

# STANDING COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS

## INQUIRY INTO INDIGENOUS EMPLOYMENT

RECEIVED  
26 MAY 2005

BY: ATSIA

Submission No. 82

Date Received 26-5-05

The following is a Paper describing the successful development of an Indigenous road plant organisation in the Kullarri Region of the Kimberley, Western Australia, and the vulnerability of such organisations regarding a lack of suitable road funding programs and the inflexibility of Government Procurement Policies in the delivery of works and services. The issues raised impact directly on Indigenous employment and skills development and enhancement.

**Kullarri Network Association (KNA) – Indigenous Road Plant Organisation,  
Kimberley Region of Western Australia**

### 1. BACKGROUND

The movement of groups of Indigenous people from established towns to traditional tribal lands or 'homelands' has been gathering pace over the last two decades and has accelerated significantly over the last decade.

The establishment of larger stable communities and smaller transient outstation communities in remote areas of Western Australia has created significant problems in providing and maintaining basic infrastructure, particularly access roads and internal roads associated with Indigenous Communities.

Generally the provision of roads to remote Indigenous communities has not been undertaken by formal processes. These roads:

- are not systematically planned;
  - are not designed to suit engineering and environmental requirements;
  - are not constructed to any acceptable standard when opening up new communities;
  - are not given a very high priority compared to other community service infrastructure by Community Councils;
- are not developed by any formal process – roads generally and access roads in particular have tended to evolve ad hoc over time; and
- have been given minimal funding by Agencies for initial opening up of new communities with no formal ongoing funds to maintain or improve these roads.

### 2. KULLARRI REGION – ROAD PLANT ORGANISATION

#### 2.1 Project Establishment

A project to establish an Indigenous road plant organisation in the Kullarri Region on the Dampier Peninsula north of Broome and Bidyadanga, commenced initially as a Pilot Project in September 1997. It was established in accordance with a recommended strategy from a Study in 1992 'Access Roads to Remote Aboriginal Communities' (Main Roads Western Australia). This strategy was the most cost effective option in the long term and provided flexibility and availability in undertaking road works, in addition to significant benefits to Indigenous

communities including capacity building in the planning and management of community roads, skills improvement and employment opportunities.

The project was based on the collaboration of five major communities and three town based CDEP (Community Development Employment Projects) organisations in the Kullarri Region. Funding for the Project was jointly provided by the Commonwealth (ATSIC) and the State (Main Roads WA) with support from DEETYA (Department of Employment Education Training and Youth Affairs)/DEWRSB (Department of Employment Workplace Relations and Small Business), WADOT (Western Australian Department of Training) and CDEP.

The road plant organisation (now Kullarri Network Association – KNA) was established primarily to maintain and improve Non-Local 'undedicated' community access roads totalling about 800 kilometres. In addition the organisation undertook other minor community work (eg fire breaks, drainage, refuse sites) and external contract work (eg Shire of Broome).

## 2.2 Implementation of the Project

To implement the Project required:

- a road plant organisation with basic road plant to service access roads to Indigenous communities within the Kullarri Region;
- training of selected personnel from Indigenous communities within the Kullarri Region to operate and maintain various road plant items and to adequately manage Non-Local roads accessing these communities to suit engineering and environmental requirements; and
- a funding source(s) to provide the initial road plant, workshop facilities and ongoing operating/administration costs of the road plant organisation.

## 2.3 Development of the Road Plant Organisation

### 2.3.1 Training

With the assistance of DEETYA/DEWRSB and accredited Training Providers, operator training was undertaken in the Civil Operations Plant Operators Course (Traineeship) involving selected personnel from the communities. The training, although not totally completed due to restrictions and conditions applied by the Training Bureaucracy on both the Training Provider and KNA, resulted in a pool of personnel with varying plant operator skills that could be used by the road plant organisation. These skills were enhanced 'on the job' by a competent Supervisor.

### 2.3.2 Employment

KNA when fully operational, employs a full time Manager and Works Supervisor and seven Road Plant Operators to maintain 568 kms of 'common link roads' (Non-Local roads that provide access to two or more communities or outstations between common terminal points and community/outstation) servicing 86 established communities and outstations. Road sections not defined as 'common link roads' plus other community facilities to be maintained (eg fire breaks, refuse sites) could be maintained by KNA provided the Community paid for the services.

### 2.3.3 Manager and Works Supervisor

As a progression in the development of KNA, a Manager and Works Supervisor were appointed in 2001 to enhance the operation of the organisation and future development.

#### 2.3.4 Road Plant Depot

During 2001/02 a purpose built Depot was constructed on land within the Beagle Bay Community and included covered and secure plant service areas and fenced compound.

#### 2.3.5 Benefits to the Indigenous Communities

The following are significant benefits to the Indigenous Communities:

- resources are maximised by communities involved in the organisation;
- it has the flexibility and mobility for undertaking works on damaged road sections following natural emergency events, such as floods, without major cost variations;
- the road plant organisation is controlled and operated by the communities involved with advice, support and guidance from associated organisations (ed Main Roads WA, ATSIC/ATSI/ICC, DEETYA/DEWRSB) with road management, training and Indigenous Affairs expertise;
- access roads would be maintained and improved based on community programs and priorities and to standards which satisfy community needs;
- very cost effective compared to a road improvement strategy undertaken by an external agency;
- communities would have responsibility for their access roads;
- community members involved in the organisation will benefit from skills improvement with accreditation and employment opportunities;
- in the longer term, experience gained could enable the organisation to undertake selected external contract works and provide a degree of independence for the communities; and
- as skills and competencies increase, the road plant organisation could be utilised in conjunction with Local Governments to manage both Community Roads and Local Roads which would benefit the wider community.

#### 2.4 Development of the KNA Business Plan

During 2001 a comprehensive Business Plan was developed for the KNA organisation and revised during 2002. The Business Plan was to establish a sound basis of managing the organisation over the subsequent five years and beyond and identify areas of Strengths, Weaknesses, Opportunities and Threats; Risks and Sensitivities; Plant Replacement Schedule; and Estimated Funding Requirement and Sources of Funding.

##### 2.4.1 Identified Weaknesses and Risks

There was no guaranteed ongoing funding for costs associated with the operation of the road plant organisation. If this funding ceased, KNA wouldn't be able to continue to operate, as possible 'external' income would not be sufficient for the organisation to be sustainable. The implementation of a viable plant replacement program was critical to the long term sustainability of the road plant operation. However, such a program required a continuation of both existing funding sources (at that time) to implement the plant replacement program.

## 2.4.2 Organisation Vulnerability

The most vulnerable issues for the organisation were:

- Ongoing Funding

The original arrangement for funding agreed in 1997, based on equal funding from ATSIC (Commonwealth) and Main Roads WA (State), continued until April 2002 when ATSIC advised KNA that no further funding would be made available to the organisation. The decision by ATSIC appeared to be based on the projected funding requirement in the KNA's Business Plan (2001/02 - 2005/06), particularly funds required for current and future plant replacement.

- KNA as a Self Reliant Organisation

At a Management Group meeting in June 2002, it was resolved that based on future funding uncertainties, KNA should change its focus to become a more 'financially self reliant organisation'. This proposed change in focus would involve:

- a rationalisation of access roads to be maintained ('common link roads');
- all additional works that are undertaken for communities, not defined as maintaining 'common link roads', would be done on a 'fee for service' basis;
- KNA would try and seek more external income type work
- review KNA's Business Plan; and
- continue seeking additional funding for KNA.

To become self reliant and operationally viable could not be easily achieved without funding from both Grants and external income works in the short and medium terms.

- Funding from Main Roads WA and ATSIC

Joint funding from both Main Roads WA and ATSIC was essential for the ongoing viability of the organisation. It was unlikely and not desirable for Main Roads WA to be a sole Government funding provider for such a Project, a policy position established in the 1990's. Based on the funding problems in 2002 and the required funding unlikely to become available, KNA was not viable beyond June 2003.

## 2.5 Current Position of KNA and Funding Sources for Non-Local Indigenous Community

### 2.5.1 Current Position of KNA

Since June 2003, KNA has been in temporary abeyance and not operational, with retention of a part time Manager and a Caretaker to ensure security of the organisation's Depot and Plant at Beagle Bay. This position will be maintained until a future funding source and delivery process is resolved.

### 2.5.2 Funding for Non-Local Indigenous Community Roads

Based on pressure from Kullarri and Malarabah Regional Councils in particular, future road funding through the Regional Housing and Infrastructure Program (RHIP), a Bilateral arrangement between the Commonwealth and State and managed by the Department of Housing and Works (DHW), was agreed by the Aboriginal Housing and Infrastructure Committee (AHIC) in April 2004. In summary this Policy provided road funding as follows:

- Internal Community Roads

- Sealing, upgrading and provision of internal community roads and drainage will be funded; and
- Maintenance of roads will be funded under a joint funding arrangement where no other sources of funds exist.

- Community Access Roads
  - Capital and maintenance items will only be considered where a Regional Road Plan has been developed for the Region and endorsed by the Regional Council (prior to June 30, 2005) and joint funding arrangements have been negotiated with other funding agencies (eg Main Roads WA – State); and
  - Pooled funds can only be used in some circumstances, however, primary responsibility lies with other agencies.
- Long Term Strategy
  - The AHIC supports the gazettal and dedication of community access roads as a strategy to get Local Government to take up responsibility in relation to these roads.

#### 2.5.3 Implementation of Funding from the RHIP Program

To meet Government Procurement Policy requirements, roadworks funded from this source are to be undertaken by contract based on an open tender or a two stage tendering process of Expression of Interest/select tender process.

The DHW appointed a Project Manager to manage the delivery of roadworks in both Kullarri and Malarabah Regions of the Kimberley. As roadworks in Malarabah were previously managed and delivered by a series of minor works contracts, it was much easier to implement compared to Kullarri, where KNA had previously undertaken road maintenance. It has taken some time to finalise appropriate tender documents for the Kullarri Region for both access roads and internal community roads. These maintenance contracts should commence in June and will have contract extension clauses based on performance to maintain continuity and efficiency.

#### 2.5.4 Future of KNA

The future of KNA will depend on the results of the tenders for both access roads and internal roads associated with Indigenous Communities in the Kullarri Region and in the longer term ongoing funding from the RHIP Program or other specific roads program.

Although KNA is in an advantageous position with an established Indigenous road plant organisation experienced in the maintenance of access roads in the Kullarri Region and based on the Dampier Peninsula near Beagle Bay, there is no guarantee that KNA will win the contracts. To remain viable, KNA would have to win the Access Roads Contract in particular and the Internal Roads Contract desirably to generate sufficient cash flow to meet operational costs. Continuing support from Main Roads WA will assist in the purchase of additional plant and replacement of older plant. However, should KNA not win the Access Roads Contract, the organisation would not have any other local work to enable the organisation to viably operate and hence would have to close. This position would be detrimental to the communities in the Kullarri Region regarding employment, skills development and 'ownership' of the road maintenance operation. Road maintenance will be undertaken by an external contractor who would not provide employment or skills development to local communities.

### 3. SUGGESTED ACTIONS TO OVERCOME VULNERABILITY OF SIMILAR ROAD PLANT ORGANISATIONS

#### 3.1 Exemptions from Government Procurement Policies

The inflexibility of the delivery of works and services in accordance with current Policies needs to be reviewed to permit direct funding to established Indigenous road plant organisations provided suitable reporting and auditing processes are established. The management of these processes could be undertaken by a

Principal Road Authority (eg Main Roads WA) to ensure operations are value for money with emphasis on benefits to local Indigenous Communities including employment and skills development/enhancement rather than an economic only outcome based on the contract market.

### 3.2 State/Commonwealth Indigenous Bilateral Agreement

The State through the Department of Premier and Cabinet (DPC) is currently progressing the development of Position Papers to be used in negotiation with the Commonwealth regarding future Indigenous Bilateral Agreements. These Agreements will target areas of:

- Land Tenure;
- Capacity Building and Governance;
- Economic Development; and
- Service Delivery

The Service Delivery area will include road management and provide an opportunity for a secure joint funding arrangement between the Commonwealth and State for Non-Local roads associated with remote Indigenous Communities. This arrangement could be managed by a road authority (rather than DHW in the current arrangement with the RHIP Program). It is expected that the results of negotiations to secure these Agreements will be known in the next few months.

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26 May 2005

**Scarlett, Cheryl (REPS)**

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**From:** BROWN David (SPMOS) [david.brown@mainroads.wa.gov.au]

**Sent:** Thursday, 26 May 2005 1:37 PM

**To:** Committee, ATSIA (REPS)

**Subject:** STANDING COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS -  
INQUIRY INTO INDIGENOUS EMPLOYMENT

Attention: Ms Cheryl Scarlett, Inquiry Secretary..... As discussed on the phone a couple of weeks ago, I have attached a Paper which provides the positives and negatives with the establishment of an Indigenous road plant organisation in the Kimberley Region of WA and the impact on employment opportunities and subsequent risks and vulnerability. If you have any queries with the Paper please discuss – either E-mail or Phone 08-93234389. Regards.....David Brown (Main Roads WA)

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