



# Improving the management and use of the stock route network

Report on the findings of the Stock  
Route Assessment Panel

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## Introduction

Queensland's stock routes have played a strong economic, cultural and environmental role across the state for more than a century. Established between the 1860s and 1890s, the network meanders across some 72 000 kilometres (2.6 million hectares) of Queensland's road network. These routes, together with reserves for travelling stock, make up the Queensland Stock Route Network (the network), providing pastoralists with a means of moving stock 'on the hoof' around the state's main pastoral districts, as an alternative to trucking and other contemporary transport methods.

The evolution of Queensland's stock route network correlates with early colonial exploration and pastoral occupation of lands, after pastoralists drove stock along corridors that followed river systems, Indigenous trade routes and trails. From the early 1900s the Queensland Government established a program to develop stock route water facilities throughout the stock route network. A similar program exists today, maintaining established stock route facilities and building new facilities where required.

Stock route use declined in the 1950s and 1960s with the advent of motorised transport and introduction of road improvement schemes—making road transport a more convenient and efficient way to transport stock. However, high fuel prices and chronic drought in recent times has meant the network has provided a cost-effective alternative for transporting stock. Many of the stock routes also contain additional values such as biodiversity and recreation.

The Queensland *Stock Route Network Management Strategy 2006–09* identifies the primary purpose of the stock route network is for the movement of stock on foot and aims to manage the network and its values to provide for travelling stock requirements into the future.

## Executive summary

The Stock Route Assessment Panel (SRAP) report was developed by key stock route network management stakeholders including local government, the cattle and droving industries, the Land Protection Council and the Department of Natural Resources and Water (NRW).

The report is the culmination of the review into the management and use of Queensland's stock route network. The cost of management was the focal issue as the stock route network is heavily subsidised by local governments—resulting in all ratepayers paying for benefits enjoyed by a minority. SRAP has pursued a user-pays system, which brings with it opportunities to strengthen management of the network and the protection of its other values such as biodiversity.

This document reports on the findings of SRAP and seeks feedback from interested parties to assist in the development of proposed new stock route network management legislation. Following the establishment of Biosecurity Queensland in 2007, NRW has shared administrative responsibility of the *Land Protection (Pest and Stock Route Management) Act 2002* with the Department of Primary Industries and Fisheries. Stand-alone stock route network management legislation is proposed to simplify administration of stock route activities and ensure the network and its inherent values are well managed into the future.

SRAP considered a wide range of issues related to management of the network and suggested a comprehensive package of recommendations for improvement. The following summary of recommendations made by SRAP has been put forward for consideration by the Minister for Natural Resources and Water:

### 1. Stock route network reclassification

- the entire stock route network be retained
- the existing network is to be reclassified as 'active' or 'inactive' based on recent and expected future usage, where:
  - an active classification provides a more active management regime and priority for travelling stock
  - an inactive classification may allow for some managed static grazing under Annual Grazing Agreements (AGA) (see section 3), reducing management costs to local governments
- an annual review of classification through a public consultation process conducted by local governments.

### 2. Stock route fees and permits

#### (a) Travel

- recognition of and provision for the changing use of stock routes for genuine travel towards walking drought relief
- two types of permits will be provided—for travel and slow travel—with genuine travel always receiving priority
- the fee framework be reviewed to reflect the benefit gained from the different types of use, contribute to management costs and promote voluntary compliance with permit conditions
- permit application timeframes be amended to encourage forward planning by stock route users and managers.

*(b) Agistment*

- the continuation of short-term agistment for emergency situations
- no longer granting agistment permits for drought relief, however some drought relief grazing will be available through an Annual Grazing Agreement framework
- a review of the range of fees for agistment that better reflects the benefit gained from the activity and also contributes to management costs.

*(c) Managed static grazing through Annual Grazing Agreements (AGAs)*

- using an AGA system to regulate static grazing on the stock route network to ensure those using the network pay accordingly
- the AGA framework be based on a user-pays model to provide local government with the resources to adequately manage the stock route network in their area
- 12-month agreements be available on the inactive parts of the network and on all unfenced parts of the network
- AGAs be conditioned in such a way as to protect the biodiversity and other values of the network and be subject to ongoing audits
- a fee formula be established for AGAs incorporating a 'rent' and 'rates' component
- transferring existing permits to occupy on the stock route network to AGAs, with strategies to manage conflict for pasture and other resources on the active network
- NRW to support local government through staff resources and provision of an electronic management system

*(d) Harvesting permits*

- local governments be enabled to issue permits to harvest pasture for the purposes of managing excess pasture
- local governments be able to set fees for permits to harvest pasture

**3. Stock route water infrastructure**

- ownership of the 4,000 plus stock route water facility assets remain vested with the State Government
- local government to remain responsible for the maintenance of water facilities on the active network only
- strategies to reduce maintenance costs for assets located on the inactive network.

## **Have your say**

Your feedback is valuable and will assist in the progression and development of proposed legislation to incorporate review outcomes.

Any comments and questions can be emailed to NRW by 31 August 2008 at: [stockroutereview@nrw.qld.gov.au](mailto:stockroutereview@nrw.qld.gov.au).

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## Background

### Land Protection Council review of stock route management and use

The severe drought conditions of 2002–03 resulted in very high use of Queensland's stock route network. Following this, users and managers of the stock route network brought several operational and policy issues to the attention of NRW. This occurred around the same time the *Land Protection (Pest and Stock Route Management) Act 2002* commenced.

Under the new legislation, the Land Protection Council (LPC) was established to advise the Minister on pest and stock route management matters. Accordingly, the Minister requested the newly formed LPC to provide recommendations on how to resolve the issues raised, and to generally improve the management and use of the stock route network.

Extensive consultation followed involving many and varied stakeholders, particularly the Local Government Association of Queensland (LGAQ), AgForce Queensland and NRW. Representatives of drovers and stockowners were also consulted.

This work culminated in the development of a series of recommendations aimed at improving the management and use of the stock route network.

The recommendations were presented to the Minister for Natural Resources and Water by the LPC in late 2006. In March 2007, the Minister, satisfied the recommendations would adequately provide for the future requirements of travelling stock, approved the implementation of the LPC's high-level recommendations.

The approval of the LPC's recommendations coincided with the Government's adoption of the Queensland Stock Route Network Management Strategy 2006-2009, also in March 2007. The strategy was developed following community consultation and included scope for improvements to existing management frameworks.

### Stock Route Assessment Panel

Included in the LPC's recommendations was the establishment of SRAP to advise the Minister on the detail necessary to implement the broader LPC recommendations

SRAP members were appointed by the Minister and include representatives from local government (nominated by LGAQ), the cattle industry (nominated by AgForce Queensland), the droving industry (nominated by the Droving and Stock Routes Association), the LPC and NRW.

Valuable input from the Stock Routes Coalition, a collection of conservation and other interested organisations established to ensure protection of the biodiversity values of stock routes in Queensland and New South Wales, was also considered in the development of SRAP's recommendations and the government's response to those.

Further information on Queensland's stock route network is available on the NRW website at <[www.nrw.qld.gov.au](http://www.nrw.qld.gov.au)>.

## Terms of reference

SRAP's role, as an advisory committee reporting to the Minister for Natural Resources and Water, was:

- to oversee the initial and ongoing stock route rationalisation process
- to provide the Minister with a recommended stock route fee and associated permitting structure and to review these periodically
- to provide the Minister with recommendations on stock route water infrastructure ownership.

This report presents the findings of SRAP.

## Recommendation development

The recommendations presented in this report are the result of five face-to-face meetings and considerable effort and input between meetings. NRW facilitated the operation of SRAP.

On most issues, recommendations were made by consensus. However, in those limited situations where consensus could not be reached, diverging views are presented. A brief rationale for each of the recommendations is also provided.

This document provides an avenue for wider consideration of the recommendation by stakeholders with an interest in the stock route network.

***The recommendations in the report do not necessarily reflect government policy. Should any changes to fees or fee structures be proposed as a result of these recommendations, a regulatory impact statement would be prepared and released for comment.***

## Stock route assessment panel recommendations

### 1. Stock route network reclassification

#### 1.1 Reclassification versus rationalisation

The LPC has recommended to the Minister that SRAP oversee a rationalisation process to ensure a core network of stock routes be retained to meet the foreseeable needs of the pastoral industry.

SRAP discussed the benefits of reclassifying the existing network in favour of declassifying routes not considered essential for travelling stock. Reclassification is the preferred approach as all existing stock routes remain declared under legislation and are therefore easily recognisable as being dedicated for that purpose.

It was felt the management objectives originally intended by the LPC from a process of rationalisation could be achieved through reclassification, by apportioning management responsibilities according to a stock route's classification.

There was concern, both by SRAP and members of the community, that roads whose stock route declaration was removed may be disposed of. This is not the intended position of NRW.

In May 2008, the Minister for Natural Resources and Water announced that the government has no intention of selling off any of Queensland's iconic stock route network.

### **Recommendation 1**

(a) All stock routes currently declared under the *Land Protection (Pest and Stock Route Management) Act 2002* and displayed on the map titled *Stock Route Network of Queensland*<sup>1</sup> are retained, and reclassified to ensure the foreseeable needs of the pastoral industry are met.

## **1.2 Active and inactive stock routes**

SRAP has agreed stock routes should be reclassified into two categories—active and inactive. Active are those routes either regularly used by travelling stock or ensure the connectivity and integrity of the network. Inactive routes are those not considered essential for travelling stock.

The reclassification of stock routes is recommended to occur following a public consultation process (including local government), based on stock route retention criteria.

### **Recommendation 2**

Recommended criteria for stock routes to be reclassified as active are those which (one or more criteria must be satisfied to justify an active classification):

- provide access to major pastoral destinations (i.e. breeding and fattening districts, saleyards, rail heads etc)
- maintain connectivity—state-wide and interstate
- support the management of a walking stock corridor by providing suitable land types, topography, route width and maximising public safety
- have a demonstrated history of use since the year 2000, of 3000 head in a five-year period (averaged over good and bad seasons)
- provide alternative routes where 'bottlenecks' occur.

Active stock routes will:

- have water facilities that must be maintained or improved by local government (noting NRW will pool stock route permit fee collections to distribute to local government maintenance projects on a strategic basis)
- have a more active pasture management regime
- allow for some managed static grazing only.

### **Recommendation 3**

(a) All existing stock routes are reclassified into the category of active or inactive according to established criteria, and a process of public consultation.

(b) Roads not declared as stock routes may be proposed for active stock route status should sufficient justification be provided in line with the established criteria.

(c) A new version of the map titled *Stock Route Network of Queensland* is produced to display the resultant network.

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<sup>1</sup> Version 2 July 2004 published under section 9 of the *Land Protection (Pest and Stock Route Management) Regulation 2003*

### 1.3 Reclassification process

In order to fulfil its role in facilitating the recommended reclassification process, SRAP has agreed on the use of a public consultation process. The reclassification process is recommended to occur annually, to respond to the changing requirements of the pastoral industry and a dynamic stock route network management environment.

#### Recommendation 4

(a) On an annual basis:

- SRAP will provide the current stock route network mapping to local governments, seeking submissions on a proposed active/inactive network
- each local government will coordinate, through their stock route network management plan working groups, public submissions for their areas. Those local governments not required to have a stock route network management plan must coordinate public submissions for their areas
- SRAP will consider local government submissions (including all public submissions) collated and submitted by the local governments, against the criteria detailed in Recommendation 2, prepare a draft state map and advertise for final public comment
- SRAP will make final recommendations to the Minister on the proposed active/inactive network map
- NRW will publish an updated version of the map titled *Stock Route Network of Queensland*, with amendments taking effect by a nominated date.

## 2. Stock route fees and permits

### 2.1 Travel

SRAP provided recommendations on revising the travel and agistment permit and fee framework. SRAP's recommendations are based on LPC recommendations that a contemporary permit and fee framework be developed, which supports the principle that the network is primarily for use by travelling stock, reflects the user pays principle, and the level of benefit gained from the activity and offsets stock route network management costs. SRAP considered that current stock route travel permit fees were outdated and did not reflect the benefit gained from the permitted use or significantly contribute to the cost of administering the permits.

The recommendations of SRAP were influenced by an independent cost-benefit analysis of the management of the stock route network prepared in 2006 to assist the LPC in its review. This analysis showed that in order for local government to recoup its management costs through stock route fees alone, a charge of 29 cents per head per day would need to be charged. The current fee equates to one cent per head per day and was considered too low by SRAP members. Maximum travel fees in New South Wales are ten cents per head per day.

NRW and local government each currently retain a 50 per cent share of stock route fees collected. NRW currently allocates between \$400,000 and \$600,000 per annum for capital works on the network, including the installation and replacement of stock route water facility assets such as bores, windmills, tanks and troughs. Local governments currently expend monies raised from use of the network and rates dollars on maintaining stock route water facilities and managing use of the network by issuing permits and other activities.

SRAP acknowledged the insufficient revenue generated in relation to costs for local and state governments to manage the network. However, SRAP also considered that fees necessary to recoup costs of operation would represent too much of an increase at this time.

### **2.1.1 Stock route travel permits**

SRAP discussed permitting options to give priority to travelling stock over other secondary uses, and to promote voluntary compliance with legislation and permit conditions. It was recognised that walking stock for feed rather than as a means of transportation is occurring and has recommended a permitting structure to allow for this, albeit with strict provisions to ensure priority for travelling stock. The use of forward planning by stock route users is also supported in improved management arrangements for the administration of journeys spanning multiple local government areas.

#### **Recommendation 5:**

(a) Two distinct stock route travel permits are provided for in legislation:

- travel permits—where the rate of travel is 10km per day
- slow travel permits—where the rate of travel is 5km per day

(b) Priority is given to applications for travel permits over slow travel permits. Slow travel permits may only be issued where pasture and other resources are in surplus to the requirements of travelling stock that may use them in the foreseeable future.

(c) Applications for travel and slow travel permits are to be assessed by local government on a first-come first-served basis (i.e. sufficient pasture must be set aside for the travel and any subsequent applications denied if pasture excess to the requirements of previously granted approvals is not available). Recommendation 5(b) prevails, whereby applications for travel permits must always receive priority over applications for slow travel permits, regardless of when applications are received. If there are multiple slow travel permit applications and no travel permit applications, the slow travel permit applications are assessed in the chronological order they are received.

(d) A public notification system for stock route availability is to be developed by NRW prior to the commencement of proposed new stock route network management legislation. The system will notify users of routes that are open or closed to use, based on the presence of adequate pasture, water and the satisfaction of other statutory and non-statutory permitting criteria. The system will also display information on stock routes that are open, subject to conditions. Local government will be able to change the status of a stock route by forwarding a request together with justification to NRW.

(e) Slow travel permits may only be issued by local government when the public notification system for stock route availability demonstrates a stock route is open for slow travel, and when the local government's stock route network management plan allows it.

(f) For applications made in advance of more than one month, local government may choose to issue a conditional approval to the applicant.

(g) Conditional approvals take priority over subsequent travel applications, notwithstanding Recommendations 5(b) and (c).

- (h) Local government must reassess the conditional approval not less than one month ahead the travelling mob's scheduled arrival.
- (i) NRW regional stock route officers are to take on an interim role of arranging for the necessary local government decisions on travel applications for journeys spanning more than two local government areas. This role is to be reviewed once proposed new legislation is 'bedded down'.
- (j) Applicants may still apply to local governments individually for multi-shire journeys.

### **2.1.2 Stock route travel fees**

SRAP discussed travel fees that more accurately reflect the level of benefit gained by users and provide local government with revenue that contributes more to offsetting their management costs. Measures to promote voluntary compliance with permit conditions were also a priority in formulating the recommended fee framework and the penalty rates were recommended by consensus. A revised fee framework and penalty rates should also serve to safeguard a priority system, which sees the walking of stock for feed attracting higher fees than genuine travelling stock, which is in line with the level of benefit gained from each activity. The Drivers and Stock Route Association representatives supported a new fees regime on the proviso that the core stock routes be free of encumbrances including static grazing.

#### **Recommendation 6:**

- (a) A new stock route travel permit fee framework be prescribed by regulation (SRAP suggested increase to 5 cents per head per day per 10 kms).
- (b) Permittees must pay each local government the required permit fee (and penalty rate, if any) upon exiting each local government area.
- (c) An application fee be prescribed in regulation for travel permits and slow travel permits. The fee to be payable regardless of whether an application is successful (SRAP suggested fee of \$20).
- (d) Local government to retain 75 per cent of fees collected for travel and slow travel permits and remit the balance to NRW (local government retains 100 per cent of the application fee).
- (e) Stock route travel permit fees (including application fees) be annually reviewed by SRAP in aiming for cost neutral management.
- (f) The effectiveness of a revised framework of stock route travel permit fees and penalty rates in delivering enhanced stock route network management be reviewed annually by SRAP.
- (g) CPI not be automatically applied to stock route travel and slow travel permit and application fees.

### **2.1.3 Timeframes**

SRAP noted it is necessary to stipulate timeframes for the application and issue of stock route travel permits, in order to allow stock route users and managers sufficient time to plan for, and process permit applications. Difficulties have arisen in the past when permits have been applied for upon stock arriving at a local government boundary. This presents logistical challenges should the local government deem a

permit cannot be granted. Such situations are preventable by providing a minimum timeframe for receipt of permit applications.

**Recommendation 7:**

(a) Applications for travel and slow travel permits must be received by the local government at least five business days before the intended arrival of the travelling mob, for the application to be eligible for assessment.

(b) Local governments must provide a decision to an applicant within five business days of the receipt of an application.

## **2.2 Agistment**

The issue of agistment and other forms of static grazing on the stock route network was the focus of much debate and negotiation within SRAP. The permitting of such activities on a network that exists primarily to facilitate the movement of travelling stock requires careful consideration.

Conversely, providing greater opportunities for stock owners to access parts of the network not essential for travelling stock for longer periods, and regulating current unauthorised grazing has the potential to ensure local governments are better resourced to manage stock route activities. A major aim of the LPC review and the recommendations of SRAP is cost-neutral local government management of stock routes. SRAP believes it has struck a balance between protecting the utility, integrity and natural resource values of the network, and providing increased revenue streams for local governments as custodians of these lands.

### **2.2.1 Emergency agistment permits**

Current legislative agistment provisions allow an eligible person to apply for an agistment permit for 28 days, with a possible 28-day extension. Given the network is not a long-term drought relief tool and agistment permits are intended to provide short-term relief only while landholders implement other longer-term drought management strategies, SRAP believes agistment permits should be for emergency purposes only. Further, it is recommended emergency agistment permits be available on the active stock route network (see Recommendations 1–3 regarding the active/inactive network) for shorter periods than on the inactive network, in recognition that the active network is essential for travelling stock..

**Recommendation 8:**

(a) Provision is made in legislation for short-term emergency agistment permits to be issued by local governments.

(b) Short-term agistment permits may be issued for emergency purposes only—not for drought. Emergency purposes include acts of God (other than drought) and will also provide some discretion for local government to determine the emergent nature of given situations.

(c) Emergency agistment permits may be issued for a maximum of 28 days on the inactive network.

(d) Emergency agistment permits may be issued for a maximum of 14 days on the active network.

(e) Emergency agistment permits may be issued for shorter periods than those described in Recommendations 8(c) and (d) at the discretion of local government,

including provisions for the management of unfit stock, and as natural resources (i.e. pasture and water) allow.

(f) One emergency agistment permit only may be issued in a three month period to a particular applicant or to a particular mob of stock, except in the case of unfit stock.

### **2.2.2 Emergency agistment permit fees**

While it has been recommended by SRAP short-term agistment permits be issued for emergency purposes only, it is agreed there remains a need for the associated fees to reflect the level of benefit gained by the user, and the costs of management of the local government. It is also agreed local governments need to be afforded discretion in fee setting to allow for the highly variable conditions under which permits may be granted.

The recommendations propose retaining existing criteria for fees to be calculated upon, including the quality and availability of pasture and access to water. The current stock route agistment fee range is as follows:

- for cattle—\$0.86–\$2.10 per head per week,
- for sheep—\$0.10–\$0.33.

Commercial agistment rates of up to \$5.00 per head per week for cattle are paid in parts of Queensland during periods of high demand. The maximum daily fee for cattle agistment on travelling stock reserves in New South Wales is \$1.00, or \$7.00 per head per week.

#### **Recommendation 9:**

(a) Existing regulatory agistment fees be increased over the current range to reflect management costs and to provide a maximum fee of market price (SRAP suggested increase to \$1.00 to \$5.00 per head per week for cattle, and \$0.20-\$1.00 per head per week for sheep).

(b) The current fee setting criteria prescribed in the *Land Protection (Pest and Stock Route Management) Regulation 2003* are to be retained.

(c) An application fee be prescribed in regulation for emergency agistment permits. The fee to be payable regardless of whether an application is successful (SRAP suggested fee of \$20.00)

(d) Local government to retain 75 per cent of fees collected for emergency agistment permits and remit the balance to NRW (local government retains 100 per cent of the application fee).

(e) The fees for emergency agistment permits (including application fees) be reviewed annually by SRAP to reflect the level of benefit gained and in achieving cost-neutral local government management.

(f) CPI not be automatically applied to stock route emergency agistment permits and application fees.

### **2.2.3 Annual grazing agreements**

Annual grazing agreements (AGAs) are a mechanism recommended by SRAP to regulate long-term static grazing on the stock route network. AGAs have been developed considering several of the LPC recommendations including:

- pursuing a user pays system
- aiming for cost-neutral local government management

- providing single agency administration of the stock route network and other relevant lands.

AGAs have several proposed applications.

Firstly, the SRAP recommended that an AGA may be granted by application over a part of the inactive stock route network (see Recommendations 1–3 regarding the active/inactive network) for a period of up to 12 months for the purposes of grazing stock.

Secondly, SRAP recommended AGAs may be declared over unfenced parts of the stock route network, which are enclosed within a property and being grazed. This will afford a level of protection to the land by regulating and conditioning current unauthorised use, and will also ensure payment for use.

Thirdly, SRAP recommended that AGAs be issued by local government in favour of permits issued under the *Land Act 1994* by NRW, when dealing with the stock route network.

NRW's intention is such that implementation of AGAs will be coupled with a framework of land condition assessment, based on the principles for the assessment of other state lands under the Delbessie Agreement. This would see AGAs audited according to key indicators such as pasture composition and health, soil condition and biodiversity. The aim of such a monitoring program is to ensure pasture is well managed for travelling stock and to ensure the biodiversity and other values of the network are well managed and protection. AGA conditions and ongoing audits would determine the level of grazing that may occur and whether AGAs are renewed from year to year.

**Recommendation 10:**

- (a) Current legislative agistment provisions are broadened to provide local government with authority to permit long-term static grazing through issue of AGAs.
- (b) AGAs may be issued by local government, upon receipt of application, on the fenced, inactive network for periods of no longer than 12 months.
- (c) Adjoining owners of fenced inactive parts of the network are offered priority for AGAs on an annual basis. If landowners refuse, AGAs may be open to others (by tender process if there are multiple applicants).
- (d) Explicit definitions of 'fenced' and 'unfenced' are provided in legislation to remove any doubt as to the application of AGAs. 'Fenced' is defined as, 'maintained, stock-proof fencing, open-ended or enclosed with gates and grids'. 'Unfenced' is defined as, 'not capable of maintaining stock'.

Conditions of AGAs shall be such that existing fencing must be maintained and Local government must ensure existing fencing does fall into a state of disrepair or be removed, during or after the AGA implementation period. Permits to occupy, conditioned with requirements to fence, that transfer to AGAs must be fenced.

- (e) Shorter-term grazing agreements be provided for in legislation for local government to permit the agistment of droughted stock on fenced, inactive parts of the network, where an AGA has not been issued, for periods not less than three months.

(f) Shorter-term grazing agreements may only be granted on active parts of the stock route network, for periods not greater than three months, for the purposes of managing excess pasture. The Droving and Stock Routes Association does not support any static grazing of the active stock route because of the potential impact on travelling stock.

(g) No AGAs may be granted on fenced, active parts of the network unless there is a record of a previous permit to occupy issued under the Land Act (see Section 2.2.6). No new permits to occupy will be issued under the *Land Act 1994* over areas of the fenced active network except for those transferred following sale of the property as per current departmental policy. This position is to be reviewed upon the completion of the two-year AGA implementation period.

(h) Severe penalties, such as those currently prescribed for allowing stock to stray onto the network (maximum 400 penalty units—\$30 000), are prescribed in legislation for grazing the stock route network without an AGA. The use of Penalty Infringement Notices is provided for, if suitable for the level of offence.

(i) Local government may choose not to renew AGAs at the expiration of their term should conditions be breached or it be determined the requirements of both the travelling and AGA stock cannot be sustained.

(j) Local government may cancel AGAs prior to the end of their term if serious or continued breaches of conditions occur, with two week's written notice to the AGA holder.

(k) A legislative provision is introduced for the automatic declaration of AGAs over those parts of the stock route network fenced in with private grazing lands, upon commencement of the proposed new stock route network management legislation.

(l) Local government is able to require unfenced AGA areas be fenced at full cost to the landholder, as per current legislative arrangements, should the landholder refuse to enter into an AGA, or should the local government believe the part of the network requires fencing to enable management of pasture on the network for travelling stock.

(m) All AGAs on active parts of the stock route network, both fenced and unfenced, must have an approved management plan in place to demonstrate how adequate residual pasture levels will be maintained for travelling stock.

(n) Management plans must be negotiated between landholders and local government, with templates developed by NRW. Plans will take the form of standard use conditions, with provision for mandatory information on preserving residual pasture levels for travelling stock on the AGA area. Plans must also be consistent with the relevant local government area stock route network management plan.

(o) Shorter-term grazing agreements are not subject to a management plan, but are subject to standard conditions, including information on preserving residual pasture levels for travelling stock, relevant to the AGA area.

(p) AGA management plans must be in place and approved within the AGA implementation period, to coincide with Recommendations 11(d) and 12(a).

(q) Travelling stock is to be granted priority access rights on both inactive and active parts of the network, including where an AGA has been issued.

(r) Local government may issue AGAs over reserves for travelling stock on a case-by-case basis, only after considering the requirements of travelling stock. An AGA must not be issued if travelling stock will be impeded.

(s) Landholders adjoining fenced reserves do not necessarily receive priority for AGAs. Local government must follow a performance-based process that captures commercial principles and ensures the reserve is used and managed according to its gazetted purpose. A compliant history of use by an adjoining landholder may be a consideration for priority issue of AGAs by local governments.

## **2.2.4 AGAs on the fenced, active stock route network**

Consensus within SRAP could not be reached on this aspect of the AGA framework. While the recommendations for the application of the AGA framework to the unfenced, active parts of the network and both fenced and unfenced parts of the inactive network were reached by consensus, there are opposing views on the use of fenced, active parts of the network. The majority and minority views on this issue are outlined below.

### **2.2.4.1 Majority view**

The majority view on this issue, shared by representatives of AgForce, LPC and local government, was that there should be provision for AGAs to be issued on the fenced, active stock route network, where permits to occupy issued under the *Land Act 1994* currently exist (i.e. no new permits would be issued by NRW on the current primary and secondary stock routes, in line with current departmental policy). It is thought that with the proposed enhanced compliance arrangements, the requirement for management plans, priority afforded to travelling stock and payment for use principle, there is scope for some shared use of these fenced, active parts of the network.

No AGAs are to be issued on the fenced active network where a permit to occupy does not currently exist. The majority view is that this position should be reviewed upon the completion of the two-year AGA implementation period. However, it is believed there is scope for some shorter-term AGAs to be issued for management purposes on the fenced, active parts of the network where permits to occupy are not currently held.

AGAs may be re-issued by the local government on an annual basis, however the local government may choose not to re-issue the AGA if conditions have been breached or if the part of the network is deemed incapable of sustaining both travelling and AGA stock.

### **2.2.4.2 Minority view**

The dissenting or minority view, as promoted by the representatives of the Droving and Stock Routes Association, was there is no room for shared usage of the fenced, active network and no AGAs should be issued over these parts of the network. The Droving and Stock Routes Association representatives have moderated this view and have proposed a position that there should immediately, upon commencement of new stock route network management legislation, be no AGAs or permits to occupy on a defined core active network (i.e. a subset of 'trunk' stock routes of the active network).

Existing permits to occupy on the active network outside this core area may continue as AGAs, however these should be phased out and not renewed upon sale or transfer of the relevant adjoining land. The Droving and Stock Routes Association

representatives are of the view that shared use of the stock route network through the issue of permits to occupy has resulted in the current environment of abuse of the network and that to overcome these problems, these permissions must be removed. They were also of the view the overall stock route fee framework (including the proposed travel fee increases and introduction of penalty rates) be developed with the understanding an unencumbered active stock route network would result through these negotiations. Their overall support for a new fee structure is conditional upon their view on AGAs being supported.

**Note:**

The government will use the range of views provided by SRAP and feedback to this document to assist in developing a preferred position.

## **2.2.5 Annual grazing agreement fees**

Fees associated with AGAs were considered by SRAP in line with the LPC recommendations that those using the network must pay according to the level of benefit gained and aiming for cost-neutral local government management. Negotiations within SRAP over the most suitable fee ranged from one based on the unimproved capital value of the land and in line with current costs of rent and rates, to commercial agistment rates. SRAP recognised it was not feasible to charge rates on these lands as all land would need to be valued to do so. SRAP agreed to the development of a formula for the calculation of AGA fees based on the value of the adjoining land and linked to the land's productivity, is indexed to ensure the fee reflects the grazing benefit gained.

The index is required to ensure the fee payable is based on productivity, but also reflects that the user has made no capital outlay for the use of the land (e.g. as with the payment of rates and rent on leasehold land). Also, the index would reflect that the value of the AGA area may be greater than that of the adjoining land on which the AGA fee has been calculated, and there is a requirement and cost for local government to monitor compliance with the AGA. Conversely, the index would also take into account that AGA holders do not enjoy exclusive use of the land and is therefore set well below commercial sub-lease rates. SRAP's recommended method of calculation of the AGA fees was mindful of ensuring equity amongst all stock route network users

**Recommendation 11:**

(a) AGAs be issued for grazing on the network where the fee calculated per annum exceeds an established threshold (e.g. \$100).

(b) Potential AGAs with a fee calculated at less than the threshold should be encouraged, however a minimum fee should apply to reflect local government administration and management costs.

(c) Where there is more than one potential AGA relevant to an adjoining property, the fees for each must be calculated separately, unless the potential AGA areas are contiguous.

(d) A two-year moratorium is prescribed on local government collecting AGA fees, from the commencement of proposed new stock route network management legislation, to allow for the identification, notification and implementation of the AGA system.

- (e) The formula for calculating AGA fees be prescribed by regulation (SRAP recommended the fee be based on a rental value calculated using the unimproved capital value of the adjoining grazing property plus a component for rates).
- (f) Local government retain 95 per cent of AGA fees collected, with the remaining five per cent remitted to the compliance fund (see Recommendation 13(a)).
- (g) AGA fees are reviewed annually by SRAP to reflect the level of benefit gained and in achieving cost-neutral local government management.
- (h) CPI be not automatically applied to AGA fees.

### **2.2.6 Permits to occupy**

The LPC recommended that a single agency, local government, assume responsibility for issuing all permissions to travel and against the stock route network and all other roads. SRAP has considered options for devolving responsibility for issuing grazing type use permissions for roads (including stock routes) to local government. This to provide for a single issuing entity and to also provide for new revenue streams for local government. NRW currently has the head of power under the *Land Act 1994* to issue such permissions and may do so via permits to occupy. SRAP has developed recommendations on arrangements for transitioning existing permits to occupy as well as those for dealing with new applications to graze part of the stock route network or other roads.

#### **Recommendation 12:**

- (a) Existing permits to occupy are transferred to AGAs within the AGA implementation period, following which time, AGA fees are applicable (see Recommendation 11(e)).
- (b) Approved management plans (see Recommendation 10(m) and (n)) must be in place before permits to occupy may be transferred to the AGA framework.
- (c) Permits to occupy may be cancelled by NRW should the permittee, with sufficient notice, fail to have an approved management plan in place, as per Recommendation 12(b), within the AGA implementation period.
- (d) Local government is afforded first opportunity to assess new applications to graze roads via the AGA framework.
- (e) Local government may choose not to renew AGAs that have been created from permits to occupy should conditions be breached or it be determined the requirements of both travelling stock and the static grazing stock cannot be sustained.

### **2.2.7 Implementation**

In recognition of the potential for the AGA framework to achieve payment for use and better resourced local governments, SRAP has placed significant emphasis on ensuring a compliance environment where the framework can be implemented and maintained, without detriment to travelling stock, or the network's other values.

SRAP has recognised the current compliance provisions whereby local government is responsible for enforcing legislative provisions have not been effective. SRAP acknowledges the role regional NRW stock route officers, instigated as a result of the LPC review recommendations, will play in supporting local government in its

compliance role, and recommends extra tools to supplement this support. It also acknowledges the inherent political difficulties faced by small rural local government in enforcing laws and recommends processes to help alleviate these.

**Recommendation 13:**

(a) Five per cent of AGA fees collected by local government are pooled by NRW to establish and maintain a compliance fund for resolution of breaches relating to abuse of the AGA system.

(b) The compliance fund may be accessed by local governments and used to resource enforcement of the provisions of the AGA framework.

(c) Local governments may outsource enforcement of AGA provisions to other local governments' local laws or compliance officers where necessary.

(d) A reporting framework is to be established whereby non-compliance with AGA provisions may be reported to the relevant local government. The local government is afforded a statutory timeframe in which to investigate and resolve the report.

(e) Should the report mentioned in Recommendation 13(d) not be resolved to the satisfaction of the complainant, an appeal may be lodged with NRW to review the report and the course of action taken by the local government.

(f) The SRAP review on an annual basis the percentage of AGA fees required to be remitted to the compliance fund by local government.

(g) NRW commit the funding received from local government travel and agistment permit remittance to establish the compliance fund in the two-year moratorium period imposed on the collection of AGA fees (see Recommendation 11(d)).

(h) Funds mentioned in Recommendation 13(g) may be accessed by local governments to ensure the parts of the stock route network and other relevant lands in their areas eligible for AGAs have no outstanding compliance issues that may prevent the successful implementation of the AGA framework on those lands (illegal grazing for example).

(i) NRW commit resources to establish an additional three officers on a temporary basis to assist local government with the implementation of the AGA framework. The officers are in addition to the three positions created as a result of the approved LPC recommendations and are to be appointed for a three-year term.

(j) The priority focus initially for the implementation of the AGA framework is the active network.

## **2.3 Harvesting pasture**

The LPC's recommendations included provision for SRAP to make recommendations on the issue of permits and setting of fees for the harvesting of pasture on the stock route network. Current legislation is silent on the issue, except for provision of an offence for harvesting without local government permission. SRAP believes local government should be empowered to issue permits and collect fees for this practice.

### 2.3.1 Harvesting permits

In discussing this issue, SRAP strongly supported that harvesting should be permitted on certain areas of the stock route network only, in recognition of the network's primary purpose—facilitating the movement of travelling stock.

#### **Recommendation 14:**

(a) Provision is to be made in legislation for local government to issue harvesting permits.

(b) Local governments may issue pasture harvesting permits on the inactive network only, if pasture is surplus to the requirements of travelling stock and if the harvesting is not to the detriment of the condition of the land.

### 2.3.2 Harvesting permit fees

SRAP has acknowledged that persons harvesting pasture on the stock route network should pay a fee that reflects the level of benefit gained, that is, a fee that reflects local commercial prices. It was also agreed that discretion should be provided in fee setting to suit local and seasonal variations.

#### **Recommendation 15:**

(a) Local government is afforded discretion in setting fees attached to statutory harvesting permits.

(b) Local government retain 100 per cent of fees collected from harvesting permits.

## 3. Stock route water infrastructure

### 3.1 Ownership

In its report to the Minister, the LPC recommended consultation with local government take place over the future ownership of stock route water facility assets. A proposal was put forward by NRW in which local government would assume ownership of those assets located on the active stock route network (all assets are currently held by NRW). Through negotiations with SRAP, it was agreed the issue should be included in SRAP's terms of reference and discussed in that forum.

SRAP agreed to recommend ownership of stock route water facility assets on the active network remain with NRW. The financial burden to local governments was the main reason for opposing the transfer, particularly in light of the aim of providing for cost neutral local government management of the stock route network.

#### **Recommendation 16:**

(a) Ownership of stock route water facility assets located on the active stock route network remain vested with NRW at present.

### 3.2 Assets located on inactive network

More than half of all stock route assets are located on stock routes currently classified as minor or inactive. Included in NRW's proposal to transfer ownership of assets on the active network to local government, was a hierarchy of actions to deal with those assets located on the eventual inactive network. As there is little benefit to travelling stock in maintaining these assets, there is a desire to manage them in a way to reduce management costs.

**Recommendation 17:**

(a) The legislative requirement on local government to maintain stock route water facilities on the eventual inactive stock route network (see Recommendations 1–3 regarding the active/inactive network) is removed.

(b) Local government continue to have a legislative responsibility to maintain stock route water facilities on the active stock route network, while NRW will continue to assist with major asset replacement.

(c) Stock route water facility assets on the inactive stock route network be managed in a way to reduce costs to the asset owners and managers, with options including, but not limited to:

- assets are offered to local government where they may be used for AGAs or some other commercial or community purpose
- assets or their components may be used by local government to maintain or improve assets on the active network
- assets maintained under water agreement with the landholder performing all maintenance
- calling for expressions of interest from the public for removing or obtaining control of assets.

(d) Local government retain 100 per cent of water agreement fees from agreements over stock route facilities located on the inactive network.

(e) Local government retain 75 per cent of water agreement fees from agreements over stock route facilities located on the active network and remit the balance to NRW.

## **4. Other items**

### **4.1 28 day prohibition**

The LPC recommendations included providing a general prohibition on travelling stock retracing their steps within a 28 day period, with discretion for local government to allow specific cases.

**Recommendation 18:**

(a) Provision is included in legislation generally prohibiting travelling stock from retracing their steps within a 28 day period, with discretion afforded to local government in its permitting powers. Provision should be made for reasonable excuses in legislation, with examples provided, including travelling stock forced to turn around for reasons beyond their control.

