

Hon Liz Behjat MLC
Chairman
Standing Committee on Public Administration
Legislative Council
Parliament House
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Attention: Ms Lauren Mesiti, Committee Clerk

Dear Ms Behjat

Thank you for the opportunity to provide a submission on the Parliamentary Inquiry into Pastoral Leases in Western Australia being undertaken by the Legislative Council Standing Committee on Public Administration.

Pastoral leasehold land across Western Australia (WA) provides a range of tourism assets and iconic attractions and Tourism Western Australia (Tourism WA) supports initiatives that:

- Aim to optimise involvement of pastoral leaseholders in tourism;
- Allow managed visitor access to, and through pastoral properties; and
- Facilitates third party investment in commercial tourism operations on pastoral lands.

The attached submission corresponds predominantly to the inquiry's Term of Reference (e) and highlights the value of sustainable development of pastoral leases and opportunities to achieve this from a tourism perspective.

Tourism WA believes other current reform agendas underway, in particular the Rangelands Reform Program being progressed through the Department of Lands and Department of Agriculture and Food, have the potential to address what have historically been restrictive policies and practices on pastoral lands. Consistent with our input to these other reforms, which are outlined in the submission below, Tourism WA reiterates its support to the following in relation to pastoral leases in WA:

- Maintaining the ability for pastoral leaseholders to diversify into visitor accommodation and other commercial tourism activities;
- Permitting third party investment, third party employment, and a broad range of tourism activities and amenities through the issue of Diversification Permits;
- Enabling visitor access and commercial tourism operator entry to pastoral lands;
- Streamlining the application and approval process for the issue of Section 91 licences and addressing the validity of such licences following Native Title determination; and
- Ensuring that tourism is a consideration in the future allocation and use of exclusion areas or excisions.

Thank you again for the opportunity to provide a submission in relation to Pastoral Leases in WA. Tourism WA welcomes the opportunity to discuss its submission and is available to do so at the Committee's request.

Yours sincerely

A handwritten signature in blue ink that reads 'Stephanie Buckland'.

STEPHANIE BUCKLAND
Chief Executive Officer

2 September 2013

Attached



1) Role and function of Tourism Western Australia

The Western Australian Tourism Commission operating as Tourism Western Australia (Tourism WA) is a State Government statutory authority that promotes a sustainable tourism industry by marketing the State as an attractive destination; developing, attracting and promoting major events; and supporting significant tourism infrastructure.

Tourism WA has three divisions aligned to the agency's outcome areas – Destination Marketing; Event Tourism and Tourism Infrastructure and Investment. In addition, the Tourism WA structure includes the support divisions of Corporate and Business Services, Executive and Strategic Services, and Corporate Communications.

Tourism WA is fundamentally a partnership organisation and works in cooperation with a range of industry bodies, private tourism operators and government agencies to develop the State's tourism industry. In particular, Tourism WA has contracted arrangements with the five Regional Tourism Organisations (RTOs), Perth Convention Bureau (PCB), the Western Australian Indigenous Tourism Operators Council (WAITOC), and Western Australian Visitor Centre (WAVC). Tourism WA provides funding for some services provided by these organisations.

For the year ending June 2012 tourism generated over 89,000 jobs and injected over \$7.5 billion into the Western Australian economy. In accordance with the *State Government Strategy for Tourism in Western Australia 2020* (the strategy) released in December 2012 the aspirational goal is to increase this contribution to \$12 billion by 2020. Seven pillars (brand, infrastructure, business travel, Asian markets, events, regional travel and indigenous) with associated initiatives, actions and outcomes are identified to achieve this. Please find enclosed a copy of the 'Strategy at a glance'; a copy of the full strategy is available from www.tourism.wa.gov.au.

Tourism WA has had active involvement in progressing reform agendas impacting tourism on pastoral lands in the State and considers this an important issue in meeting the objectives of the Strategy in providing opportunities for the dispersal of visitors and creation of additional tourism infrastructure in regional areas. These are two of the seven pillars identified in the Strategy, with regional tourism being a critical economic asset with visitors spending \$3.1 billion in regional Western Australia in 2012.

2) Opportunities for eco-tourism and tourism development on pastoral lands

A significant component of the tourism product and offering in regional Western Australia that contribute to these economic returns are nature based experiences. In the year ending March 2013, there were more than 7.1 million visitors to Western Australia. Of these visitors, 49% of those coming from international destinations visited a national or State park. This number increases significantly in those areas outside the metropolitan region with, for example 77% of visitors to Australia's Coral Coast, 68% to Australia's Golden Outback and 55% of visitors to Australia's North West visiting a national or State park during their stay (Source: Tourism Research Australia, International and National Visitor Surveys, YE March 2013).

These figures demonstrate that there is significant demand for access by tourists to the natural and conservation areas of this State. Increasing this level of access and providing additional opportunities to both visit and stay in areas containing these values is an important objective of Tourism WA.

Western Australia's pastoral lands provide resources and attractions that are sought after by domestic and international visitors to remote and regional Western Australia that represent these values. Covering some 38% of the State's land area, pastoral leases include some of the State's iconic landscape attractions and experiences. Enabling increased opportunities for tourism will improve the sustainability of these leases and the management of these areas, and also meet visitor needs and desires.

In considering this matter, it is important to acknowledge that while a large percentage of visitors to Western Australia wish to access a natural area, the numbers to any one place, particularly in remote locations are relatively low. This makes it difficult for tourism operators in these areas to be sustainable, and a combination of tourism and pastoral operations may support the viability of both activities. This may also assist in keeping pastoralists on the land and maintaining this industry.

A successful example and approach to the development of eco accommodation in Western Australia is the Government's Naturebank program, which was launched by the State Government in October 2009. This is a partnership project involving Tourism WA and the Department of Parks and Wildlife (DPAW), aimed at promoting eco and nature-based tourism opportunities in regional Western Australia. The program involves the assessment and release of 'investor-ready' land for low-impact visitor accommodation predominantly within Western Australia's protected areas managed by DPAW.

This partnership aims to identify and prepare unique visitor opportunities that can operate as part of the ongoing sustainable management of the State's protected areas. Naturebank prepares development opportunities by carrying out a level of pre-release due diligence that would normally be the responsibility of the proponents. This includes but is not limited to:

- Ensuring consistency with the planning requirements of the area
- Addressing Aboriginal cultural issues
- Conducting surveys for rare and endangered flora and fauna
- Collecting baseline information on land and existing infrastructure and improvements

The Naturebank program, which to date has identified six sites is a major initiative in planning and developing eco and nature based tourism opportunities throughout Western Australia. Its implementation supports the aspirations of the Strategy and the Government is also considering other sites in key demand locations, not just national parks for inclusion in the Naturebank program.

Pastoral lands in Western Australia may provide opportunities for tourism development consistent with the objectives and intent of this program and highlights the importance of considering tourism as an integral component of reform agendas regarding this matter.

3) Tourism and the existing regulatory framework for pastoral leases

Whilst existing reform agendas for the use of pastoral leases are acknowledged, there remains a requirement to continually monitor the impacts of policy and pastoral lease regulation on tourism opportunities.

Diversification permits for tourism uses are permitted in accordance with the provisions of the *Land Administration Act 1997*. The permitted uses however are restricted to pastorally related low key tourism activities that are ancillary to the predominant pastoral operation.

This mechanism is effective in enabling a broader range of permitted uses by the leaseholder and is consequently a useful tool for a pastoralist seeking to achieve improved sustainability for their land holding. It has limitations however, in that it generally does not permit third party investment in tourism infrastructure and/or activity and there are issues around timeliness in their provision.

The lack of capacity for third party investment in tourism infrastructure and activity on pastoral leases is often disputed and advice on this matter has not always been consistent.

From a tourism perspective, it is imperative that provision is included for third party investment in pastoral lease arrangements. Whereas diversification of land use improves the chances of economic sustainability for pastoral leaseholders and spreads the benefits of tourism more widely, it is third party investment that stands the greatest chance of delivering outcomes for the industry and assisting in employment generation.

Third party investment provides new capital, new ideas, and new skills to pastoral lands. It enables the introduction of tourism industry expertise that is not always available in the pastoral community.

Third party investment is required to develop for example signature lodge accommodation. Once this type of development is in place other secondary tourism and servicing functions can establish and add to the sustainability of the broader pastoral lands.

The extent of capital investment by a third party is dependent on the “bankability” of land tenure. The capacity of Western Australia to, for example, attract signature developments such as Saffire Freycinet (Tasmania - <http://www.saffire-freycinet.com.au/>), Southern Ocean Lodge (South Australia - <http://www.southernoceanlodge.com.au/>) or Wolgan Valley (New South Wales - <http://www.wolganvalley.com/wolgan-valley/en/>) will only be realised if land tenure (and land access) is attractive enough to warrant risk of financial investment. It is estimated that the value of investment for each of these three examples is between \$70 - \$120 million.

4) Excision of land processes

Rangelands tenure reforms, including in particular a proposal for the introduction of Rangelands Leases as part of the aforementioned Rangelands Reform process, have the potential to provide for a broader range of permitted uses in pastoral areas. This in effect builds diversification into the head lease and is supported by Tourism WA.

While the introduction of a Rangelands lease will provide increased opportunities for tourism development, proactive Government action that leads to exclusion or excision of land from a pastoral lease provides the best opportunity for the assembly of investor ready holdings for tourism purposes. This enables the creation of parcels of land that can

be developed for this type of activity with Section 79 of the *Land Administration Act 1997* allowing for the establishment of a general lease for tourism purposes once land is excluded or excised from the pastoral lease.

Depending on other potentially competing factors (eg impact on stocking rates) this outcome may or may not be in the best interests of the pastoral community and requires a strategic planning approach to broader land use and resource management to deliver the best results. The Naturebank model outlined above provides a means to achieve this, and could be applied to identify potential tourism opportunities and facilitate their development within the pastoral estate.

5) Provision of visitor access and commercial tourism entry to pastoral lands

Section 91 (s.91) of the *Land Administration Act 1997* allows for the issue of non-exclusive access to pastoral leasehold land for what are deemed low impact land uses. In recent years tourism operators have used this provision to gain s.91 licences that allow them to undertake ground tours, walking excursions and even safari camping arrangements.

Tourism WA notes that the Department of the Premier and Cabinet and the State Solicitor's Office are reviewing the interaction between s.91 licenses and the *Native Title Act 1993* (Cwlth) which may have implications for the provision of visitor access and commercial tourism entry to pastoral lands.