Pastoral Lands Board Policy

Viability and Sustainability of New Standalone Pastoral Leases

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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Published by the Pastoral Lands Board
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Publication date: 22 July 2020
Operational date: 22 July 2020

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POLICY STATEMENT

The Pastoral Lands Board (PLB) has two broad roles:

1. To administer pastoral leases in accordance with Part 7 of the Land Administration Act 1997 (LAA).

2. To provide advice to the Minister for Lands (Minister) on policy relating to pastoral land, including ensuring that pastoral leases are managed on an ecologically sustainable basis.

The PLB believes that the economic and ecological health of pastoral lands are inextricably connected. Achieving a balance of both is possible, provided the policy and administrative environment is constructed appropriately. In particular, the PLB believes that this will require creating an environment where government works cooperatively with pastoral lessees to enhance productivity and financial viability to achieve improved land management outcomes.

This policy applies the above view to the PLB’s functions in relation to proposed grants of new, and subdivisions of existing pastoral leases, where this results in the creation of new, standalone pastoral business units. In both cases, the PLB’s role is to advise the Minister for Lands (Minister) in relation to the economic viability and ecological sustainability of such proposals:

- Section 101(4) of the LAA requires the Minister to consult with the PLB in relation to the grant of new pastoral leases, and section 101(5) precludes the Minister from granting a standalone pastoral lease unless the PLB is satisfied that the land under the lease will be capable, when fully developed, of carrying sufficient authorised stock to be worked as an economically viable and ecologically sustainable pastoral business.

- Sections 95(f) and 134(4) of the LAA require the PLB to make recommendations to the Minister in relation to applications for the subdivision of pastoral land, and preclude the Minister from approving a transfer resulting in a subdivision unless the PLB is satisfied that each of the subdivided parts will be capable, when fully developed, of carrying sufficient authorised stock to be worked as an economically viable and ecologically sustainable pastoral business unit.

- Section 141(1) of the LAA enables the Minister to change the boundary between two pastoral leases on the recommendation of the PLB.

These provisions should be read in the context of:

- the PLB’s broader functions in advising the Minister on policy relating to the pastoral industry and the administration of pastoral leases, and ensuring that pastoral leases are managed on an ecologically sustainable basis; and

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

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1 The LAA does not define the term ‘pastoral business unit’, and applies the term in two distinct manners:
- In section 101(5)(a) and section 134(4)(a) the term is used to denote a single pastoral lease that is operated as a single pastoral business; whereas
- In section 101(5)(c) and section 134(4)(c) the term is used to denote multiple pastoral leases, or multiple parts of pastoral leases, that are operated together as a single pastoral business unit under section 142A of the LAA.

This policy uses the term ‘pastoral business unit’ to denote land that is operated as a single pastoral business, whether it comprises of a single pastoral lease or a pastoral business unit approved under section 142A. However, it is noted that in practice additional considerations apply in relation to the approval of pastoral business units under section 142A.
**OBJECTIVE**

1. To guide the PLB’s advice to the Minister on the economic viability and ecological sustainability of proposed grants of new and subdivisions of existing pastoral leases as standalone pastoral business units.

**PRINCIPLES**

1. The economic viability and ecological sustainable management of pastoral land are interdependent, as improved economic viability provides land managers with the resources required for sustainable ecological management and *vice versa*.

2. The PLB’s advice to the Minister will apply the same considerations on the economic viability and ecological sustainability regardless of whether a proposed new standalone pastoral business unit results from the grant of a new lease, from the subdivision of an existing lease, or from a boundary adjustment.

**IMPLEMENTATION GUIDELINES**

1. This policy will form the basis of any advice from the PLB to the Minister in relation to the economic viability and ecological sustainability of standalone pastoral business units resulting from:
   a) Grants of new pastoral leases
   b) Subdivisions of existing pastoral leases
   c) Boundary adjustments between existing pastoral leases.

2. Should the PLB advise the Minister against creation of a new standalone pastoral lease, this does not preclude the PLB from recommending that the relevant land be amalgamated or become a pastoral business unit with an adjoining pastoral lease under section 142A of the LAA.

3. The PLB may request proponents provide a plan for the development and management of the proposed new lease as part of the assessment process, to inform the PLB’s advice to the Minister in relation to the economic viability and environmental sustainability of proposed grants of new pastoral leases, subdivisions of existing pastoral leases or boundary adjustments between existing pastoral leases.

4. The PLB’s advice to the Minister in relation to the economic viability and ecological sustainability of proposed grants of new pastoral leases, subdivisions of existing pastoral leases or boundary adjustments between existing pastoral leases effectively resulting in the creation of new, standalone pastoral business units will be based on its assessment of the following factors:
   a) Access:
      i) A pastoral lease that does not have legal access to a public road cannot be worked as an economically viable and ecologically sustainable standalone pastoral business unit, irrespective of any
other factors. The PLB cannot recommend the creation of a new, standalone pastoral business unit that does not have legal access to a public road.

ii) New tenure without legal access to a public road cannot be created without the simultaneous creation of a new legal means of access. Any costs associated with the acquisition of such legal access would be borne by the proponent, including any Native Title costs.

b) Potential carrying capacity:

i) The PLB considers that a pastoral lease with a potential carrying capacity in excess of 4,000 cattle units (cu) is able to carry sufficient authorised stock to be worked as an economically viable and ecologically sustainable standalone pastoral business unit.

ii) The PLB considers that a pastoral lease with a potential carrying capacity of fewer than 4,000 cu may be able to carry sufficient authorised stock to be worked as an economically viable and ecologically sustainable standalone pastoral business unit, depending on a business case outlining the lease’s development and management costs, and potential to increase the number of authorised livestock through the use of diversification permits.

c) Ecological sustainability:

i) The PLB will seek and consider in its advice to the Minister in relation to proposed grants of new and subdivisions of existing pastoral leases the views of Government agencies responsible for administering:

- the *Biosecurity and Agriculture Management Act 2007*
- the *Environmental Protection Act 1986*
- the *Soil and Land Conservation Act 1945*
- the *Biodiversity Conservation Act 2016*
- any other written law relating to environmental conservation which is applicable to the land under the proposed new lease.

d) Development and management costs:

i) The PLB considers that up front development and ongoing management costs for a proposed new pastoral lease may be substantially higher if the land is to be developed as a standalone pastoral business unit than if it is to be developed and managed by an adjacent pastoral lessee.

ii) The PLB considers that up front development and ongoing management costs of a proposed new pastoral lease will depend on a wide range of factors, including but not limited to:

- The availability, depth and quality of stock water
- The nature of the land systems that comprise the proposed lease
- Physical size – a physically larger pastoral lease requires more resources to develop and manage, and will therefore potentially be less economically viable than a smaller pastoral lease
- Interregional variations – there are significant differences between Western Australia’s pastoral regions that affect the development and management costs of pastoral leases
- Intraregional variations – a pastoral lease that is located further from ports and major regional centres will face higher transportation costs, and will therefore potentially be less economically viable than a pastoral lease that is located closer to such facilities.

e) Potential to increase the number of livestock under permit:

i) Some, but not all, permits under sections 118, 119, 120 or 122 of the LAA may have the potential to increase the number of livestock that a pastoral lease may sustainably carry, thus increasing its economic viability.

ii) Permits under sections 121 and 122A of the LAA do not by their nature have the potential to increase the number of livestock that a pastoral lease may sustainably carry.
iii) The PLB may, at its discretion, consider the effect on the economic viability and ecological sustainability of any existing or proposed permits under sections 118, 119, 120 or 122 of the LAA that:

- have by their nature the potential to increase the number of livestock that the proposed pastoral lease may sustainably carry
- where that potential has been demonstrated by the proponent having obtained in principle approval for any and all licences and permissions required to establish and operate the permitted activity arising from the operation of all applicable legal requirements, including relevant planning, environmental and water legislation
- the proponent agreeing in writing to obtaining and maintaining all licenses and permissions associated with the operation of the permit to be obtained within a time period determined by the PLB and subsequently maintained throughout the life of the lease.

iv) The PLB will not consider the effect on economic viability of:

- any existing or proposed permits under sections 121 or 122A of the LAA
- any existing or proposed permits under sections 118, 119, 120 or 122 of the LAA that do not increase the number of livestock that the proposed pastoral lease may sustainably carry.