and AgForce believes it is vital for all parties to have a full understanding of what rural rents mean for rural businesses.

"Some property owners have already told us they will face big hikes in their leasehold payments when rents rise to a full 1.5% of unimproved value in 2017. In 1999, one member was paying \$2800/year in leasehold rent, but in 2017 his rent bill will jump to \$32,000 a year, a big hike for any small business to have to bear."

Minister Nolan's comments that a cattle producer will pay only \$400 per week in rent for a property worth \$7.5 million unfortunately show a lack of understanding of the way rural industry works.

"The grazier in the minister's example wasn't simply handed that property for free, he bought it at market rates."

AgForce remains committed to sourcing quality data through its leasehold rent survey and hopes to resume constructive dialogue with government ministers on this matter.

Background: 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. 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 will rise as property values rise.

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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.