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AND TRANSPORT

Reference: Natural resource management and conservation challenges

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**SENATE STANDING COMMITTEE ON
RURAL AND REGIONAL AFFAIRS AND TRANSPORT**

Friday, 10 October 2008

Members: Senator Sterle (*Chair*), Senator Milne (*Deputy Chair*), Senators Heffernan, Hurley, Hutchins, McGauran, O'Brien and Williams

Substitute members: Senator Farrell for Senator O'Brien, Senator Siewert for Senator Milne

Participating members: Senators Abetz, Adams, Arbib, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Ellison, Farrell, Feeney, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Humphries, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McLucas, Marshall, Mason, Minchin, Moore, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Stephens, Troeth, Trood, Wortley and Xenophon

Senators in attendance: Senators Adams, Hutchins, Siewert and Sterle

Terms of reference for the inquiry:

To inquire into and report on:

- i. the lessons learned from the successes and failures of three decades of Commonwealth investment in resource management including Landcare, the National Heritage Trust, The National Action Plan on Salinity and Water Quality, and other national programs,
- ii. how we can best build on the knowledge and experience gained from these programs to capitalise on existing networks and projects, and maintain commitment and momentum among land-holders,
- iii. the overall costs and benefits of a regional approach to planning and management of Australia's catchments, coasts and other natural resources,
- iv. the need for a long-term strategic approach to natural resource management (NRM) at the national level,
- v. the capacity of regional NRM groups, catchment management organisations and other national conservation networks to engage land managers, resource users and the wider community to deliver on-the-ground NRM outcomes as a result of the recent changes to funding arrangements under the Caring for our Country program, and
- vi. the extent to which the Caring for our Country program represents a comprehensive approach to meeting Australia's future NRM needs.

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Committee met at 9.35 am

CHAIR (Senator Sterle)—I declare open this public hearing of the Senate Standing Committee on Rural and Regional Affairs and Transport. The committee is hearing evidence on the committee's inquiry into natural resource management and conservation challenges.

This is a public hearing and a *Hansard* transcript of the proceedings is being made. Before the committee starts taking evidence I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is also unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee. The committee prefers all evidence to be given in public, but under the Senate's resolutions witnesses have the right to request to be heard in private session. It is important that witnesses give the committee notice if they intend to ask to give evidence in-camera. If a witness objects to answering a question the witness should state the ground upon which this is taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. If the committee determines to insist on an answer, a witness may request that the answer be given in-camera. Such request may, of course, also be made at any other time.

I would also ask witnesses to remain behind for a few minutes at the conclusion of their evidence in case Hansard staff need to clarify any terms or references. I remind people in the hearing room to ensure that their mobile phones are turned off or switched to silent.

Finally, on behalf of the committee, I would like to thank all those who have made submissions and sent representatives here today for their cooperation in this inquiry.

[9.36 am]

PANNELL, Professor David James, Private capacity

CHAIR—I now welcome Professor David Pannell. Do you wish to make a brief opening statement before we go to questions?

Prof. Pannell—I will not reiterate anything that is in my submission, but in relation to the matters that are under inquiry, I note that there have been further developments since I sent in my submission. In particular, last week the Caring for our Country program released a document of its outcome statements for the new program. I have some concern that the outcomes that are stated within that document are relatively short-term in their focus. I understand why they are short-term. They have been designed so that they can be achieved within the five-year time frame for evaluating the program, and that is fair enough, but the problem is that there still remains a lack of clear statement of genuine environmental and natural resource outcomes that are to be achieved by what I would call those short-term outputs. That is the only issue that I would like to add to the material that I have raised in my submission.

CHAIR—Thank you. I will go to questions from Senator Siewert.

Senator SIEWERT—I would like to start there and then go back to some of the detail of your submission. Can you go into a little bit more detail about your concern about the outcome statements? If I understand it correctly, you are more concerned about where we are going in the long term with the program.

Prof. Pannell—That is right. One of the issues that I raised in my submission was a concern that in this type of program generally, and in the initial design of Caring for our Country, there is often a lack of a clear connection between the activities that the program supports and the long-term environmental and natural resource outcomes that the program states that it wishes to achieve. In my submission I raised concerns about the lack of the use of technical and scientific information to draw out those links. Often information about the degree of threat or damage is used and considered, but the additional scientific and technical information about the link between actions and outcomes is often neglected. Those outcomes are typically longer term than the duration of a program; so a program that limits itself to evaluating itself on what it can achieve within the five-year time frame of a program is really unable to consider those longer term outcomes, which are the real outcomes that you are trying to achieve.

Senator SIEWERT—If I understand it correctly, that has been the criticism of the original programs. It was not the original, because we can go back a couple of decades to earlier Landcare programs, but for NHT1 and 2 that has been the criticism all along: what are those long-term objectives?

Prof. Pannell—I agree. That has been a missing ingredient in NHT1, NHT2 and the National Action Plan as well.

Senator SIEWERT—Is it your interpretation that Caring for our Country is going down that same road?

Prof. Pannell—Yes. There is a degree of faith required that the actions that are there supported will lead to environmental outcomes. My view is that we do not need to be relying on so much faith and that the program should use processes and information in a way that gives a lot more confidence that the programs will lead to outcomes.

Senator SIEWERT—I would like to go back to your paper, in particular to the NRM integrated framework and how that could be used. Do you think that could be used to help identify those longer term outcomes? Could you also advise how it addresses some of the problems that we all know have been around within NHT1 and 2 and how we could use that to make Caring for our Country a better program?

Prof. Pannell—I have been involved for about eight years in developing investment frameworks that are designed for this exact purpose, beginning with work on salinity, but over the last year or so adapting that to be a much more general and broad-ranging investment framework to support assessment of public investment in environmental programs. We have a tool called INFFER, which is referred to in the submission and which is currently being used by 10 regional natural resource management bodies around Australia. There are six in Western Australia, two in Victoria, one in New South Wales and one in South Australia. In each of those regional bodies we are actively supporting them to prioritise and evaluate the investments they could make, propose to make or are making in natural resource management. At the moment the main focus is in helping them evaluate possible investments for which they could apply for funds under Caring for our Country or under state programs.

The INFFER process does attempt to address the missing ingredients that we have already been talking about and several others as well, so it draws in, in a very overt way, information about cause and effect relationships between actions and outcomes. It requires that to be expressly and explicitly described. It draws in information about the value of the different assets that you could invest in, the degree of threat or damage that they are facing and also information about the likely landholder responses to policy so that you can anticipate whether a policy or an investment response will achieve the changes that you want. In addition, it provides guidance about the appropriate policy tools to be used in a particular circumstance; so should we be relying on extension, incentive payments, regulation or whatever to achieve the changes.

We have gone through a phase of piloting this approach with a number of regions and we are now at a stage of applying it with a larger number. Through this we have found it to be a very effective process. The regional bodies that we are working with understand it. They do require a lot of support and training to be able to use it, which is one of the issues that I have raised in the submission, that there is a need for upskilling and improving the capacity of the regional bodies to use it. But we are showing that with that support it is quite possible for them to use and include the method.

That is at the regional level. The same approach could be applied at a state level or at a national level as well. The same principles and processes are equally relevant.

Senator SIEWERT—I probably jumped ahead because I was keen to get to those issues, but the assumption that I would make from your submission and other submissions is that the way that we have been investing money in natural resource management has not delivered the outcomes, and you and other submissions have touched on that, that we have not had the long-term objectives. Could you briefly outline how the framework improves on where we have been? My second question is: do you think that Caring for our Country, without this, is going to achieve what it wants to achieve in terms of making that next step in delivering good natural resource management outcomes?

Prof. Pannell—I would like to start by describing some of the features of this messy problem that we are trying to grapple with in these sorts of programs. The environmental and natural resource problems that we are dealing with are complex. They are quite spatially heterogeneous, so they occur in some parts of the landscape very seriously and in others not at all. We often have difficulty getting landholders to adopt new practices at the scale that we need to address the problem. They are very reliant on technical information about cause and effect and level of threat. The other feature is that they are very expensive. Typically, they are much more expensive to deal with than we have given credit for, or realised, in the funding that we have allocated to these problems. The amount of funding typically available under NHT, NAP and now in Caring for our Country is very small compared to the scale of funding that you would need to deal with the problems in a comprehensive way. For all of those reasons it is very important to target the funds in a systematic, structured way to try to pick winners, basically, to try to choose which bits of the landscape are going to provide the best bang for the buck and achieve the highest environmental and natural resource outcomes for the available public funds.

In previous programs we have paid too little attention to that set of issues that I have just outlined, so that the funding has been distributed in ways which has not been targeted at the most cost-effective areas or policy tools that would really achieve outcomes. The colloquial phrase that the money has been spread thinly like Vegemite is very true. Over time we have slowly started to move away from the extreme extent that it was under NHT1, but it is still a very serious problem, and the money has been, until very recently, still spread much too thinly to really achieve targeted outcomes.

INFFER will help and is helping to address that problem by working environmental managers through a structured process which asks that series of questions that I have just identified: how important are these assets, how threatened are they, how feasible is it to protect them and how adoptable are the works that we would like to see adopted. They are used like a series of sieves. Once you have worked through all of those you have narrowed your focus down to a much smaller number of environmental and natural resource assets that you think have much more confidence and can be invested in to achieve environmental outcomes.

The final part of your question was how is Caring for our Country going in terms of delivering on that. My response would be that the program has recognised this set of issues and has identified that there is a need for greater targeting and a stronger evidence base to the decision-making, but so far it has not really succeeded in doing as comprehensive a job of that as I think needs to be done. We could talk about reasons for that, if you like, but so far my assessment would be that it has only made relatively modest steps down the path that needs to be taken.

Senator SIEWERT—You have touched on the reasons. Can you articulate those more clearly? If we made a set of recommendations to government, what would you suggest that we should say to government about improving the outcomes from Caring for our Country.

Prof. Pannell—One of the most serious problems that is limiting the capacity of the people who are developing Caring for our Country to really deliver what people are hoping for is the incredible rush of time that they are under. They have basically been given three months to go from a standing start to a completed program and it is simply impossible.

Senator SIEWERT—Are you talking about the people in Canberra?

Prof. Pannell—I am talking about the officers within the departments.

Senator SIEWERT—The Commonwealth departments?

Prof. Pannell—Yes, the Commonwealth departments. They are working incredible hours under ridiculous time pressure to do something that they would be hard pressed to deliver within a year, and they have been asked to deliver it within three months. That is the first thing. That is relatively easily handled by just having more realistic expectations. What is more difficult to handle is that there is still a strong remnant of philosophy and mindset coming through from the older programs, even stretching back to NHT1 and Landcare, where there is quite a bit of tension within the departments in Canberra where some officers hanker after the old days, if you like, where they did not need to be so targeted and focused. There is a belief that a very broad-ranging investment in capacity building is what is required, and so those officers who are pushing for a more targeted approach and are trying to deliver that are fighting a battle with some other people within their agencies to allow that to happen.

Another constraint is on the capacity of the departments to do what is needed. Given the time frame that they are operating under, they are needing to rely very much on internal resources and the skills of the internal people. But they really do not have the experience to do those sorts of analysis, which are really quite challenge in understanding what the analyses are that are needed so that they can allow for that in their design of the program. There is an interaction there with the time frame that we have already mentioned. Also, there is something there about the skills and capacities of the people within the departments. It is not their fault. It is just that the experience of a more comprehensive and systematic approach to environmental planning is not well embedded within the agencies. Can you remind me of the second part of your question?

Senator SIEWERT—What were the reasons for it not being adopted and what could we be recommending to government to get Caring for our Country to deliver?

Prof. Pannell—That probably captures most of the main reasons why we are not making more progress. You have asked specifically about what can be done about Caring for our Country. I would like to answer slightly more broadly and say what should we be doing to really change this in the long term. One of the factors that we need to do is to stop asking what we can do now to deliver benefits now. We need to start changing the design of the program now so the next program in five years time will be ready with the analysis, data, information and mindsets in place to really deliver on the aspirations for what is stated for Caring for our Country now. I would like to see something like a group set up within the agencies in Canberra which is

responsible for undertaking systematic, long-term focused, scientifically based, evidence based analysis that will mean that the next time there is a program we can really do it well. Realistically, there are limits to what we can do in the current phase of Caring for our Country, because we did not do that in NHT2. That is one answer.

The other answer is we can do the best that we can with the existing knowledge and information. There is existing knowledge and information out there that we can use and there are existing investment frameworks and structured decision processes that we can use, with INFFER being a good example of a structured process. I believe this could be adopted within the time frame of Caring for our Country, but what it needs is an acceptance that it is not something that can be done instantly. It does not need five years, but it might need six months for a group to work through the process of identifying the best investment options for a particular jurisdiction, whether it is regional, state or national, and to assess them with the best available information that they currently have.

Senator SIEWERT—You just reminded me of the issue of regions. There has been a strong investment in NHT2. We moved from NHT1 to NHT2, to NAP and to the regional approach. We will probably get to more detail later, but there has been an ongoing argument about how much money regions are or are not getting. Do you consider that in moving away from the regional approach we should be finding another way of delivering NRM or should we be building on the current investment in the regional approach? Which way do you think we should be going?

Prof. Pannell—I have to confess that I am torn on that. The regional approach has not worked well to date because it has not been given the incentives, support and carrot and sticks that it needs to operate well. It probably can be made to work a lot better with the right carrots and sticks and support and it could deliver valuable outcomes within a program like Caring for our Country. On the other hand there is a large overhead cost required to keep the regional bodies operating. With the reduction in funds that they have now had under the new program, all of the core funds will be spent in just keeping the doors open and funding the staff that they have, so they are very reliant on attracting additional funds in competitive rounds or from other sources. If they were to be unsuccessful in doing that, then you would have to ask why they are being supported; what is happening with the core funds and why are we supporting core funds without the real doing funds.

I did not support the regional model when it came in. I thought it was a mistake to do that, as I could see the problems that emerged emerging. But with it in place and with so much invested in it, as in skills, networks, information and so on, and even though it has not worked particularly well, it is a smaller step to make it work well now than it was when they first brought it in. It is feasible to keep it in place, take it seriously and make it operate better but, by the same token, I do not think it would be a catastrophe if a decision was made to dismantle it.

Senator SIEWERT—What you would do in its place? Firstly, the question that goes through my mind is that if we have invested this much in the regional approach already and there is a lot of social networking that has been built up, by incapacitating them to the point now where they are just operating on an admin basis and if they are not successful in a competitive tender, you have then got a body there that is not able to do anything. You also have a group where that region is, so is anything happening on natural resource management in that area? If they have not been successful in tendering and other regional groups have, then obviously those regional

groups are going to be working in their region. I am not seeing that level of thinking going into the programs. Do you feel that level of thinking is going into the programs?

Prof. Pannell—I am sorry, I do not understand the question.

Senator SIEWERT—We have a whole lot of regional groups now that do not have a lot of projects, they are just operating administratively. My understanding of the approach that is going to be taken with Caring for our Country is that you will go out for competitive tender, as you have just said. Presumably at the moment, if a group's competitive tender is not successful they are going to be getting a bit more money to keep them going, because it is not politically feasible to kill them off so then, as you said, what are they going to be doing if they do not have any funding, but also what happens to the natural resource management in their region if they are not successful? Presumably, they are going to be the group that is tendering for natural resource management in their region. I would suggest that coming over the top of another community group is not going to be that successful. A state government might, but the same question applies: if they are not successful, what happens to natural resource management in their region?

Prof. Pannell—One part of the answer to that is that one of the things that Caring for our Country is trying to do, which is a good thing, is to become more targeted and to identify specific environmental and natural resource assets that it wants to spend money on. Some state governments are also going down that line, particularly Western Australia and Victoria. The inevitable reality of that is that there could be regions where relatively few or conceivably no assets make a state or national list. A hard-nosed attitude to that would be that that is all right, that that is part of the inevitable consequence of having a more prioritised approach and attempting to make sure that you do achieve the highest environmental and natural resource outcomes that you can with the available dollar. Some areas will get a lot less and some might miss out entirely. That is not necessarily a problem.

If there are important environmental assets that are identified as priorities but also miss out because of some way the program is not operating, then you would need some other way of it being picked up. The most obvious way would be through a state government stepping in and saying, 'We have identified this as a state level priority and we will fund it on that basis.'

Senator SIEWERT—I have a concern about the level of analysis that is required which is being crunched into three months. It seems to me that will not carry out an effective analysis. I have a further concern about losing the investment that we have made over the years into the regional groups. I described that as a leap of faith to go to the regional group model; we have made that and have invested so far in it that potentially there is a lot of social good that will be lost. Putting that aside, I would be much more confident if we could allow the time to do the adequate analysis that you were talking about earlier. At the moment I am not confident that we are going to be as targeted as we should be.

Prof. Pannell—I agree with what you are saying. The logical conclusion from that is it is another reason to support the continuation of the regional bodies at some level.

Senator SIEWERT—What happens if they are not successful in this round of competitive tender? What would you suggest we do to ensure that their capacity is not lost? We are facing

some tough decisions. It will not necessarily be a deliberate decision, but it will be as a consequence of other decisions.

Prof. Pannell—I am thinking on my feet here. This is not an issue I have thought about in any depth. One quick thought would be to look at merging regions so that one body could ensure that all areas are covered by regions that have received adequate funding. That is all I can think of at the moment. There is a related issue and that is that the program has not really thought through the role of regions. You have alluded to that in your question. How will the regions operate under this new scheme and what will happen if the sorts of things that you referred to eventuate? I have not seen evidence that those questions have been well thought through so far.

Senator ADAMS—Can I continue on that basis?

CHAIR—There is plenty of time. Are you finished, Senator Siewert?

Senator SIEWERT—I will probably have some more.

CHAIR—Senator Adams.

Senator ADAMS—As a farmer I would like to take you back to the grass roots side of it, work up towards the regions and expand the regions and the problems that our volunteers and community groups have with that. Can you give me an indication of the role that you would expect them to play in what we have got now as the regional model or if those regions were amalgamated? I am from down south and our big problem in the Blackwood Basin is that the south west is very different to the Blackwood River where it starts on the Great Southern. I have received submissions from the Blackwood and also from the South West, which will be quite interesting, but I would like an overview of what you think will happen at the grass roots? These are the people that are going to have hands-on involvement. It is their properties, the adjacent properties and the areas that are shut up. What influence or impact does that have on their properties?

Prof. Pannell—When you ask how they are going to be involved, do you mean the landholders?

Senator ADAMS—That is correct, and the community people who usually are the ones out there doing the work.

Prof. Pannell—Are you asking me how I think the new program will roll out?

Senator ADAMS—How will those people be involved?

Prof. Pannell—I guess you are asking me to guess how the program might evolve as it is implemented. I cannot necessarily see inside the heads of the departmental people who are putting it together, but I can guess and speculate.

Senator ADAMS—I will make it easier for you. You made a statement earlier saying that with the money available and their expertise at the present time the regions are having to spend

most of that on administration and project officers and, as they are competing for the people that are going out to oversee these projects, the money is not really reaching the ground.

Prof. Pannell—That is certainly an issue. As Senator Siewert mentioned earlier, they run a risk of some regions potentially not getting very much funds for on-ground works because they are not successful in the competitive phase. That would certainly mean that the scenario that you have just painted of a large number of interested community members in that region missing out on support is a possible scenario. I could comment on the way I could see it developing in a positive way through the use of the INFFER framework in the way that we have been trying to use it with regional bodies, including the South West Catchment Council in recent months. There is a number of ways in which the community can play a positive and effective role in the delivery of these programs. One is through the identification of the most special and important environmental and natural resource assets in their region that they would like to see protected. Typically, we have tried to protect far too many assets within a region with the available funds. One of the things we have been doing with INFFER is running a very structured process with community workshops where we bring out maps of the region and ask people to identify, discuss and try to reach some consensus on which are the assets that are really the important ones for them.

Then there is an element of trying to capture community knowledge about those assets, how threatened they are and what it might take to protect them. Then there are other phases of analysis that do not necessarily involve the community. They might involve experts or community within workshops where you are trying to bring expert and community knowledge together in an attempt to make decisions. Then there is a phase of implementation where, as you mentioned, the community people are involved in one way or another, depending on the nature of the implementation. It might be that grants are provided to landholders to conduct works close to or in areas that are affecting particular assets. One of the inevitable consequences of delivering on the rhetoric of the new program would be that there will be more of a focusing of the funds in a program like this such that some landholders and community members would get more funds than they have in the past and others would get less. You are likely to see a degree of tension resulting from that change, but it is a requirement and an inevitable consequence of delivering on the aspiration to be more cost effective within these programs.

One strategy that we have adopted to attempt to deal with that tension in the regions that we have been working with—which is quite a practical approach that might be relevant to Caring for our Country—is to suggest that they make an explicit decision about the proportion of their funds that is more targeted and a proportion of their funds that is less targeted and spent in a more broad-ranging way for capacity building or for technology development across the regional extension. That is one helpful way of dealing with those community tensions and failure to meet expectations that might come from a more targeted approach. In one region that we dealt with in Victoria they decided that they would spend 30 per cent of their funds in a very targeted way, 30 per cent of their funds in a capacity building untargeted way, and 40 per cent of their funds were up for grabs, expended on the basis of making a decision about the projects that came forward. Does that help answer your question?

Senator ADAMS—Yes, it does. Rural people see things very differently. As you have amalgamations of the regions they see more and more administrative staff being employed; I have a letter that I have received which is very apposite to that. They have had projects going for

a number of years which are really starting to succeed but then, all of sudden, with whoever has come in that is not what should be done and there is no funding for that anymore, and then they are off onto something else. As the regions get bigger, of course those smaller communities consider what they have got as very special, but somebody else has got something that is even more special because there are more people. We have all these scenarios going with it. You commented about the time factor with this. It is really quite ridiculous with the amount of money available. Those projects cannot get up and be done and have the analysis done on them in that time.

Prof. Pannell—I would agree with you that the chances of projects that have been developed on such a short time frame being better than the projects that are in place now are very low. On the other hand, in the longer term, if the projects were assessed well then there would very likely be plenty of scope for reallocation of funds that would improve overall outcomes. With a program of this size, being \$2.25 billion over five years, it is really a very small number compared to the scale of the problems that are out there. It is inevitable that we will have to select where the money will go. Some areas will win and some areas will lose. That is an unavoidable reality. The reality in selecting where the funds have been spent to date has not been very sophisticated. It is quite likely that a number of projects that have had quite large effort and energy put into them will be re-evaluated as not being very effective projects. It will not be all of them, but some will. That is an inevitable reality.

Senator SIEWERT—I wanted to go back to the issue of funding of regional groups in terms of the social aspect and the loss of goodwill. We have built up a tremendous amount of goodwill. Some of the questions from Senator Adams reminded me that I do not know if some of the people who are doing the work on the ground out there are actually being carried along with the decisions being made. They are just seeing one project being stopped and another one starting. There is probably really good reason for that project being stopped and another one started, but it is not being communicated well.

Prof. Pannell—That is true. Everybody in the whole system, including at the regional level, is in such a state of rushing and scrambling to attempt to position themselves and prepare bids for new funding and so on within the new system, so it does not surprise me at all that that sort of thing is not happening. There is a sentiment that has been expressed to me within the departments in Canberra that there is a real sense that they are trying to take more control of how the funds are spent and that more of the decisions will be made in Canberra about what the priorities really are. I have not discussed with anyone if they have considered how that can be communicated to existing recipients of funds but I suspect, as you have said, that it is not happening to a great degree.

To follow on from that, in some of the regions where we are relatively advanced with the work with INFFER we have gone back to regions where funding was being received and a decision has been made to no longer fund those regions. We have participated in regional meetings where that has been communicated to regions and the reasons for the changes have been explained. In the main I would say that those processes have been quite successful. If the explanation is convincing and well founded, it is possible to put to a community that explanation as to why the change is being made and have them accept the changes. We certainly found some community members that were quite unhappy, but we also found a fair number who were very accepting of the changes and said that they appreciated the reasons for that change.

Senator SIEWERT—That was going to be my next question. If INFFER is communicated and people understand the process of the decision making, does that help?

Prof. Pannell—It is a much more transparent process than typically happens. All of the rationalisation for a decision is made transparent in a fuller way than normally happens in these regional decisions.

Senator SIEWERT—I would like to go back to the use of INFFER at a national and state level. If I understand you correctly, you said that Western Australia is now going to be using it.

Prof. Pannell—The six regions in Western Australia are all currently participating in a process where we are training and supporting them to use it. A couple of them are quite advanced and the other four are in the early stages of using it. There is no formal agreement at this stage for the government agencies to use INFFER. The state government has provided some funding to support our work with the regions, but we have had some strong signals from government agencies that they are interested. My judgement is that the state agencies are quite likely to agree to use it as a common state approach.

Senator SIEWERT—What about the other states? I would like to know where the triggers are for the Commonwealth to use it, but also informing the states that they want them to use this rational decision making process.

Prof. Pannell—Of the other states the most advanced is Victoria, where we have had a long-term engagement with the Department of Sustainability and Environment and the Department of Primary Industries. They are currently going through a green paper/white paper process on biodiversity on climate change. We have had discussions with senior people in the Department of Sustainability and Environment about using INFFER as a guiding framework in their development of the white paper. I am quite hopeful that it will have a strong influence on their thinking. There are active discussions going on now about how they use INFFER in relation to the regions, the CMAs in Victoria, and what sorts of support or positions the state government should take in how it is used with the regions.

In the other states it is not so advanced. In New South Wales we have had engagement with the Department of Environment and Climate Change and also with the Natural Resources Commission. The Natural Resources Commission is responsible for providing guidance to all of the regions about their investment processes, monitoring and evaluation, so they have been briefed, understand the process and expressed enthusiasm for it, but it has not proceeded in an active way yet, other than in the one region that we are working actively with in New South Wales which is the Lachlan CMA.

In South Australia we have had briefings with senior people in the Department of Water, Land and Biodiversity Conservation and, again, it has been well received. They have offered and actively supported our efforts to engage with one of their regions as a trial process, so we are currently working the Kangaroo Island NRM board in South Australia and that seems to be going quite well. The department is watching that with a lot of interest and providing quite active support to it.

In Tasmania we have had quite active engagement with all three regions. One of the regions is very interested and looks like adopting.

We have not yet had briefings with the Victorian state government and we do not yet have any engagement in Queensland.

Senator SIEWERT—None at all in Queensland?

Prof. Pannell—No. We are a small project. We are very stretched even with the 10 regions that we are working with and the state and Commonwealth government, which we are trying to influence at the moment. We are working very hard. We have had to reach a limit where we could not go into all states. My view is that we are at the stage with this framework where the governments should be adopting and applying it. It is proven enough; we are really at an implementation phase. I feel like we are doing the state and Commonwealth governments' job for them in the work that we are doing with the regions and that they really need to pick it up and allow us to withdraw somewhat back to developing the future versions of it that are improved in various ways.

Senator SIEWERT—I would like to go back to the Commonwealth government. You went into some detail earlier about the tensions that are operating within the Commonwealth. You have, however, briefed various departmental people?

Prof. Pannell—Absolutely. We have given a large number of briefings in both departments and in joint meetings between the departments over the last several years, but quite intensively in this calendar year. We have done very regular trips to Canberra and given briefings, including the most recent one this week.

Senator SIEWERT—I refer to the point that you made to Senator Adams about the proportion of funding that should be spent on a targeted approach, capacity building and what I call the Vegemite approach. Do you still feel that there is a role for the Vegemite approach? Is that linked to the capacity building?

Prof. Pannell—It depends on what you mean by the Vegemite approach.

Senator SIEWERT—Small grant programs that fund everyone's pet project.

CHAIR—You saved me asking that.

Prof. Pannell—The Envirofund.

Senator SIEWERT—Yes.

Prof. Pannell—There are two answers. They serve a useful purpose as a political relief valve to take the pressure off programs so that they can spend money in a more strategic, hard-nosed way. Within those programs there inevitably are some very good projects, and even some quite outstanding projects, that give really good value for money. It is very difficult to identify which ones they are because the quality of the technical information about the impacts of those

activities is often not there; it is not available as it is not required in the assessment of the projects.

Senator SIEWERT—Was the proportion that you used in answering Senator Adams's question off the top of your head?

Prof. Pannell—That is one example of a decision that has been made by one CMA in one region. We have prepared a document in which we have tried to provide some sort of guidance or at least to put some ideas to regions about how they should think about this problem: 'Here are the factors that you should consider when weighing up how you divvy up the funds between targeted and untargeted investments.' It would depend on things like the capacity of the landholders in the region to deliver what you want and the number of very special iconic nationally significant assets that are in your region. In Senator Adams's area, particularly the western half, there are some fantastic nationally significant assets. In the eastern part there are fewer really outstanding ones and they are much more difficult to identify. You will find some regions that are very much like the west of Senator Adams's regions and some more like the east, so that would influence the balance that that region would achieve.

Senator SIEWERT—I am also thinking about the national level. Could you suggest what proportion of Caring for our Country would be at a national level that is targeted, bearing in mind that at the moment they have got Envirofund out? I must admit I put Envirofund under capacity building because that is really about engaging local groups and local landholders as a way of community engagement. I know capacity building can be separate, but I do think it is part of community engagement. Would you be suggesting that we do the same federally?

Prof. Pannell—In the recent engagement that we have had with regions some of them have expressed a view that they would prefer that either state or national governments make that call so that they have a clearer expectation about what proportion of their effort is likely to end up in capacity building as opposed to targeted investment. It would be good if governments could do that.

Senator SIEWERT—If the Commonwealth did that?

Prof. Pannell—Yes. I do not have a firm view about what the split should be, but I have firm views about the factors that ought to be considered when that call is made. That would include the sorts of issues that we were discussing and others that I could find in the document if you would like.

Senator SIEWERT—Yes, that would be very much appreciated. I have another question.

CHAIR—By all means.

Senator SIEWERT—The big issue that came out of the Auditor-General's report was monitoring and evaluation. How do we fix it?

Prof. Pannell—A particular view of mine is that we will not fix it until we sort out the selection of targets. I do not think that you can have good monitoring and evaluation of this sort of program unless the targets have been well selected. The targets need to be based on evidence

about value, threat, feasibility and adoptability and the process of selecting investments needs to identify the particular works that the environmental manager judges will achieve a particular outcome and a specified goal for that—a realistic goal, not an aspirational goal—that provides very clear guidance for what the monitoring and evaluation program should be doing. They should be watching the investment to see whether it is achieving those clearly specified goals about achieving a particular thing in a particular place by a particular time. We have never done that. I just do not think we can solve the problem unless we get that specific. The sort of monitoring that has usually been done on a very broad scale with monitoring of condition trends on a very large scale is useful only as a sort of canary in a coalmine role in saying, ‘There is a real problem over here which we are not dealing with adequately.’ In terms of evaluating the performance of the program and the investments of the program, it is of no use whatsoever because the capacity to attribute changes as a result of the program investments to very large scale trends like that is almost zero.

CHAIR—Senator Adams, you have a question.

Senator ADAMS—Coming back to the role of subregions and looking at the expansion and geographical changes, do you see a role for the subregional groups within a region?

Prof. Pannell—You are in a region with particularly strong subregional groups.

Senator ADAMS—I certainly am.

Prof. Pannell—In a region where they currently exist they are a part of the infrastructure of that region and play a very important role. To be honest, I do not see how you could do away with them and expect that the regional body in its current form could continue to operate. I am thinking specifically of your region when saying that the reliance of the regional body in that region on the subregional groups is very strong. I can think of other regions where the subregional groups are not nearly so strong and play a less significant role in guiding, influencing and supporting the regional body, and so their ongoing role is likely to be a lot less.

Senator ADAMS—Unfortunately in that particular region, because of the build up of the administration area in the South West, their money is becoming less and less to achieve what they are trying to do, so they are very concerned. When you were talking about having regions expanded I was thinking where is this all going to go, because the volunteers and these local people are absolutely passionate about improving the country and they really need to be supported. I just cannot see, in your model, how they are going to be supported.

Prof. Pannell—Let me just clarify that. I would not classify a merger of regions as being my model. It was a suggestion that I made in response to a question by Senator Siewert as to how you might respond to a problem where one region hypothetically ends up with little or no resourcing. It is not something that I have been advocating; it is not something I am pushing for now. It was a potential response that I thought of off-the-cuff. With that clarification, I think you are right that the subregional groups are currently experiencing a drought of funds and it is a consequence of the fact that the program has substantially contracted funds going to the regions. It is an unavoidable consequence of that. What remains to be seen is when the program plays out is whether or not the region is successful in getting funds to support the ongoing funding of the programs in the region, through the subregional groups that you have identified. I am not in a

position to predict that, so I am having difficulty responding other than to say that I think you are correct that there has been a contraction, but it is difficult to see how that might play out; we are very much in a transition phase.

My expectation would be that the signals that have been made about the opening up of competitive funds to a broader range of groups could have one or two effects. In theory, it seems to me that a subregional group could bid for those funds itself. But on the other hand, you will also run into competition from state government agencies and NGOs, so I would expect that the pool of funds going through the regional system will inevitably shrink to some degree.

Senator ADAMS—The hardest part for them is that they have not got the administration to produce the submissions. They have not got project officers or any money to employ project officers to get up a submission of a decent standard. This is where these community groups, with all their goodwill, feel that the regional body should be doing that, but that is not their role. A lot of communication needs to be done. I was very happy when you mentioned that, because it is fine for a certain level to be informed, but if the level down on the ground who are really expected to get in and do the work and really understand the area and they are not being informed correctly, then problems arise. You then have people losing interest and all the projects fall over, so we are going backwards. Those are the issues that are coming back to me with the feedback that I am getting.

Prof. Pannell—I do not have any disagreement with that.

Senator SIEWERT—You talked about setting up a group that does that systematic, long-term analysis. Could I infer from your comments that that is a similar sort of body that you were suggesting in your submission where you talked about the one proposed by Peter Cullen?

Prof. Pannell—No, it was not. The suggestion I made this morning was referring to an internal team within the NRM joint team that would be responsible for undertaking long-term analysis to inform future investments.

Senator SIEWERT—The other group that you are talking about is an independent body that oversees all NRM?

Prof. Pannell—In my submission I referred to a proposal by Peter Cullen to establish an independent body, somewhat of the nature of the Reserve Bank, that would take ultimate responsibility for delivery of outcomes.

Senator ADAMS—Would it be more like the Murray-Darling Basin Authority which has been set up, but they are going to be changing to become more independent? It is not as independent as some of us would like, but do you mean a similar sort of thing?

Prof. Pannell—It would be the same sort of idea. That is correct.

Senator ADAMS—I just wanted to clarify that.

CHAIR—Thank you, Professor.

[10.34 am]

HAYWARD, Mr Kenneth John, Private capacity

KELLY, Mr Glen, Chief Executive Officer, South West Aboriginal Land and Sea Council

GILES, Mr Kevin Mark, Noongar Nation

CHAIR—We will now call our next witnesses, Mr Hayward, Mr Giles and Mr Kelly. I welcome witnesses. Do you have any comments to make on the capacity in which you appear?

Mr Hayward—I am representing my family and Nyungar nations.

CHAIR—Thank you. Before we go to questions does anyone wish to make a brief opening statement?

Mr Giles—I welcome the opportunity to make these comments.

Mr Hayward—I welcome the opportunity to make these comments. **CHAIR**—Does anyone else wish to make any comments? Please feel free because we have an hour.

Mr Giles—Do not worry. You are going to get a lot of comments. I do not think an hour is long enough.

Mr Hayward—We welcome the opportunity. In our Nations is a concept for the future of our people. We have been carers for country for 60,000 years in Australia, with 47,000 years in our south west. We still have amazing places that are deeply entrenched within our spirituality and our connection to country. The way NRM has been working in the regions does not allow for our autonomy and that is why we welcome being here to speak to you today.

Mr Kelly—My organisation is the native title representative body for the south west of Western Australia and our claim strategies, our governance and the way that we organise ourselves is in line with the idea of a Nyungar nation of people and a Nyungar society. You would have heard a lot about native title in Perth a couple of years ago. That was from a claim based on a Nyungar society.

SWALSC as an organisation is an arm and a piece of the infrastructure of our mob. We cover the south west from about Geraldton out to Esperance. We number about 30,000 to 35,000 people. Our territory is actually larger than Victoria and we are probably the single largest nation of Indigenous people in Australia. We have a very young population. As you know, we also have a disjointed landscape which is highly cleared and farmed yet, as Mr Giles was alluding to, there are a lot of places which are uncleared and of very high value and very important to us. From SWALSC's perspective, we view ourselves as an enabler. We are a piece of infrastructure and we try to service the needs of our nation of people in a variety of ways. One of those is in NRM. As we go through today we will talk about some of the barriers that have existed there in the past.

CHAIR—I will go to questions. Senator Hutchins?

Senator HUTCHINS—Thank you for coming along today. I have had an opportunity to read your submission and at this point I will ask the questions and you may want to expand on them. Page 7 of your submission states:

The speed and radicalism of the change does not seem to be congruent with the other change programs across the Australian government, such as ...

CHAIR—I was caught the same as you. I will tell you why. On our agenda program today I saw former and I saw the South West Catchment Council, but they are coming later today. I am sorry, but I got caught as well.

Senator HUTCHINS—I just wanted to impress people that I had read it, but I read the wrong one.

CHAIR—I will help you out. You are not alone there. We have broken the ice and that is fantastic. I will let Senator Hutchins read that and give me a brief summary, too. We will go to Senator Siewert.

Senator SIEWERT—We received your submission this morning. You have obviously given answers to each of the dot points that we asked.

Mr Giles—Again, it is just dot points and we are preparing a thorough submission where we will expand on those dot points. There is a lot more to this document and we will probably need two to three hours to go through some of the issues that we are talking about.

Senator SIEWERT—That is what I would like to get into. You have responded to our terms of reference, but I would also like to know what you think are the most important lessons we have learned from your past involvement with the program. I am aware that all three of you have had long-term involvement in these programs at NRM. If we were trying to fix NRM what would be the key things you would say to us as the recommendations? We are talking about Caring for our Country.

Mr Giles—It is a marvellous co-option of an Indigenous phrase.

Senator SIEWERT—Yes. You may want to get something on the record about that as well. Forgetting about what programs are running at the moment, what do you think would be the best thing we could do for NRM and how we make it work for you?

Mr Giles—I can tell you now how you can make it work under the COAG framework. There is a way the COAG operates and, with the way it is operating now, no community staff get up to COAG. The exercise is how you exactly influence the COAG and the ministerial councils. Under the NRM, with the primary industries, they are doing the roll out, it comes down and then there is the investment planning process. Oh, where to you start?

Senator SIEWERT—Do you mean investment planning in the regions?

Mr Giles—Yes, the regions and the investment plans. It comes back to the bilaterals. The bilaterals are written and then there is no room for what we are doing. I have been working for the catchment council for 5½ years and we have developed the Cultural Heritage program as a framework which we can duplicate across the country. Everything has been done, but the problem comes with the investment planning process. You put up your investment plan. This is our program, but we work across all the other ones, anyway. That is just how we do it. We have to work with everyone to do the job properly. When you go down and go through the investment planning process, it goes back to all these decision making bodies and then it comes back and is distributed amongst the other programs.

Senator HUTCHINS—Is the investment plan prepared by your body?

Mr Giles—By the CMA or the catchment council.

Senator HUTCHINS—And then presented to whom?

Mr Giles—The regional chairs group, joint steering committee and senior officers group; all of these groups have to look at it. You have the other ministerial councils looking at it as well. These decision-making bodies that look at it and make the decisions, but there is a conflict of interest there because they are influenced by the Department of Agriculture, the Department of Environment and Conservation and all these other groups. Just to complicate it a bit more, I am on the Aboriginal Lands Trust and we are the largest landholding body in the southern hemisphere, and we are not on any of these boards. It makes it very hard to influence or get any access to NHT dollars. With the NHT land there is a lot of duplication with the ALT and we are actually doing this stuff. What has happened is that the catchment council process does not allow for what we are doing. We get to a certain level.

Senator SIEWERT—For the trust?

Mr Giles—No, I mean the catchment councils and the whole NHT process and the network of the Indigenous side of it. You can go so far. You have developed the program, and then you need the funding to do the on-ground stuff that you have developed. But then when it comes back to the investment planning process, you miss out and then you have got no resources to do it on the ground. You then lose the support of the community.

The funding process is unfair across Australia. There are 56 NRM regions and the majority goes to the agriculture section. This is because NRM has two different meanings. Non-Aboriginal people reckon that natural resource management is productivity of this nation. Aboriginal people reckon that natural resource management is about protecting the environment and the culture that exists in the environment. There are two different meanings and this needs to be documented. We need to be set up over here to let us go out and do what we are doing. With what we have done in setting it up means we are out doing this anyway. If we cannot do it here, we are going to go and power the community to go and do this. This is happening now and going across the country. The Australian and state governments should realise this and take advantage of it, because we are actually delivering all of the priority outcomes that they have addressed or are looking to address, but they do not know how to do it. The only way to do it is to empower at the regional level the Indigenous centre, program managers, coordinators and that network. They need to give them resources to do the stuff and get on with it.

Senator HUTCHINS—What do you think is the reason that there is not an equal distribution of funds? Can you tell us why that does not occur now?

Mr Giles—It is because of the concept that we have got the environment and the thing is productivity. You have got these boards influenced by the Department of Agriculture and others. It gets up to them and the projects that come up are funded throughout the wheat belt. An example was the investment planning where, say, Avon gets \$50 million. We get \$3 million in Perth. Then you have the range lands that get \$2 million, which is the largest NRM region in Australia. There are a lot of problems up there, but the community have been forced to do it themselves. A lot of the time they have been doing this as part of their culture anyway and that has got to be picked up.

These boards make the decisions and then all the funding goes back into the agriculture section. This is happening across the country. I went to a national NRM conference where they got up and said, ‘NRM is about productivity of this nation’, and with climate change that is not the answer. The answer is combining everything now and adapting. Our jobs are about our kids and our kids’ futures, basically. We are setting things up so they can exist in the future. If we do not do things now, then in another 10 years the economic rationalism debate is going to be out the door because you are putting \$2.25 billion into NHT now. In 10 years’ time you are going to be putting \$200 billion into it to try to reverse the condition back to what it is today. They need to put more into it, or come up with a multilateral agreement with services. NRM needs to be the core business of every one of their ministerial councils. We will then have one delivery system in the middle going straight out to NRM, and in that way it will cover all the agencies as well.

Mr Kelly—I guess you will be providing more information in your more detailed submission. Conceptually it is difficult without seeing the picture.

Mr Hayward—There is a bureaucratic process that is in place and there is an accountability that NRM groups have. There are dollars available to help support things that the government agencies are doing at present. Notoriously throughout the history of allocated programs for the inclusion of all communities, Aboriginal people miss out. The process in my experience of looking at NRM engagement throughout Western Australia, which I was contracted to do, revealed a lack of understanding of the process of the NRM. That included all the regions. Some of our people were not aware of the process for funding that they could apply for.

We can give you examples of the top-heavy scenario within government agencies being on working groups within the NRM structures. There are different names used for groups of people that come together to allocate funds to plan and to go over those plans in the context of the strategies and the investment plans in particular. Monitoring and evaluation comes into that. The Department of Indigenous Affairs down in the Great Southern, which sits on one of the working groups for the allocation of funds, have a mandate as an advocate for Aboriginal people in this state. They have received funding for heritage programs. I am not too sure of the amount. The majority of Aboriginal people, Nyungar people, who live in the Great Southern were not aware that that process was taking place, so the autonomy of our people in decision-making was missed out in the first planning process. You need to do consultation for our people on any heritage matters. There is a document that was put out years ago called *Ask first* in regard to heritage matters.

There were failings by DIA on that working group. There were failings by the South Coast NRM people, called SCRIPT, at the time to include our people. The effect of that is that our people who are not included are actually in competition with the government agency that receives funding for staff to work with the community on heritage matters. What they did was they expanded their role in heritage as the advocacy receiving money to manage certain programs to do with heritage and NRM.

Senator SIEWERT—DIA?

Mr Hayward—The Department of Indigenous Affairs.

Senator SIEWERT—They have money to do that?

Mr Hayward—They had money allocated to them by South Coast NRM. The effect of that is that it does not give our people autonomy. There is an Albany Aboriginal Corporation that should have received a pool of funds to deliver, manage, maintain, administer and acquit funding connected to funds received by South Coast NRM. This does not happen. So the competition of a government agency that has its mandate in the advocacy role to actually deliver programs leaves our people down on the lower rung of the ladder: ‘We will tell you how to do it, when to do it and we will make sure that it is acquitted right.’ At the end of the day there is a heritage committee of Aboriginal elders; many husbands and wives know the outcomes of the meetings that they have in regards to the NRM funding, but the majority of people do not know what is going on. There is a catch phrase of grassroots people who live in a community that have not got the chance or the knowledge that they could participate in NRM projects. That is one example of it not working.

There are some good things that have happened. There is a site called Many Peaks that was destroyed to a certain extent and so the Department of Indigenous Affairs, with the work of David Guilfoyle who worked with Restoring Connections, which was a non-investment cross-regional project, and myself we helped obtain funds from ILC to secure that property. DIA managed that via the Heritage Reference Group. Because there was no inclusion of the majority of Nyungar people in the region, people did not know what was going on. They did not know the nuts and bolts of the project. There are five funded positions in the south coast with on-costs contributing to \$500,000 in an allocation of their budget. There are a number of projects that Aboriginal people could be doing, but they do not get the resources to do that and they do not have the knowledge of how they can be included.

There is the lack of a steering committee from the birth of SCRIPT as far as Aboriginal people are concerned. There is a lack of a committed relationship with the land council and the end result means that our people are missing out. There are a lot of family groups that have ecological knowledge, site knowledge and knowledge of country. They are holding their information because there is a lack of trust. What happens is that you would have a small group of people who are the go-to people in the south coast region and they are benefiting. They might find that they have positions within, say, the Department of Agriculture. An example is that one person has an ILC property and the funding allocation has gone to develop things on those ILC properties. Your uneven balance of equilibrium there is that those people who have had the knowledge to put in an application, and a good application, to receive funding from ILC are going to benefit even more.

You have a family whose son or daughter is looking at furthering their education and a good way to do that would be to care for country, but there is no allocation of funding that helps bring that skill level up so that people are in the system and have knowledge of the system, but also have their cultural heritage so that there is a magic balance in caring for country. That is what NRM is about. Mr Giles has alluded to the fact that we look at NRM as caring for country. You have funding under the streams of water, land, biodiversity and coastal marine. In the south coast I have written a building cultural understanding in NRM with a budget attached to it so it could be funded, because I was told prior to that, 'Do not worry Ken, the cultural heritage is built into the regional capacity. We do not have to allocate a budget to that, it already is.' In my experience, I can sit here and say that I was being blocked, so I wrote two programs overnight, obviously with input in my role and submitted those in a working group meeting so they would not be knocked back. There are some good people who work in NRM and I found that some of my colleagues helped me allocate funds for the budget for those two cultural programs so that it would not be knocked back.

I do not believe that funding that was allocated to those programs has been properly utilised and delivered in the time of SCRIPT and now becoming South Coast NRM. There needs to be more than a cultural awareness workshop for people who run organisations who do not want to include Aboriginal people in it.

Autonomy of our people is lacking. Skills development and participation of looking after our country, and it is Australia's country, in the way of land management and conservation is lacking because we do not have the autonomy as an equal partner, as a consensus in the way that our people work, that is, in the way the land council works as representatives of people. I feel that needs to happen, in particular, for a better future for the inclusion of our people.

Bureaucratic mechanisms, reporting and accountability take time; they take positions. In my experience, I feel that the new structures of NRM actually implemented a fourth tier of government and there is a bureaucratic mechanism within that coupled with a lack of will to include Aboriginal people.

Mr Kelly—I wanted to add to what Mr Giles and Mr Hayward have commented on. When we track through the various delivery models that NHT has worked through, initially there was a state strategic model where a lot of decision-making occurred at the state level. There were significant barriers at the time in first of all getting Indigenous perspectives of land and what we call Caring for Country, which is now the national phrase almost, incorporated into the ideas of mainstream NRM. This is what Mr Hayward has already alluded to. Often we would have projects that came forward with a strong cultural component and, because they were written in a slightly different language or because they were written with a slightly different emphasis, there were often barriers presented for the acceptance of those sorts of ideas.

The other issue that we had at the time was capacity. One of the complaints about NHT1, which perhaps still stands, is that the best skill that a group of people could have is to write applications. Some of the applications that we needed to write during that period were very lengthy and very detailed. The capacity within the Indigenous community in Western Australia just was not there in order to access the program. At the same time there was much discussion about the strategic focus and because, in many cases, Aboriginal communities were coming in at the ground level, some 10 to 15 years after for example when the Landcare system started, then

people were unable to engage at that strategic focus because it was a ground-level type of movement.

When we moved into NHT one of the responses to that was the development of the Envirofund. In many respects the Envirofund was supposed to be for non-strategic capacity building programs which engendered knowledge and an ability to engage in NRM programs with people, whether it be catchment groups, small farming communities, Indigenous groups or anyone else. During the process of the Envirofund we found ourselves once again unfortunately in the same situation. The Envirofund people, once again, started talking about the strategic focus and the writing of applications, et cetera. It took away the ground which people anticipated to be in relation to capacity.

At this point I would like to note for the committee that I am a member of the Indigenous Advisory Committee—although I am not here representing them—which is a committee set up under the EPBC Act. The committee advises the minister on the operations of the EPBC Act. Our terms of reference are currently being expanded. I raise that because we get on to the bilaterals and NHT2. NHT2 was set up and it was enabled for the regions. People decided, in many cases correctly, that the state delivery model was very difficult, it did not give enough credence to the real priorities in the regions, and there needed to be a refocusing on things more at a grounded level through the catchment councils.

Part of our role in the IAC was to say to the states, ‘Can we please view the bilaterals or at least gain some briefing on the bilateral process?’ Essentially the answer was no. In this respect we saw ourselves as a bit of a last resort mechanism because we knew that at the local and state levels people who were very keen on becoming involved in NRM and communities who were very keen to engage in NRM activities—to either get in front of the game and make sure that their land did not get degraded, or bring land back up to scratch again—were unable to have any real influence in the bilateral process. When you cannot, the rules of the game are set up in a way which overlook your perspectives and your priorities from the outset. When we found that even at the IAC level we were not able to gain access to the bilateral process we thought that this was probably a stitch-up from the beginning in relation to NHT2 and we have formed our decisions further in that regard.

The catchment councils, quite properly in many ways because of the weaknesses of the previous delivery arrangements, were furnished with a stronger ability to deliver projects and programs which were closer to the regional priorities. That is, of course, dependent on whether you are able to have your regional priorities built into the regional investment plans. I will note that there have been a number of catchment councils in the south west which have done quite a good job and have partnered with organisations like ours very well. One of those is the Northern Ag Catchment Council, which has put a significant investment into some Aboriginal Land Trust land, which is a reserve area north of Perth, which *Rabbit Proof Fence* is sort of based on. It is a place called the Mogumber Mission. The second is the South West Catchment Council, which has been very open to broad partnerships with organisations like the South West Land and Sea Council. These partnerships are very important to us because we have a pan-Nyungar perspective. Within our region we have every catchment council within our bailiwick, although admittedly only a small portion of the range lands area.

CHAIR—How many catchment councils are there?

Mr Kelly—In Western Australia there are six.

Senator SIEWERT—Yes. There are six and we call them regional groups.

Mr Giles—There are 56 nationally.

Mr Kelly—What we have sought to do is to drive partnerships with the catchment councils. As I have mentioned, some have been very open to it. Others, while not closed to it, have been a little bit more difficult to convince in certain ways.

The reason why this is important is that the investment plans of the catchment councils drive the type of funding and the type of programs that can be entered into over the period that those investment plans exist. We have found that partly because we were not equipped and our capacity—once again this is a capacity issue which was not addressed through NHT1 and which was not addressed through the Envirofund—to engage was very poor. So our capacity to have some sort of influence on the investment plans was very low, apart from in those areas where some of the catchment councils like SWCC, Metro, Swan, NAC and others employed Nyungar people directly to have some input. What we have found after that is that now when we seek to engage in NRM on a broader focus, on a Nyungar focus, that it is quite difficult. Within Nyungar country, because we have these six catchment councils, we now have a variety of different strategies and the bodies going off in different directions. This is problematic for us because we want to see some cohesion and some coherence in the way that NRM is developed in Nyungar country, not only for Nyungar people but in Nyungar country, because we consider things in a Nyungar country perspective and not on the smaller catchment council perspective, so we would like to see some improvements in that area.

The new arrangements, although still a little unclear in our minds, may provide us with some opportunity to do this. From our side I have already sent correspondence to the catchment councils which I will be following up very soon to strike an Indigenous NRM accord across the south west so that we can have a greater level of coherence and consistency in the way that these programs are delivered in the south west for Nyungar priority projects, project areas and strategy.

This is both important and unimportant. I will explain it this way. Firstly, it is important because the catchment council investment plans still have relevance. The fact that they are closer to the region means that they will have a high set of knowledge in relation to the on-ground priorities of any given region. From what I am gathering so far on the flip side, there is a possibility that the new arrangements, which I think are very positive, might have greater opportunities for organisations like the one that I head up, which is cross-regional and is seeking coherence and consistency across a broad range of catchment councils.

Currently we are at the behest of the investment plans and in many cases the priorities in there are wrong for us. If the catchment councils are unable to strike an accord on Indigenous NRM then we find ourselves in a situation that Mr Hayward alluded to on the south coast. We find ourselves in a situation where we will be directly competing with the catchment councils for engagement in NRM programs. This is probably not the situation that we want to be in but, given that we have been left on the outer for quite some time, then we are quite happy to engage in this sort of competition. It would be far better if that was not the case. The word that I have

from Canberra and from the people who are designing the program currently is that there are probably more opportunities for cross-regional bodies like mine in the new arrangements than there has been in the past, and in the past that lack of opportunity has been a real problem for us.

There are some alerts in the new arrangements which are difficult for us in the south west, and for reasons which we understand. There has always been a very strong focus put on those Indigenous peoples who hold and own their own land. Part of the reason for this in the new arrangement—which we have discussed with the previous minister at the IAC table—is when they canned or were going through the ructions with the CDEP program the discussions that we had were, ‘We have a whole variety of ranges and people who work on country and in country with doing important things with AQIS and why are their activities not seen as part of delivering the national outcomes in relation to NRM and land management?’ So, there was a decision within the new arrangements to put a great focus on people who hold their own land.

Senator SIEWERT—Was that NHT2?

Mr Kelly—No, in coming up with the new arrangements. That is fine. There is no problem with that, but it carries on programs which had already been in operation. What it means for us in the south west is—and this is probably the greatest threat in the new arrangements for us—that it takes the emphasis to a very strong degree away from those Indigenous people who do not currently hold a lot of land, and we are in that situation.

We have a strategic focus developing and unfortunately the people who are developing this strongly cannot be here today, but we have all been involved in this idea of cultural corridors, which for us in Nyungar country is an opportunity. They are Nyungar pathways or cultural ways, which are either trade or cultural roots with dreaming trails and that sort of stuff. A lot of them are built out highways now, but some of them are not. This is providing for us in Nyungar country a strategic approach in which to engage in NRM. It is strategic in relation to repairing country, working with agencies who hold lands to manage country in an appropriate way, and in the way that it can guide us in relation to land acquisition. However, currently it looks as though the new arrangements will provide us with very little opportunity to engage in NRM in these very important cultural and environmental areas, because places like the south western people who do not hold land and country are so strongly de-emphasised in the way that the new arrangements are being developed.

Aside from all the important things about partnership with the catchment councils—which we believe need to happen and if they do not I guess we will be trying to go alone a bit—the biggest barrier is the way the program design has taken place which will place in front of us a strong barrier to first of all engage at a ground level with NRM programs and projects. That is something that is worthwhile thinking about as these new arrangements get further developed.

I know that the business plan is still in drafting. I have seen the business plan, although I have not been given copies or anything like that, because it is still a document which is in development. There are opportunities for mobs like ours in the south west within the new business plan, however, because of the way that it is developing, we will need to engage in the mainstream of NRM. As it has been pointed out, there have been significant systemic barriers for us to do that, so we are probably facing another few years of not being able to engage in the NRM project or program to the level in which we would like to.

Mr Giles—I would like to add to that. The expansion, for your knowledge, on cultural corridors is not just about land. It is about social justice, forming a partnership with the ministry of justice, so we can get our kids back to learning their cultural heritage. That, therefore, is wellbeing. That needs to be the future of Nyungar nations that have a concept of cultural corridors. It is also health and wellbeing. If you have people on country they are healed straightaway. A couple were teaching them about the elders' wisdom, knowledge of country and spirituality, then they are healed. That is all going into the cultural corridors concept. There is employment and training that will go with it as well. There are a number of projects where we can create larger buffer zones in those cultural corridors along rivers and creek lines where a lot of our dreaming trails went from inland in Nyungar country, right through to the coast. We know those trails. So, it is health and wellbeing. We die at 47 years of age as men; I am a tick over that average. Maybe I am meant to help do some other things for my people. I know what my mission is. There are a lot of other Nyungar men and women who know what their mission is, and that is the future of our people. We would like the opportunity, especially in NRM, to care for our country in partnership with Landcare groups and in partnership with wadjulas because that is the future. We are all Australians. Nyungar heritage, Aboriginal heritage, is Australia's heritage. That is the future.

CHAIR—Could you provide some further information to committee on the cultural corridors? I do not mean now, but when you leave, so that we can take something away with us.

Mr Giles—Most definitely.

Mr Kelly—From what Mr Hayward and Mr Giles have said, there is so much more to NRM for us. It means so much more than planting trees and farm productivity. It means bringing our country back to life. It means bringing our people back to life. It means reinvigorating our culture and our customs. That is why it has been extremely difficult for us to stand by and watch for so many years our inability to properly engage. Although things have developed, we still have some distance to go. I would like to add to what Mr Hayward was saying to emphasise those other very strong parts of what the NRM project means for us.

CHAIR—Mr Giles, bear in mind there is only 15 minutes left and we would like to ask some questions.

Mr Giles—I will quickly go through these. The bilateral process is too drawn out. They take 12 to 18 months and then people are left in the dark as to what the guidelines should be. No one is clear on it and hence, 56 different NRM concepts come back to the investment planning process.

Senator SIEWERT—I would like to interject there. Do you know if any non-government organisations have been invited to be part of the next one?

Mr Giles—The next?

Senator SIEWERT—The next bilateral. Presumably there will be a new bilateral over Caring for our Country.

Mr Giles—It started to happen last year. They developed these committees to have input into it. I think it was just a requirement of government to have an Aboriginal person on there, so it was just tokenism. You are put there to make a comment, then your comment is not listened to, and then you are not needed at the next meeting when it goes up to the next level where it is signed off. They do not have to put what you have said into it and it never happens.

CHAIR—Have any other NGOs or non-Indigenous groups been invited that you know of?

Mr Giles—I am not sure about that.

Senator SIEWERT—I will make sure that I ask each of the catchment councils as they come in.

Mr Giles—There is an action plan. That does happen. It goes out to all the other groups, but again what we put in there does not come out at the other end of the investment planning side of it. The business planning template is too long. It has taken them over 12 months to get where they are now, and it is still in draft form. Again, there are no guidelines for how a community should be doing it, but we have grabbed that business template and we are putting everything into it now. We have the ALT strategic plan aligned to it. Every plan in the strategy that has been written in the last six years we have had input into it. Word for word has been written into these strategies.

What is happening now is that you have got positions popping up—the Aboriginal Tourism and Development Coordinator, the Aboriginal Economic Development and the Aboriginal Employment. All these strategies are happening and all these positions are popping up in the last 12 months, which all form part of the Indigenous Caring for our Country network because we are all aimed at doing the same thing. What we are aimed at doing is producing heritage management plans which cater for all the other stuff as well. It is based on the Australian stock exchange standards of good governance. It sets community up to actually manage the environment and produce an economy so that we can levy that economy to put back into it. Local governments love this because it takes pressure off them to actually look after this bushland.

We can protect it. The way we do it is we talk to all the stakeholders. You have 50 stakeholder groups. You know what each of them do because they specialise. You can timeline and get them all to come in and do it. What you have done after you have finished a project after six months is that you have got this one bushland and no-one is going to come and develop it because there are too many interest groups attached to it. You have got this one interest group controlling this bushland, which is being managed sustainably. It does not need money from government or anywhere else. We have the opportunity now to implement these, put them on the ground, make them work and show the rest of the country how you do it properly, but then there is the funding side of it. Whether they see us a threat or whether it is development threats, it just gets caught in the system. It then comes back as being too hard, so they do not allocate the funding.

There is another thing where the funding does not happen. I will draw your attention to the Indigenous Affairs Ministerial Council and the CATSIA. In 2005 they closed ATSIC and brought these new arrangements in. If they implemented what they said in that document, it would work. There is a regional delivery model. All they had to do was identify regional representative

structures around the country. We had completed the discussion paper and put it forward. All they had to do was identify the regional NRM groups across Australia, being 56 of them. That is the structure: 56 NRM groups with an Indigenous component doing everything that they asked. Regional partnership agreements come out of it. That is the government service delivery strategy. Then the shared responsibility agreements are where the community come on and do what the regional partnership agreement spells out.

We have put stuff back through the ICCs and OIPC. There is a large amount of funding there. The NRM and Caring for our Country should be put together as a bilateral. You could even draw the Australian Local Government Association and ministerial council into this. Every one of the ministerial councils has produced Aboriginal reconciliation action plans. This is how we make our link into all of them, so the multilateral thing is already there through the reconciliation action plans. What they need to do is recognise this as a regional representative structure. Under that we have got how it goes back out on the ground. In the middle of it is where the funding pool comes out of the multilateral agreement. Then it is equal distribution to the 56 NRM regions across Australia.

We have set the program up. We have developed things like the Maali Foundation because government would not fund any programs that we were doing. I tested this out by developing the project and sending it out to the two new coordinators that started in the other regions. It was exactly the same application but with a different name or catchment group. They got funding and we did not. They could not say why they did not fund it. Again, this happened about 20 or 30 times, so we set up the Maali Foundation under the National Trust to accept donations. Hopefully, through heaps of donations, we can get stuff to preserve what we are doing under the cultural heritage, written with a regional NRM strategy. We have cultural heritage as an asset of the Perth region. It has a 50-year aspirational target, with development management actions and targets under it and management actions under that. We did that in 2003 and have gone through and developed an Indigenous NRM advisory group that covers the Perth area with a man and woman from each of the subregions. There are 10 people on it. The Maali Foundation is that group and the Maali Foundation sits up under the National Trust of Australia.

We have also got the chairperson of the catchment council included on the Maali Foundation, so we have 11 members there. In doing this it cuts the red tape for community to get on with Working on Country. Another thing with Working on Country is there is too much legislation out there. People look at it and say, 'It is too hard. We cannot do it because of this.' But then you look at the piece of legislation and it will also have a clause in there to say how you can do it. Again, we are educating people out there to go back and read the legislation, 'Put it back to government and if they say no, then whack them with the legislation. You have an obligation to do this anyway. How come you are not doing it?' This comes back to the bilateral process. It does not spell it out in the bilateral process. There is no room for community to have a say in what goes at the top end, which comes back to the ministerial council level.

CHAIR—When you say equal distribution between the catchments, do you mean equal as in there is the pie and everyone gets the same size, or does it go to how many people are in that area and how large the area is?

Mr Giles—Again, say there is a network. There are 56 NRM regions. If they did their Indigenous engagement and employed an Aboriginal person there, that is 56 Indigenous NRM

program managers and coordinators around the country. They can develop a bucket of money there. You have got the Australian side of it with the network and the ILMF, the Indigenous land management facilitator. You need to put them in charge of it. Give them the bucket of money and then it just comes straight down to the regional level. It makes them accountable, too. Now we have this friction between state and Commonwealth. They are always arguing. The bilateral process gets drawn out and Western Australia seems to be the last one to sign on the dotted line all the time, and by the time we do sign there is nothing left in the bucket. The eastern states get all the pie and we have just got to smile and keep going.

CHAIR—We have three Western Australians on this committee and I will not mention the one who is not, so you have got an ear here.

Mr Giles—We will go back on to a positive here. One of the positives when we started was the whole NRM concept. We were sitting down with a couple of people and we came up with Caring for our Country, which is about our future. We have to do it. We are all obligated to do it. We need to put all the rubbish aside and get on with it. We need to get everyone together. This is reconciliation. We are actually doing it. By doing all of this stuff what we have been doing is achieving native title outcomes. We are putting people in charge in looking after country. We are achieving heritage outcomes. We are achieving all of these outcomes, documenting it, putting it back to government and delivering on their priorities, but somehow there is no funding to do anything. Where does all this money go? Again, if we had that central bucket in the middle through the ILMF or through the regional network we would have more stuff happening on the ground.

What is happening now is that the Aboriginal Land Trust is funding positions around the state to keep going with this land and sea management. We have only got so much funds there, and they have nearly run out but, again, we are setting community up to look after themselves. They are writing business plans now. They are doing good stuff out in the communities. We just need to document that.

Another problem with NHT is that there is no marketing stream or marketing promotions. We should have funding there to promote and market what we are doing. We have had to go out of the box and record the stories through CDs to get the funding to do it. These are creation stories. What we have done is we have compiled three of them with an animation, and we have another two animations to do. These things are raising the awareness across the board.

Senator HUTCHINS—Is that because there is a stream of funding available for those projects?

Mr Giles—Yes. A lot of us have been to every one of these strategy developments. Like I said before, all these positions are happening now. There is a great opportunity for the Australian government and the state government to get on board and back what we are doing to show true results. What has been happening under the NRM umbrella holds the key to climate change, but we have another climate change ministerial council; it should be under the same one. That is my belief. Why create another blockage when we can just put them all under a multilateral agreement with one in the middle for true service delivery. It also brings in the other ones that makes all the other agencies accountable, both state and Commonwealth. It brings more focus on

the bilateral process. Heritage management planning would develop the heritage management plan template. I have already told you about that, so I will not comment any further on that.

Senator HUTCHINS—Can I just ask a quick question?

CHAIR—Yes.

Senator HUTCHINS—There are some issues that need to be addressed in your submission. The first one up the top is proper wages for Indigenous managers. Can you explain to us why this is an issue?

Mr Giles—Yes. It is a problem. It is the whole NRM structure. You have different pay rates for all different people in the same catchment council. An example is there is a manager in one of the catchment councils and then you have line managers. They should be all the same, but one is a level eight, one is a level seven and one is a level six. It should be the same across the board. When you talk about accountability, then there should be rewards. It comes back to the performance indicators. If you are doing a good job there should be reward systems set in place for these people to keep them there. The ASX guidelines on good governance actually spell out the remuneration side of it. We could set it up like that and say to them, 'If you do good stuff then you will get rewarded.' There needs to be incentives built into it to keep people there, because there is no incentive to stay in the catchment groups and keep working there.

Senator HUTCHINS—Are you losing staff because of that?

Mr Giles—Yes, I lost me.

Senator HUTCHINS—I was going to ask that. I saw that.

Mr Giles—The program is still there but since I have gone they have quickly put it back under the other programs. Again, the investment planning process will come back and just be distributed into the other programs. That is another problem. There is no reporting on it. All the cultural heritage and Indigenous work we are doing has no reporting mechanism for me to report back on. I have got to go back under biodiversity, land, water, air or whatever. What we have done is developed the monitoring way we assess it. We do what we do. We line it up against the overcoming Indigenous and disadvantaged indicators and also the natural and cultural heritage state of environment indicators, which I have based the cultural heritage component on in the first place.

Senator SIEWERT—Where do you report that through? Is it through the catchment council reporting?

Mr Giles—No. There is no system to do that. This is what I mean.

Senator SIEWERT—Do you do that separately?

Mr Giles—Yes.

Mr Kelly—This is quite a significant issue, because what it says is that there is no mechanism built into this program which recognises the other aspect of NRM and what it means. This is part of that barrier process, the recognition of the perspective.

Senator SIEWERT—Is it now being recognised in the new program?

Mr Kelly—Not as far as I am aware.

Mr Giles—No. With this new program there are six priorities of the Commonwealth and then you have the state priorities. Indigenous engagement is a priority. The Commonwealth have whacked it under community capacity building or something. It is the same thing going back to the regional level where it goes out and it does not get this.

Senator SIEWERT—So it still has not been picked up properly.

Mr Giles—Yes. They should just call it the Aboriginal NRM or whatever. They should just put it there and let us do something, because we work with everyone anyway.

Mr Kelly—That has been part of the dialogue since year dot and is reflected in here. It is similar to when the CDEP programs were knocked and replaced by this new thing. Why are Indigenous NRM activities not seen as contributing towards the national priorities in relation to reserve management, land rehabilitation or whatever? Why are cultural activities not viewed or understood as being contributing towards ameliorating some of the priority issues that have been pointed out in NRM programs, going right back to Landcare.

I do not know whether I am happy about it or not. Happily or unhappily the Indigenous phrase ‘caring for country’ has been coopted at a national level. Perhaps that consciousness is starting to build and perhaps that is a positive sign that there is a growing consciousness that this other thing needs to be recognised, but currently it does not seem to be, and it would be good if it was.

Mr Giles—We will keep producing these CDs and animations. You will see it on the TV one day. One day there will be a movie made about this stuff and you may be the ones to trigger that. I am not trying to influence anything.

CHAIR—Feel free if you have some additional information that you wish to provide to this committee.

Mr Giles—I will send through the discussion paper. It shows the COAG framework and flowchart, how you can do this from the ground level and how it should work. In 2005 we completed that paper. We have given it to them and distributed it throughout Australia and even across the world, but nothing has happened. What they are doing now is talking about national representative structures and all that stuff, but we have done the work already. All they need to do is adopt the model that we have put there and that will fix the problems, or have a good go at it anyway.

CHAIR—Senator Adams.

Senator ADAMS—I come from Kojonup so I am fully aware.

Mr Hayward—Named after the stone axe.

Senator ADAMS—That is exactly right and our interpretative centre is very good too, and employing a number of Nyungar people there. I would like to ask about the catchment councils. Of the six councils how many Indigenous people who are on those are catchment council members?

Mr Kelly—In terms of members of staff?

Senator ADAMS—No, a member of the council.

Mr Kelly—I would not be able to answer that question.

Mr Giles—There is one at the catchment council here.

Senator ADAMS—Do you know about the south west?

Mr Kelly—I am not certain.

Mr Hayward—The south west are a leading light but you would have to ask Damien.

Senator ADAMS—I will do that.

Mr Hayward—I know there is not enough.

Mr Giles—We have a chairperson in South Australia.

Senator ADAMS—Do you work with the subregional bodies?

Mr Giles—No. They are competing with the catchment councils. With this new funding stream, it is all competitive now.

Senator ADAMS—Do you work with the subregional councils on the ground?

Mr Hayward—That is the kind of scope or project in mind. It is about people working together to look after the environment. In that way you are going to break down barriers and the people get their hands dirty together. It is about Caring for our Country. Our spirits have said, 'Okay, you can take that as a concept but include us. Include Aboriginal terms of reference in the delivery of programs.' It is the inclusion game. If you have one Aboriginal person working with wadjula people, then you are going to have the spirits of that country with them, and the outcome is going to be good. That is the way that we look at it.

Aboriginal terms of reference have been lacking. One person left a job over an issue in an NRM group because he was not allocated a vehicle. He needed a vehicle to engage his community. There needs to be the autonomy. I believe that in our neck of the woods, you need the autonomy. There are many examples throughout Australia where through the wisdom of the elders the community has been included in a partnership that is equal, and the results are

amazing. In the gulf country there are classic examples of information that will benefit our country. NAILSMA are pretty cruisy in how they are doing things. Nothing is perfect, but if you have the autonomy coming through our land council, which is a representative body of our people, and then there were representatives of the land council with an elder on these regional committees, then it is going to be different.

Mr Giles—I do not think you will get an argument from us.

Senator ADAMS—These are the questions I was asking earlier.

Mr Hayward—As the oldest member of this panel, I would like to say that in hearing what has come out from all of us I feel that we have delivered some expansive knowledge for you, and that is what the idea of coming here was. I would like to thank you very much.

CHAIR—We do thank all of you.

Proceedings suspended from 11.36 am to 11.58 am

HEINZMAN, Mr Colin, Chairman, Perth Region Natural Resource Management Inc.

HILLS, Mr Damien Alan, General Manager, South West Catchments Council Inc.

CHAIR—Welcome. Before we go to questions, do you wish to make a brief opening statement?

Mr Hills—If we may, yes. Just to start with, these are just comments from Colin and me and they do not necessarily represent all of the WA regional chairs and NRM CEOs.

I have some general comments about the new caring for our country program. We feel that the major change in direction has been extremely disruptive. It has disenfranchised many community volunteers and groups and has certainly led to an exodus of staff caused by uncertainty and instability. It seems to have discarded, in our opinion, tens of millions of dollars of previous work in developing regional plans, targets and program logic, with five years of target work at least in Western Australia at a regional scale trying to be repeated within six months out of Canberra. We fear that many of the new targets will be too broad, not specific, measurable or time bound. There is a real sense of devolved decision making being removed from regional communities to be replaced by directives coming from Canberra. Rather than being active members of a joint initiative between the states and the Australian government—we term that vertical integration—we feel like we have been demoted somewhat to being service providers only. We are also disappointed that there was little to no consultation on the new program. There was not even a cursory review before it happened. This is unusual compared to some of the other major reviews we have seen in government, including climate change, health, Murray Darling and of course defence.

After saying that, we do want to acknowledge the right of the Australian government to set its priorities and we actually welcome that in particular more clearly. This is something through the WA salinity investment framework that the regions have been comfortable working with the Western Australian government on over the past few years.

We certainly acknowledge the transitional arrangements that the Australian government put in place in 2008-09, which certainly stopped us losing all of our staff, particularly in WA, where there was no guarantee of regional core funding from the state. It was very much appreciated. We also acknowledge the future base funding the Australian government has guaranteed to the regions for the Caring for our Country program, but we do want to point out that issues we may have with the program go beyond just the basic dollars; they are not our entire set of issues. These other issues extend to governance and community involvement in decision making. However, after saying that, we do accept that the new program is here to stay and we want to be active participants in seeking that the Australian government meets its aspirations for the program, because we actually share those aspirations. Thank you.

CHAIR—Thank you, Mr Hills. Mr Heinzman?

Mr Heinzman—No. That was a joint opening statement.

CHAIR—I will go straight to Senator Hutchins.

Senator HUTCHINS—On page 8—I would just like you to expand on this—you have raised some of the issues of concern. There is a statement of concern that this ‘no longer plays a central role in the investment framework of Caring for our Country’. Could you expand for the committee what you have in mind there, what you see as being the difficulties that you highlight and what this emphasis on program logic means?

Mr Heinzman—Yes, certainly. I think one of the issues, from my point of view, has been the fact that all of the regions developed regional strategies, the targets going out to 25 years and the aspirational targets even longer than that, then management action targets and resource condition targets. These were quite substantial bits of work that were put into that from an NHG. It involved many hours of effort and lots of money. It just seems that, with the way the Caring for our Country program was announced, it did not really take those regional strategies into account. We still have those and, in fact, they are still valid. It is just that now there seems to be a mismatch between that work that was invested in in the past and the new direction. It just seems that, in a sense, that work was wasted to some degree.

Mr Hills—Yes, I would certainly concur. While many of the targets that were first developed in our first-round of planning were fairly loose and broad, there was a lot of pressure from both state and Australian governments to tighten those targets in the first instance. Most regions have gone through at least one, if not two, rounds of target improvement, with once again considerable investment, scientific input and nearly always community consultation on those targets. They have become increasingly specific around discrete environmental assets. They are obviously at a regional scale, which has its pros and cons. Obviously, they can be too parochial sometimes, particularly for an Australian government program, but they rely on a lot of local knowledge, including a lot of scientific knowledge, within agencies in the region.

But most importantly, beyond that, was the significant work that started to occur about two and a half years ago around all the regions in Australia. You are probably aware that the regions have a fairly collegiate attitude across Australia and they share information. Collectively, we were all on the same wavelength when it came to developing the program logic. That is simply setting a target and then looking at the steps that you have to take to achieve that target right back to your resourcing. That is probably the most significant effort that the regions were undertaking in the last two years.

At the end of the day, when both state and federal treasuries particularly, and governments and expenditure review committees and so on, asked what were the outcomes for an investment, we were of the belief that, while some of our problems are 20 or 30 years in the solving—they have been 100 years in the making—at least with a strong program logic we could go to treasuries and say, ‘Look, these are the steps we’ve taken that are going to get us to that final outcome that you are seeking and we are quite happy for that program logic to be challenged, we’re quite happy for our assumptions to be challenged, but we are investing in the best available science and knowledge to achieve that final outcome.’ In the regions, while there is a sense that program logic still underpins the Australia government’s new program, that previous work done at regional level seems to have been lost.

Senator SIEWERT—Turning to page 2, the second dot point, I thought I knew most NRM acronyms, but what are RCTs?

Mr Hills—And MATs, sorry, yes.

Senator SIEWERT—And MATs?

Mr Hills—It is a bad habit we have fallen into. I apologise. RCTs are resource condition targets and MATs are management action targets. In that program logic we are referring to, we are aiming to make a resource condition change. The most common one that is referred to is the drop in EC at Morgan. That is the most well known resource condition target. A management action target might be a certain number of detention basins that may have been completed over a period or a certain hectareage of farm forestry in a certain catchment. I apologise for that.

Senator SIEWERT—I think you need to tell the committee what you mean when you talk about SIF. We had David Pannell in this morning and we were talking about INFFER. I know what you are talking about, but you may just want to explain what SIF is. Professor Pannell said this morning that the regional groups in WA are now all picking it up to work with it. Could you just tell us how you are doing that?

Mr Hills—How we are doing INFFER or how we have done the investment framework—

Senator SIEWERT—How you have done that, how it is going to INFFER now—

Mr Hills—Yes.

Senator SIEWERT—Then I want to know—because it relates to the question that Senator Hutchins asked you—what interaction are you having with the Commonwealth at the moment about how they set the Commonwealth's investment framework for the whole of the program for Canberra and country?

Mr Hills—As you said, the salinity investment frame work has been operational in Western Australia now for seven years and most of the regions, particularly those like the southwest that have significant areas of salinity, have been using that framework. Basically the principle is that you need to consider the discrete assets that you have in any given region. You need to prioritise those assets using a value and threat and feasibility assessment—in other words, what is the value of that asset to the public, what are the threatening processes against those values, and what is the feasibility of being able to do something to combat those threats. In other states they tend to refer to this as the asset based approach. I think that is the term they tend to use in Victoria. The regions have been then busily—as well as doing targets—working on prioritising assets and have been working with the state, because the state has also been through that process. As to the only issues—the salinity investment framework, as the name implies, only deals with salinity threat and, because the national action plan was so focused on salinity, that was quite okay for Western Australia for a period of time.

The INFFER process, as Professor Pannell may have explained, goes well beyond that and looks at all threats. It could be water quality, it could be pest, weeds and disease. It could be appropriate land use planning, et cetera. But the principles are the same. It looks at what is the

value of the asset, what are the threats and what is the feasibility of doing something in response to that. However, the salinity investment framework had a basic approach of saying, depending on the return to the public, it will very much depend on what action you take whether you actually invest on ground works. The best example of that is that you are going to invest on ground works to try and freshen the Murray because of the public benefit of the water at Morgan. But for other assets it may not be in the best public interest to invest on ground. What you may do is work with farmers through new technology or, indeed, you might even look at what regulation options are open.

The INFFER framework does that in a much more sophisticated way than the salinity investment framework. In fact, I would say, with all due respect to Professor Pannell—he would even admit to it himself, I would hope—that is where the salinity investment work failed in Western Australia, because people got focused on the recovery option of actually investing on ground works and forgot there were a bunch of other policy tools. The INFFER process really puts that at the centre. It says, ‘You need to mark a hard decision.’ One of the policy tools is to do nothing; it is just not in the public interest to actually invest any money in this.

Senator SIEWERT—That was always a possible outcome from SIF as well.

Mr Hills—Yes, that is right. We are all fairly new to it. Some of us have had experience with the salinity investment framework, but all six regions of Western Australia signed on six weeks ago to commence that process. It involves effectively choosing some assets, and we have all done that now, which was difficult. That is a very hard part, because everyone has their pet assets, as you can imagine. Then it is starting to collect the scientific data and the economic data to actually make some of those assessments and decide whether it is feasible.

I suppose the best examples that we have been given is some of the work that has been done in Victoria. We understand that one of the outcomes with ‘do nothing’ is that because the asset may be of extreme value the actual quantum of dollars that you have to invest is beyond reason. It might be in the hundreds of millions of dollars, or \$200 million or a billion dollars worth of investment. Given the magnitude of programs in both the state and the Commonwealth that we are dealing with, it is not realistic, so you need to turn to an asset that is realistic to recover, improve or protect.

Senator SIEWERT—What dialogue have you had with the Commonwealth? I am interested to know how much they have taken on your existing investment plans, the planning that you are doing into the future and the dialogue that is happening with where they are prepared to invest.

Mr Hills—At this stage, we have had no dollars.

Mr Heinzman—No.

Mr Hills—We do understand that Professor Pannell has spoken to departmental heads and ministerial advisers about INFFER but not to us directly, no.

Mr Heinzman—Perhaps I could just add one thing about the INFFER process. From the point of view of Perth’s vision and our own, we do have some reservations mainly because it is an asset based approach. Within the Perth metropolitan region, obviously the assets are not as

numerous there as elsewhere. However, the pressures on those assets are much greater in terms of development and along the coastline clearing of native habitat. In fact, I think it is probably true to say that in WA, although there is a clearing ban, most of the clearing now happening in the Perth region is simply for housing development and infrastructure development. It does concern us that a strictly asset based approach may leave us a little bit deficient, because we simply do not have a large number of assets. Obviously the Swan River is one and we have several threatened species on the coastline. But in terms of numbers of assets, I guess our greatest asset, if you like, is the community members who work with NRM within the region. One of the things that we would like to point out basically is that, in the plan that the Commonwealth has produced so far, we have not seen a lot of emphasis on capacity building with community. I know for a fact that many small community groups have been very disillusioned over the last two years with the stop-start nature of investment in NRM. We have not been able to fund as many groups as we have in the past. Going forward, it is not clear how that funding will occur. If you are talking mostly about an asset based approach, how do you deal with capacity building? How do you fund community groups for doing work in their local area? That is our major worry with INFFER. Apart from that, we recognise that it has that scientific rigour and it is a very solid well grounded approach. Also, we recognise that, if the Commonwealth, state and regions were all using the INFFER process, it would be a big step forward. But we just have those. I guess the other high population areas in Sydney, Melbourne and Adelaide would probably have similar reservations.

Senator SIEWERT—If you have not talked about INFFER specifically, what level of discussions have regional groups had with the Commonwealth about the program itself and the new outcomes that were published last week? Was it six outcomes that were published last week?

Mr Hills—Yes.

Senator SIEWERT—What input did you have in developing those, and then perhaps we could have your comments on the outcomes?

Mr Heinzman—Very little input into the development. There was an opportunity in I think April of this year when there was a regional chairs annual meeting.

Senator SIEWERT—Is that the usual one?

Mr Heinzman—The usual one. That was held in Melbourne and the Commonwealth did outline the plans and there was an opportunity to comment, but I would not regard that as being input into the actual design of any targets or anything like that.

Mr Hills—I think the CEOs and general managers around Australia had a couple of opportunities. I think there have been two workshops this year, and we are grateful for that. However, there is a big difference between a bunch of managers, for want of a better term, and executives having input and involving regional communities. That is the big difference. We can do our best. We have a grounding in the situation in our regions, but I would say that that is a very distant second to actually having regional communities involved in some sort of consultation. I think the other CEOs and general managers may not be unanimous but a majority would agree that we have no problems with the Australian government from a policy perspective

saying, 'Look, these are the big things for Australia that we think we should be investing in. These are the priorities for the next 10 to 20 years.' In fact, that has probably been something that may have been increasing, and we are encouraged by that. The problem in doing that is that the states also set their direction, and we encourage that, and the regions, and there does not seem to be any point in the process where there is a negotiation. We have Australian priorities and state priorities and then regional community priorities, and they come together and there is some natural tension and it is resolved. That seems to be missing from the process. That is of some frustration to my community members on my council.

Senator SIEWERT—Should that happen through the bilaterals? I think you were here when we were talking about the bilaterals a bit earlier, or had we already got on to—

Mr Hills—No, I missed that.

Senator SIEWERT—We were talking about the bilaterals a bit earlier and Mr Giles was expressing the perennial concern about lack of community involvement in the discussion over the bilaterals. I am going to ask this of everybody: firstly, have you been involved in any discussions on the bilateral this time; and, secondly, would the bilateral be a natural place where that tension was discussed or is there some other forum where it should be discussed?

Mr Heinzman—I look upon the bilateral as being more of a working arrangement for the distribution of funding and so on. The discussion about common targets between regions, federal and state governments would be separate from that. It seems to us that it is unfortunate that we have a federal government that has produced a series of targets nationally, we have a state government that is in the process of developing targets of its own—not very far advanced with that, but getting there—and the regions already did have targets within their own regions. It is just a missed opportunity to coordinate all three levels, if you like—regional, state and federal—so that we can agree on a set of common targets. Obviously it needs to operate at different levels. You do need national targets, but you also need state targets and regional targets. But those targets should be coordinated and they should be melded together. It is a question of scale. Obviously there are some things that only the Commonwealth can deal with because they are on such a large scale and this require huge investments, but I think, when targets are produced by both the Commonwealth and state governments, they should not really be in conflict with the targets the regions have produced. Personally, I feel it is a missed opportunity to have those targets synchronised and working.

Senator SIEWERT—There were two questions. There was one that was in my mind and another one that came to my mind and that is: are there targets that conflict? Then I will go to my next question.

Mr Heinzman—It is hard to say because the state government has not really produced any definite targets. The Commonwealth targets at this stage are still fairly broad and generic, not specific. I guess we will need to wait for the business plan before we find out how detailed those targets are. The targets that we have are very specific. We have had those for a number of years. Again, I think it is unfortunate that there was not more consultation on the targets that the regions had before putting into place broader targets.

Senator SIEWERT—That takes me to my next question around the investment plans. As I understand the process, each regional group now has a quite specific investment plan. In fact, some regions will be up to the second or third iteration, I expect.

Mr Heinzman—Yes.

Senator SIEWERT—What is your understanding of what happens to those investment plans now with Caring for our Country? Are they built on with the new process and you incorporate the new outcomes, or do you start again?

Mr Heinzman—I think when we see the business plan we are hoping that we will be able to still use part of our investment plan if they fit with the Commonwealth targets. But if there is a mismatch between those two, I would say that our investment plans are probably not of great value any longer. It just depends on how close a match-up there is, and we do not know that just yet.

Mr Hills—It would probably be a bit more circumspect. I think investment plans produce at the end of the day a series of plans and projects that you invest in as ongoing activities. As Colin said, we would hope that we have enough alignment that we can use those to move over against the new Caring for our Country national business plan. But it was the process that was as important, if not more important, than the final product of the investment plan. The process involved for us decisions on indicative allocations being made jointly by the Commonwealth and the state, us being informed, and we made indicative allocations to certain investment areas against matters for targets, as they were called then. Then there was a process of consultation and involvement and then scientific analysis. That process is now up in the air. We are not quite sure. As I think we said in our opening remarks, we have a feeling that we have gone from having some involvement in that and then that went up through an assessment process that could then be challenged and negotiated with some rigour to that. We now feel like we are waiting for a tender document to come out and we are responding to the tender. We are not sure how all that process that we did with both our community and other local scientists fits in.

Senator SIEWERT—That you are just service providers now; is that right?

Mr Hills—Yes, I suppose that is how we feel; we will just be responding saying, ‘Yes, we can do that. We can do that bit and that bit and that bit’, rather than being an active player in saying what it is that we should be doing.

Senator SIEWERT—Is it your understanding that you will need to put up matching funds still?

Mr Hills—That is not our understanding, no.

Senator SIEWERT—So no matching funds anymore?

Mr Heinzman—From the state government?

Senator SIEWERT—From the state government or from regional groups?

Mr Heinzman—From my understanding, there is not any requirement for that.

Senator SIEWERT—From anybody?

Mr Heinzman—No.

Mr Hills—No, we have not heard that.

Senator SIEWERT—One of the fundamentals of NHT was matching funds.

Mr Heinzman—Yes, NHT was matching.

Senator SIEWERT—My understanding is that you do not have to do that anymore; is that correct?

Mr Hills—Yes, that is our understanding.

Senator SIEWERT—What do you think that means for leverage of funds out of the state governments—and you lot as well? I am sorry, I should not just pick on the state governments.

Mr Heinzman—I think it has meant it is quite difficult. In the state budget the state government did allocate—drawing this from memory—I think over five years \$125 million for NRM. That was the previous state government. We have a new state government. They did allocate in the current financial year \$21 million and then for each subsequent year beyond that \$26 million for the following four years. When the Commonwealth program was announced, and there were no matching dollars required, that \$21 million was then open to regions to apply for and it was also open to government agencies. Government agencies have, in fact, made bids for quite large parts of that money. After all, it is state money, so you would expect government agencies to be involved in that. But I guess it was just a little disappointing to us because I think we had been led to believe originally that there would be funding for the regions. It has not yet materialised. There is a process currently in place for assessing a number of projects, and all of the regions have put in bids for those projects—for some of the state money.

Senator SIEWERT—This is for state money?

Mr Heinzman—Yes. So far that has not been allocated, because with the calling of the state government election that was all put on hold. We were very close to signing off on a number of projects for the regions, but that was put on hold and as yet we have not been notified of when that process will restart because I guess the new government is just working out how it wishes to spend that money.

Mr Hills—If I can choose my words very carefully, I think my experience is that some state government jurisdictions have a reasonably strong commitment to both natural resource management—the Murray-Darling Basin states obviously have that very strong focus—and some states have also a strong focus for regional delivery of their programs, not just NRM but others, health, et cetera. Other states do not necessarily have that strong commitment to NRM and they certainly do not have that strong commitment to regional delivery or involving regional communities. I suppose one concern is that, in moving to a more unilateral approach in the

Caring for our Country, certainly in Western Australia, we certainly appreciated the pressure the Australian government brought to bear on the state government in bringing it to the table. I think if the Australian government had not brought the state government to the table we would not have been anywhere near as advanced as we are now in Western Australia. With that pressure off, it just feels like it is more a struggle for us to maintain both the commitment to natural resource management investment and to a regional focus.

Senator SIEWERT—In fact, that leads me into my next question. Having been involved in negotiations with NHT1 and 2 at both the state and regional level, one of the sticks that the regions had with the state and the state agencies was, ‘You have to talk to us to enable you to deliver these programs.’ It was a pretty big stick. Some agencies came, in my experience, to the table more willingly than others—and I will not name them. But it seems to me that regions have now lost some of their ability to talk to the states and to the regions to enter into partnerships but, secondly, to actually commit to NRM outcomes. Would that be a fair assessment?

Mr Heinzman—I would have to say that I think in the last 12 months there is a very good dialogue between the regions in WA and the state agencies because a number of things have happened. One was the re-establishment of a state NRM council. It is an 11-member body and it is chaired by Wayne Cox. Of those 11 members, the regional chairs make up six of those members, so they have the majority. There was another body set up as well after the Hicks report, and that is CONRACE, which is the Council of Natural Resource Agency Chief Executives. It has all of the key NRM agencies’ membership of that, which is about six altogether, and I think it is widening because other agencies want to join. The regional chairs meet quite regularly with CONRACE, but CONRACE always come along to attend the NRM council meetings. They cannot vote. They are just there as observers, but they do talk part in discussion. So it is ironic in that I think our relationship and our dialogue with the state agencies has probably never been better. There are personal relationships now with directors-general and we talk about all of these issues. But unfortunately it has not come through in the flow of funding. As I say, we did get close to that, but—

Mr Hills—I would say that we have seen improvements. I think partly it was the former government’s arrangements that brought us to that state. As senators probably know, the government is a quagmire of different cultures. You go from one department to another department and you will get a completely different culture. Some of the cultures will continue to work with regions, as they always have; some will see the opportunity as being fantastic, ‘We don’t have to engage with regions and community anymore. We’ll get back into our silos and our bunkers and do what we were doing before.’ That is probably a little disappointing, seeing, as Colin said, how far we had gotten.

Senator SIEWERT—I need to get to the inevitable question. There are all sorts of stories all over Australia about how many staff regional groups have lost and what the new management arrangements mean. I am actually keen to establish what the facts are.

Mr Heinzman—Speaking for the Perth region NRM, I think the period leading up to 1 July this year was a very worrying time because we were not sure when the funding would be announced. I think that we were in danger of losing staff. But with the Commonwealth funding being provided for this interim year that has solved that problem in the short term; in fact, we did not lose any. We did lose some staff but they were replaced, so in fact we have managed to

maintain our core functions, which I will give credit to the Commonwealth for. That really did save our situation in that regard. But before that was announced it was looking rather dire. I think it is just a consequence of the stop-start nature of the funding in NRM. People tend to be on short-term contracts. Those contracts are coming near to their end and we just have to wait until we have the next round of funding announced before we can continue with the next round of contracts. I think it is a little ironic that several years ago we were promised at the federal level there would be no more transition years. At the Sydney regional chairs meeting of 2006 that was the No. 1 thing that came out of that meeting, that would be no more transition years. But we ended up with a transition year the following year. It is just the nature of the business.

Senator SIEWERT—To be fair to government, it is a bit hard for a previous government to actually commit a new government to that. That is probably not a promise that the government could keep.

Mr Heinzman—That is correct, yes.

Mr Hills—In answer to your question, for us, once again, due to a significant carryover from the national action plan and the Caring for our Country transitional arrangements, we have not lost any positions this year. However, I have 25 per cent vacancies at the moment. We are getting significant turnover because of the same reasons. Ironically, we need the experienced staff to help us wrap up the old program, do the monitoring and evaluation, the audits, et cetera. They are all leaving and I am getting new, young, fresh faced staff, which is good at the beginning of a program, and so that is having some significant problems for us. However, after saying that, in our forward estimates—and we are still waiting for core funding and indicative allocations from the ministers, this month hopefully—we are expecting somewhere between a 40 per cent and 75 per cent reduction in cash flow to our regional group, which would accordingly lead to somewhere between a 50 per cent and 75 per cent reduction in staff.

Senator SIEWERT—That is next financial year?

Mr Hills—That is next financial year.

Senator SIEWERT—I am sorry, what per cent reduction in staff?

Mr Hills—Somewhere between 50 per cent and 75 per cent.

Senator SIEWERT—Is it okay if I keep going, Chair?

CHAIR—Senator Adams, do you have any questions?

Senator ADAMS—Yes, I have lots.

CHAIR—I think your colleague might want to some of the time that is left.

Senator SIEWERT—Yes, okay.

Senator ADAMS—I will just continue along that vein. I come from Kojonup, so I am fully aware of how the south west council works. So I will continue on that. How many staff do you have at the moment?

Mr Hills—We have 21 positions, of which 17 are full at the moment.

Senator ADAMS—As far as your subregional groups go, there has been quite a lot of criticism about your council really not providing the role it should be providing. Earlier with the professor I raised the grassroots input into these projects or any of the programs being successful. You would be aware that there are a number of groups that are very disillusioned with what is going on.

Mr Hills—Yes.

Senator ADAMS—Farmers of course, with farms getting bigger, everything is just becoming a critical component of trying to keep your head above water. This whole program seems to be concentrating more on regions rather than the subregions and going further up, and these people are being left behind. Community goodwill is going to disappear. Could you comment on that?

Mr Hills—Yes, that is quite true. I think, just by way of history, one thing that the committee may need to understand is that, at least for my region, it is quite clear that we were a construct of the state and the Australian government, so we were not a natural region like many of the regions in the eastern states nor Swan and other regions. We were a conglomerate of smaller groups to start with and then along came NAPP and NHT2, and so the Swan catchment council was born. We have operated within that framework that was given to us. But it is interesting you should raise these comments, because just at the full council meeting last week the council commissioned a review to look at the future of the South West Catchment Council and its subregions and to look at all of the options available to it, which may mean restructure. At the very least it will probably mean a restructure of the way the council and the council office works. In its largest sense, it may mean restructuring the subregions or we may see the whole region restructured. There has not really ever been an opportunity, as far as we have seen, for the actual community to have its say in terms of the regional structure for the southwest. It has been something, it is felt, that has been imposed from the top. We really see this as our first opportunity. Ironically it is the chaos of the interim transition year. We do not believe that Australian government officials or state government officials would ever have considered a restructure in the southwest under the old NAPP NHT arrangements, because our region was actually in the intergovernmental agreement and the bilateral. There is a bit of a window of opportunity for us to have a really good look. The subregions are obviously the major groups involved in that. But at the other end of the extreme we also acknowledge we have some very small subregional groups that probably would not have the capacity or size to operate to the level of governance that is now required by state and Australian governments in NRM. That is the other end of the thing that we are trying to balance. So, yes, it is probably an opportune statement, because it was just Monday that we decided to do this major review.

Senator ADAMS—That is great. Later on, when the review is finished, would you be able to forward it to the committee?

Mr Hills—Yes, absolutely. In fact, we are leaving comments and suggestions open to the entire community, particularly those local land care farming groups. I will be honest and say that I think there has been a level of disenfranchisement in our region because of the size and complexity of our region. That is one of the issues we will look at.

Senator ADAMS—The next question is: how would you feel if the regions were actually expanded?

Mr Hills—Made larger?

Senator ADAMS—Yes.

Mr Hills—So that the total number in WA would be reduced?

Senator ADAMS—Yes.

Mr Hills—No, I do not think we would support that. If you look at Western Australia, Victoria has 10 regions with about one quarter of the landmass, I think New South Wales has 16 regions, Queensland has 17 plus one or is it 16 plus one, including Cape York, and we have six and Rangelands is larger than any other state. While Western Australia's population obviously is an issue, if you get to a size where you disenfranchise the community totally you may as well just get rid of regions and have agencies run the show, I think, if you get too large. That is part of our issue. We have such a diverse community of interest from the Peel-Mandurah strip, which can be seen as an extension of the Perth-Mandurah area, to the Augusta, Blackwood, Warren, Karri Forest out to Kojonup and further out to Coolan and Dumbleyung. Trying to bring together those disparate communities, as government would know, is difficult. I do not think from our perspective that we could—

Senator ADAMS—The reason I asked is that area consultative committees now are being looked at. We have nine. Obviously with the latest work that is being done, they are going to be reduced. That was the reason I asked the question. Once again, regional input is going to be cut down.

Mr Hills—That may work, because I know we have two major area consultative committees and parts of three that cover our area to date. They are a lot smaller than us. The SWACC, South West Area Consultative Committee, just covers the—

Senator ADAMS—I know where they go. But when you look at the great southern being combined with the southwest, those are the sorts of things could happen. I just wanted your opinion on whether you think that there would be any flexibility in making them larger rather than smaller.

Mr Hills—I think that would be very difficult for us. I do not know about for others.

Mr Heinzman—I think it would end up creating more tension within a region because you would have the same issue but magnified with subregions. Speaking for our region, I think that our region is geographically very small but obviously has a very large population. We do have subregions. They are all very different. But we have established a system of reference groups.

Each of our subregions is a member of a reference group that advises our board, and the reference group is made up of community groups within the subregion together with local governments, and we meet on a regular basis, usually about once every six weeks. There is good dialogue between our board and with the subgroupings.

Senator ADAMS—We had a number of Nyungar groups earlier as witnesses. Do you have anyone from those groups on the south west council?

Mr Hills—We do not have a representative, we have a community member who has knowledge of Nyungar issues. That is the wording in the constitution. Because representation becomes a difficult issue with groups.

CHAIR—But not a Nyungar? I am sorry to interrupt.

Mr Hills—No, he or she does not have to be a Nyungar. In this case it is. It is Ted Hart, who is the chairman of the South West Aboriginal Land and Sea Council. I am the interim member until the process resolves who that will be. So we do, yes. We have a reference group. Unfortunately we have only managed to get membership from two of the four working groups at this stage on that reference group, but we do have a really good working relationship with the local working parties.

Senator ADAMS—Just coming back to these subregional groups, what do you see your role with the new Caring for our Country being with those groups at the moment?

Mr Heinzman—Do you want me to start?

Mr Hills—Why don't you go, because I am a very complicated region.

Senator ADAMS—That is why I am asking. Mr Heinz can speak first, but you are still right in the firing line there.

Mr Heinzman—As I mentioned before, we do have subregional reference groups. We use them to provide strategic advice to the board on NRM issues in their particular subregion. We keep them up to date with all of the information we receive for Caring for our Country and we discuss what the significance of those targets is for their subregion and they provide advice to the council, to the board of the NRM region, to advise us on where the money should be invested and strategic places to invest it.

Mr Hills—Our six subregional groups actually are wholly independent from the South West Catchment Council. We are probably a unique model in Australia in what is often referred to as the federated model. But I think recently we have realised that is not a good description. The way I have described it recently is that we are a wholly owned subsidiary of seven independent organisations. The South West Catchment Council was created as an overarching body for those six independent groups.

The theory is that the role of those groups is to engage community at the coalface, the local land care groups, et cetera, and the South West Catchment Council was the strategic investment planner, the conduit to Commonwealth and state funding, et cetera. I think reality has dawned on

us over the last few years that the new demands of governance, particularly coming from treasuries and finance, are well beyond what we thought. Basically, if you accept one dollar from government now you have to have all the accountability mechanisms that government requires. It is very hard to do things on the cheap in terms of funding. Then we have the subregions. Now we also have those same governance levels requirements to us, because it flows down the chain. That is part of what has triggered this review. We are certainly looking at the new funding environment, which is going to be drastically reduced for the South West. We have no doubt about that. We are saying, 'How do we manage this?' Effectively, we have seven independent groups with seven governance structures and seven accountability and corporate structures. Is that the best model for delivering NRM in the southwest, because it may no longer be the best model for delivery. I am not going to pre-empt my council or the review in terms of what the options are, but basically both I and my chairman made it very clear to our council, which is 21 people, the majority of which are subregions, that we have to go through some major structural change because we do not believe the current structure will work into the future.

Senator ADAMS—How are you working with local governments? Are you keeping them in the consultation line? What are you doing there?

Mr Hills—We attempt to. We have 33 local governments in our region. Relatively, we are a small organisation. We have a dedicated officer, who is not full time, to local government. We do have a relationship usually at the CEO level or sometimes at the environment officer level from our office. Then the more formalised means of engagement with local government is through WALGA. We have four local government representatives appointed by WALGA on our full association. Through things such as the zone meetings—they are the larger collections, as you would be aware—we try to get regular updates to the local governments.

As to the other major mechanism we have used, predominantly in the past our local land care facilitators have been employed by the local land care groups, and one of our major changes we moved to about two and a half to three years ago now was to try to encourage local government to employ those. It has a two-fold effect. It gives those local land care coordinators more stability, but it was a mechanism for us to try to improve our engagement with local government, at least at the staff level. In some areas it has been really successful.

Senator ADAMS—Are they still employed, most of them?

Mr Hills—Yes. My councils know that the No. 1 priority for employment, and above even our staff, in our office is our local land care coordinators. We call them local NRM officers. That is the No. 1 priority for ongoing investment.

Senator ADAMS—With the new model, some of these subregions decide that they have a project that they really want to push forward and your council disagrees; it says, 'No, this is more important and that's more important.'

Mr Hills—Yes.

Senator ADAMS—We know that their accountabilities become far more difficult and also that they do not have project officers or do not have any funding to employ project officers to get submissions up.

Mr Hills—That is correct.

Senator ADAMS—Is there any way that your organisation helps them or is that not part of your role?

Mr Hills—That is still to be determined. We are not sure. That is really up for my council to make a decision about what it wants to do in the competitive area. They are keen for us to not internally between the seven of us start competing against each other, but there is nothing in the new system that prevents that. In fact, it encourages competition.

Senator ADAMS—It does.

Mr Hills—We provide direct core funding to our subregions. There is a bit over half a million dollars across the six of them. At this stage that will not be changing. There is capacity there to use those funds to attract other funds. What happens when the whole council, which includes the collective, disagrees with an investment I am not sure. I am actually dreading the day. I really do not know. It is part of one of the other reasons for agreeing to this review for us. We are unique in that way. No other region would probably have that occur. That could possibly occur with us and we could be at cross-purposes or doubling investment. It is a concern for us.

CHAIR—Senator Adams, do you have some questions that you wish to put on notice?

Senator ADAMS—No, that is all right. It is the review that I am really looking at.

CHAIR—Senator Siewert, do you want to put some questions on notice?

Senator SIEWERT—What I am particularly keen to look at is whether you could give some thought to what happens if your region or any region is non-competitive if they put up a bid for Caring for our Country funds? Does that mean a region is then operating with core staff with no project funding? Is that an issue? Has it been discussed with the Commonwealth? Has each of the regions looked at what happens if it is not competitive? In particular I am thinking about your having to compete with a government agency. As I understand it, that is a very real possibility, if the state agencies will be competing for those funds. What does that then mean for what we have all been working on for the last how many decades in terms of community development, community engagement, et cetera?

Mr Heinzman—That is an important issue. As to the Caring for our Country program, when it was announced there would be a competitive bidding process, one of our concerns was that we would not have sufficient funding to employ sufficient staff to apply for the competitive bidding. It is a catch-22 really. If you lose your funding, you lose capacity to apply for funding and therefore you enter into a spiral downwards. We could foresee that. In fact, the regions as a group discussed that on a number of occasions. We have been criticised in some quarters for maintaining staff, and that has been possible with the interim transition year funding for Caring for our Country. If we had not had that funding, then we would have had to reduce drastically and therefore we would not have been in a position to apply for the competitive bidding. Your question is asking what happens in the future if we are not successful. We lose funding and we lose staff. Are we to hope that the relationship with the state government is sufficiently good now that, if there were bids being put up by government agencies it would be in cooperation

with the regions? It is a difficult question. One thing that I guess all of the regions would like to see is that a larger amount of that funding does come through the regions rather than government agencies or other bodies. But in an open and competitive process and where anyone can apply I guess that is asking a bit too much. But certainly one thing that we see as a danger is that we would lose capacity quite quickly without the funding and then in a competitive environment, once you lose capacity, you are not able to get yourself back up to apply for funding in the future. There is a danger for us. I recognise that.

CHAIR—Senator Siewert, do you want to put anything on notice?

Senator SIEWERT—No, that is fine.

CHAIR—Mr Heinzman and Mr Hills, thank you very much for your time.

[12.55 pm]

McMILLAN, Mr Andrew John, Director of Policy, WA Farmers Federation

PARK, Mr Dale, Land Management and Climate Change Portfolio Holder, WA Farmers Federation

CHAIR—Welcome. Before we go to questions, do either of you wish to make a brief opening statement?

Mr McMillan—Perhaps I could just make a brief statement just to overview the submission, which was fairly brief in its own right.

CHAIR—Yes, if you would, please.

Mr McMillan—A general statement to start is that we are extremely supportive of the NRM process. We are equally as supportive of the regional NRM process as it operates in Western Australia. We have a bit of an issue with funding to projects that clearly provide defined outcomes. It makes it very difficult for us when we approach the state treasurer come budget-time to convince him to continue matching funding or however the formula is worked if we cannot demonstrate something that has been happening on the ground. From our point of view as a stakeholder representative body, we would like to see improved communications from the NRM groups so that we are more aware of what they are doing, what they are achieving and what problems they are having. Certainly, there is a real need to recognise that there is a decline in volunteerism across the state, and I suggest probably across the nation, in rural areas. That is creating problems for everyone in the whole food chain of NRM, including ourselves. I will leave it there.

CHAIR—Thank you. While we are talking about depopulation of our rural centres and rural areas, just very briefly can you explain to us why there is or has been a depopulation?

Mr McMillan—Why there is a depopulation?

CHAIR—Yes.

Mr McMillan—In my view, it is the profitability or the terms of trade of farming really in Western Australia. As you are probably aware, we do not have big country towns like the eastern states do, especially New South Wales and Victoria. We are limited fairly much to only a couple of large country towns. They are not self-sustaining and are very much dependent on the agricultural sectors to keep them going. As I have said to other people, farmers are actually the best at depopulating the country areas, because they just keep buying the next-door neighbour's property. The next-door neighbour leaves and they do not employ anybody else to take over, and so you just get efficiencies and larger scale farms. It is something I lament and I do not like to see. But until we change or even get another income source, I can see it continuing down the line. But at some stage we are going to have to hit the roof somewhere, I think.

CHAIR—I do appreciate your answer. It is not very often that we do hear that. Farmers are becoming far more efficient, too—with bigger machinery and so on. Thank you for that. Just before I go to other senators, I do not make it a habit of asking too many questions, as I like the senators to have as much time as they can. But, Mr McMillan, as part of the introduction to your submission you are quite critical of the limited time you were given to provide a submission. How long did you actually have?

Mr McMillan—Two days from when we got the formal notice.

CHAIR—I just want to be clear. This was referred to the Senate on 26 June. I am of the belief that it was about a week after when we went into print requesting submissions. Normally the secretary is very efficient in contacting concerned groups. Two days from, what, yesterday or today?

Mr McMillan—The letter we received from Jeanette Radcliffe was dated 6 August. We received it on 12 August, with submissions due on the 14th. I rang Jeanette when we got it and I made it very clear that I did not want to be shooting the messenger in that regard, because I am well aware of the shortage of resources that your committees operate under. But we are in the same boat. As much as anything, it was probably an expression of frustration on my own behalf. At that stage I had 10 submissions due by the end of August and to get lumped with another one with two days notice is a big ask.

CHAIR—I will come to the defence of the committee, because they are such a hardworking and diligent bunch. There is no doubt about that. But it did strike me that we do not get that too often.

Mr McMillan—That is why I rang Jeanette, to explain the comment.

CHAIR—In that case we will have to get our Green colleagues to stop all these references from coming to the committee so we can catch up. I do not have to introduce Senator Adams; she is probably one of your members. I will hand to Senator Siewert.

Senator SIEWERT—I am interested to hear your comments in terms of the WA Farmers Federation Australia supporting the regional delivery of NRM. I presume therefore that that is the approach of the regional groups?

Mr McMillan—That is correct.

Senator SIEWERT—It seems to me that one of the things we may risk with Caring for our Country is that we have a de-emphasis on the regional approach, because it is—and you have just heard us talking about it—going to be a competitive approach to NRM from now on. You also say in your submission that you do not have a lot of information on the Caring for our Country program. I suppose this is a double-barrelled question. Do you have any concerns about the new arrangements in terms of what they may mean for regional delivery? But I suppose overarching that is: what discussions have you had with the government about the new program?

Mr McMillan—I have probably learnt more in the last five minutes of the previous witnesses than I learnt leading up to that, because all we had literally seen in our office was the information

coming out of DAFF in Canberra. We are having a briefing below representatives from the NRM groups and the ag department next week.

Senator SIEWERT—That is at state?

Mr McMillan—At a state level. We will certainly be a lot wiser at the end of it. One of the frustrations that I have always found in dealing with NRM is that the more people you ask about how a program works the more different answers you get. When we get members ringing us saying that they have seen another young bloke in a white ute driving around and they wonder what the hell he is doing out there, it is very hard for us to provide an answer. This is the whole communication thing. It makes a rod for our backs because I do not need any more work, but we really need to be better informed so that we can address the concerns of our members when they are raised with us.

Senator SIEWERT—Whose responsibility do you say it is to keep you informed? Is it the NRM groups, the state government, the Commonwealth or a combination of the above?

Mr McMillan—A combination of all of the above, I would suggest. The thought that I have had leading into this is that it would not be such a bad idea, I would imagine, that once or twice a year all of these regional NRM groups would get together in Perth to talk about their programs and the issues they are having. It would not be that hard to have a half-day stakeholder forum.

Senator SIEWERT—I have just heard Senator Adams say—and I thought this from experience—that they do, but if they do obviously they are not telling you and you are not being invited to that?

Mr McMillan—That is right, yes. We get glossy publications from time to time that give us an idea of what they are doing, but it is not the level of detail that we need to actually respond to members' problems.

Senator SIEWERT—The point there is that there needs to be more active engagement with producer organisations?

Mr McMillan—We would certainly appreciate that.

Senator SIEWERT—Some of the issues that have been raised today have gone a lot to the lack of consultation or lack of information around Caring for our Country, and your submission says the same thing. I know that you have just said that you are meeting with the NRM groups, but some of the NRM groups still are not clear about it, I do not think. To be fair, all of the arrangements for Caring for our Country have not been bedded down yet. That is a mild understatement. You have had no specific dialogue, though, with the Commonwealth about Caring for our Country?

Mr McMillan—No.

Senator SIEWERT—Did you ever have that with NHT1, NHT2 and MAT?

Mr McMillan—That is probably a little bit before my time.

Mr Park—I think the whole introduction of Caring for Country has been quite bad because, as you have just reiterated, we certainly on the ground still do not know what the structure is going to be and how it is going to go. Disruption is being caused by not having funding for a year. I think one of you asked the last speakers, ‘What’s going to happen if you don’t get any money?’ I think they have already experienced that and will do until the next lot of money from Caring for Country comes through. I think the state has had to pick up some of that. For the whole NRM—and I first remember it from about 1978, 1975, when we started doing these sorts of things, forming catchment councils and that sort of thing—the enthusiasm has waned because I think probably increased cynicism has crept in. Certainly we were all a bit wide eyed and idealistic when we started off in the mid or late seventies. Andy mentioned volunteerism earlier. People are getting tired of volunteering, I suspect. In relation to your question earlier about depopulation, one of the things that is happening in country areas is everybody is getting tired because they are doing more and more, and not only on the farm; there are fewer people to run football clubs and community organisations. NRM is no different from any of them. The thing that keeps that enthusiasm going is some sort of success. There has been some success, but especially through the first NHT tranche the nitpicking that went on about private and public good really did sap a lot of enthusiasm for that sort of thing. We had a fair bit of nitpicking on, ‘Oh, well, if you’re going to get a private benefit out of this, we’re not going to be able to do it.’ When we actually analysed NRM and keeping things going for heritage-type things, almost by definition there is going to be a private good for farmers to be doing some of this NRM-type work. That really did sap a lot of enthusiasm.

Senator SIEWERT—What forums do your organisations and farmers then have to actually communicate that to government?

Mr McMillan—I guess part of my role is looking after all the environmental aspects of farming. I sit on a dozen various stakeholder reference groups around Perth. I have been to Colin Heinzman on a quarterly basis. I have not had a chance to talk to Colin about it specifically, but certainly Dale’s predecessor, Garry English, who would be pretty well known to most of the people here—

Senator SIEWERT—I know Garry well.

Mr McMillan—Garry was very passionate about the whole thing, and we still maintain a level of contact and I know that he is still involved in the process. Without having that direct input, we are getting it in through the side door, but not a lot appears to be happening once it is getting in there.

Mr Park—But just on a general basis, farmers are more and more bombarded by information from everywhere, and NRM is just one of those. We are getting more and more on marketing and we are getting more and more on all sorts of regulations that we have to do. The round filing system is used fairly regularly on the stuff that comes into farmers’ houses. A lot of it does not get read. A lot is printed and a lot of people are putting time into putting glossies out and that sort of thing. Farmers are probably worse than most but then they have probably got more to read. I often say to Andy, ‘If you want us to read it as farmers, keep it to one paragraph.’ I get a hell of a lot of stuff through my post that is pages and pages long. The best you do on it is you flick through it and, if something catches your attention, you read it. The information overload is quite incredible.

CHAIR—I take it that the round filing system is normally the green one with wheels on it—the filing cabinet?

Mr Park—That is the one. That is the reality. Unfortunately, that is what we have to come to grips with. All of those—as I was saying before about those groups and the lack of people—are trying to get their message out to fewer and fewer people, which means more and more information for each of those people, and they do not have the capacity to take it in.

Senator SIEWERT—I suppose it is then: how does government best canvass your views or get information to you? It is sort of like a catch-22, isn't it?

Mr Park—It is.

Senator SIEWERT—On one hand—and I am not having a go—there is the comment, 'Well, we don't have enough information about Caring for our Country', but then it is being binned. What is the best way for government to get your views and your input on what is absolutely essential? You cannot deliver Caring for our Country without having farmer input.

Mr McMillan—Send it through the office to me I guess is the easiest way and then I will break it down into one paragraph that Dale needs to digest.

Senator SIEWERT—So, communicating through the various federations and—

Mr McMillan—Yes, absolutely, through the head office. Our communication approach for our members is pretty effective. So, yes, if it comes in through the head office we can do a précis on the information that comes through and make sure that it is communicated.

Senator SIEWERT—I take it to date from your comment that that has not happened for Caring for our Country?

Mr McMillan—No. We are obviously hopeful that, as Caring for our Country is bedded down, it will happen. But it does concern us because at the moment all we have is speculation. I have members who are on the regional NRM groups ringing me up and saying, 'Well, do you know what's in it? Do you know how this is going to impact us?' This is what I am hearing.' That is the last thing I enjoy hearing. This is what I am hearing. It is reds under the bed stuff, which is very hard to deal with.

Senator SIEWERT—Is it just a matter of information giving or would you prefer to be involved in a dialogue about how the program will be delivered?

Mr McMillan—I think dialogue is important up front so that you have the face-to-face experience with it. I would cite an example of when the regional NRM groups were first put on board there was a day-long session down at Fremantle that we attended. It was absolutely mind-blowing the amount of information that was put across there. Even the NRM groups staggered to comprehend it all, because at the end of it they were all asked for their opinion. Virtually to a man they stood up and said, 'Well, look, this is all good stuff, but we're actually going to need a lot of help to manage this.' That is the last big engagement that I have actually been involved in with this whole process.

Senator SIEWERT—How long ago was that?

Mr Hills—Whenever the NRM groups were established.

Senator SIEWERT—Was that the one in the Tradewinds?

Mr McMillan—No, I reckon it was down at one of the yacht clubs.

Mr Park—It would have been a while ago.

Mr McMillan—It was.

Senator SIEWERT—You have made a comment in your submission that WA farmers is confident that the existing NRM model will be able to deliver the new program. Are you therefore saying that you think the NRM model is developed enough that it is mature enough to be able to engage?

Mr McMillan—I guess the comment there is more in relation to our knowledge of the people concerned in the process. I would know a member a member or two from all of the groups, and they are all very capable people in the NRM field. We have confidence in that process.

Senator SIEWERT—I do not think you were here at the beginning of the discussion we were having with Mr Heinzman and Mr Hills. There are two things. You were here for the competitive tendering. The other thing is that the state governments do not have to be matching funds any more; tenderers do not have to do matching funds. I am interested in your opinion about that. Secondly, what in your opinion should happen if regional groups are not successful in their tenders?

Mr McMillan—That would really exacerbate one of the major problems with community engagement, which is the discontinuation of funding. In between funding rounds that level drops off and people walk away because they are not being funded. They do not come back. What you are proposing or what is being proposed under Caring for our Country is going to make that a whole lot worse. I do not know the strength of character of a lot of the administrators, like Damien, I guess, as to how long before the frustration gets to them, but I could see that as being an absolute nightmare, particularly given the resource issues of competing against government agencies. That is one of the common threads that have come from farmers who are engaged in the NRM process; there is far too much money going to support government agencies and it is being taken up in administration costs as opposed to hitting the ground and actually demonstrating something useful. All I am seeing in what was discussed earlier on is a formalisation of the current process that is really a hindrance to good outcomes and gives the government an excuse down the track to actually walk away because they cannot see evidence on the ground.

Senator SIEWERT—Have you ever been engaged in the bilateral process?

Mr McMillan—We have been briefed on the process. Yes, in the lead-up to the last rounding for NAP/NHT we were briefed as to how the negotiations were being progressed by both state

and federal people, but we have never been actively engaged in the process and, to be honest with you, I am not too sure that we would want to be.

CHAIR—Senator Adams, do you have any questions?

Senator ADAMS—Yes, I do. Congratulations, firstly, on your new appointment.

Mr McMillan—Thank you.

Senator ADAMS—Mr McMillan has been appointed as the new chief executive officer of the Western Australian Farmers Federation.

CHAIR—So you do know how much she owes in—

Mr McMillan—No. She employs my wife now, so I am quite happy with that arrangement.

Senator ADAMS—Moving on. I was going to actually mention that. She is a very good employee. The South West Catchment Council gave evidence earlier. I do not know that you caught up with the first part of their evidence?

Mr McMillan—No.

Senator ADAMS—Having come from a small community that is very involved, I know there are six subregions in that South West Catchment Council, and there are a lot of problems from the grassroots people, as you were saying, especially coming from Kojonup; it is the same people in the same things who are trying to do the same projects. But with the new Caring for our Country these projects are obviously going to be cut back and they are going to focus on much larger projects. Then, of course, we have this competitive tendering. A number of these organisations are very concerned. But the south west catchment has agreed that it will do a review to find out exactly how it can deal with its subregions. I would hate to see some of these projects getting tipped over, because there are some very good projects and some very good people, as Mr Park has alluded to, dealing with these particular projects. But if they are not funded they cannot keep going. The feeling in that area is that a large number of staff are employed by the south west catchment, the council, in administration and the money is going into that rather than going back into on-the-ground projects. I have a letter from one of them commenting on that. My question to you is: how are you going to keep the communication up or really get yourselves focused with these groups, with the larger councils? I think it is really important that you do. Your newsletter that comes out every week—and the one paragraph—that is really good; it does not take long to read that one page. I certainly appreciate it because it gives me a good overview of what has going on during the week in the rural areas. Somehow you are going to have to get a process or someone within your office to be able to work with this as it is being bedded down. Will you be able to do that?

Mr McMillan—I have no doubt that we can do it. It is simply a matter of having the information. You are quite right that the Friday *Beyond the Farm Gate* is our most effective communication tool with our members. You have probably noticed over time that we will put in a plug, if you like, for a particular group or a particular project happening somewhere. It is simply a matter of having the information coming in from the groups and we can disseminate it,

either in short detail there, and we have the page in the *Farm Weekly*, or we have regular commodity updates and through our normal zone process.

CHAIR—Is that information supplied only to your members or to the whole farming community?

Mr McMillan—Only to our members.

Senator ADAMS—I still get it, though.

CHAIR—I was just going to say that I am not quite sure how Senator Adams comes by that.

Senator ADAMS—It still comes to my office.

CHAIR—You are hanging yourself, Senator Adams.

Senator ADAMS—Yes, I know, but still that doesn't matter.

Mr McMillan—It is important that our decision makers are informed as well.

CHAIR—I agree.

Senator ADAMS—I try to keep up.

CHAIR—How many sheep do you have now?

Senator ADAMS—None; we have just sold our property. Anyway, as I say, I think at the moment with an organisation like yours—because the information just does not seem to be getting back down to our grassroots people—it is so important that they know what is going on.

Mr McMillan—We are as challenged as any NRM group as far as the volunteerism goes, too.

Senator ADAMS—I know.

Mr McMillan—Dale is literally a volunteer and all of our people are, and we struggle at the moment to have people put their hands up and say, 'Yes, I want to be a zone president. Yes, I want to be elected to your executive.' That is an issue that we are really struggling with at the moment. It is not just NRM or other footy clubs or whatever, it is at every level.

Senator ADAMS—Yes, I am aware of that. Anyway, with the South West Catchment Council, they are doing this review, so that is certainly that I will certainly alert you to when we get it and maybe you can chase them up.

Mr McMillan—Yes.

Senator ADAMS—Secondly, we have had a group of Indigenous organisations giving evidence earlier today. Are you aware whether within your organisation you have any

Indigenous groups representing you, or are you involved in any way with their land management areas?

Mr Park—None really at all. We are very much membership based. I do not know of any Aboriginal members we have. We have very little contact. I have contact on another basis, just as a farmer, but certainly as an organisation we—

Senator ADAMS—They are a group that feel quite disenfranchised as well, not being involved. As they said, ‘That is our country so it is really something that is encompassing everyone.’

Mr Park—In my area they have fairly large tracts of land that they would have native title claims over.

CHAIR—What is your area, Mr Park?

Mr Park—Badgingarra, which is north.

Senator ADAMS—That was their comment. They have come up with, I think, some very good issues and it might be something worth following up. We could give you a copy of their submission. It is not on the internet. It was handed to us this morning. It might be something to have a look at.

Mr McMillan—We would certainly be interested. When I saw the agenda for today’s hearing I noticed that the three gentlemen concerned are all former facilitators. I do not know whether there is anything in that at all, but I was well aware of the structure of the NRM groups. The feedback that I had had from a couple of our members involved in the groups was that the contribution of the Indigenous people was extremely good. But obviously there is a frustration with the process, otherwise they would still be current facilitators.

CHAIR—I think money came into it as well.

Senator ADAMS—Yes, it did.

CHAIR—And that is on the public record.

Mr McMillan—But that is a volunteerism issue in itself. There has to be an incentive for these people to maintain involvement, from the Indigenous people up to Dale’s level.

Senator ADAMS—I do not have any further questions.

CHAIR—Senator Hutchins, do you have a question?

Senator HUTCHINS—No.

CHAIR—Gentlemen, before we go—and this is not to do with this inquiry, but I do appreciate your time being here—how is the season looking? Hang on, that is a loaded question. On the front page of the *West Australian* newspaper we normally see dust blowing through a

farmer's hands; how bad it is going to be. Then a week later we find a farmer standing in paddocks looking lush and everything is looking good. Can you give us an on-the-ground report? Some are terrible and some are good.

Mr Park—What is the old saying? It is like the curate's egg; good in parts. When you try and describe even Western Australia but certainly all of Australia in one word, as to whether the season is good or bad, it is impossible.

CHAIR—Let us just talk about WA.

Mr Park—WA is the same. This year, for instance, where Senator Adams used to come from—she tells me now she has sold off the property—they are having a wonderful year down there. It has been absolutely magnificent and it is probably the same story right up into the Great Eastern Highway. South, just about all the way along south of the Great Eastern Highway, except Esperance, which has had a slow start, but I think it has picked up since then. They have had a pretty good year.

CHAIR—So the good parts are good?

Mr Park—The good parts are good. Yes, even in our own case, for instance, the first germination we kept going through was the third germination we had had for the season. We had fairly heavy rains in December, which was unusual in that it stayed cloudy for four or five days, so we actually got a germination. That early in the summer we can usually get away without getting a germination from summer rain. But by the time we did get rain—and it was early, 1 May—we were on our third germination. We then went for quite a long time before we got the next rain. We kept that germination and lost the fourth germination, so things were pretty thin. Then we got a brilliant July. We got eight inches in July, which was magnificent. Then we got virtually no rain in August. In our sandy country that played merry hell. Then we have had a reasonable September and I am hoping we are going to get a reasonable October. That might turn into a reasonable year. You go only 50 to 100 kilometres east of us and some people in pockets are having a reasonable year; others are really quite desperate. Go further north to the northeast, which has been traditionally quite bad over the last four or five years, they actually got quite a lot of summer rain, good subsoil moisture, managed to fluke a few rains through the growing season and they are looking at actually having a pretty good year. Northampton is the same. After two particularly bad years they are having a pretty good one.

CHAIR—This committee actually did go up to Northampton not long ago, or we had a subcommittee travel up to check out some pasture cropping.

Mr Park—Describing it all in one word is impossible. It is anywhere and everywhere. I think the thing that really is playing on farmers' minds at the moment is the very fast escalation in input costs that we have suffered over the last 12 to 18 months.

CHAIR—We are very well aware of that.

Senator ADAMS—Fertiliser and chemicals.

CHAIR—We won't mention fertiliser.

Mr Park—That is right. We are looking at, yes, fertiliser tripling in price. When they paid that first hike in prices, most of those farmers had not actually seen the high price in grain at that stage.

CHAIR—There is another committee looking into that, so we are not allowed to talk about that. But we do know.

Senator ADAMS—Can I just ask one question on the frost? How badly have crops been damaged by that?

Mr Park—Again, it really depends on where you were. I was talking to people from Meckering the other day and they were estimating they lost 80 per cent of their crop. Frost to me is the nastiest of all, because you have actually spent almost all of your money. The only bit of money you have not spent is actually harvesting it. It is the cruellest blow of all. It is not good.

CHAIR—So, if your grandson said, ‘I want to be a farmer, Pop’, you would whack him around the ear and send him back to school?

Mr Park—Actually, I have a daughter who says she wants to be a farmer. She is in Derby at the moment doing her grad year for nursing.

Senator ADAMS—Keep her doing that.

Mr Park—And she probably will come back to farming.

CHAIR—Throw money at her—whatever she wants—to continue her studies.

Senator ADAMS—Send her on to a nurse practitioner. Get her to do her masters.

Mr Park—My generation, we all wanted to go back farming and it did not really matter what our fathers said. And they did. They all said—

CHAIR—Because he knew better. That is right. We all know that one.

Mr Park—But this next generation is saying, ‘No. Well, look, we’re not going to put up with the pain.’ It worries me. What is going to happen? We are going to need fewer and fewer farmers because things are going to get bigger and bigger. But that just makes more and more problems for the people who are left on the land.

CHAIR—Yes, of course, and those communities understand that. On that, Mr Park, we still manage to smile, like you do, so we take our hat off to you. Thank you very much—and, to Mr McMillan, congratulations. What was the appointment you got, sorry?

Mr McMillan—CEO.

Mr Park—He is now the boss.

CHAIR—You're the boss? We can take it out on you now if it all goes to custard. Thank you very much, gentlemen. We appreciate your time.

Proceedings suspended from 1.29 pm to 2.28 pm

SHEPPARD, Ms Jessica Teresa, Natural Resource Management Facilitator, Western Australian Local Government Association

CHAIR—I welcome Ms Sheppard from the WA Local Government Association. Do you wish to make a brief opening statement?

Ms Sheppard—There are two points that I would like to make in my opening statement. I would like to reiterate the point that our submission and the questions that I answer here today are not representative of the views of the local government sector in Western Australia. We did not have adequate time to consult the sector, so the views that I will discuss today are representative only of the association. However, we still feel that we are well qualified to contribute our views as we have been representing local government, working to improve their engagement or lobbying on their behalf in the field of NRM throughout NHT1, NHT2 and now in Caring for our Country programs. We have always had some form of NRM officer employed to do this.

The second point I would like to make is that local government involvement in NRM as land managers, planning authorities, regulators and service providers as well as being the closest sphere of government to the community signify that the sector is well placed to assist in delivering successful NRM outcomes, given adequate recognition and resourcing. However, we would like to express our concern over the lack of government engagement in the new Caring for our Country program. Engagement of local government has not been perfect throughout the previous programs. However, even though we have not been formal signatories in NHT1 and NHT2, we have always had a seat at the table. We have had local government representation during the bilateral negotiations and we still have representation on the joint steering committee. Now however there are no direct links with federal NRM processes. The local government network has been axed and we still have not heard if there is a local government national coordinator being appointed. We are very much reliant on others to engage local government and we also feel that many local governments may not be able to fit their local NRM issues into the new national priorities. As the state's support for NRM is still very uncertain we are just concerned that many Western Australian local governments will miss out on NRM funding and support in coming years.

Senator SIEWERT—You just said the local government network has been axed. When did that happen? Was that part of the networks that were not refunded?

Ms Sheppard—Yes. That is right. We have a local government facilitator network where there was one position for the association based in every state. That was funded through NHT2. When they changed to Caring for our Country that was one of the networks that was not refunded.

Senator SIEWERT—I am not trying to verbal you here but I think you also said that the level of consultation with local government on Caring for our Country has been inadequate; is that right?

Ms Sheppard—I think it has been inadequate. Like a lot of other people, we only found out that our network had been axed through the announcements on the website. Since then any dealings we have had with the federal government around Caring for our Country has basically been telling us that we will be able to apply for the contestable bidding process like anyone else, and that is as far as it goes. Certainly I know a lot of local governments are feeling very disconnected from the process.

Senator SIEWERT—For as long as I have been involved in NRM, which is a relatively long time, local government engagement has been an issue. It seemed to have improved with having the network on board. There has really been a lot of effort into getting local government engaged in NRM. Has there been dialogue with the new government to let them know past history, the importance of the role that local government play in delivering NRM?

Ms Sheppard—Yes, definitely. When the network was first cut most of the associations wrote letters to the appropriate ministers reiterating the achievements that have been made not just with the network but with local government and NRM in general. I believe it has been discussed at various levels. We have had our ALGA representative meet with various government executives, but that is probably as far as it has gone. To be honest, we are not even sure whom we should be engaging with at the moment within the government because the departments and the people within them seem to have changed so much. Probably at a local level we still remain in contact with our state Australian government facilitators, but even they have been unable to really tell us what has been happening in Canberra. We have even been disconnected from being able to express those sorts of views as well.

Senator SIEWERT—In terms of the bilateral negotiation, are you engaged in the latest one?

Ms Sheppard—No, not in any way, shape or form. We believe that there has been one signed for this transition year. We have been told by staff within the state department that negotiations had started for the following four years but we have recently written a letter to the chief executive of the Department of Agriculture, who is the chair of the NRM state executive, asking exactly what was happening. They talked to our rep at the JSE on Wednesday and said, ‘Oh well, there is nothing really happening at the moment with negotiations.’ But then the Australian government was saying, ‘Yes, we do want to progress them.’ We are actually getting mixed messages about what is happening and we are certainly not being told whether we will have a role in it or anything along those lines.

Senator SIEWERT—Do you have a formal role with the regional chairs?

Ms Sheppard—There has been nothing in writing up until this point. We had intentions of developing an MOU much like Queensland where the Local Government Association there signed an MOU with the collectives. We have just been waiting. WA has taken a while to actually develop the chair’s collective. That has only really come into place recently but is now in doubt due to unknown state funding to support the collective. It was sort of progressing to that point but it has not gone any further simply because of the recent state election. Everything is very much in a state of uncertainty at the moment.

Senator ADAMS—How do you see the best way forward for your consultation? You are saying that you are not sure where to go in the department. Are you going to work with the existing chairs of the catchment councils now, or where do you think you will go?

Ms Sheppard—We still support the regional NRM delivery process and we have always supported the regional groups. WALGA itself has developed policy statements around supporting regional groups. We would certainly like to continue a relationship with the chairs. We would like to develop a better relationship with the state and we would certainly like to just find a way of re-forming some relationship with the Australian government. I guess we have been waiting for the business plan to come out and to get some details around exactly what is expected and how they will be asking for everyone to participate. Then we were hoping to assess where local government could buy into the process. To be honest, we have been focusing our efforts on the state because we almost felt like we did not really have a foothold with the Commonwealth any more and were not too sure where to go. We were hoping that either ALGA was able to represent us and make some connections there or that we would be able to connect with the state and then through the state to the federal government. To be honest, at this point in time in terms of representing local government the association is probably still working out where we need to go from here.

Senator ADAMS—We have just had the South West Catchments Council giving evidence this morning. They were actually doing a review. That might be something for you to take forward to your local government areas down there.

Ms Sheppard—The South West Catchments Council has probably been one of the best in terms of engaging their local government in Western Australia. They have been very good.

Senator ADAMS—I did ask them a question about where local government fitted in. I come from a small rural community myself. With the Landcare person being employed by local government, do you see that they will have enough funding to carry that on?

Ms Sheppard—It has been very varied. Certainly through NHT2 some regional groups followed the letter of the law and cut funding completely, so that in areas like the Avon Catchment Council any NRM officers that are there are wholly and solely funded by local government. That means that out of the 33 local governments I think there are only 10 that actually have NRM officers; the rest feel that they do not have the capacity to. Some of them would certainly like to but their community always ends up finding other priorities like local roads and the rest of it. Other catchment councils like the South West have actually implemented partnership programs where they have put up funding. In the South West they have basically gone halves with their local government to cover the cost of an NRM officer. That has been very successful. They have 19 out of their 27 local governments with an officer employed. That has been excellent. It is continuing through to June 2009. I have reservations at this stage whether they will be able to continue it past then because I am not sure how they will be able to make it fit into the new national priorities. Under the community engagements side of things it probably could. As I said it has been a very successful program and the community and the local government has really welcomed it. I am really not too sure. Again, I guess it is a matter of waiting to see how the business plans comes out and the outcomes of that as to whether they can make that program fit and continue with it.

Senator ADAMS—As to the competitive tendering for the new projects do you see local government being involved in that and competing against state agencies?

Ms Sheppard—Yes and no; some of them, absolutely. We have some very geared-up local governments, particularly within the metropolitan region. Some that are regional councils have aligned around a certain issue. Mostly in the metropolitan region it is waste, but then they have broadened out into other environmental issues and an example is the East Metropolitan Regional Council. They are quite strong in their environmental activities on behalf of their member councils. They have more than adequate skills and capacity to be applying for funding. They represent quite a large area of the Swan region. They work quite well with their subregional group. I would say almost certainly they would want to participate. As soon as you get out into the regional areas it would be quite a different situation. Some of the rural local governments would not have anyone that would be able to write the application, let alone administer the funds or get the work done on the ground. For some of the rural local governments, again, we have some regional organisation of councils. There is the north east wheat belt one, which has been very good. It has leveraged funding in the past through NHT2 and has got the on-ground delivery. Again, I would expect them to participate. But on a lot of remote local governments like in the range lands, that is furthest from their mind. I do not think they would even try. I think there is going to be quite a big gap between those who can and those who will not even go there.

Senator ADAMS—Also this morning we have had witnesses from the Indigenous groups. Do you have much to do with the Indigenous organisations as far as something like the Caring for our Country program?

Ms Sheppard—No, and probably not as much as we should. I guess local government in itself is diverse and often problematic in terms of engagement. The Indigenous area is an area that I think we have acknowledged that we need to work harder at, but I guess like many others we tend to fall into our own area and stay with that.

Senator ADAMS—As far as employment is concerned with these sorts of projects, if local government were successful would you be looking at programs that could employ Indigenous people to help with the work?

Senator ADAMS—Absolutely. I cannot see why that would be any problem at all. I am sure that there would be many local governments, particularly in areas that have Indigenous communities within them, that would see it as a real benefit.

Senator SIEWERT—I am looking at page 4 of your submission. I think it follows on from a question that Senator Adams asked and that is: which local governments were engaged. This also talks about also whether their priorities fit in with what the national priorities are. But you say that it is clear from that new program that large tracts of land in Australia will simply be excluded from consideration, hence the need to rely on state governments to fill in the gap. Is what you are saying there that groups in certain local governments will not be able to engage?

Ms Sheppard—Certainly the indications that we have been getting from the federal government and people we have talked to within the industry are that the federal government wants to be very targeted about where it puts its money and so it has some quite specific areas in mind. It has already indicated that was one of its priorities with the northern agricultural area,

but when I have talked to the Australian government facilitators their indication is that it is going to be quite geographically specific in terms of investment. I guess what we were hearing is that there were actually some geographical areas of Western Australia that were not really going to get a buy-in because they were not considered enough of a priority to fit in.

Senator SIEWERT—Which areas are those?

Ms Sheppard—We have not been told that. As I said, we have no indication about specific locations but certainly from what we have been told it just seemed to be there are going to be areas that really will not have much of an opportunity at all because they will not be considered a high enough priority. They do not fit enough into the national priorities which means of course that we will then have certain local governments that really are not just going to fit into the new program.

Senator SIEWERT—Have you talked with your members or in fact with your counterparts interstate about how you will fund the network that used to be funded by NHT, whether you will go on to fund it yourself?

Ms Sheppard—Most of us currently are. As of 1 July I have been wholly funded through the association, so I am totally an association employee. It is the same in Queensland and New South Wales. Victoria has I think received 18 months of funding through the state to focus mainly on their biodiversity white paper. South Australia is very uncertain at the moment. A lot of it comes down to the different capacity of the actual associations. The ones that have wholly funded the position are the large, well-resourced associations like WALGA. Tasmania, the Northern Territory and South Australia are obviously a lot smaller due to fewer numbers. They are currently continuing with rolling over funds. But for example I think South Australia's future is very uncertain past November. The network stands at the moment but as of probably November or December it could be quite dramatically reduced, I think.

Senator SIEWERT—Would WALGA continue to fund the position?

Ms Sheppard—They have basically committed at this stage to be a standard position like any other, so they are just rolling three-year contracts. I signed a three year contract a few months ago now.

Senator SIEWERT—This might seem to be a bit of a cheeky question, but putting on a Commonwealth government hat and playing devil's advocate here if I were to say to local government, 'Well, if you can afford it and if you think it is that important shouldn't you have been investing in it?' That is what we were trying to do within NHT2. We were trying to increase the capacity and interest of organisations to fund NRM. It was only ever catalyst funding. What would be your response to that?

Ms Sheppard—I think in the case of WALGA we would probably say, 'Yes, we can wear it.' Many would say it is still cost shifting, something that local government is very concerned about. I think it is more about consistency nationally though, because as I have just indicated there are associations that cannot afford to fund it, so you lost out on that national equity. The national network has also been very useful. Certainly from the local government perspective we have been able to develop policies through ALGA and push it through that way. We do not

disagree that we would like local government to take responsibility for NRM. Part of my role is to encourage them to fund their own NRM activities. Part of the reason for that is because the funding has been inconsistent or it has such big gaps that if they do not take it on themselves then you end up with this discontinuity of programs and projects and you have the community then getting upset because they are seeing these breaks in what happens.

I guess the other thing I would comment on is that WALGA has only recently been in a financial position where it could take on my role. Had it been say two years ago that this happened then I probably would not be here. Whilst I understand perfectly what you are asking, generally the associations and local governments in general as soon as you get outside of the metropolitan area do not have the means to take on these sorts of positions and fund them fully continuously, even though their community may want them to or expect them to.

Senator SIEWERT—In relation to the issues that came up earlier around some of the local governments being unable to tender for some of that Caring for our Country money, is WALGA in a position to take on working with some of the smaller local governments to actually be the auspicing organisation to work with them to prepare it and maybe then take on the tender for provision of NRM services?

Ms Sheppard—I think we are certainly in a position to assist them with the application process. Knowing our financial system at this point in time, I have grave reservations that we would be able to be the actual body to deal with the money. The local government would have to take responsibility for that side of things.

Senator SIEWERT—I was wondering whether you could assist them with capacity by several of them clubbing together?

Ms Sheppard—We would very much be encouraging them and assisting where we can because we are in a process at the moment of trying to encourage our local governments to form collectives on a regional basis as to where we want them to move in the future to become more sustainable because obviously the smaller rural local governments cannot continue on the way they are both from a financial, social and economic sense. We would certainly be willing to assist them in that sort of process, but within the structures of WALGA I do not think we would have the ability to actually take on ownership of those projects from the financial and reporting point of view. The local government would still have to be able to do that.

Senator SIEWERT—I am trying not to put a bias in here, but it seems to me that there is a concern about the involvement of local government into the future provision of funding the NRM capacity and Caring for our Country.

Ms Sheppard—I think yes. I am concerned that there is going to be quite a disparity between your large, well-resourced local governments and their ability to participate and your smaller rural, remote local governments that may need the money on the ground or may need more assistance but may not want to put the time in to actually become involved. I think as I said before it is a matter of being able to fit their local issues into national priorities. It is having the capacity to actually be able to write an application, deal with the consequent reporting and administer the funding. It is doing that in competition against state agencies and regional groups who are very experienced in doing that. They have been through this whole process before. What

we then become reliant on are those agencies or groups engaging their local government and saying, 'This is what we are planning to do. Do you want to do this? Do you want to be part of it?'

Senator SIEWERT—This is the regional groups?

Ms Sheppard—Yes, exactly. Up until that point it has worked very well in some regions, not so well in others. The regions that have had problems connecting with their local governments are the areas where the local governments would probably need the most support but the regional groups need the most support too.

Senator SIEWERT—If we were looking at making recommendations to government about how to deal with this issue, what would you suggest would be the recommendation we could make in terms of, having identified there is a gap in Caring for our Country, 'This is how we suggest that you deal with it.'?

Ms Sheppard—To be honest, I am not sure I want to answer that right now. I would probably want to have a chat—

Senator SIEWERT—You can take it on notice.

Ms Sheppard—Is that all right? I would like to take that on notice, please.

Senator SIEWERT—Absolutely, because I am really keen to look at what would be the way into Caring for our Country to actually address the issue.

Ms Sheppard—If I can?

Senator SIEWERT—That would be great.

Ms Sheppard—I will take that on notice.

Senator SIEWERT—In your submission on page 3 you say, 'The Caring for our Country program emphasis on one and three-year outcomes is counterproductive.' Then you talk about the need for five-year intermediate targets and 20-year outcomes. As you will be aware, the Auditor-General's report was very critical of the fact that we could not report against NHT1 or NHT2. That is the government's response. Having shorter time frames is the government's response in a way of being able to show how effectively we spend the money. It seems to me that it is also good for the community to have more achievable outcomes. You always seem to be investing in this project that is going to have outputs in 20 years time and you do not get an immediate feedback. How do you see we could do that if the one and three-year outcomes are unrealistic?

Ms Sheppard—I just get concerned with these programs when they say, 'We want one and three year outcomes', that all you can really show from a lot of these things is that we have planted X amount of trees or we have fenced X amount of hectares. They are not genuine changes that are made, they are numbers that you can show of work you have done. When we say we feel that they are counterproductive, a lot of the reports that have come out criticising

NRM are saying that we are not showing how these changes that we expect have come about. But I think that standing up and saying that we have put so many kilometres of fencing in the ground does not help your cause. That was probably the point we were trying to make.

Senator SIEWERT—You have to actually link that to real NRM outcomes?

Ms Sheppard—Yes, which is not an easy thing, I know, particularly when you talk about landscape-scale changes. We have taken 50 years or 200 years to get it to the mess it is in now. It is obviously going to take time to fix it, but there has to be a better way of showing the efforts and exactly the impacts that they are having.

Senator SIEWERT—You raised an issue in your submission and also the New Rock example really reminds me because I remember we were trying to get the NRM statement of planning policy. This was quite a long time ago that we were looking at implementing it in New Rock. The point there is that local government have critical powers for implementing NRM on the ground. How much progress has been made in trying to actually use local government planning powers to deliver NRM and has that point been discussed through the network across Australia and with the federal government?

Ms Sheppard—It has. We were very pleased to see when an NHT3 was being proposed that peri-urban was a national priority because we saw that as starting to recognise the worth of using land-use planning to do effective NRM. It has certainly been recognised more and more strongly in recent times at the state level. We have a strategic reserve project called NRM and Land Use Planning, more commonly known as Enviro-planning. That is all about integrating NRM into land-use planning, specifically with assistance and support for local government to do so. That has received I think \$1.25 million over two and a half or three years and has received another \$230,000 to continue through to June 2009. That has been very positive. It has been a partnership program between WALGA, the Department for Planning and Infrastructure and the WA planning commission and then individual local governments. The state government has acknowledged urban and peri-urban planning as a state NRM priority in their recent draft plan. It is getting there. We are definitely pushing it. We think it is one of the strongest avenues to address many NRM issues and is certainly a powerful tool for local government. I think the state is getting to that point as well.

Senator SIEWERT—Is that project working with the regional groups?

Ms Sheppard—It is. It was certainly formed with their support. We have one of the regional CEOs on the steering committee. It has worked in partnership with them in the south west and the northern ag region to deliver a couple of native vegetation mapping projects because there are development applications going ahead that cannot actually be approved by the EPA until they have that vegetation assessment. The project, the regional group and the local governments have all kicked in dollars to get that native vegetation happening. It has been quite a partnership program from many points of view.

CHAIR—Thank you very much for your time today. We will have the next witnesses in five minutes.

[3.02 pm]

HALES, Mr Greg, Program Manager, Blackwood Basin Group

CHAIR—Before we go to questions, do you wish to make a brief opening statement?

Mr Hales—Yes. Firstly, I thank you for the opportunity to appear before the committee and for undertaking this inquiry. The Blackwood Basin Group's core belief is that community ownership of catchment problems will produce appropriate solutions, given adequate resources and expertise. Unfortunately, the way in which the Caring for our Country interim funding has been thrown out with little guidance or forethought goes against everything that we have been attempting to build over the last few years. In order to spend \$80,000 to \$400,000 in six months the project submitted will either be unachievable or an inefficient use of resources. The only opportunity for this period is to do the groundwork for future larger projects to be rolled out. If this is not the government's aim, the \$25 million will be wasted and will just provide another stick for us to be beaten with.

Caring for our Country has halted momentum within the community, stifled capacity and created confusion about the direction of NRM. The federal government appears to either not understand what we need or know what it wants. The announcement of funding was rushed and will force impulse purchases. It would have been better to have provided funding for groups to maintain capacity during the interim period than to apply for projects that we have little chance of implementing successfully. It is setting up groups to fail. It is not strategic. It does not have a long-term focus, nor has it learnt from past NRM lessons. Interim funding views should be avoided as they cause damage. There is an overwhelming feeling of confusion and apprehension. We are now trying to jump on the Caring for our Country bandwagon rather than fulfilling our community roles. The top-down approach does not work. In order for projects to be successful and to achieve real results the community has to be engaged and want the projects to succeed. Time and time again we see projects fail not because of bad management but because of a lack of enthusiasm. The policy makers need to consider what will happen on the ground as a result of their decisions because ultimately that is what all top-level decisions should be driving towards. If they are not then they should not be happening.

Staff capacity should have been maintained, and it is hard to get communities and projects up after inactivity. It takes time to build trust and enthusiasm. Twelve to 18 months is not adequate for suitable projects. It also provides no job security. Innovation is not always the answer. We should also support standard items that work. We need to use a calendar year for projects, not the financial year. More partners do not mean better outcomes. Therefore, partnerships should be formed for good reasons, not just to tick a box. Natural resource management officers and Envirofund-type projects are critical to landholder engagement and farm-scale works at entry level. We need to retain staff and community champions with skills and knowledge. We feel we need to provide free development and formal training if we are to keep skilled people in the industry.

Local land care groups, not regional bodies, have the ability to maintain momentum from landholders. Support to people on the ground is imperative. Highly competitive funding

situations have created a disabling non-sharing attitude between agencies, regional NRM bodies and community group deliverers of projects, and I speak from a WA perspective on that. Data sharing is essential to effective economic projects. State-wide MNEs should feed into a national MNE program. For instance, there is no monitoring of bores and piezometers drilled over the last 30 years. A long-term strategic approach is essential. At the moment success is measured by spending all of the allocated money in the allocated time and not via the long-term environmental and social benefits of the use of that money. Consequently, we go around and around doing work that has already been done. There is no potential to build on past work. A minimum of five years monitoring is required to see whether natural resource management work is having a positive impact on the environment and to enable projects to be undertaken properly and with sufficient community engagement and technical components. ‘Strategic’ can mean different things to different people. Currently it means some assets, where NRM issues get the majority of funding at the expense of less important areas. States’ assets receive considerable resources already; nonetheless, local groups and regional bodies are also encouraged to spend their funds on these.

We need each group to stick to their role. Regional bodies are supposed to provide support and admin assistance to the end user groups and local groups, and the link between state and federal governments and grassroots. Instead it has become another layer of bureaucracy that makes local groups’ jobs more difficult. Regional groups are also competing with local groups for funding. This creates mistrust and hinders good working relationships. Communication between regional and local groups is appalling. Local groups are contacted to be checked up on, not for collaboration. The role of regional bodies needs to be very well defined. Currently, smaller groups are laying off staff while regional groups are hiring staff by advertising publicly instead of targeting outgoing local staff. Regional groups do not have the role of engaging land managers and delivery of on-ground outcomes. They should be managing project deliverers and coordinating priority setting. They should deal with the paperwork, liaise with government and do the reporting. A lack of trust will occur if regional funding bodies attempt to engage land managers. This is a role for local land care groups.

Finally, the Blackwood Basin Group is very grateful for the opportunity to be involved with this inquiry and will always endorse a continuous cycle of improvement in land stewardship, as this is having grave impacts on many of its members. There are fundamental flaws in natural resource management in many states of Australia that need to be addressed urgently.

Senator SIEWERT—When you were given your interim or transition funding, were any guidelines or specifications given to you about how that money was to be spent?

Mr Hales—In the transitional funding distributed by regional bodies?

Senator SIEWERT—Yes.

Mr Hales—Yes. They were project based but with lots of conditions placed on how that money would be spent.

Senator SIEWERT—What sorts of conditions?

Mr Hales—Whether it is partitioned into monitoring and evaluation, the number of FTEs we could put on a project, and the terms and conditions of operational overheads and program management fees.

Senator SIEWERT—You got a proportion of the funding that SWCC got?

Mr Hales—We were allocated from the SWCC body projects they felt would be most highly suitable to be delivered by our organisation.

Senator SIEWERT—How much money did you get out of the transition money?

Mr Hales—I think it was around \$420,000.

Senator SIEWERT—Was that to deliver your part of the investment of the SWCC's investment plan?

Mr Hales—In projects that are occurring in our catchment that were most suitable to be conducted by our organisation.

Senator SIEWERT—For a period of 12 months?

Mr Hales—For a period of six months, from 1 January through to 30 June next year.

Senator SIEWERT—You had to scramble around and find projects that fitted into those specific guidelines; is that the case?

Mr Hales—Some of them were continuation projects of what we have been doing over the last two years, although they are written as different projects because of the transition from one investment plan to another.

Senator SIEWERT—In your submission you were very critical of that approach. I am just looking at the first page: 'The way in which Caring for our Country interim funding was thrown out with very little guidance or forethought goes against everything' that you have been attempting to build over the last few years, and that, 'In order to spend \$80,000 to \$400,000 in six months the project submitted will either be unachievable or an inefficient use of resources.' Could you go into a little bit more detail about why you think it is actually against everything that you have been trying to achieve?

Mr Hales—It is really about roles and responsibilities. Western Australia was one of the last to sign on to the National Action Plan for Salinity and Water Quality, which gave our regions only limited time to build up capacity and distribute basically nine years of funding over a shorter period of time. What we have essentially ended up with in the south west region were two investment rounds of 12 to 18 months each. The biggest project I held was a marketplace instrument trial. Across the region that was worth \$3.5 million. Along with all of these projects there needs to be monitoring and evaluation and reporting and communications connected to it. Quite frankly, the response from the landholders, who have been very understanding of the short time spans, is that the timelines are certainly not long enough to get effective work happening on

the ground. It is quite clear that we need longer time spans for projects to achieve what we are setting out to achieve.

Senator SIEWERT—The point there is that with six-month projects you are not going to be able to achieve real outcomes; is that right?

Mr Hales—It has been referred to by some of our clients that it is just dangling a carrot in front of people when there is no momentum. The farmers are looking at two to three-year time spans to implement works to improve their farming land and productivity. You are going through the complexity of tying in environmental benefits and production benefits into their farm. They feel that they are being rushed into achieving some of these works. Our timelines have been so short that some landholders have been feeling frustrated to the extent that they are ringing up the minister's office in Canberra trying to get some extensions for the projects.

Senator SIEWERT—For the transition projects or the other projects?

Mr Hales—All the current projects.

Senator SIEWERT—Let alone the transition ones?

Mr Hales—Let alone the transition projects, yes.

Senator SIEWERT—In terms of the number of staff that Blackwood Basin Group has, have you lost any staff as a result of the changes?

Mr Hales—All of our staff members were project based. Yes, we have. I will just clarify some of the numbers in a moment. The reason that has happened is that they were project based. Basically through effective project management we were able to start our projects on time, deliver them on time and get the works done without having to ask for extensions of time. My staff have been punished to the extent that there is no carryover money until some more transitional money flows in, so we basically had to lay off effective staff who could complete projects because there was no extension sought through that project to take it through to December when those decisions were made in December last year.

Senator SIEWERT—If I understand what you are saying, you actually spent all your money as per the project outlined and did not have carryover?

Mr Hales—That is correct. On the numbers, we went down from a mixture of 16 staff from part time to permanent, 11.5 FTE, down to under six at the moment and we will be struggling to maintain our six.

Senator SIEWERT—You have to effectively spend the \$400,00? That is what you told me, isn't it, \$400,000 for six months?

hale—That is correct.

Senator SIEWERT—Will you need to put more staff on or will the staff that you have be able to carry out those projects?

Mr Hales—At the moment the staff that we currently have will be able to complete those projects. But realistically of that \$421,000 we have been allocated \$30,000 for on-ground works.

Senator SIEWERT—Where is the rest of it?

Mr Hales—The rest of it will go into capacity building exercises and, realistically, keeping the staff there.

Senator SIEWERT—I think your organisation is one of the largest subregions of SWCC?

Mr Hales—We are 43 per cent of SWCC area of 23 million hectares.

Senator SIEWERT—If for some reason SWCC did not exist—and I am just thinking of the review that is being undertaken now—do you feel that you would be in a position to tender under the Caring for our Country new programs once that goes to tender?

Mr Hales—Yes, we are hoping so. We have some very good opportunities in some of our programs. Some of our programs are national award-winning programs. We would hope that those ones in particular would be supported. I guess we are waiting to find out the results of the interim-year funding, CFOC, to answer that properly post the decision being made later on this month.

Senator SIEWERT—Which decision is that, sorry?

Mr Hales—On the transitional funding direct from the federal government, in CFOC's transitional money.

Senator SIEWERT—I thought that is what you had now? I thought you had just been given that now, that \$400,000—

Mr Hales—That is part of the regional distribution of the transitional funding, not the open call—

Senator SIEWERT—You are now waiting for the open call?

Mr Hales—Yes. We feel the open call will give us an indication of what types of projects the federal government is seeking for the future.

Senator SIEWERT—This is the transition open call rather than what it is going to look like into the future?

Mr Hales—Yes, that is correct.

Senator SIEWERT—We are talking about two lots of transition money.

Mr Hales—Yes, it does get confusing.

Senator ADAMS—Just for the record, would you just like to give the committee an overview of exactly where the boundaries are of the Blackwood catchment region?

Mr Hales—The Blackwood Basin Group finishes and enters the Blackwood River at Augusta in the far southwest of Australia where the Great Southern and Indian Oceans join. The Blackwood River goes up 350 kilometres before it splits off in its major tributaries of the Arthur River, which heads off up to Narrogin, the Beaufort and Cobline systems which feed through Lake Dumbleyung north of the Stirling Ranges.

Senator ADAMS—Would you like to give us an idea of the types of projects that you have there that are being funded at the moment? They are the new salinity ones—

Mr Hales—As to the ones that are directly funded through the regions, because there are a couple of other projects that I am involved with—the upper Cobline catchment demonstration initiative as well—they are probably around three areas. The major areas are around salinity—land salinity and water salinity. We have two projects that we have been implementing over the last two years that were worth \$1 million each. The market based instruments, closed tender for works are run across theme, across industry and across farm boundaries, and were worth \$3.5 million. I have a couple of smaller projects built around the Best Farms EMS project, which is about property planning and farm management systems. Currently we are working on the Hardy Inlet estuary looking at the major inputs of nutrients and other water quality parameters, sewage, urban influences and the potential of the river mouth closing over and the proposal for a new cut to be made at the river mouth opening.

Senator ADAMS—Are you involved in any mallee tree projects?

Mr Hales—When we work in catchment areas or subcatchment areas we use the resources that are there. When we write up the projects we do not duplicate the works of other groups in the area. We collaborate and have written them in to work in partnership on the project. When our staff find a particular group of landholders who are interested in, for example, oil mallees or broom bush or other types of works, we then provide the link to bring that expertise from other groups who are looking to get their particular targets on the ground. We do not compete with targets as much as possible.

Senator ADAMS—When it becomes an open, competitive market where do you think those smaller groups, the ones involved with salinity and the ones involved with mallees and the other catchment groups, are going to fit in under your umbrella?

Mr Hales—That is an interesting point. We have gone down that path before. As the Blackwood Basin Group, through NHT1 and NHT2, we had a good understanding through formal MOUs with our partner groups that clearly defined the roles and responsibilities of how we cooperate and collaborate with our sister groups or child groups, depending on how they felt at the time. However, when we have had open calls before and have gone down that path we have put in some collaborative groups, and that is what we have done in Caring for our Country open call grants direct from the government next year. But we have also in the past had other groups who in theory go down the line of collaboration, but then at the last minute, as everyone is controlled by different community groups, the community feels that it would be a safe hedge to put in their own as well. Potentially, instead of getting one larger project there would be some

competition for other styles of projects, but those other groups are not putting in a similar project. They might be putting in a different project that is being defined in their local action plans.

Senator ADAMS—There will not be any duplication of programs then?

Mr Hales—No, we would not expect that, and we do collaborate and communicate so that we are not competing under the same project areas.

Senator ADAMS—With this future planning, where do you see local government fitting in?

Mr Hales—There are probably many issues on which I can take that one. Local government has been supported in SWCC and in a number of other regions in the past because of their institutional and administrative set-ups, which are fine for controlling money/financial services. You probably cannot complain about the quality of financial services coming out of local government. However, local government have real issues with on-the-ground activities. They are late. They are not done. They are not completed to any suitable national standard, Western Australian standards, in the implementation of the works. A lot of their drivers and outdoor workers are not experienced enough for land conservation work.

Senator ADAMS—You do not see them as a partner helping you move forward with these tenders?

Mr Hales—We work considerably in partnership with local government. I guess to answer your question: yes, there are roles as collaborators. I probably do not feel there are roles for local government to drive a lot of the projects, but they certainly, with administration, can help facilitate the projects to successful outcomes.

Senator ADAMS—In relation to Indigenous groups, does the Blackwood Basin Group have any involvement with the Indigenous groups or Nyungars?

Mr Hales—Yes. Three years ago we went out of way to start forming collaborations with our Indigenous groups and we have completed projects over the last two years dealing with Indigenous groups and assisted the south west regional body in establishing their agreement with the local Aboriginal groups down there. Our projects have been on education. We have provided resources to all of our local schools on Aboriginal and the local Nyungar customs and traditions, and in providing information within that study book called *Active Awareness*. It provides local links for school teachers to be able to operate and run projects based on their local sense of community rather than reading up about the Aboriginal history of how Sydney was settled, which is traditionally in the textbooks. We provided those local links. I must just say one of our projects is later this month up for a national land care award. Our work with the Koja Place at Kojonup in the CDEP.

Senator ADAMS—I come from Kojonup. That is good.

Senator SIEWERT—Can you tell me what level of consultation there has been between your organisation and the state and the Commonwealth over the changes that are taking place?

Mr Hales—We were invited to participate at community forums when the information was released. We have not been party to any of the discussions and, historically, over the last three years when we have written projects in collaboration at the operational level between operational officers, when it goes up a few rungs higher in the state bureaucracy, it is knocked on the head. Then we get the feedback, ‘We don’t do things that way.’ My organisation tends to be written out of the application, so it all becomes agency run.

Senator SIEWERT—In terms of the new approach that has been taken with this funding program, which does not require state matched funding, are you are aware of that change? If you are aware of it, what do you think about it?

Mr Hales—Yes, I am aware of high levels of collaboration. Those collaborations have not occurred between the state agencies and community groups at this point for the open call. We did provide a letter of support for good projects with universities. I think it comes back to the roles and responsibilities. We also feel that the state agencies should be there to provide guidance and technical support, not actually physically running the projects themselves.

Senator SIEWERT—That brings me to what I think is another important point. With the competitive round of funding that will be starting shortly, as I understand it, stage agencies can compete with community organisations. Does that mean that the states will be less willing to provide you with support to write your applications?

Mr Hales—From a WA perspective I would say, yes. What we have noticed is that the state governments are using other groups to apply for funding under the Caring for our Country, whether it be a university where the people involved have dual caps because they also work for the agencies, or are going through pseudo government organisations under the pretext of community groups. There might be a community group formed but it is their staff and actions, and projects are written by the agency not by the group themselves.

Senator SIEWERT—Do you envisage having joint projects with any state agencies and have you done that in the past?

Mr Hales—We have been completing a joint project in one of the dry land salinity catchment areas, which has been operating very well with the Department of Agriculture and Food in WA. We were going down the path, regionally anyway, of continuing that collaboration and trying to establish a model that could work that we could roll out catchment to catchment. However, the importance of those types of collaborations does not seem to be getting through at the board level of the regions here in WA anyway.

Senator SIEWERT—At the regional board level?

Mr Hales—That is correct.

Senator SIEWERT—Do you mean SWCC specifically or other regions as well?

Mr Hales—It does happen in other regions but in that case SWCC specifically, yes.

Senator SIEWERT—SWCC is not working with government agencies on joint projects; is that right?

Mr Hales—They are funding government agencies, so again it comes down to definitions of what a collaboration or partnership is. I know that overseas the CMAs operate very closely with government agencies. What happens here is it is a potential money grabber for government agencies and a holding back of the state government from investment into NRM, where they are holding back their reduced funds to the government agency. They maintain the capacity but are not providing a lot of operational money. Effectively, what we are seeing is that you might have either expertise in particular natural resource management areas moved over into food production areas of the department of ag, or you will have officers there with the time potentially over the next six months to write a lot of projects for the Caring for our Country funding scheme and also look for outsourcing of the operational money, which will directly compete against the capacity and ability of community groups to compete for that time and currently finishing off projects or working on projects and do not have that type of time allocated to complete all the requirements of the applications.

Senator SIEWERT—Are the states agencies going to be more involved in competition for funds than they have previously?

Mr Hales—To answer that simply, definitely.

CHAIR—Thank you very much for your time today.

Committee adjourned at 3.35 pm