

The Hon Cameron Dick MP  
Treasurer

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Dear Treasurer Dick,

## **2024–25 Queensland Budget submission**

### ***Land tax exemptions: a critical policy reform for private land conservation***

My name is Dr Jody Gunn and I write to you as the CEO of the Australian Land Conservation Alliance (ALCA), Australia's peak body for private land conservation and restoration organisations.

Biodiversity loss and climate change are two of our planet's biggest challenges. Whilst making the urgent and necessary transition to renewable energy, the opportunity to shape the future outcomes for biodiversity – upon which approximately half of the Australian economy is either moderately or highly dependent<sup>1</sup> – is unparalleled.

Approximately 60% of Australia is privately managed. Delivering landscape-scale outcomes for biodiversity requires the integration of conservation upon private land, especially in productive landscapes where private land ownership dominates.

ALCA's 17 member organisations engage in on-ground conservation and restoration at scale, either through direct ownership and management of protected areas, and/or by working with landholders – including Aboriginal and Torres Strait Islander peoples, farmers, and businesses – to protect, manage and restore their land for biodiversity.

### **Context: the accelerating nature crisis**

Whilst Australia's nature crisis is less well-known than the parallel, interconnected, climate crisis, it is just as serious for our society and economy. According to the World Economic Forum:

*"Humanity has already wiped out 83% of wild mammals and half of all plants and severely altered three-quarters of ice-free land and two-thirds of marine environments. One million species are at risk of extinction in the coming decades – a rate tens to hundreds of times higher than the average over the past 10 million years...."*

*Human societies and economies rely on biodiversity in fundamental ways. ...over half the world's total GDP – is moderately or highly dependent on nature and its services."*<sup>2</sup>

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<sup>1</sup> Australian Conservation Foundation, *The nature-based economy: How Australia's prosperity depends on nature*, September 2022; <https://www.acf.org.au/how-australias-prosperity-depends-on-nature>

<sup>2</sup> See: World Economic Forum, *Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy*, January 2020; <https://www.weforum.org/reports/the-global-risks-report-2020>

Using the same methodology, **approximately half of Australia's GDP has also been demonstrated as having a moderate to very high dependence on nature**<sup>3</sup>.

The scale and devastation that the unfolding nature crisis will have upon our collective wellbeing will dwarf all but the very biggest issues facing our nation and will rival them in importance. As per the British Government's Dasgupta Review:

*"We are facing a global crisis. We are totally dependent upon the natural world. It supplies us with every oxygen-laden breath we take and every mouthful of food we eat. But we are currently damaging it so profoundly that many of its natural systems are now on the verge of breakdown."*<sup>4</sup>

Indeed, in 2021, scientists confirmed Australia's trajectory towards the collapse of ecosystems<sup>5</sup> and we have seen the largest documented decline of biodiversity than any other continent in the world<sup>6</sup>. The 2021 State of the Environment Report (released in July 2022) further confirmed that climate change was but one of several key pressures causing the accelerating decline of our environment:

*"Overall, the state and trend of the environment of Australia are poor and deteriorating as a result of increasing pressures from climate change, habitat loss, invasive species, pollution and resource extraction. Changing environmental conditions mean that many species and ecosystems are increasingly threatened. Multiple pressures create cumulative impacts that amplify threats to our environment, and abrupt changes in ecological systems have been recorded in the past 5 years..."*

*Our inability to adequately manage pressures will continue to result in species extinctions and deteriorating ecosystem condition, which are reducing the environmental capital on which current and future economies depend. Social, environmental and economic impacts are already apparent."*<sup>7</sup>

As underlined by the 2021 State of Environment Report, habitat loss and resource extraction – driven by land use change – are serious concerns for the ongoing viability of Australia's biodiversity. Repeated adverse decisions on habitat and native vegetation clearance may appear reasonable on marginal analysis, but this fails to capture the State of Environment Report's conclusion that Australia's nature is suffering badly from cumulative impacts, and to our great social, environmental, and economic peril.

## **Land tax exemptions: a critical policy reform for private land conservation**

**Queensland is now the only Australian State that continues to levy land tax upon land under a conservation covenant** (i.e. a nature refuge or special wildlife reserve).

A nature refuge is "a voluntary agreement between a landholder and the Minister to conserve the significant natural and cultural values of privately managed land... For landholders, particularly generational farmers... a nature refuge offers a powerful living legacy as a

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<sup>3</sup> See: Australian Conservation Foundation, *The nature-based economy: How Australia's prosperity depends on nature*, September 2022; <https://www.acf.org.au/how-australias-prosperity-depends-on-nature>

<sup>4</sup> See: p1, Dasgupta, P. *The Economics of Biodiversity: The Dasgupta Review*, HM Treasury, Government of the United Kingdom; <https://www.gov.uk/government/publications/final-report-the-economics-of-biodiversity-the-dasgupta-review>

<sup>5</sup> See: Bergstrom et. al, 'Combating ecosystem collapse from the tropics to the Antarctic', *Global Change Biology*, 2021; <https://onlinelibrary.wiley.com/doi/10.1111/gcb.15539>

<sup>6</sup> See: DCCEEW; <https://www.dcceew.gov.au/environment/biodiversity/conservation>

<sup>7</sup> See: <https://soe.dcceew.gov.au/overview/key-findings>

*testament to their commitment and investment.*<sup>8</sup> Placing a conservation covenant upon private land is a significant and active step for a landholder seeking to contribute to the public environmental good by helping to conserve Australia's remaining biodiversity.

In other jurisdictions, the recognition of the substantial public benefit from biodiversity conservation on private land is recognised by ensuring landholders with conservation covenants do not face a land tax penalty for these conservation efforts.

Until recently, Victoria was the only other State still to levy land tax upon conservation covenanted land. Prior to their own land tax reforms, the Victorian Government noted that:

*"...there are limited tax and other financial incentives available to landholders entering into covenants under the Victorian Conservation Trust Act 1972. Covenanted land is generally subject to municipal rates and land tax. **This poses a substantial disincentive to protect and conserve natural capital.** In contrast primary production land is exempt from land tax."*<sup>9</sup>

Indeed, in Queensland too, if all or part of your land is used solely for the business of primary production, you are eligible for a primary production exemption<sup>10</sup>. This creates a particular disincentive to place a conservation covenant over land being used for primary production as it can affect a landholder's access to that land tax exemption.

It should be noted that ALCA member organisations are ordinarily able to avail themselves of the charitable institution exemption from land tax. However, individual landowners with conservation covenants are not so fortunate, as they are not entitled to any exemption unless they can argue that the land forms part of their home (and thus entitles them to the home exemption from land tax).

**Queensland's lack of an exemption for conservation covenants from land tax is a major disincentive to the wider uptake of private land conservation within the state.**

Removal of this land tax disincentive would:

- align with objectives of the Queensland Government's *Conserving Nature — a Biodiversity Conservation Strategy for Queensland*<sup>11</sup> to remove disincentives for private land conservation;
- help to achieve the 17% target for terrestrial protected area coverage in *Queensland's Protected Area Strategy 2020-2030*<sup>12</sup>;
- help expand the Queensland Government's Private Protected Areas Program and its positive impacts;

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<sup>8</sup> Queensland Department of Environment and Science, <https://www.qld.gov.au/environment/parks/protected-areas/private/program>

<sup>9</sup> p342, *Inquiry into ecosystem decline in Victoria*, Vol. 1, Environment and Planning Committee, Legislative Council, Parliament of Victoria, December 2021; [https://www.parliament.vic.gov.au/file\\_uploads/LCEPC\\_59-05\\_Ecosystem\\_decline\\_in\\_Vic\\_Y9rT7Z1v.pdf](https://www.parliament.vic.gov.au/file_uploads/LCEPC_59-05_Ecosystem_decline_in_Vic_Y9rT7Z1v.pdf)

<sup>10</sup> 'Land used for primary production', Public Ruling LTA053.1.3; <https://qro.qld.gov.au/resource/lta053-1/>

<sup>11</sup> As reiterated in correspondence with the Minister for Environment and the Great Barrier Reef, the Hon Leanne Linard MP, 18 September 2023

<sup>12</sup> *Queensland's Protected Area Strategy 2020-2030*; [https://parks.des.qld.gov.au/data/assets/pdf\\_file/0016/212524/qld-protected-area-strategy-2020-30.pdf](https://parks.des.qld.gov.au/data/assets/pdf_file/0016/212524/qld-protected-area-strategy-2020-30.pdf)

- respond directly to the Queensland Government’s Environment Ministers Meeting commitment “*to identify incentives to increase private land conservation*”<sup>13</sup>; and
- respond directly to the Queensland Government’s Environment Ministers Meeting commitment “*to work collectively to achieve a national target to protect and conserve 30% of Australia’s landmass... by 2030*”<sup>14</sup>.

Noting the alternative exemptions that some landholders with conservation covenants can sometimes access, the other significant benefit of applying a blanket exemption from land tax for conservation covenants would be the greater simplicity it would create for landholders.

**We therefore kindly request the Queensland Government to remove land tax upon conservation covenants in its forthcoming FY24-25 Budget in support of Australia’s biodiversity and in alignment with all other Australian States.**

**Australian Land Conservation Alliance**

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<sup>13</sup> Environment Ministers Meeting Communique, 21 October 2022;  
<https://www.dcceew.gov.au/sites/default/files/documents/emm-communique-21-oct-2022.pdf>

<sup>14</sup> Ibid.

## About the Australian Land Conservation Alliance

The Australian Land Conservation Alliance is the peak national body representing organisations that work to conserve, manage, and restore nature on privately managed land. We represent our members and supporters to grow the impact, capacity, and influence of private land conservation to achieve a healthy and resilient Australia. Our seventeen members are:

- Arid Recovery
- Australian Wildlife Conservancy
- Biodiversity Conservation Trust NSW
- Bush Heritage Australia
- EcoGipps
- GreenCollar
- Greening Australia
- Landcare Australia
- Nature Foundation
- NRM Regions Australia
- Odonata
- Queensland Trust for Nature
- South Endeavour Trust
- Tasmanian Land Conservancy
- The Nature Conservancy Australia
- Trust for Nature (Victoria)
- World Wildlife Fund - Australia

ALCA member land conservation efforts have influenced over 3 million square kilometres with more than 4,000 landholders. We have over 70,000 supporters and our combined annual turnover exceeds \$325 million. Together ALCA and its members address some of the most pressing conservation issues across the country, including restoring endangered ecosystems, building the protected area estate, tackling invasive species, expanding private conservation finance, and funding and using nature-based solutions to tackle climate change.

Through their active land management, ALCA member organisations are deeply embedded in rural communities and economies, providing jobs, securing significant regional investment, and safeguarding remaining native habitat, with its many positive spill-over effects for community, wellbeing, and food security. We seek to demonstrate the role and value of private land conservation as a cornerstone of the Australian economy.

Some ALCA members are statutory entities; the views expressed in this submission do not necessarily represent the views of the Government administering those statutory entities.