

STURT PLATEAU BEST PRACTICE GROUP INCORPORATED

Secretariat PO Box 1346 Katherine Northern Territory 0851

The Secretary
Economic Policy Scrutiny Committee,
GPO Box 3721,
DARWIN NT 0801

6 November 2017

Dear Mr Sievers,

Re: PLA Amendment Act 2017

The Sturt Plateau Best Practice Group (SPBPG) is a group of graziers on the Sturt Plateau who are committed to sustainable agriculture development of the plateau. Recently several members of the group have been part of the consultation process regarding amendments to Section 85D of the Pastoral Land Act. It has come to our attention that the amendments as drafted do not reflect our understanding of the intention of the proposed changes as outlined below.

Risk 1. Drafting error in Pastoral Land Legislation Amendment Bill (ECC instead of UCC)

The Bill refers to estimated carrying capacity (ECC) but in all conversations in the background of this bill, the intent was understood to be Unimproved Estimated Carrying Capacity (UECC).

This is because what the pastoralist rents from the government is the biomass in its natural state, for the purpose of grazing greater animals.

As the North becomes more developed and improved pastures are added at considerable expense to the pastoralist, the ability to carry more cattle on the improved pastures is increased. Using ECC would mean the animals per square kilometres would be increased as the improved pastures results in biomass which is superior to the natural state - and one that the government has not contributed to the development thereof.

This would apply equally to the higher carrying capacity (CC) resulting from the use of purchased feed supplementation, which is additional expensive protein and nutrients used to compensate for the deficient natural estate.

In effect, pastoralists, where this applied would be taxed on their improvements, where-as those who did nothing, would not. Producers who provided such improvement would end up carrying a far greater share of the rent burden. It would become a de-facto *Improved* Estimated Carrying Capacity.

Risk 2. Application.

ITEM 12, Section 54, the bill mentions that the "Agency" must "determine" the CC and that it may conduct a review. Assuming that is the Pastoral Lands Agency, which is the only agency authorised to discuss matters pertaining to leases with any Lessee, have not in the past instructed an estimated CC. They have always "negotiated" a CC to a mutual agreement prior to any official notification of such.

Chairman – Rohan Sullivan

Secretary – Rebecca Mohr-Bell – 08 8977 0134

Treasurer – Sally Sullivan

In any case, given that the Estimated Carrying Capacity is on an unimproved basis there would only ever be small adjustments required as improved land mapping becomes available or where lease boundaries change.

Yours sincerely



Rohan Sullivan
SPBPG Chair

