

AGRICULTURE AND RELATED RESOURCES PROTECTION AMENDMENT BILL 2005

Second Reading

Resumed from 20 September 2005.

HON BRUCE DONALDSON (Agricultural) [8.33 pm]: The opposition supports this bill, which amends the Agriculture and Related Resources Protection Act 1976. I said to the Leader of the House today that it is one of those bills that could have been expedited a long time ago. This is not a contentious bill by any means, and it is a bill that the pastoral industry supports, which is an important facet.

The act provides for the imposition of an annual rate on all lands held under pastoral lease. At the moment there are five zones in the pastoral areas of Western Australia. The Agriculture Protection Board determines the rates, with the approval of the minister. Funds raised by any rate imposed are applied to the cost of controlling declared plants and animals on, and in relation to, pastoral leasehold lands. The word “general” in “general rates” is being amended. The general rates are set under section 60 of the act, with different rates able to be set for pastoral land within the Kimberley and for that outside the Kimberley. Under section 65, rates imposed under section 60 are matched dollar for dollar from the consolidated fund. The act provides for the division of the state into zones. Under section 61, further zonal rates can be imposed. The word “zonal” will be deleted. Any rates imposed under section 61 are not matched by government funds.

It is important to understand the Agriculture Protection Board and the zonal control authorities. Western Australia has 20 ZCAs, five of which are in pastoral areas of the Pilbara, the Kimberley, Carnarvon, Meekatharra and Kalgoorlie. The role of a ZCA is to monitor service delivery throughout the zone for the management of declared plants and animals, and report to the APB. The ZCA advises the APB on issues in the zone and on policies and strategies appropriate to that zone. It also ensures that the board receives a representative snapshot of the views of stakeholders within the zone. It helps raise the awareness of stakeholders within the zone of agriculture protection and biosecurity issues. It advises the board on the formulation of declared plant and animal control fund budgets in pastoral zones. There is, therefore, quite a linkage on the ground with the eyes and ears of the pastoralists who are able to give that advice to the APB, which in turn gives the advice to the minister. The minister will then set that out in the *Government Gazette* prior to 30 June.

Under section 60, for land south of the Kimberley zone, the general rate must not exceed 8c in the dollar of its unimproved value. For land within the Kimberley, the general rate must either equal that set for land south of the Kimberley or be set so as to raise one-third of the total rate revenue across all pastoral land, whichever is the lesser. The way in which it was set had quite an impact on the zones, their autonomy and their control of their own destiny. The amendment bill will increase the amount from 8c to 10c in the dollar of the unimproved value. If I remember correctly - the minister may correct me - the unimproved value rate is set at 20 times the maximum pastoral lease rent. I think I saw that somewhere, but I will have to check on that.

Hon Kim Chance: It escapes me entirely. You may be right. I do not have a clue. I did not know there was a linkage.

Hon BRUCE DONALDSON: I will try to find it before we finish with the bill.

Hon Kim Chance: If there is a linkage, it is not changed by this bill. I would have thought that it would be such a limit on the flexibility, it would need to be, but perhaps another honourable member will help us out when he makes his contribution.

Hon BRUCE DONALDSON: He might do. I am fortunate to have sitting next to me a former pastoralist, Hon Ken Baston, from Ella Valla Station in the Carnarvon zone. He has had first-hand experience. I look forward to his contribution.

Hon Kim Chance: He was a member of the ZCA, as I recall.

Hon BRUCE DONALDSON: He was not; he was one of those people who escaped it. I am looking forward to his contribution, because it is always great to have somebody who has been involved at the coalface to be able to add to a debate of this nature, especially when it has been well recognised that it is a very important facet.

The agriculture protection rate, as we know it, is struck annually following the Agriculture Protection Board’s consultation with the five pastoral zones. It relates to all land held under pastoral lease. It pays for the control of declared plants and animals on and in relation to pastoral lease land throughout Western Australia. The APB is responsible for recommending the quantum rate to apply. The Minister for Agriculture and Food imposes the rate by notice in the *Government Gazette* and it must be publicly gazetted no later than 30 June immediately prior to the financial year in which it is to apply. The amendment bill changes the date in the act from “1976 and each financial year thereafter” and now specifies it as being “1 July 2006”. Therefore, the rate can be imposed only as from 1 July 2006. All pastoralists’ contributions are credited to the declared plants and animals control

fund maintained by Treasury. The Office of State Revenue issues the assessment notices and collects the revenue on behalf of the APB. What used to be called the general rate contribution is matched dollar-for-dollar from the state's consolidated fund. There are other opportunities for raising revenue, which used to be called the zonal rate contribution, but that is not presently matched by the consolidated fund and it is not intended to do so through this amendment bill. It therefore gives a zonal control authority the flexibility and autonomy to say to the board that it wants to raise additional money because it has specific issues in a particular zone with additional pests or plants that need to be controlled. No doubt Hon Ken Baston will expand on that matter.

This bill will amend a very good act but one that has set up these anomalies, especially in the rates for the Kimberley and south of Kimberley and the way in which the balance between the one-third and two-thirds contributions were appropriated. The amendments in the bill will also do away with required ratios and will establish a separate rate that is matched by the state government and can be struck in each of the five pastoral zones. The unmatched rate option will be retained but it is unlikely to be used very often. The rate will also be raised from 8c to 10c in the dollar. I believe the rate of 8c has been in vogue for 30 years. In fact, I do not think that a zonal rate has been set very often for additional revenue, which is not matched -

Hon Kim Chance: Kalgoorlie certainly has.

Hon BRUCE DONALDSON: Kalgoorlie has because of its specific area.

Hon Ken Baston: But it is not matched.

Hon Kim Chance: No, it was partly matched but it was not matched under the section 60 arrangements.

Hon BRUCE DONALDSON: That is right. The minister will be able to clarify the amendments to sections 60 and 61 of the act. Rates imposed under section 60 of the act are matched dollar-for-dollar from the consolidated fund. The bill provides for the division of the state and, under the proposed amendment to section 61, further rates may be imposed in particular zones. Any rates imposed under section 61 are not matched by government funds, but it does still give -

Hon Kim Chance: No, they are not matched by right. They can be matched but they are not matched as a result of the section 60-type arrangements.

Hon BRUCE DONALDSON: That is not within the act. That would be what the minister would decide.

Hon Kim Chance: Yes, but it does not preclude matching section 61.

Hon BRUCE DONALDSON: Okay, they are not matched by right.

Hon Kim Chance: That is correct.

Hon BRUCE DONALDSON: But the minister, if he felt the need -

Hon Kim Chance: Yes, and we have done.

Hon BRUCE DONALDSON: And if the pastoralists were prepared to put up extra dollars, the minister would make that possible.

Hon Kim Chance: Particularly for the declared species groups in the eastern goldfields.

Hon BRUCE DONALDSON: Yes. This bill could have been drafted a long time ago. It really just rights the anomalies that have appeared and were picked up by the pastoralists themselves. They support this bill, and one would hope that the bill will proceed fairly quickly through this house. I am sure that the timing now is pretty important. It is not yet at a crucial stage, as there is certainly time for the bill to become an act and for the necessary processes under the Agriculture and Related Resources Protection Act 1976 to be established to allow them to commence on 1 July 2006.

I welcome the opportunity to speak on this bill, as it is always a very good thing to see people who are prepared to help themselves. I believe that it is the role of governments, when they can, to support those who are prepared to help themselves. The bill is also important in that it will give the pastoralists in those zones a sense of ownership of the legislation and heighten the sense of their own wellbeing and protection in an environment with which they work every day. It is a simple bill, but those three or four aspects are crucial to the protection of those pastoral leases and zones, and it also gives them flexibility and autonomy, which is damned important. As I said, if we could take this commonsense approach to a lot of legislation, I am sure we would not be held up by more and more red tape, as we seem to be in this day and age. I recommend the opposition's support for the bill.

HON KEN BASTON (Mining and Pastoral) [8.46 pm]: I too rise to support this amendment bill. I will quickly give a bit of history of my support for the bill. Hon Bruce Donaldson explained the bill fairly well in that the legislation will now cover two areas instead of five areas. Since 1999 the rental for a pastoral lease has been determined by the Valuer General every five years under part 7, division 6 of the Land Administration Act. In setting the rental every five years the Valuer General determines the value of the pastoral lease. Somebody

from the Valuer General's department gave evidence to a committee of which I am a member. I asked him exactly how he worked out that valuation. I must tell members that it is really no different from valuing property in the city; that is, it is based on sales evidence in the area and, of course, as property values rise, the rate goes up. However, it also flows on in that in practice the rate is based on cents in the dollar or the unimproved value of the lease. The unimproved value is determined as 20 times the annual pastoral lease rent which, of course, is set by the Valuer General's Office. However, I will tell members what used to happen, as I had a property fairly close to the coast. When there were two regions, the Kimberley and south of the Kimberley, one-third of the total rate revenue was from the Kimberley and two-thirds from south of the Kimberley. The rental of properties on the coast - that is, Carnarvon etc - were highly valued. Therefore, the vermin rate was obviously higher on those properties that did not have the vermin problem.

People in the area always pushed for the rates to not be increased because they did not want extra dollars taken out of their pockets. People further inland - in Wiluna, Meekatharra, Mt Magnet and Cue where there were dog problems - were demanding a greater rate so that they could gain more matching dollars from the government. For years this angst was created. I have never been involved in zone councils. Selfishly, I was always on the coast, so I was one of the people trying to keep that rate down.

Hon Kim Chance: While you're pausing, I didn't quite understand the linkage between the pastoral lease rate and the AP rate. That 20 times issue, I didn't quite understand that.

Hon KEN BASTON: Unimproved capital value is 20 times the annual pastoral lease rent set by the Valuer General's office.

Hon Kim Chance: So the pastoral lease rent is five per cent of the VG's valuation.

Hon KEN BASTON: I am not certain on that.

Hon Kim Chance: It is 20 times the other way around. How does that link to the AP rate? That is the determination of the pastoral lease rate.

Hon KEN BASTON: The Valuer General is supposed to arrive at a rental rate for land in good condition and for fair value.

Hon Kim Chance: That is the lease rate. But it is not the AP rate.

Hon KEN BASTON: No, the AP rate is then set. If it was raised to 8c in the dollar based on that higher unimproved capital value, that higher rate would apply to a coastal area rather than, say, a property at Mt Magnet. Obviously, they were trying to keep down the percentage on that higher rate. That restricted the APB in its determination to control weeds and vermin. This amendment bill allows for those areas to be split into five, as Hon Bruce Donaldson alluded to. People can then ascertain their own rating for each of those areas, which is more applicable to the problems they have at large, without the restrictions of towns such as Carnarvon or even the Pilbara area. It is an excellent idea - it has probably been discussed for 20 years - and has finally come about in the form of this amendment bill. I certainly commend it.

The minister also mentioned that dollar for dollar the rate can be increased, and people can rate their properties higher if they see a problem and the government may back that. From memory, extra funding went into the Leonora-Kalgoorlie area last year, and rightfully so. Further than that, the federal government has put aside funding to determine whether it is feasible to build a special purpose fence. I will not comment on that tonight. We will wait for the feasibility study.

I do not have much more to say except that I support the bill. It is an excellent idea. It should have come about years ago. People will now be able to concentrate on the problems of the APB in their area. They will also be able to raise the extra funding that they think is needed for their situation. I also think the government of the day will benefit, in the sense that it will be able to channel the funding to the areas that have a problem. If it is to allocate extra dollars, they will go into the areas where they are most needed. I support the bill, and I look forward to it working in those five zones. I am sure it will be very beneficial.

HON PAUL LLEWELLYN (South West) [8.56 pm]: The Greens (WA) support the intent and purposes of the Agriculture and Related Resources Protection Amendment Bill 2005. I would like to run through some of the background material on the pastoral industry. I wish that some of the members who were in this chamber earlier were here now because I am sure they would do a better job of representing the pastoral industry than I will. I understand that the objective of the Agriculture and Related Resources Protection Act 1976 is to protect primary industries and the resources related to the primary industries in section 5. To that end, the act allows for the declaration of pests and plants and for landowners to control those declared plants and animals. This is an obligation under the Agriculture and Related Resources Protection Act.

The Greens support the concept of mutual obligation in the pastoral industry and the obligation of government to contribute to that process, particularly in the control of pest species. We need to look at the nature of the pastoral

regions. We also need to look at the sustainability of not just the pastoral sector, but also individual pastoral enterprises. The Agriculture Protection Board of Western Australia has to deal with pests such as dogs, camels, horses and goats etc. The capacity to raise revenue to protect pastoral areas and to control those pests is not reflected in this bill. This bill will raise \$876 000 as a result of the levies which it imposes. The total amount raised after matching government funding is \$1.75 million. If that is matched to the task of controlling animals in the pastoral areas, perhaps it will not result in a viable long-term pastoral sector. Certainly it may not achieve a viable long-term strategy to manage the pests in the pastoral zones. This is not to say that we do not support the bill.

We wonder whether the bill goes far enough, and whether we need to review the way in which revenue is raised to support the long-term objectives of the pastoral regions, not pastoral enterprises. In a sense, the Greens are looking at what the pastoral region would realistically look like in 20 to 30 years. Do we have a sustainable industry in terms of its economics? Hon Ken Baston may be able to answer some of these questions. Do we have a sustainable long-term industry in the pastoral regions? Will these levies be sufficient for the work that is needed? Do we need a more concerted rethinking of the revenue-raising strategies and the obligations of not just the pastoral industry, but also the pastoral communities and the government to address the pest issues in the pastoral areas? I appreciate that this bill attempts to improve and reorganise the current revenue-raising arrangements. Currently the Kimberley is isolated, and the four southern pastoral regions are disaggregated. The bill will give more flexibility in the management and the use of the funds raised, so that the Kimberley will not be cross-subsidising the other pastoral regions in the first instance, and each individual pastoral region will be capable of determining its own agricultural protection objectives.

We note that the levy has not been increased for many years. To some extent I wonder whether that reflects the profitability and the economic sustainability of the pastoral sector. Perhaps others can tell me whether the pastoral sector, in its current form, can be sustained economically in the long run. That is not to say that the Greens (WA) believe that the pastoral community should be shut down; in fact, far from it. We believe that there need to be vibrant pastoral communities, that they need to have relevant land-use activities and that those activities need to be integrated into the long-term systems management of those pastoral regions, and not just the rangeland issues. Pests do not seem to recognise the boundaries; they do not recognise the fences. We talked about that in the debate on cane toads. Camels, goats and new introduced species do not respect the boundaries between conservation estate, crown land estate and pastoral estate, so we need a more integrated, long-term plan -

Hon Bruce Donaldson: Goats are not vermin; they are stock. They make big money, so drop the goats and talk about the camels and the donkeys.

Hon PAUL LLEWELLYN: Let us look at the mutual obligation that is embedded in the logic of the legislation and transfer it to some time in the future, so that we can see whether it will be possible to sustain communities in the pastoral regions in the way that it is being done now. The Greens contend that in the long term it will be very difficult to sustain the kinds of pastoral activities that currently exist. We also contend that the revenue-raising exercise in this bill will not be able to deal with the task at hand. We are not saying that we need to rate, tax or levy pastoralists more, but that we perhaps need to look at the contributions that government is making and the long-term strategies for the adaptation of the pastoral industry towards a more sustainable, long-term future. I will draw on my experience in South Africa. The pastoral industries and some of the large landowners adjacent to national parks and conservation estates transformed their pastoral activities and land use activities to integrate much more with the conservation objectives, and it has been much more profitable for them. I foresee that in the future some parts and subsections of the pastoral industry will remain profitable and be able to continue. However, there will certainly be others that will simply fall by the wayside. How will we raise the revenue to deal with the control of pests in that instance?

The Greens recognise that the bill seeks to change the rating provisions in the Agriculture and Related Resources Protection Act in three ways. First, the bill will allow for different rates to be raised in different zones, while ensuring that those rates are matched by contributions from the consolidated fund. That is a good thing. It is a sensible change. The bill removes the current anomaly that the dollar-for-dollar contributions must be paid for at a general rate but not at a zonal rate. Secondly, the bill will increase the maximum level of rates that can be changed from 8c in the dollar on the unimproved value of the land to 10c in the dollar. I believe it has been 8c for many years. I wonder what that reflects. Does it reflect profitability in the sector? That is a question that we would like answered. The Greens support this change. It gives more capacity for revenue to be raised to deal with pests and pest issues. Finally, the bill will remove the arbitrary requirement that revenue raised from pastoral leases within the Kimberley zone be exactly one-third of the total revenue of all pastoral leases, and the anomaly that the Kimberley was effectively subsidising other pastoral regions. We agree that each region should be self-contained and that the arrangements will be better.

It is always incumbent on the Greens to look at the bigger picture. That is why we provide parliamentary representation in this house. We commend the government for putting together an improvement to the revenue-raising strategies for the pastoral sector. We believe that there is more to be done, and we also believe that there needs to be a more constructive dialogue about the long-term viability of those industries and the long-term sustainable management of communities and of the biological assets, the ecological assets and the environmental assets in the pastoral sector.

HON KIM CHANCE (Agricultural - Minister for Agriculture and Food) [9.07 pm]: Firstly, I thank all honourable members who have contributed to this debate. This is a short and very narrowly focused amendment bill. It is evident that honourable members have grasped not only the fairly clear intent of the bill, but also the issues that sit around the narrow intent of the bill, because they are far broader, as Hon Ken Baston pointed out, than is expressed in the narrow intent of the bill.

Hon Bruce Donaldson very clearly summed up what the bill sets out to do. That is the fundamental role of the opposition's lead speakers. However, one of the things that Hon Bruce Donaldson said caught my attention, and I think it is very true. He referred to the zone control authorities as the eyes and ears of our pest control operation. That is very much the case. Pastoralists generally - not just the members of the zone control authorities but pastoralists represented by the ZCAs - perform a vital function in our pest, plant and animal control. It was a point that was picked up in a somewhat different way, but with the same degree of validity, by Hon Paul Llewellyn, who made a very strong point when he said that our ability, as a society, to control those animal and plant pests in the pastoral zone depends very much on the economic viability of the pastoral industry, and that those two issues should never be separated. Although Hon Paul Llewellyn said that he was not well versed in the pastoral industry, it was very perceptive of him to come to that conclusion.

Hon Bruce Donaldson also referred to the inflexible nature of the Agriculture and Related Resources Protection Act and the ways in which this amendment bill seeks to provide the flexibility that is very much needed. That is fundamentally the issue that Hon Ken Baston identified with his personal experience as a pastoralist. I hate to tell members that when we look back at the way in which the Agriculture and Related Resources Protection Act worked in the pastoral zone, even in its own dysfunctional way, it is miles ahead of the way it works in the agricultural zone. The way in which the act works in its current form is a dysfunctional system. Both Hon Bruce Donaldson and Hon Ken Baston pointed out the stupid rules that apply in the way in which the agriculture protection rate is set. We had a debate over whether the agriculture protection rate is linked to the pastoral lease process, and how they are linked. It is really odd. We have a strange situation in which the revenue of the rates in the Kimberley must be exactly one-third of the revenue from the rates in the rest of the pastoral zone. I noted in reading the debates in another place on this matter that, as much as people were interested in this somewhat arcane provision, nobody could work out why it was there in the first place. I have done some reading on that and my research simply indicates that when these rules were first established, the people in the Kimberley were quite wealthy and felt that there was a risk of them being used to cross-subsidise the developing - the more working class - pastoral industry in the balance of the state. It was those wealthy and powerful Kimberley cattlemen who established a limitation on what the total rate could be. That was a long time ago, and I know that it was a lot longer ago than 1976, which is when the Agriculture and Related Resources Protection Act was first legislated. That is my limited understanding of how it came to be.

The key point made by Hon Ken Baston is that the rate-setting process now bears little or no relevance to the actual need for plant or animal control. He took us through the process of generating the relativity between the pastoral lease setting arrangements and how that, in turn, expresses itself in the agriculture protection rate. He took us through the factors that cause the pastoral lease rate to be inflated by non-need factors. That is where the process breaks down. The rate of escalation is dictated by environmental rather than coastal conditions, but it happens to be the coastal area where the good environmental conditions are. It is the point furthest from the eastern insurgence of wild dogs, for example. Those with the highest land values had the least need. There is an inverse relationship between the factors that generate the agriculture protection rate revenue and the need for that revenue. Anytime we have that sort of inverse relationship we do not get good outcomes. Having said that, I must make the point more clearly. As dysfunctional as the pastoral system is, it is miles ahead of what is in the agricultural region. The agricultural region does not have the equivalent of section 61; it does not have the capacity for the people on the ground. Bear in mind that they are the people who pay the rates and make the decisions; it is not the government imposing itself because the government enables them to make the decisions. It does not make the decisions. This is an enabling act; the government gives the authority once the decision is made but it does not make the decision. At least the pastoralists have the advantage of section 61 so that they can make the section 60 decision, which is the fully matched decision in which the government matches the funding that has been established under section 60 of the act. The pastoralists then have the opportunity to use the section 61 provisions; that is, the zonal rate. Agricultural zone control authorities - the 15 of the 20 - do not have the capacity to do that. There is absolutely no linkage between the amount of money that taxpayers expend

on the service and need and the agriculture protection rates in the agricultural zone. There is no rate because there are no protection rates. There is no way of relating it. It is quite a dysfunctional system. It is that disconnection that we are seeking to fix through what we call the regional model, which picks up the pastoral model and tries to impose it on the agricultural area. However, that is a debate for another day and one that I am sure we will all enjoy when it comes. I very much appreciate not only the support that has been shown for this amendment bill by members of this house, but also the support and initiation of this issue that has come from pastoralists themselves. It has been a very mature and responsible approach to fixing some problems, and I believe this has the potential to convert what is a workable but strange system - I was a bit harsh in calling it dysfunctional - by which the agriculture protection rates are collected into something that has every opportunity to make absolute sense.

One of the issues that has been only touched on is the huge variation between zones and locations within zones for the expenditure of agriculture protection revenue. It varies both spatially and temporally. The variation can be quite jagged in its effect. It is that spatial and temporal variation that establishes the need for a more flexible arrangement. Dogs move. A good dog campaign in one area can lead to an outbreak of dogs in another area. That is spatial and temporal. Some of the animals that we deal with are highly migratory, such as camels and donkeys in particular. The real problems can occur with weeds. If a particular weed were to occur in an area, it could cost literally millions of dollars to get rid of. I know that is more of an issue for the agricultural zone than the pastoral zone. It is still an issue in the pastoral zone. Certainly, goldfields pastoralists would rather do without saffron thistle, for example, and all the problems it brings. We have a need for flexibility and this bill provides a way to deal with that flexibility. In closing, I commend the bill and thank honourable members for their support.

Question put and passed.

Bill read a second time.

Leave granted to proceed forthwith to the third reading.

Third Reading

Bill read a third time, on motion by **Hon Kim Chance (Minister for Agriculture and Food)**, and passed.