

STANDING COMMITTEE ON PUBLIC ADMINISTRATION

**INQUIRY INTO PASTORAL LEASES
IN WESTERN AUSTRALIA**

**TRANSCRIPT OF EVIDENCE
TAKEN AT FITZROY CROSSING
THURSDAY, 7 NOVEMBER 2013**

SESSION FOUR

Members

Hon Liz Behjat (Chairman)
Hon Darren West (Deputy Chairman)
Hon Nigel Hallett
Hon Jacqui Boydell
Hon Amber-Jade Sanderson

Hearing commenced at 1.39 pm

Mr KEVIN BROCKHURST,
Owner and Partner, Larrawa Station, sworn and examined:

Mrs WENDY BROCKHURST,
Partner, Larrawa Station, sworn and examined:

The CHAIRMAN: On behalf of the committee, I would like to welcome you to the meeting today. Before we begin, I ask you to take the oath or the affirmation in turn.

[Witnesses took the oath.]

The CHAIRMAN: Terrific, that is great. You have both signed a document entitled, “Information for Witnesses”. Have you read and understood that document?

The Witnesses: Yes.

The CHAIRMAN: The proceedings are being recorded by Hansard; a transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of this hearing for the record. Please be aware of the microphone, try to speak into it and try to speak in turn. Do not cover it with papers or make a noise near it. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today’s proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that until such time as the transcript of your public evidence is finalised, it should not be made public. I advise you that the publication or disclosure of the uncorrected transcript of evidence may constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege.

That is all the formal bits over and done with. As you have heard with the other people giving evidence to us today, we would like to start with a bit of a snapshot of your property. If you would like to tell us your story, that would be great.

Mr Brockhurst: Larrawa Station is 191 000 hectares, 150 kays from Fitzroy, heading Halls Creek way. I took the pastoral lease up, I bought it off the Western Australian government, in January 1989. We have had to develop it ourselves from scratch because we had nothing there—that included fences, regeneration.

The CHAIRMAN: If you could take us through that because we have not had someone talk us through the development of an unimproved piece of land to what it is today. Just perhaps take us through what you have done to improve the land.

Mr Brockhurst: When we went there—well, for a start, I had to destock the place through the TB eradication while cattle were left. From there, I started building, got the waters going, built fences and continued on that side of it. I bought some cattle in.

Mrs Brockhurst: He built a fence the first year he was there. It was how many kilometres, the first fence that you built? And then he watched the rain come down and then he watched the fence wash away. So it is been a lot of pain and a lot of blood and a lot of anguish put into the station and he has done an amazing job.

Mr Brockhurst: Then, after a while, I built a homestead and stuff like that. I started building the cattle numbers up and we are still putting water points in and we have pretty well got the fencing done. There are bits and pieces to do.

The CHAIRMAN: In order to put your water points in, did you have to get water licences to do that?

Mr Brockhurst: No, we did not. There were a couple of existing bores there, so we got them back going. Then from then on, we just drilled holes and whatever.

The CHAIRMAN: When you took the property on, you bought it from the state government. You said you had to destock it for the TB eradication program.

Mr Brockhurst: Yes.

The CHAIRMAN: How much stock was on the land at that time?

Mr Brockhurst: They went through and did a shootout just before the Christmas. I bought it in the January and they did a shootout in the November, and they shot about 1 000 and something. Then when I went in there, there was only around 500 head left; that is what we got. Then they went back through and shot it again because of what we did not have behind wire; that is why we had to get the fences done and the water straight up to be able to hold whatever cattle we decided to keep.

The CHAIRMAN: Who cleared the shot animals? Who took them away?

Mr Brockhurst: That was done by the ag department.

The CHAIRMAN: That was not at your expense?

Mr Brockhurst: No, I did not have to do that at all.

The CHAIRMAN: So they gave you basically a clear piece of land?

Mr Brockhurst: Yes. Then we had to go through a TB program because Louisa had a positive reactant because my block was a part of Louisa–Bohemia and some crown land when the EXIM Corporation split it up. Because there was a beast that had been found on Louisa, they had to keep TB testing, even though we bought cattle in and whatever, they still kept TB testing because there were always scrub cattle coming in all the time.

The CHAIRMAN: What are your issues today facing you as pastoralists into the future?

Mrs Brockhurst: Probably, the first and most important is the lease—the new draft lease and the implications of the new draft lease. During our time on the station, we have raised four children. We also look towards the future. We are coming to an age where we would like to step down a little bit; we have two children who are of an age—one is working on the business and one is in the business—and two more children coming up with their future. So we want to know that we have got that security for the future.

Earlier, you asked a question to another party about the banks. Just for our side of that, what has happened us to is we were due for a review this year and they have said that they will give us a review for two years only, until the lease has been formalised and then we will get the —

The CHAIRMAN: Do you mind sharing with us which bank it is that you are dealing with?

Mrs Brockhurst: Yes, sure, Rabobank. So that gives us that slight insecurity that if the banks are not going to be happy with the eventual draft lease, that we would could also have problems—although they might be happy with our debt.

Hon JACQUI BOYDELL: So their concerns were around the fact that 2015 was looming?

Mrs Brockhurst: Yes.

Hon JACQUI BOYDELL: And that they believe that the lease will not be renewed or is it the terms of the lease that they have concerns about?

Mrs Brockhurst: The terms of the lease.

Hon JACQUI BOYDELL: Do you mind sharing which —

Mrs Brockhurst: No, they were not really completely forthcoming. They just said that they thought that they would like to see the full lease and also it would be better for our loan to be in sync with the lease as well, so everything would fall into synchronisation.

Hon NIGEL HALLETT: So that you lost the opportunity to lock long-term financing in at the lower interest rates, then?

Mrs Brockhurst: No, we got those. We got it given to us as though it was long term, but it has only been signed for two.

Hon NIGEL HALLETT: Yes.

Mrs Brockhurst: Our other issue will probably be the diversification. We have two diversification permits on the property. We have looked at having a third diversification, but we withdrew from it very quickly when we understood the implications.

The CHAIRMAN: When you say you “understood the implications”, could you explain to us what you mean by that?

Mrs Brockhurst: To go with that one, what happened was we had looked at different formats of what the business could do in the future. We are halfway between Halls Creek and Fitzroy Crossing, so we had thought that maybe a roadhouse would be quite a good idea to live up in there; it is a good business future. So we talked to the Pastoral Lands Board about the idea of maybe doing something along that line. They said that yes, sure; they would be very interested; they were very, very keen. It has been talked about. It has been thrown around in different circles to discuss that. What we would have to do is we would have to say the area that we wanted. We would have to put an application in to the Department of Lands and they would excise that land off and make a freehold of it. Then, we would tender for that against the big fuel companies. So when we realised —

The CHAIRMAN: So there is no option of giving you the first right of refusal?

Mrs Brockhurst: No. When we realised that, we realised that we were going to be in quite deep water because if you are going to tender against people like Shell and BP, you know they have got monopolies straight across here. So, we would be losing grazing land with no benefit and not necessarily good neighbours being introduced onto our own property. We would then have the problems, which you have heard already, about buyers and those risks and which, at the moment, we do not have those sort of risks that other people do.

The CHAIRMAN: Did they provide you that advice that you would then have to go through a tender process? Did they provide that to you in writing or was that done by a telephone conversation?

Mrs Brockhurst: No, it was verbally.

Mr Brockhurst: Verbally. They came out and they had a look and whatever. Then I said, “Okay, if I apply for it, they can’t grant it to anyone else unless we apply for it.” But then they said —

The CHAIRMAN: As soon as you apply for it, it goes on the open market.

Mr Brockhurst: Yes, and then they told us we were not guaranteed that we would get it if we did it.

Mrs Brockhurst: And they were trying to be very helpful.

The CHAIRMAN: You have got two other diversification permits?

Mrs Brockhurst: Yes.

The CHAIRMAN: What are they for?

Mrs Brockhurst: The first one is for growing sorghum. We only wanted it for one year, but apparently we just have to keep having it unless we stop it. That was for a ponding program.

Mr Brockhurst: That is for regeneration work. We planted the sorghum there as a green fertiliser so it would grow, drop down, but somewhere along the line we have not been able to get it to stop because we have to keep paying the bloody thing—even though we only used it for one year. Then, the other one is we have a little bit of a caravan park there.

[1.50 pm]

Mrs Brockhurst: Yes, we have a little bit of tourism. With the four children, educating them has been a bit of an issue. At one stage I was living in Broome with three of the children doing school. We thought that one of the short-term solutions to our problems could be to lease the property. We thought we could lease the property and then come back when we were ready and the children would have that future as well, because there is no way we feel the children could buy a station, even at the devalued prices today. So we looked at leasing it, but if we sublease the station, which the Department of Lands was quite happy about, we would not be able to sublease the tourism operation because the tourism operation is attached to Kevin and not to the property.

The CHAIRMAN: Tell us about your tourism operation. How many people come there every year?

Mrs Brockhurst: We are very low-key. I probably get about eight vans a night during the tourism season, which is from May until about the end of August.

The CHAIRMAN: Do they bring problems with them or are there just benefits?

Mrs Brockhurst: So far we have been very, very lucky with the tourists that we have had. The issues are that we have to keep the roads well maintained to get into the property and we do have a rubbish problem that has evolved and with that we have actually had another couple of issues that have gone on. So yes, there are a few issues.

The CHAIRMAN: What are those other issues?

Mrs Brockhurst: Oh, well, things like getting rid of the rubbish. On one occasion I burnt it and it exploded because they had aerosol cans in there. It went into the grass and we had a grassfire before we knew it. Those little things, but they were training issues.

The CHAIRMAN: I love your attitude.

Mrs Brockhurst: Mostly our people have been wonderful. They have been really, really beautiful people. We have had everybody come in with a genuine interest and wanting to know about running cattle on a cattle station in the middle of nowhere.

The CHAIRMAN: Do you have other things you would like to say?

Mrs Brockhurst: There was just one other thing. We read where you said, “The management of the increase in the number of stock and environmental damage on the pastoral land” and felt that in some cases—we do not call it “overgrazing”, we call it “increased grazing pressure”—increased grazing pressure can actually be an attribute and a good thing. It does not have to be detrimental; it does not have to be bad for the environment. We use grazing pressure quite often to try and regenerate the country in different areas, but it is a matter of intensive grazing and then cutting back on the intensive grazing. What we have done over the last 20 years—you have had a project have you not?—is develop the station where you can do rotational grazing. We do go in and do intensive grazing in parts and I was just concerned about the idea that maybe there was an increase in the number of stock—I was surprised at that—and the environmental damage. Because it does not necessarily have to be environmental damage, it can be to the benefit of the country.

Hon JACQUI BOYDELL: If managed.

Mrs Brockhurst: If managed; absolutely.

Hon DARREN WEST: In hindsight I think it is fair to say that we might have worded that term a little bit differently. I think it was more aimed at, you know, intentional severe overgrazing, which does happen from time to time for all kinds of reasons. It has been raised a few times and, in hindsight, maybe we could have worded that a little differently.

Hon JACQUI BOYDELL: Wendy, can I ask you, in the process of this draft lease at the moment, have you written a submission?

Mrs Brockhurst: Yes, we did write a submission. We wrote one with lots of notes and then that went in the bin because we went and did the PGA one and said that we will go back to where we were. But if somebody was to ever ask me about what I would like to see in the future for a lease, I would certainly like to see allowing that diversification to come in to make it more versatile to the pastoralist.

The CHAIRMAN: And for it to be attached to the lease rather than the person.

Mrs Brockhurst: Absolutely, yes.

Mr Brockhurst: Yes.

Hon JACQUI BOYDELL: When you said that if you could put forward your opinion about what it would be, this is the time to put that forward.

Mrs Brockhurst: Yes, so I would like to see more versatile abilities with the property; to see that we can run diversification permits and that we do not have to jump through the hoops that we did with the diversification permits in the first place. When we got our tourism permit, when we went for that, we were told that we had to go to the local shire to get permission before we went to the Pastoral Lands Board. The Pastoral Lands Board said that we could not do anything until they got the shire permission and the shire said they could not do anything. We were going like that, backwards and forwards, for quite a while. To get the permits from everybody else we had to have the permit from the Pastoral Lands Board, but at that time—I believe they are much more organised now—they were not able to do that, just like that.

The CHAIRMAN: It seems to me that there perhaps could be an office of diversification that you could go to as a one-stop shop and they would then ask what is your project, this is what you are going to need, and this is what we can do to help you. Is that the sort of thing?

Mrs Brockhurst: That would be wonderful.

Mr Brockhurst: All the diversification permits, regardless of what they are, have to be able to be sold with the station.

The CHAIRMAN: Attached to the station rather than the owner.

Mr Brockhurst: Either that, or if someone chooses to have a tourist venture on a cattle station as a separate identity, that should be allowed as well. So you could have the pastoral place and like earlier today, when we had a bloke saying that they would like to do a tourist venture on a property, then that should be allowed as well. If you want to have diversification permits, to me, if you want to sell the station, a lot of them are assets for the station. But if someone comes along and they have to reapply, well, they are not going to buy them off you.

Hon DARREN WEST: What about a mechanism? I can see why you would want to have them linked to a person because then you have someone who is responsible for things like public liability insurance and maintaining and looking after things. You have an actual person who is the person that you go to. What if there was a mechanism where that could just be transferred under ministerial consent in terms of the lease because the sale of the lease needs to be subject to ministerial consent? If it is just tied to the lease, the person who is actually responsible for the activities could be a bit obscure in some cases.

Mr Brockhurst: Yeah; are you talking about the farming?

Hon DARREN WEST: We will say the tourist permit just for an example, or the agricultural permit or the fodder permit or whatever the case might be. I am just trying to think of a way that we might be able to alleviate your situation and everyone is saying the same thing about this. We need someone who is responsible—I get that part of it from a bureaucracy side—but if you could just transfer those permits to the next person as part of the process of selling of the lease process would that fix it?

Mr Brockhurst: That would free that up for you.

Hon JACQUI BOYDELL: It would be similar to a water licence.

Mr Brockhurst: If you spend a lot of money on putting a diversification thing together and building it or whatever, you sell it or you do your dough.

Hon DARREN WEST: You need to be able to sell it.

The CHAIRMAN: Without me putting words in your mouth, if you were to go for a diversification licence with your roadhouse idea, presumably you would like to see that the person putting forward the idea would get the first right of refusal to put that in place.

Mr Brockhurst: Yes, you would have to.

Mrs Brockhurst: It is the same with the tourism though. If ever I was to make more money than the cattle; if I was to suddenly start making heaps more money on my tourism than the cattle, then it would have to go out to tender. We are not allowed to keep that permit. It has to go out to tender and we have to buy it. So it is in your interest to keep your permit low-key.

The CHAIRMAN: So at the end of each year you have to say how much money you have made from cattle and how much from tourism and guess what, this one, the cattle, is bigger. Because if you did that, they would go, “Oh no, hang on, we need the Sheraton to come in and run your operation.”

Hon JACQUI BOYDELL: I guess that is to do with land use and your principal income.

Mrs Brockhurst: Yes, it is to do with land use, but on the same token I set up the business, put the infrastructure in and did the marketing.

Hon JACQUI BOYDELL: Okay, I take that on board. Earlier you alluded to the new draft lease that is out now, that you made some notes on it and were going to put a submission in but then went back to the PGA position of, no, we just want what we have. Can I suggest that if you just have what you already have, potentially you will not get to have all this flexibility around diversity that has been a common theme for everybody. What do you think of that?

[2.00 pm]

Mrs Brockhurst: Yes, you are quite right, unless you say something. But I was disappointed because it was only in August that Grylls was in Parliament and actually said that he was looking at diversification, but we had already got the draft lease at that stage which did not say anything. I was also concerned with the draft lease about the termination of the lease because once the lease is terminated, it does not remain a pastoral lease anymore; it becomes crown land. If they do start going off ad lib terminating lease, then you are going to have a lot more crown land that could possibly be managed by DEC or other people who might not be managing the property as well. Without having a large cohort of pastoral people operating viably, we are not going to have the markets either, so we really need to keep the pastoral lease in a way that if you are doing the wrong thing, maybe we can sell the pastoral lease and get it moved on that way. One of my concerns was with the termination. I know in their letter they wrote that it would only be in extreme circumstances that they would do this, but that is with the people who are running it and writing it now. That is not taking into account somebody who is going to be three or four people down the

line of taking on that job. We had one minister who said, “Yes, we will sign you all off” and now we have three ministers down the line. I am not putting personalities into it; I am just saying it should be out of personalities. It should be, “This is what has been said; that is what is going to happen.”

Hon JACQUI BOYDELL: You accept that that is what happens. You have probably had, in your time of business, six or seven ministers for lands. That is the process.

Mrs Brockhurst: Yes.

Hon JACQUI BOYDELL: From a government perspective, how do you move forward with a better, more flexible lease for the pastoral industry? If we do not take the opportunity to put forward those changes that we would like to see in the draft lease, you simply revert to what you have got potentially, which nobody seems to want either. What we are trying to get from you is what is it that we can put in there that will work for you and for government? I encourage you to put your submission in.

Mrs Brockhurst: But the date has closed.

Hon JACQUI BOYDELL: You are here now.

Mrs Brockhurst: The trouble is also, for me, I felt everything has suddenly snowballed in one go. We had your particular inquiry, we had the draft lease going on and we had the worst year for cattle sales. In the middle of all that, I had an agricultural census which took about two weeks to be able to even start to complete, the amount of information and the details that they wanted. That has taken me straight off doing anything to do with station life.

With the live export, the value of our properties was just desecrated overnight. We went down to nothing. The only way that we can get value back onto the properties at all is to be able to get some form of secure land tenure.

The CHAIRMAN: Thank you very much for telling us your stories. We appreciate it and we wish you all the best with your future ventures on your property, whatever they may be. You are obviously very determined to make a go of it, particularly for the children. That is great.

Mrs Brockhurst: Thank you very much for the opportunity.

Mr Brockhurst: One more thing before I go —

The CHAIRMAN: Your wife should have the last word, should she not? That is what happens in my relationship!

Mr Brockhurst: The only thing I do think is when they put the new leases up, you have to have a sensible time. I believe that all the leases should coincide with each other. You do not want one this year, one next year and one three years later. They all have to come together and be a sensible lease as in time-wise.

Hon DARREN WEST: Kevin, do you have different termination dates on your lease?

Mr Brockhurst: No, we have only got one, but the whole lease is in —

Hon DARREN WEST: So everyone is in the same boat.

The CHAIRMAN: It is called commonsense.

Mr Brockhurst: Yes.

The CHAIRMAN: Thank you both very much indeed. We appreciate it.

Hearing concluded at 2.04 pm
