

STATEMENT BY MINISTER

Pastoral Land Legislation Amendment Bill

Ms LAWLER (Environment and Natural Resources)(by leave): Madam Speaker, I make a short statement on the Pastoral Land Legislation Amendment Bill before it proceeds to committee.

As the Member for Casuarina and former Minister for Environment and Natural Resources pointed out, the pastoral estate represents 55% of the Territory's land mass, and decision-making for such an important industry needs to be done properly. We know there is great potential for pastoralists to tap into and diversify their business, but we need to ensure we better protect the rights of native title holders in doing so. The purpose of this bill is to improve the effectiveness of the existing legislation, correct technical irregularities identified since the legislation was introduced in 1992 and provide for the contemporary management of the pastoral estate.

The key amendments proposed in this bill address a new pastoral lease rent methodology, administrative anomalies and prescriptive limitations that affect the composition of the Pastoral Land Board. The bill was originally introduced into the Legislative Assembly by the former minister for Environment and Natural Resources, the Honourable Lauren Moss MLA, on 18 October 2017.

The Assembly subsequently referred the bill to the Economic Policy Scrutiny Committee for inquiry. The report of the Economic Policy Scrutiny Committee was tabled in Parliament on 13 March 2018. The report included nine recommendations, all of which this government is progressing. These include that the bill be passed subject to recommendations 2, 3 and 4 of the report.

Each of these recommendations has been addressed in the Assembly amendment being tabled today. The amendments predominantly pertain to how and when the estimated carrying capacity of land is reviewed relative to proposed changes to rent methodology. As the Member for Arnhem highlighted, the Economic Scrutiny Committee process raised a number of issues, including industry concerns around the current rent methodology. Pastoral rent is applied annually to the 224 properties that constitute the Northern Territory's pastoral estate.

Rent is currently calculated as a percentage of the unimproved capital value of the property as determined by the Northern Territory Valuer-General every three years. Fifteen years ago there was an unprecedented escalation in sale price and unimproved values, which resulted in corresponding dramatic increases to pastoral lease rent.

An industry-led pastoral rent review working group reviewed the rent methodology to address concerns from industry and to establish a framework for a more efficient, predictable and objective process. The method proposed for introduction is based on a pastoral property's estimated carrying capacity based on un-supplemented native vegetation, which industry supports.

Estimated carrying capacity is considered a more stable metric that is relative to a pastoral lease because it reflects the land's capacity to produce an economic return. The Economic Policy Scrutiny Committee confirmed industry support for the proposed methodology but determined that the bill should be amended to make it clear that the estimation of carrying capacity should not take into account improvements to the land.

In recognition that carrying capacity can fluctuate, the committee also made recommendations to ensure the agency has the discretion to review the estimated carrying capacity of a pastoral lease at any time, either at its own initiative or at the request of the lease holders. The Economic Policy

Scrutiny Committee also recommended that government considers options for better protecting the rights of native title holders, such as the right to negotiate when consideration is being given to granting permits for non-pastoral use to lease holders.

This recommendation has resulted in the most notable Assembly amendment to remove previously proposed provisions that would have enabled a non-pastoral use permit holder the ability to enter into a sublease with the third party that was registered on the title. The original bill had sought to allow for the grant of such subleases and for a sublease to be registered on the title as security. These changes have been proposed to provide lease holders with greater security in entering into subleases with third parties, support investment and further promote diversification in pastoral land use.

Leader of the Opposition, I reassure you that this government has not ignored the recommendations regarding subleasing arrangements. This is a government that listens and understands how important it is to engage with those who will be affected to make sure we get the best outcome for Territorians. As you will be aware, the Central and Northern Land Councils have raised concerns about the proposed subleasing arrangements, and these need to be addressed before passing legislation in the House.

It was encouraging to hear you, Member for Nelson, agree subleasing that components need more work. I reassure you that government is progressing this as quickly as possible. The government remains committed to progressing subleasing in the *Pastoral Land Act* whilst also being committed to increasing the rights of native title holders as part of the issuing of non-pastoral use permits. This commitment recognises the intention by government to encourage greater diversification of the pastoral estate as a key economic goal, while recognising the role and rights of Aboriginal people in the Northern Territory.

In addition, as highlighted by my colleagues yesterday, the significance of the pastoral industry cannot be underestimated for its role in the economic development of the Territory. We need to do this through the appropriate processes with effective stakeholder engagement to enable the continued longevity of the industry into the future. Outside of this bill, government has agreed to increase the procedural rights afforded to native title holders or registered claimants in the assessment of a non-pastoral use permit. Increased procedural rights will be the subject of future amendments to the act, alongside the inclusion of subleases.

Other considerations for government raised by the Economic Policy Scrutiny Committee are being systematically addressed by the Department of Environment and Natural Resources and, where necessary, across agencies. Other minor amendments proposed in the original bill include rectifying an anomaly regarding calculating interest for late payment of pastoral rent, as the act currently refers to using the Commonwealth Bank of Australia standard overdraft rate, which is unobtainable.

The proposed amendments will also see the payment periods for pastoral rent aligned with standard government terms of receivables, being 30 days from the invoice date. This will streamline processes and reduce administrative burden by providing continuity across government systems.

The consent to transfer provisions are being strengthened to ensure that all proposals to transfer ownership or a controlling interest are assessed, including any foreign interest and maximum holding triggers. This proposed amendment ensures that government can assess the suitability of the new owners to hold pastoral land in the NT and that it is in the interests of the Territory.

The amendment schedule also includes an increase to the penalty provisions for offences against a reservation of the Aboriginal inhabitants of the Northern Territory from 40 to 60 penalty units. This increase in penalty units is based on advice from the Solicitor for the Northern Territory and the Commonwealth. If a person interferes with the full and free exercise of Aboriginal rights reserved in favour of those Aboriginal people under a pastoral lease, the penalty will now be \$9240.

Finally, a minor amendment sees an increase to the number of Pastoral Land Board members. The act specifies that the board shall consist of five members. The proposed changes will enable the minister to appoint additional members, enabling a larger pool from which to draw a quorum. A recommendation included in the Economic Policy Scrutiny Committee report advises that the board's composition, specifically diversity and understanding of native title interests and Aboriginal cultural heritage, should also be considered.

In response, the government will develop a policy that supports a suitably-qualified and diverse board with the combined experience to administer the act in a manner that is independent of outside influences. This policy will take effect for the appointment of new members to the Pastoral Land Board.

Leader of the Opposition, in response to your comments regarding the composition of the Pastoral Land Board and the need for enough resources for those on the board to educate people in their roles, including in the varied environments across the Territory, the 2016–17 annual report shows the board held five meetings, including one in Darwin and two in Katherine. The board also visited Namul Namul and Flying Fox stations in the Roper pastoral district; Mathison, Scott Creek and Katherine Downs Stations in the Katherine pastoral district; and Banjo, Gilnockie and Maryfield Stations in the Sturt Plateau pastoral district.

As my Cabinet colleagues, the Members for Wanguri and Johnston, have highlighted in their responses, the Cabinet meeting held at Newcastle Waters Station was a fantastic opportunity to not only see the pastoral estate in one of our regions but also to have frank discussions with the Northern Territory Cattlemen's Association about the proposed changes to the *Pastoral Land Act*.

I reiterate the views of my colleagues and thank the Northern Territory Cattlemen's Association and the former CEO of the cattlemen's association, Paul Burke, for the constructive and ongoing discussions in relation to this important reform. Last but not least, I thank the former minister for Environment and Natural Resources and the Department of Environment and Natural Resources staff for all the work they have done.