

**A**

**Report on the  
Pastoral Industry  
in Western Australia  
by the State Executive  
Standing Committee on  
Conservation and the  
Environment**

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## Summary

The Conservation and Environment Committee recognises that pastoralism is a legitimate land use, provided that it is administered in a way that is compatible with the concept of sustainable long term use of living, natural resources as outlined in the State Conservation Strategy. However the Committee notes that past and present practice falls far short of this aim.

The Conservation and Environment Committee rejects restructuring of the pastoral industry through the marketplace for leases as inappropriate for the management of a publicly owned resource, believing that such a process would lead to further degradation of the pastoral zone. Instead the Committee advocates active Government involvement in restructuring through planning processes, followed by improved administration of the industry under a new Act of Parliament. The Committee notes here that the aim of Government should be to provide a framework that allows realisation of the potential of the Pastoral zone for a variety of uses and that achievement of this aim would be made very difficult by entrenchment of the pastoral industry.

The Committee notes that there has been very extensive degradation of pastoral lands through grazing and believes that this process will continue if the pastoral industry is not restructured and better administered. If this degradation continues then the productivity of the pastoral zone will be lost for future generations.

The Conservation and Environment Committee is concerned by proposals currently being considered by Government to change the nature of the pastoral land tenure system and the statutory and administrative controls over the industry. In the course of reviewing the specific proposals the Committee has examined a broad range of issues related to the pastoral industry in Western Australia and has formulated a series of recommendations to deal with restructuring of the industry. These are summarised below.

1) The Conservation and Environment Committee recommends that, prior to any extensive restructuring of the pastoral industry (and prior to extension of lease tenure) the Government should initiate a comprehensive land use study of the Pastoral zone on a region by region basis.

Decisions on land use allocation should be based on knowledge of the biophysical resources of each region. In the case of the pastoral industry, consideration should also be given to economic studies to ensure that the restructured pastoral properties created would be viable in the foreseeable future.

The land use studies should also address other land use issues, including the dedication of additional National Parks and Nature Reserves and access by Aboriginal groups to traditional lands.

The State Government should seek the co-operation of the Commonwealth Government in implementing the land use studies because of that Governments commitments through the National Soil Conservation Programme and the Environmental Survey of Australia.

2) The Conservation and Environment Committee recommends that after land use studies and reallocation of lands (i.e. restructuring the industry) a new pastoral tenure system be introduced. The Committee recommends a rolling lease system with leases allocated for twenty years subject to five yearly review.

3) The Conservation and Environment Committee recommends that Government administer the restructured industry through a new "Pastoral Industry Act" which should bring together and update all aspects of the legislation pertaining to the pastoral industry. Under the new Act administrative responsibility for the pastoral industry should lie with the Commissioner for Soil Conservation (responsible to the

Minister for Agriculture) who would have available to him the resources of the Rangelands Branch of the Division of Natural Resource Management of the Department of Agriculture (which would require upgrading). An important aspect of the administration of the industry under the new Act should be regular reporting to Parliament (via the Commissioners annual report) of the result of monitoring of pastoral leases and compliance (or otherwise) by leaseholders with lease conditions. The Act would also revamp the Pastoral Board (which should advise the Minister), making it more representative of the various groups that have legitimate interests in the pastoral areas.

4) To assist the industry with its problems with access to loan funds (which is the basis of the industries push for perpetual leases) the Committee sees scope for the Government to introduce a system where loans for approved improvements (i.e. those that would further good management of the resource base) would be advanced by the R & I Bank with Government guarantees. With such loans and guarantees only being provided to leaseholders who could demonstrate compliance with lease conditions.

5) Any further release of Crown lands for pastoral use and approval of agricultural development (or other intensive use) of parts of leases should be subject to environmental impact assessment by the EPA, as for agricultural land releases.

6) Changes to the tenure system of pastoral lands should include recognition of the legitimate rights of groups other than pastoralists to have access to the land for uses compatible with pastoralism.

## 1.0 Introduction

The pastoral industry in Western Australia is based on the use by relatively few individuals of a vast area of publicly owned land covering ecosystems that have very low resistance to, and resilience from, the grazing of the domestic animals that the industry runs. The result is land degradation (desertification) and consequent loss of productivity. The situation is exacerbated by the highly irregular rainfall regimes of much of the pastoral zone. The Government and the industry have the collective responsibility of managing this estate in the best interests of all present and future Western Australians.

In the past, private individuals have benefitted from the privilege of using this resource and it has been assumed that the community as a whole has also gained some benefit; however due to a combination of the fragile nature of the ecology, poor levels of management expertise and greed, many areas have suffered, and are continuing to suffer, degradation from over-exploitation through overgrazing. It is not exaggerating the position to say that large parts of the pastoral zone are undergoing a process of desertification due to the effects of the pastoral industry. It is unfortunate that the areas most degraded are those of most value to the pastoral industry.

When granting, or renewing a pastoral lease, the Government, in effect, makes a land and environmental subsidy to the pastoral industry (and in many instances a financial subsidy). It provides extremely cheap land for grazing in the full knowledge that even with reasonable care (which often is not forthcoming), the other values of that land will be steadily eroded.

It needs to be recognised that, if pastoralism is allowed to continue unchecked, ultimately this environmental subsidy will have to be repaid not only in lost productivity for grazing, but also in lost conservation, tourism and other values. The effective redress of pastoral land degradation through rehabilitation of pastures would cost very large sums of money, yet would not restore many of the lost conservation values.

The pastoral industry has been justified by some people (notably those in the industry) on the basis that pastoralists are "custodians of the land", with the implications that therefore the land would be worse off without them and that they act responsibly in their exploitation of the land. The facts totally repudiate this rather romantic perception of the industry. The land was in much better condition before the development of the industry and many parts of it would not be in the severely degraded condition they are now in if such romantic self- and community perceptions were accurate. However, the fact that many people share similar romantic perceptions about the industry, based on ignorance of its impact on the environment, may make it very difficult to reform the industry through the Government ensuring that the areas leased to the industry are suitable for pastoral use and that they are managed in a proper manner.

If the industry is to be put on a proper footing and the pastoral lands are not to be further degraded, discussion of the industry and Government action must address the long history of mismanagement of the land by the industry and the derogation by successive Governments of their responsibilities.

Rather than simply responding to the wants of the industry, the Government needs to determine what it wants from the industry and in what state it wishes to hold the land. The important perspective here is, what is to be the role of the industry from the Government's point of view?

There has been substantial lobbying of Government by the industry with regard to the tenure of pastoral leases over recent years on the basis that investment in the

industry is curtailed by lack of security of tenure (even though all the current leases run till 2015, and in the past all leases have been extended) and an inability to raise loan funds. The industry proposes a perpetual lease system as the cure for these two problems. The Committee notes that leases have some twenty eight years to run and believes that security of tenure is not the cause of low investment levels. Further the Committee is aware that 15-20 years is seen by banks as adequate time periods to repay loans (Martin 1980, pp45-46). The Committee understands that good managers on stations with adequate cashflows have little difficulty in obtaining loan funds and suspects that lessees on stations that are not viable are the ones having trouble raising funds.

It is the committee's view that the industry is mis-representing to Government the basic causes of its problems. **The basic problem of the pastoral industry is that it is a dispersed low intensity industry. In addition it generally produces a low quality, often low value, product by exploiting low productivity, fragile and arid ecosystems and is consequently probably incapable of caring for its resource base.** Rather than attempting to address its real problems the industry is in effect seeking to gain windfall increases in lease values, less restriction on stocking rates and pre-emptive lease security improvements before rather than after regional land use studies.

If the Government accepts the views/lobbying of the industry the result will be the following:

- 1) Pastoral property values will increase.
- 2) Stations with poor cash flows will still be unable to obtain loans, or will eventually be forced onto the market so loans can be discharged.
- 3) Station managers who obtain loans will be under pressure to increase stock levels to meet their repayments, leading to further degradation of the land.
- 4) Station owners will be able to demand higher compensation for resumption of leases where land is required for other uses.
- 5) Higher compensation demands will inhibit future changes in land use and result in lengthy delays in, or complete prevention of, the implementation of national park and nature reserve proposals, including proposals already agreed to in principle by Cabinet in line with Red Book recommendations. (This in turn will inhibit diversification of local economies through discouragement of tourism.)
- 5) Higher values for leases on the market will put them beyond the reach of all except very wealthy people or large companies; this will lead to further absentee ownership with resultant pressure for profits rather than good management.

The deal the pastoral industry wants is one sided, it gives benefits to the pastoralists, but no benefits to the government or people of Western Australia.

## 2.0 Relevant Sections of State Platform

Items marked \*\* are ones the Committee considers especially relevant in the context of discussions of the pastoral industry.

### \*6 CONSERVATION AND ENVIRONMENT

#### Introduction

1. Ensure that the protection and enhancement of the natural and built environment are essential considerations in all decisions which are made by government.
2. Recognise that there are fundamental limits to economic growth and development imposed by the availability of resources and that the responsible management of these resources should be addressed in the planning process.

#### Soil and water conservation

3. Contain modes of land use which threaten the quality of water in surface

catchments. Any proposal to increase run-off by decreasing vegetation cover will be subject to rigorous environmental analysis.

4. Regulate the extraction of groundwater where this threatens environmental values.

#### **Wildlife**

17. Seek to maintain ecological diversity and abundance and prevent the decline and extinction of individual species through a combination of protective legislation, expansion of the reserve system, funding of research into wildlife management, ecology and environmental education.

21. Continue to implement the recommendations of the Conservation Through Reserves Committee for all systems, especially System Six, to ensure that remnants of our wildlife on public and private lands are preserved.

#### **Conservation of natural areas**

43. Establish a system of large, ecologically viable national parks and nature reserves for the conservation of natural areas so as to -

- a. attain standards of excellence in the conservation of representative samples of native flora, fauna and physiographic features;
- b. provide the opportunity for present and future generations for recreation in natural surrounds.

\*\*58. At the earliest opportunity carry out a land use study of pastoral regions to identify areas best suited to pastoralism, conservation or other uses and, following public review, protect those areas recommended for conservation.

### **20 RURAL AND REGIONAL DEVELOPMENT**

#### **Conservation and land use**

36. Conserve or improve the natural resources on which agricultural and pastoral production depends, with emphasis on agriculture as a renewable resource and as a contributor to regional economies.

#### **Pastoral land tenure**

\*\*Labor recognises that the pastoral land tenure system must enhance land management practices, protect the existing land base and provide for the economic viability of the industry.

\*\*42. Guarantee the right of continuous use of pastoral leases provided there is full compliance with lease conditions.

\*\*43. Promote efficient pastoral production without degradation of the rangeland.

\*\*44. Monitor the condition of pastoral areas to improve management of the rangeland and to ensure that all future land use options are retained."

## **3.0 Background**

### **3.1 Extent of the Pastoral Lands**

The area under pastoral leases in W. A. is some 951,000 square kilometres or 38% of the area of the State, located predominantly in the semi-arid and arid regions containing the states most fragile ecosystems, and the Kimberleys (Chittleborough and Keating, 1987)

### **3.2 Historical perspective**

The pastoral industry has a long history in Western Australia, starting from a few years after first settlement. It developed, and had its hey-day, in times when public

attitudes to, and understanding of the environment were very different to those current today.

Pastoralism was established as a residual use. That is leasehold was granted on the understanding that the leases could be withdrawn if a better use was established. Better uses certainly now include conservation and use for Aboriginal lands. Given the damage done by the pastoral industry, vacant Crown Land may well also be a better use in certain areas.

From the time of the inception of the pastoral industry in Western Australia there has been an underlying assumption that not only was the land being used for pastoralism well suited for this activity, but also that it could go on sustaining this land use indefinitely. The general attitude has been that the land was free, and god-given for exploitation.

Historically, there have been two major rationales for the leasing of public lands for pastoralism. The primary preoccupation was to secure the economic growth of the State through the development of the land resource for the production of cattle and wool. The second rationale for the industry has been that it provides a presence in what would otherwise be uninhabited areas.

The Committee's response to the first rationale is to seek examination of the present economic state of the pastoral industry and the likely future costs to the community for repair of the degradation of the pastoral zone. That is it sees a need for Government to determine both the direct and social benefits and costs of the pastoral industry. The Committee seeks this examination because it seriously doubts the economic viability of many leases and believes that the industry's economic contribution to society is offset substantially by hidden costs such as soil erosion.

In respect of the second argument, the Committee points out firstly that it is now less relevant than it used to be and secondly the degradation caused by the pastoral industry is resulting in the pastoral zone being much less attractive for other purposes than it would otherwise be. That is, the industry's contribution may be relatively short lived and may result in the pastoral zone being unavailable for more suitable economic uses due to the destruction of the resource base.

### 3.3 Current condition of the Pastoral Lands

The Conservation and Environment Committee is aware that severe land degradation problems have arisen in the past (and are ongoing) as a result of both poor land management (overstocking, frequent fires, lack of adequate fencing) and inadequate or bad Government regulation (policing of grazing levels, the legal problem of minimum stocking levels, inappropriately trained inspectors).

**Table 1. Range conditions for five surveyed pastoral areas in Western Australia. (From Chittleborough and Keating, 1987.)**

Region Surveyed	Total area (sq. km)	Range Condition Class		
		GOOD	FAIR	BAD
GASCOYNE (1970)	63,400	32%	53%	15%
WEST KIMBERLEY	89,600	20%	50%	30%
NULLABOR	47,400	50%	10%	40%
ASHBURTON	61,200	64%	27%	9%
CARNARVON BASIN	74,000 (approx.)	45%	32%	23%
AVERAGE OF ALL AREAS 335,6000		40%	37%	23%

(NOTE: areas not yet surveyed include the Murchison, which is severely degraded and would probably increase the average of areas in bad condition.)

In recent years detailed rangeland surveys of parts of the pastoral areas have been carried out (Gascoyne River catchment, West Kimberleys, Nullabor Plain, Ashburton



River catchment, Carnarvon Basin). The areas surveyed have a total area of 335,600 square kilometres, of which 23% is in bad condition, 37% is in fair condition and 40% in good condition (see table one).

In the different survey areas the percentage of the area in bad condition (i.e. seriously degraded with half being marked by soil erosion) varied from 9% to 40% (Chittleborough and Keating, 1987). The seriousness of this situation is compounded by the fact that the worst degradation is concentrated on the most productive parts of stations. The consequence of past and present use is that "Today, 58 % of pastoral lands are in need of some form of range management, while a further 33% require stock reduction as well as range management" (Chittleborough and Keating, 1987), i.e. they are seriously degraded. Of this 33%, 20% require "works" as well as stock reduction (see table 2), this means that these areas are so severely degraded that they require active intervention as well as stock reduction if their carrying capacity is to be regained.

**Table 2. Area of Western Australian pastoral land needing treatment.**  
(From Chittleborough and Keating, 1987.)

<b>Treatments</b>	<b>Area (sq. km)</b>	<b>as %</b>
<b>No special treatment</b>	<b>86,000</b>	<b>9%</b>
<b>Range management only</b>	<b>547,500</b>	<b>58%</b>
<b>Range management &amp; stock reduction</b>	<b>127,500</b>	<b>13%</b>
<b>Range management &amp; stock reduction &amp; works</b>	<b>190,000</b>	<b>20%</b>
	<b>951,000</b>	<b>100</b>

In effect what is happening is that large parts of the state are undergoing a process of desertification, with continually declining carrying capacity and loss of pastoral and other values. Unless Government responds to this situation, through modification of the extent and practices of the industry, this process will continue.

"Rates of land degradation were probably highest in the early years after pastoral settlement, and during major drought periods. On some sections of land, the ecosystem was entirely unsuitable for pastoralism; some of the remainder have now been so badly degraded that sustainable use of these systems is no longer possible. On a number of stations, re-appraisal of land condition each time a station is sold indicates a continuing decline in carrying capacity." (Chittleborough and Keating, 1987)

### **3.4 Economics of the Pastoral Industry**

The C & E Committee is concerned that, given the fragility of the ecosystems being exploited by the pastoral industry it is inevitable that even relatively responsible use will lead to further environmental degradation and that the economic returns from the industry may not justify this over much of the area currently under pastoral leases. There are several aspects to be considered here:

- 1) is the industry economically viable?
- 2) what is the cost to Government of maintaining the industry?
- 3) the debt/ degradation trap
- 4) how can the industry be put on a better economic footing?
- 5) is it possible to improve the financial security of pastoralists without at the same time increasing the likelihood of further land degradation?

#### **Economic viability**

"Considered solely on economic criteria, 52% of pastoral leases in the Kimberley and 47% of those south of the Kimberley have been assessed as non-viable" (Chittleborough and Keating, 1987, quoting Reports 1 & 2). The C. & E. Committee believes that a major function of the proposed regional land use studies is to create a system of viable leases through amalgamation and redrawing of lease boundaries. This would be of benefit to leaseholders and the environment, as leaseholders would not need to overstock.

#### **Cost to Government**

The C & E Committee does not have detailed information on the costs to Government of the industry. However the Committee notes that the annual lease payments (total for the state - \$495, 000, or \$1159.25 per station business) do not even cover the cost to the Government of administration and management of those leases through the Pastoral Board. The costs of the present Rangelands Branch of the Department of Agriculture is an additional cost burden on the community. Other service costs such as roads and telephones are partly subsidies to the industry.

#### **The Debt/ degradation trap**

One aspect of the economic problems that face the industry particularly concerns the Committee; this is the substantial pressure on leaseholders with debts to maintain high stocking levels in order to service those debts, even when the environment is being demonstrably degraded. Further to this, the Committee is concerned that if pastoralists are given greater security of tenure the value of leases is likely to rise and pastoralists may borrow against such higher values, increasing pressure on them to maintain higher stocking levels than is desirable. It is imperative therefore that if increased security of tenure is given then adequate and enforceable land management controls are applied at the same time as tenure changes are effected.

#### **Better economic footing**

The C. & E. Committee is of the view that the problem of economic viability can only be addressed by restructuring of leases into economically viable units. However it believes that this should involve more than simply increasing the size of stations until they become viable. Other factors to be taken into consideration include establishing (setting) limits of productivity that are environmentally acceptable (i.e. there should be a lower limit of productivity), so that very large areas do not be continue to be degraded for too little return and the ability to fund necessary rehabilitation. The Committee sees scope for areas that are not presently viable for pastoral purposes to be used for different purposes; however, this potential for other land uses may be contingent on the areas not being subject to further degradation.

Viability should also be defined so that annual lease payments can be set at a level that, at the very least, covers the cost to the Government of administration and management of the pastoral industry and services provided to the industry. However, lease payments should also reflect the value of the public resource given over to private gain i.e. there is no reason why the Government should not expect to make a reasonable return on this public property, as it does through exploitation of Crown owned mineral resources by the mining industry.

Assessment of viability of areas for grazing should not preclude them from being available for uses such as conservation and tourism, either now or in the future.

## **4.0 Competing Land Uses**

The current extent of the pastoral industry is the result of the allocation of Crown lands at times in the past when there was less appreciation of the potential of the lands involved for other uses. There are now increasing demands for these lands to be available for a variety of other uses including conservation, tourism and mining. It needs to be appreciated that, just as previous generations have not been able to foresee these "new" uses, future generations will probably develop other uses for

pastoral lands. Future good administration of the pastoral zone will include inbuilt flexibility to provide for the rights and needs of future generations through the ability of Government to use land in the pastoral zone for the most appropriate use. The current situation, where pastoralism is stalling the creation of national parks, is an example of the reverse of the desirable situation.

### **Conservation**

The Conservation and Environment Committee notes that many of the plant and animal communities that are covered by pastoral leases in Western Australia are not adequately represented in secure conservation reserves. Here the Committee is particularly concerned with:

- (a) outstanding EPA Red-Book proposals,
- (b) other outstanding reserve proposals, particularly those resulting from comprehensive biological surveys such as those in the north-west Kimberleys, the Goldfields and the Nullarbor Plain,
- (c) large areas of the State covered by pastoral leases which were not been examined through the "conservation through reserves" process and have not yet been surveyed for their conservation values.

There are major deficiencies in the reserve system in areas such as the Ashburton, Gascoyne, Carnarvon, Kimberley and Nullarbor regions. The Committee points out that the longer the delay before decisions establishing secure reserves are taken the more difficult these decisions will become. This is because it will become more difficult to find areas in good condition and the planning and political difficulties will have been made more difficult through the limiting of options (i.e. less suitable areas) and the increase in competing interests.

The Committee is also concerned that the state of knowledge of the flora and fauna of the pastoral zone is so poor that if representative areas are not set aside then there will not be adequate benchmark areas to assess the extent of further changes in this zone due to pastoral activities and other factors such as climatic change.

The Committee also notes that there is an economic cost in delaying the creation of National Parks, as the designation of a Park encourages people to visit it, boosting local economies through increased tourist activities.

### **Agriculture**

The Conservation and Environment Committee is particularly concerned by the proposal to allow pastoralists to develop parts of their leases for agricultural purposes (proposed amendments to Section 105 of the Land Act). Such provision would be contrary to Government decisions that all agricultural land release shall be subject to EPA review. Further to this, the Committee believes that such development would tend to selectively impact particular ecosystems, that is the more fertile soils of the better watered pastoral areas. These areas also have high conservation values.

### **Aboriginal Use**

Many traditional groups have valid claims to areas in the pastoral zone and these claims should be recognized during the regional land use studies. It may be appropriate in different cases to transfer land to aboriginal control, to jointly manage areas as conservation reserves or to formally ensure access to particular pastoral lease at different times and for particular purposes.

### **Mining**

The Conservation and Environment Committee is aware that considerable environmental damage is being caused in the pastoral zone through the lack of controls on mineral exploration, particularly by small operators stripping areas in what is really small scale strip mining rather than true exploration. The Committee believes that a code of conduct needs to be drawn up for mineral exploration practice in the pastoral zone and sees scope for pastoralists to have some semi-formal role in its implementation.

### **Tourism**

The Conservation and Environment Committee sees tourism as a major growth industry for the pastoral zone with the potential to diversify regional economies and provide employment for local people, including aboriginals. The tourism value of natural areas can be effectively maximised through their inclusion in National Parks which are recognised by the public as being desirable places to visit with the added advantage that they know that access is allowed. This management strategy has the advantage that it provides a structure for protecting the natural resource, it should be recognised however that tourism should not be pre-emptive of the maintenance of conservation values.

## **5.0 Tenure of Pastoral Leases**

Through the Pastoral Tenure Study Group and the Committee currently preparing recommendations for legislation the pastoral industry has argued for an indefinite tenure system and recently for leaseholders to opt for either continuation of the current system or an indefinite lease. While recognising the need to give the industry reasonable security for investment confidence, the Conservation and Environment Committee perceives difficulties with recent proposals to give indefinite tenure to pastoral leaseholders. These include:

- 1) Increased security of tenure may lead to increased resistance to enforcement of environmental controls, leading to greater degradation of leases.
- 2) Blanket granting of indefinite leases would pre-empt proper land use planning through the regional land use studies proposed by the Committee (e.g. implementation of National Park proposals would be inhibited).
- 3) Increased security of tenure will probably lead to higher values for leases, this will in turn lead to:
  - a) windfall profits for present leaseholders, possibly leading to an exodus of experienced leaseholders.
  - b) higher debt levels for incoming leaseholders with consequent pressure to overstock to service these debt levels.
  - c) higher compensation claims when the Government wishes to resume a lease.

The Committee is not convinced that a need for increased security of tenure is the prerequisite for greater borrowing ability for leaseholders. Rather, the Committee believes that many leaseholders simply cannot demonstrate that their leases have the capacity to generate the cashflows to service increased borrowings. Further the Committee believes that over-emphasis on tenure conditions is obscuring the need for a basic overhaul of the industry. The Committee also notes that, even where capital investment is needed on a station and that station has a positive cash flow, the investment is not necessarily made.

What the industry is proposing is that in the face of an obvious need to restructure the industry and the whole use of land in the pastoral zone through a series of regional land use studies, the Government should give up what should be seen as the fruits of co-operation in such restructuring (increased security of tenure, less Government direction) and also face the prospect of paying significantly higher compensation for acquisition of land better suited to other uses.

The supposed urgency of granting of longer term leases is viewed by the Committee with some suspicion. All of these leases have twenty eight (28) years to run, half a lifetime! **If more secure leases are granted prior to restructuring the industry it will never be restructured.** The Government would have given up its leverage and would be faced with greatly increased costs for compensation due to increased valuations placed on leases.

The Committee believes that up till the present the lease system has worked as a

de facto rolling system that has had the defects that the roll-overs have not been automatic and there has been no mechanism for terminating poorly managed leases. The committee believes that a formalisation of the current de-facto rolling lease system into a twenty year rolling system with five year performance reviews would give pastoralists adequate security of tenure while protecting the role of Government as the trustee for the public good. However the committee has had advice that the industry would perceive this as a short term lease rather than a rolling system and that it may lead to poor long term management. In the face of this the Committee would be prepared to accept the granting of perpetual leases if this was necessary to obtain the co-operation of the industry in restructuring through the proposed regional land use studies.

In the past there have been inadequate controls on the management of leases and the situation has been exacerbated by the ineffectiveness of the pastoral Board in adequately overseeing the industry. Therefore, irrespective of the tenure system, leases must have conditions placed on them that ensure that the Government can act to prevent degradation. To be effective this means that there must be a monitoring system and the ability of Government to set maximum stocking levels set to reflect the carrying capacity of the land. And there must be a clear administrative framework to implement these requirements. The Committee recommends that responsibility for the industry should rest with the Commissioner for Soil Conservation who should have access to the services of the Rangelands Management Branch of the Department of Agriculture. The Committee specifically recommends against the industry being administered by an upgraded Pastoral Board as it believes that this is unlikely to result in good land management. However the committee sees an advisory role for a revamped Pastoral Board which should include representatives of the various groups which have legitimate interests in pastoral areas (specifically it should have representatives of the industry, voluntary conservation movement and relevant Government Departments). The Board would advise the Minister on issues, other than the management of lease conditions, which affect the industry.

The Committee is of the opinion that, in the absence of enforceable controls on management practices, extension of further credit to pastoralists on the basis of more secure tenure is likely to lead to greater degradation than has occurred to the present, rather than to better pastoral land husbandry. The committee believes a similar situation would arise to that found in the agricultural zone where farmers faced with loan repayments have had to extend their cropped areas and stock more heavily, leading to greater land degradation.

## 6.0 Climatic change: Implications for the Pastoral Zone

Many land-use decisions are made on the assumption that physical environmental factors such as annual rainfall and temperature regimes are relatively constant. In historical times this has been a reasonable assumption but, due to the "greenhouse" effect of climatic change induced by the introduction of various gases (but particularly carbon dioxide) into the atmosphere subsequent to the industrial revolution, this is no longer the case. Pittock and Nix (1986) have estimated that climatic changes caused by the greenhouse effect will cause plant biomass production to increase by 40% in the lower Kimberley region, increase by 20-35% in the Pilbara region and decline by up to 5% along the south west coast from Carnarvon to Albany. Such changes in plant biomass production would have very significant effects on the pastoral industry and could lead to the desirability of radical changes in the size and distribution of pastoral leases. Changes in pastoral lease tenure should therefore allow future governments the maximum flexibility in the allocation and re-allocation of lease areas.

For example the predicted increases in the biomass production in the Kimberleys could bring about the need to divide leases to take advantage of an opportunity to increase the density of settlement through increased productivity.

## 7.0 Direction for Future Sound Management of the Pastoral Areas

The pastoral industry "in Western Australia has not been operating on an economic or ecologically sustainable basis." (Chittleborough and Keating, 1987). This has resulted from allocation of lands for pastoral use that could not sustain it in the longer term, inadequate Government regulation of the industry, the fact that increased production means increased degradation (leading to consequent loss of production) and deliberate exploitation of the resource through overstocking.

It is the view of the Committee that the current focus on tenure systems is to a significant degree a "red-herring" in the long term resolution of the environmental and economic problems facing the industry. The problems of the industry are much deeper than this and are centred in its inherent position as a producer of very low quantities of produce per hectare. This low income per hectare inevitably means that very little money is available per hectare for management or rehabilitation.

Sound management of the pastoral zone in the future can only result from a reversal of the current laissez-faire situation to one of proper planning, based on an adequate data base and with definite objectives.

In the view of the Committee these objectives should reflect:

- 1) An emphasis on long term ecological stability, rather than short term production.
- 2) Appropriate emphasis on each of the competing land uses, rather than the current over-emphasis on pastoralism.
- 3) adequate representation of all major ecological types in national parks and nature reserves in line with the recommendations of the Systems studies and other major surveys.
- 4) The rehabilitation of those areas that have been degraded (but note here that "rehabilitation" generally aims to recover grazing values rather than conservation values and the fact that it is necessary implies a very significant loss of conservation values).
- 5) Development of a legal framework for the pastoral industry that will balance the needs of individual pastoralists with the demonstrated need for active Government regulation of the impacts of the industry on the environment.
- 6) Recognition that some stations should simply not continue to be used as such, i.e. they are uneconomic and no amount of fiddling with tenure or other side issues will change this position.
- 7) The need for adequate levels of management skills, monitoring and enforcement of stocking levels with heavy penalties for overstocking.
- 8) A recognition that with time Governments, due to changes in attitudes and knowledge, may develop other uses for pastoral areas and that therefore tenure systems should not be rigid, or extremely difficult or expensive for government to change.
- 9) Recognition that the holding of a pastoral lease is a privileged use of a public asset and that leases should be terminated where the leaseholder mismanages that asset.
- 10) As leases are based on use of a public asset their condition and the compliance, or otherwise, of leaseholders with lease conditions should be regularly reported to the public via Parliament.
- 11) A preference for (resident) owner managers as absentee ownership leads to unwillingness to re-invest profits into capital works on leases.

## 8.0 Specific Recommendations for Government Action

- 1) Land use in the pastoral zone should be reviewed through the preparation of a series of regional land use studies based on adequate biophysical data (including carrying capacities) and cost-benefit analyses.
- 2) Lands should be assigned to their most appropriate uses; the pre-existence of pastoral leases should not be an overriding consideration and pastoralism should not be pre-emptive of other uses. (Where productivity is too low to justify degradation it should be seen as reasonable to transfer land back to vacant Crown land.)
- 3) There should be consolidation and rationalisation of pastoral properties into viable units based as far as possible, but not exclusively, on existing improvements, with the aim being sustainable use.
- 4) The areas of conservation value identified in the regional plans prepared under 1) should be established as National Parks or Nature Reserves as appropriate; areas identified previously and agreed to in principle in previous Cabinet decisions (i.e. Red Book reserve proposals) should be established as a matter of urgency. The size of areas established as conservation reserves should at least meet internationally recognised standards for the conservation of representative samples of ecosystems. Where necessary, additional areas should be set aside as benchmark or reference areas to enable comparison with areas under pastoral use to be made in the future. Particular attention should be paid to the problem of coastal areas which are under high demand for other uses and which are often of low productivity for pastoral use and very susceptible to degradation.
- 5) A new pastoral lease tenure system (as discussed in section five) should be established that provides adequate security for the pastoralist with improved controls to prevent and reverse degradation. The lease system should confirm the role of Government as the trustee of the land acting in the public interest. The Committee views the suggestion that pastoralists be allowed to choose between the present system and a new system on a lease by lease basis as being inimical to good management of the industry. Such a situation would lead to an administrative nightmare with different individuals in the industry being subject to different conditions and controls and possibly administered by different agencies.
- 6) Implementation of the new lease system should only proceed on a regional basis following the preparation of the regional plans called for under 1), and this implementation should be dependent upon acceptance by the industry of this restructuring.
- 7) Control of the pastoral industry should be rationalised through a new Act of Parliament ("Pastoral Industry Act") with administrative responsibility for management, monitoring and enforcement (including enforcement of rehabilitation) resting with the Commissioner for Soil Conservation (rather than the Department of Land Administration) responsible to the Minister for Agriculture. The new Act should have provision for adequate penalties for non-compliance with lease conditions (including compulsory destocking).
- 8) The Resource Management (Rangelands) Branch of the Department of Agriculture should be given the resources to enhance its effective rangelands monitoring system, with provision for regular objective assessment of all stations. The objective should be to monitor each station at least once in a five year period and where concern is felt over the management of particular stations more frequently as is necessary.
- 9) To ensure the public accountability of the industry there should be regular reporting by the Commissioner for Soil Conservation (via Parliament) of the administration of the industry. This should include the results of monitoring and compliance or non compliance by leaseholders with lease conditions.

- 10) Leaseholders should be encouraged to extend the Soils Conservation Districts system to cover all pastoral areas (preferably on a whole catchment basis). The activities of Soils Conservation Districts should be regularly reviewed by the Commissioner for Soil Conservation who should include assessment of their effectiveness in his annual report.
- 11) Lease payments should cover the costs to Government of servicing management and enforcement plus provision of some return to the State.
- 12) The Government, in co-operation with the industry, should establish a trust fund to assist with rehabilitation of badly degraded rangelands and with land purchase where mismanagement has made it necessary. Contributions to the trust fund could in part be from a levy on a stocking number basis or through a condition of holding a lease. Another use of the fund could be facilitation of the activities of the Soils Conservation Districts.
- 13) Where necessary the Government should provide guarantees for loans advanced (at commercial rates) by the Rural and Industries Bank for approved improvements to facilitate better management of leases. Accessibility by leaseholders to funds in this manner would remove one of the difficulties perceived by the industry, but this system should only be introduced as an inducement to the industry to allow the restructuring suggested above and should only be implemented after such a restructuring. The Committee sees an opportunity here for the Government to encourage good management by giving preference for such assistance with funding to leaseholders who meet or exceed conditions placed on their leases.
- 14) Any further release of lands for pastoral use should be subject to environmental impact assessment by the EPA, as for agricultural land releases.
- 15) Proposals for clearing of native vegetation on pastoral leases for diversification through agricultural development should also be subject to environmental impact assessment by the EPA. Such clearing should not be allowed prior to the regional studies required under 1) or areas of high conservation value could be lost before they could be allocated to their most appropriate use.
- 16) Changes to tenure of the pastoral lands should include recognition of the legitimate rights of groups other than pastoralists to have access to the land for uses compatible with pastoralism. This should include access for aboriginal groups with ties to land areas and ordinary citizens who have reasonable reasons (such as visiting scenic areas, studying native plants and animals) for desiring access. Obviously such access should be constrained by normal courtesies and proper standards of responsible behaviour.
- 17) The Government should increase research into methods of controlling feral animals with the aim of significantly reducing their impact in the pastoral zone.



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