

**LAND ADMINISTRATION AMENDMENT BILL 2009**

*Second Reading*

Resumed from 19 August.

**MR C.J. TALLENTIRE (Gosnells)** [3.16 pm]: I am the lead speaker on this bill for the opposition. This bill is about the welfare of some 36 per cent of the land area of Western Australia. It is perhaps one of the most important pieces of land management legislation we could be looking at in this session of Parliament. The bill deals with how that 36 per cent of the land area of Western Australia is managed and, specifically, what level of rental is applied to those who hold leases—generally known as pastoral leases. The land area covered by this legislation is often considered in two general areas: the grasslands of the Kimberley and Pilbara regions—often known as the northern rangelands—and the southern rangelands area, which consists of the Gascoyne, Murchison, goldfields and Nullarbor regions. Across those areas there are 519 pastoral leases. Until quite recently the number was 525 pastoral leases. Pastoral leases vary in size from some 3 000 hectares to 500 000 hectares. These are very substantial areas of land that are often incredibly fragile, and therefore they require the very best form of land management.

The amendments contained in this bill relate to the level of rent to be paid by those who are fortunate enough to hold one of these pastoral leases. The level of rent paid is incredibly low. In fact, it would be fair to say that the level of rent being paid on pastoral leases in Western Australia is probably the lowest land rental paid anywhere in the world. Nowhere else on the planet could land be obtained as cheaply as a Western Australian pastoral lease. On the other hand, we have a very serious problem with our 519 pastoral leases. We are finding that on many of them the quality of land management is less than desirable, and in many cases we have very serious problems of land mismanagement causing all forms of land degradation and viability problems.

**Mr V.A. Catania:** Can you name some of the pastoral stations that you are referring to?

**Mr C.J. TALLENTIRE:** I will refer to some of the pastoral leases as I progress through my speech.

Many pastoral leases are suffering from what could be broadly termed problems of viability. I will come to this in a little bit more detail later, but I notice that the Southern Rangelands Pastoral Advisory Group, chaired by Hon Wendy Duncan, reported yesterday, and its report contains some very useful material. The report says that the group wrestled with the issue of viability, recognising that the financial, environmental and social viability of the rangelands constantly arises in considering the issue of the future of the rangelands and pastoral leases.

I want to turn to the issue of environmental mismanagement that we know happens on pastoral leases. I think it would be naive of us to imagine that the dust storms we saw over Sydney a few weeks ago are unique to the east coast. The fact is that we have similar land erosion processes across this 36 per cent of our rangelands as well. This problem means that we are losing the organic matter that is essential for the productivity of those pastoral leases as well as for the preservation of the environmental values and the viability of those rangelands. We often see poor practices lead to massive dust storms similar to those that featured so prominently in news reports a few weeks ago that caused the orange haze over Sydney. Often the pastoral industry in Western Australia and the rangelands generally are far from the minds of many Western Australians. I have to say that many people in my electorate of Gosnells perhaps have not had that privileged opportunity, that pleasure, of getting out into the rangelands of this state and seeing for themselves how that area functions, appreciating its beauty and simply making some sort of contact with that very quintessential aspect of Australia.

The manifestations that we occasionally get to see in Perth of mismanagement in the rangelands sometimes feature plumes of topsoil washed down rivers such as the Murchison and the Gascoyne. We can sometimes see photographs of these events in news reports, and if members have been to Kalbarri in recent times they might have seen the massive displacement of very fertile soils eroding from the rangelands. It is a tragic loss to the natural capital of our state. It is a real loss. Therefore, it is a phenomenon that is not unique to the eastern seaboard at all; this is a problem that we have in Western Australia. This is why we need to consider how to look at something as important as the rent that is paid on a pastoral lease—this is really the essence of my contribution to this debate—and we need to find a mechanism for tying that rent paid to some sort of encouragement for good-quality land management. Although we will support this legislation, I think it has to be said that in some ways this amendment bill represents a bit of a missed opportunity because that connection could have been forced in the bill; we could have used some mechanism to ensure that the rent and the quality of the land management came together to get a far better land management outcome through the process of people paying their rents.

I want to come back to the issue of the amount of rent that is paid. The minister must have felt under incredible pressure because there is no doubt that the people who have the privilege of being pastoral leaseholders, those 519-odd entities that hold pastoral leases, are very effective lobbyists. It seems that it must have been fairly easy

for them to get on the front page of the Saturday, 19 September edition of *The West Australian* with photographs of a family farmer who is struggling and who has suddenly received a rent notice with a massive rise. The sympathetic reporters at *The West Australian* recorded massive percentage increases in the amount of rent that was to be paid. These huge percentage increases —

**Mr B.J. Grylls:** Are those pastoralists any more lucky than some of those who receive state government funding now?

**Mr C.J. TALLENTIRE:** I do not understand the context of the minister's interjection. I will stick with what I am saying until the minister has a point that maybe ties in better with what I am saying; I will be happy to take his interjection later.

I will discuss the level of rental on pastoral leases. If we take the average pastoral lease in the southern rangelands area to be around 250 000 hectares, which is generally the sort of average size we would be looking at, the new annual average that is proposed to be paid is just over 1c a hectare to rent land in the southern rangelands. That is the new annual average, so it is hardly a dramatic increase on what we were previously seeing. That translates into real terms of someone paying an annual rental of about \$2 851 for a year's rent for that 250 000 hectares. That is a very modest amount. In the Pilbara it is a little higher. The new annual average in the Pilbara region will be about \$8 050, and when we translate that to a pastoral lease of some 250 000 hectares, we are talking about an annual rental of 3c a hectare.

**Mr P. Papalia** interjected.

**Mr C.J. TALLENTIRE:** I will take interjections later.

The annual rental for the typical pastoral lease in the Kimberley region will now go up to \$28 945 a year, and when we take the average pastoral lease, that is in fact 12c a hectare a year for a piece of the Kimberley. These are incredibly low rates of land rental. When I compare that with the sorts of rents that people in my electorate pay for modest homes—I realise that I might not be comparing apples with apples, but it is still important to put it into context when we hear from people that they are hard done by and we see reports —

Several members interjected.

**The ACTING SPEAKER (Mr J.M. Francis):** Order!

**Mr C.J. TALLENTIRE:** When we see reports on the front page of *The West Australian* with people saying that their futures are being jeopardised and that they may lose their homes, I am reminded that the typical home in my electorate of Gosnells has an annual rental of some \$15 600 a year. It is obviously much cheaper to rent a huge pastoral lease in the southern rangelands or in the Pilbara region —

Several members interjected.

**The ACTING SPEAKER:** Order!

**Mr C.J. TALLENTIRE:** — than it is to rent a small, very modest home in my electorate. That is an important consideration because it helps us to look in context at the scale of rental. It goes back to my original point that the rent being charged for land in our rangelands is the lowest in the world, yet we have this terrible problem of serious land degradation issues in the rangelands. How can we use this process, this mechanism, of rental to improve the quality of land management? It is all very well to talk about gifting people huge areas of land—magnificent areas of land, in many cases, with all sorts of scenic features and character. I think the pastoral leases are in some of the most stunning parts of this state; there is no doubt about it. However, if we do not charge the correct rental value, I think there is a risk that people will not value that land properly and therefore not make the necessary arrangements and efforts to properly manage that land. I do not want to tar all pastoral leaseholders with the same brush. There is no doubt about it that there are many who are doing their very best to manage their land —

**Mr V.A. Catania:** Member for Gosnells, have you been to a pastoral station before?

**Mr C.J. TALLENTIRE:** Of course I have, member.

The pastoral leases of this state that are correctly managed should be used as examples, and indeed that is the case. In fact I think in the Gascoyne-Murchison region a number of pastoral leaseholders are being used as some sort of model for good land management. Their rehabilitation techniques and their more appropriate management of stock have been shown to help with their rehabilitation of land and the possibility of allowing vegetation to recover—that is, the vegetation that is the very core of their business enterprise. But there is a problem: overstocking of pastoral leases has occurred. That is not a new problem; in fact, it goes right back through the history of pastoral lease ownership in Western Australia. That is partly because our system of maintaining pastoral leases required people to keep the number of stock that somebody had deemed was suitable for that pastoral lease. A particular stocking rate was required for someone to maintain the pastoral lease. If the rangeland scientists or people from the Department of Agriculture and Food, who perhaps are not always

scientifically qualified, misunderstood, miscalculated or did not have the resources to properly investigate a pastoral lease's stocking rate capability, some serious errors of overstocking were able to occur.

Historically, the rangelands have often had the wrong livestock. In this state, sheep and cattle are the principal forms of livestock kept on pastoral leases. Goats have emerged recently as another major enterprise on many pastoral leases. The environmental consequences of cloven-hoofed animals on our rangelands have been substantial. That is a problem that we will have to deal with into the future, but it probably can be managed in some circumstances on some land types when there is appropriate stock management. That is often done through the control of access to waterholes and windmills, which can be used to guide where stock are held at particular times of the year.

Another issue is the introduction of invasive species in the rangelands. That has been a very extensive problem. Pastoralists in the northern rangelands area have sprinkled buffel grass seed from helicopters and have used other means of casting the grass, which is satisfactory for animal nutrition, but it should be regarded as an invasive species. Although it may be the staple feed for livestock on many hundreds of thousands of hectares, there is no doubt that buffel grass has had extremely negative environmental consequences across the rangelands.

Another issue that we are still learning about is the use of fire in the rangelands. It makes sense that most pastoral leaseholders would want to manage fire on their rangeland pastoral lease properties as appropriately as possible. It would make absolutely no sense for them to burn valuable feed. Nevertheless, there is still much to be learnt about the appropriate use of fire in the rangelands.

A degree of secrecy shrouds the entire pastoral industry in Western Australia. It is very difficult for members of the public, and, indeed, members of Parliament, to gain information on the quality of land management on individual pastoral leases. It falls to this government to ensure that information on each pastoral lease—all 520 or so pastoral leases—is readily available to the public so that people know that the necessary condition scoring of the pastoral lease is being undertaken.

When we look at maps of the state's various pastoral leases and the quality of the vegetation and soil on those pastoral leases, we find that there are many gaps because inspections have not been done recently, or that there is no ability to make comparative assessments. That poses huge problems for us. We just do not have the knowledge that we need to judge how well an individual leaseholder is managing a pastoral lease. I am suggesting that not only should we look to increase the rents on pastoral leases and we should tie the amount of rent to the quality of pastoral lease management, but also we must ensure that the appropriate rating condition assessment of pastoral leases is undertaken. Those things naturally go together when we think about it. If we have a system in which people can assess the condition of pastoral leases, those people could then provide information to others who would then help determine the rental for that property. However, one serious problem is that there is simply too much secrecy around pastoral leases. That relates to the fact that many people—probably many people in this chamber—have not had the opportunity to go to a pastoral lease. I can recommend some pastoral leases for members of this chamber who are perhaps more metropolitan-centric to visit. Whitewells station is only a three and a half hour drive from this place. In three and a half hours members could be in the rangelands. They would have gone beyond the wheatbelt, where enormous environmental mistakes have been made for the sake of productive agriculture. Members can visit Whitewells or Mt Gibson stations and they can experience the rangelands. They are great assets. For some reason, many people based in the Perth metropolitan area who have a long weekend to spare tear off down south on the wonderful new highway. I would love to suggest to them that they take the opportunity to go north beyond the wheatbelt, experience the rangelands and engender some capacity to appreciate that unique asset. It is much closer to our doorstep than many people might imagine.

Thirty-six per cent of the state is covered by pastoral leases. They are areas of incredible diversity. I have recommended to members that they might like to visit Whitewells, which is now called the Charles Darwin Reserve. It has been taken over by a philanthropic body that wants to manage that pastoral lease for conservation purposes, and I will come back to that issue later.

Several members interjected.

**The ACTING SPEAKER:** Order!

**Mr C.J. TALLENTIRE:** The member for Swan Hills might have some interesting comments to make and I will listen to them later.

There is incredible diversity in our rangelands, and visiting Whitewells or Mt Gibson stations, which are perhaps the closest to Perth, would be only one experience. I also recommend that members go out to the eastern goldfields and to the stations out past Leonora and Leinster. The experience there is something else. There are magnificent breakaways, geological formations, that give a sense of the timelessness of this incredible land that we are lucky enough to live on and call our own as Australians.

There are different problems in different areas. I well recall working on Nambi station, which is out past Leonora. The Fitzgerald family, who held that pastoral lease for many years, went to great lengths to ensure that the quality of their livestock management enabled the right form of regeneration of that pastoral lease to occur. They conducted certain trials.

The paddocks in the rangelands are quite striking. People can see long fence lines extending into the distance to the horizon, but the land on one side of the fence line has been inappropriately grazed while the land on the other side has been properly grazed. There are huge differences, and they should be recognised. When pastoralists ensure that they manage their stock properly, they should be rewarded for it in some way, relative to those pastoralists who do not manage their land properly and get away with paying ridiculously low land rental—the lowest land rental in the world.

The issue of compulsory stocking on pastoral leases needs to be addressed by Parliament. I have touched on this issue previously. Unfortunately, at the moment the holder of a pastoral lease must keep livestock on his pastoral lease, even if the leaseholder desires to use the pastoral lease for other purposes. I think this might touch on something the member for Swan Hills said. Others, including me, might one day want to own a pastoral lease. The problem is I would then be required to run a certain number of stock on that lease, and that might not be my desire; I would perhaps prefer to hold that lease for conservation purposes. At the moment it is incredibly difficult, if not impossible, for an organisation or an individual to hold a pastoral lease without meeting the requirements of a compulsory stocking rate. There is no doubt about it: the compulsory stocking rate is an anachronism that should be got rid of. I hear the same thing more and more from those in the mining sector. From memory, the mining industry holds some nine per cent of our 520-odd pastoral leases. The mining industry, of course, wants to extract resources from different areas. In the context of a whole pastoral lease, mining often takes up a very small area. The fact is that mining companies sometimes hold the whole pastoral lease, and would like to see the rest of the lease managed properly. They do not want to be burdened with the problem of a flock of 20 000 sheep. They would much prefer to extract the mineral they are after from a confined area and leave the rest of that pastoral lease to be managed in the very best manner possible. They do not want to be bothered with shearers and making sure fence lines, windmills and other things are properly maintained. It is a nuisance for them; yet, under the terms of the compulsory stocking requirements that relate to pastoral leases, it is unfortunately the case that they have to maintain stock on pastoral leases. We need to act on that and make sure that those who wish to hold pastoral leases for some other purpose, especially a purpose as useful as conservation, are able to do so quite unencumbered. That seems to be something we must move on very quickly.

I have mentioned some of the other issues relating to the southern rangelands. Yesterday, the Minister for Agriculture released a useful report, and I mentioned earlier the issue of viability. What is viability in the pastoral lease context? When the people who hold the pastoral leases are saying that increases in the order of only \$5 000 a year in total annual rental will make their enterprise, spread out over 300 000 hectares, no longer financially viable, it says that, in fact, we have an industry that is suffering from a serious problem—that is, it may no longer be financially viable. It was very easy when Australia rode on the sheep's back to imagine that a pastoralist could make a very substantial living out of running a pastoral lease. We even heard expressions such as, "We're not playing for sheep stations," but I think the truth is now that, in many circumstances, pastoral leaseholders are struggling. They are feeling constrained to the narrow activity of grazing sheep and cattle on these very fragile lands. Along with ensuring that we actually receive the appropriate rate of rental return from the rangelands—something that should be done in a way that enables us to conserve and manage those lands so that we will be proud to pass them on to future generations—we must ensure there are new enterprise opportunities for the people on them. Tourism is often put forward as an option. Certainly, a number of pastoral leases have managed to venture into the tourism area. A famous example in the Kimberley, well known to many members who have the money to go there, is El Questro. I do not have the financial means to stay there, but I am sure others in the chamber have.

**Mr B.J. Grylls:** You can camp there; you don't have to stay in the homestead. That is beyond the means of most people.

**Mr C.J. TALLENTIRE:** Thank you, minister. On the issue of viability, I note that the Southern Rangelands Pastoral Advisory Group report states —

... the value of the pastoral industry to the State of Western Australia is greater than the dollar value of its contribution to export income or domestic product. Most pastoralists, along with their Aboriginal neighbours, have an intimate knowledge and love of the rangelands. They willingly live in places that most Australians would turn their back on.

That is a little bit subjective because, as I said earlier, if many people had the opportunity to acquaint themselves with these lands, they would perhaps generate the degree of affection I and obviously the people living there feel

for that land. The point being raised there is that in some ways we are almost looking at a lifestyle choice. Of those 520 pastoral lease holders, perhaps many of them are making something of a lifestyle choice. That therefore raises an interesting question: should we be subsidising that lifestyle choice? I would say yes, if there is an overall benefit to the community and to the people of Western Australia in terms of better management of the land. If there is control of some of the pest species, which I will come to later, that would make sense. If it is just about making sure that pastoral leaseholders pay a tiny rent—one of the lowest rental rates in the world—so that they can have a lifestyle that appeals to them, that must be seen for the form of subsidisation that it is. My understanding is that, of those 520-odd pastoral leases, the state of Western Australia is presently yielding about \$1.5 million in total rental. That does not even cover the administrative cost of running the Pastoral Lands Board, the board that imposes on these pastoral leaseholders such anachronisms as the compulsory stocking rate. There is a need for some changes in the way we go about conducting pastoral leases in Western Australia.

I should acknowledge the former Minister for Planning and Infrastructure, the now member for Armadale, Hon Alannah MacTiernan, who did some trailblazing work on this with the Gascoyne musters. I have more details on that that I might come to later on. It is obvious that as a result of her efforts to meet with all pastoralists and take them on in debate, some very innovative work on the future of the rangelands came out of those musters. Some difficult questions were asked. I hope the minister will pick up that baton and carry on with the necessary reforms of the rangelands so that we see this much-needed transformation of the rangelands into the future.

I note that the report was prepared by Hon Wendy Duncan and others on the Southern Rangelands Pastoral Advisory Group Committee, including Mr Ian Longson, who, until very recently, was the Director General of the Department of Agriculture. I am not sure of the circumstances that caused him to leave the Department of Agriculture. Other people of great integrity who helped put this report together include Damian Collopy, Chris Richardson and Dr Alec Holm. They talked about the chronic adverse financial circumstances surrounding the traditional livestock industries. Something we keep coming back to is the lack of viability of many of the traditional livestock industries in the rangelands, hence my call for the need to change not only the way we manage the rangelands but also the sort of enterprise activity we conduct on them.

The report refers also to the recognition that non-pastoral land use and habitation are legitimate and desirable uses of the southern rangelands. That echoes the view I was expressing earlier that we must look at this diversification. A few notes in the report worry me a little. There is talk of difficulties being experienced just because of a bit of bad luck and because we have had a number of dry seasons. That sort of tone is adopted in parts of the report. It says that we have had some bad luck with the terms of trade; in other words, wool prices will come back again. I think the reality is that we have probably seen the best days of wool prices. When it comes to prolonged, adverse seasonal conditions, the reality is that climate change will cause increased climate variability in the rangelands, just as it will in many other places. Pastoral leaseholders are going to have to adapt accordingly. As for the issue of beef and wool prices, it is unfortunate that people have chosen to go into an industry where they are condemning themselves to being price takers. If people are producing a product that they are not able to distinguish from somebody else's product, they are condemning themselves to be a price taker, and, yes, they will have to suffer whatever the global market price is for their product. I think there is scope, though, for people to look at the various niche marketing opportunities when they can hold up their product as being different from somebody else's. That is all work that needs to be explored into the future.

There are many other useful points in the report. One that I was interested to note was the mention of the dog barrier fence. I know that in some pastoral leaseholder circles the idea of constructing a huge fence seems to get the heart beating. I have never really understood why, because the history of the construction of barrier fences of any form in this state has been one of failure. The report mentions a consulting firm called URS. It states —

The URS cost benefit analysis of the proposed pastoral biosecurity fence concluded that public funding of a dog barrier fence around the southern rangelands cannot be justified.

It is heartening to know that we will not be seeing public funds put towards the construction of a fence that might have only one benefit, which would be the enrichment of those who built the fence. It may be that some pastoral leaseholders who are struggling are looking for some sort of diversified income, and they are quite good at doing fencing and they have got all the gear for it, so they would be able to contract to do that fencing. I think the reality is that the state of Western Australia would not be well served by funding that activity.

There is recognition of the problem of wild dogs, which is a problem that needs to be dealt with. There is a need for the public to receive some clarification on whether we are talking about dingo extermination and wild dog extermination, whether there is some sort of cross-breeding going on and whether dingoes should be recognised as a native species. Those questions have to be considered at some stage as well.

Recommendation 1 of the report reads —

***That the government formulate and communicate a clear statement outlining its vision for the future of Western Australia's rangelands and the people who reside in these remote and unique environments.***

That is precisely what I have been outlining in this speech so far. The supporting comments with that recommendation are —

The social and cultural “capital” in the Australian rangelands is unique, but is being withered away under the pressure of the declining profitability of traditional activities. The SRPAG believes that governments need to recognise the value of this social and cultural capital and invest in its maintenance ...

I find that somewhat contradictory to the recommendation in some ways, because the traditional activities, as we have seen before, are the very ones that have perhaps caused this grazing to death of many pastoral lease areas. The report contains some good advice, but I think we have to look at a few areas of it just in context or at least seek some clarification. In relation to recommendation 2 the report refers to the importance of providing an assurance of continuing land tenure. This relates to the issue of pastoral leases that are being rolled over. Most pastoral leases in the state come up for renewal in 2015. I know that there is a desire for that rollover to occur. I think, though, we have to get back to the issue of the quality of land management. If a pastoral leaseholder is not managing the land appropriately and is paying a ridiculously low rental, I think it is time for us to be able to say that we are sorry but the leaseholder is not entitled to hold the pastoral lease any longer, and the right to the pastoral lease will cease because the leaseholder has not managed the pastoral lease.

In passing, on this topic of land tenure, some pastoral leaseholders would still hold grave concerns about the outcome of various native title negotiations. I think that is totally unreasonable of them. I come back to the point of the ridiculously low rental rate. Those people at some point in time, and some still now, imagine that by paying 1c per hectare per year somehow it should entitle them to extinguish native title rights. I think that is just terrible. If there are people who still hold that kind of view, they would be only a very extreme minority.

Recommendation 6 of the report looking at the southern rangelands reads —

***Promote the recovery and ensure preservation of the rangeland resource***

It refers to —

... a new paradigm of environmental responsibility and restoration. It provides a remedy to the recurring issue of prescriptive regulation focussing on the means of resource utilisation rather than the outcomes of use.

I find this recommendation curious. On the one hand we are acknowledging that there has been a failure of land management and that things have gone wrong on many pastoral leases, but the report makes suggestions on the present arrangement, which we would have to say that at best could be described as one free of prescriptive regulation when it comes to telling people how many, how often and where they can put their stock. The arrangement has been fairly fluid in that sense, and that is why there have been some occurrences of overgrazing. The recommendation is now seemingly saying that we should trust in the pastoral leaseholder even more. I think the reality is that we need better regulation. That must tie in with the actual level of rent being paid for the pastoral lease.

I have touched on the issue of climate change. Indeed, the report on the southern rangelands goes into that in some detail and recognises that pastoral leaseholders in the southern rangelands will have to tackle it. It also discusses the issue of buffel grass and how that is being managed. The report also provides some interesting information on stocking rates and highlights that we have seen a massive reduction in the amount of livestock. The report suggests that is because of the drought years that have been experienced. However, there is some sort of view that those numbers will be able to go up in the future. In 1985 the southern rangelands supported some two million sheep and by 2008 it was down to half a million sheep, so there was definitely a change there.

It is timely perhaps for me to put into perspective a little about the economic contribution of the pastoral leases to the state at the moment. The advice is that pastoral production contributes about \$200 million annually. Those were 2004 figures put forward by the Department of Agriculture and Food. I think that those figures might actually have declined in more recent times. It is \$200 million annually for the whole of the rangelands. When the figure is broken down to the southern rangelands, they contribute around 27 per cent of the economic activity of all the pastoral leases. That equates to about \$54 million a year. The problem is that we have an area that is not generating much wealth for the state and we are charging next to nothing for its rental. There is something wrong when we know that that is occurring in the context of serious land degradation. It has to be said that a review of the contribution of pastoral leases to the economic fortunes of this state needs to be properly considered when we continue the essential work carried out by the member for Armadale during the Gascoyne muster and at subsequent meetings.

Debate adjourned, pursuant to standing orders.