STANDING COMMITTEE ON PUBLIC ADMINISTRATION

INQUIRY INTO PASTORAL LEASES IN WESTERN AUSTRALIA

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

SESSION TWO

Members

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

Hearing commenced at 11.28 am

Mr RICK FORD,

Manager, Gogo Station, sworn and examined:

Mr PETER CAMP,

Owner/Manager, Kalyeeda Station, sworn and examined:

Mrs KIRSTY FORSHAW,

Owner/lessee, Nita Downs Station, sworn and examined:

Mr PHILLIP HAMS,

Operations Manager, Gogo Station, sworn and examined:

The CHAIRMAN: I ask you to take either the oath or affirmation.

[Witnesses took the oath or affirmation.]

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

The Witnesses: Yes.

[11.30 am]

The CHAIRMAN: These proceedings are being recorded by Hansard and 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 microphones in front of you and try to speak into them, ensure you do not cover them with papers or make noise near them. As we have a group of you giving evidence, we ask that you speak in turn so that we can identify for Hansard who made what statement. I remind you that your transcripts 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 the material published or disclosed is not subject to parliamentary privilege.

In the hearings this week, we have not had a group of people representing different stations; we have had one or two, but they have been perhaps a husband-and-wife team from the same station. It might be beneficial to the committee if we started with Gogo Station and then go to Nita Downs Station and then the third station. If you could give perhaps just give us a snapshot of Gogo—the size of it, what you are running there, how long you have been there? We will walk down the line doing that and then ask some questions. Would you like, Rick, to talk about Gogo?

Mr Ford: Gogo Station and Cherrabun Station are two pastoral leases that start right here at the edge of that burnt country here at Fitzroy. Collectively, the two stations encompass 1.63 million acres. We are running in the vicinity of 30 000 to 35 000 head of cattle and we have a diversification permit on our property that entitles us to do some crop production for hay fodder. Some of our big issues are tenure, fire and so forth that the whole community with talk through directly.

The CHAIRMAN: How long have you been on the station?

Mr Ford: I have only been at Gogo for 16 months.

The CHAIRMAN: My understanding is that Gogo is one of the more historic stations in the state; it has been there a long time.

Mr Ford: Yes, it has been a pastoral lease for I am not sure exactly how long—it was settled early.

The CHAIRMAN: Do you know how long it has been a pastoral lease?

Mr Hams: I think 1913 or 1910.

The CHAIRMAN: Kirsty, could you give us a snapshot of Nita Downs?

Mrs Forshaw: We are a relatively small station of 210 000 hectares, about 200 kays south of Broome. My husband and I purchased the pastoral lease in 2005. It had been abandoned for a while, so we put a lot of time and money—borrowing lots of money—into developing it and getting the herd built up. In the meantime, we have recognised the water asset in the area and seen the potential for diversification—irrigation and more intensive fodder similar to what Phillip is doing at Gogo. We started out with a permit and then we progressed towards excising 800 hectares for general lease, just to allow us a bit more security with our bank, a bit more flexibility in what we can grow there and maybe the possibility of joint ventures, which is important to us because the capital side of it is holding us back from where we are going. We have determination on the whole station. There is no official ILUA for that, but for the general lease we are in the process of getting ILUA, so we are just about finalising and converting that officially. We will talk a bit more about ILUAs later.

The CHAIRMAN: Okay, we will come back to that. There are obviously going to be some very interesting things for us to talk to you about that.

Peter, if you could give us the Kalyeeda Station story?

Mr Camp: Yes. Kalyeeda Station is a 122 000 hectare property on the south side of the Fitzroy River, halfway between here and Derby. It is a family-run business that we have had for 18 years. When we purchased the property, it was taken from a corporate-owned organisation. When we purchased it, the land systems were very degraded. In 18 years, we have taken the land systems back to be a very viable small cattle property. The potential and what we want to do there in the future is huge, but a lot hinges on our issues going forward as far as tenure and stability in the area.

The CHAIRMAN: Great, that has given us a little bit of a flavour of the properties that you are all running.

Hon DARREN WEST: How big is Kalyeeda?

Mr Camp: It is 122 000 hectares.

The CHAIRMAN: Talk to us about the issues that are currently facing you in the pastoral industry.

Mr Camp: Probably, one issue that is quite concerning to us—when you go down through your dot points—is the management of increased stock numbers and environmental damage in the Kimberley pastoral industry. As far as overstocking in the Kimberley, I do not see that as being an issue. There is no overstocking and long-term overstocking in the Kimberley on the pastoral side. There may be short-term overstocking due to issues like the live-export ban and, secondly, BJD.

The CHAIRMAN: BJD?

Mr Camp: Bovine Johne's disease. Four properties in the Kimberley are affected with that this year. They are working through those issues with a lot of pain.

Mr Ford: Suspected.

Mr Camp: Yes, suspected.

When you stop and talk about overstocking and increased stock numbers, the major issue up here at this time of year is fires lit by lightning strike and by vandals. One issue that probably causes more damage than running a few extra numbers on a pastoral property and that is the late burning of pastures in this country. Hot fire does significant damage to your pastures and, of course, a lot of your non-desirable pastures will come back after a hot fire—perennials, weeds and what not. It can take anything up to three years after a hot fire has been through for your better pastures to be back into that land system. We really see fires as a major issue up here. If you get an area burnt out—for instance, in some areas we are talking about substantial areas burnt out, 40 000 hectares—that then puts a lot of pressure back on to the existing pastures on that property, which, realistically, if we did not get rains early in the piece, could probably come to a point where you could class it as overstocking.

The CHAIRMAN: Where I live, if there is a fire, I pick up the telephone and ring 000 and a fire engine turns up. What happens here?

Mr Camp: Sorry, there is not even that! I will just quickly cover on it. We have fires start and there is not even as much as a phone call made as to how the fire started, who started it and what has been done regarding the fire. The issue, which is really unfair to us up here, is that if this was down south, every instance would be reported and investigated. There are instances up here all the time that are not reported or investigated. It is just out of sight, out of mind.

Mrs Forshaw: And there are people, buildings and livestock at risk too, so it is not like it is just burning out there and not affecting anyone.

Mr Camp: Rick, at Gogo, has just had a major issue with fire. A lot of the fire that you see around here is on Gogo—if Rick would like to have a bit on that?

Mr Ford: I will just have a couple of minutes of your time, just to get the scale of our fire situation that we face here in the Kimberley. I am on a couple of fire board committees. I will just bring it close to home because it is easier for me to describe. On 23 September, we had a big fire start at Gogo. It burnt for two days and we fought it and we fought it. On 25 September, we evacuated the Bayulu School. It burnt right up to the back of the houses at Gogo. When we evacuated the school, we had one firebreak. Just that one fire burnt 9 000 hectares of country. Since that month has passed, we have fought another three fires. The latest was just yesterday.

This goes to every pastoralist sitting in this room; it is not just me, this happens everywhere. Just to fight the late season fire this year to protect our asset, which is grass at this time of year because we are not sure when the wet season will come and for how long—and that touches back on to the possible overstocking issue—yesterday, I had one helicopter; two graders, one being my neighbour's; and eight men. I instigated a phone call the night before to ask my neighbour if it was on my side of the river or theirs.

[11.40 am]

That was just an internal forward phone call between the two pastoralists. They said it was on mine. We joined up there and had a look that night and agreed that we would not fight it that night just with water, so we headed back out there in the morning at daylight to fight it all day with that amount of men. We called the department; we called FESA in town. They came out because it was burning towards another community called Muladja. They also got wind of the fire getting close to them; it was not very hard—they just had to stick their head out the window! They wanted to know what we thought about evacuating the school. We are talking about parents, children, teachers, staff—everyone being a little bit anxious about this fire roaring at them. FESA came and we protected the school and then DFES came from Broome; they flew out. We are talking lots of money—not just myself, but government departments that helped fight this fire yesterday that was deliberately lit. I assume it was deliberately lit; I cannot prove that. It burnt 3 576 hectares out, yesterday. I mapped it on a GPS, so that is accurate. We saw devastation to those cattle, the erosion

that might come if heavy droplets get on that burnt country now and there are lots of other issues that we could just keep rolling on with, but that is the scale of fire. When it gets going up in the rangeland systems higher up than here—this is not too bad at Gogo because we can get round on a grader and do some back-burning with a helicopter and burn-backs and stuff like that. But when it gets up on the top of the ranges up there, it can burn for months and months and months. No-one can get up there to fight it and it is just deteriorating our landscape, and that is why we are out here trying to save it.

Hon NIGEL HALLETT: Rick, what is the solution?

Mr Ford: I would not be able to sit here and tell you the solution. I have some ideas but it is long term; it takes a long time to instil different ways of burning techniques. We get on an ACB prescribed burn early in the year that DFES and FESA supply us. We hop in a helicopter and do target areas. We do early season burns at the right time when there is a possibility of getting rain and that grass comes back green, typically for a good amount of the time, and the cattle use that area. So there are a couple of benefits, but it also eliminates the late season possibility of fires running continually for months.

The CHAIRMAN: Are you saying you do the prescribed burns now?

Mr Ford: We do prescribed burns now, but you can never do enough, and you are always a bit nervous when you are sitting up there in the helicopter: are you going to burn all your feed out early in the season and then not fluke that last bit of rain? There are limits to that too. I think education: trying to educate people and vandals and so on that there is a good time to burn; the middle of October is not a good time; the start of November is definitely not. Last year, our decent rain did not start until January. We are still a month and a half off decent rain here. These are big issues. I think education and having a consequence if we find somebody would be a big thing.

The CHAIRMAN: It is hard, I know, because you cannot identify people, but you say that generally you think vandals are starting the fires. Are these people locals or are they tourists coming into the area, perhaps doing it by mistake or deliberately? What is the sense about it?

Mr Ford: Pastoralists usually take great pride in their access down the highway, so we try to burn that down. If a wheel falls off a caravan that is hot and there are loose wheel nuts and that starts a fire, well, that is an accident. I think we would be able to probably limit our tourism-based accidental fires to two or three per cent of my fires. Lightning late season fires are just part and parcel; I cannot do anything about that. But considerable amounts of fires are lit by locals and that causes us a big issue. I would not be able to put exact percentages on it; it is too hard to prove.

Hon DARREN WEST: Do you find there is sort of a pattern at all, like close to the population centres or are they just out in the middle of nowhere? Do you see a trend there?

Mr Ford: Just talking on behalf of Gogo again, we have got seven local communities and that fire that starts is right there. It is pretty close to home and when you have an infrastructure like this, it is devastating.

The CHAIRMAN: Are you also saying that FESA takes no part in gathering information about the fires that you have every season, where they are located, the number of hectares burnt out, and how long they have gone for? So, they do not have a picture of this. If I went to FESA today and said, "Tell me in the last five years what fires we had in the Kimberley", their answer would be —

Mrs Forshaw: There are fire maps.

Mr Camp: They give you information back for at least 10 or 15 years. We can get overlay maps of the last three or four years of your fire scars. We target our fuel loads in early season burns on our fire scar maps. FESA—DFES now—play a fairly major role and they have got the information out there, but they are not stopping the people on the ground from setting these areas alight, which are more areas that have public access.

The CHAIRMAN: They have the information, but it is more that there needs to be more of an active program of how you prevent them from happening in the first place?

Mr Camp: Correct.

The CHAIRMAN: That is really interesting information.

Mr Hams: Madam Chair, there are some other statistics I would like to have on record. An out-ofseason fire, a hot fire—as you would have seen as you flew in today, you know, those areas there destroys the organic matter; as opposed to a cold fire that is lit at the end of the wet season. This destroys everything. It destroys the seed bank because of the heat. It also destroys the shallow root systems and it increases the soil temperature. With the lack of vegetation, if you have a fire now, you have still got another six weeks of 40-odd degrees or thereabouts, the sun's heat will actually wreck the soil structure. Then it goes back to a point that I think Rick touched on earlier. When you get that storm event, which is going to be the norm in this country, it is going to be a bad storm event with big droplet size. Then you wonder why the sand in the river comes up a metre in every 10 years or so. There are people here better qualified than I to give a determination on that, but it is my guess that about every 10 years or so, the riverbed actually rises about a metre because you have all this wash coming in. Of course, the ongoing effect of that is that you have still got the same body of water trying to fit down the cross-section of that channel, so it comes out and overflows quicker. A good classic of that is the \$5 million that has been spent over here by the bridge to stop this place sometime in the future going downstream, because your water flow is jacked up higher and obviously it puts pressure out sideways. These hot fires are a serious situation and we just need, one way or another, to be able to curtail it.

Hon DARREN WEST: I cannot help but think you might have a bit of an idea who is lighting them. What would be the motivation for that—just stupidity?

Mr Hams: Reckless.

Hon DARREN WEST: Is there a reason why people might do that? Is there any benefit to anyone else?

Mr Hams: Reckless.

Mrs Forshaw: Sometimes they light up—not picking on anyone—country to get all the animals out, so they can eat them.

Mr Camp: It not only does damage to the pastures, it actually takes out the established trees. You get a hot enough fire, it will ringbark the trees and you are back to square one again. You need the trees there for your water cycle. The big established trees get taken out, which could have been 10 or 20 years getting there.

Hon NIGEL HALLETT: Have you been able to identify people that have lit fires?

Mr Camp: A couple of years ago there were a couple of convictions and things did go quiet for a while. But it is the same old story and people sort of get a bit more blasé, I suppose, and it starts happening again. But, definitely when there were a couple of convictions, the fires did slow down.

Hon NIGEL HALLETT: And the police are working well with you?

Mr Camp: They are, yes. But definitely in the field, with fires and that, they are under-resourced.

Hon DARREN WEST: It is a big area and it is going to be impossible to try to—but have you got any ideas on a strategy about burning out strips or something? Are you doing all that sort of stuff?

Mr Camp: The majority of people are doing the early burns and also grading their fence lines and roadways every year. That is a huge cost to the pastoral industry. But the main reason for grading your fence lines and that is if you have got a fire, you can slip out straight out there with a fire unit and drip burners and attack the situation straightaway without having to call machinery in. We do a

lot of preventive measures early in the season, but you get the wrong day, you can have everything in place and still it can be quite disastrous.

[11.50 am]

The CHAIRMAN: That has been a very interesting issue. That is not something we have heard from other pastoralists.

Hon DARREN WEST: My question is probably not so much to do with fire, which is clearly a big issue for you, but I wanted to ask about one of the constants we have had at the hearings, which is the new draft lease. People have had some fairly firm views on that. What do you think about the lease?

Mr Camp: On the draft, we find it totally unacceptable. A big percentage of pastoral leases were given a letter back in the late nineties that their leases would be rolled over on the same terms that they already had. We were quite happy, and most people signed off to have their leases renewed on the same terms as they originally had. This new lease draft—no doubt there will be another draft out later this year or early next year—I really cannot see what angle they are coming from. A lot of issues in there really take away our security and the bank's security. There are issues where your lease can be forfeited if you go bankrupt or for animal welfare issues. Realistically, a lot of those issues are already covered. Animal welfare issues are covered in the Animal Welfare Act; that will sort you out. The one with taking a lease off you due to going bankrupt really gives the bank no security. We have already had members up here that have had loans rejected on those grounds.

Hon NIGEL HALLETT: On the finance side of it have the banks pulled back out of this area?

Mr Camp: One member, who is pretty quick coming forward, said that his loan was rejected. It certainly was not on financial grounds; it was more on the grounds of security of the lease draft.

The CHAIRMAN: Was that Rabobank; do you know?

Mr Camp: I did not ask the guy what bank. Of course they are concerned about it, but to my knowledge Rabo has not rejected any loans.

The CHAIRMAN: You understand that it is a draft lease?

Mr Camp: Yes.

The CHAIRMAN: There has been a period for submissions to be made to that department. We are not involved in that process at all. Have the pastoralists in this area been making submissions as to the problems they see with the draft, or are you relying, perhaps, on PGA or someone to make those submissions for you?

Mr Camp: No; there have been individual submissions put in. There have also been a lot of submissions put in on the findings that PGA has come up with. Does someone else want to speak about that?

Mr Hams: As far as Gogo goes, we have been constantly working on the approach to have diversification permits to make the pathway easier to access. Once again we are talking about Gogo, but there are others with different views around. On that particular property there is a soil type called fossil soil type. It is a self-mulching, cracking black clay that has a water retention value of about 250 to 300 millilitres per litre coming down. We have been farming that country for about three years now. Prior to that three years we believed it was going to work; we now know it is going to work. We have been growing fodder crops for cattle on that particular soil type. I hasten to say, before I get into too much trouble, there are people behind me who grow crops on other soil types successfully. I am just targeting that because that is the one I know.

Hon NIGEL HALLETT: What type of fodder crop is that?

Mr Hams: Mainly sorghum fodder.

The CHAIRMAN: That is to feed your own stock; it is not a cash crop?

Mr Hams: There has been some sold to neighbours, but primarily to existing stock on Gogo station. It works well because it gives you the chance, in animal welfare, to top up or put some weight on cattle for shipment. You know the thresholds of the shipment. It works. Rick is an extremely strong supporter of growing more fodder to do the job even better. I tend to also look at it as a big picture thing, taking in the Fitzroy basin. I like to think of the Fitzroy basin. We know there are 4.3 billion people in the same time zone as WA to the north of us. That is an awful lot of people. We know geographically where we are sitting. We know we have not bad road systems. We have ports that just have not got the capacity yet, but will have one day, to handle large shipments in export. There is something like about 500 000 hectares of that particular soil type. That is the soil map. I will not open it now, but it is available to anyone who wants to have a look at it. There are 500 000 hectares of that particular soil type. If you only develop half of that, you can just imagine the economy and the employment in this town alone, and surrounds. There is something like a known 500 unemployed people. I venture to say that between Halls Creek and Derby you would have thousands, and possibly even up to 5 000 people in total who are underemployed or have not got employment. Somewhere along the line we have to develop this area so it can cater for that market to the north of us and elsewhere. We have got to create employment. We have got to actually get out there and do things. That is where it gets back to this land tenure: at the moment, the land tenure really only caters for that line between the soil and the sky. We need to recognise that there is value beneath that line, down to about 1.5 metres or thereabouts. I am not talking about mining, which is a different ball game, but there is a level between the surface and just below the surface that can be hooked up with sunshine, with the rainfall and the excess water that gets around here, whether it is subsurface or surface water. To get all this moving, we need a land tenure that we can get comfortable with, or the owners of the property can get comfortable with, so they can invest and know there is some security over the assets. I truly believe with that 4.3 billion people above us and some pretty active marketing that this area is sitting in the food bowl. I think the Premier has been saying it for long enough. I do not think he is too far wrong—five or 10 years down the track, maybe 20 years down the track—but we have to start now getting that land tenure sorted. As Kirsty said, we are looking at a general lease but we need our political leaders to actually crunch something fairly soon.

The CHAIRMAN: Have you had any discussions or negotiations with government departments on this idea?

Mr Hams: I can absolutely say it is ongoing, almost on a daily basis. I know we are getting close.

The CHAIRMAN: In particular, what have you been doing—just so that the committee knows?

Mr Hams: Actively canvassing exactly what I have been talking to you about.

The CHAIRMAN: With whom?

Mr Hams: Starting from Brendon Grylls, right down through the whole lot, the whole system.

The CHAIRMAN: Starting with?

Mr Hams: With Brendon Grylls, Terry Redman and others. All those people see it, but just somewhere in between there are these stumbling blocks. I think they are getting out of the road, but if they could get out of the road quicker it would be handy.

The CHAIRMAN: This is this issue of diversification. We have taken evidence from other witnesses who say that it is very onerous to go through that process and that government departments generally are not helpful. Has that been your experience?

Mr Hams: If you asked me five years ago—I have actually been up here seven years doing it—or a number of years ago, I would have said absolutely yes. Today I have to say that a lot of government

departments are very much on side, even to the point where they are actively encouraging us to get out there. They put the question as late as last week: what can we do for you?

[12.00 noon]

Mrs Forshaw: I agree with that because my experience with the lands department in organising our general lease a while ago—it probably started four or five years ago—was a bit of a nightmare. They have actually been more than helpful. I guess the hard bit is when you get to do the ILUA and that is not even an issue with our traditional owners because we have a great relationship with them. It is not even an issue with the KLC, but the problem is when we start talking about ILUAs. It is a bit of a too-hard basket and a big job. It is something that no-one has quite got a handle on. Our traditional owners are happy with what we are doing. There have been a few little areas of concern, but when it gets to the KLC—fair enough—it tends to sit sort of at the side and then you have to nag them to get around to it. They have not actually tried to make it hard for us, but it is also that they have probably got a million things going on and this is just one part of their job. So I do not know whether you would call them under-resourced.

The CHAIRMAN: What actually needs to happen with the ILUAs?

Mrs Forshaw: I guess with the ILUAs it is because they go through the land councils. They need to either have specified people whose role it is to deal with pastoral issues, or some sort of funding, or told that some priority needs to be given to spending a certain amount on that; so that we get brought back to the top of the pile again every now and then. That person might leave and someone else comes in and I have to start again. They assume that we hate Aboriginals—which we do not. We have to explain that we have a good relationship. They are happy to do it and we are happy; there are no problems with anyone. You have to get that message through that we are all getting sorted. The other issue with ILUAs is that, for us, it is in an agreement with the Karajarri tribe—whatever you call it—so there is no transferability at this stage. This general lease is attached to the pastoral lease, so if we were to sell, the new person would then have to enter into another ILUA.

The CHAIRMAN: Is that under the terms of your current lease or in the proposed lease that there is no transferability?

Mr Camp: In the current lease.

Mrs Forshaw: Yes it is current and it is a general lease. We are assuming that it is not a pastoral lease anymore; it is now a general lease.

The CHAIRMAN: So is all of your station on a general lease?

Mrs Forshaw: No, it is a pastoral lease, but that part we are excising for general lease, that is where we have the ILUA—for that section. That is an agreement between us and the native title holders and not attached to the land. So if we were to sell, or walk away, or whatever, then someone could not come in and use that general lease area because they would have to enter into a new ILUA. In our case we have determination so we know who we are dealing with, but from what I can gather—this will come into it when we start talking about pastoral and rangeland leases—I am still trying to clarify this so I might be wrong, but they will have to enter into an ILUA with each registered claimant, but I am not quite sure if this is correct. If they were to sell their pastoral lease or their area, the new person then has to enter into an ILUA with five different groups. Obviously the bank does not get too excited about that and it does not do much for the value of your property. You spend a lot of time, money and infrastructure but at that stage no value is really added to it.

Mr Camp: I have something to say on that. What really needs to happen with the ILUAs and the diversification permits, which are issued to the lessor, is that they have to be issued to the property. Especially on diversification permits, because if you do a diversification you are spending money on an asset and when you go to sell, you really cannot sell that on. They have to reapply. If it is attached to the property, any money that you put back into it, you should be able to reclaim on the

sale of your property. They need to be changed from the people to the property. That is, the ILUAs and the diversification permits.

Hon DARREN WEST: That is pretty common. I have some more questions. Two of you mentioned that you came onto properties that had been quite rundown and degraded. I am wondering how you go about both the management and reporting for the monitoring of the lease. Is that an issue up here like it is more down south? How do you go about monitoring? Do you have WARMS sites, or how does that all work for you?

Mrs Forshaw: Ours was not so much degraded, it was more that no-one had been there for a long time. We might be a bit different to Kalyeeda. We had a lack of infrastructure.

Hon DARREN WEST: Yours was more improvements rather than run down.

Mrs Forshaw: It was not that it was run down as such.

Hon DARREN WEST: As a matter of fact it probably would have been the other way.

Mrs Forshaw: It had been cooked by fires because no-one had been managing mosaic burning. We have now noticed a lot of bigger trees and all that sort of stuff since we have been managing the fires. But that is another issue.

Mr Camp: We have their PMS sites here—pastoral monitoring or photo monitoring sites—plus your WARMS sites. We are always assessed by the Department of Agriculture and Food. When we bought the lease, there was 15 per cent of the pastoral lease that was in good condition. Within the first five years we took that from 15 per cent through to 75 per cent just by controlling stock numbers and of course, standing improvements up and putting more improvements in. This all comes at a cost and I would like to let you know what is involved in the costs on a pastoral property. A reasonably sized pastoral property that would probably run around 10 000 head would consist of approximately 400 kilometres of fencing. For that 400 kilometres of fencing you can be up for close to \$5 000 a kilometre to have that fencing stood up. Then you get to your water points; that is another one. We all need water points. A water point that will handle 250 to 300 head can cost the producer a hundred grand. That is for one water point to water 250 to 300 head all year round. When you multiply that right through the entire property, we are sitting on massive investments and it is pretty hard—especially in the last few years—to try and get a return on that investment.

Hon NIGEL HALLETT: How have you regrouped following the live export ban?

Mr Camp: I know the industry has really taken a hit from the ban, but we also took a very hard hit on the weight restrictions in Indonesia the year before. For heavy cows, we are talking from getting \$1 to \$1.25 a kilo to going back to 80c or 85c overnight without any prior warning. It would have been nice for them to say, "We will let you trade out this year, but this is what is going to happen next year." No. It was imposed on us overnight. With ourselves, for just one line of cattle with that price reduction, we were out of pocket by half a million bucks over a couple of years. It was a fairly major hit that we have had. A lot of people did not really feel that hit directly; it came on to them over a couple of years. But it certainly had a major hit within the industry.

Mrs Forshaw: This year has probably been the worst year for the markets.

Mr Camp: It has; marketing cattle this year has been an absolute nightmare. The options were not there. It was okay if you had heavy cattle, but realistically, even with the heavy cattle, we were not getting value for what we have.

Hon NIGEL HALLETT: Where have you had to go with your excess stock?

Mr Camp: I suppose the majority of people knew the market would have to break in time. Ourselves, we had to turn cattle off midyear. They were good heavy steers that averaged 410 kilos. We had to put them into the Malaysian market which was certainly reduced pricewise. We had to

take a 25c to 30c a kilo drop on those animals—per kilo—to put them in the Malaysian market. The only other option that we had was an abattoir down south. It is \$200 a head for an animal to leave the Kimberley to go to those abattoirs down south.

Mrs Forshaw: It is putting people into loss situations; it is not just lowering their profits. It is not just saying, "We don't have much money left over this year", it is actually going into negative. Everyone is in negative.

Mr Camp: That money that we have not got is less money that we can spend on our pastoral leases, upkeep on our improvements, or putting more improvements in.

Mr Hams: If you can have a marriage of agriculture and cattle in the region it gives you buying time because you have that feed there and can adjust the weight of your cattle—upwards of course—to meet certain markets. It just gives you some room to move and you are not nailed down to having to move those cattle on that day. You can work the market a bit better. That is what we see as agriculture through the valley; sort of maturing the marketing rather than hunting and gathering.

The CHAIRMAN: When you say agriculture do you mean the Department of Agriculture and Food?

Mrs Forshaw: Intensive farming.

Mr Hams: I am talking about the type of thing we are doing out at Gogo where we are growing cattle fodder. When you are growing cattle fodder like that it gives you time to manoeuvre. Rick had a big advantage this year because he had a thousand-odd head of steers grazing on the stubble of the farming area. They were within 1 500 hectares and not too far from the yards. That meant that when they got up to the weight that they needed to get up to, then at very little cost, he could have them in and on the trucks ready to go. If you could duplicate that many, many times down through the valley, it would give you sophistication in marketing and I think this area could do with that.

[12.10 pm]

Mrs Forshaw: This sort of thing is the key to domestic abattoirs because the moment people assume that you cannot sell cattle in live export you just put them into a meatworks. These guys have been a bit luckier than us, but we do not get the weight on and to get an animal into an abattoir they have to be 500 kilos, just to keep it simple, and they need to be fattened in a short period of time or they are too old. We might get that weight, but it would take us years. To be able to start supplying our local abattoir, if we have got more of this stuff going on in the area, which we think is possible—we have great water and soil to grow where we are—that is sort of where we are heading. We have all learnt from live export that we had all our eggs in one basket and it was, "Oh my God, we have to do other things now." This is one other way to do that, and that is where the land tenure comes into it.

Hon NIGEL HALLETT: I was just going to ask a general question whether any of you have any problems with a feral animals environment, whether it is camels, horses or whatever?

Mrs Forshaw: Yes, we have camels, but we are keeping that under control ourselves.

Hon NIGEL HALLETT: Do crocs cause you any grief?

Mr Camp: No, not to a point where it is evident. The one that is a major problem in Fitzroy Valley or adjacent to the river system where damage can be done and, as Phil was saying, when the river bed levels rise, is the feral pig situation. Pigs are a fairly major threat throughout the Kimberley not only as far as land degradation, but the possibilities of foot and mouth. If ever we were to have an outbreak here, they would certainly have to get the feral pig population under control very quickly. Feral pigs are a major issue in the Fitzroy Valley. Numbers are not large enough to warrant putting

a box in for the pet meat market or whatever it is, but there is certainly a major issue there. You would be surprised what destruction one pig can do overnight on open floodplain country.

Hon NIGEL HALLETT: What is the ag department doing?

Mr Camp: They have done trials with poisoning. There is minimal shooting, but the majority of the effort on controlling is done by the pastoralists.

Mrs Forshaw: I do not know whether I am going off topic with public liability insurance. You have got the different layers of mining companies, tourism and traditional owners and all that sort of thing, and our concern is that because we are generally maintaining roads, if there is an accident, the tour operator or the mining company have their insurance and they could come back to us and say, "Well, you have not graded that road very well. They hit a washout." I have asked various people in those departments and they have said it is really a matter of waiting for a test case to see what happens, so no-one really knows how that works. Mining and traditional owners are probably the big thing, because with tourism—we do not have that—I would imagine there would be more definite areas. That does scare us a lot, that side of it.

The CHAIRMAN: Just the uncertainty surrounding those issues?

Mrs Forshaw: Yes; we have got some roads that are not as well maintained, because we might not use them a lot. It does cost a lot of money to maintain them and with the markets the way they are, we have just been doing basic, basic; we have not been doing the improvements and maintenance with property as much as we should be. So they may not be in perfect condition.

Hon DARREN WEST: Your lease fees and your shire rates have all gone up too?

Mrs Forshaw: Yes.

The CHAIRMAN: Can you give us the example of the increase in shire rates you have seen in, say, the last five years and what was the added benefit you have been given in relation to the increase in the rates? What do you get for your shire rates?

Mr Camp: All we get is our access upgraded three times a year; that is about it.

Mrs Forshaw: Most people do not get that. The Broome shire took all the station roads off the asset register.

The CHAIRMAN: What has been the percentage rate increase like over the last five years?

Mr Camp: Just on the pastoral rents, which is the main one for us, we have jumped from \$12 000 to \$24 000.

The CHAIRMAN: In 12 months?

Mr Camp: No, that would be over a three-year period since the last valuation.

Mrs Forshaw: Ours is probably times five from when we first came there.

The CHAIRMAN: And Gogo?

Mr Hams: There has certainly been a rise. Rick might know.

Mr Ford: I would not know. It is only short term for me.

Mrs Forshaw: A lot of my issues are not from an unwillingness to pay. Obviously, it has gone up and we are not happy with the huge amount, but we understand we need to pay rents because we have had help with our general lease convergence and stuff. It is more inability to find that money. If you have X amount and you have to pump water to the cattle and all those other things, you find it hard to put the priority on that when you cannot see the benefit immediately for it when you actually prioritise everything.

Mr Camp: Also the rent increases would have been only 12 months prior to the live export ban and the weight restrictions, so we have had to carry that extra increase in bad times.

The CHAIRMAN: In relation to the live export ban and that period of time—I think this area has probably been affected the most out of those areas that we have been to this week and we know what happened to your businesses during that time—do you have any information about other businesses that rely on that sort of trade that have suffered because of an immediate ban that was put on the live export?

Mr Camp: Yes, transport companies have definitely suffered and so did your contract helicopter companies that actually do our mustering. There is merchandise, the agents and whatnot, yes. It has backed right off and no-one is really spending money on improvements or maintenance.

The CHAIRMAN: And that has not come back yet?

Mrs Forshaw: That is a shame because we are not going ahead, we are going backwards really. There is no innovation or improvements, generally speaking.

Mr Camp: So really to have those couple of bad years, the weight restrictions and then the live export ban, and then all of a sudden to be given a lease draft—admittedly, it is only a draft—like that, you stop and really have a serious of think about what options you have got.

The CHAIRMAN: You wonder when the good news is coming.

Mr Camp: That is right!

Hon NIGEL HALLETT: Landmark and Elders both say they are still carrying a fair bit of debt from three to four years ago, would that be pretty accurate?

Mr Camp: Yes, that would be pretty right.

Mr Hams: I would like to point out that if you looked at a map of Australia and then you look at near Asia, particularly Indonesia, this area here is probably one of the best positioned to operate that Asian market. You cut that Asian market off and you are in the one of the worst positions in Australia—you are 2 500 or 2 700 clicks down to Harvey or 3 000-odd to a meatworks over east. You could not find a worse position if you tried, once that Asian factor comes out of it.

Hon NIGEL HALLETT: If Broome gets going, will that make a difference to you?

Mr Hams: It would have to. Anything would make a difference. That has certainly been one good feature that I suppose has come out of that debacle. It is not big enough to take the full shock, should it happen again.

Hon DARREN WEST: Is there not a big abattoir going in at Darwin? What is going on there?

Mrs Forshaw: Yes, but it has to be kept in mind that they take heavy cattle that are slaughter cattle ready to be eaten straightaway, whereas our markets to Indonesia and that sort of thing are taking the lighter stuff and they are feeding them over there. Some people do have the heavier stuff, but at a lot of places just on the general grass rangelands they are not that weight at the right age.

Mr Camp: So your younger cattle are definitely higher value cattle.

Mrs Forshaw: You get lower prices for the heavier stuff.

Hon JACQUI BOYDELL: I just have a couple of questions. From what I have heard you talk about today, there actually is a lot of innovation around what you are doing, but I am hearing from you that you need greater flexibility through your lease and land tenure to be able to diversify. This is probably a period of time, with the draft lease happening, when we are hearing that from you. There is capacity for that diversification and actually some great innovation, which I know about, from Gogo. My assumption from what you have said today, and please correct me if I am wrong, is that the procedure and the granting of the lease, and the capacity to be more flexible in diversifying what you want to do, is a main concern.

[12.20 pm]

Mrs Forshaw: And a third party doing joint ventures is an issue as well.

Hon JACQUI BOYDELL: The capacity for the lease to be attached to the property is probably is good point.

Mr Camp: As in their diversification capacity—definitely, yes. If you are going to invest money into it and encourage people to invest money into it, it has to be sold with the property.

Hon JACQUI BOYDELL: It seems like a no-brainer to me!

Hon DARREN WEST: What length of lease do you think you need to start planning?

Mr Camp: For security, I know a few lobby groups have been pushing for a 50-year rolling lease. We would love that. But to be in a better situation, we would love our pastoral leases to be perpetual leases while more intense areas, where you would spend money on irrigation or a big tourist venture or something like that, should go to freehold. That would certainly encourage investment. I know that is a pretty big ask!

Hon DARREN WEST: Would a 30-year rolling lease be too short?

Mrs Forshaw: I think it is too short.

Mr Camp: I think it is too short. The other issue, which concerns me a bit, is that while it is fine for everyone's lease to roll over in 2015, but a lot of people have staggered leases. What will happen to those leases in, for instance, 30 years down the road if they have a 30-year lease and the rest have a 40-year leases? How will they handle that issue on their own?

Mrs Forshaw: We have three leases on the one station and they all have different expiry dates.

Mr Camp: We would like to think we could get a bit more than 30 years.

Hon DARREN WEST: Were they once three separate leases?

Mrs Forshaw: Yes. Bits were added on so there are three separate titles and lease numbers with different expiry dates.

Hon JACQUI BOYDELL: Just on the freehold, everybody talks about the capacity to transfer to freehold, but when it comes to dollars, how will the government do that?

Mr Camp: We are not talking big areas. We may be talking 1 000 hectares or a couple of thousand hectares or even lesser areas if you are doing tourism. Of course, there would be a price involved taking that land through to freehold. But if you were to buy that land for its commercial market value, you would probably pay that anyway.

Hon JACQUI BOYDELL: So is there acceptance within the industry to convert to freehold knowing that upfront it will involve fairly big dollars?

Mr Camp: I think if people had that option, some would take that on.

Mr Hams: In the case of Gogo, we have been advocating for a general lease to upgrade from a pastoral lease to a general lease —

The CHAIRMAN: Which is Nita Downs has?

Mr Hams: Yes. That is our path. We may well in the future look at freehold areas amongst that lump, but the first move will be to move to a general lease or something like that. The rangelands lease was talked about fairly seriously for quite some time. I think a determination or a result from that exercise is coming out fairly soon. It is getting closer, but that is where we need to go to so that we can move.

Mrs Forshaw: We do have a double-edged sword though because then our unimproved values would increase and our rents increase with a better land tenure.

Mr Camp: But we would have better security.

Mrs Forshaw: True.

Hon NIGEL HALLETT: Why do you think there are so many stations on the market right the way from here to down south?

Mrs Forshaw: We are getting less for our cattle and everything is costing more.

Mr Camp: And those properties in the southern rangelands have had a pretty bad run of seasons.

Hon NIGEL HALLETT: So it is financial?

Mr Camp: It would be, yes. There is a group of people who have spent their whole lives there and obviously have just had enough.

Mrs Forshaw: There is also market uncertainty.

Hon DARREN WEST: That's agriculture generally.

Mr Camp: Yes.

The CHAIRMAN: Would you like to refer to any final issues?

Mr Camp: There are a couple of issues that I would like to touch on. I refer to DEC lands. The issue of putting tourism into pastoral leases or onto DEC land was raised earlier. We have two pastoral leases that have been amalgamated into one in the King Leopold Range area. It is owned by DEC. That property has only four points of access for the public on the entire lease. Its management—or lack of—consists of mosaic burning early in the season. If that were to be opened up a bit more for individual tour operators to go into and roads were made in certain areas, that would open up the lease a little bit more. The majority of national parks down south and over east have firebreaks. However, those lands have no firebreaks. There are only access roads to these points. There needs to be better management of those lands. There has always been, and probably always will be, issues with neighbouring pastoral leases reclaiming cattle from those areas. A few years ago there was talk about them going in and shooting everything on a DEC lease. Branded cattle was involved but the shoot did not happen. But there are a lot of issues with DEC leases. There should be a lot more access to those areas, which would then cut those areas up a bit more and give people an opportunity to fight fire.

The CHAIRMAN: So no-one from the Department of Parks and Wildlife is either managing who gets a permit to go in or monitoring what they are doing—therefore, they can do what they like?

Mr Camp: One of the points has rangers on it to manage a gorge and a campsite. But a lot of areas are sitting idle and could be productive in beef production. They could be put on neighbouring leases or individual smaller leases. There is a lot of land sitting there doing nothing, and that land is a risk to the surrounding pastoral industry.

The CHAIRMAN: Presumably with no-one looking after that land, there is the risk of introduced plant species and feral animals and all sorts of things, which then go on to neighbouring pastoral properties. Is that a problem for you?

Mr Camp: That is a problem. No so much with plants, but more with the feral animal situation from wild dogs, donkeys, camels and feral cattle.

Hon DARREN WEST: So DEC is not a good neighbour?

Mr Camp: It probably has not done us a lot of damage, but it is certainly not helping. Anyone who neighbours a DEC property certainly has issues.

Hon DARREN WEST: Has anyone got UCLs?

Mr Camp: We have always had UCLs and we have always had issues with them as far as fire management. That was also managed by DEC. DFES has taken over some of those areas and will do a prescribed burn on fuel loads. We are on the edge of the Great Sandy Desert. We get massive fires this time of the year, which totally devastate.

Mr Hams: One thing you could take back with you to progress further is to have the Department of Agriculture and Food get with the former Department of Environment and Conservation to sort out the undesirable plants species list. At the moment I do not think they are talking.

Mrs Forshaw: They are not on the same page about what you are allowed to grow.

Mr Hams: We see opportunities out here to grow —

The CHAIR: Are you telling me that two government departments do not talk to each other? That is extraordinary!

Mr Hams: I seriously suspect that is the case.

Hon JACQUI BOYDELL: I have not heard that before! **The CHAIRMAN**: No, we have not heard that before!

Mr Hams: I could probably present some evidence as well. They need to get together to sort it out. There is potential in this country for other plant species that environmentally would not be an issue and would greatly enhance the country's carrying capacity just by their introduction. We have reached a stalemate and we would like to help them move forward. That is one issue that you can take away and keep an eye on. The Department of Agriculture and Food and DEC need to get together.

Mr Camp: And look at the undesirable plant species list, which is anything that grows well.

The CHAIRMAN: Unfortunately, that has brought this hearing to an end. Your evidence has been most useful. On behalf of the committee, I thank you for taking the time to come here today. As we have travelled around this week, I have been struck by the passion and dedication of those involved in the pastoral industry and the way they manage their lives in incredibly hard circumstances. All thanks to you guys for what you are doing.

Hearing concluded at 12.30 pm