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A new land release policy

By G.D. Oliver*

Interest in the release of crown land for farming in Western Australia ebbs and flows with prosperity and recession. Favourable prices and yields for wheat in the eastern wheatbelt in recent years have again stimulated interest in the release of land in unserviced areas, thus questioning the Government's present policy of consolidation. However the policy of consolidation has given time to:

- Assess production from farms in rainfall zones of less than 300 mm a year over a period of years, and also assess markets for this production.
- Gauge the strength of local demand for new land.
- Allow time for new techniques to become established and research to be continued.
- Conserve Government funds at a time when they were needed to promote mineral, oil, gas and uranium products.

Market and yield instability

Rainfall, markets and funds are critical to the success of new land farms. The rapid land development of the sixties ceased in 1969 with the collapse of the wheat market and uncertain wool prices. While prices for wool and wheat have improved and stabilised since, eastern wheatbelt farms remain heavily reliant on overseas prices for wheat and wool.

The recurring droughts in the north-eastern cereal and wool growing areas are a reminder that caution is needed. Recent droughts in the Shires of Morawa, Perenjori and Mullewa particularly, lend force to the argument that agriculture near the 300 mm rainfall isohyet is a high risk investment.

Using the 300 mm rainfall isohyet (as presently drawn on our maps!) as the limit to expansion into unserviced areas, there is scope for new farms to the east of Perenjori in the north east, to the east of Narembeen (south of Marvel Loch) in the central wheatbelt, to the north of Munglinup in the south, and to the north and north-east of Esperance.

While recent history might cast doubt on development of land to the east of Perenjori, long term records do not indicate that the rainfall in this area is any less reliable than the other areas. With all four regions having a similar rainfall history, the choice of one region to develop ahead of the others is likely to depend on the presence of general soil characteristics which conserve moisture. Availability of services such as power, water, telecommunications, roads and social amenities should also be considered.

New technology

Modern techniques and the discovery of more suitable varieties for dryland farming is an incentive for further encroachment by agriculture into pastoral areas. Areas seeded by a single farming unit can be increased by machinery for fast cultivation in combination with chemicals for weed control.

These techniques not only help farmers to seed a higher proportion of their farm, but also allow better use of soil moisture. However the effects of such developments should not be exaggerated compared to rainfall reliability.

Wheat production must be prominent in land release policy on the eastern margin of the wheatbelt, since wool production is of secondary importance. Pastures are difficult to establish and maintain in these areas. However, crops as well as pasture will fail when the rain fails, and it is not easy to imagine new farming techniques which might change this.

Farm size

As more powerful tractors with implements to match have been developed, production standards have risen to the stage where Western Australian farmers are amongst the most efficient in the world, in terms of output per man.

This improvement, together with cost pressures, has demanded constant revision of the standard farm size for a family unit. Farm released have been bigger than indicated by economic conditions at the time, to allow to some extent for future income needs of a family unit.

While the family unit concept has continued to influence decisions about the size of farms, farm size in

Areas which could be suitable for release of new farms

Geraldton
Perenjori
Merredin
Southern Cross
Marvel Loch
Perth
Munglinup
Esperance
Albany

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relation to cropping efficiency has become more of a consideration. This has been especially so in the Southern Cross region where new land has been allocated to existing farmers to expand their activities. This policy need not conflict with the idea of settling families on farms. The demand by existing and new settlers can be met by releasing land in different farm sizes; smaller farms to satisfy the expansionary needs of established farmers, and larger farms for new settlers. Another approach would be to alienate land in small blocks of about equal size, and combine blocks to meet the demand for expansion by existing farmers, or for new family farms.

**Land sale by tender**

While land held by the Government is an asset which belongs to everyone, this is no justification for releasing it at very low values to a fortunate few farmers. A gift of land in its undeveloped state may be a good incentive to get the land into production for the benefit of Western Australia, but this in inappropriate if the Government is responding to demand rather than actively promoting development.

The sale of new farms by tender would be a better way of releasing land in the eastern wheatbelt than the existing method. Sale by tender would equitable and consistent, and the extra funds obtained could be used to develop services in the area. The contribution people would make — the tender price — would depend on the success of farming in the region and the number of interested people with the money.

Apart from raising extra revenue, the sale of the blocks would have useful practical implications. A strong demand (high tender price with the quota overfilled) would indicate the need for more land releases, possibly at a fast rate. A weak demand (low tender price or quota unfilled) would indicate that suitable people, those with the capital necessary for successful farming were unavailable. Land releases would have to be curtailed but the policy of sale by tender would stand. It would be a disaster to encourage people with inadequate financial resources. Certain arrangements may be desirable to ensure that successful tenderers undertake development within a reasonable time. Land titles could be delayed until certain clearing conditions were met, or special security arrangements may be necessary to facilitate land resumption. However, the risk of land speculation, especially in a situation where tenderers were screened, would not be high.

**Conclusion**

A sale by tender system would have the following advantages:

- If the Government were to make it clear that the land was in the high risk, high capital category and that only people with the necessary financial resources should tender, the burden of responsibility for development would be on the developer.

- The necessity to calculate tenders carefully, in order to out-bid other tenderers, would necessitate a careful assessment of the investment and this would improve prospects of success. The land would not necessarily be sold to the highest tenderer although this would have an important bearing on decisions.

- Successful eastern wheatbelt farmers with resources to develop the land, and to seed and harvest extensive areas of grain, would be encouraged to extend their activities. However they would have to compete with others, for example, business and professional people, for the opportunity.

- The tender system would provide some funds for roads, schools, hospitals and other public facilities.

While a new approach to land releases is suggested, the extensive land release policy of the 1960s is not advocated. On the contrary; this policy could be adopted without any change to the present rate of land releases.

However, a movement away from consolidation is suggested to provide for limited releases of land in unserviced areas east and north to a boundary roughly defined by the 300 mm rainfall isohyet. Further, only the best available land should be released, in optimum sized blocks for cropping. The underlying objective is to encourage further successful development into an unstable environment without undue Government interference or paternalism.

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