**PASTORAL LAND MANAGEMENT AND CONSERVATION (BOARD PROCEDURES, RENT, ETC.) AMENDMENT BILL 1998**

**Legislative Assembly, 18 February 1998, pages 362-3**

Second reading

**The Hon. D.C. KOTZ (Minister for Environment and Heritage)** obtained leave and introduced a Bill for an Act to amend the Pastoral Land Management and Conservation Act 1989. Read a first time.

The Hon. D.C. KOTZ: I move: That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in Hansard without my reading it. Leave granted.

Since the coming into force of the Pastoral Land Management and Conservation Act in March 1990, the process by which pastoral lease rentals have been determined by the Valuer-General each year pursuant to his powers under Section 23 of the Act has been an ongoing concern to pastoral lessees in South Australia.

The method used has involved a formula calculation based on the number of stock carried, derived from a calculation that was highly sensitive to fluctuations in wool and beef prices. This has meant that rents have varied significantly from year to year. The derivation of the figures has not been easily understood by the industry and this has given rise to a number of enquiries and appeals. In addition, the fluctuations in rental levels have made forward budgeting difficult for both the pastoralists and the State’s Pastoral Administration which is partially funded from lease rental revenue.

Last year, as a matter of policy, it was agreed that a new method of rent determination would be adopted involving the calculation of the unimproved value of each Station or management unit, basing the rental on a percentage of that value to represent the Government’s return on its interest in those leased lands. The percentage derived in 1997 for properties used for pastoral purposes was 3 per cent and this year is to be 2.7 per cent. The approach now adopted is consistent with that used by other States and Territories with rangeland responsibilities.

This approach last year led to some 10 per cent of the lessees seeking a further explanation of their derived rent. This informal review was done by the contract valuer engaged by the Valuer General to determine the rents and led to reductions in a number of cases. Only one pastoralist followed his determination to formal review pursuant to the current provisions of the Act—he subsequently withdrew that application in November 1997. Given the nature of the change and the time available to carry out the task, the acceptance of the outcomes by the industry is considered very satisfactory. The process was helped greatly by the involvement of a review group with strong industry representation. This group was chaired by the Presiding Member of the Pastoral Board, Stephen Mann.

It was further agreed in consultation with the SA Farmers Federation, members of pastoral area soil conservation boards and the Pastoral Board that this new approach would be formalised by amending the rental and appeal provisions of the Pastoral Land Management and Conservation Act.

This Bill accordingly amends those provisions to require the use of unimproved values in pastoral lease rental assessment, to provide for a more consultative process in determining rents payable and to allow for an additional mechanism aimed at resolving differences by informal discussion.

The Bill also allows rents to remain unaltered for periods of up to five years. The Bill also amends some procedural provisions under Section 15 relating to the operations of the Pastoral Board. It will allow the Board to meet formally by teleconference to assist its timely response to an increasing number of time-based issues now being brought to its attention. This amendment is particularly pertinent given the distances involved and the relative remoteness of producer members and deputies.

Section 15 is to be further amended to give the Presiding Member a casting vote. This has become necessary following the passage last year of an amending Bill to extend the life of the 6-member Pastoral Board which includes two pastoralists.

The Bill also amends the transitional provisions of the Act to extend the time in which the assessment of the condition of pastoral lease land is to be completed to 31 December 2000. This is a reflection of the interest shown by the industry in the range land assessment program and the increasing requirement by pastoralists for more discussion and consultation on the process and its outcomes. The task is now 80 per cent complete and the industry is comfortable with this extension of time to complete the process thoroughly.

The main purpose of this Bill is to put permanently in place a transparent and easily understood lease rental assessment process. It also strengthens the responsible Minister‘s ability to recognise good stewardship and land management by adjustment of the rent actually payable. The Bill will also assist the Pastoral Board to carry out its functions in a timely and reactive way and give adequate time for lessees to maximise their benefits from the lease assessment process.

The Bill is commended to honourable members.

Explanation of Clauses

*Clause 1: Short title*

This clause is formal.

*Clause 2: Amendment of s. 3—Interpretation*

This clause inserts a definition for the purposes of the new rental provisions in the Bill.

*Clause 3: Amendment of s. 15—Procedure at meetings*

This clause gives the presiding member a casting vote as well as a deliberative vote. Provision is made for meetings to be held by phone or other electronic means. The Board is required to keep accurate minutes of its meetings.

*Clause 4: Substitution of s. 23*

This clause substitutes the provision dealing with rent. The Valuer-General will firstly determine the unimproved value for each lease taking into account the purposes for which the land is used, prevailing climatic conditions, proximity of markets, etc., land condition factors (as advised by the local soil conservation authority), and the views of any consultative committee set up by the Minister. The Valuer-General will then set the annual rent as a percentage of the lease’s unimproved value. The rent may then be adjusted by the Minister, on the recommendation of the Board, on an annual basis if necessary, to take into account any individual factors affecting profitability or relating to certain work carried out on the land by the lessee (this power may only be exercised so as to reduce rent). The Valuer-General must fix rents at least every 5 years and do them all at the same time. The Board will send out the rent notices each year. The Minister is given the power to waive or defer payment of rent if the Board so recommends.

*Clause 5: Amendment of s. 56—Right of review or appeal*

This clause provides that a lessee who is dissatisfied with the ValuerGeneral’s determination of rent may either apply to the ValuerGeneral to have it reviewed or appeal against it to the Land and Valuation Court. The lessee has 3 months in which to do this. Grievances may be resolved informally in the meantime on the written request of a lessee. The Valuer-General is given a right of appeal against a review (the Valuer-General has such a right of appeal against a review carried out under the Valuation of Land Act).

*Clause 6: Amendment of schedule*

This clause amends the transitional provision that requires all land assessments to be completed by 7 March 1998. The date is extended to 31 December 2000.

*Clause 7: Statute law revision amendments*

This clause refers to statute law revision amendments set out in the schedule.

Schedule

The schedule amends outdated language, converts divisional penalties into dollar amounts and repeals several exhausted provisions.

Mr CLARKE secured the adjournment of the debate.