

Regulatory impact statement
Stock Route Network Management Regulation 2009
August 2009

Contents

Title	5
Introduction	5
Purpose of a regulatory impact statement.....	5
How to respond	5
Public access to submissions.....	6
Issues raised in submissions	6
Further enquiries	6
Background	7
MoG changes.....	7
LPC review of stock route management.....	7
Stock Route Assessment Panel.....	8
1. Options and alternatives	9
1.1 Option one—develop the Stock Route Network Management Regulation	9
1.2 Option two—no Regulation	9
1.2.1 Benefits and Costs	10
Economic Benefit.....	10
Economic Cost	10
Regulatory Benefit	10
Regulatory Cost.....	10
Environmental Benefit	10
Environmental Cost.....	10
1.3 Option three—increase fees within the current permit framework	11
1.3.1 Benefits and Costs	11
Economic Benefit.....	11
Economic Cost	11
Regulatory Benefit	11
Regulatory Cost.....	11
Environmental Benefit	12
Environmental Cost.....	12
1.4 Option four—do nothing	12
1.4.1 Benefits and Costs	12
Economic Benefit.....	12
Economic Cost	12
Regulatory Benefit	12
Regulatory Cost.....	13
Environmental Benefit	13
Environmental Cost.....	13
2. Cost benefit assessment.....	13
2.1 Travel Fees Framework.....	13
2.1.1 Benefits and Costs.....	15

Economic Benefit	15
Economic Cost	15
Regulatory Benefit	15
Regulatory Cost.....	16
Environmental Benefit	16
Environmental Cost.....	16
2.2 Emergency agistment fee framework	16
2.2.1 Benefits and Costs	17
Economic Benefit	17
Economic Cost	17
Regulatory Benefit	17
Regulatory Cost.....	18
Environmental Benefit	18
Environmental Cost.....	18
2.3 AGAs fee framework	18
Proposed AGA fee calculation formula:	19
Diagram 1. (AGA example map (refer Case Study 1)).....	22
2.3.1 Benefits and Costs	23
Economic Benefit	23
Economic Cost	23
Regulatory Benefit	23
Regulatory Cost.....	24
Environmental Benefit	24
Other components of the Regulation.....	24
Items carried over from <i>Land Protection (Pest and Stock Route) Regulation 2003</i>	24
Additional items to be introduced into the proposed Stock Route Network Management Regulation	25
Authorising law	25
Policy objectives	25
Legislative intent.....	26
Consistency with the authorising law.....	26
Consistency with other legislation.....	26
Fundamental legislative principles	26
Conclusions	26
Glossary.....	28
Attachment A	30
Land Protection (Pest and Stock Route Management) Council representatives.....	30
Stock Route Assessment Panel representatives.....	30
Attachment B	31
Appendix 1. Stock route network action plan—managing Queensland’s stock route network into the future	33

Title

Stock Route Network Management Regulation 2009

Introduction

The Department of Environment and Resource Management is seeking feedback from the community on a stakeholder led review into the management and use of the stock route network in Queensland. A suite of reforms encompassing proposed fee changes and approved changes to policy are contained in this document and its appendices. Although the fee and policy matters are interdependent, consultation requirements are such that this document can be considered in two parts:

1. Regulatory Impact Statement
2. Action Plan (Appendix 1).

In simplistic terms, the Regulatory Impact Statement outlines the costs and benefits of different options for the fee related aspects of the review, while the action plan describes the changes to existing policy as approved by the government. Consultation on a raft of recommendations provided by a panel of stock route users and managers has revealed there is majority support within the community for the reforms. The reforms contained in both the Regulatory Impact Statement and the Action Plan have been adjusted according to views provided by respondents to recent consultation.

Purpose of a regulatory impact statement

Under the *Statutory Instruments Act 1992*, if a proposed Regulation is likely to impose appreciable costs on the community or part of the community, a regulatory impact statement (RIS) must be prepared before the Regulation is made.

A RIS is designed to determine whether or not a proposed Regulation is the most efficient and effective way of achieving desired policy objectives. It does this by providing a mechanism by which the government's policy deliberations are clearly documented and subject to public scrutiny.

The purpose of this document is to explain the need for the proposed subordinate Regulation and to present an evaluation of the likely costs and benefits that would flow from its adoption in comparison with other options explored.

All members of the community are invited to comment on the information presented in this RIS.

How to respond

The closing date for providing comment on the Stock Route Network Management RIS is 19 October 2009.

Submissions can be lodged by either:

Post: Principal Policy Officer
Stock Route Management Unit
GPO Box 2454
Brisbane Qld 4001

Fax: (07) 3405 5521

Email: stockrouterreview@derm.qld.gov.au

Public access to submissions

Respondents should be aware that while the Department of Environment and Resource Management (DERM) will not normally disclose submissions, legal obligations may require that they be disclosed under special circumstances.

Submissions will be subject to the *Freedom of Information Act 1992*, which provides for the release of documents unless they contain matter that is exempt from release. If a respondent has particular concerns about the release of any information in a submission, they should identify the information so that it can be taken into account if the submission becomes subject to a freedom of information application.

DERM is also subject to other legal requirements such as the processes of the courts that may require a submission or submissions to be disclosed.

Issues raised in submissions

After submissions close, DERM will consider issues raised by members of the community.

Further consultation may occur to address any concerns raised by the community prior to the development of a final position by the Government.

Further enquiries

Further enquiries can be made by e-mailing <stockroutereview@derm.qld.gov.au> or by calling DERM's Stock Route Management Unit on (07) 3224 2408.

Background

The Stock Route Network Management Regulation reflects the 2007 Machinery of Government (MoG) changes associated with the creation of Biosecurity Queensland and the recommendations following the Land Protection Council (LPC) review of stock route management and use.

The Stock Route Network Management Bill and Regulation will replace the stock route management provisions in the *Land Protection (Pest and Stock Route Management) Act 2002* and *Land Protection (Pest and Stock Route Management) Regulation 2003*.

MoG changes

The Land Protection (Pest and Stock Route Management) Regulation incorporates land protection and stock route management. In 2007, MoG changes resulted in the creation of Biosecurity Queensland, which assumed responsibility for pest management.

Responsibility for stock route management remains with DERM. The separation of the pest management and stock route management provisions of the Land Protection (Pest and Stock Route Management) Regulation occurs as part of the proposed Regulation.

LPC review of stock route management

The severe drought conditions in 2002–03 resulted in very high use of Queensland's stock route network (SRN). Following this, users and managers of the SRN brought several operational and policy issues to the attention of DERM. This occurred around the same time that new legislation, *Land Protection (Pest and Stock Route Management) Act 2002*, commenced.

Issues identified were the:

- fee structure for stock route use was outdated and did not reflect the benefit gained or the costs of management
- fee framework failed to adequately regulate the competing uses of the network
- multiple-agency management of roads and reserves resulted in operational conflict
- management system failed to regulate grazing on some areas of the network.

Under the Land Protection (Pest and Stock Route Management) Act, the LPC was established to advise the Minister on pest and stock route management matters. The LPC comprises representatives from local government, industry, the community, government and the conservation movement.

Accordingly, the Minister requested the LPC to provide recommendations on how to resolve the above issues and to generally improve the management and use of the SRN.

Extensive consultation followed involving a range of stakeholders including:

- AgForce Queensland
- Stock Routes and Drivers Association
- Birds Australia
- Local Government Association of Queensland (LGAQ)
- DERM
- Department of Local Government, Sport and Recreation (now part of Department of Infrastructure and Planning)
- Environmental Protection Agency (now part of DERM)
- Department of Main Roads (now part of Department of Transport and Main Roads)
- Queensland Police Service
- Department of Primary Industries and Fisheries (now part of Department of Employment, Economic Development and Innovation)
- the community.

The work of the LPC culminated in the development of a series of recommendations aimed at improving the management and use of the SRN.

The recommendations were developed on the basis of the following principles:

- Equity—the SRN should be administered to ensure that all users have equal opportunities with respect to access and use of the SRN and the natural resources located within the network. This principle applies to all network users with priority for travelling stock, including those accessing it for non-stock related purposes.
- Payment for use—all persons who access the SRN must pay for that use. The payment should be reasonable and reflect the benefit gained from using the SRN.
- Planning for the future—strategies and plans for the management of the SRN must be consistent at all levels of natural resource management; state, regional and local. The management of the network should be outcome focussed and prioritised to ensure resources are efficiently allocated and objectives are met. The natural resources should be regularly monitored to ensure their condition is maintained at a suitable level to meet the needs of travelling stock.

The LPC presented the recommendations to the then Minister for Natural Resources and Water in late 2006. In March 2007, the Minister was satisfied that the recommendations would adequately provide for the future requirements of travelling stock and approved their implementation.

Below are the LPC's key recommendations to be incorporated into the proposed Regulation:

- Changes to the fee and permitting structure for SRN use and a proposed increase of fees within this new structure.
- Reform of the administration of relevant land, particularly regulating existing static grazing. This change will be implemented via the Annual Grazing Agreement (AGA) framework.

Stock Route Assessment Panel

The LPC recommended that the Stock Route Assessment Panel (SRAP) be established to assist the Queensland Government in implementing key LPC recommendations.

The SRAP was appointed by the Minister and includes representatives from local government, nominated by LGAQ, the cattle industry, nominated by AgForce Queensland, the droving industry, nominated by the Droving and Stock Routes Association, the LPC and DERM. For SRAP and LPC membership see Attachment A)

The SRAP has addressed the LPC's recommendations and proposed the following:

- costs for travelling cattle to increase from \$0.02 per kilometre for each 20 head or part thereof (equivalent to \$0.01 per head per day) to \$0.05 per head per day. It is also proposed that penalty rates to encourage compliance with travel rates be established
- costs for permits to agist cattle on the network increase from between \$0.88–\$2.16 per head per week to between \$1.00–\$5.00 per head per week
- AGAs be developed to extend the payment for use principle to landholders currently grazing unfenced and fenced adjoining parts of the SRN and other relevant land.

Under the current fee framework local governments only recover approximately 4 per cent of their management costs through stock route fees. This effectively means all rate payers are subsidising the use of the network by the select few that receive the benefit of that use.

Requiring payment for use through the introduction of the AGA framework not only spreads costs amongst those receiving the benefit but it also means contemporary fees for travelling stock by hoof can be introduced without significantly impacting the droving and pastoral industries.

Consistent with the SRAP's recommendations, the Queensland Government proposes that fees be reviewed to ensure that the fees reflect current management conditions. Stakeholder input into the fee determination process will be provided through the SRAP. Any shortfall in revenue raised to meet the management costs of the SRN will be considered at the reviews when fees are recommended. Following implementation, SRN management costs are expected to be reduced as revenue grows to cover a greater portion of costs.

1. Options and alternatives

Consideration has been given to the following options for achieving the desired policy objectives. A summary of the anticipated costs and benefits of each of the options is provided in an impact matrix (Attachment B).

1.1 Option one—develop the Stock Route Network Management Regulation

Option one involves the development of a Regulation that separates the pest management and stock route management provisions of the Land Protection (Pest and Stock Route Management) Act and reflects the LPC and SRAP's recommendation to reform the fee and permit structure for stock route use and introduce the AGA framework.

Consistent with the existing Land Protection (Pest and Stock Route Management) Regulation, the proposed Regulation refers to the:

- *Stock Route Network of Queensland* map
- framework for administering the SRN
- local governments required to produce SRN management plans
- prescribed market value of seized stock
- cost of inspecting water facility agreements.

By prescribing a new permit structure and fee increase by regulation, the objective of managing the network for cost recovery can be met. Current fee levels only recover approximately 4 per cent of local government management costs, which means that all rate payers are subsidising the use of the network by a select few. Detailing fee and permit reforms in the proposed Regulation represents a more equitable system for local government rate payers.

The impacts of fee increases on drovers and pastoralists will be minimal as a total percentage of droving costs will increase by only 6 per cent. The benefits of better management of pasture, stock route facilities and the network's other values will far outweigh the costs of fee increases to network users.

While the new AGA framework will introduce a cost for landholders to access the SRN, pastoralists will benefit from greater security of access to these lands or alternatively, a new opportunity to graze the network. The AGA framework also serves to uphold the payment-for-use principle of the current legislation and provide a framework for managing the environmental values of previously unregulated lands.

Option one is the Queensland Government's preferred option and is recommended by the SRAP.

Option one is explored further in section 2 Cost—Benefit Assessment on page 13.

1.2 Option two—no Regulation

Under option two local governments would have full authority to set fees for stock route use in their area. The economic, regulatory and environmental benefits and costs of this option are as follows:

1.2.1 Benefits and Costs

Economic Benefit

Drover and pastoralists may benefit if local governments choose to reduce fees below the proposed or current levels. Reduced agistment and travel costs will minimise overall operating costs and contribute to a greater net profit for both drovers and pastoralists.

Pastoralists would benefit if local governments continued to not regulate the land that is currently unregulated. The AGA framework proposed in option one requires landholders to pay for the use of public land, which they are currently grazing for free.

Local governments may benefit from the ability to set fees at a rate that maximises economic benefit, without being required to cross subsidise other local governments. Currently 50 per cent of fees are collected by the Queensland Government and reinvested in local government areas. This means that local governments with high levels of SRN use are funding the network in areas that do not have high levels of use.

Economic Cost

In 2004–05 the annual operating cost for the SRN in local government areas varied from \$1000–\$218 365, with fees recovering approximately 4 per cent of costs. In order to recover costs local governments would need to increase fees. A review of fee policy by individual local governments would be administratively complex and resource intensive and it's likely that they would continue to charge current fees for stock route use. The LPC's recommendation for implementing a contemporary fee framework to achieve cost neutral management of the network is not supported by option two.

Drover and pastoralists may be disadvantaged as fees would vary from local government to local government, making it difficult to predict costs and plan trips.

Regulatory Benefit

Local government would be given greater responsibility for, and control over, managing the SRN.

Regulatory Cost

Option two represents an increased regulatory burden on local governments as they would be responsible for establishing, documenting, implementing and reviewing policies on fees for stock route use, requiring a significant investment of resources and time.

Given the unlikelihood that local governments would have the resources to conduct a review of fees and increase fees to a level of cost recovery, rate payers will continue to subsidise use of the network by a select few.

SRN users could not be assured of a uniform fee structure across the state, potentially inhibiting the ability of drovers and pastoralists to understand and meet requirements of permits.

Option two represents a reduced ability for stakeholders to partake in the stock route fee formulation process. Under option one stakeholder representatives will determine fees at the state level through the SRAP, giving them direct input into fee levels.

Environmental Benefit

Option two gives local governments with areas of high conservation value or highly degraded areas the flexibility to set fees at a level that will contribute to the management of these areas.

Environmental Cost

Attaching a fee to use the SRN would ensure that appropriate environmental management could be included in the grazing agreements. Option one allows for the SRN to be appropriately captured in the AGA framework, which regulates land that is largely being grazed without authority. If option two was pursued it is unlikely that local governments would

develop a system similar to the AGA framework and the environmental values of these lands would continue to be unregulated.

Under option two local governments have the ability to reduce the fee for stock route use to zero, creating an increased demand for the resource. It is important that fees for stock route use be mandatory to moderate demand for finite resources such as pasture and water and to afford protection to the environmental values of the SRN.

1.3 Option three—increase fees within the current permit framework

Under option three the Land Protection (Pest and Stock Route Management) Act and Regulation would be retained and the fees described in the Regulation would be increased to achieve cost neutral management of the SRN. A full cost recovery charge has been identified in the 2006 AECgroup report as \$0.29 per head per day for using the SRN (travelling and agisted stock). Under this option short-term emergency agistment permits and AGAs would not exist.

The economic, regulatory and environmental benefits and costs of this option are as follows:

1.3.1 Benefits and Costs

Economic Benefit

Option three allows pastoralists to continue to use the SRN for short-term agistment during drought. Agisting stock on the network allows properties to be rested to improve their ability to recover from the effects of drought. Agisting stock on the network also provides pasture to cattle, which may not be privately available.

Increasing fees would help achieve cost neutral management of the SRN. The revenue surplus generated in some regions would be used to offset deficits in other regions. Existing travel and agistment fees do not adequately cover the maintenance costs, provide for a return on investment or provide a fund for future refurbishment of stock route facilities.

Increasing fees to \$0.29 per head per day promotes the principle of user pays, as opposed to the current situation where the private sector receives 56.1 per cent of the benefits and state and local governments pay 73.7 per cent of the SRN operational costs.

Economic Cost

Under option three, pastoralists would be affected by increased costs of travelling stock on the SRN. Travelling stock on the SRN is both an inexpensive transport method and an opportunity to educate stock through daily contact with drovers, which can significantly reduce handling times.

Drastic increases in fees may result in it being uneconomical to travel stock by hoof, impacting the droving and pastoral industries and defeating the purpose of retaining a SRN.

By increasing fees for agistment on the SRN, pastoralists may be unable to afford to use the SRN to spell country in times of drought. However, \$0.29 per head per day is still inexpensive compared to commercial rates.

Increasing fees to \$0.29 per head per day may disadvantage drovers if fewer pastoralists are willing to use the network for travel at the increased rate.

The increased fees may also financially disadvantage the State and local governments due to the potential decline in the use of the SRN.

Regulatory Benefit

Option three would benefit stakeholders as it retains a familiar permitting framework.

Regulatory Cost

The current permit framework does not regulate lands that have traditionally been

unregulated and does not provide the security of access for pastoralists that the AGA system provides.

Environmental Benefit

Increased funds would allow for a higher investment in the environmental protection of the SRN.

Environmental Cost

The current permit framework fails to protect the environmental values of currently unregulated land. The AGA system requires pastoralists to comply with management conditions that protect the biodiversity and conservation values of the network.

Increasing travel fees to \$0.29 per head per day may result in the network being a less financially viable transport option and lead to a greater use of carbon emitting trucks for stock transport.

1.4 Option four—do nothing

Option four would retain the Land Protection (Pest and Stock Route Management) Act and Regulation. This fails to reflect the 2006 MoG changes and does not accommodate the LPC and SRAP recommendations.

The economic, regulatory and environmental benefits and costs of this option are as follows:

1.4.1 Benefits and Costs

Economic Benefit

The benefit of retaining the status quo is that drovers and pastoralists will continue to pay the same fees for stock route use as opposed to option one, which involves a fee increase.

Pastoralists, who are currently grazing areas of the network for free, would also benefit if the status quo was retained compared to option one, which incorporates the AGA framework.

Economic Cost

In 2006 the full annual management cost to local and state government for maintaining the status quo was approximately \$5.69 million, a figure which would have increased since then. Fees covered approximately 4 per cent of this cost (\$227 600).

Without increasing fees or regulating land that was previously unregulated (under the AGA framework) local governments will have limited ability to recover management costs and continued to rely on public funds.

Infrastructure maintenance will continue to be inadequate in many areas if the current fee level is retained, leading to poor quality facilities in some areas of the SRN.

Pastoralists grazing unregulated parts of the SRN under the current system will be disadvantaged by not having security of access to these lands. Pastoralists would be afforded this security of access under the AGA framework, which is part of option one.

Failure to implement the AGA framework by pursuing option four will deny local governments' significant annual revenue once the AGA framework is implemented.

Regulatory Benefit

The regulatory burden on local government is reduced if the status quo is maintained compared to options one and two, which propose increased responsibility for local governments. Under options one and two local governments will be required to implement and/or develop a new fee structure for travel and agistment, which is resource intensive.

Pastoralists and drovers will also benefit by being able to continue operating within a familiar system.

Regulatory Cost

Option four does not support the user pays principle as landholders who currently have unauthorised access to the network would continue to graze the network free of charge.

Environmental Benefit

The current Regulation protects environmental values for parts of the SRN by prescribing a fee for use and attaching conditions for environmental management to permits.

Environmental Cost

The environmental values of currently unregulated parts of the network would remain unprotected under option four. The AGA framework requires pastoralists to enter into management plans that are conditioned to protect the biodiversity and conservation values of the SRN.

The current fee framework allows for short term agistment of up to 56 days per permit, which is predominantly used in times of drought and represents a risk to land condition.

2. Cost benefit assessment

The key components of the proposed Regulation are changes to travel and emergency agistment fees (based on option one) and the introduction of an AGA formula. The costs and benefits of the Stock Route Network Management Regulation compared to the existing situation will be examined in the context of the economic, regulatory and environmental impacts on stakeholders. An independent report developed by the AECGroup in 2006 has formed the basis of this assessment.

The stakeholders likely to be impacted by the proposed Regulation are drovers, pastoralists, local government, state government, the community and industry bodies such as AgForce Queensland and LGAQ.

There are no identifiable social impacts to stakeholders and it is not anticipated that this proposal will impose indirect costs to the community. It is anticipated that this proposal will have a positive environmental impact and benefit the community.

2.1 Travel Fees Framework

Consistent with the SRAP recommendations, the Queensland Government proposes that travel fees be set by regulation, without scope for local government discretion. This proposal is consistent with the historical determination of travel fees.

Stock become calmer and easier to manage after spending time on the SRN with daily handling by drovers. This is considered to significantly reduce handling times and mustering costs for the grazer, particularly when heli-mustering is used. It also improves the condition of meat through decreased stress levels when ready for the abattoir.

Under the *Land Protection (Pest and Stock Route Management) Regulation 2003* the permit fee for a stock route travel permit for large stock (cattle) is \$0.02 per kilometre, per 20 head or part of 20 head (which translates to \$0.01 per head per day if the notional permit distance of 10 kilometres is travelled). For small stock (sheep), the permit fee is \$0.02 per kilometre, per 100 head, or part of 100 head (which translates to \$0.002 per head per day if the notional permit distance of 10 kilometres is travelled).

The current travel fee framework under the Land Protection (Pest and Stock Route Management) Regulation does not reflect the benefit gained from stock route use or the costs of managing the network. Travel fees have not increased since 1989 and currently reflect approximately 10 per cent of the current fee for travelling stock on New South Wales' Travelling Stock Reserves (TSRs). Consequently, the SRAP recommended an increase of fees as well as a change to the fee permit structure, which were adopted in the proposed Regulation.

Consistent with the SRAP's proposal, fees attached to both 10 kilometres per day and five kilometres per day permits will exist in the Stock Route Network Management Regulation. The standard rate for large stock for 10 kilometre permits is \$0.05 per head per day and for five kilometre permits it is \$0.10 per head per day. For small stock the standard rate for 10 kilometre permits is \$0.01 per head per day and \$0.02 per head per day for five kilometre permits.

A '10 per cent' rule will apply to all permits that allows one day's extra travel (for an increased fee) for each 10 days or part thereof. The allowable extra travel days will be charged at double the standard fee rate for the permit type. Should a journey exceed the allotted travel days and the allowable extra travel days a penalty rate will apply for each additional day.

Under the 10 per cent rule, large stock will be charged \$0.10 and \$0.20 per head per day for 10 kilometre and five kilometre permits respectively for the allowable extra travel days. The penalty rate for large stock travel exceeding the allowable discretionary days is \$1 per head per day.

For small stock, the allowable extra travel days are charged at \$0.02 and \$0.04 per head per day for 10 kilometre and five kilometre permits respectively. The penalty rate for small stock travel exceeding the allowable discretionary days is \$0.20 per head per day.

For example:

10 kilometre permits

For a 100 kilometre journey of 1000 head of cattle:

Days to complete journey	Days charged at standard \$0.05 rate	Days charged at increased \$0.10 rate	Days charged at \$1/head/day penalty rate	Total fee for 1,000 head
10	10	0	0	\$500
11	10	1	0	\$600
12	10	1	1	\$1,600
15	10	1	4	\$4,600

Five kilometre permits

For a 100 kilometre journey of 1000 head of cattle:

Days to complete journey	Days charged at standard \$0.10 rate	Days charged at increased \$0.20 rate	Days charged at \$1/head/day penalty rate	Total fee for 1,000 head
20	20	0	0	\$2,000
22	20	2	0	\$2,400
23	20	2	1	\$3,400
25	20	2	3	\$5,400

An application fee of \$20 is proposed for travel permits. The fee is payable regardless of whether an application is successful and is intended to assist local governments to recoup administration costs.

2.1.1 Benefits and Costs

Economic Benefit

Increased fees for travel would foster a greater investment into the management of stock routes and stock route facilities. This would lead to greater pasture availability for permitted stock and improved average daily weight gain and condition of stock, which would benefit pastoralists financially.

Drovers would also benefit from higher investment into the management of the SRN resulting from the increased travel fees. Improved management of the pasture and water on the network would mean drovers could better plan their travel journey to meet the conditions of their contracts.

The proposed rate reflects management costs and benefit gained from using the SRN. Fees that are currently collected only cover approximately 4 per cent of the costs of managing the network. Local governments would be better placed to achieve cost neutral management of the SRN if travel fees are increased, in conjunction with other revenue sources.

It is important that the network be managed for cost recovery to ensure that it is well managed and continues to exist as an alternative to trucking for pastoralists who will be affected by increases in fuel prices.

Economic Cost

The new stock route travel fee and permit framework proposed by the Queensland Government and recommended by the SRAP increases the costs for pastoralists.

Travelling stock by hoof on the SRN costs approximately 20 per cent less than trucking stock. Based on figures from 2006, the increased travel fees would represent approximately 8 per cent of the total cost of droving as opposed to the current proportionate cost of approximately 2 per cent.

With the fee increases implemented, travelling stock by hoof on the SRN would remain a financially viable alternative, representing approximately 88 per cent of the cost of trucking stock. Other benefits also come with walking stock, such as educating the stock through constant handling and the ability for the landholder to spell land while the stock are en route to their destination. These benefits would continue following the introduction of fee increases.

In return for paying increased travel fees, drovers and pastoralists can expect improved management of the SRN. The economic cost of increasing travel fees is thought to be outweighed by the benefit that pastoralists and drovers would gain from the improved management of the SRN.

There are not expected to be any indirect costs to drovers resulting from an increase to travel fees. Drovers are contractors supervising mobs of stock on the SRN on behalf of pastoralists. As the travel fee increase is marginal it is not likely that pastoralists would prefer to supervise stock themselves or to truck stock. The increase of travel fees is not anticipated to have an adverse impact on the employment of drovers in rural communities and feedback from the droving industry through the SRAP supports this assertion.

Increased travel fees are not expected to impose an indirect economic cost to the community. The increase is considered minor and will not deter investment into the cattle or sheep industries. Further, the proposed Regulation includes exemptions that exclude the community from paying for travel on the SRN for community events such as gymkhanas.

Increased travel fees are not expected to have a 'trickle down' effect to end users of meat and wool.

Regulatory Benefit

There is no change in the regulatory burden to local governments from the proposal to set

fees in regulation, as fees are currently set through the Land Protection (Pest and Stock Route Management) Regulation.

Regulatory Cost

It is not anticipated that regulatory costs would increase as a result of an increase in travel fees. The current requirements for local governments in issuing permits would remain the same as well as the requirements for users in lodging applications and meeting requirements of permits. An electronic stock route management system will be developed and encompass a public notification system to display route availability. This system will simplify the permitting process for both local government and stock route users.

Environmental Benefit

By increasing fees, in conjunction with other revenue sources and savings in management costs, the SRN would be more financially viable into the future, ensuring its existence. Without the SRN, trucks and rail would be the only alternatives for travelling stock, increasing carbon dioxide emissions.

In many areas, the SRN comprises vegetation that is highly valued as a biodiversity corridor to help species adapt to climate change, a buffer zone between cleared properties and for its aesthetic value.

Environmental Cost

It is not anticipated that environmental costs would increase as a result of an increase in travel fees. As previously stated, increasing local government revenue through fees and other revenue sources, in conjunction with savings in management costs, the SRN would be more financially viable into the future, ensuring its existence. Without the SRN, trucks and rail would be the only methods available for transporting stock, increasing carbon dioxide emissions.

2.2 Emergency agistment fee framework

Current legislative agistment provisions allow an eligible person to apply for an agistment permit for 28 days, with a possible 28 day extension. The network is not primarily a drought-relief tool and as a result the SRAP and the Queensland Government propose that agistment permits should be for emergency purposes only and not for routine drought relief. Removing this provision serves to enhance the notion that the SRN's primary purpose is to support travelling stock, as well as protecting the environmental values of the network as land will not be further degraded in times of drought by the agistment of stock. Provisions for short-term grazing on the network during droughts will exist under the AGA framework.

It is recommended that emergency agistment permits be available on the active SRN for shorter periods than on the inactive network. This recognises that emergent situations may arise on the active network (essential for travelling stock) which require short-term relief provisions. Consistent with the SRAP's recommendations, the Queensland Government proposes that emergency agistment permits may be issued for a maximum of 28 days on the inactive network (non-essential to the requirements of travelling stock) and for a maximum of 14 days on the active network.

Emergency purposes include fire or flood. For travelling stock emergency purposes may include illness or a condition that affects the stocks' ability to meet the required rate of travel. The legislation will also provide some discretion for local government to determine the emergent nature of given situations.

The cost for agisting stock on the network is proposed to increase from between \$0.88–2.16 per head per week for large stock to between \$1.00– 5.00 per head per week. For small stock the cost of permits will increase from between \$0.10–0.34 to \$0.20–1.00 under the proposal. An application fee of \$20 is also proposed for emergency agistment permits. The fee would be payable regardless of whether an application was successful, to assist local governments to recoup administration costs.

Queensland SRN agistment fees were increased in 1989 and then only been marginally increased from 2000, when consumer price index (CPI) was introduced.

The current fee setting criteria prescribed in the *Land Protection (Pest and Stock Route Management) Regulation 2003* is proposed to be retained. Local governments are to give consideration to the following criteria when considering the agistment fee to be charged:

- Type of country and the stock being agisted under the permit.
- Quality of pasture available for the agistment.
- Accessibility of water for the agistment.
- Proposed use of travelling stock facilities under the permit.
- Comparable agistment rates in the area.

2.2.1 Benefits and Costs

Economic Benefit

In circumstances where the health and safety of stock are at risk, such as illness for travelling stock, fire or flood, a short term emergency agistment permit may be sought. The provision for emergency agistment on the network reduces the economic risk of stock illness or death for pastoralists.

The fee for emergency agistment benefits pastoralists economically as it can be varied to reflect local conditions and the benefit gained. The fee criteria proposed will determine the fee level charged by local governments and will accommodate highly variable conditions under which permits may be granted. Conditions may vary with regard to such factors as pasture quality and availability, land condition and the condition of water facilities.

Drovers will benefit economically from the provision of emergency agistment as pastoralists are more likely to use the SRN and employ drovers if risks to stock are reduced.

Drovers will also benefit from agistment being limited to emergency circumstances as the rights of travelling stock, as the primary users of the SRN, will be preserved. This is of economic benefit to drovers as they will have more certainty in meeting the requirements of their contract to travel stock on the SRN.

Economic Cost

Despite fee increases, the SRN will continue to represent an inexpensive alternative for agisting stock in emergency circumstances. New South Wales have set grazing fees by regulation as being \$1.00 per day for each 10 or less small stock and \$1.00 per day for each large stock. Commercial rates for agistment on private land of \$5.00 per head per week are consistently paid by industry in Queensland when demand is high.

There will be an economic impact on pastoralists from not having the SRN available for drought relief under stock route agistment permits. During drought, the availability of agistment reduces and the SRN has historically been relied upon for short-term agistment, particularly by adjoining landholders. The removal of the provision in the Land Protection (Pest and Stock Route Management) Act for short-term agistment aims to change the mind set of network users away from using the network as a drought-relief tool and encourage improved long-term planning. However a provision has been made for some short-term agistment to occur for drought purposes under the Annual Grazing Agreement framework when there is excess pasture on the network (see AGA fee framework). The SRN comprises approximately 2 per cent of the Queensland's land mass and can not physically support the State's herd in times of drought.

Regulatory Benefit

The aim of managing the SRN for cost neutrality can be better achieved if fees for emergency agistment are increased in-line with the SRAP's recommendations. The rate proposed by the Queensland Government and the SRAP has been designed to reflect the costs to local government in managing the network.

Regulatory Cost

Emergency agistment provisions represent increased regulatory complexity for local government, pastoralists and drovers due to the requirement that they only be issued in extenuating circumstances. Emergency agistment replaces 28 day agistment permits that have more relaxed requirements for issue, particularly for circumstances of drought.

Environmental Benefit

Grazing, where it is well managed to ensure that spelling occurs, can be a positive activity for biodiversity and conservation. Emergency agistment permits can not be issued if the grazing will have a detrimental effect on the land.

Environmental Cost

Emergency agistment permits involve static grazing on the SRN that may represent an environmental cost. Static grazing, unlike travelling stock, does not allow the same opportunity for pasture to be rested and rejuvenated. However, prior to issuing emergency permits local governments will be required to assess land condition and the ability of the natural resources of the land to support static grazing.

Land condition assessments will encompass issues such as:

- soil erosion, salinity or scalding
- destruction of soil structure e.g. the loss of fertility, organic matter or nutrients
- decline in perennial pasture grasses, pasture composition and density
- low ground cover
- thickening in woody plants
- stream bank instability and slumping
- the presence of any declared pest
- water logging
- rising water tables
- a decline in water quality.

By removing drought as an eligibility criteria for short-term agistment, the amount of static grazing on the network is decreased.

2.3 AGAs fee framework

Annual Grazing Agreements are the mechanism recommended by the SRAP and supported by the Queensland Government to regulate long-term static grazing on the SRN. Recent consultation with the community has shown the majority of respondents support the implementation of the AGA framework. AGAs have been developed in consideration of the LPC recommendations of pursuing a user pays system, aiming for cost neutral local government management, and providing single agency administration of the SRN and other relevant lands.

AGAs have several proposed applications. Firstly, it is recommended that an AGA may be granted by application over a part of the inactive SRN for the purposes of grazing stock. Secondly, it is recommended AGAs may be declared over unfenced parts of the network that are enclosed with adjoining property and being grazed. This will afford a level of protection to the land by regulating and conditioning current unauthorised use and will also ensure payment for use. Thirdly, it is recommended that AGAs be issued by the local government in place of permits to occupy the SRN, which are currently issued by DERM under the *Land Act 1994*.

Under the proposed Regulation, shorter term grazing agreements will be available for local governments to permit the agistment of droughted stock on fenced, inactive parts of the network where an AGA has not been issued.

This policy will help change the mind set that the SRN is simply a drought-relief mechanism. Instead of using the SRN when there is reduced availability of pasture, this policy aims to

promote the use of the SRN as a management tool when there is excess pasture. Conditions to ensure the protection of land will attach to these agreements to ensure agreed environmental management outcomes are met.

The Regulation will provide a formula that allows a degree of local government discretion by setting a rental index between 1.5 per cent and 5 per cent. The SRAP agreed the AGA fee should be calculated to reflect existing costs to graze these lands under permits associated with 'rates and rent' components rather than the agistment and carrying capacity.

Proposed AGA fee calculation formula:

The total fee proposed for an AGA has 2 components:

1. Rental Component

For an AGA where the landholder is adjoining.

Total unimproved valuation per hectare of the AGA holder's adjoining property multiplied by the area of the AGA. The derived unimproved valuation of the AGA is then multiplied by a percentage between 1.5% and 5% to give the rental component of the AGA

2. Rating Component

The annual rates for the adjoining AGA holder's property per hectare multiplied by the area of the AGA gives the rating component of the AGA fee. This component represents the rates component currently paid on a Permit to Occupy issued under the *Land Act 1994*.

3. Total AGA Fee

The total fee for the AGA is **component 1** added to **component 2** plus GST.

Where the AGA holder is not the adjoining owner, the valuation of the property with the longest boundary adjoining the AGA is used for the calculations of **component 1** and **component 2**.

Example

AGA area (hectares)	Adjoining Lot / Plan	Adjoining Property Area (hectares)	Adjoining Property Valuation	Rates payable on Adjoining Property
173	4 / CP837210	26,955	\$1,200,000	\$3,742

Component 1

Component 1 of the fee is the valuation per hectare multiplied by the area of the AGA multiplied by the rental percentage

The valuation per hectare of the AGA holders adjoining grazing property is the unimproved valuation grazing property divided by its area. Using the figures in the above table:

Value per Ha of adjoining land

\$1 200 000 divided by 26 955Ha = \$44.52 per Ha

Value of AGA area

173 Ha multiplied by \$44.52 per Ha = \$7701.96

Rental component

\$7701.96 multiplied by 1.5%= **\$115.53**

Component 2

Component 2 is the average rates per hectare for the adjoining property multiplied by the area of the AGA.

Average rates per hectare of adjoining land

\$3742 divided by 26 955 Ha= \$0.14 per hectare

Rates component

\$0.139 per Ha multiplied by 173 Ha= **\$24.22**

Total Annual Fee is the component 1 fee added to the component 2 fee, plus GST

\$115.53 added to \$24.22= \$139.75 plus GST = **\$153.73**

The Queensland government supports the SRAP's recommendation to set the rental index between 1.5 per cent and 5 per cent. The 1.5 per cent rent rate is proposed for leasehold land by the state government. The upper range of 5 per cent was set below the commercial sub-lease rate of around 8 per cent in recognition that AGA holders will not receive exclusive use of the land and because of the use conditions imposed on agreement holders.

A maximum range between 1.5 and 5 per cent was agreed upon to recognise that, unlike leasehold land, landholders have no capital interest in the area under an AGA. Additionally the value of the area of stock route may often be greater than that of the adjoining land on which the fee is calculated because many stock routes follow water courses and may comprise better grazing country.

The following case studies demonstrate the AGA fee paid for three properties of varying sizes at a percentage rental index range between 1.5 per cent and 5 per cent.

Diagram 1 illustrates the cost of an AGA over 173 hectares of SRN.

The following examples show the variation in AGA fees for a property depending on the Component 1 rental percentage between 1.5% and 5% (AGA fees shown are inclusive of GST and include both rates and rent components)

Case Study 1* (refer Diagram 1)

Property in Blackall-Tambo Regional Council with an AGA area of 173 hectares, adjoining a property area of 26,955 hectares, valued at \$1,200,000, with total rates payable on the property \$3,742.

Total AGA fee - 1.5% rental index	\$/hectare	Total AGA fee - 2% rental index	\$/hectare	Total AGA fee - 4% rental index	\$/hectare	Total AGA fee - 5% rental index	\$/hectare
\$153.73	\$0.89	\$196.09	\$1.13	\$365.53	\$2.11	\$450.25	\$2.60

Case Study 2

Property in Flinders Shire Council with an AGA area of 3,399 hectares, adjoining a property area of 17,816 hectares, valued at \$385,000, with total rates payable on the property \$2,387.

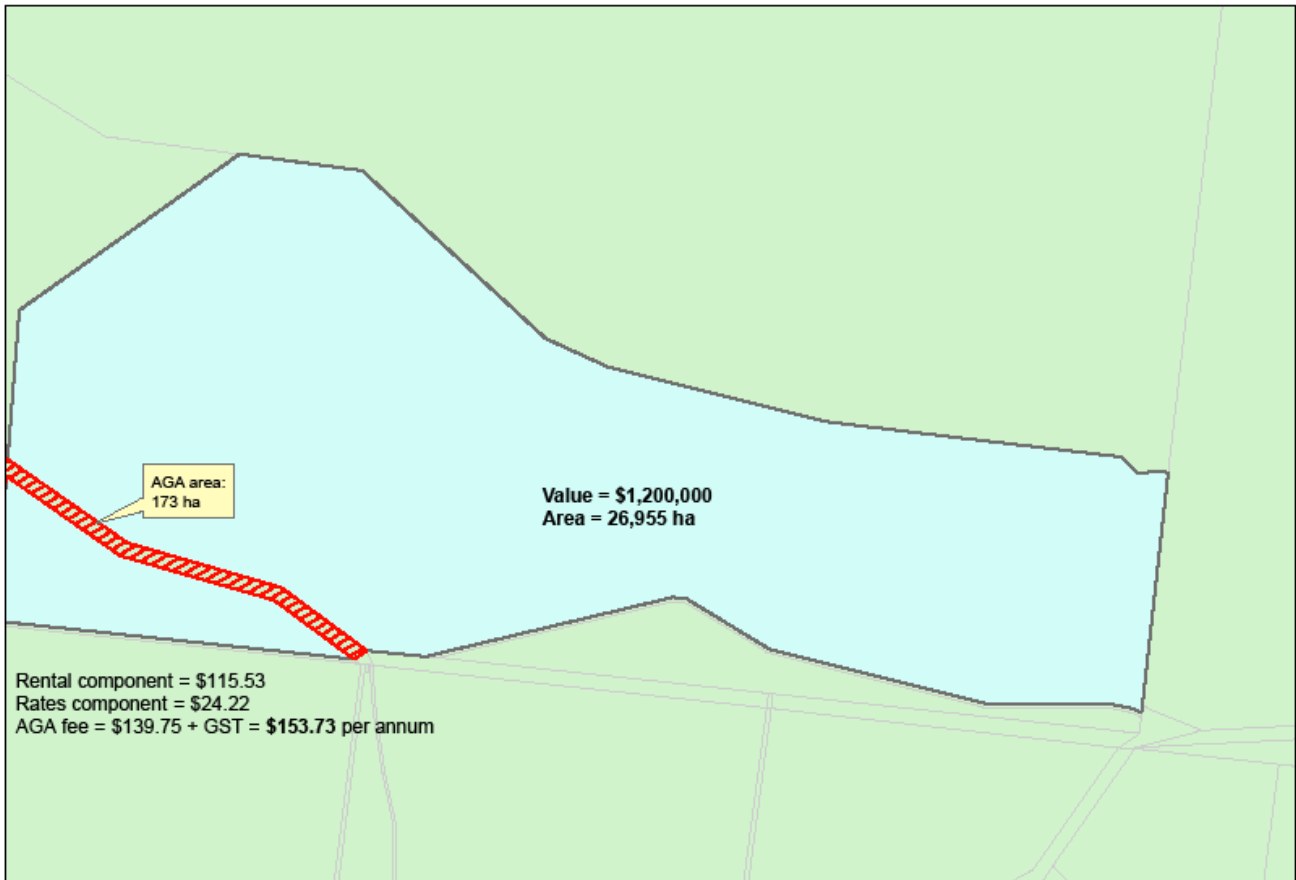
Total AGA fee - 1.5% rental index	\$/hectare	Total AGA fee - 2% rental index	\$/hectare	Total AGA fee - 4% rental index	\$/hectare	Total AGA fee - 5% rental index	\$/hectare
\$1,698.03	\$0.50	\$2,102.01	\$0.62	\$3,717.97	\$1.09	\$4,525.93	\$1.33

Case Study 3

Property in Goondiwindi Regional Council with an AGA area of 779 hectares, adjoining a property area of 4,679 hectares, valued at \$780 000, with total rates payable on the property \$11,310.

Total AGA fee - 1.5% rental index	\$/hectare	Total AGA fee - 2% rental index	\$/hectare	Total AGA fee - 4% rental index	\$/hectare	Total AGA fee - 5% rental index	\$/hectare
\$4,271.38	\$5.48	\$4,930.61	\$6.33	\$7,787.51	\$10.00	\$9,215.97	\$11.83

Diagram 1. (AGA example map (refer Case Study 1))



2.3.1 Benefits and Costs

Economic Benefit

Some pastoralists will benefit economically from an increase in the amount of land available for grazing. Under the AGA framework, areas of the network will be available for grazing and may be re-issued annually, if managed in accordance with the conditions of the agreement and the payment of an annual fee.

The AGA framework will also benefit pastoralists by allowing them to graze increased numbers of stock or to take the opportunity to spell their own country within the conditions of the agreement surrounding retention of pasture residuals and preservation or betterment of land condition.

Pastoralists who are currently grazing the network without authorisation will benefit from greater security of access and occupation given that much of the previous grazing on these lands was unregulated. By having greater certainty of occupation of areas of the SRN, pastoralists will be able to improve planning for stock fattening, breeding and associated grazing activities.

Local governments will have flexibility to set fees at a level that reflects pasture quality and availability as well as land condition.

Current arrangements where local governments recover only approximately 4 per cent of their management costs through stock route fees effectively means that all rate payers are subsidising the use of the network by a select few. Requiring payment for use through the introduction of the AGA framework spreads costs amongst those receiving the benefit.

AGA fees provide local government with the opportunity to recover their management costs by requiring all users of the SRN to pay. Without the introduction of the AGA framework and associated fees, other avenues for recovering local government management costs would need to be considered. The AECgroup found that local government management costs could be recovered by increasing access fees to the SRN to \$0.29 per head per day. Such drastic increases to fees may have the effect of making travelling stock by hoof uneconomical, impact on the droving and pastoral industries and defeat the purpose of retaining a SRN.

The potential exists for local governments to collect significant revenue from the AGA framework. It is difficult to determine an annual collection figure due to the range of percentages that may be used to determine the 'rent' component of the fee and the variability of land values across the State.

Economic Cost

The introduction of the AGA framework will adversely affect landholders who have previously grazed adjoining lands for free. It is difficult to attribute approximate costs for AGAs due to the high variability of land values across Queensland and the area of potential AGAs. Modelling conducted using potential AGA scenarios indicate weekly costs to landholders in several diverse local government areas are not expected to be significant.

While AGA fees represent an expense for adjoining landholders, recent consultation has shown that the majority of landholders that responded are happy to pay a fee in exchange for greater security of grazing access to these lands. The AGA fee is not expected to deter investment into the cattle or sheep industry. There will also be increased service with regard to stock route and stock route facility management as a result of this increased cost.

There will be a one-off cost to farmers who adjoin a stock route but do not wish to enter into an AGA as they will be required to fence the stock route out of their property. This cost is estimated at \$2350/kilometre for materials and labour for good quality stock-proof fencing, but may vary across the State.

Regulatory Benefit

In totality, AGAs represent a reduced regulatory burden for users of the SRN and for local and state government as it is recommended that AGAs be issued by the local government in

favour of permits issued under the Land Act by DERM.

Under the preferred option the regulatory burden on stakeholders will be reduced as one agency will issue stock route permits, as opposed to three agencies, which is the situation that currently exists under the Land Protection (Pest and Stock Route Management) Act, Land Act and *Transport Infrastructure Act 1994*.

Local governments will be supported in the increased responsibilities by the development of a new electronic stock route management system to streamline the permitting process as well as increased DERM assistance.

Regulatory Cost

The requirement for local government to monitor compliance with the AGA will involve increased regulatory burden and increased cost. A compliance fund will be established that may be accessed by local governments and used to resource enforcement of the provisions of the AGA framework. To relieve this increased regulatory burden on local government, the Queensland Government will provide resources to assist in the implementation of the AGA framework. DERM is also developing a new electronic stock route network management system to help local governments meet their requirements for management of the network.

Environmental Benefit

By strengthening the regulation and conditioning of current use and also ensuring equitable payment for use, AGAs will afford a level of environmental protection to the land not currently available. AGAs will require pastoralists to meet the criteria of land condition assessments to ensure that the network retains its biodiversity value and as a nature corridor for the migration of flora and fauna and the gradual adaptation of species to climate change.

Regulation also serves to create legal certainty regarding compliance to environmental management policy, such as those outlined in the *Queensland Stock Route Network Management Strategy 2009-14*. The objectives outlined in the Strategy will be supported by a requirement for AGA management plans to reduce over-grazing and land degradation on the SRN by requiring residual pasture levels to be maintained for travelling stock and the preservation of land condition.

The creation of AGAs and the establishment of the fee formula allows for the introduction of environmental management of previously unregulated lands and the strengthening of management on those lands.

Environmental Cost

There are not expected to be any environmental costs associated with the AGA fee framework. In fact, the AGA framework provides environmental benefits through regulation and a systematic procedure of land condition assessments.

Other components of the Regulation

The Regulation will also comprise provisions outside of the LPC review, which will be introduced or carried over from the Land Protection (Pest and Stock Route Management) Regulation.

Items carried over from *Land Protection (Pest and Stock Route) Regulation 2003*

Stock Route Maps

Stock routes are defined by regulation as being the roads or routes labelled as 'stock routes' on the series of maps called *Stock Route Network of Queensland*. DERM is required to supply these maps and other information on the location of stock routes in digital electronic form and to allow people to inspect the maps at the department's head office.

Local Government Plans

Some local governments are considered to have significant SRN management responsibilities and are required to prepare SRN management plans.

These plans detail:

- strategies to manage the integrity of the SRN
- grazing
- significant areas
- risks and safety
- infrastructure
- pests and disease
- water agreements
- travel and agistment permitting
- compliance.

The local governments required to develop these plans are listed in the Regulation. The Minister for Natural Resources, Mines & Energy and Minister for Trade is responsible for approving these plans.

Abandoned Stock

Under the proposed legislation local governments have powers to seize stock that are abandoned on the network. The market value for seized stock is prescribed in the Regulation.

Water Facility Agreements

Individuals may enter into water facility agreements to access water from, or supply water to, the SRN. The cost of inspecting a register of water facility agreements is prescribed in the Regulation.

Additional items to be introduced into the proposed Stock Route Network Management Regulation

A new public notification system is being developed to advise of the stock route status—open, closed or conditional to travelling stock. This system will support local governments to manage pasture and water availability on the SRN and issue stock route travel permits.

Permits will only be issued if the stock route in question is categorised on the public notification system as being open or conditional. Permits will only be issued on routes if requirements for pasture, water, safety or pests and disease are met. Where the Stock Route is classified as conditional additional conditions must also be satisfied.

Authorising law

The Stock Route Network Management Bill and Regulation will replace the stock route management provisions in the Land Protection (Pest and Stock Route Management) Act and Land Protection (Pest and Stock Route Management) Regulation.

Policy objectives

The primary objectives of the proposed Regulation are to:

- accommodate MoG changes resulting from the creation of Biosecurity Queensland
- give legislative strength to the LPC recommendations of changing the permitting structure, increasing fees within this structure and reforming the administration of relevant land.

Legislative intent

The Queensland Government's policy objectives will be achieved by creating the Stock Route Network Management Bill and supporting Regulation.

The proposed Regulation is considered reasonable and appropriate as:

- it gives legislative strength to the LPC's recommendation of a contemporary fee framework, which aims for cost neutral management for local governments and generally improves the management and use of the network
- it effectively separates the land protection and stock route management provisions of the Land Protection (Pest and Stock Route Management) Act
- fees will be reasonably uniform across local government areas in Queensland, creating equity for users of the SRN. The Regulation will set a single rate for travelling stock and a maximum and minimum for the agistment of stock. AGAs will be based on the unimproved capital value of adjoining land to reflect the land's productivity
- the determination of the fee framework in the Regulation allows for capture and exemption of fees for certain uses of the SRN. For instance, use of the network to move stock during the day without camping overnight and to and from gymkhanas will not require a permit or attract a fee. Aside from these examples, the fee framework captures use of the network and upholds the user pays principle
- the Regulation allows local governments a degree of control over the SRN while retaining the Queensland Government's coordination role in managing state lands.

Consistency with the authorising law

The Regulation will be made in conjunction with the authorising law (Stock Route Network Management Bill) with the aim of providing consistent, regulatory support for the policy objectives outlined in the Bill.

The principles outlined in the Bill (management, equity, payment for use, planning for the future, partnership and managing public interest) will be supported by regulatory fee determination.

Consistency with other legislation

The Stock Route Network Management Bill and Regulation is consistent with the *Land Act 1994*, which sets out powers for local government management of roads and reserves and the management of different land tenures. There is a clear distinction between the Land Act and the Bill as the Act is administered by the State and stock route management is administered by local government.

Fundamental legislative principles

The *Legislative Standards Act 1992* requires that legislation has sufficient regard to rights and liberties of individuals and the institutions of the Queensland Parliament. The Stock Route Network Management Regulation does not breach any fundamental legislative principles.

Conclusions

The development of the Stock Route Network Management Regulation supports the LPC's key principles of payment for use, equity and planning for the future. The Regulation serves to implement the recommendations of establishing a new fee structure, increasing fees within this structure and reforming the administration of relevant land.

The recommendations leading to this submission were developed collaboratively by the key user groups likely to be affected by the introduction of the reforms.

Following extensive consultation it has been determined that the most efficient and effective option to meet the key policy objective for fee determination is by developing a new Regulation.

The SRAP and DERM have carefully assessed the economic, regulatory and environmental costs to stakeholders. They concluded that while the increase of fees for stock route use represents an appreciable though justifiable cost for pastoralists, the improved management of the SRN as a whole far outweighs the costs. Following the introduction of the proposed Stock Route Network Management Regulation, stakeholders will benefit from improved management of pasture and facilities on the SRN, streamlined permitting processes and enhanced protection of the environmental values of the network.

The proposed Regulation recognises the importance of the network for biodiversity, as a nature corridor for the migration of flora and fauna and the adaptation of species to climate change through the regulation of unauthorised use through AGAs.

The proposed Bill and Regulation empowers local governments to manage land and stock route facilities in their area, harnessing local knowledge and keeping revenue in local areas.

Glossary

Active stock route—parts of the stock route network considered, through an annual public reclassification process, to be essential to the requirements of travelling stock.

Fenced—maintained, stock-proof fencing; can be open-ended or enclosed with gates and grids.

Inactive stock route—parts of the stock route network considered, through an annual public reclassification process, to be non-essential to the requirements of travelling stock.

Large stock—alpacas, asses, camels, cattle, donkeys, horses, llamas, mules or vicunas.

Relevant land—land prescribed to be stock routes, reserves for travelling stock and may also include roads and unallocated state land under the relevant act.

Small stock—goats and sheep.

Unfenced—not capable of maintaining stock.

Acronyms

AGAs—Annual Grazing Agreements

CPI—Consumer Price Index

DERM—Department of Environment & Resource Management

LGAQ—Local Government Association of Queensland

LPC—Land Protection Council

MoG—Machinery of Government change

SRAP—Stock Route Assessment Panel

SRN—Stock route network

Attachment A

Land Protection (Pest and Stock Route Management) Council representatives

- Murray Jones, Chairperson (nominated by former Minister for Department of Primary Industries and Fisheries,)
- Russell Stewart (nominated by former Minister for Department of Primary Industries and Fisheries)
- Councillor Dougal Davidson, Local Government Association of Queensland
- Councillor Margaret Portess, Local Government Association of Queensland
- Francis McKerrow, AgForce Queensland
- Teresa Allen, AgForce Queensland
- John Agnew, AgForce Queensland
- Lawrence Bugeja, Canegrowers
- Alan Fredrickson, Queensland Dairyfarmers Organisation
- John Bishop, Growcom
- Tim Low, Queensland Conservation Council
- Michael Harris, (nominated by former Director General of Environmental Protection Agency)
- Tony Rayner (nominated by former Director General of Department of Primary Industries and Fisheries)
- Ron Glanville (nominated by former Director General of Department of Primary Industries and Fisheries)

Stock Route Assessment Panel representatives

- Councillor Robert Loughnan, Local Government Association of Queensland
- Councillor Dougal Davidson, Local Government Association of Queensland (former)
- Councillor Brendan McNamara, Local Government Association of Queensland
- Steve Taylor, AgForce Queensland
- Peter Hall, AgForce Queensland
- Murray Jones, Land Protection Council
- Don Webster, Land Protection Council
- Peter Huth, Land Protection Council (former)
- Tony Purcell, Droving and Stock Routes Association
- Bill Little, Droving and Stock Routes Association.
- DERM Land Management and Use (Chair).

<ul style="list-style-type: none"> ability to meet enhanced service expectations. <p>Potential for increased regulatory burden in terms of:</p> <ul style="list-style-type: none"> establishing, documenting, implementing and reviewing fees for SRN use enforcing compliance. 	+2	-3	+1	+3
Local government total	+5	-5	+2	+1
State Government				
Reduced regulatory burden	+2	+3	-2	-2
Ability to manage state land for <ul style="list-style-type: none"> environmental impacts it's intended purpose 	+3	-3	-2	-2
Ability to regulate demand for the SRN	+3	-3	-2	-2
State Government total	+8	+3	-6	-6
TOTAL	+30	-11	-5	-16

Appendix 1. Stock route network action plan—managing Queensland’s stock route network into the future

Introduction

Queensland's stock routes have played a strong economic, cultural and environmental role across the state for more than a century. Established between the 1850s and 1890s, the network meanders across some 72 000 kilometres (2.6 million hectares) of Queensland's road network. These routes, together with reserves for travelling stock, make up the Queensland Stock Route Network (the network), providing pastoralists with a means of moving stock 'on the hoof' around the state's main pastoral districts, as an alternative to trucking and other contemporary transport methods.

The evolution of Queensland's stock route network correlates with early colonial exploration and pastoral occupation of lands, after pastoralists drove stock along corridors that followed river systems, Indigenous trade routes and trails. From the early 1900s the Queensland Government established a program to develop stock route water facilities throughout the stock route network. A similar program exists today, maintaining established stock route facilities and building new facilities where required.

Stock route use declined in the 1950s and 1960s with the advent of motorised transport and introduction of road improvement schemes—making road transport a more convenient and efficient way to transport stock.

However, high fuel prices and chronic drought in recent times has meant the network has provided a cost-effective alternative for transporting stock.

Many of the stock routes also contain additional values such as biodiversity, cultural heritage and recreation.

The Queensland *Stock Route Network Management Strategy 2009–14* identifies the primary purpose of the stock route network is for the movement of stock on foot and aims to manage the network and its values to provide for travelling stock requirements into the future.

Executive summary

This plan outlines the policy reforms approved by the Queensland Government to improve the management and use of Queensland's iconic stock route network. It is intended to incorporate these reforms into new stock route network management legislation. The paper complements the Regulatory Impact Statement for the Stock Route Network Management Regulation, which outlines proposed regulatory changes.

The reforms were developed by the Stock Route Assessment Panel (SRAP) and adjusted by the Department of Environment and Resource Management (DERM) following community consultation on the SRAP's recommendations. The paper also contains changes of a more administrative nature that were outside the SRAP's terms of reference.

The SRAP comprises key stock route network management stakeholders including local government, the cattle and droving industries, the Land Protection Council and DERM.

DERM has consulted the community on the recommendations developed by the SRAP. The responses received showed overwhelming support for the retention of the stock route network as a transport corridor for travelling stock and for its inherent biodiversity, cultural heritage and recreation values. The majority of respondents support the recommendations.

Following the establishment of Biosecurity Queensland in 2007, DERM has shared administrative responsibility of the *Land Protection (Pest and Stock Route Management) Act 2002* with the Department of Employment, Economic Development and Innovation. Stand-alone stock route network management legislation is proposed to simplify administration of stock route activities and ensure the network and its inherent values are well managed into the future.

The following summary of reforms has been put forward for information by the Minister for Natural Resources, Mines and Energy and Minister for Trade:

1. Stock route network reclassification

- the entire stock route network be retained
- the existing network is to be reclassified as 'active' or 'inactive' based on recent and expected future usage, where:
 - an active classification provides a more active management regime and priority for travelling stock
 - an inactive classification may allow for some managed static grazing under Annual Grazing Agreements (AGA) (see section 3), reducing management costs to local governments
- a regular review of classification through a public consultation process conducted by local governments.

2. Stock route fees and permits

(a) Travel

- recognition of and provision for the changing use of stock routes for genuine travel towards walking drought relief
- two types of permits will be provided—for travel and slow travel—with genuine travel always receiving priority
- the fee framework be reviewed to reflect the benefit gained from the different types of use, contribute to management costs and promote voluntary compliance with permit conditions
- permit application timeframes be amended to encourage forward planning by stock route users and managers.

(b) Agistment

- the continuation of short-term agistment for emergency situations

- no longer granting agistment permits for drought relief, however some drought relief grazing will be available through an Annual Grazing Agreement framework
- a review of the range of fees for agistment that better reflects the benefit gained from the activity and also contributes to management costs.

(c) Managed static grazing through Annual Grazing Agreements (AGAs)

- using an AGA system to regulate static grazing on the stock route network to ensure those using the network pay accordingly
- the AGA framework be based on a user-pays model to provide local government with the resources to adequately manage the stock route network in their area
- AGAs be available on the inactive parts of the network and on all unfenced parts of the network
- AGAs be conditioned in such a way as to protect the biodiversity and other values of the network and be subject to ongoing audits
- a fee formula be established for AGAs incorporating a 'rent' and 'rates' component
- transferring existing permits to occupy on the stock route network to AGAs, with strategies to manage conflict for pasture and other resources on the active network
- DERM to support local government through staff resources and provision of an electronic management system

(d) Harvesting permits

- local governments be enabled to issue permits to harvest pasture for the purposes of managing excess pasture
- local governments be able to set fees for permits to harvest pasture

3. Stock route water infrastructure

- ownership of the 4,000 plus stock route water facility assets remain vested with the State Government
- local government to remain responsible for the maintenance of water facilities on the active network only
- strategies to reduce maintenance costs for assets located on the inactive network.

Contents

Background	4.
Reforms	6.
1. Stock route network management	6.
1.1 Purpose	6.
1.2 Retention	6.
1.3 Principles for management	6.
1.4 Consistency	6.
2. Stock route network reclassification	6.
2.1 Reclassification versus rationalisation	6.
2.2 Active and inactive stock routes	6.
2.3 Reclassification process	7.
3. Stock route fees and permits	7.
3.1 Travel	7.
3.1.1 Stock route travel permits	8.
3.1.2 Stock route travel fees	8.
3.1.3 Timeframes	9.
3.2 Agistment	9.
3.2.1 Emergency agistment permits	9.
3.2.2 Emergency agistment permit fees	9.
3.3 Annual grazing agreements	10.
3.3.1 Annual grazing agreements	10.
3.3.2 Annual grazing agreement fees	12.
3.3.3 Permits to occupy	12.
3.3.4 Implementation	12.
3.4 Harvesting pasture	12.
3.4.1 Harvesting permits	13.
3.4.2 Harvesting permit fees	13.
4. Stock route water asset infrastructure	13.
4.1 Ownership	13.
4.2 Assets located on inactive network	13.
5. Other items	13.
5.2 Environmental and other values	14.
5.3 Stock route assessment panel	14.
Appendix 1 – Stock route travel fees	15
Appendix 2 – AGA fee calculation formula	18

Background

Land Protection Council Review of Stock Route Management and Use

The severe drought conditions of 2002-03 resulted in very high levels of usage of Queensland's stock route network. Following this, users and managers of the stock route network brought several operational and policy issues to the attention of DERM. This occurred around the same time that new legislation, the *Land Protection (Pest and Stock Route Management) Act 2002*, commenced.

The new legislation provided for the establishment of the Land Protection Council (LPC) to advise the Minister on pest and stock route management matters. Accordingly, the Minister requested the newly formed LPC to provide recommendations on how to resolve the issues raised and to generally improve the management and use of the stock route network.

Extensive consultation followed involving many and varied stakeholders, particularly LGAQ, AgForce Queensland and DERM. Others representing drovers and stockowners were also consulted.

This work culminated in the development of a series of recommendations aimed at improving the management and use of the stock route network.

The recommendations were presented to the then Minister for Natural Resources and Water by the LPC in late 2006. In March 2007, the Minister, satisfied the recommendations would adequately provide for the future requirements of travelling stock, approved the implementation of the LPC's recommendations.

Stock Route Assessment Panel

Included in the LPC's recommendations was the establishment of the Stock Route Assessment Panel (SRAP). The SRAP's role was to provide the Minister with advice on the detail necessary to implement the broader LPC recommendations. For example, the LPC recommended and the Minister approved, that a revised stock route permitting and fee framework be implemented. The SRAP has provided the detail on the proposed new permitting systems and associated fees.

The SRAP was appointed by the Minister and includes representatives from local government, nominated by the Local Government Association of Queensland, the cattle industry, nominated by AgForce Queensland, the droving industry, nominated by the Droving and Stock Routes Association, the LPC and DERM.

The SRAP provided its recommendations to the Minister in April 2008.

Consultation

The Minister released a report on the SRAP's findings for public comment in July 2008. NRW received approximately 100 submissions to the report, *"Improving the management and use of the stock route network"*. The majority of recommendations are supported by the majority of respondents. All submissions received were considered in the development of this action plan. Many of the reforms contained in this paper have remained unchanged because the majority of respondents supported them and because many of the alternative options put forward by respondents have previously been considered by the SRAP. Some of the reforms have been clarified as a result of submissions received.

Very strong support for the retention of the stock route network for travelling stock and its other values such as biodiversity, cultural heritage and recreation is evident. The Premier received approximately 1,000 pre-printed postcards from members of the public, in addition to the submissions mentioned above.

The former Minister has previously committed to the retention of the entire stock route network in its current form and the level of response from all sectors of the community vindicates this stance. DERM is currently working with regional natural resource management groups on a project identifying environmental hot spots on stock routes. This paper contains mechanisms for such sites to be afforded legislative protection. It also contains the inclusion of management principles to enshrine the network's biodiversity, cultural heritage and recreation values in legislation.

The Annual Grazing Agreement (AGA) framework in this plan will employ principles of the Delbessie Agreement in assessing the condition of land being grazed under AGAs. A monitoring program to keep a check on the overall health of the network and its values will be implemented.

DERM's Queensland Stock Route Network Management Strategy 2009-2014 is in place to direct and coordinate management of the network across the State. Local governments must manage stock routes in their area in accordance with the Strategy. Most that contain stock routes must also have stock route network management plans that are subject to regular reviews and renewal. The Strategy and these plans primarily deal with travelling

stock and contain strategies and actions to manage and protect the network's other values. The public is consulted on the Strategy and local government plans before being approved by the Minister and implemented by the department and Councils respectively.

This action plan outlines the Queensland government's key reforms for managing the stock route network. The reforms will be incorporated into proposed new legislation, the *Stock Route Network Management Bill 2009*. The paper is complemented by the Regulatory Impact Statement (RIS) for the proposed *Stock Route Network Management Regulation 2009*. The RIS has been prepared to inform the community of the costs and benefits from the proposed regulation.

Have your say...

Comments on the Regulatory Impact Statement may be submitted to DERM by 19 October 2009 by e-mail at <stockrouterreview@derm.qld.gov.au> or by mail to:

Principal Policy Officer
Stock Route Management Unit
Department of Environment and Resource Management
GPO Box 2454
Brisbane Qld 4001

Reforms

1. Stock route network management

It is clear from the public submissions received on the recently released findings of the Stock Route Assessment Panel that the community overwhelmingly supports the retention of the stock route network in its entirety. It is also evident that the community supports the network continuing primarily to provide for travelling stock, while recognising and managing its other inherent values. Reforms 1 – 4 are proffered for inclusion in legislation in order to ensure ongoing, effective management of the network.

1.1 Purpose

Reform 1:

(a) The stock route network is retained and managed into the future for the primary purpose of facilitating travelling stock on foot as an alternative to other transport methods, while also providing important biodiversity, cultural heritage and recreation values.

1.2 Retention

Reform 2:

(a) All stock routes currently declared under the *Land Protection (Pest and Stock Route Management) Act 2002* and displayed on the map titled Stock Route Network of Queensland¹ are retained in their current form.

1.3 Principles for management

Reform 3:

(a) A suite of principles including management, equity, payment for use, planning for the future, partnership and public interest is included in new stock route network management legislation to underpin management of the network.

1.4 Consistency

Reform 4:

(a) Management of travelling and grazing stock on the stock route network and other relevant land including reserves for travelling stock, unallocated State land and all other roads to be managed by local government.

2. Stock route network reclassification

Reclassification of the existing network of stock routes is favoured over rationalising stock routes. The reclassification of routes into either the active or inactive category will be done regularly as part of existing local government plan reviews and include opportunity for the community to comment. Whether a route is active or inactive will determine whether Annual Grazing Agreements may be issued, who is responsible for the maintenance of water facilities and the level of pasture management needed to provide for travelling stock.

2.1 Reclassification versus rationalisation

Reform 5:

(a) All declared stock routes are retained in their current form and reclassified to ensure the foreseeable needs of the pastoral industry are met.

2.2 Active and inactive stock routes

Reform 6:

¹ Version 2 July 2004 published under section 9 of the *Land Protection (Pest and Stock Route Management) Regulation 2003*

Recommended criteria for stock routes to be reclassified as active are those which (one or more criteria must be satisfied to justify an active classification):

- provide access to major pastoral destinations i.e. breeding and fattening districts, saleyards, rail heads etc;
- maintain connectivity – state-wide and interstate;
- support the management of a walking stock corridor by providing suitable land types, topography, route width and maximising public safety;
- have a demonstrated history of use since the year 2000 of 3,000 head in a five year period (averaged over good and bad seasons); and
- provide alternate routes where ‘bottlenecks’ occur.

Active stock routes will:

- have water facilities that must be maintained or improved by local government, noting DERM will pool stock route permit fee collections to distribute to local government maintenance projects on a strategic basis;
- have a more active pasture management regime; and
- allow for some managed static grazing only.

2.3 Reclassification process

Reform 7:

- (a) All existing stock routes are reclassified into the category of active or inactive according to established criteria and a process of public consultation.
- (b) Roads not declared as stock routes may be proposed for active stock route status should sufficient justification be provided in line with the established criteria,.
- (c) A new version of the map titled Stock Route Network of Queensland is produced to display the resultant network.

Reform 8:

- (a) On an ongoing basis:
 - the SRAP provide the current stock route network mapping to local governments, seeking submissions on a proposed active/inactive network;
 - each local government coordinate, through their stock route network management plan working groups, public submissions for their areas. This process is to tie in with existing annual local government reviews of stock route network management plans. Those local governments not required to have a plan must coordinate public submissions for their areas;
 - the SRAP considers local government submissions, including all public submissions, collated and submitted by the local governments, against the criteria detailed in Reform 6, prepare a draft State map and advertise for final public comment;
 - the SRAP makes final recommendations to the Minister on the proposed active/inactive network map;
 - DERM publish an updated version of the map titled Stock Route Network of Queensland, with amendments taking effect by a nominated date.

3. Stock route fees and permits

This section of the action plan focuses on reinforcing the network’s primary purpose as being for travelling stock. It recognises changing usage of the network, while affording priority to travelling stock and providing a better management framework for local government to operate within, including an equitable, contemporary fee structure.

3.1 Travel

It is recognised that the walking of stock for feed rather than transport is occurring. The following reforms seek to provide a permitting and fee structure to allow this, while ensuring genuine travelling stock is afforded priority. This section also includes actions to promote voluntary compliance and to assist local governments to manage stock routes for travelling stock.

3.1.1 Stock route travel permits

Reform 9:

(a) Two distinct stock route travel permits are provided for in legislation:

- travel permits – where the rate of travel is 10km/day
- slow travel permits – where the rate of travel is 5km/day

(b) Priority is given to applications for travel permits over slow travel permits – slow travel permits may only be issued where pasture and other resources are in supply surplus to the requirements of travelling stock that may wish to use them in the foreseeable future.

(c) Applications for travel and slow travel permits are to be assessed by local government on a first come first serve basis i.e. sufficient pasture must be set aside for the travel and any subsequent applications denied if pasture excess to the requirements of previously granted approvals is not available. Reform 9 (b) prevails, whereby applications for travel permits must always receive priority over applications for slow travel permits, regardless of when applications are received. If there are multiple slow travel permit applications and no travel permit applications, the slow travel permit applications are assessed in the chronological order they are received.

(d) A public notification system for stock route availability is to be developed by DERM prior to the commencement of new stock route network management legislation. The system will notify users of routes that are open or closed to use, based on the presence of adequate pasture, water and the satisfaction of other statutory and non-statutory permitting criteria. The system will also display information on stock routes that are open, subject to conditions. Local government will be able to change the status of a stock route by forwarding a request together with justification to DERM, the system administrator.

(e) Slow travel permits may only be issued by local government when the public notification system for stock route availability demonstrates a stock route is open for slow travel and when the local government's stock route network management plan allows it.

(f) For applications made in advance of more than one month, local governments may choose to issue a conditional approval to the applicant.

(g) Conditional approvals take priority over subsequent travel applications, notwithstanding Proposals 9(b) and (c).

(h) Local government must reassess the conditional approval not more than one month ahead of the travelling mob's scheduled arrival.

(i) DERM regional stock route officers are to take on an interim role of arranging for the necessary local government decisions on travel applications for journeys spanning more than two local government areas. This role to be reviewed once proposed new legislation is 'bedded down'.

(j) Applicants may still apply to local governments individually for multi-shire journeys.

(k) Provision is included in legislation generally prohibiting travelling stock from retracing their steps within a 28 day period, with discretion afforded to local government in its permitting powers. Provision should be made for reasonable excuses in legislation, with examples provided, including travelling stock forced to turn around for reasons beyond their control.

(l) Mustering notices provision changed to allow local government stock route officers to require mustering of travelling stock to audit compliance with permit conditions without notice.

(m) Existing legislative provisions regarding the seizure of stock by local government stock route officers are strengthened. Current powers allow stock to be seized when straying on to the network, but not for other offences such as travelling without a permit. Seizure powers are to apply to such offences.

3.1.2 Stock route travel fees

Reform 10:

(a) The stock route travel permit fee framework as described in Appendix 1 is prescribed by Regulation.

(b) Permittees must pay each local government the required permit fee (and penalty rate if any) upon exiting each local government area.

(c) An application fee of \$20 is prescribed in Regulation for travel permits and slow travel permits. The fee is payable regardless of whether an application is successful.

(d) Local government retains 75% of fees collected for travel and slow travel permits and remits the balance to

DERM (local government retains 100% of the application fee).

(e) Stock route travel permit fees (including application fees) are reviewed by the SRAP in aiming for cost neutral management.

(f) The effectiveness of the recommended framework of stock route travel permit fees and penalty rates in delivering enhanced stock route network management is reviewed by the SRAP in its ongoing capacity.

(g) CPI increases are annually applied to stock route travel and slow travel permit and application fees.

3.1.3 Timeframes

Reform 11:

(a) Applications for travel and slow travel permits must be received by the local government *at least* five business days before the intended arrival of the travelling mob, for the application to be eligible for assessment.

(b) Local governments must provide a decision to an applicant within five business days of the receipt of an application.

3.2 Agistment

Traditionally agistment permits have been available for drought relief grazing on the network for periods of up to two months. In recognition of the network's primary purpose being to provide for travelling stock and its other inherent values, this type of usage is to be restricted. The network comprises approximately 2% of Queensland's land mass and cannot physically support the State's herd in times of drought and provide for travelling stock.

3.2.1 Emergency agistment permits

Reform 12:

(a) Provision is made in legislation for short-term emergency agistment permits, issued by local governments, to replace existing stock route agistment permits.

(b) Short-term agistment permits may be issued for emergency purposes only – not for drought. Emergency purposes include acts of God, other than drought and will also provide some discretion for local government to determine the emergent nature of given situations.

(c) Emergency agistment permits may be issued for a maximum of 28 days on the inactive network.

(d) Emergency agistment permits may be issued for a maximum of 14 days on the active network.

(e) Emergency agistment permits may be issued for shorter periods than those described in Reforms 12 (c) and (d) at the discretion of local government, including provisions for the management of unfit stock, and as natural resources (i.e. pasture and water) allow.

(f) One emergency agistment permit only may be issued in a three month period to a particular applicant or to a particular mob of stock, except in the case of unfit stock.

(g) Emergency agistment permits may be issued to travelling stock on an as needs basis if they are deemed to be unfit to travel. Independent veterinary certification may be requested by the local government as a condition of issue.

3.2.2 Emergency agistment permit fees

Reform 13:

(a) Existing regulatory agistment fees are increased over the current range to reflect management costs and to provide a maximum fee of market price.

(b) The fee range for emergency agistment permits for cattle and other large stock is increased to between \$1.00 - \$5.00 per head per week in Regulation.

(c) The fee range for emergency agistment permits for sheep and other small stock is increased to between \$0.20 - \$1.00 per head per week in Regulation.

- (d) The current fee setting criteria prescribed in the *Land Protection (Pest and Stock Route Management) Regulation 2003* are to be retained.
- (e) An application fee of \$20 is prescribed in Regulation for emergency agistment permits. The fee is payable regardless of whether an application is successful.
- (f) Local government retains 75% of fees collected for emergency agistment permits and remits the balance to DERM (local government retains 100% of the application fee).
- (g) The fees for emergency agistment permits (including application fees) are reviewed by the SRAP in its ongoing capacity to reflect the level of benefit gained and in achieving cost-neutral local government management.
- (h) CPI is annually applied to stock route emergency agistment permits and application fees.
- (i) Emergency agistment permit fees are not payable for travelling stock mentioned in Reform 12 (g). The daily fee applicable to the type of travel permit mentioned in Reform 9 (a) continues to apply for each day the stock are depastured under an emergency agistment permit.

3.3 Annual grazing agreements

Annual grazing agreements (AGAs) are the mechanism to be introduced to regulate managed static grazing on parts of the stock route network and other relevant lands, which may include reserves, roads and unallocated State land. Static grazing on the network is currently widespread, either through permits to occupy, because much of the network is unfenced, or through unauthorised grazing. The AGA system aims to ensure uniform administration of this activity via an equitable user pays system.

In summarising the reforms, AGAs will be available on fenced, inactive parts of the network. They will automatically be declared over unfenced parts of the network – both active and inactive. Existing permits to occupy will transfer to AGAs. Those permits issued over fenced, active parts of the network will also transfer to AGAs, but be terminated five years following commencement of the proposed legislation. The ultimate aim is to have no static grazing on the fenced, active network. Short-term grazing agreements may be issued on fenced, active parts of the network to manage pasture in excess of the needs of travelling stock.

3.3.1 Annual grazing agreements

Reform 14:

- (a) Current legislative permitting provisions are broadened to provide local government with authority to permit managed static grazing on the network and other relevant lands through issue of Annual Grazing Agreements (AGAs).
- (b) AGAs may be issued by local government, upon receipt of application, on the fenced, inactive network for the purposes of grazing only.
- (c) Adjoining owners of fenced inactive parts of the network are offered priority for AGAs. If landowners refuse, AGAs may be open to others (by tender process if multiple applications received).
- (d) Explicit definitions of 'fenced' and 'unfenced' are provided in legislation to remove any doubt as to the application of AGAs. Namely, fenced is defined as, "maintained, stock-proof fencing – can be open-ended or enclosed with gates and grids"; unfenced is defined as, "not capable of containing stock". Conditions of AGAs shall be such that existing fencing must be maintained and not let fall into disrepair. Local government must ensure existing fencing is not allowed to fall into a state of disrepair, or be removed, during or after the AGA implementation period. Permits to occupy, conditioned with requirements to fence, that transfer to AGAs must be fenced. Permits to occupy that do not stipulate a requirement to be fenced may transfer to AGAs without being fenced.
- (e) Shorter-term Grazing Agreements be provided for in legislation for local government to permit the agistment of droughted stock on fenced, inactive parts of the network and other relevant lands, where an AGA has not been issued, for periods not less than three months.
- (f) Shorter-term Grazing Agreements may only be granted on active parts of the stock route network, for periods of not greater than three months, for the purposes of managing excess pasture.
- (g) No AGAs may be granted on fenced, active parts of the network unless there is a record of a previous permit to occupy issued under the Land Act (see Section 3.3.3). No new permits to occupy will be issued under the Land Act over areas of the fenced active network. Where an AGA is issued in replacement of a permit, the AGA will terminate after five years. There will be no static grazing allowed under AGA or permit on the fenced, active network, five years after commencement of the proposed new legislation.

- (h) Severe penalties, such as those currently prescribed for allowing stock to stray onto the network (maximum 400 penalty units - \$30,000), are prescribed in legislation for grazing the stock route network without an AGA. The use of Penalty Infringement Notices is provided for, if suitable for the level of offence.
- (i) Local government may choose not to renew AGAs when reviewed or at the expiration of their term should conditions be breached or it be determined the requirements of travelling stock and the static grazing stock cannot be sustained.
- (j) Local government may cancel AGAs prior to the end of their term if serious or continued breaches of conditions occur, with two week's notice (written) to the AGA holder.
- (k) A legislative provision is introduced for the automatic declaration of AGAs over those parts of the stock route network and other relevant lands fenced in with private grazing lands, upon commencement of the new stock route network management legislation.
- (l) Local government is able to require unfenced AGA areas to be fenced out at full cost to the landholder, as per current legislative arrangements, should the landholder refuse to enter into an AGA, or should the local government believe the part of the network requires fencing to enable management of pasture on the network for travelling stock. The provision is intended for cases where mismanagement by the landholder adjoining the part of the network is detrimental to the land condition of the network and the management of travelling stock.
- (m) All AGAs on active parts of the stock route network, both fenced and unfenced, must have a management plan in place in the approved form to demonstrate how adequate residual pasture levels will be maintained for travelling stock.
- (n) Management plans must be negotiated between landholders and local government, with templates developed by DERM. Plans will take the form of standard use conditions, with provision for mandatory information on preserving residual pasture levels for travelling stock on the AGA area. Plans must also be consistent with the relevant local government area stock route network management plan.
- (o) Shorter-term Grazing Agreements are not subject to a management plan, but are subject to standard conditions, including information on preserving residual pasture levels for travelling stock, relevant to the AGA area.
- (p) AGA management plans must be in place and approved within the AGA implementation period, to coincide with Reforms 15(d) and 16(a).
- (q) Travelling stock is to be granted priority access rights on both inactive and active parts of the network, including where an AGA has been issued.
- (r) Local government may issue AGAs over reserves for travelling stock on a case by case basis, only after consideration of the requirements of travelling stock. An AGA must not be issued if travelling stock will be impeded. Existing term leases held over reserves for travelling stock will not be renewed upon reaching the end of their current term and may be replaced by an AGA, only after consideration of the requirements of travelling stock.
- (s) Landholders adjoining fenced reserves do not necessarily receive priority for AGAs. Local governments must follow a performance-based process that captures commercial principles and ensures the reserve is used and managed in keeping with its gazetted purpose. A compliant history of use by an adjoining landholder may be a consideration for priority issue of AGAs by local governments.

3.3.2 Annual grazing agreement fees

Reform 15:

- (a) AGAs must be issued for grazing on the network where the fee calculated per annum is \$100 or more.
- (b) Potential AGAs with a fee calculated at less than \$100 should be encouraged, however the minimum fee of \$100 per annum will apply to reflect local government administration and management costs.
- (c) Where there is more than one potential AGA relevant to an adjoining property, the fees for each must be calculated separately, unless the potential AGA areas are contiguous.
- (d) A one-year moratorium is prescribed on local government collecting AGA fees, from the commencement of new stock route network management legislation, to allow for the identification, notification and implementation of the AGA system.
- (e) The AGA fee calculation formula as described in Appendix 2 is prescribed by Regulation.
- (f) Local government retain the majority of AGA fees collected, with the remainder remitted to DERM for the compliance fund and other implementation costs (see Reform 17(a)).
- (g) AGA fees are reviewed by the SRAP in its ongoing capacity to reflect the level of benefit gained and in

achieving cost-neutral local government management.

(h) CPI is annually applied to AGA fees.

3.3.3 Permits to occupy

Reform 16:

(a) Existing permits to occupy are transferred to AGAs within the AGA implementation period, following which time, AGA fees are applicable (see Reform 15(e)).

(b) Approved management plans (see Reform 14(m) and (n)) must be in place before permits to occupy may be transferred to the AGA framework.

(c) Permits to occupy may be cancelled by DERM should the permittee, with sufficient notice, fail to have an approved management plan in place, as per Reform 16 (b), within the AGA implementation period.

(d) Local government may choose not to renew AGAs that have been created from permits to occupy should conditions be breached or it be determined the requirements of both travelling stock and the static grazing stock cannot be sustained.

3.3.4 Implementation

Reform 17:

(a) A percentage of AGA fees collected by local government are pooled by DERM to establish and maintain a compliance fund for resolution of breaches relating to abuse of the AGA system and to fund other implementation costs.

(b) The compliance fund may be accessed by local governments and used to resource enforcement of the provisions of the AGA framework.

(c) Local governments may outsource enforcement of AGA provisions to other local governments' local laws or compliance officers where necessary.

(d) A reporting framework is to be established whereby non-compliance with AGA provisions may be reported to the relevant local government. The local government is afforded a statutory timeframe in which to investigate and resolve the report.

(e) Should the report mentioned in Reform 17(d) not be resolved to the satisfaction of the complainant, an appeal may be lodged with DERM to review the report and the course of action taken by the local government.

(f) The SRAP review on an ongoing basis the percentage of AGA fees required to be remitted by local government.

(g) DERM establishes the compliance fund in the one-year moratorium period imposed on the collection of AGA fees (see Reform 15(d)).

(h) Funds mentioned in Reform 15(g) may be accessed by local governments to ensure the parts of the stock route network and other relevant lands in their areas eligible for AGAs have no outstanding compliance issues that may prevent the successful implementation of the AGA framework on those lands (illegal grazing for example).

(i) DERM commits resources to assist local government with the implementation of the AGA framework. The resources are in addition to the three positions created as a result of the approved LPC recommendations.

3.4 Harvesting pasture

Current legislation is silent on harvesting pasture on the stock route network. The following section aims to regulate this activity to situations that will not be contrary to other entitlements or that will harm land condition. The following reforms also provide for local governments to set and collect fees for harvesting.

3.4.1 Harvesting permits

Reform 18:

(a) Provision is to be made in legislation for local government to issue harvesting permits.

(b) Local governments may issue pasture harvesting permits on the inactive network only if pasture is surplus to the requirements of travelling stock and if the harvesting is not to the detriment of the condition of the land or contrary to other legislation (i.e. a harvesting permit must not be granted over part of the network containing a protected plant species).

(c) A harvesting permit may not be granted over part of the network where an AGA is in place.

3.4.2 Harvesting permit fees

Reform 19:

(a) Local government is afforded discretion in setting fees attached to statutory harvesting permits.

(b) Local government retain 100% of fees collected from harvesting permits.

4. Stock route water infrastructure

The following reforms are intended to ensure those stock route water facilities required for use by travelling stock are retained and maintained. They also seek to implement strategies for those water facilities not currently needed by travelling stock to be managed in a way to reduce costs to local and State governments.

4.1 Ownership

Reform 20:

(a) Ownership of stock route water facility assets located on the active stock route network remain vested with DERM at present.

4.2 Asset management

Reform 21:

(a) The legislative requirement on local government to maintain stock route water facilities on the eventual inactive stock route network (see Reforms 5 – 8 regarding the active/inactive network) is removed.

(b) Local government continue to have a legislative responsibility to maintain stock route water facilities on the active stock route network, while DERM will continue to assist with major asset replacement.

(c) Stock route water facility assets on the inactive stock route network be managed in a way to reduce costs to the asset owners and managers, with options including, but not limited to:

- assets are offered to local governments where they may be used for AGAs, or some other commercial or community purpose;
- assets or their components may be used by local government to maintain or improve assets on the active network;
- assets maintained under water agreement with the landholder performing all maintenance;
- calling for expressions of interest from the public for removing or obtaining control of assets.

(d) Local government retain 100% of water agreement fees from agreements over stock route facilities located on the inactive network.

(e) Local government retain 75% of water agreement fees from agreements over stock route facilities located on the active network and remit the balance to DERM.

5. Other items

The community has sent a clear message that it places great significance on the network's biodiversity, cultural heritage and recreation values. The following reforms seek to add strength to current arrangements to protect these values by ensuring sound management of the network generally.

5.2 Environmental and other values

Reform 22:

- (a) DERM performs ongoing assessments of the stock route network using the Delbessie Agreement land condition methodology to monitor the overall health of the network's natural resource values.
- (b) DERM undertake an ongoing schedule of audits of land held under Annual Grazing Agreements using the Delbessie Agreement land condition methodology. The frequency of inspections of particular AGAs may be dictated by complaints about the management of the AGA, local seasonal conditions and increased demand for pasture by travelling stock.
- (c) Provision is made in stock route network management legislation for significant area status to be declared over parts of the network deemed to have significant biodiversity or cultural heritage value. Management principles are included in legislation that ensure ongoing access for travelling stock but may limit or prevent AGAs, slow-travel permits, building of water facilities, harvesting pasture and agisting or camping of stock depending on the nature of the site and the level of protection required. Statutory local government stock route network management plans may demonstrate more targeted management strategies for individual sites. It is proposed to adjust the underpinning legislative stock route network management principles to enshrine the biodiversity and cultural heritage values of the network as a whole in legislation.
- (d) With regard to Reform 22 (c), sites may be nominated for declaration by the community through the review provisions for local government stock route network management plans. The Stock Route Assessment Panel is used to assess sites for suitability and to make recommendations to the Minister for Natural Resources, Mines & Energy and Minister for Trade.
- (e) DERM to continue to work with regional NRM groups and others in identifying biodiversity hot spots on the stock route network and ensuring their management and where necessary protection, taking into consideration the needs of travelling stock.
- (f) Provision is made for local governments to implement strategies in their stock route network management plans to manage pasture to ensure it is available for travelling stock and to maintain or enhance land condition.

5.3 Stock route assessment panel (SRAP)

Reform 23:

- (a) The SRAP to continue to provide advice to the Minister for the reclassification of stock routes, review of stock route fees and permits, declaration of significant sites and other matters affecting the management of the network as required by the Minister.
- (b) Additional members are added to the SRAP to represent environmental and cultural heritage values and interests.
- (c) As a matter of priority, the SRAP will seek local government cost neutrality through reviews of fees. The long-term aim of the SRAP is to achieve cost-neutral management of the network for both local and State governments. The SRAP will therefore review fee amounts and the level of retention between local and State governments in working towards this aim. It has been mentioned in the travel, agistment and AGA fees sections (3.1.2, 3.2.2 and 3.3.2) of this plan that the SRAP will review fees in aiming to achieve cost-neutral local government management.

Appendix 1

Proposed Stock Route Travel Fees

Large stock (cattle)

Current Regulatory fees for large stock equate to 1 cent per head per day, based on 10km of travel per day.

Under the proposal, both 10km/day and 5km/day permits will be available, subject to criteria.

- The standard rate for 10km permits is 5c per head per day
- The standard rate for 5km permits is 10c per head per day

A '10%' rule will apply to all permits (regardless of whether a stock route is shown as closed to 5km travel permits on the proposed Stock Route Public Notification System), which allows permittees 1 day's extra travel at an increased fee rate, over their allotted days at the required travel rate, for each 10 days or part thereof. The allowable extra travel days will be charged at double the standard fee rate for the permit type. Should a journey exceed the allotted travel days and the allowable extra travel days, additional days will be charged at the penalty rate of \$1 per head per day. (Extenuating circumstances whereby local government may apply discretion to the application of penalty rates will apply).

10km permits

For a 100km journey:

Days taken to complete journey	Days charged at standard 5c rate	Days charged at increased 10c rate	Days charged at \$1/hd/day penalty rate	Total fee for 1,000 head
10	10	0	0	\$500
11	10	1	0	\$600
12	10	1	1	\$1,600
15	10	1	4	\$4,600

For a 150 km journey:

Days taken to complete journey	Days charged at standard 5c rate	Days charged at increased 10c rate	Days charged at \$1/hd/day penalty rate	Total fee for 1,000 head
15	15	0	0	\$750
16	15	1	0	\$850
17	15	2	0	\$950
20	15	2	3	\$3,950

For a 220km journey:

Days taken to complete journey	Days charged at standard 5c rate	Days charged at increased 10c rate	Days charged at \$1/hd/day penalty rate	Total fee for 1,000 head
--------------------------------	----------------------------------	------------------------------------	---	--------------------------

22	22	0	0	\$1,100
23	22	1	0	\$1,200
24	22	2	0	\$1,300
27	22	3	2	\$3,400

For a 75km journey:

Days taken to complete journey	Days charged at standard 5c rate	Days charged at increased 10c rate	Days charged at \$1/hd/day penalty rate	Total fee for 1,000 head
8	8	0	0	\$400
9	8	1	0	\$500
10	8	1	1	\$1,500
13	8	1	4	\$4,500

5km permits

For a 100km journey:

Days taken to complete journey	Days charged at standard 10c rate	Days charged at increased 20c rate	Days charged at \$1/hd/day penalty rate	Total fee for 1,000 head
20	20	0	0	\$2,000
22	20	2	0	\$2,400
23	20	2	1	\$3,400
25	20	2	3	\$5,400

For a 150 km journey:

Days taken to complete journey	Days charged at standard 10c rate	Days charged at increased 20c rate	Days charged at \$1/hd/day penalty rate	Total fee for 1,000 head
30	30	0	0	\$3,000
32	30	2	0	\$3,400
33	30	3	0	\$3,600
35	30	3	2	\$5,600

For a 220km journey:

Days taken to complete journey	Days charged at standard 10c rate	Days charged at increased 20c rate	Days charged at \$1/hd/day penalty rate	Total fee for 1,000 head
44	44	0	0	\$4,400
46	44	2	0	\$4,800
49	44	5	0	\$5,400
50	44	5	1	\$6,400

For a 75km journey:

Days taken to complete journey	Days charged at standard 10c rate	Days charged at increased 20c rate	Days charged at \$1/hd/day penalty rate	Total fee for 1,000 head
15	15	0	0	\$1,500
16	15	1	0	\$1,700
17	15	2	0	\$1,900
20	15	2	3	\$4,900

Small stock (sheep)

Regulatory travel fees for small stock currently equate to 0.2 cents per head per day, based on 10km of travel per day.

Regulatory small stock travel fees are currently 20% of the fee charged for large travelling stock. All fees for sheep are to be maintained at 20% of the recommended fee rates for cattle. That is:

- The standard rate for 10km permits is 1c per head per day
- The standard rate for 5km permits is 2c per head per day

Under the 10% rule, allowable discretionary days are charged at 2c and 4c/head/day for 10km and 5km permits respectively.

The penalty rate for exceeding the allowable discretionary days is 20 cents/head/day.

Appendix 2

Annual grazing agreements

Proposed fee calculation formula

The total fee proposed for an AGA has 2 components:

1. Rental Component

For an AGA where the landholder is adjoining.

Total unimproved valuation per hectare of the AGA holder's adjoining property multiplied by the area of the AGA. The derived unimproved valuation of the AGA is then multiplied by a percentage between 1.5% and 5% to give the rental component of the AGA

4. Rating Component

The annual rates for the adjoining AGA holder's property per hectare multiplied by the area of the AGA gives the rating component of the AGA fee. This component represents the rates component currently paid on a Permit to Occupy issued under the *Land Act 1994*.

5. Total AGA Fee

The total fee for the AGA is **component 1** added to **component 2** plus GST.

Where the AGA holder is not the adjoining owner, the valuation of the property with the longest boundary adjoining the AGA is used for the calculations of **component 1** and **component 2**.

Example

AGA area (hectares)	Adjoining Lot / Plan	Adjoining Property Area (hectares)	Adjoining Property Valuation	Rates payable on Adjoining Property
173	4 / CP837210	26,955	\$1,200,000	\$3,742

Component 1

Component 1 of the fee is the valuation per hectare multiplied by the area of the AGA multiplied by the rental percentage

The valuation per hectare of the AGA holders adjoining grazing property is the unimproved valuation grazing property divided by its area. Using the figures in the above table:

Value per Ha of adjoining land

\$1 200 000 divided by 26 955Ha = \$44.52 per Ha

Value of AGA area

173 Ha multiplied by \$44.52 per Ha = \$7701.96

Rental component

\$7701.96 multiplied by 1.5%= **\$115.53**

Component 2

Component 2 is the average rates per hectare for the adjoining property multiplied by the area of the AGA.

Average rates per hectare of adjoining land

\$3742 divided by 26 955 Ha= \$0.14 per hectare

Rates component

\$0.139 per Ha multiplied by 173 Ha= **\$24.22**

Total Annual Fee is the component 1 fee added to the component 2 fee, plus GST

\$115.53 added to \$24.22= \$139.75 plus GST = **\$153.73**

