LAND USE IN THE AUSTRALIAN RANGELANDS

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ABSTRACT

This paper reviews pastoral lease arrangements across Australia and considers the extent to which these affect the emergence of non-pastoral land uses. Some 44 per cent of Australia is made up of pastoral leases. The predominant use of these leases is for grazing livestock (primarily sheep and cattle). However, there is increasing demand for this land to be used for non-pastoral uses, such as tourism, farming of non-conventional livestock (such as goats, kangaroos and camels) and conservation of native wildlife. More neutral and outcome-focused pastoral leasing arrangements may better facilitate pastoral and non-pastoral land uses in the future.

INTRODUCTION

Pastoral leases are a form of land tenure that applies to the rangelands of Australia and the South Island high country of New Zealand. The predominant use of pastoral leases is for grazing livestock (primarily sheep and cattle). However, there is increasing demand for land for non-pastoral uses, such as tourism, farming of non-conventional livestock and conservation of native wildlife.

The current pastoral lease arrangements may affect the emergence of non-pastoral land uses. The arrangements are generally designed to support and facilitate pastoralism through a prescriptive system of land management conditions. As a consequence, innovative land uses and potential economic and ecological gains, that could benefit land managers and the wider community, may be stifled.

At the outset, it is important to note that development of non-pastoral land uses may not be an option on all pastoral leasehold land. For example, there may be limited commercial opportunities for non-pastoral land uses on remote pastoral leases, and/or on pastoral leases that have limited tourism potential. Further, opportunities for non-pastoral land uses will also be affected by other factors, such as access to finance, infrastructure, and information.

1 This conference paper is based on: Productivity Commission 2002, Pastoral Leases and Non-Pastoral Land Use, Commission Research Paper, AusInfo, Canberra.
This paper summarises a review of pastoral lease arrangements, across jurisdictions in Australia, undertaken by the Productivity Commission in 2002 — Pastoral Leases and Non-Pastoral Land Use — that focussed on the extent to which current pastoral lease arrangements affect the emergence of non-pastoral land uses. Some comparisons are made with pastoral lease arrangements in New Zealand, which has a history and pattern of pastoral lease administration and land development similar to Australia.

Pastoral lease arrangements are set within a broader institutional framework that includes Commonwealth, State and Territory legislation pertaining to native title, mining and native vegetation. While this paper does not examine such issues, it does provide some general background discussion of the relevant areas of the broader framework, and how these set the context for, and interact with, pastoral lease arrangements.

**PASTORAL LEASEHOLD TENURE**

A pastoral lease is a form of land tenure that exists between a lessee and ‘the Crown’ and provides lessees with an exclusive right to conduct activities associated with pastoralism, including raising livestock and developing infrastructure. Activities not within the terms of a pastoral lease, such as operating an ecotourism business or a private conservation initiative, are subject to government approval. Governments also have the power to resume pastoral leasehold land for a wide range of purposes, such as for public infrastructure or to establish a national park. Where native title is applicable, activities on pastoral leasehold land need to be consistent with the Native Title Act 1993 (Cwlth).

Pastoral leases cover some 44 per cent (338 million hectares) of Australia’s mainland area. This makes up more than two-thirds of all privately managed land (freehold and pastoral lease). New South Wales, Queensland, South Australia, the Northern Territory and Western Australia account for more than 99 per cent of total pastoral leasehold land in Australia, with negligible amounts in the ACT, Victoria and Tasmania. Queensland has the largest area with around 62 per cent of the State being pastoral lease (see table 1).

The majority of pastoral leasehold tenure is in the rangelands that comprise nearly three-quarters of Australia — the low rainfall and variable climate arid and semi-arid areas and, north of the Tropic of Capricorn, some seasonally high rainfall areas. The rangelands also include the slopes and plains of northern New South Wales and southern Queensland. The rangelands are of important ecological significance with many of the ecosystems providing habitat for rare and endangered native wildlife. They are also an important economic resource and have significant cultural and heritage values for indigenous and non-indigenous Australians (ANZECC and ARMCANZ 1999).
In Australia, pastoral lease arrangements have evolved since the mid-1840s as an administrative and prescriptive approach to land management. The initial objectives of governments were to control early pastoral activity and to facilitate land development and closer settlement. More recently, governments have focused on ecologically sustainable land management and greater monitoring and control of pastoral land use (see Holmes 2000 for a historical review of government pastoral lease objectives).

State and Territory Governments have the primary responsibility for the management of pastoral leases. New South Wales, the Northern Territory, Queensland, South Australia and Western Australia have land (management) legislation for the administration of pastoral leases. Commonwealth, State and Territory legislation pertaining to native title, mining, and native vegetation also affects the operation of pastoral leases.

Native title is a key element of the broader institutional framework affecting pastoral leases. Where native title is applicable, diversification and/or a change in the primary land use on a pastoral lease must be consistent with the Native Title Act 1993 (Cwlth). As has been the case in the recent past, the legal and institutional relationship between native title and pastoral leases is likely be influenced by future court determinations.

**OPERATING CHARACTERISTICS OF PASTORAL LEASES**

The operating characteristics of farm businesses on pastoral leases vary across jurisdictions according to: location, seasonal conditions, the size of the pastoral lease and the management structure. Both larger corporate enterprises and smaller family enterprises may benefit from realising opportunities for non-pastoral land use through diversification and/or a change in primary land use (discussed below).

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Table 1  
**Pastoral leasehold land, by jurisdiction, 2001**

<table>
<thead>
<tr>
<th>Jurisdiction(^a)</th>
<th>Pastoral lease area</th>
<th>Pastoral lease area/total mainland area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>million hectares</td>
<td>%</td>
</tr>
<tr>
<td>Queensland(^b)</td>
<td>107</td>
<td>62</td>
</tr>
<tr>
<td>New South Wales(^c)</td>
<td>30</td>
<td>37</td>
</tr>
<tr>
<td>South Australia</td>
<td>42</td>
<td>43</td>
</tr>
<tr>
<td>Western Australia</td>
<td>96</td>
<td>38</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>63</td>
<td>47</td>
</tr>
<tr>
<td><strong>Australia total</strong></td>
<td><strong>338</strong></td>
<td><strong>44</strong></td>
</tr>
<tr>
<td>New Zealand(^d)</td>
<td><strong>2.2</strong></td>
<td><strong>8.1</strong></td>
</tr>
</tbody>
</table>

\(^a\) ACT, Victoria and Tasmania have negligible areas of pastoral lease. \(^b\) Pastoral holding term leases and grazing homestead perpetual leases. \(^c\) Grazing leases only but includes some land where cultivation permits are in force. \(^d\) There are also 0.25 million hectares of short-term pastoral occupation licences.

**Sources:** Geoscience Australia (2002); various Australian State and Territory and New Zealand departmental reports.
ABARE survey data can be used to describe some of the key physical and operating characteristics of pastoral lease enterprises across Australia. The average size of pastoral lease holdings and type of stock (beef cattle and/or sheep) varies significantly by management structure (‘family’ or ‘corporate’) and location. For example, across northern Australia, there are many corporate properties with an average size of around 500,000 hectares that produce almost exclusively beef cattle. In contrast, in central and southern areas, particularly in South Australia and New South Wales, there are more family properties that are considerably smaller (average less than 50,000 hectares) and produce mostly sheep with some mixed sheep and beef enterprises.

The size and resource advantages of the larger corporate farms are partly reflected in a comparison of ABARE survey data for ‘average farm cash income’ between ‘corporate’ and ‘family’ farms (figure 1).

**Figure 1** Average farm cash income of ‘corporate’ and ‘family’ farms with long-term Crown leases, 1989-90 to 1999-2000

![Graph showing average farm cash income](image)

*Source: ABARE Australian Agricultural and Grazing Industry Survey.*

Many of the larger corporate properties in northern Australia are part of very large pastoral companies. The two largest beef cattle producing companies — Stanbroke Pastoral and Australia Agricultural — manage some 45 properties over more than 18 million hectares of leasehold land with approximately one million head of cattle. The size and distribution of their holdings allows these companies to use a production system whereby cattle are bred on the northern properties and then moved south to the ‘channel country’ and/or to the central highlands of Queensland to be fattened on grass or in feedlots.
Farm cash income for the corporate (predominantly beef cattle) farms rose rapidly in the late 1990s, as these farms were able to take advantage of good seasonal conditions and improving prices for beef cattle (ABARE 2001). Significant growth in the live cattle trade throughout the 1990s also contributed to income improvements for farms in the beef pastoral zone (Riley et al. 2001). Since the mid-1990s, farm cash income for family farm businesses also rose, although not as rapidly as for corporate farm businesses. This partly reflects the higher sheep to cattle ratio for family properties, and generally lower returns from wool and sheep and lamb sales in this period.

DEMAND FOR NON-PASTORAL LAND USES

In recent years, there has been a growing interest in non-pastoral uses of pastoral leasehold land from a diverse range of user groups including: pastoralists; traditional owners; tourism operators; and private conservation groups. Non-pastoral land uses may occur on a pastoral lease through diversification and/or through a change in the primary land use — where this is permitted.

Diversification involves the complementary use of part of a pastoral lease, where pastoralism remains the dominant activity. This could include the development of a feedlot, forestry development, aquaculture, farmstay tourism, harvesting of feral animals, recreational activities, and documentary- and film-making, At times, a number of these activities may occur simultaneously on a pastoral lease.

A change in the primary land use involves a change from pastoralism to some other activity including: farming of non-conventional livestock (such as goats, kangaroos or camels); Aboriginal traditional use; ecotourism; and conservation of biodiversity. Sustainable use of native wildlife can enable the private sector both to obtain financial returns and contribute to conservation of biodiversity (for example, see Senate Rural and Regional Affairs and Transport References Committee 1998 and PC 2001).

Around Australia, there are several examples of non-pastoral land use occurring on pastoral leasehold land. In addition to landholders diversifying their activities, there has also been a shift for enterprises with non-pastoral interests to purchase leases. For example, there are several non-profit organisations, such as the Australian Bush Heritage Fund, the Australian Wildlife Conservancy, and Birds Australia, that have purchased leases with the objective of undertaking conservation and tourism-based activities (box 1).

There are also examples of profit-based businesses, such as Western Mining Corporation in Western Australia, that have purchased leases and manage them for a range of purposes to meet investor and shareholder needs (Fargher et al. 2002).
Box 1  Private conservation initiatives on pastoral leases

**Australian Bush Heritage Fund**

The ABHF is a private non-profit conservation group. ABHF protects highly threatened and ecologically significant examples of Australia's wildlife habitats and plant communities by purchasing properties and by receiving bequests of private land. ABHF is funded mainly through public donations. ABHF has the lessee rights to Carnarvon Station — a 59,000 hectare pastoral lease in central Queensland. The property is managed as a conservation reserve and stocked with cattle to its long-term carrying capacity.

**Australian Wildlife Conservancy**

The AWC (formerly Fund for Wild Australia) is a Perth-based private non-profit conservation group that seeks to enhance and protect biodiversity through the purchase and management of properties of high conservation value. AWC is funded mainly through public donations but has also received funding from the Commonwealth Government’s Natural Heritage Trust.

AWC has the lessee rights to three pastoral leases in Western Australia — Faure Island, a 5600 hectare Shark Bay property in a World Heritage Area; Mount Gibson Station, a 130,000 hectare property north of Perth; and Mornington Station, a 312,000 hectare property in the Kimberley region in the State’s north-west. The properties are managed as conservation reserves and used for ecotourism. AWC is seeking funding to purchase the Mt Zero pastoral lease in Queensland.

**Birds Australia**

Birds Australia is a private non-profit conservation group with the aim of contributing to the conservation, study and enjoyment of Australia’s native birds and their habitats. It is funded through public donations but has also received funding from the Commonwealth Government’s Natural Heritage Trust. Birds Australia has the lessee rights to two pastoral leases — Gluepot Station, a 54,390 hectare property in South Australia’s Murray Mallee, and Newhaven Station, a 262,200 hectare property in the southern Northern Territory. Both properties are managed as conservation reserves.

*Sources: ABHF (2002); AWC (2003); BA (2002, 2003).*

In addition to non-pastoral land uses being undertaken by private individuals or groups, state governments may resume part or all of a pastoral lease for public purposes, through lease reservation conditions. For example, the Western Australia Government recently stated its intentions to exclude parts of 97 of Western Australia’s 528 pastoral leases (about 2 million hectares) for purposes including conservation, recreation, tourism, protection of Aboriginal sites and provision for the expansion of existing towns (MacTiernan 2002).

A number of pastoral leases have also been bought by the Commonwealth and State governments, to add to the national reserve system. For example, in September 2001, the Commonwealth Government and Western Australian State Government announced
the $5.7 million purchase of 13 pastoral leases and parts of 10 other leases in the Gascoyne-Murchison region of Western Australia. The pastoral leases consisted of various ecosystems and vegetation types that were poorly represented or not represented in the national reserve system. The land acquisitions provided cash injections for the pastoralists who sold the leases but remained on the land as contract managers. Some of the former pastoralists were also able to pursue other interests and earnings from nature-based tourism (Hill 2001).

Where applicable, non-pastoral land uses must be consistent with the Native Title Act 1993 (Cwlth). As well as complying with pastoral lease and native title arrangements, a non-pastoral land use would also need to comply with other legislative requirements; for example, local planning controls and vegetation clearance controls.

**PASTORAL LEASE ARRANGEMENTS**

While the form of legislation varies across jurisdictions, pastoral leases are typically managed through a lease purpose and a corresponding set of lease conditions.

*Lease purpose*

A pastoral lease is issued for a specified time, area and purpose as a contract between ‘the Crown’ and the lessee. With the exception of Queensland, a pastoral lease generally must be used for pastoral purposes — usually, the grazing of cattle and/or sheep. In Queensland, a lease issued for pastoral purposes may be used for both agricultural and grazing purposes (see table 2).

In South Australia, Western Australia and the Northern Territory, the legislation also indicates that pastoral purposes includes supplementary or ancillary uses, such as ‘horticultural’ activities and ‘farm holidays’.

Generally, the objectives of the land management legislation and the lease purpose provide limited scope for non-pastoral land uses to occur, and this is reflected in the lease conditions.
Table 2  Pastoral lease purpose

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW: Western Lands Act 1901</td>
<td>General land management conditions set out that a lease must be used for pastoral purposes (s. 18D).</td>
</tr>
<tr>
<td>QLD: Land Act 1994</td>
<td>A lease must be used only for the purpose for which it was issued, and a term lease for pastoral purposes must be used only for agricultural or grazing purposes, or both (s. 153).</td>
</tr>
<tr>
<td>SA: Pastoral Land Management and Conservation Act 1989</td>
<td>General land management conditions set out that the lessee has an obligation not to use the land for any purpose other than pastoral purposes, except with the prior approval of the Pastoral Board (s. 22). A pastoral purpose means the pasturing of stock and other ancillary purposes (s. 3).</td>
</tr>
<tr>
<td>WA: Land Administration Act 1997</td>
<td>Pastoral land is not to be used other than for pastoral purposes without a permit (s. 106). Pastoral purposes means the commercial grazing of authorised stock; agricultural, horticultural or other supplementary uses of land related to grazing of authorised stock; and ancillary activities (s. 93).</td>
</tr>
<tr>
<td>NT: Pastoral Land Act 1992</td>
<td>General land management conditions set out that the lease must be used for pastoral purposes (s. 38). Pastoral purposes means the pasturing of stock for sustainable commercial use or agricultural or other non-dominant uses essential to, carried out in conjunction with, or inseparable from, the pastoral enterprise. This includes the production of agricultural products for use in stock feeding and pastoral based tourist activities, such as farm holidays (s. 4).</td>
</tr>
<tr>
<td>NZ: Crown Pastoral Land Act 1948</td>
<td>General conditions of pastoral tenure set out that the lease must be used for pastoral purposes (s. 4).</td>
</tr>
</tbody>
</table>

Sources: AustLII (2002); The Knowledge Basket (2002).

Lease conditions

A range of conditions are attached to a pastoral lease to control land use. These set out the rights of both the lessee and ‘the Crown’, and the responsibilities of the lessee to undertake certain activities in a prescribed manner.

While the form of the legislation varies across jurisdictions, typical pastoral lease conditions include:

- **general conditions** — such as the term or length of the lease and the rental rate. Pastoral leases can be broadly categorised as either perpetual or term leases. Perpetual leases are issued in perpetuity with limited requirements for renewal. A term lease is issued for a defined period with no guarantee of renewal. The duration of a term lease and the provision for renewal varies significantly across jurisdictions. Rental regimes also vary across jurisdictions (see below)

- **land management and use conditions** — such as the type and level of stocking, the maintenance of fencing and other infrastructure, and the lessee’s broad responsibility to follow sound land management practices including a ‘duty of care’. Stocking controls are the most fundamental condition of a lease in reflecting the lease purpose. All pastoral leases have a stocking condition that prescribes the
level and type of stock that must be grazed on the land although the extent to which this condition is enforced varies across jurisdictions.

- **reservation conditions** — such as the rights of ‘the Crown’ to timber and soil, the rights of ‘the Crown’ to take back (resume) the land and the rights of public access.

**Pastoral lease rental system**

Different jurisdictions charge different percentage rental rates on the unimproved value of the land, ranging from 0.8 per cent in Queensland to 2.7 per cent in South Australia. The basis for establishing the rental rates, and the reasons for the different rates between jurisdictions, are unclear.

In some jurisdictions, pastoral lease rentals do not cover the costs of administering the pastoral lease arrangements. For example, in New South Wales in 1999, the total annual rental revenue for 4265 grazing leases (aggregated into about 1500 holdings) was $870 000. This was less than the approximate costs of land administration and management of $1 200 000 per annum incurred by the Department of Land and Water Conservation. A rent rebate of up to 50 per cent (with no rent being reduced below $100) has applied to grazing leases since 1992. The rental revenue from grazing leases ($870 000 after deducting the rebate from rentals) represented around 0.25 per cent of the estimated land value of the grazing land (including some agricultural and irrigation uses) of approximately $380 million (Hyder Consulting 2000).

Two important issues are what a rental system should aim to achieve, and the level of rent that governments may charge for the use of a pastoral lease, for either pastoral or non-pastoral purposes. In some jurisdictions, it would appear that the total lease rental does not meet the costs of administration. A related issue is the appropriate commercial rental return to governments for the use of a pastoral lease — further research is required on this issue.

**Implications for land management**

Generally, pastoral lease arrangements take a prescriptive approach to managing land use — for example, by specifying the type and level of stock that must be grazed. The New South Wales Western Lands Review reported that:

> The Western Lands Act 1901, takes a prescriptive regulatory approach to the allocation, management and administration of leasehold land in the Western Division. (Hyder Consulting 2000, p. vi)

Prescriptive control of inputs or management processes can reduce flexibility and hinder the development of innovative and cost-effective responses by resource managers. In order for regulation to be efficient and effective, it should, where possible, be specified in terms of performance goals or outcomes. An advantage of an
outcome-based approach to regulation is that it provides flexibility, and can enable businesses and households to choose the most cost-effective ways of complying and adapting to changing circumstances (see Banks 2001).

A shift to outcome-based lease conditions and monitoring of land condition may better assist ecologically sustainable land management, compared to prescribing the type and level of stock to be grazed (for example, refer to Hyder Consulting 2000). Such outcome-based systems for the Australian rangelands are likely to require careful design and monitoring to assess and respond to any incremental changes in land condition — further research is required on this issue.

**ACCOMMODATION OF NON-PASTORAL LAND USES**

Non-pastoral land uses, such as tourism and conservation of native wildlife, may be inconsistent with the lease purpose and require the lease conditions and/or purpose of a lease to be changed. In such instances, lessees may pursue one of several options such as changing lease conditions, permits, and changing tenure.

In Australia, where applicable, changes to existing land uses need to be consistent with native title. Other than seeking court determinations over native title rights, lessees, governments and traditional owners may seek to negotiate Indigenous Land Use Agreements (ILUAs) for non-pastoral land uses. ILUAS are legal documents (as set out under the *Native Title Act 1993*) that provide lessees with negotiated consent (from native title holders) to undertake certain activities on the land.

*Changing lease conditions*

Until recently, the main approach to accommodating non-pastoral land uses was through discretionary changes to lease conditions and rental rates made by the relevant managing authority.

The discretionary approach, while providing broad scope for some non-pastoral land uses, lacks transparency and may also involve inconsistencies, thereby creating uncertainty and influencing investment decisions. For example, in their assessment of the *Western Lands Act 1901*, Abel et al. (1999, p. 15) found that:

... Western Land Lease conditions are subject to the discretion of the Western Lands Commissioner. Differences in the personal values of the various Commissioners is said to have been reflected in variations in the conditions set and the rigour of imposition.

Further, poorly defined approval processes may result in delays in the processing of applications for non-pastoral land uses, adding to uncertainty for investment decisions.

In the Northern Territory, although the Minister for Lands has a broad discretionary power to vary lease conditions, this mechanism appears to be rarely used to grant
approvals for non-pastoral land use. Instead, a permit system together with other options, such as excision of land from the lease, are used to facilitate non-pastoral uses.

Permits

An alternative approach to changing lease conditions through discretionary amendments is to allow lessees to apply for a permit for non-pastoral land uses. Western Australia, New South Wales and the Northern Territory use a system of permits (or equivalent) to facilitate and manage a range of non-pastoral land uses.

In Australia, under the current arrangements, the capacity for permits to facilitate non-pastoral land use appears to be limited. This is because they are generally issued for short timeframes and are not transferable with the lease title. In all cases, the issue and operation of a permit is independent of the lease conditions, which remain unchanged.

A further issue is that where permits are issued to third party users, such as tour operators, these rights will need to be carefully managed to allow third parties to conduct their activity, while protecting the rights of lessees (including indemnity for public liability), and the rights of native title holders. For example, permits need to clearly set out third party property rights including conditions and responsibilities of access.

Changing tenure

A further option for non-pastoral land uses, particularly where these are to become the primary land use, is to change the tenure for all or part of a pastoral lease. Queensland, Western Australia, the Northern Territory and New Zealand have legislative processes and mechanisms that allow this to occur.

In New Zealand, pastoral leases are currently being reviewed for their potential to be either converted to freehold title or to be resumed for public purposes, such as conservation and recreation. The process, known as ‘tenure review’, involves the Government and a lessee voluntarily negotiating an agreement, whereby land with commercial production potential is freeheld, and land with high conservation values is transferred to the public conservation estate. Notwithstanding concerns about the costs and length of the process, tenure review appears to provide for a range of more intensive pastoral and non-pastoral land uses on formerly pastoral leasehold land. Tenure review will reduce ongoing government costs of pastoral lease administration, but there will be additional government costs to manage the expanded public conservation estate.

Several Australian jurisdictions have powers to convert all or part of a pastoral lease to another form of tenure such as freehold. For example, in Queensland, a lessee may
apply to convert a lease to freehold land subject to approval by the Minister for Natural Resources and Mines (refer to s. 166 of Land Act 1994). In the Northern Territory, although there is no general tenure conversion provision, lessees may apply to excise part of a lease, and covert that part to some alternative form of tenure to facilitate stand-alone commercial uses that do not comply with the pastoral purpose of a lease (Department of Lands, Planning and Natural Resources 2000).

**REVIEWS OF PASTORAL LEASE ARRANGEMENTS**

Individual jurisdictions in Australia have reviewed the administration and management of pastoral leases at various times. In commenting on a series of State and Territory inquiries between 1979 and 1985, Young (1987) observed that for each of the inquiries a dissenting report was produced. Young (1987) also highlighted the complexity of the issues surrounding the management of pastoral leases. More recently, there have been reviews in Western Australia (1997), and New South Wales (2000).

Several State-based reviews have highlighted that there appears to be a lack of clarity and certainty as to the property rights conferred by pastoral lease arrangements for both lessees and sectoral groups, such as conservation or recreation groups with an interest in pastoral leases. For example, some lessees view a pastoral lease as being ‘as good as freehold’ whereas some sectoral groups view leases as ‘public land’ with a range of values to be held in the public interest (see Hyder Consulting 2000). Security of tenure is a key issue for lessees (see AgForce 2002). In Western Australia, the process of pastoral lease exclusions appears to indicate that the State Government intends to retain and exercise control of its pastoral lease rights.

Most reviews have also included some discussion of how to better recognise and facilitate non-pastoral land uses. However, the focus on pastoralism and the use of leases and conditions that facilitate and support pastoral land use have largely been retained.

**NATIONAL COMPETITION POLICY AND PASTORAL LEASES**

In April 1995, all Australian Governments agreed to implement a National Competition Policy (NCP), to widen the scope for competition to promote economic growth and higher living standards for the community. Under the NCP, governments were required to review and, where appropriate, reform all legislation that restricted competition unless the benefits of the restriction to the community as a whole outweighed the costs, and the objectives of the legislation could only be achieved by restricting competition (see NCC 2001).

The application of NCP to review State and Territory land (management) legislation appears to have been somewhat limited. Typically, the NCP reviews have not
addressed the underlying pastoral lease arrangements or the facilitation and support for pastoralism compared to non-pastoral land uses.

There is a case for a more comprehensive review of the net public benefits from retaining the pastoral lease arrangements. NCP could provide a suitable review framework while recognising the particular circumstances existing in each jurisdiction. Among other things, such a review of pastoral leasing arrangements could consider:

- any constraints on the efficient allocation and use of pastoral leasehold land;
- the regulatory complexity of the pastoral lease arrangements;
- pastoral lease rentals and returns; and
- lease term, renewal and compensation provisions.

The relative performance of different land tenure systems in achieving desired natural resource management outcomes could also be examined to inform future land tenure administration and management arrangements for the rangelands.

**CONCLUDING COMMENTS**

Pastoral lease arrangements have developed over time to facilitate and support pastoralism, largely through a system of prescriptive requirements for land use.

Non-pastoral land uses can contribute to the long term ecological and economic prospects of the rangelands. However, despite several recent reviews, the current pastoral lease arrangements provide limited scope for most non-pastoral land uses to occur.

If public ownership and administration is still appropriate (further examination of its costs and returns is warranted), then more outcome-focused pastoral leasing arrangements may better provide for the long term prospects of Australia’s rangelands. Further, a shift to more ‘neutral’ leasing arrangements may better facilitate non-pastoral land uses. Any substantial change would need to be integrated with the broader institutional structure, including native title.
REFERENCES


