

Gascoyne- Murchison Strategy

Voluntary Lease Adjustment Project

Background

The Pastoral Lands Board, on a number of occasions, has recognised there are leases in the Gascoyne-Murchison area of Western Australia increasingly unable to support sustainable pastoral businesses. In the past, such leases have continued to be bought and sold in the marketplace as whole leases and successive owners have suffered from the inability of these properties to maintain sustainable levels of production and profit.

Several other reports have recognised the need to restructure within the pastoral industry as many properties were deemed to be “non-viable”, including, ‘Opportunities for Regional Rural Adjustment’ (Bureau of Resource Science 1993); and ‘The Present and Future Pastoral Industry of Western Australia (B.G. Jennings *et al* 1979). The ‘Pastoral Wool Industry Task Force’ (G.A.Robertson *et al*, December 1993) also recommended that “the Government should take a more active role in assisting industry restructuring”.

The Gascoyne-Murchison Strategy (GMS), following extensive consultation with industry and relevant government agencies, was instructed by Cabinet to formally undertake a restructuring process within the area.

The GMS Cabinet Action Plan required the GMS Board, with relevant statutory bodies (including the Pastoral Lands Board of Western Australia) to undertake structural lease adjustment aimed at enhancing lease viability and options for landholders to exit the industry with dignity. The GMS Cabinet Action Plan required that there should be a mechanism put in place to ensure the responsibilities of the various agencies were co-ordinated.

The GMS developed a process, for Voluntary Lease Adjustment (VLA), with the emphasis that the vendors involvement should be entirely voluntary. The process was agreed to by State and Commonwealth Governments, that enabled all parties to understand where there was a need for them to become involved in the lease adjustment activity.

Issues with VLA.

- The Chairman of Pastoral Lands Board at the time of commencement of the GMS was not prepared to suggest or insist the vendors of properties containing land issues or having questionable economic potential should take advantage of the lease adjustment option.
- Potential sellers have, virtually without exception, only been prepared to discuss VLA when their stations have failed to sell after being on the market for a considerable length of time or they have reasons to urgently dispose of the property.
- Many of these properties are priced well above the neighbour’s capacity/ preparedness to meet the asking price. In these cases where neighbours are interested in portions the gap between their likely offer and the asking price is

such that it is beyond the current capacity of VLA Public Benefit Support to make up the difference.

- In many cases the “asking price” is not too far removed from the Valuer General’s valuation.
- Many of the target properties for VLA are small in area, support low numbers of animals and are often affordable by potential buyers. They are generally located close to major arteries, towns and facilities. These factors contribute to many of these stations selling soon after being advertised for sale.
- Some potential sellers are not prepared to offer through VLA for fear of their station losing its’ identity.
- A number of leases being offered for sale contain significant areas of un-productive land that will do nothing to enhance the profitability of a neighbour’s business.

Pastoral leases would be considered for lease adjustment, addition to the Conservation Reserve or designated for special or particular use when identified through one or more of the following methods:

- Station has been offered for sale to CALM.
- Potential vendors request the VLA Plus process is applied to their stations.
- Potential purchasers request the VLA Plus process is considered for application to a particular station.
- Identified on the database as having areas of conservation potential.
- Identified by the Ecosystem Management Unit (EMU) as having areas of conservation potential.
- Promoted by the Pastoral Lands Board (PLB) as having attributes inconsistent with sustainable land-use and/ or having animal management issues.
- Identified by a private or independent group for purchase for conservation purposes.
- Identified through the Comprehensive Adequate Representative Reserve System (CARRS) review.
- Identified as a target for adjustment due to inherent management and environmental difficulties.
- Identified by the Indigenous Land Corporation (ILC) as containing areas of interest to aboriginal groups.

