

# **Beyond Black Stumps: fostering improved ecological and economic outcomes on Aboriginal held pastoral stations**

Eringa, K.P. and Wittber, N.C.

Department of Regional Development and Lands, PO Box 1575, Midland, WA 6936, Australia.

Corresponding author; email [karel.eringa@lands.rdl.wa.gov.au](mailto:karel.eringa@lands.rdl.wa.gov.au)

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## **Abstract**

Western Australia has 57 of its approximately 500 pastoral leases owned in some form by Aboriginal communities. Ownership of pastoral leases has provided many Aboriginal communities in the rangelands the opportunity to access and care for their traditional lands in a culturally meaningful way. However, inadequate governance, management and incentives pose significant challenges to the success of Aboriginal held pastoral leases, resulting in many underperforming on a range of commercial and environmental indicators. To help understand these issues and identify strategies to support the success of Aboriginal pastoralism, the Western Australian government commissioned a review of the circumstances surrounding this industry sector. The government subsequently implemented the key recommendation of the review, being the establishment of an Indigenous Pastoral Enterprise Development service. Two case studies illustrate how this service has improved commercial and ecological outcomes on Aboriginal held pastoral leases. The case studies also provide a model for utilising the rangelands economic potential for Aboriginal communities while developing the capacity to appropriately care for its natural assets.

## Introduction

### *Historical Context*

Western Australia has approximately 500 pastoral leases in operation throughout its rangelands. These are administered under the Land Administration Act 1997 with the assistance of a Pastoral Lands Board.

Over the last few decades, capability levels of many pastoral stations have fallen. This has put increased pressure on management costs and rangeland resources as lessees increased stock numbers and economised on activities such as fire management and pest control. Developing alternative economic opportunities is essential not only to the long-term survival of the industry but also to maintaining the integrity of the ecological systems that exist on the pastoral estate.

The issues are even more complex for the 57 pastoral leases held in some form of incorporated entity by Aboriginal communities. Pastoral lease ownership provides these landholders with a range of benefits including the ability to generate income streams independent from government and the opportunity to create land based employment opportunities for community members. In addition, social and cultural benefits include opportunities to conduct on site, relevant training and education, and the ability to access and care for traditional lands. However, a number of factors pose significant challenges to the success of Aboriginal held pastoral leases, resulting in many underperforming on a range of commercial and environmental indicators.

A risk assessment tool developed by the Department of Regional Development and Lands rates pastoral leases on a scale of 1 (low) to 4 (severe) for non-compliance with various aspects of the Land Administration Act 1997. This tool indicates that 39% of Aboriginal held pastoral leases are in the highest risk category (4), compared to 13% of non-Aboriginal held leases. The main factors underlying this assessment are inadequate pest control, poor management of stock movements, rent arrears, insufficient investment in pastoral infrastructure and a general lack of management capacity (Department of Regional Development and Lands 2009). These were highlighted in 2005 and 2006 when poor range condition and inadequate waters resulted in a

lack of feed and water for stock, culminating in a number of highly publicised animal welfare incidents on Aboriginal held pastoral leases.

In order to address the risks exposed by these events, the Western Australian government commissioned a review into Aboriginal pastoralism. The Final Report of the Review (Department for Planning and Infrastructure 2008) was completed in 2008, and determined that the underlying causes were complex, interrelated and unique to Aboriginal pastoralists, as they reflected an inherent tension between community ownership on the one hand and the requirements of operating a commercial enterprise on the other. Issues identified by the Review included:

- A mismatch between the size of Aboriginal communities and the limited economic opportunities provided by pastoralism,
- A number of leases were not viable as standalone commercial pastoral enterprises, and
- A lack of governance capacity along with inappropriate business structures.

#### *Indigenous Pastoral Enterprise Development Service*

The key initiative recommended by the Review was to establish an Indigenous Pastoral Enterprise Development (IPED) service. IPED started operations on a limited scale in September 2007 and was formally established in July 2008 with a brief to resolve underlying tenure and governance issues facing Aboriginal pastoral lessees to a point where other existing support services could foster pastoral and other forms of economic development.

IPED used a 'development approach' on a case by case basis which addressed the underlying issues causing non-compliance with the Land Administration Act 1997. IPED works in close collaboration with a number of other Government agencies, most notably the Department of Agriculture and Food WA (DAFWA)'s Indigenous Landholder Services. IPED's approach is best demonstrated by two contrasting case studies where the project successfully resolved high level governance and management structure issues, and brokered practical training and support.

### *Case Study 1*

In November 2008, an Aboriginal held pastoral lease in the East Pilbara had some 800 head of cattle at immediate risk of perishing due to a lack of water and very high temperatures. IPED, with DAFWA's assistance, quickly established the immediate cause of the problem was that all but one watering point had broken down due to a lack of maintenance. This had stemmed from a lack of funds for parts and a non-existent management presence.

While immediately managing the emergency issues, over the following two months, a property inspection and on site meetings were conducted with the members of the leaseholder organisation to discuss the immediate and long term management of the property. These revealed that the pastoral infrastructure was not capable of holding stock without risk of animal welfare incidents, and that the leaseholder organisation, although lacking the financial and human resources to address the situation, aspired to operating a pastoral enterprise in the longer term.

As a result, it was agreed that the leaseholder organisation would sublease the property for a number of years. The sublease agreement focused on restoring pastoral infrastructure and engaging members of the leaseholder organisation in pastoral activities. This enabled the leaseholder organisation to honour existing debts while including a number of clauses aimed at ensuring the leaseholder organisation would have a functioning pastoral enterprise at the end of the sublease period. IPED also brokered professional assistance for the advertising and documentation of the sublease agreement.

This delivered various successes: the leaseholder organisation is receiving employment, training and income from its pastoral lease for the first time in over a decade, vertebrate pests and other pressures on rangeland condition are being actively managed and the new pastoral infrastructure greatly reduces the possibility of animal welfare incidents.

Having said that, the agreement was brokered very quickly, dictated by the crisis situation at the time. The compressed timeframe meant that there was a lack of grassroots community

engagement in the decision making phase. During the first twelve months of the sublease this resulted in substantial disquiet among some members of the community. While this was eventually resolved through further refinements, this highlighted a risk for sustainability of the outcomes.

### *Case Study 2*

In September 2007, IPED was approached by the manager of an Aboriginal held pastoral lease in the Upper Gascoyne. The manager was concerned about a failure to allocate proceeds from cattle sales towards the maintenance and improvement of infrastructure, and more recently, failure to allocate proceeds towards the payment of shire rates, pastoral rent and vermin rates.

Over the following 12 months, IPED worked closely with the leaseholder organisation and established that the above issues were essentially symptoms of inadequate governance, which had stemmed from a dispute between the two family groupings comprising the organisation.

Essentially, one of the family groupings (Family A) wished to continue operating a pastoral enterprise and still resided on the station, while the other grouping (Family B) did not have a wish to do so and resided in a town some six hours away. The problems arose because Family B controlled both the accounts and decision-making body within the organisation, and chose to allocate the funds generated by the pastoral enterprise towards non-pastoral activities.

Financial resources had been directed away from the pastoral enterprise to the extent that the lease was at immediate risk of forfeiture due to the combined financial and management issues.

IPED identified a provision in the organisation's constitution for an arbitrator to be appointed in the case of internal disputes. In mid 2008, IPED engaged an arbitrator acceptable to both families, who negotiated a solution whereby the pastoral lease and all associated liabilities were transferred to an organisation controlled by Family A, while any residual assets were transferred to an organisation controlled by Family B.

Having addressed the underlying issue, IPED then brokered assistance for Family A to establish robust governance arrangements and an appropriate management structure for its pastoral enterprise. Additionally, IPED brokered support to develop a business plan aimed at improving the pastoral infrastructure on the lease whilst ensuring substantial outstanding debts were paid. This resulted in Family A focusing its development efforts initially on one half of the lease whilst deriving an income through subleasing the remainder.

The arrangement was put in place in early 2009, and has been operating very effectively. By contrast to the first case study, the fact that IPED was able to act before a crisis arose, allowed it to utilise a community development approach, which avoided any community disquiet and ensured the solution remained very stable following implementation.

## **Results**

### *Extending the Outcomes*

Since its establishment, IPED has worked with 32 Aboriginal pastoral leaseholders. Each of these has their own unique and constantly changing combination of challenges and opportunities. IPED's involvement therefore differs according to these circumstances, and has included:

- Brokering external business support for establishing non-pastoral enterprises on Aboriginal held pastoral land;
- Facilitating the integration of multiple adjoining pastoral leases held by separate Aboriginal organisations;
- Brokering training and support for hands-on skills associated with operating a pastoral enterprise;
- Brokering support in terms of developing and implementing pest management and fire management plans; and
- Providing advice and support associated with matching current and intended land use to one or more appropriate tenure types.

The risk assessment tool has not been in operation for a sufficient period of time to identify any trends resulting from IPED's work. Nevertheless, the fact that IPED has for the first time audited and formally assessed the capacity of each of Western Australia's 57 Aboriginal held pastoral leases to meet its statutory obligations is in itself an achievement, as it has allowed Government to move away from crisis management to the strategic allocation of scarce resources to those areas where they are most needed to maximise economic and environmental benefits. As a direct result, the incidence of the type of crisis that inspired the 2006 Review has been greatly reduced.

## **Conclusion**

IPED's development approach has resulted in direct and measurable benefits on the ground for Aboriginal pastoral leaseholders. Rather than being a persistent drain on limited financial and human resources, pastoral leases are now providing a source of income and employment for these organisations.

In addition, vertebrate and plant pests are being actively controlled, fire management plans are in place, and range condition is improving as investment in pastoral infrastructure allows better control over stock movements. While the evidence at this point remains anecdotal, more formal measurement systems have been established that will over time allow for these improvements to be quantified.

Finally, the success of IPED's approach has been well recognised within the Department of Regional Development and Lands, and the project's development approach to compliance has been adopted for all pastoral leases, Aboriginal and non-Aboriginal.

## **References**

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