

STANDING COMMITTEE ON PUBLIC ADMINISTRATION

**INQUIRY INTO PASTORAL LEASES
IN WESTERN AUSTRALIA**

**TRANSCRIPT OF EVIDENCE
TAKEN AT PORT HEDLAND
WEDNESDAY, 6 NOVEMBER 2013**

SESSION FIVE

Members

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

Hearing commenced at 10.27 am

Mr JOHN DIGBY CORKER,
Owner, Red Hill Station, sworn and examined:

The CHAIRMAN: Mr Corker, on behalf of the committee, I would like to welcome you to the meeting. Before we begin, I need you to take the oath or affirmation.

Mr Corker: Okay. I give you my full name, is that right?

The CHAIRMAN: Do your oath first and then we will get your details.

[Witness took the oath.]

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

Mr Corker: Yes.

The CHAIRMAN: Great. These 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, and please be aware of the microphones and try to talk into them. Please ensure that you do not cover them with papers or make a noise near them. 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 a 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 contempt of Parliament, and may mean that the material published or disclosed is not subject to parliamentary privilege. You did make a written submission to the committee. Is there an opening statement that you would like to make in support of that?

The CHAIRMAN: Not so much a statement, but I would like to ask what was the reason for this inquiry, and what is hoped to be achieved by it?

The CHAIRMAN: Okay. The terms of reference that you wrote to in your submission—that is what the committee is inquiring into, so we will be asking you questions in regard to your experiences with pastoral leases. The mechanics of the whole thing is that we took a period where written submissions were given to the committee and we have then gone through those submissions. We are now in the phase of taking evidence from people who have made submissions. This week, we are in regional Western Australia; we are taking submissions in the city later in the month; and then the committee will go through what it is called its deliberation phase, whereby it goes through all of the evidence we have, we will then sit down to discuss that. Then we may or may not make a series of recommendations that will constitute the report that the committee will put together. We are hopeful that in the first quarter of next year we will be tabling our report. At that time of tabling, we will then refer our report to those ministers who we think need to have it brought to their attention. That is the process that we will be going through. Are you happy with that?

Mr Corker: That will do.

The CHAIRMAN: Terrific. Perhaps you might like to just talk us through Red Hill Station; what the situation is currently there in relation to your thoughts on the tenure situation of lease agreement, overstocking, environmental damage—those sorts of matters.

[10.30 am]

Mr Corker: Well, it is family owned; we have been there for 27 years. It is all cattle. Where would you like me to start? I will start with the first of your terms of reference, which I thought was very poorly worded, by the way. It made a statement rather than asked a question. There has been no increase in stock numbers; we are actually below historical highs. Those figures are available. I wonder why, actually, that statement was made. But environmental degradation is an interesting one because it is subjective a lot of the time, rather than objective. It is interesting that people who often criticise us for degrading the environment are those that live in the most degraded part of our whole state, which is Perth. They do not see that they and their community have destroyed their environment; whereas ours is almost the same as it was in the mid-1800s when it was first seen by the settlers.

As for our land tenure, the new lease document appears, according to the best legal advice, not to be legal and it is not going to happen, but I would still like to discuss it. I think there are two things that everyone needs to understand about it; first, it is a draft and therefore open to discussion and not to be too excited over it; and secondly, it is an ambit claim that reflects the views of the people who wrote it, not the government.

The CHAIRMAN: The way that this process is being managed, do you think that is adequate in what has been happening in levels of concentration?

Mr Corker: I guess there is some criticism due of both the PLB and the minister for a bit of lack of oversight in the whole process; it probably could have been managed better.

Hon JACQUI BOYDELL: In what way?

Mr Corker: Well, they probably should have taken a little more notice of what the department was doing.

The CHAIRMAN: Can you expand on that? When you say what the department was doing, what was the department doing that should have been known?

Mr Corker: My understanding is the draft has been in existence for about a year or maybe more, and nobody seems to have really had a close look at it in that whole time. Lands has its own in-house counsel who was involved with, as I understand, drafting the document. One would have thought she would have understood a bit more clearly the Land Administration Act.

The CHAIRMAN: You feel that the drafters did not understand the land act when they —

Mr Corker: I suspect they probably do understand the land act, but for some reason decided to ignore what it said.

Hon NIGEL HALLETT: What effect is it going to have on you, Digby?

Mr Corker: Well, it is impossible to say because I do not believe that document will ever be used, but obviously, after 1 July, 2015, it becomes possible again for the minister to impose conditions on a pastoral lease—on the new lease, and we will go through this process all over again.

Hon JACQUI BOYDELL: While we have got the opportunity for engagement—as you point out, it is a draft—between pastoralists, the PLB, and the minister to get this lease right, do you not think that is a good opportunity to do that rather than start all over again?

Mr Corker: Well, I do not think we can start over again. The process is defined in the act and we have to do it as the act says. If the legal advice that people have got regarding the new draft document is correct, we have to follow what the act says. It cannot be changed from the offer that was made originally. So there is nothing we can do about it.

The CHAIRMAN: That is on legal advice that you have received?

Mr Corker: No, it is on legal advice that other people have received and my bush-lawyer reading of the act.

Hon DARREN WEST: Would you propose that there might need to be some changes to the land act?

Mr Corker: I do not see anything bad about the current lease, but there is nothing good about it either. That contrasts with the new draft lease, which had everything bad about it and nothing good about it. I would like to see some new conditions in the lease document, yes.

The CHAIRMAN: All right. In a hypothetically perfect Digby Corker world, what is the lease going to look like?

Mr Corker: I would like to see a little more protection for the lessee from his landlord.

Mr Corker: I would like to see a little more protection for the lessee from their landlord.

The CHAIRMAN: Is that the only condition that you would change?

Mr Corker: Yes, pretty much.

Hon NIGEL HALLETT: In what terms?

Mr Corker: If you look at state agreement acts, they all have clauses where the government cannot change the conditions of the agreement without both parties agreeing to it. Why should that same courtesy not be afforded to us? In effect, they are the same document; it is a land-use agreement between the state and the user of the land.

The CHAIRMAN: Could you give us your views on the current monitoring of leases for environmental damage?

Mr Corker: I am not happy with the way it has been done. I do not believe the Department of Agriculture and Food has been doing a proper job. I support self-monitoring but I believe the state should initially fund the installation of the sites. That is for two reasons: firstly, the state is the landlord, it is their land; and, secondly, then there would be consistency of sites right across the board. I can site monitoring sites where the land will never ever change.

The CHAIRMAN: Do you conduct self-monitoring at Red Hill station?

Mr Corker: Yes, we do. We have 30 or 40 sites on the same model.

The CHAIRMAN: Is it every three years that you cycle through —

Mr Corker: No, we do them every year.

The CHAIRMAN: Do you have a feral animal problem?

Mr Corker: It is only dogs, and they are at a manageable level.

The CHAIRMAN: Do you shoot, bait or trap the dogs?

Mr Corker: Yes, we shoot, bait and trap them because there are fewer dogs in our area than in other parts of, particularly, the inland Pilbara. We have a manageable level.

The CHAIRMAN: What is the size of your pastoral lease?

Mr Corker: It is 190 000 hectares.

The CHAIRMAN: What head of cattle do you run?

Mr Corker: It is rated at 2 200 cattle units.

The CHAIRMAN: Is that what you currently have?

Mr Corker: No, we have more than that.

The CHAIRMAN: Do you have excess of the number that you should have?

Mr Corker: No, we have an excess of the estimated carrying capacity. The two are different.

Hon AMBER-JADE SANDERSON: Can you explain that?

Mr Corker: You said “should”. The estimated carrying capacity is exactly that—it is an estimate. To be frank, I have a better idea of the carrying capacity than the person who calculated that a long time ago.

The CHAIRMAN: You seem to be proud of the fact that you are running more than —

Mr Corker: It is not that. We have been running more than our estimated carrying capacity for a long time and we see the country all the time. In our opinion, it is capable of doing that.

The CHAIRMAN: The land can manage what you are doing.

Mr Corker: That is true for most pastoral leases. I know of only two pastoral leases in the entire Pilbara that, in my opinion, are overrated. All the rest are underrated, and by a large degree in some cases.

The CHAIRMAN: What experience do you have to make those sorts of claims, as opposed to the claims of people from the department?

Mr Corker: I have a hell of a lot more experience than them in assessing the country.

The CHAIRMAN: Does just the practical experience of being on the land put you in a better position than those with scientific knowledge who make the claims?

Mr Corker: Absolutely.

Hon AMBER-JADE SANDERSON: I note that in your submission you say that the current tenure of leases makes it impossible to secure finance. Have you had experience of that?

Mr Corker: No, it is actually the draft lease that would make it impossible. That is the case now; there is a sale in the Gascoyne that has been held up because after seeing the draft document the bank has said it will not write anymore pastoral business until the lease issue is resolved. I spoke with my bank a week or so back, and they are still writing business because they are of the view that government will sort this out favourably.

The CHAIRMAN: Can you share with us which station is having that problem? We can go into private session if you want to tell us that privately.

Mr Corker: That would be a good idea.

Hon DARREN WEST: May I suggest that —

Mr Corker: I could just write it down for you.

Hon DARREN WEST: — I think we have a witness appearing at a later hearing who is well-versed in real estate.

Mr Corker: They will probably know the history.

The CHAIRMAN: I think we will leave that at this stage.

[10.40 am]

Mr Corker: I can say that it is Rabobank.

The CHAIRMAN: Sorry, could you say that again?

Mr Corker: It is Rabobank.

The CHAIRMAN: It is Rabobank that is hesitant to provide funding.

Hon DARREN WEST: I want to go back to monitoring. You said before that monitoring has been quite subjective and there is a need—and we have heard this at other hearings—for a more objective system of monitoring the state of the carrying capacity and the management of leases. I am

interested in a group from the Gascoyne we heard from yesterday, that is doing what it calls PMS-style monitoring. They are monitoring the sites themselves. They have a lot more of the WARM sites and they are using the data probably for their own purposes in managing their leases rather than for monitoring and reporting. Are you familiar with that group?

Mr Corker: I know their systems.

Hon DARREN WEST: What do you think about it?

Mr Corker: It is a good system. It is probably a little more complicated than I would like it to be, but I do not do all mine; it is usually my wife or daughters who do the actual physical monitoring—they quite enjoy it. It is quite detailed and requires a pretty good knowledge of plants because you have to identify them.

Hon DARREN WEST: One of the differences that they pointed out to us is that the WARM monitoring does not really take into account the grass and they are finding in their area that the dynamic is changing and there is more grass as the weather changes. They are not actually factoring that into their Department of Agriculture and Food monitoring, if you like, but they are able to work it into their own.

Mr Corker: Yes.

Hon DARREN WEST: Is the lack of monitoring of the grass component of the feed on offer a reason why the estimated carrying capacities might be a bit lower than they should be?

Mr Corker: It has a lot to do with the spread of buffel grass. When a lot of the carrying capacities were first done, buffel grass was not as well established as it is now. It is a very high-carrying capacity feed.

Hon DARREN WEST: Do you consider that to be a key component of any monitoring system?

Mr Corker: Yes, that is one of them.

Hon DARREN WEST: The group talked about a three-year or a five-year monitoring cycle but are you suggesting that the monitoring cycle might need to be a bit more regular than that?

Mr Corker: We do it yearly, just out of interest.

Hon DARREN WEST: Do you do it for your own management practice to work out how to best run your cattle?

Mr Corker: Yes, that is right. We probably need more immediate information than, for example, the government would. The government needs a trend over time but we need more immediate information than that.

Hon DARREN WEST: I know that it is a lot of data to collect—and most of it will probably not get used—but it is a good way of looking forward to follow trends, weather patterns and climate change.

Hon JACQUI BOYDELL: Can I just ask a further question on your comments on the lease?

Mr Corker: Yes.

Hon JACQUI BOYDELL: You commented that the lessee should have more protection. Can you elaborate on that and tell us how would you like to see it delivered?

Mr Corker: Do you mean in regard to the lease document?

Hon JACQUI BOYDELL: Yes.

Mr Corker: I would like to see a clause in the lease that protects me, as a lessee, from changes to the lease document because section 103 of the act gives the minister the right to change the conditions of the lease at any time, which I think is unfair.

Hon JACQUI BOYDELL: Has that ever happened?

Mr Corker: No, not to my knowledge, but it is there and can be used, so we have to assume that one day it will be used.

The CHAIRMAN: Thank you, Mr Corker.

Ladies and gentlemen that brings us to the end of today's hearings. The committee will now go into private session for deliberations, so I will ask everybody to leave the room. Thank you very much for your interest today.

Hearing concluded at 10.44 am
