



Department of Planning,
Lands and Heritage



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Pastoral Lands Board Policy No. 7

Pastoral Lease Stocking Policy

Supersedes Pastoral Policy Statement No. 7 Pastoral Lease Stocking Policy - 06/12/2010

The Pastoral Lands Board acknowledges the traditional owners and custodians of this land. We pay our respect to Elders past and present, their descendants who are with us today, and those who will follow in their footsteps.

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POLICY STATEMENT

The Pastoral Lands Board (PLB) is committed to good land management outcomes on pastoral leases across Western Australia. The PLB holds the view that profitable pastoralism and ecologically sustainable pastoralism are inextricably linked and, as a result, good land management and good economic performance go hand in hand. In particular, the PLB believes that working cooperatively with pastoral lessees, and government, will achieve improved land management outcomes. This policy reflects this view.

The PLB's functions with respect to land management are outlined in section 95 of the *Land Administration Act 1997* (LAA). Those functions include:

- To ensure that pastoral leases are managed on an ecologically sustainable basis; and
- To develop policies to prevent the degradation of rangelands; and
- To develop policies to rehabilitate degraded or eroded rangelands and to restore their pastoral potential; and
- To monitor the numbers and the effect of stock and feral animals on pastoral land.

Stock numbers should reflect the long-term sustainable carrying capacity of the pastoral lease, taking into consideration current rangeland and seasonal conditions and forage available, whilst ensuring that the lease is managed to its best advantage as a pastoral property.

Potential carrying capacity reflects the long-term average of potential stock numbers based on good pasture condition over the whole lease, and the lease having fully accessible waters for stock, and other necessary infrastructure.

If stock numbers are not managed to the PLB's satisfaction, it may, under section 111 of the LAA, determine minimum and maximum numbers and the distribution of stock to be carried from time to time, based on its assessment of the sustainable carrying capacity of the land.

In managing stock numbers over the term of the lease, pastoral lessees are required to meet all obligations to maintain the lease in accordance with Part 7, Division 4 of the LAA, specifically in relation to:

- Section 108(1) to operate the land to its best advantage as a pastoral property to the satisfaction of the PLB;
- Section 108(2) requiring lessees to use methods of best pastoral and environmental management practice, appropriate to the area where the land is situated, for the management of stock and for the management, conservation and regeneration of pasture for grazing; and
- Section 108(4) to maintain the indigenous pasture and other vegetation on the land to the satisfaction of the PLB.

Lessees must use best pastoral and environmental management methods in managing their pastoral leases. Overstocking of the land leads to overgrazing, which is a key contributor to pastoral land degradation.

The PLB recognises destocking as an effective land management tool for ensuring the long-term ecological sustainability of the land and natural resources on a pastoral lease. Destocking can also be a useful tool to provide a feed reserve for drier conditions, preserve the best forage areas for activities such as weaning or joining and / or holding stock for sale prior to transport. Therefore, the PLB allows pastoral lessees to destock the land under the lease for a period of up to five years without a requirement to seek the PLB's permission.

This policy complements the *Pastoral Purposes Framework*, which provides a guide to activities that can be undertaken on Western Australian pastoral leases.

OBJECTIVE

1. To provide guidance regarding stocking rates in relation to the requirement to manage and work the land under the lease to its best advantage as a pastoral property.
2. To provide guidance regarding stocking rates in relation to the requirement to use methods of best pastoral and environmental management practice.

PRINCIPLES

1. It is the responsibility of the lessee to manage stock numbers in accordance with the lessee's requirements to use methods of best pastoral and environmental management.
2. Lessees are required to use methods of best pastoral and environmental management practice at all times. The PLB considers this essential to ensuring that a pastoral lease is managed and worked to its best advantage as a pastoral property in the long term.
3. The PLB is committed to working collaboratively with lessees and government to achieve agreed long-term good land management outcomes that are practical and sustainable.
4. The PLB acknowledges that exercising its powers to determine minimum and maximum stock numbers can have significant financial impacts on lessees. Consequently, the PLB's preferred approach is to exercise these powers as a last resort, where no other alternatives are feasible, and for the minimum practical duration.
5. The PLB will determine whether the lease is being managed to its best advantage as a pastoral property and according to best pastoral and environmental practice, utilising, in part, the stock numbers on a lease as a percentage of the Potential Carrying Capacity (PCC) of the lease.

IMPLEMENTATION GUIDELINES

1. The PLB will apply the following criteria to assess which of three Stocking Tiers a lease falls into:

STOCKING TIER	CONSIDERATIONS	RESPONSE
Tier A: Destocked		
<p>Sub-Tier A1: Completely Destocked</p> <ul style="list-style-type: none"> No stock over five consecutive years. <p>Sub-Tier A2: Effectively Destocked</p> <ul style="list-style-type: none"> Stock numbers less than 10% of PCC on average over five consecutive years, or less than 10% for each of the five years. 	<p>The PLB considers that a lease in Stocking Tier A:</p> <ul style="list-style-type: none"> Is at high risk of not being managed and worked to its best advantage as a pastoral property; and Is at low risk of future environmental degradation from livestock grazing pressure. 	<p>The PLB response to leases in Stocking Tier A:</p> <ul style="list-style-type: none"> Will require lessees to provide substantial evidence that a lease is, and will continue to be, managed and worked to its best advantage as a pastoral property; and Will apply a risk-based land condition monitoring regime to assess rangeland condition.
Tier B: Marginally Stocked		
<p>Sub-Tier B1: Minimally Stocked</p> <ul style="list-style-type: none"> Stock numbers (a) less than 20% of PCC on average, and (b) less than 20% of PCC in at least four of the five years, including the final year of the period. <p>Sub-Tier B2: Very Conservatively Stocked</p> <ul style="list-style-type: none"> Stock numbers (a) less than 30% of PCC on average, and (b) less than 30% of PCC in at least three of the five years, including the final year of the period. 	<p>The PLB considers that a lease in Stocking Tier B:</p> <ul style="list-style-type: none"> Is at risk of not being managed and worked to its best advantage as a pastoral property; and, Is at low risk of future environmental degradation from livestock grazing pressure. 	<p>The PLB response to leases in Stocking Tier B:</p> <ul style="list-style-type: none"> May require lessees to provide evidence that a lease is, and will continue to be, managed and worked to its best advantage as a pastoral property; and Will apply a risk-based land condition monitoring regime to assess rangeland condition.

STOCKING TIER	CONSIDERATIONS	RESPONSE
Tier C: Stocked		
<p>Sub-Tier C1: Conservatively Stocked</p> <ul style="list-style-type: none"> Stock numbers fall outside the criteria for Tiers A and B, and/or are between 30% and 100% of PCC on average over five consecutive years. <p>Sub-Tier C2: Fully Stocked</p> <ul style="list-style-type: none"> Stock numbers at or above 100% of PCC on average over three consecutive years. 	<p>The PLB considers that a lease in Stocking Tier C:</p> <ul style="list-style-type: none"> Is at low risk of not being managed and worked to its best advantage as a pastoral property; and May be at risk of future environmental degradation from livestock grazing pressure. 	<p>The PLB response to leases in Stocking Tier C:</p> <ul style="list-style-type: none"> Does not require additional evidence that a lease is managed and worked to its best advantage as a pastoral property; and Will use stocking numbers as one of the risk factors informing the application of its land condition monitoring regime.

2. The PLB will take a proactive, collaborative approach to engaging with lessees where concerns have been identified. The PLB's response will be determined on a case by case basis in accordance with its *Rangeland Management Compliance Policy* and *Rangeland Monitoring Methodology Policy*.
3. In ascertaining whether a lease in Stocking Tier A or B is managed and worked to its best advantage as a pastoral property, the PLB will include in its consideration:
 - a) Land condition:
 - i. The nature of the land systems, including their productive capacity;
 - ii. Current condition of the rangelands and amount of palatable forage available;
 - iii. Extent of land degradation e.g. areas that are severely degraded or have little to no pastoral potential, including historical or long-term degradation that may require a longer recovery period.
 - b) The lessee's long-term land management plan to operate the land to its best pastoral advantage.
 - c) Seasonal/climate conditions, such as drought and the last rain event or season.
 - d) Good land management:
 - i. Grazing distribution and how any remaining stock will be managed or kept out of degraded areas;
 - ii. Land regeneration and rehabilitation activities underway or being planned;
 - iii. Control of declared animals and plants e.g. management of feral animals and weeds;
 - iv. Fire management.
 - e) Infrastructure and maintenance, including the ability of existing infrastructure to support stock, and manage stock movements and grazing pressure across the lease, particularly water infrastructure.

- f) Type of pastoral enterprise or ownership interests.
- g) Whether the lessee's proposed management plan is financially feasible, including potential for:
 - i. Generating income from pastoral sources, such as agistment or subleasing;
 - ii. Generating income from non-pastoral sources such as permits issued under Part 7, Division 5 of the LAA; or
 - iii. Creating efficiencies by amalgamating operations with other pastoral businesses.
- 4. The PLB believes that management and maintenance of infrastructure is critical in effectively managing stock movements, particularly when supporting more than minimum stock numbers. This also has other benefits such as avoiding potential animal welfare issues, for example, when there is limited infrastructure and water.
- 5. The PLB will assess stock numbers on an annual basis and will request lessees who may be at risk of not complying with this policy to provide evidence that the lease is, and will continue to be, managed and worked to its best advantage as a pastoral property in accordance with this policy.

Examples of types of pastoral leases, stocking rates, and how the tier system will operate

Tier A

Example 1: Sub-Tier A1

Certain organisations may acquire pastoral leases for purposes other than running a pastoral lease, such as environmental groups, whose goals tend to be environmental recovery, ecosystem function and values. There is frequently low (if any) interest in operating a pastoral business and as a result, a number of these leases are destocked.

Two examples are illustrative of the situation:

- A conservation organisation holds an island pastoral lease for conservation purposes. It has effectively destocked the island. The land under the lease is not suitable as a pastoral lease in view of the difficult access and its limited carrying capacity.
 - Therefore, it would be appropriate to change the tenure of the land to something more suitable for the purpose of conservation.
- The lessee additionally manages a station which is also effectively destocked for conservation purposes. The station has significant potential for pastoral production and continued destocking could affect pastoral operations on neighbouring leases.
 - Subleasing all or part of the lease to one of the neighbours could be a good solution.

The PLB would require substantial evidence that the lessee is looking to return to pastoral production, and, where necessary, a development and management plan may be required to be produced and implemented to

ensure the land is being worked as a pastoral business. The information the PLB may request of the lessee includes those items contained in paragraph 3 of the Implementation Guidelines of the Policy, namely:

- a) land condition;
- b) the lessee's long-term land management plan to operate the land to its best pastoral advantage;
- c) Seasonal / climate conditions, such as drought and the last rain event or season;
- d) Good land management;
- e) Infrastructure and maintenance, including the ability of existing infrastructure to support stock, and manage stock movements and grazing pressure across the lease, particularly water infrastructure.

Where the lessee is unable or unwilling to do so, the PLB may, depending on the circumstances, approach the issue from two potential perspectives:

- Compliance, whereby continued non-compliance with the LAA, after a period of engagement between the PLB and lessees, would lead to a default notice, fines and, eventually, forfeiture; or
- Potential tenure change - the lessee may be advised to consult with DPLH officers regarding a potential tenure change.

However, the PLB should also be mindful that tenure change option could come at a potentially significant cost to the wider pastoral industry in the region. If the pastoral lease has great pastoral potential, the loss of highly productive pastoral land has the potential to diminish the industry and reduce critical mass in the region in which the lease is situated (important for maintaining transport costs at a sustainable level, for example).

In addition, tenure change is time consuming and costly to achieve, as it would most likely require a native title process and also may prove problematic as a result of mining activities and the requirement for many forms of tenure to receive clearance under section 16(3) of the *Mining Act 1978* prior to being issued.

Example 2: Sub-tier A2

In certain circumstances, a mining company may acquire a pastoral lease for ease of access to the mining tenement. Some of the mining companies who do so make a genuine effort to run a pastoral business on the land under the lease. Others, however, run a nominal amount of stock on the land under the lease. In the latter case, the focus is on mining operations, not a pastoral business.

The PLB may request evidence that the lessee is looking to shift towards pastoral production, and, where necessary, a development and management plan would be required to be produced and implemented to ensure the land is being worked as a pastoral business.

The information the PLB may request of the lessee includes those items contained in paragraph 3 of the Implementation Guidelines of the Policy, namely:

- a) land condition;
- b) the lessee's long-term land management plan to operate the land to its best pastoral advantage;

- c) Seasonal / climate conditions, such as drought and the last rain event or season;
- d) Good land management;
- e) Infrastructure and maintenance, including the ability of existing infrastructure to support stock, and manage stock movements and grazing pressure across the lease, particularly water infrastructure.

Where the lessee is unable or unwilling to do so, the PLB may approach the issue from two potential perspectives:

1. Compliance, whereby continued non-compliance with the LAA, after a period of engagement between the PLB and lessees, would lead to a default notice, fines and, eventually, forfeiture; or
2. Potential tenure change - the lessee may be advised to consult with DPLH officers regarding a potential tenure change.

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In addition, tenure change is time consuming and costly to achieve, as it would most likely require a native title process and also may prove problematic as a result of mining activities and the requirement for many forms of tenure to receive clearance under section 16(3) of the *Mining Act 1978* prior to being issued.

Tier B

Example 3: Sub-tier B1

The lessee is operating a carbon farming operation and is currently destocked.

The lessee destocked under the 2010 policy, and was destocked at 1 July 2015, when the lease was renewed. The lessee remained destocked and the five-year limit on destocking without engaging with the PLB, is about to expire.

The lessee has a Human-Induced Regeneration (HIR) Methodology Carbon Farming agreement with the Commonwealth Government, which is set to generate the lessee a significant income.

The lessee is planning to restock to approximately 70% of Potential Carrying Capacity (PCC) for one or two years, before destocking again for another five years.

Under the previous policy, this was possible, because the destocking “clock” only started when the lessee first destocked the land under the lease, because for all intents and purposes, the land was stocked for the year or two prior to the most recent destocking period commencing.

Under the revised policy, the PLB will average the stocking rate across the five years since the previous destocking period.

In this example, the percentage would average out at less than 30% of PCC, which means the lessees would fall within Sub-tier B2. The PLB may seek evidence that the lease is, and will continue to be, managed and worked to its best advantage as a pastoral property, and not simply as a carbon farm.

The PLB recognises and supports carbon farming as an additional income source for lessees, but the purpose of a pastoral lease is to graze authorised livestock as a pastoral business. Were the lessee to be unable or unwilling to demonstrate that the lease can and will be operated as a pastoral business, the PLB may approach the issue from two potential perspectives:

- Compliance, whereby continued non-compliance with the LAA, after a period of engagement between the PLB and lessees, would lead to a default notice, fines and, eventually, forfeiture; or
- Potential tenure change - the lessee may be advised to consult with DPLH officers regarding a potential tenure change.

However, the PLB should also be mindful that tenure change option could come at a potentially significant cost to the wider pastoral industry in the region. If the pastoral lease has great pastoral potential, the loss of highly productive pastoral land has the potential to diminish the industry and reduce critical mass in the region in which the lease is situated (important for maintaining transport costs at a sustainable level, for example).

In addition, tenure change is time consuming and costly to achieve, as it would most likely require a native title process and also may prove problematic as a result of mining activities and the requirement for many forms of tenure to receive clearance under section 16(3) of the *Mining Act 1978* prior to being issued.

Tier C

Example 4: Sub-tier C1

A pastoral lease running stock an average of between 30% and 100% of PCC over a five-year period will be considered to be at low risk of not complying with the requirement to operate a pastoral business, per section 108(1).

The PLB will likely place such a lease relatively low on the risk-based land monitoring regime profile, depending on seasonal conditions and the underlying condition of the land under the lease.

Example 5: Sub-tier C2

A pastoral lease with reported stock numbers at or above the PCC for that lease, on average, over three consecutive years, will be considered fully stocked.

Any pastoral lessee running 100% or more of the PCC on a pastoral lease will be identified under the risk-based land condition monitoring regime for closer analysis. This is because grazing pressure is a key contributor to environmental damage and land degradation.