

Ms Lauren Mesiti

Submission

Inquiry into Pastoral Leases

Fax Transmission: First of Three Pages

From: Dr R Sidhu

Preamble

The government can do a great deal to alleviate the very urgent plight facing most Pastoralists. The suggestions I propose in this submission need not be a burden on the public purse. All that is required is good-will and a genuine desire to help.

The once-proud Pastoral industry has fallen on hard times.

One only has to look at two sets of statistics to understand the plight of the modern Pastoralist:

1. Despite putting in more than a 40 hour week, most full-time pastoralists earn an income that is well below Australia's annual median salary.
2. Health outcomes, including life expectancies, are significantly poorer for Pastoralists. With many Pastoralists struggling to make a living, clinical depression and anxiety have become major problems for owners and their families.

In preparing this submission, we telephone polled 78 station owners, a good number of whom were over 50 years of age. As Perth is the only location in WA where world-class medical care is available, a significant number said that they would prefer to return to major towns or to Perth to retire if only they could sell their leases. Most expressed great concern that they would not be able to afford to buy homes in Perth, given the last decade's property boom. With not a penny to show for decades of toil, one man we polled in the Pilbara wept when he told us that he would have to walk away from his uneconomic remote station, effectively abandoning a business that had been in his family for several generations.

Proposition 1: The Current Inadequacy of Land Tenure

Let us first compare the lot of pastoralists in WA to their counterparts in the USA. In places like Arizona, Texas and New Mexico, pastoralists are granted leases of up to 99 years, making it easier for them to access funds from banks. Additionally, it is common for pastoralists to be granted freehold tenure over their homesteads. This applies even if they chose to later sell their grazing lease. The former owner, often elderly, would at least have a home to live in.

Granting freehold ownership of homesteads to WA pastoralists would give owners peace of mind as many could never afford to buy a house in Perth. Without a single exception, all of the 78 station owners we polled were in agreement that such a measure would give them greater security in their old age and materially improve their standard of living.

Native Title is not an impediment to the granting of freehold status for homesteads. We have sought legal advice in relation to the issue and it is clear that there can be no native title conflict in granting a leaseholder freehold rights over his or her homestead. *It would take the most mischievous of public servants to argue otherwise.*

Proposition 2: Simplifying the Process of Selling and Buying Stations

The current process is cumbersome and needs to be made more owner-friendly. Some aspects, for example the requirement to obtain “permission to sell” are arguably *ultra vires*. As far as I know, there are no countries in the OECD where an owner of a farm is required to obtain ministerial permission to sell what is effectively his business and home.

It would be instructive for you to learn from my own personal experiences when buying my station:

I bought Iowna Station from an elderly pastoralist who was suffering from cancer. Given the gravity of his illness, the owner wanted to be paid quickly. To achieve that end, I immediately deposited the total agreed sum to his settlement agent. However, thanks to the small mindedness of government bureaucrats, it took many months before the owner saw the money.

The staff involved showed a staggering lack of sensitivity to the owner’s personal situation. Their sense of self-importance was exceeded only by their pettiness. The day before the transfer was to formally take place, they insisted that I produce my citizenship papers and passport - I had to fly to interstate to retrieve these. A WA drivers licence was deemed inadequate.

Clearly, there is considerable room for improvement. Pastoralists should not have to jump through bureaucratic hoops to sell their farms.

Proposition 3: Foreign Ownership

Although the Law does not forbid foreign ownership of Pastoral stations, in principle the PLB places unnecessary and onerous hurdles in front of foreigners who are seeking to enter the industry.

Foreign owners bring money to the Bush. They hire local staff and have overseas export contacts that ordinary Pastoralists would not have.

One would think that the more we export, the better the prospects for Western Australia. With so many Stations being abandoned or destocked, every attempt should be made to encourage foreigners to buy and develop Stations.

Thank you for your consideration in the above.

I look forward to a day when Pastoralism can be the great industry that it once was. I hope you share my dream

Dr R Sidhu