

**STANDING COMMITTEE ON PUBLIC ADMINISTRATION**

**INQUIRY INTO PASTORAL LEASES  
IN WESTERN AUSTRALIA**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
WEDNESDAY, 27 NOVEMBER 2013**

**SESSION TWO**

**Members**

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

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**Hearing commence at 9.37 am**

**Mr DALE PARK,**  
**General President, WA Farmers Federation, sworn and examined:**

**Ms GENEVIEVE MORROW,**  
**Executive Officer, Livestock, WA Farmers Federation, sworn and examined:**

**The CHAIRMAN:** How do you do. My name is Liz Behjat, the Chair of the committee. You obviously know my two regional colleagues here, but you may not know Hon Amber-Jade Sanderson from the East Metropolitan Region. So welcome today. I do have to go through the formalities, so if you would like to take either an oath or affirmation, Mr Park.

[Witness took the oath.]

**The CHAIRMAN:** You will have signed a document entitled “Information for Witnesses”. Have you read and understood that document?

**Mr Park:** Yes, I have.

**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 and try to speak into it. Ensure that you do not cover it with papers or make 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 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. Is there an opening statement you would like to make to the committee, Mr Park?

[9.40 am]

**Mr Park:** Yes, thank you very much. I would just like to thank you for going to the regional areas after we requested you to do so. Unfortunately, there were some of our members that did not actually get to give evidence, and that is because of where they are and obviously the time constraints that you had. So in future I would ask you to actually make available the access by mail and that sort of thing. But yes, we did have people who had applied and because of the time restrictions not been able to give evidence. One of the things we were concerned about at the change of the lease is the security of tenure. The first thing is payment of the rent. We would like to see that there was some flexibility, like all government rates are quite flexible; you can pay either on a yearly basis, quarterly or half yearly. One of the other things that concern us is the restrictions on leaseholders and what they can do with the land. As you would understand, the lessees, especially in the pastoral areas and some parts of the pastoral areas, really do need the flexibility to be able to take on other things other than pastoralism, to keep things together, and it would be nice to see that they were given the flexibility to actually undertake other undertakings. The term of the lease—and we said in our submission that we would like them to be perpetual leases. Part of that was that we think that some of the terms where pastoralists will lose or can lose their lease are a bit draconian. It is a little bit like the fact that you are not guilty until proven. In the proposed

regulations people only have to be charged with an offence before they face the prospect that they could lose their lease. The other thing is the financial side. They could lose their lease only on a financial instrument being implemented rather than actually being declared bankrupt. So I really think you need to have a look at those. The last thing I would like to say is that what we have seen in the south west land division over the last probably eight to 10 years with leases is the actual landowners have taken some of the risk, and we would ask you to have a look at doing that for pastoral leases as well. What I mean by that is that what we have seen in the south west land division is that on bad years the landowners have actually forgiven, halved or had a partial payment for lease payments when conditions have been bad, and I think that there should be provision within the pastoral leases for that sort of thing, so looking after pastoralists in tough times. But thank you very much for letting me give evidence before you today.

**The CHAIRMAN:** The draft lease that is out there at the moment for consultation—did WA Farmers Federation provide input to the department prior to that draft being released?

**Mr Park:** No, they did not.

**The CHAIRMAN:** And have you been kept in the loop with regard to the process that is ongoing at the moment with the department or have you been sidelined?

**Mr Park:** We have only got a small number of pastoralists, but yes. Gen has been running that side of things for us.

**The CHAIRMAN:** Sorry; you are indicating someone sitting to your left. We had no knowledge of who that is.

**Mr Park:** I am sorry. Genevieve Morrow. Should I introduce her?

**The CHAIRMAN:** If you intend to let us know something about that person's capacity, yes.

**Mr Park:** Genevieve Morrow. Maybe Genevieve should introduce herself.

**The CHAIRMAN:** No, because Genevieve has not been sworn in and cannot give evidence or speak directly to the committee because you chose at that time to not do that, so if you could just let us know who that person is and the capacity in which she is now giving you advice.

**Mr Park:** Right. Genevieve Morrow.

**The CHAIRMAN:** We will swear Ms Morrow in, if she is happy to do that. Thank you.

[Witness took the oath.]

**Mr Park:** Genevieve is our EO that looks after meat and livestock and has been looking after the pastoral leases issue for us as well.

**The CHAIRMAN:** If you would like to tell us what the department has been doing in regard to this?

**Ms Morrow:** Yes. The only contact we have had really is that we have received the draft lease, and that is really the only thing we have seen in the last year for this process.

**Hon AMBER-JADE SANDERSON:** Can you say when you received that?

**Ms Morrow:** Sorry, I could not give a date.

**Hon AMBER-JADE SANDERSON:** A ballpark?

**Ms Morrow:** Okay. Probably three months ago.

**Hon NIGEL HALLETT:** So they have not actually come to you to try and create dialogue?

**Ms Morrow:** We had a letter from the Department of Lands inviting discussion. That was it. We received a copy of the draft lease from them as well.

**Hon AMBER-JADE SANDERSON:** Were they seeking feedback?

**Ms Morrow:** Yes, they opened themselves for discussion.

**Hon AMBER-JADE SANDERSON:** And did you provide that?

**Ms Morrow:** No, we did not.

**Hon AMBER-JADE SANDERSON:** Do you intend to?

**Ms Morrow:** No, we have not; we intended to supply evidence here.

**Hon DARREN WEST:** Can I just ask you then, when you received the lease for feedback consideration, would that have been at the same time that all the pastoralists received the lease or did you sort of get in a bit earlier?

**Ms Morrow:** I believe it was around the same time.

**Hon NIGEL HALLETT:** So in the formation of policy, you did not have any sort of input into that; it was when the policy came out or the draft policies when they invited you to comment then?

**Ms Morrow:** Yes.

**Hon AMBER-JADE SANDERSON:** Can I ask how many pastoral leaseholders you represent?

**Mr Park:** We have probably only got about eight to 10 on our books.

**Hon AMBER-JADE SANDERSON:** And they all run livestock?

**Ms Morrow:** Yes, they all run livestock.

**The CHAIRMAN:** You mentioned then, Ms Morrow, that you were invited by the department to provide feedback to them and yet you chose not to do that. Why is that?

**Ms Morrow:** This would be a more direct approach, to speak directly to the committee.

**The CHAIRMAN:** To us?

**Ms Morrow:** Yes, I believe so.

**The CHAIRMAN:** But we are not the department.

**Ms Morrow:** Okay.

**The CHAIRMAN:** We are asking you as to the relationship you have had with the Department of Lands. This is a standing committee of the Legislative Council. We have no authority with regard to the department. We will not be informing the department unless the department happens to be sitting in the room or reads the published Hansard. They will not take that on board. You are not providing feedback to the department by speaking to us today. You are helping us with our inquiry into pastoral leases. So you did not understand that when you received the letter from the Department of Lands?

**Ms Morrow:** No, I did not. I took direction from my previous CEO.

**Hon AMBER-JADE SANDERSON:** I think there has been a bit of confusion there at two different processes. This is a parliamentary scrutiny process and what the department is running through with the minister's office is the sort of departmental ministerial process.

**The CHAIRMAN:** Mr Park, you did not understand that at the time?

**Mr Park:** No.

**The CHAIRMAN:** I would have thought that someone of your experience could have—

**Mr Park:** The leases that have been given to pastoralists cannot be changed by the pastoralists, we understand. My understanding is that the leases do not come up for renewal until 2015, but the new leases have been given to the pastoralists and they said, "Right; what do you think?" That is my understanding.

**The CHAIRMAN:** The draft leases?

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**Mr Park:** Yes. And to change those draft leases, we do not do it through this committee; we do it through the department. That is what you are saying?

**The CHAIRMAN:** Yes, any feedback with regard to the draft leases—the drafting of the lease is nothing to do with our committee. We had no input into that lease. The lease had been out there for quite some time prior to our committee inquiry getting on foot. The lease was out there prior to that for consultation.

[9.50 am]

**Mr Park:** I understand that, yes. But to change those leases, we actually have to go back to the department and get them to change.

**The CHAIRMAN:** Given your input as to what you would like to see changed, yes.

**Hon AMBER-JADE SANDERSON:** The terms of reference of this committee is to examine the processes that government went through in terms of rolling out those leases, rather than the actual content.

**Mr Park:** Righty oh. Yes, that is my misunderstanding.

**Hon DARREN WEST:** I have a question along that line, given the discussion you have just had. Am I correct in suggesting then that you as an organisation would like to see changes to the draft lease and that you do not think it is a suitable document to offer to pastoralists?

**Mr Park:** No, and that is what I said in our sort of outline. I think when we had a look at the leases there were several things, and as I outlined, the fairness of the lease, and some of the responsibilities of both the landowner, which is the government in this case, and looking at the way that they can help lessees, as I say, in the south west land division especially over the last few years, with tough seasons. Lessors have actually forgiven lease payments or made it easier for them, and I think that the process that has happened within the pastoral industry is that government over the last 10 to 15 years has said, “Oh look, these pastoral leases are worth more. We should be getting more of a return on our investment”, which is fine as long as you then recognise that when the return on that investment is nowhere near as much as what you thought it should be, then you should be sharing in some of that downturn as well.

**Hon DARREN WEST:** Just on that then, so how would you describe the relationship between WAFF and the Department of Lands?

**Mr Park:** We do not have a great deal of relationship with them.

**Hon DARREN WEST:** So you sort of do not feel that they tried to engage?

**Mr Park:** No, and maybe there are faults on both sides; we should be engaging a lot more as well.

**Hon AMBER-JADE SANDERSON:** You talked about flexibility within the pastoral leases. Can you elaborate on what kind of flexibility, because there was a very strong view from the chair of the Pastoral Lands Board that there already is existing flexibilities in the existing leases and that people are sort of timid, I guess, to really explore them?

**Mr Park:** My understanding is that the lease is for pastoralism. If you want to carry on other businesses on that, you then have to reapply for permission to do those things. Now, we believe that it is not always possible—not possible, but it is more red tape to actually do that. It would be better for pastoralists to be able to take up those other options without the onerous—

**Hon AMBER-JADE SANDERSON:** Without permits?

**Mr Park:** Yes, without the permits on them. It should be a lot easier for pastoralists to be able to do that.

**Hon NIGEL HALLETT:** What changes overall would you like to see to this new lease?

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**Mr Park:** The surety—my understanding is that they are going to the 50-year leases rather than perpetual leases. The other thing that really worries me, and of course we know that these things do not always get taken up, but the ability for the lands department to actually take back leases. One of the conditions is that any sort of prosecution or pending prosecution can make pastoralists liable for losing those leases. I would have thought that it should be that they should be found guilty of any of those charges and then they lose the lease. As we all understand, anybody can face charges. Whether they are guilty of those offences or not is totally another question. And the financial one is also the same thing. It states that if a financial instrument is put in place, you can lose the lease, and that would make it very, very difficult for banks to lend money on a flimsy arrangement that could be a lot more—I was going to say prescriptive, but that is not the word I was looking for—more concrete so that the lending institution has some sort of basis to be able to lend pastoralists money, and they should be strengthened up so that you do become bankrupt before you can lose your lease, rather than just the charge against you.

**The CHAIRMAN:** Mr Park, I have no doubt that the Department of Lands will be reading the transcript from today's hearings, and I am sure they will do that and they will obviously see the evidence that you have now given to us. But I also do understand that the period for them taking submissions with regard to the draft lease has now closed.

**Mr Park:** Has closed, yes.

**The CHAIRMAN:** Might I suggest that perhaps you take the step of still going ahead and perhaps explaining to them that there was a misunderstanding on your part as to the roles the committee plays as opposed to the department to see if they perhaps might accept the evidence you have now just given us as your thoughts and perhaps take that into late consideration because of that misunderstanding. That might be the best way forward, I would think, for your organisation.

**Mr Park:** I will certainly take that advice, and we will do that and make a submission to the lands department.

**The CHAIRMAN:** And they will now read this bit as well, so they can see that I have put it out there that perhaps they might look favourably on the request.

**Mr Park:** You told them, yes!

**The CHAIRMAN:** Are there any other questions of Mr Park?

**Hon NIGEL HALLETT:** I think it is just a good opportunity if the organisation has got some concerns to put them on the record.

**Mr Park:** We will certainly take that on board and we will make that submission to the department.

**Hon DARREN WEST:** I think, similarly might I say the other way. I think that there probably is a bit of a bite on the public.

**Hon NIGEL HALLETT:** Yes, I think their engagement seems to have been quite poor in this process, and I think that for organisations like WA farmers it should be loud and clear what the process is and that there should be no confusion, and I think there is probably advice on—

**The CHAIRMAN:** Yes, and if confusion has arisen on anything we have done, we apologise for that, but we can only be in control of what we do. We would like to be able to control the department perhaps, but that is not within our purview.

**Mr Park:** I can certainly understand that you do not control the department.

**Hon DARREN WEST:** Just in terms of the lease going forward, what sort of things would you like? You have touched on terminations and you have touched on diversifications. Were there other issues that your members would like to see that have been raised with you by members in terms of how the lease may be improved should the Department of Lands decide to have another look at it?

**Mr Park:** I do not know if I have got any more. Have you got anything more to say on that, Gen?

**Hon DARREN WEST:** They are the key points?

**Mr Park:** Yes, they are the key points. I suppose something that does not impinge on the lands department is—always their relationship with DEC as neighbours is a problem, but it depends on individuals, on how they get on with each other, too. There is a lot of personality that gets involved with that. I do not know, Gen, if you have had any other feedback?

**The CHAIRMAN:** Okay. Thank you very much for attending today. We appreciate that.

**Mr Park:** Thank you, and I apologise for the misunderstanding. We will talk to the department about that.

**Hearing concluded at 9.58 am**

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