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SENATE

STANDING COMMITTEE ON RURAL AND REGIONAL AFFAIRS AND TRANSPORT

Reference: Natural resource management and conservation challenges

FRIDAY, 17 OCTOBER 2008

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SENATE STANDING COMMITTEE ON

RURAL AND REGIONAL AFFAIRS AND TRANSPORT

Friday, 17 October 2008

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

Substitute members: Senator Farrell for Senator O'Brien and 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 Bishop, Heffernan, Hurley, Ian Macdonald, 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.

WITNESSES

Committee met at 9.02 am

ALTMAN, Professor Jon Charles, Director, Centre for Aboriginal Economic Policy Research, Australian National University

KERINS, Dr Sean Patrick Research Fellow, Centre for Aboriginal Economic Policy Research, Australian National University

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, and I welcome you all here today.

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 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, they should state the ground upon which the objection is taken; 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 a request may, of course, also be made at any other time. 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. Welcome, Professor Altman and Dr Kerins. Do you have any additional comments to make about the capacity in which you appear?

Prof. Altman—I appear as an academic researcher and a private citizen.

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

Prof. Altman—I would say just a few things to get the show on the road. We are both social scientists from the Centre for Aboriginal Economic Policy Research and have backgrounds in economics and anthropology. I have been researching Indigenous economic development issues in remote Australia for over 30 years and have been based mainly at the Australian National University. Dr Kerins has a background in natural resource management in New Zealand with the Treaty of Waitangi Fisheries Commission and with the Northern Land Council in Darwin, where he managed the Caring for our Country unit.

Research undertaken at CAEPR was influential in the establishment of the Working on Country program in 2007 by the Howard government and its expansion by the Rudd government. Dr Kerins was instrumental in advocating for the Healthy Country: Healthy People

schedule in the Commonwealth-Northern Territory bilateral agreement of 2005, about which we hear too little today.

We are involved in a project, which is funded mainly by the Sidney Myer Trust, entitled People On Country: Healthy Landscapes and Indigenous Economic Futures, which began in November 2007. We have four staff working on this project and are collaborating with eight community based ranger groups in the Top End of the Northern Territory. This project is applied to and looking at linking poverty alleviation with heightened Indigenous engagement with cultural and natural resource management. It is amazing how this idea has caught on in the last year or so.

This project has a challenging set of goals, including: firstly, to assist community based groups with capacity building so that they can collect and analyse data to demonstrate the environmental and socioeconomic benefits of their activities; secondly, to work with peak bodies, like the North Australian Indigenous Land and Sea Management Alliance and the Northern Land Council, to ensure dissemination of emerging best practice and such activities to other groups; thirdly, to liaise with government agencies, like the Commonwealth Department of the Environment, Water, Heritage and the Arts and the Northern Territory's Department of Natural Resources, Environment and the Arts, to ensure that some of the institutional barriers that may exist are reduced or addressed in relation to Indigenous land management; and, finally, to inform the Australian public about the national benefits that come from Indigenous caring for land and sea country so that more realistic public investments can be made in ensuring management of the vast Indigenous estate is in the national interest.

In our submission, we outline some of the factors that drive our work. It is thoroughly empirically grounded. I would like to submit, as an exhibit, a discussion paper that we completed last year as a precursor to this project. I have brought with me three copies of that discussion paper, which I will leave with the secretariat. But, if you would like more copies, we can certainly make them available to you. This discussion paper demonstrates that the Indigenous estate now covers 20 per cent of the Australian continent. It is now recognised that it has enormous environmental significance and high biodiversity values. Challenges to this estate are presented at the moment by climate change and the inevitable loss of biodiversity, but there is potential for the Indigenous estate to contribute to national emission reductions via abatement and sequestration. I think this makes the whole notion of Indigenous active engagement in providing environmental services of great national significance.

We have not made a lengthy submission but, as social scientists and people who are engaged in grounded work with ranger groups in remote Indigenous communities, we are keen to highlight the potential benefits that come from placing Indigenous engagement on a sounder footing while also being careful not to downplay the enormous challenges that Indigenous communities face in nurturing and supplying a healthy, appropriately skilled and productive ranger workforce that can meet the crucial and increasingly well-documented contemporary challenges posed by issues like wild fires, feral animals and exotic weeds on the terrestrial estate and by pollution, illegal fishing and biosecurity along the northern coastline.

Policies are being made or being considered at present that, in our view, could jeopardise some of the very recent gains that have been made over the last 12 months. These include threats to the Community Development Employment Project scheme, CDEP, organisations and to

outstation resource agencies and an emphasis on depopulating the country of outstation residents who provide invaluable and often unvalued assistance to more formal ranger programs. In some situations, considerable effort will be needed to ensure that organisational infrastructure and robust governance are in place to underpin Working on Country, Working on Country Northern Territory and new Indigenous Protected Areas funding support, while in other places we are usually encouraged by output and outcomes measurement of environmental services being provided on agreed and contract bases to the department of the environment, AQIS and Australian Customs. Some groups are using new cyber-tracking technology that is greatly superior to the monitoring that is undertaken by mainstream agencies and national parks in any of Australia's jurisdictions.

Again, I have brought along three annual reports from one of our partners that we work with, being the Djelk rangers in Central Arnhem Land. They have not published their latest annual report yet, but it will be out soon. Those annual reports document the programs and the sorts of activities that they undertake.

In conclusion, it is our view that, with time, the value of the Indigenous estate and the Indigenous owned coastal zone will be increasingly recognised. So we urge that regionally based assessment exercises be undertaken to audit regional environmental needs and capacities so that early investments can be made to ensure there is a supply of skilled labour equipped to deliver environmental services in the future. These investments will need to be made vertically into the education system as well as horizontally to ancillary services, like roads and airstrips. Rangering is an occupation that accords with the aspirations of many Indigenous landowners. It is where Indigenous and local knowledge as well as physical adaptability to thrive in environments that will become hotter and wetter give Indigenous people a competitive edge. In our view, such investments will prove to be in the national interest as well as in the Indigenous interest. It is also an area where public-private funding support, as in the West Arnhem Land fire abatement project, might be increasingly forthcoming.

CHAIR—I am sorry, Professor Altman, but does your opening statement go for much longer?

Prof. Altman—I have nearly finished. We do not see Indigenous participation in cultural and natural resource management as being a silver bullet to the Indigenous development challenge. But, as we see it, with proper investments and broad recognition of enhanced environmental values, this area can provide some difference to Indigenous conditions.

CHAIR—Thank you, Professor. I am sorry; I did not mean to sound rude, but we are on a tight timetable.

Senator HEFFERNAN—Between approximately 3,500 and 7,000 kids in the Northern Territory—the state will not own up to it—do not have access to a school. That is a state where they own about 45 per cent of the landmass. I struck one group of white fellas up there that had 17,000 cattle on a blackfella property and I said, 'What do they get out of it?' I was told, 'Oh, we give them $10,000 worth of piss twice a year.' In addition, there are 17½ million hectares in the Cape York Peninsula and, under the wild rivers legislation, they have locked up the first productive kilometre from all the rivers. The Indigenous fellows up there are not too happy about the heritage proposition. Are you members of a group that assumes or believes that we can have production while protecting the environment?

Prof. Altman—Absolutely.

Senator HEFFERNAN—Would you agree that in the north there is potential for economic enhancement for our Indigenous people, who over a couple of hundred years have been disgracefully treated? Do you believe that, because the global food task is going to double, there are mosaic development opportunities in the north for food production?

Prof. Altman—There is no question about it. However, I think we would look at those issues in terms of a diversity of approaches. For example, in Arnhem Land, there is a significant problem with feral buffalo; they are causing enormous environmental damage. Feral buffalo, for example, could be harvested by safari hunters, for local food consumption and for live export, or they could be culled to reduce environmental degradation. So I think you need to look at a diversity of approaches. We would emphasise that food shortages can be met through export of meat, but also there is a significant possibility for producing meat from feral animals for local consumption.

Senator HEFFERNAN—An abattoir is run on an Indigenous property out from Wadeye.

Prof. Altman—Yes, Palumpa.

Senator HEFFERNAN—Of course, the NLIS does not exist there. If we ever get a foot-and-mouth outbreak there, we will be in more trouble than Speed Gordon. Congratulations on your work. I am absolutely in tune with the need to do all of the things that you stand for. I guess, for white fellas to cooperate with the Indigenous, I see the need to take the emotion out of the argument about the north; there is a lot of emotional argument in that regard. There is fantastic potential up there for carbon offset plantings. There is that huge black soil plain that comes down from the gulf, which is full of spiny acacia. Around the likes of Wadeye, you have all that country that is suited to trees. Can you point out things to this committee that are being neglected at the moment about which we can send a signal to the government in order to fulfil the ambitions and aspirations of just the ordinary Indigenous people of the north?

Prof. Altman—In our recommendations, I think one of the things we say is that recognition for some of the community based rangering work has come quite recently. Prior to May 2007, there was not actually an option for Indigenous rangers to be paid a proper wage. We welcomed the Working on Country program that was strongly sponsored by Greg Hunt, who I think was the then parliamentary secretary for the environment. But we are just a little concerned about this new program being expanded in a systematic way that recognises that some groups have less capacity than others to fulfil the range of functions they need to fulfil under the program.

Senator HEFFERNAN—So, with the distribution of funds into the job-ready side, are you scared—I would be—that white fella administration could eat up the funds and the Indigenous on-the-ground work would be of a lesser consequence? It could be a bit like Landcare. With Landcare, all the money ended up being spent on computers, cars and seminars, and there was nothing left for the trees.

Prof. Altman—That is part of our concern. But our concern also is that there should not be excessive expectation of embryonic land management groups. They need support in terms of capacity development. While many of them have Indigenous and local knowledge, they also

recognise that they need training and access to Western scientific technology to undertake this work.

Dr Kerins—A clear example of that can be seen with some of the Aboriginal pastoral stations in the Northern Territory where there is very little money around for people to do any participatory planning on country, sitting down and putting their 20- to 30-year vision together for getting their country back up and productive in terms of both being sustainable and managing cattle. But then there is no infrastructure or roads on some of these stations. So, where the cattle are being mustered, it is being done by fire. Fire is being lit early in the wet season to get a green pick; you get the cattle going to the new shoots that are coming through and, therefore, it is easier to muster them. But then you start to look at the fire scars on those properties. All those pastoral stations are being burnt every single year, which results in a huge collapse of biodiversity. If that situation is just left with no investment going into it, you are not going to have any sort of sustainable country to have cattle on in the future.

Senator HEFFERNAN—I would like to nail you down in this regard, if I could. Are good things happening on Elsey, which is an ILC property?

Dr Kerins—Yes, because they also have tied their cattle production to sustainable land management. They are looking at how you make links between Aboriginal land and sea management groups and running a cattle industry on property; so it is not a choice of either/or.

Senator HEFFERNAN—What is the name of the property out of Broome where they have training facilities?

Dr Kerins—I am not sure.

Senator HEFFERNAN—God help us; I must be getting dementia!

Prof. Altman—I know the one you mean.

Senator HEFFERNAN—They got into trouble for cutting one tree down to build quarters to quarter 20-odd Indigenous trainers. A huge fuss was made about the cutting down of one tree on a property with thousands of square kilometres of trees because they wanted to put up these quarters there. It is a beautiful property and it is a fantastic training, job-ready set-up for Indigenous people. I guess more white fellas live in the western suburbs of Sydney than the number of white fellas and Indigenous people who live in rural Australia, and they do not understand exactly what is going on. With the wildfire set-up, the average annual wildfire on Cape York Peninsula is 5½ million hectares; the largest one they have had is 11 million hectares. The chairman of the Northern Land Council came to the Cairns hearing of our task force. We asked him, 'How big is the place that you live on?' and he said, 'Mate, I don't know, but it's 80 kilometres from the front gate to the homestead'—and the fences are all falling down and white ants are eating the house. I do not think that the average white fella understands what a rotten deal we have handed out. These properties have fantastic potential, if we get the training and infrastructure in place. I am right on your page.

CHAIR—I can certainly add that you are not alone there, Senator Heffernan.

Senator HURLEY—I am just wondering whether you have done any work on how much the kinds of programs you are talking about cost and what the interaction is between government funded ranger type programs and pastoral food production? That is kind of a big question, but I would like to get more of a handle on what kinds of figures we are talking about here.

Prof. Altman—The work that we are doing is mainly with groups that are providing rangering activities on the terrestrial estate and that is mainly on Aboriginal land. So we are not interacting generally with groups that are running pastoral stations; however, there is some exception there, which Sean might comment on. I guess the main comparative work that we have done has looked at what is invested in national parks like Kakadu in comparison with what is invested in adjacent land in Arnhem Land that has similar biodiversity values and shares similar threats, such as fire, which can move from one property to another and from the Indigenous estate to the national reserve estate. We find, of course, that that expenditure in Kakadu is in the region of $1,000 per square kilometre and in Arnhem Land, prior to the Working on Country program, it was somewhere in the region of $100 per square kilometre. So there is quite a significant—

Senator HURLEY—Is that by all government agencies?

Prof. Altman—It is, and that includes the CDEP payments. But that has now changed, with bigger investments with the Working on Country program. But I think there are still only 300 positions throughout the whole Northern Territory for Working on Country, so I suspect that there is still quite a difference between national parks and other land. Admittedly, Kakadu is a well-resourced Commonwealth-funded national park; nevertheless, it is a World Heritage area. We would say that some of those World Heritage values are also reflected in Indigenous protected areas of the Indigenous estate in Arnhem Land. You would want to be moving your investments in that direction.

Senator HURLEY—How much employment, would you say, would be generated by running some kind of ranger program in that area?

Prof. Altman—That, again, is one of the things that we suggest is a challenge. I think, to date, ranger employment has been made to fit the resources that are available rather than having a rigorous assessment done of what is needed to protect the biodiversity values of Indigenous protected areas or Aboriginal land. That includes managing for water quality; fire management; making sure that feral animals do not destroy wetlands; and dealing with outbreaks of evasive exotic weeds, like mimosa pigra, which, once it gets in, can take generations to get rid of.

Senator HURLEY—I suppose I am just concerned that, as always, there is a limited amount of funds available and there are competing requests for those funds. How do we determine the minimum? Unfortunately, you cannot just decide what would be the optimum and fund for that.

Prof. Altman—That would not be a bad way to start, though. At the moment we are really operating in a very ad hoc manner and we do get to some very, very crude metrics, like the ones I mentioned. We spend $1,000 per square kilometre in Kakadu; therefore, in similar environments, should we be spending the same amount of money? I realise that the likelihood of spending $1,000 per square kilometre in the 100,000 square kilometres of Arnhem Land may be wishful thinking because you would be spending five times more in Arnhem Land than you are

in Kakadu, which is only 20,000 kilometres. But, if we get a sense of what should be invested to maintain biodiversity values, I do think that at least we can be realistic about what we can afford to put in and the extent to which we can expect to see outcomes that would approach optimality. That is one end of the spectrum, if you like. But at the moment we are operating in only a very ad hoc way, saying, 'This community has X-number of CDEP positions; maybe we'll give them 10 or 20 proper rangering jobs and let people exit into those.' I think the groups that we are working with are covering enormous jurisdictions with literally only a handful of rangers. Some of the better resourced ones, like the Djelk rangers, whose annual report I have given you, now have eight vehicles and four boats: eight vehicles to manage 10,000 square kilometres and four boats to undertake services for AQIS and Customs across a coastline that is between 200 and 300 kilometres long.

Senator HEFFERNAN—I was thinking of—

CHAIR—I am sorry, Senator Heffernan. We have very little time and Senator Macdonald has a couple of questions.

Senator HEFFERNAN—Roebuck was the place I was thinking of.

CHAIR—Dr Kerins, do you wish to add to that previous answer?

Dr Kerins—Yes. In terms of employment opportunities, you should not just focus down on the labouring that goes on with land and sea management; there are enormous opportunities now with geographical information systems and all the data mapping that is coming in from satellites. It is incredibly important to use these tools in managing land, and not just Aboriginal land; yet these things do not come into the school curriculums in remote communities. There is a great detachment between what is taught in the schools and what is practised out on country. A lot of the new tools that are coming in for land management are web based; yet, when you go to the communities, there may be one computer with a dial-up internet connection. You cannot download any fire maps and you are really cut off from the information. Yet, when I am out on country with children and we pull out the fire maps, I find there is huge interest in how those maps were put together and how those pictures were taken. There are lots and lots of questions, yet you find that this is missing from the school curriculum. So there is a great disjuncture between what is being delivered and the potential that is there. Opportunities for young Aboriginal people should not be focused just on Aboriginal land in the future but on their giving advice to national parks and to pastoral properties. That is where their employment opportunities in the 21st century need to be linked.

Senator HEFFERNAN—Having something that they are interested in might create an opportunity to get them to attend a school, too.

Dr Kerins—Definitely. They want to come out on country because they are engaged with the satellite maps that we have.

Senator IAN MACDONALD—Just on that point, the Northern Gulf NRM body, which I have some association with and which Indigenous people are involved in, has a lot of those tools. Do you think there is an opportunity for further and perhaps closer interaction between local Indigenous people and those Commonwealth-funded NRM bodies?

Dr Kerins—Yes, there definitely is. But getting money from the Commonwealth-funded ones is often a competitive process; you have to compete for it. Managing your country, you have to do one grant for feral animals, one for fire, one for threatened species and one for heritage management. They are large written applications. If you do not have any organisation or any governance structure in place, you cannot compete for such funding. So it is almost as though a class structure is starting to appear with land management in the Northern Territory. Those groups that are up and have organisations operating that are threatened by the removal of outstation resource centres can apply for the grants and compete; others that do not have anything are not even able to get in the door at the moment.

Senator IAN MACDONALD—These are actually NRM bodies that have a fixed budget. The gulf body is in Queensland and is based on Georgetown, but it has a big GPS mapping system that Indigenous people are involved in, and I was wondering whether there were greater opportunities. But that was not really my question and I had better get to it. Again, coming from Queensland, I know that a lot of the cape area, one way or another, has been handed back to Indigenous people, but they now find that, having got it back, they cannot do anything with it. They cannot cut down a tree, as Senator Heffernan said; they cannot kill an animal; they cannot pick berries. The Hope Vale people are just one instance; in the last 12 months they have been complaining to me about this. This is because of wild rivers legislation, national parks, state parks—all the so-called environmental constraints. Sure, they have the land, but with these constraints they really cannot do anything with it. As you know, many of them would like to make that land productive. Do you see a solution for this? Again, without putting words into your mouth, all the best environmental thoughts come out of George Street in Brisbane or out of Canberra, but they are not what people on the ground want, and these people have lived in this country for 40 million years and know what it is all about. Do you have a solution?

Prof. Altman—It is 40,000 and not 40 million.

Senator IAN MACDONALD—I am sorry; 40,000.

Prof. Altman—One of the things that we emphasise very strongly is the need for a diverse approach to address people's livelihood aspirations. Some people may aspire to getting into productive activities, like pastoralism. But you do get competition, even on the cape, between them and others who emphasise that the real value of the cape might be in ecotourism, cultural tourism or the arts industry—or, indeed, in horticultural activities, using allocations to water. It is my understanding that, under the wild rivers legislation, it is Indigenous people that have access to water for commercial use and others do not.

Senator IAN MACDONALD—I am not sure that is right.

Prof. Altman—I think you will find that they have hypothecation of allocation that others do not have. They could have an enormous competitive advantage from the fact that they can utilise water, particularly for horticultural purposes on the cape, which other people cannot. Such facts are in the statutes, so we could look into them. But I have been doing some work with an Indigenous water policy group in northern Australia; certainly representatives we have had from Queensland have suggested that there is an allocation for Indigenous interests on the cape.

Senator HEFFERNAN—It is sort of on a backyard scale.

Prof. Altman—Yes.

Senator HEFFERNAN—There is a serious restriction on the land.

Prof. Altman—Yes.

Senator IAN MACDONALD—Are you saying that some people have access for unlimited commercial activity to the one water course that is there and other people have no access to it?

Prof. Altman—No, I did not say 'unlimited'. As Senator Heffernan has said, allocation is limited.

Senator HEFFERNAN—It is backyard, yes.

Senator IAN MACDONALD—There is a lot of concern in the cape. As you know better than I do, Indigenous people do not want to sit around and live on government grants, handouts and welfare. They actually want the ability to do things, but they are prevented from doing them because of so-called environmental things.

Dr Kerins—A lot of environmental groups look at the Northern Territory as the new frontier. Many of them have given up on our major activities down in South Australia and are focused now on the Northern Territory and are competing with Aboriginal people. They are purchasing land in the middle of Aboriginal lands and then are putting their own people in to manage it. They are starting to compete for funds, and they get funding from the government to enable them to do it. They are duplicating what Aboriginal people are already doing. They are not utilising and valuing Indigenous ecological knowledge. Aboriginal people cannot get the money that would enable them to do that. We are starting to see people from the outside coming in and doing it and locking up areas. I think there is a great problem with that, and it is expanding.

Prof. Altman—However, I also think that utilising the precautionary principle in terms of intense agricultural or pastoral activities in Northern Australia is sensible, given some of the ecological—

Senator HURLEY—Given how we have stuffed up the south.

Prof. Altman—I was going to be more polite and say: given some of the problems that we have had in the south-east of Australia.

Senator IAN MACDONALD—Yes, sure. The southerners have stuffed it up and made themselves wealthy out of it, but bugger the northerners; they can live in poverty forever.

Prof. Altman—Some of what comes out of our research is that there may be sunrise industries that are productive without degrading the environment.

Senator IAN MACDONALD—I am not talking about large- or broad-scale agricultural or pastoral industries. Even things like taking advantage of the local knowledge of fruit, trees and berries are prevented by legislation. That is what they are telling me.

Prof. Altman—I do not think that is an accurate portrayal of what could happen in areas of Northern Australia. If I can just provide—

Senator IAN MACDONALD—We are talking about Queensland.

Prof. Altman—Yes, Queensland. But perhaps I can just provide the flip side of that. Even under native title legislation, Indigenous landowners have rights to utilise resources, and that can be for non-commercial purposes. But, if it is for commercial purposes, I think Indigenous interests have a lot of leeway under the law to put arguments—

Senator HEFFERNAN—But—

CHAIR—I am sorry, Senator Heffernan. I know that what you are asking is very important, but Senator Siewert has waited patiently. If there is a question on this—

Senator HEFFERNAN—Can I just follow up on that?

CHAIR—Yes, and then we will go to Senator Siewert.

Senator HEFFERNAN—Michael Ross is the bloke I was thinking of. As Senator Macdonald points out, there is an agenda to turn Cape York Peninsula into a World Heritage area. Are you aware of that?

Prof. Altman—Yes.

Senator HEFFERNAN—That World Heritage area includes the first kilometre from a lot of those wild rivers. Peter Beattie said, 'Mate, it was just a deal that I had to do with the Wilderness Society for the inner city votes in Brisbane.' It is a bloody disgrace. In amongst all that, there is fantastic potential, but they are locked out of it. There are 800,000 feral pigs, 20,000 feral cattle and 4,000 people in 17½ million hectares. It is a fantastic economic opportunity for blackfellas, and we ought to get into it.

CHAIR—I do not think we would argue with you there.

Senator SIEWERT—I think I will start from there, as a little bit of a divide seems to be starting here about—

Senator HEFFERNAN—No, there is not.

Senator SIEWERT—It seems to me that the line of argument being put is that we should develop the north at any cost.

Senator HEFFERNAN—No, that is not what we are saying at all.

Senator SIEWERT—There are all these laws in place that are stopping us from developing the north.

Senator HEFFERNAN—That is rubbish.

Senator SIEWERT—Let us bear in mind that Australia has some of the greatest biodiversity losses in the world. We are the only developed mega-diverse area in the world. I suggest—and I think we can all agree—that here we are trying to make sure there are economic development opportunities for Aboriginal Australians but not at the expense of the environment.

Senator HEFFERNAN—Hear, hear!

Senator SIEWERT—So let us bear in mind that these laws are in place because of the stuff-ups that we have made in the south.

Prof. Altman—Yes. I think Senator Heffernan and Senator Macdonald are suggesting that there may be potential for a Swiss cheese style development. I see that as being enormously challenging in some of the places in which I work because of the scale of the landscape and the difficulty, if you like, of corralling, for example, cattle, buffalo or other species. Especially with climate change and the wets that have occurred in Northern Australia, we have seen a proliferation of feral pigs, buffalo and cattle. I think some of the opportunity that exists there is in culling those species. But, if we are going to look at a diverse approach to livelihoods, we somehow have to find a way of having Swiss cheese type development. So far, I do not think anybody has really come up with a solution to that in these vast landscapes, which often are unfenced and have highly interdependent ecosystems. I think that is a real challenge.

Senator HEFFERNAN—I think if you went out to the Gilbert River and saw—

Senator SIEWERT—Senator Heffernan, I have been very patient with you.

Senator HEFFERNAN—Righto.

CHAIR—You have the call, Senator Siewert, for as long as you need it.

Senator SIEWERT—Perhaps we can go back to some of the direct NRM issues and the Caring for our Country and NRM programs, which this inquiry is about. Going to the issues around Caring for Country and Working on Country, you made a comment earlier about the current approach. You said that you are concerned, in that the programs should be expanded in a systematic way that recognises varying capacities. Is that just an overall concern that you are putting to the department, or is it a concern that you are seeing with the rollout of the programs?

Prof. Altman—I think it is both. The department recently released its plan for the next few years in terms of the rollout of Working on Country and Working on Country NT. Again, I think that is very sensible in terms of slowly scaling up the program. But I guess some of the challenges that we see are very much on the ground. As we know from the Northern Territory intervention, some of these communities really lack capacity. We are concerned that somehow there is not some sort of myopic view that these ranger programs can be sustained without having infrastructural support from other organisations in the community.

Senator SIEWERT—I am not trying to verbal you or the department, but is almost a one-size-fits-all approach being taken? Here is the program; it is about people having to fit into the program rather than looking at people's needs.

Prof. Altman—I am sure that Sean has things to say about this as well. I think there is an assumption that, if you deliver what are highly desired and very popular positions to the communities, those positions will somehow be sustained without realising that behind those projects are organisations—the best of them are CDEP organisations or outstation resource agencies—that are not being supported at the moment. In fact, as you know, there are proposals now to fundamentally alter the CDEP scheme and outstations policy. I think we have to recognise that we are getting terrific NRM outcomes in situations where you have robust community organisations and support for people living on country. If you do not have those things, these 10 to 15 rangers will not be able to manage vast landscapes.

Dr Kerins—The Department of the Environment, Water, Heritage and the Arts were very diligent in putting the program together. They looked at what was needed on country and responded to Aboriginal initiatives. But you cannot have just one department being able to do it, because Environment and Heritage do not deal with how you make Aboriginal governance strong in the community to enable these programs to be run. Also, with training, at the moment there is a mismatch between what is being delivered and the Working on Country programs. It should not just be one department that seems to have got the idea of what is happening and be doing something about it and others not being there. In addition, there is what I mentioned before: this mismatch between the curriculums that are taught in remote area schools and these links; that needs to come into it. Also, you cannot have people who work full time and then go home to try to get a good night's sleep in a house they share with 20 others. So all of these issues are going on. You need to weave a mat. You cannot do that with one piece of string; you need many. At the moment, all we have is one piece of string ready to weave that mat.

Prof. Altman—I would like to emphasise that we have spent a lot of time championing the need for recognition and resourcing of Indigenous natural resource management work; we are certainly not in the business of attacking what we see as being a tremendous move forward in terms of providing proper funding for Indigenous rangering work. But, as social scientists, we also do not want to see unrealistic expectations or things being established that might prove to be unsustainable. Again, we go back to this issue: we believe that there is both an Indigenous and a national interest in making sure that this vast, largely unpopulated Indigenous estate is properly looked after by Indigenous people, and that requires serious investment by government.

Senator SIEWERT—That leads me to my next question. In fact, I have dozens of questions and I might have to put a few more on notice for you.

Prof. Altman—Sure.

Senator SIEWERT—Ignoring the amount of money that we need to invest in training—I recognise that will be another component going in—and assuming that those lands are managed effectively, what do you believe is the degree of investment needed in actual NRM management, after which we would have to look at the training and all of those bits that then bolt on to it?

Prof. Altman—I think that work still needs to be done. I think NAILSMA and the Pugh Foundation have said that we easily could have 5,000 Indigenous rangers on country. That figure is a little bit like Andrew Forrest's 50,000; it is a real stab in the dark. Certainly, with an Indigenous estate that covers 1.5 million square kilometres of Australia, 5,000 does not seem excessive. But we also do not want to overlook—this is what I am trying to emphasise—the fact that a lot of NRM work is undertaken by Indigenous people who live on country and who are not formal rangers. I think, again in the national interest, having that populated landscape where people are still involved, for instance, in wildlife harvesting results in enormous positive externalities in terms of NRM that could be underwritten by support for people living at outstations. That might come, for example, from the CDEP scheme, but it would require a comprehensive outstations policy that also delivered education, health, housing and community services to outstations. Part of what we are saying is that a populated landscape can integrate with, in some cases, a formal Indigenous Protected Areas program with Working on Country and, in other cases, Working on Country programs that are not in Indigenous protected areas but just on Aboriginal land that, according to the resource atlas assessments we have made, still has land and enormous biodiversity value.

Dr Kerins—When we talk about Northern Australia, I think it is important to keep in mind also the big picture that we are looking at—not how much cattle I can get off this piece of country but what ecological services this country provides in terms of ecosystem maintenance to wider Australia in terms of clean air and clean water. That is incredibly important. At the moment, that is not measured in the market. The externality that we have there is that Aboriginal people are doing fire management, which is the biggest conservation land management tool that Aboriginal people are doing. By doing early season burning, they are reducing greenhouse gas emissions. In our submission, we give the example of the Waanyi/Garawa people. They were moved off their country and now we are getting fires of 16,000 square kilometres that are burning, going through a boom and bust cycle. When you go on that country now, you see large areas of savannah heath just disappearing. They will only come back on an evolutionary time scale, and that is what we are talking about. That is exposing all the aluminous soil there. When the rains come, that soil—it is stone, really—or sand will just wash into the billabongs and creeks, and desertification will start to happen. To try to fix that up in the future will cost billions and billions and billions, if it ever can be fixed up. I think that is the bigger picture that needs to be kept in mind, particularly in times of climate change. Aboriginal people are delivering a service to wider Australia by doing this, yet it is not measured and not valued.

Senator SIEWERT—We spoke previously about the ILC properties. I have been on a number of them and the concern expressed to me repeatedly is lack of funds for their management. Quite often these stations were put on the market because they were non-viable in the first place.

Prof. Altman—Yes.

Senator SIEWERT—It seems to me that a lot of these properties are the ones you talk about in terms of their value for ecosystem services. Through the programs that you are aware of—I will ask the department this also—are these properties also being targeted by some of these resources from Caring for Country?

Dr Kerins—Yes. A number of ILC properties are also getting land and sea management funds through the Working on Country programs; they are together. The ILC has been working with Environment and Heritage through the bilateral Healthy Country: Healthy People schedule. My understanding is that the ILC was to commit $10 million to that process to match the $10 million coming from ABA, but I understand that we have not seen that ILC money come into that yet. I understand that now the ILC is saying, 'Maybe we are not going to contribute to this.' In 2006, the Northern Territory signed up to having a two-year time frame over which it would invest $20 million into the Caring for Country program; as at September 2008, we are still to see this rollout, although we have seen some early investment. So you have to say to yourself: this is a whole-of-government approach and many departments are involved—Northern Territory, federal and the land councils—all trying to work together. But the engine has stalled; why is that?

Senator SIEWERT—Is it because the ILC has not put the money in?

Dr Kerins—That is what I understand.

Senator HEFFERNAN—I could give you the answer.

Senator SIEWERT—I will ask you later.

CHAIR—You do not have to ask him, Senator Siewert; he is going to give it to you anyway—but not while you are using valuable time to question the witnesses.

Senator SIEWERT—Have you had any discussions with any government agencies around the specific issue of the mismatch with training?

Prof. Altman—We have. We have an ARC Linkage project that mirrors our People on Country project. It looks at junior rangers. It looks at case studies across Arnhem Land where some of the skills in terms of ecosystem services were brought into the schools and at some of the enormous successes there have been in terms of school attendance and kids looking for a career in rangering. That project has the Northern Territory Department of Education and Training, NTDET, as an industry partner; it also has a number of Indigenous communities and schools. We certainly hope that, when those results are available, we might see some development in terms of a recognition that school curricula need to be, if you like, tailored to suit the sorts of futures that the kids might like to pursue on country.

Senator HEFFERNAN—You actually have to have the schools, for a start.

Prof. Altman—Of course, you have to have the schools; I agree. Also, you have to have teachers with an interest and a capacity in this area. The school at Maningrida, which is one of those we have been working with, has won a Eureka Prize in relation to kids going out on country. I think their prize was for the collection of rare spiders whose venom is now being—

Senator SIEWERT—Yes.

Prof. Altman—You might have seen that.

Dr Kerins—And for identifying new species.

Prof. Altman—Yes. Again, they are some of the sunrise industries that we might see evolving on Aboriginal land, as we get people on country identifying species that we do not even know about and looking at some of the pharmaceutical and other potential beneficial effects associated with those species.

Senator SIEWERT—When did that project start and what is it is called?

Prof. Altman—I am not sure of its exact name. If you look on our website, you will see a link to it; it is called 'education project'. While you are looking at that on our website, also look at our 'people on country' site. That site, which was launched only in the last month, describes the project that we have been talking about.

Senator SIEWERT—Thank you.

Senator HEFFERNAN—I am on board with this; however, they are still getting a rotten deal up there.

Prof. Altman—Absolutely. There has been gross underinvestment in Indigenous Australia now for a very long time, but it has probably been most pronounced in the last decade, during which this country had unprecedented surpluses of billions of dollars that were not adequately invested in the first Australians.

Senator HEFFERNAN—I do not want to get into that argument; it is about how the money was spent and whether it hit the mark.

Prof. Altman—I agree. Targeting has been enormously difficult.

Senator HEFFERNAN—Let me just tell you that the money was sent to—

CHAIR—I am sorry. I was just talking to Senator Hurley on another very important matter—

Senator HEFFERNAN—I was just finishing off—

CHAIR—You have had your turn, Senator Heffernan. If you want to get the witnesses back at a private meeting to give yourself another opportunity, I am sure you can do so.

Senator SIEWERT—I asked you about the level of investment and then, admittedly, I went off on another tangent with my next question. I assume that you are unable to quantify definitively the level of investment, but would it be fair to summarise by saying that the level of investment we are making through Caring for our Country at the moment is a gross underinvestment?

Prof. Altman—I think that is a fair summary and I think the historical data shows that on a comparative basis. I guess part of what we are saying is that it is trending in the right direction, but a significant gap still remains there that we believe needs to be filled. In relation to some of the suggestions I was making earlier about doing some assessment of what is needed, we are just about to embark on a project under the Tropical Rivers and Coastal Knowledge hub that will try to do that for two catchments in Central Arnhem Land. This is a two-year project; it takes time

and money to do these things rigorously. As you know, some people are sceptical about the value of research, but our view is that you really need to start quantifying these things rigorously. Then, when you look at some catchments, you will be able to factor up on a much larger landscape scale and see what sorts of resources you might need.

CHAIR—Senator Siewert, do you have any other questions that you really need answered?

Senator SIEWERT—I have finished.

CHAIR—Do you want to put any questions on notice?

Senator SIEWERT—Yes, I probably will put some on notice.

Prof. Altman—We will be very happy to respond to them.

Senator SIEWERT—I appreciate that.

CHAIR—Senator Heffernan, we are wrapping up this session, but I will give you 13 seconds. Please do not lecture the witnesses; ask them questions.

Senator HEFFERNAN—I would just say to the witnesses that all Australians have been done a great disservice in recent days by that stupid, bloody John Doyle and Tim Flannery program; it absolutely emotively and factually misled the Australian public with what was a load of rubbish.

Senator SIEWERT—That was not a question but a statement.

Senator HEFFERNAN—Would you like to respond to that?

Dr Kerins—I thought Aboriginal people were invisible from that program.

Senator HEFFERNAN—Yes, it was a disgrace.

CHAIR—For the record, I agree with Senator Heffernan on this occasion—and that does not happen very often. Dr Kerins and Professor Altman, thank you very much for your time.

Dr Kerins—Thank you very much.

[9.58 am]

THOMPSON, Mr Ian, Executive Manager, Australian Government Land and Coasts, Department of Agriculture, Fisheries and Forestry

COLREAVY, Ms Mary Patricia, Acting First Assistant Secretary, Department of the Environment, Water, Heritage and the Arts

GOWLAND, Ms Kate, Acting Assistant Secretary, Land and Coasts Division, Department of the Environment, Water, Heritage and the Arts

CHAIR—Welcome. I remind senators that the Senate has resolved that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of them to superior officers or a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Officers of the department are also reminded that any claim that it would be contrary to the public interest to answer a question must be made by a minister and should be accompanied by a statement setting out the basis for the claim. In case my mother is listening, which I very much doubt she is doing—she would slap me if I dared to go to a male before a female—I would ask, ladies, whether either of you wishes to make a very brief opening statement before we go to questions. If you do not wish to do so, I will ask that question of Mr Thompson.

Ms Colreavy—Thank you, I will do that. Firstly, the departments welcome the opportunity to lodge their submission with the Senate committee. We would just like to remind you that we are representing a unique arrangement, with both the Department of the Environment, Water, Heritage and the Arts and the Department of Agriculture, Fisheries and Forestry sharing responsibility for delivery of the Australian government's environment and sustainable agriculture programs. Traditionally, these programs have been referred to as NRM, or natural resource management. The particular program on whose delivery we are now focused is Caring for our Country, which commenced just this year on 1 July, with initial funding of $2.25 billion over five years.

The Australian government is committed to protecting Australia's unique natural environment and improving land management across the country. Caring for our Country is the program for that delivery. It has one clear goal: an environment that is healthy, better protected, well-managed and resilient and that provides essential ecosystem services in a changing climate. There are a number of aspects to the delivery of Caring for our Country. We are in a transition year this first year. Regional NRM groups will continue to receive funding from the Australian government to assist them in delivering on natural resource outcomes. In this model of delivery, we are also pursuing ongoing partnerships with the states and territories.

The Australian government continues to support Landcare activities. Landcare is one of the six national priority is for investment under Caring for our Country under the banner of sustainable farm practices. More than $189 million is available to support Landcare activities in the first five

years of Caring for our Country. As I mentioned, this year now, 2008-09 is a transition year. Some of the key features for this year's delivery are that we have commenced all of the 2007 election commitments that were considered a part of Caring for our Country. Regional bodies are already commencing implementation of investment strategies to contribute to the national priorities under Caring for our Country whilst they move to our new delivery arrangements. Urgent works on national priorities are being funded whilst more comprehensive and strategic decisions about investment are being done during this transition year. We are also developing new program support, administration and evaluation mechanisms for the new program. All of that is being done through the transition year.

Mr Thompson—As we have said, this is a transition year and we are moving into a new program. We are designing this program around delivering on national priorities and agendas that have been identified. A set of national outcomes was recently publicly released and we expect to shortly be releasing a business plan. A business plan will act as a prospectus for all in the community: regions, industries, local governments, states and others to bring forward projects that address our targets. The process will be more streamlined. They will only have to make one application of whatever scale they are proposing. All the proposals will be assessed against the same set of targets. We will be able to look at them in terms of value for money, delivery against the target, suitability and the range of delivery agents they are using.

As we have said, we can still work with regions. The regional model has been in place for some time. They are working towards scientifically based plans. Those plans will still be very valuable resources for informing delivery on the ground at that detailed level and the regional network is still to be supported. Community groups, Landcare groups, Coastcare groups will still be able to participate either as part of consortia in their own right or underneath the aegis of a bigger body. We are working in a complementary way with the states and have been engaged in discussions with them as to some of their priorities and the program shape. Discussions in that area will continue.

The program really only came into effect on 1 July, so we believe it is probably too early to assess changes that may be attributable to the new funding arrangement, particularly as arrangements in this transitional year have been interim and will not all continue into the future. It will only be after a life cycle of change and change in some of the delivery agents and focusing the program onto the targets and outcomes that we will be able to make a full assessment of the program's effectiveness. Part of our program is a quite comprehensive monitoring evaluation and performance improvement framework which we will be rolling out as part of every project and every program.

Senator HEFFERNAN—Can you tell us what you mean by that statement? That was meaningless bureaucratic jargon. I think that you are engaged upon a bureaucratic nightmare, with great respect. I do not think the average punter will have any idea of what that means. I think Landcare was a great educational operation for blokes like me, for farmers. If in 1950 you had told me what you thought about my paddock I would probably have hunted you off the place with a rock. Now we welcome you onto the place to understand what is happening to the land. What went wrong with Landcare was we ended up like volunteer bushfire fighting, spending too much money on administrators' cars, forums and computers. You cannot get money for the planting of trees now. It is very difficult. Can you assist the committee by giving us an idea under this new plan what proportion is going to go to fixed administrative overheads?

Mr Thompson—I cannot give you a definitive answer at the present time.

Senator HEFFERNAN—Why not?

Mr Thompson—Because we know how much fixed administrative overheads we have—

Senator HEFFERNAN—I realise how you can—

Mr Thompson—but the way the program will operate is that proposals will come in from regions, committee groups and others and how much is—

Senator HEFFERNAN—This is bullshit.

Mr Thompson—But what we are doing is targeting for the substantial majority of the money to go to projects on the ground. Some of those might be tree planting; some of them might be extension activities; others might be remedial works. There will be a range of things. For example, we are not intending to have new bureaucracies created anywhere; we would like to use the existing structures that are in place.

Senator HEFFERNAN—I am aware of how you can allocate in a bureaucracy costs from one bit of it to another. Surely when you built the plan you said, 'We will try to get three-quarters of the money out on the ground or we will get a quarter of it out.' The model that you use to present what I thought was just bureaucratic jargon must have in it an allocation in the business plan of how much money is going to hit the ground.

Ms Colreavy—I could answer there. It does vary a little bit depending on who the delivery agent is as to how much is taken for administrative costs—

Senator HEFFERNAN—When you—

Ms Colreavy—but as a general rule of thumb with our NRM regional bodies it is between six per cent and 12 per cent that is taken for administrative costs.

Senator HEFFERNAN—Can you give us the modelling that you have allowed yourselves to have to present this program to the people of Australia. Can we see the modelling?

Ms Colreavy—I am not quite sure I understand the question, I am sorry.

Senator HEFFERNAN—If the government in its wisdom says, 'Here is $100 million to go and do this program', you must have presented some figures to the government that said, 'We need $100 million.' If you have done that you must say, 'We want $10 million for this and $5 million for that.' Have you thought about it?

Mr Thompson—What we have thought about which we do know about is it is a $2.25 billion program over five years. For administration at the national level we expect that to cost around $196 million.

Senator HEFFERNAN—Sorry, you are not going to get away with that. I am talking about the administration at all levels. What has gone wrong with Landcare is that where there was a region and a whole lot of enthusiastic Landcare groups you ended up with a whole lot of bloody administrators driving around in cars. It is a ruined program. What is actually going to happen from the top to the bottom in the administrative plan of this NRM? There must be a plan.

Ms Colreavy—As I said, generally between six per cent and 12 per cent is taken by NRM bodies for administrative costs from the allocation –

Senator HEFFERNAN—At a local level?

Ms Colreavy—At the NRM regional level, not—

Senator HEFFERNAN—I want to know about from the top to the bottom; surely you must know that?

Ms Colreavy—You do not know that in advance.

Mr Thompson—What we do know is, as I said, there is $196 million at the national level. There has been an indication that will provide guaranteed funding of the order of $711 million over the life of the program to regions. Of that amount, as we said, somewhere between six and 10 or 12 per cent would go to regional administrative costs, so we know that much in advance. What we do not know is the bulk of the funding that will be coming in in response to the business plan; it may go to regions which, again, there would be six or 12 per cent. If it goes directly to some smaller bodies they may have different administrative overheads. They could be lower. But what we do not know with some of the other bodies who might be participants is what level of administrative overhead might be built in.

Senator HEFFERNAN—The whole thing is a 'pig in the poke' plan, if you know what I mean, because it is higgledy-piggledy. Some good work happens over there and further up the valley or over there, it is a nightmare. I do not know what the 2007 election commitment was. I have enough to worry about. I am worrying about breast cancer genes at the moment. How much of the future science is in how you are going to allocate the plan? The future science is telling us certain alarming things. Are you allowing for that in the expenditure of this budget? Are you saying, 'This is going to be a hot area'?

Mr Thompson—I cannot go much further in what we are doing on administration, but in terms of where activity is targeted on the ground, the aim of this program is to be able to look at strategic issues from a national point of view and we have identified some priorities.

Senator HEFFERNAN—Can you give us some details of what you have identified?

Mr Thompson—Not at this stage.

Senator HEFFERNAN—Have you got the details of what you have identified?

Mr Thompson—It will come out—

Senator HEFFERNAN—It is all in someone's head somewhere but not on paper?

Mr Thompson—No, it is not in our heads. It is being worked on to come forward—

Senator HEFFERNAN—Have you released a prospectus?

Mr Thompson—We have not got it in a finalised state yet.

Senator HEFFERNAN—You have produced a budget for something that you do not know what the plan is for?

Mr Thompson—We have got an indicative budget for next year. What we are doing now is working out the priority areas in which we would like to invest money—

Senator HEFFERNAN—To assist—

Mr Thompson—One example could be where it was identified as an election commitment and it also comes through in our analyses is that things like protecting the Barrier Reef is an issue of national importance, and we want to target those areas in the agricultural hinterland where there are major sources of nutrient and sediment loss to the reef.

Senator IAN MACDONALD—Are you taking money out of the NRM bodies to fund the Barrier Reef?

Ms Colreavy—Those funds are being provided through the NRM bodies relevant to the reef. They are being delivered—

Senator IAN MACDONALD—They have been taken out of their programs and put into GBRMPA's programs?

Ms Colreavy—No, it is being delivered through the NRM bodies in Queensland.

Mr Thompson—The Reef Rescue proposal was $200 million to go forward with a proposal by the regions and industry bodies.

Senator IAN MACDONALD—I want to go through this in some detail in estimates next week. Now is probably not the right time.

Senator HEFFERNAN—Can I just say with great respect I do not think you blokes have got any idea where you are headed. Have you read the science for the future of the country that this plan is going to apply? Have you read the science or are you just bureaucratic administrators? Do you know what the science is telling us about the future of the land mass of Australia?

Ms Colreavy—I inform myself and I take advice from staff. We have scientific advisers—

Senator HEFFERNAN—What is your snapshot of the change in the landscape over the next 50 years from what you have gleaned from your officers? Tell me what you think is going to happen to Australia? You have got no idea, have you? Mr Thompson, have you got any idea?

CHAIR—If you are going to start personal attacks on Ms Colreavy—

Senator HEFFERNAN—No, this is not a personal attack. This is—

CHAIR—Put your questions towards the inquiry—

Senator HEFFERNAN—We want the people giving advice to the government to know what they are talking about.

CHAIR—I would urge you to target your questions to the inquiry and not make personal attacks on Ms Colreavy.

Senator HEFFERNAN—This is to the inquiry because this is about the future national resource management of—

CHAIR—I have asked you to re-word your question.

Senator HEFFERNAN—Anyhow, the answer is no. You know me. None of this is meant in a bad way, but I would like to display a bit of passion about the thing. I am really concerned—

CHAIR—I am sure you will catch a lot more flies with honey.

Senator HEFFERNAN—All of that. I am really concerned that there is no connection between the future science, the political aspirations, the election commitments and the money that is available. As Senator Macdonald says, we are worried that this is not just a pass the parcel exercise which has got the world into trouble with financial instruments. I want to know where you get your future priority from. You said that you were going to have a priority of the spend. You must have a plan of what the priority is. Can you give us the plan? I want to know whether it is on the declining run-off in the 38 per cent of the landscape from the two per cent of the landscape in the southern Murray-Darling Basin, the encroachment of the desert sand somewhere, or what seems to be the devastation of the Riverina. Is there a plan?

Mr Thompson—There is a plan—

Senator HEFFERNAN—Who has it?

Mr Thompson—It is made up of a combination of activities. We will be releasing our detailed prospectus for Caring for our Country in the coming weeks which will spell out in more detail the priorities, the strategies and the science behind where they have come from. At the present time the priorities that we have identified and the outcomes we want to achieve—

Senator HEFFERNAN—Thank you for being patient, by the way.

Mr Thompson—This is based on an assessment of where some of the most valuable assets for the Australian environment and Australia's natural resources are and an assessment of the threats to them. The one thing I would need to say is that Caring for our Country has a number of objectives. It does not cover every objective related to the resources or natural environment. Climate change has a major impact which—

Senator HEFFERNAN—To put the thumb on it, how did you do that assessment?

Mr Thompson—The assessment was done in consultation with scientists, including those from—

Senator HEFFERNAN—Could you present us with the modelling for the assessment?

Mr Thompson—We could—

Senator HEFFERNAN—Because that is a bold statement, that you have done the assessment. We would like to know how you actually arrived at the end of the journey, or where you began from, where you think you are going to and what is the modelling on the line of the assessment. How did you do the assessment?

Mr Thompson—There is not such a detailed assessment that leads from, 'Here is a national threat and here is the answers at point X.' We have had discussions with a range of scientists in the field, come to a consensus about the broad nature of the threats and then translated that into things that might be able to be done by way of a project.

Senator SIEWERT—What modelling did you use for that? What process did you use? You will be aware that we have taken evidence from David Pannell. The INFFER project, which is built on the SIF project, is actually a systematic approach to making these decisions. Did you actually use that process? What process did you use that you can show us that takes us through the steps of your decision making process?

Mr Thompson—We have had discussions with David Pannell and a range of other scientists in this process. We have not implied INFFER or something like that at the national scale.

Senator SIEWERT—Why not? Where can you show us the steps that demonstrate that you are actually doing this now in a better way than it has been done previously, because at the moment I can see nothing?

Mr Thompson—The sort of approach that David Pannell proposes will be built into how we are going to assess the actual projects on which we spend money. What I was saying was that in terms of identifying the priorities at a national level to say that biodiversity is an area that we would like to achieve some outcomes in; we want to create some national reserves; there are Ramsar wetlands we want to protect and there are areas of Australia threatened by dust, wind or soil erosion from water, that sort of macro-scale priority setting was based on a review of where we had national responsibilities or national priorities. For example, we have undertaken international obligations to protect Ramsar wetlands. We have got some international obligations under the EPBC Act relating to endangered species or endangered communities, and we focused attention on them with stewardship, or whatever. The Great Barrier Reef stands out as a world

heritage site. At that level we have based it on national priorities and responsibilities. When we come down to the level of where we will spend money the sort of process that Dr Pannell promotes is something we would be building into the assessment process, looking at what is the asset that this proposal might be able to protect, how valuable it is, compare it to others; is the mechanism that is being applied something that may or may not work; that sort of thing. It is a slightly different scale.

Senator SIEWERT—As I understand it from talking to Professor Pannell last week you can actually apply this INFFER at all levels. Where I am at now is how do you make the decision then about the level of investment across these outcomes? How are you going to make a decision about what proportion of the money is put in for biodiversity and what is put into Ramsar, which might fit under biodiversity anyway, for example? How is it envisaged that you will be making those decisions?

Mr Thompson—At the highest level quite a number of those decisions were made by government. For example, the minimum amount of money to be spent on sustainable agriculture derives from funding that has been moved into Caring for our Country from the old Landcare program.

Senator SIEWERT—I must admit I cannot remember. I did not bring the piece of paper in with me with the old figures on Landcare funding. Sustainable agriculture is all the Landcare funding base—

Mr Thompson—No. Sustainable agriculture is for Landcare part funding plus perhaps a little more where sustainable agriculture might be something that can contribute to outcomes that go beyond the farm. For example, sustainable agricultural practice is going to be very important for contributing to outcomes on the Barrier Reef, and that is not Landcare funding.

Senator SIEWERT—Wasn't it $200 million that was promised as additional money for GBR?

Mr Thompson—Yes.

Senator SIEWERT—Is some of that money going to be held under a special GBR line item because that is one of the government promises which I understand you said earlier you have started spending on?

Mr Thompson—The $200 million for the Barrier Reef will be an item that will be separately tracked.

Senator SIEWERT—That does not go into the $189 million that is being spent on sustainable agriculture?

Mr Thompson—The $189 million on sustainable agriculture is the money that has come from Landcare for sustainable agriculture. Money that might go through the Barrier Reef for sustainable agriculture would make that $189 million bigger.

Senator SIEWERT—This is where I am really having trouble tracking where you are spending money which, as I understand it, you cannot answer. Please correct me if I am wrong, when Senator Heffernan was asking you a question about the budget you said there that the indicative budget you have got for this financial year, which as I understand it is the transition year, or is it for next year?

Mr Thompson—The transition year is this financial year, the one we are currently in.

Senator SIEWERT—Could you please go through and tell us the financials that you actually can? Through the various estimates processes we have not been able to get a good handle on where the money is going and for what outcomes money is being allocated.

Mr Thompson—Ms Colreavy will do that. One point I would make is that one of the complications is that certain sorts of activities can lead to multiple outcomes. If we use the Barrier Reef for example, if you do some work on a farm that is a good, sustainable agricultural practice it can reduce nutrients in the reef, so it is a good water quality outcome but it is also contributing to the overall health of the reef so it is a good world heritage outcome. One of the complications is whether you look at it from the funding source perspective, or the outcome perspective. We are trying to keep track of it both ways.

Senator SIEWERT—I accept that but what it is doing at the moment is making it impossible for us to actually get a good handle on where money is actually being specifically spent under which program.

Ms Colreavy—For 2008-09, the current year, we have an allocation of $30.74 million against the national reserve system and Indigenous protected areas combined, so that is the comprehensive adequate and representative reserve system.

Senator SIEWERT—How much is going into IPAs?

Ms Colreavy—Five million dollars and $25.74 million into the NRS. The allocation under the broad heading of biodiversity and natural icons is just under $29.5 million. The allocation for coastal environments and critical aquatic habitats is $65.1 million. The sustainable farm practices budget is just over $37 million. That includes Landcare and some other related sustainable farm practice activities.

Senator SIEWERT—This is where I start getting confused.

Ms Colreavy—The Landcare component of that is $31.23 million and then we have an additional budget of $5.8 million for some other related supporting activities.

Senator SIEWERT—What does that mean?

Ms Colreavy—There is a variety of things that can be done. We are trying not to be really prescriptive because some of these funds are going to people against applications through open grants, so it has not actually been determined yet exactly what they will be spent on, but they are things that will be considered to be contributing to the overall priority for sustainable farm practices. It will be about best practice farm management and land protection. It might be weed

control. It might be pest control. It might be fencing riparian areas on properties. It could be a variety of things.

Senator SIEWERT—I do not want to distract from getting the other figures, but that leads me to the open grant funds. Can you remind me how much has gone into the open grant funds, which I understand are currently being assessed?

Ms Colreavy—Yes, $25 million.

Senator SIEWERT—Where does that money come out of?

Ms Colreavy—It comes out of the overall budget so it will come from various parts of this. I am giving you the broad breakdown by programs by type. I will finish that and then we can talk about open grants if you like. We have allocated $20 million to community skills, knowledge and engagement as another broad national priority area. There is $159 million which has gone to support NRM bodies. I am sorry, not to support them but to fund their activities on the ground. That is a base level funding. They are also able to apply for other funds.

Senator SIEWERT—This is the 60 per cent?

Ms Colreavy—Yes; it is more than 60 per cent. It works out to about 88 per cent.

Senator SIEWERT—Does it not vary for various groups, as I understood it when you explained it?

Ms Colreavy—Yes, an average of over 70 per cent has gone to regional bodies, an average of more than 70 per cent of what their average funding was previously.

Senator IAN MACDONALD—The $159 million goes directly to the NRM body but you are also saying, for example, they would be eligible to apply for the $65 million that you have mentioned previously for some coastal work?

Ms Colreavy—Yes. Some of them are getting initial money through Reef Rescue and through other bits. There is a bit less than $54.5 million is going to administration. That includes the overall program implementation as well as monitoring and evaluation.

Senator SIEWERT—Okay, $54.5 million is going to the overall administration?

Ms Colreavy—Yes.

Senator SIEWERT—Is it possible to get a breakdown on what that is being spent on? For example, I am aware that under NHT there was a lot of departmental work over the years that was put into NHT funding. What I am keen to know is how much of that has been continued on and how much has now gone back into CRF, or whatever you call it these days, but you know what I mean? How do we know what that $54.5 million is being spent on?

Ms Colreavy—That is paying for the cost of running our division of our joint team.

Senator SIEWERT—It purely pays for the cost of running the joint NRM team between the two departments?

Ms Colreavy—That is right. And our IT and our communications work which is part of the joint team, yes, and for launching an evaluation program.

Senator IAN MACDONALD—Is that an increase or a decrease?

Ms Colreavy—That is a decrease.

Senator SIEWERT—How much of a decrease is it?

Ms Colreavy—I would have to come back to you. I remember when we did the original budget I knew that but, I am sorry, I do not have that figure. I could provide it.

Senator IAN MACDONALD—You might gather from this that this will be raised next week at estimates, too, so if you are coming back here please have it for estimates.

Ms Colreavy—Okay.

Senator IAN MACDONALD—I assume we will have more time then to try to work out what all these figures mean.

Ms Colreavy—I have one more budget line. We have a range of other costs. You referred to some costs that were spent elsewhere in the department before. Again, that has continued through this transition year so we have some other program delivery costs through the department of $32.4 million, which includes costs of EPBC and some other biodiversity and support costs within the department.

Senator SIEWERT—I think you should take on notice similar to what Senator Macdonald has just said; I want to know what specific programs are being funded under this program. Also, were they continuing on from programs under NHT?

Mr Thompson—We can take that on notice.

Senator IAN MACDONALD—You said $32.4 million?

Ms Colreavy—That is right.

Senator IAN MACDONALD—I was talking. Is that part of the $54.5 million, or—

Ms Colreavy—It is additional to.

Senator IAN MACDONALD—It is a total of $86 million that is really for administration?

Ms Colreavy—It is not just administration. It is program delivery as well and support—

Senator IAN MACDONALD—What is program delivery if it is not administration?

Mr Thompson—Some of the projects are things like some of the money goes to consultancies, some of it goes to—

Senator IAN MACDONALD—What are consultancies if not—

Mr Thompson—particular pieces of analysis designing monitoring programs—

CHAIR—Sorry to interrupt. Senator Macdonald, you will get your turn. Can we go to Senator Siewert and then you can have an unfettered run?

Senator IAN MACDONALD—Sorry, I just missed that.

Senator SIEWERT—We are all trying to find out the same info. In relation to the NRM bodies, one of the issues that you are obviously aware of is that there is a great concern by NRM bodies about their future and what role they are going to be playing.

Senator IAN MACDONALD—Absolutely.

Senator SIEWERT—In your submission you quote on page 7 the ANAO report. In that you say:

The departments accepted the ANAO's four recommendations, as outlined in its report and these recommendations have been taken into account in the design, and implementation of Caring for our Country.

Then it says:

The rationale for regional delivery was to be more strategic and results focused at a regional scale.

It goes on to say:

Given the scale of the NRM challenge across Australia and past experiences, it was a reasonable model in the circumstances.

You are saying you support those recommendations. How are you implementing those recommendations? Does that mean you think regional bodies have had their day?

Ms Colreavy—I think it needs to be remembered that the ANAO report was undertaken last year, when the work was being done under the previous government in the light of the NHT. The review was undertaken in 2006 and the department's responses were developed throughout 2007. The decision to develop a new program was a decision of the new government. The departments together were charged with the responsibility to develop a new program and provide that for a new government. In designing the new program we looked at the lessons learned from the previous program and sought to ensure that the best features—the learnings, all the positives and strengths—of the previous programs were retained but in designing a new program the opportunity was taken to try to address some of these criticisms and flaws that we have had through not just the most recent ANAO report but a number of evaluations and reports that have

been conducted over the last several years. I think you must remember that the timing of these things has been—

Senator SIEWERT—I understand very well, having been very involved in NRM for a very long time. But the fact is your submission has just been written and given to us. Your submission saying that you support these recommendations was just written to us.

Ms Colreavy—Our report was advising on our response to the ANAO. On page 7 it says that the department accepted the ANAO's four recommendations. That was the department's response to the ANAO report. Do you understand the distinction I am making?

Senator SIEWERT—You do not support it any more?

Ms Colreavy—We do. I am sorry, I—

Mr Thompson—The recommendation from the ANAO said that the regional model was reasonable in the circumstances. Then they identified some things about the regional model that they believe were not working as effectively as they could or where things could be improved. When we say we accept the recommendation, we mean that we broadly accept that the recommendation of the regional model was good in the circumstances. Of course, we did; we put that in place. But when people point out problems with the regional model we seek to address those. We do not believe the regional model is no longer relevant, but we have tried to adapt it and modify it to meet the new challenges and to address some of the concerns of the past. Some of them have been that some people felt, as the ANAO pointed out, that they were not able to access funds. We would like to have a process, as we will go through with the business plan, of allowing people other than regions to have easier access to the program to encourage people to go beyond regions and have regions joining together to deliver things that cut across catchments, for example.

Senator SIEWERT—I still want to explore the regional model aspect and how you think that the new system actually addresses those concerns and still maintains a viable regional model, because I am concerned that we are going to see some of them go under. Also, how do you see that the new approach is going to be strategic and systematic, what process are you going to use to ensure that, and how does the open grant process fit into that?

Mr Thompson—Perhaps I will start with the last one. The open grant process was something that was put in place in this transitional year only to enable some money to flow out to regions, community groups and others during this year. It is not something that we would see as being a future part of the program.

Senator SIEWERT—Is this the only year that the open grant process is happening?

Mr Thompson—I could never say that it is the only year, but it is the only year we have planned to have an open grants round. As for the regions themselves, we look at the regions as key partners in delivering on resource management outcomes because they are very important at that scale for planning and identifying local scale activities, for monitoring and for developing up or brokering consortiums between other people with a guaranteed level of funding for regional bodies which gives them both some certainty over base funding and some capacity to

implement projects at a range of scales direct. With that money we would expect them—and we have had discussions with them—that they would be in a box seat to be one of the key players in building the sorts of projects that we see in Reef Rescue where two or three regions get together with one or two industry groups and some community groups to deliver a strategic project that joins together those comprehensive regional scale plans into something that sits at a higher level as in how we joined together the Fitzroy, the Burdekin, the Mackay/Whitsunday and the Wet Tropics plans for nutrient management to come up with one that will address the Barrier Reef's issues. We are hoping with the business plan that we can call for areas under tighter targets and we hope that people will come forward with something that might be able to address, say, sustainable grazing and biodiversity management and management of some wetlands or some reserves in Northern Australia or something, so you would see some of the Queensland and Northern Territory groups coming together.

Senator SIEWERT—With all due respect to my colleagues and the Great Barrier Reef—I would not like to go on record saying that I do not care about the Great Barrier Reef—but being from Western Australia we look after one third of Australia's land mass, so I am interested in Western Australia and some of the other areas. Some of the evidence that we took last week seemed to indicate to me that some of the regional groups felt they were not going to be viable into the future—and we are not just talking about transition here—to be on equal footing with others—for example, state agencies—to be able to participate and compete with state agencies to get this additional project funding. They also say that they were given the money in the transition year and given little direction in how to spend that.

Ms Colreavy—First of all, we have said repeatedly to the various groups—and really I am surprised if there are regions in WA who are still saying that to you because I have actually been with them and talked to them about this already—that the way the arrangements that we have in place this year and the decisions that were made for funding initiatives for this year, the things that we agreed with the regions that they could spend their allocations on, were arrived at is not the way that we intend to deliver the program in future years.

Senator SIEWERT—I do understand that, yes.

Ms Colreavy—That is absolutely—

Senator SIEWERT—Yes, I understand. That is the area of concern, I might add.

Ms Colreavy—One of the things that regions, not just in Western Australia but all over Australia, have repeatedly asked us, over a number of years of working in this area myself, is for greater clarity from the Commonwealth on what our priorities are. That was a question that we were repeatedly asked by the regions in past years. We were also criticised by the regions in particular about the complexity of our program arrangements and about the complexity of the funding decision models that were made because of the various hierarchies of program delivery through national, regional and local; there were competitive streams and national competitive streams and regional competitive, a whole gamut of all sorts of—

Senator HEFFERNAN—A bureaucratic nightmare.

Ms Colreavy—And, quite rightly, regions criticised us for that because they found it very difficult to work with and they found that each of those programs had their own reporting arrangements and therefore it created a very heavy workload for them in terms of reporting. One of the things that have been doing this year that is not in place yet so it is very hard to demonstrate that it is better at this point, but it will be in place after the transition year so that we will have a much, much more targeted program. That is the whole point of bringing out, first of all, the outcomes booklet and then, when our business plan is released, we will have very clear targeted activities that we are seeking to invest in. Our priorities for investment will be made patently clear to everyone and everyone, not just regions, will know what the Australian government's priorities are.

We are also investing a lot of effort this year in streamlining our arrangements so that it is less complex. For instance, regions will only have to apply once to us in a given year for any of the component parts of the program. Within the business plan we will capture all of the underlying component parts. This year there have been separate calls for the NRS, for Working on Country, for IPAs and for Coastcare grants. We had the open grants, which we will not have again. That was another grants model. We had a separate call for Landcare earlier in the year. In future all of those component parts will be captured within the business plan and a body such as the south west region, or whatever, will have first of all from us a guaranteed baseline sum of money that they will have for their ongoing future investment work on which they will be able to take out a small proportion for their administrative overheads. Most of their funds will have to be spent on targeted, on-ground work but we will accept a proportion of their funds to be spent on their administration overheads.

Senator SIEWERT—How much?

Ms Colreavy—We are talking with them about that. We are still settling that.

Senator SIEWERT—Does that include staff overheads?

Ms Colreavy—Yes. This is the normal way that they cost a project. Let's just invent a project. They might be going to do a river protection program. They might cost a project officer against it as well as material cost, perhaps contractors, and monitoring and evaluation. They would build all those costs in to their project. We expect them to be able to show us budgetary outlines for how they will do this and we accept those delivery costs are a legitimate part of getting the thing to happen on the ground. It cannot be done otherwise. They need to build those costs in. We are quite open about that and we have discussed that with them. We would obviously look at their threshold costs to make sure that we do not think they are overblown, but we do accept those costs. Every region will have a guaranteed baseline budget from the Australian government which they will be given before the end of this year, so they will know what their future budgets will be for the next four years. They will have a four-year budget. That is not the only funding that they can access. When they submit their proposal in response to the business plan for how they would like to spend their guaranteed baseline funding, we welcome them to put in bids for additional projects over and above that at the same time. They only need to submit once and we will assess—

Senator SIEWERT—Sorry to interrupt. They are guaranteed a baseline which will be a certain amount of dollars or a percentage of what they get now?

Ms Colreavy—Yes. They will be guaranteed—

Senator SIEWERT—That will be for implementation of their investment plan against the business plan, or do they have to re-do their investment plans again?

Mr Thompson—They do not have to re-do their investment plans. It will be done in dollars; it will be a certain amount of money for investing in projects from within their business plan that address the targets or the priorities that they—

Senator SIEWERT—So that they are probably going to have to tinker with their investment plans—

Ms Colreavy—Some of them might, but we have actually talked about this with them and most of them recognise that in relation to our national priorities there are very few regions that cannot directly map or align their investment plans to the national priorities. Some of them may want to re-work them a bit to make that cross-mapping clearer, but we are not asking them to do that. We recognise that that is a costly and time-consuming exercise and most of those plans are good. We think they are really good. We have worked with them on them. We have commented on them all and we think they are very good—

Senator IAN MACDONALD—You should; you approved them.

Ms Colreavy—In most cases we did, not in all cases, because some of these are statutory plans that are developed in response to state government requirements—

Senator IAN MACDONALD—That is true.

Ms Colreavy—In fact, many of them are. These plans are often much broader than investment plans just for the Australian government. They have been developed for a potential suite of investors. It varies from jurisdiction to jurisdiction how that was done. From our point of view, all the regions are well placed to draw from their regional plans to identify suitable investment activities to address our national priorities.

Senator IAN MACDONALD—Can I just make it clear that I am not blaming you three people. I know the situation; I have been there and done that. You had a plan which we all worked on. We had these investment strategies and they were all approved by you subject to those that were state government statutory plans in my state of Queensland. They were all approved. They took into account all the national priorities. Now you have a new government; and this is the way the system works. I am not blaming you guys. Under different circumstances you work to whoever your political masters are, but what concerns me and others at this inquiry is that all of those plans which took so long to put in place, and with well founded criticism of the delay, now we are going through it all over again. When will we ever learn? That is us; not you guys, I guess. I do not know if you can comment on that—

Ms Colreavy—No.

Senator IAN MACDONALD—Every NRM group has told all of us on this side that now, because they have got funding only to 30 June, they are all sacking staff. All the teams that they

have painstakingly built up over the years suddenly their jobs are in jeopardy. And they can apply for these top-ups—you say 70 or 80, but I am being told it is 60 on the ground—but they may not get it.

Ms Colreavy—No. Every region was given just one year's budget for this year.

Senator IAN MACDONALD—They have been told they have to spend it by 30 June.

Ms Colreavy—Yes. Last October they were given their budgets for the 2008-09 financial year and we promised them, and will give them, their forward budgets for the next four years this year. They will be told by no later than early November what their forward budget will be for the next four years.

Senator IAN MACDONALD—This is the announcement that Mr Garrett is going to make on 1 November, is it? I should not ask you that.

CHAIR—No, you should not. Would you please carry on with your questioning? I think you are waxing a little.

Senator IAN MACDONALD—I am on the same track as Senator Siewert and Senator Siewert has had more than half an hour—

CHAIR—And she is not arguing.

Senator IAN MACDONALD—No, we will keep working together because we are on the same track.

Senator HEFFERNAN—Can I—

CHAIR—Two is company, three is a crowd, Senator Heffernan.

Senator IAN MACDONALD—You are saying by the end of November all of these NRM bodies will have their four-year forward plan money, the money they are going to get?

Ms Colreavy—I did not say by 1 November. I said—

Senator IAN MACDONALD—By the end of November?

Ms Colreavy—Yes. They will be told by no later than that. It may even be earlier.

Senator IAN MACDONALD—That is fine.

Mr Thompson—It is a guaranteed level of funding. They still have capacity—

Senator IAN MACDONALD—It is a 60, 70, or 80 per cent.

Ms Colreavy—It will vary from region to region. It will be drawn from an overall budget. The overall budget for the regions will be 60 per cent of the average funding to the regions in the life of the previous two programs plus some transitional funding, so $10.8 million a year to continue to assist them.

Senator IAN MACDONALD—That is good to know. The global budget is 60 per cent plus some?

Ms Colreavy—Yes.

Senator IAN MACDONALD—And if some people are getting 80 per cent then some are going to get 40 per cent?

Senator SIEWERT—This is for the life of the program, is it?

Ms Colreavy—Yes. But as I said, the regions can apply for other funds as well, and we would expect most of them to be successful in doing that.

Senator SIEWERT—I just wanted to finish off on getting an understanding of how the regional groups then fit into this competitive funding process. They will get 60 per cent plus some ongoing over the five years of the program—

Ms Colreavy—Plus more, yes.

Senator SIEWERT—The 'plus more' is the transition moneys for this year. For each of the other years are they going to get transition funding as well?

Ms Colreavy—Yes. There is an ongoing allocation to assist with transition costs. In this first year, 15 per cent of the overall budget was made available to assist with transition costs. That reduces down to about five or six per cent. This year it was $31.9 million and for the remaining four years it will be $10.8 million.

Senator IAN MACDONALD—To clarify this absolutely, you gave us a figure of $159 million—

Ms Colreavy—For this year.

Senator IAN MACDONALD—to support the NRM.

Ms Colreavy—This year.

Senator IAN MACDONALD—Is that the 60 per cent you are talking about?

Ms Colreavy—I will break it down for you. In 2008-09, $127.2 million was allocated to the regional bodies. Every regional body got 60 per cent of their average funding. That is the 60 per cent—it is $127.2 million—plus they were each given a share of $31.9 million, which was 15 per cent of the previous regional allocation. They were each given a share of $31.9 million which was termed assistance for the transitional costs.

Senator IAN MACDONALD—And that is the $159 million?

Ms Colreavy—That adds up to $159.1 million. For 2009 through to 2013, we will be allocating the $127.2 million, which is the 60 per cent—they will each receive a four-year budget and they will get that in the next few weeks—plus there will be transitional funding of $10.8 million.

Senator IAN MACDONALD—For the next four years the global figure is $127 million plus $10 million?

Ms Colreavy—Yes, so it is $138 million. The global figure for the next four years will be $138 million.

Senator IAN MACDONALD—Per year?

Ms Colreavy—Per year.

Senator IAN MACDONALD—Will it be indexed? Will it go up with inflation?

Ms Colreavy—No.

Senator HEFFERNAN—Built into the 60 per cent—it is a cutback of 40 per cent—is there a statutory requirement by the department in the allocation of those funds for whoever receives the money to prune their administrative costs, the fixed overheads, as opposed to the on-ground work? You could get a position where all the jobs are still there, people driving around having coffee, and the work in the paddock diminishes?

Ms Colreavy—We do not have that—

Senator HEFFERNAN—You do not have a thing for that? So what could happen?

Ms Colreavy—There is not a statutory arrangement but we have made it clear that the majority of these funds need to be delivering on-ground outcomes—

Senator HEFFERNAN—With the cheque is there an obligation? This is why I am pretty agro about some of this because you guys are obviously not across it. We are going to go to 18-inch rainfall over the next few years from 21 inches, which is going to absolutely alter the way we have to manage the district. If you say we are going to reduce by 40 per cent, that is just a bureaucratic statement, as good as gold. Do you really think that the administrators—and I will not name them because I do not want to embarrass them—are going to want to give away their jobs? Who says, 'I am sorry, you have got to go. You have got to go,' because we have to maintain the proportion for the work against the decrease in the fund so you are going to have lop the administration off, send that car back and get rid of that computer?

Mr Thompson—Those sorts of decisions are made by the regional bodies themselves, but they do have to provide us with the projects or the investment plan for how they are going to use our money and we have to assess it on value for money. We do use benchmarks about costs of administration and those sorts of things—

Senator HEFFERNAN—Can you show us the benchmarks?

Ms Colreavy—Yes, we probably can.

Mr Thompson—They are the comparisons across—

Senator HEFFERNAN—No. I want to see the benchmarks. That could be just a whole lot of bureaucratic poo poo.

Senator IAN MACDONALD—I am going to override my colleague here. Again, I mention that these officers are doing the program that the government of the day has given them and they have got to try to make it balance. In the figures you gave Senator Siewert before, we have established there is $127 million plus $10 million for the NRM body. You told us that there was $54.5 million for administration, which is the departmental administration, plus $32.4 million for the EPBC Act and other things you had which I did not record that I said to you, 'That is $86 million on administrative things as opposed to $127 million for the NRM body.' Can you, perhaps on notice, identify in dot point headings where the $54.5 million and $32.4 million go and compare it with what it was? I know all governments have used as part of their environmental plans the costs of departments, which is wrong perhaps but everyone does it. But I would like to see that.

I do want to talk a little bit about the Great Barrier Reef. Some of it you will not be able to answer now but it will prepare you for estimates. I applauded the current government for doing this Reef Rescue plan. I was trying to get our government to do it and we were a bit slow on it. It is $200 million. I am told by everybody concerned that there has been no on-the-ground action in the last 10 months. Everyone thinks it is a good idea but nothing is happening. Can you tell me I am wrong? Could you point out where I am wrong?

Mr Thompson—Depending on what you mean by 'on-the-ground action', there has been a small amount of expenditure on maintaining some monitoring and evaluation, but it is true that we have not yet announced the projects. What we have been doing over the last few months is, in discussions with each of the regions there and all of the industry bodies, they have been putting together a suite of projects to invest money this year and into the future for on-the-ground action. We have now received all of those projects and they are under final consideration.

Senator IAN MACDONALD—Is it true that the NRM regional groups have been given this money for 2008-09 and have been told it has to be spent by 30 June? Is that true?

Mr Thompson—They have been told that we would like the money to be spent at the end of the financial year and they have come back to us and said they can spend it this year.

Senator IAN MACDONALD—This program starts on 1 December, so they have seven months to spend the money. Half of them have put off staff. Half of them have to go and negotiate with landowners and they are going to do all of this in seven months and spend all the money or lose it; is that right?

Mr Thompson—I cannot comment on whether they have had to put off staff or not. Our understanding is that they have been able to maintain their staff by and large with the money that has come through from elsewhere—

Senator IAN MACDONALD—No, that is not right.

Mr Thompson—The projects that they have put forward to us are projects that they have indicated can be undertaken in the seven-month period that they have.

Senator HEFFERNAN—If that were me I would spend the money too, but not wisely.

Senator IAN MACDONALD—To pursue that further, the government's program before the election—and you have confirmed this—is $146 million for the Great Barrier Reef Water Quality Grants Program. The announcement said:

The majority of these funds are to be provided for matching grants to landowners and managers who commit to implementing proven practices to reduce the amount of nutrients and sediment run-off on the land.

I am told that there have been no matching grants made. This is perhaps a criticism of you people rather than your various governments, our government also had a similar program three or four years ago but I am also told that very little of the money ever got to farmers to buy back riparian areas or to plant trees. Let us forget about the past government. We have had 10 months of operation of this government. I am told that the problem with the Great Barrier Reef is not climate change, not water warming, but the persistent nutrient run-off into the barrier reef. There have been plans four years ago, and again in the Labor Party's document, to fix it and yet there is no work being done on the ground. Please convince me I am wrong.

Mr Thompson—I am not able to comment on past programs, although I am aware that there were projects relating to wetlands and farm practices up and down the coast but, as per the statement you are reading from, the projects to be developed under this current program do involve grants to farm groups. As I said, the discussions we have been implementing since the funding for the program was announced and confirmed by ministers has been with the various industry bodies and the regions to develop these programs to work out which partners they are going to work with so that they are ready to go as soon as they are approved.

Senator IAN MACDONALD—But you have done all this. Again you can only do what you can do but in one form or another, or under one title or another, or under one glossy brochure or another, you have been doing all this work for 10 years. Canegrowers came on board; AgForce came on board; Queensland Farmers Federation came on board; GBRMPA came on board. It was a coordinated approach with $200 million, which was great. They had plans but I understand not one cane farmer has been given any assistance to plant trees along the riverbank; not one cane farmer has got money to get out of marginal land where he should never have been anyhow, and the sediment keeps running out on the reef and the coral keeps bleaching and dying. Do you disagree with that or don't you know?

Mr Thompson—I do not disagree with—

Senator HEFFERNAN—If you do not, just say so.

Mr Thompson—What I am saying is that, yes, we have got a new program which will build on all those partnerships and practices and everything else but we are implementing Reef Rescue as it is now and, like any program, it needs new contracts. Whilst, yes, we can work with the partnerships that are there, aside from some monitoring and evaluation money which we provided early in the year, Reef Rescue is not yet at the stage of making payments to individual farmers but we expect that to happen very soon.

Senator IAN MACDONALD—You will not have this now but we want to encourage your group to work a bit harder, although I know you have reduced staff and are working longer hours—

Senator HEFFERNAN—We all feel sorry for you.

Senator IAN MACDONALD—But whilst we are saying this to you we want Senator Sterle as part of our group to take it to the minister and say, 'Let's not do what the other government did. Let's make sure we actually get something done.' Because the reef is dying as we speak and it is not because of global climate change. It is not—it is crown of thorns but the crown of thorns are there because of the nutrient run-off. You know all this. The farmers are ready to join forces with you. They need to—

Senator HEFFERNAN—You know what to do.

CHAIR—Senator Macdonald has the call.

Senator IAN MACDONALD—Hopefully within the next week tell the minister that we have got an unholy alliance here of Senator Sterle, Senator Siewert, Senator Heffernan and me and we need to know in the next week really what is going to happen. I know he is making an announcement on 1 September, I think. Let's hope it is not just—

Senator SIEWERT—I assume you mean November.

Senator IAN MACDONALD—Yes, it is a bit late for 1 September. But we do not just want a colour brochure. We actually want an agreement—

Senator HEFFERNAN—Farmers know how to solve—

CHAIR—Sorry Senator Heffernan, Senator Macdonald still has the call.

Ms Colreavy—Could I just make one comment in response? That is that it is 10 months in which these funds have not yet reached the farmers, but the program only commenced on 1 July; it has not been running for 10 months.

Senator HEFFERNAN—It has been going on for 10 years.

Ms Colreavy—I appreciate that the issues have been around and there have been other programs, but I am just commenting that the Reef Rescue plan commenced on 1 July.

Senator IAN MACDONALD—I am told that something like $22 million—I think that is the figure—has been taken from the NRM bodies and given to GBRMPA to replace funds that GBRMPA have lost in the last budget cuts to do reef work. Am I right or wrong on that?

Mr Thompson—I do not think we could say that the money has come from the regions to do it. It is a $200 million program and it has under it a number of elements. Some of the water quality monitoring reporting will be undertaken by GBRMPA because they have the skills and the long-term records and capacity to monitor reef water quality. But they are not the only people who will be monitoring the outcomes of this program.

Senator IAN MACDONALD—I am told—and I am not sure what my sources are—that NRM groups report that, of the $22 million that has been allocated for monitoring and evaluation under Reef Rescue, $14 million has already been taken from them and given to GBRMPA.

Ms Colreavy—That does not sound right that it has been taken from regions, no. But perhaps—

CHAIR—Would you be able to get back to Senator Macdonald before close of business today on that?

Ms Colreavy—We will try to look at that separately.

Senator HEFFERNAN—Can I just ask Mr Thompson: in the planning for these resources is there a plan by the department to protect not only the actual resource management side of it but future production? Is there a priority or a thinking in the department in the allocation of all the moneys? It seems to me that 50 per cent of it is administration and that it is just a bureaucratic tangle. I feel very sorry for you for the job you have been given. You have my full sympathy. But the thing that troubles me is that, for instance, over in Carnarvon they need a little bit of money. They have a wonderful little spot with two or three thousand acres of production worth $60 million and the side aquifers to the upside-down river, the Gascoyne, are very saline and a place like that has to be very careful about the way they manage the resource, the 11 gigs they take out of the Gascoyne. It is a pressurised system. In the allocation do you cover the whole land mass or are there bits that you do not cover? Are there bits of Australia that are not covered?

Mr Thompson—There is a priority under the Caring for our Country for sustainable agricultural practices, and that is about sustaining the productive capacity of the resource base. It is also a priority of working with farmers so that they can manage that productive resource base to not only maintain and improve productivity but also to contribute to other outcomes. The sustainment of agriculture occurs across the whole of Australia but, as you are aware, you could spend any amount of money—

Senator HEFFERNAN—Yes, I am aware of that.

Mr Thompson—so we have had to prioritise. What we do intend to do is to focus on the issues that at a national level are most significant in relation to agriculture. For example, in parts of Western Australia we might be looking at problems of wind erosion and soil structure and go to some other areas that might be—

Senator HEFFERNAN—The base—

Mr Thompson—I did mention earlier that this program does not cover everything. We will not be getting involved in a big way in irrigation infrastructure improvement and those sorts of things. The whole issue about water management is the responsibility of the water programs.

Senator HEFFERNAN—My problem with that is that if you do not link one to the other you could do a whole lot of good work. For instance the channel that takes the water from Narrandera to Leeton leaks a huge amount. It goes through some sand country. It has been doing that for bloody ages, but the water eventually goes back to the river anyhow. But if you do not link programs you get outcomes that do not really maximise the dollar spend. That is my problem.

Mr Thompson—We would agree with you there. While it is not something that is apparent to date, we are holding discussions with the people who run those other programs so that we can align the activities that we encourage to be done at the same time or in the same locations where other programs are operating, and water is one of the critical ones.

Senator HEFFERNAN—One of the great examples of it is the Ord, which is one of the untidiest irrigation set-ups that places no value on water. If we are going to develop it to 80,000 hectares we really need to understand the natural resource management implications of that as well as getting the food production because the food task is going to double in the next 30 years globally. I would just like to think that we can somehow link the programs and not spend it all on redundancy. It seems to me that there is more than 2½ per cent in administration costs from what you told Senator Macdonald; and you can disguise administration. But have you planned in those figures the 40 per cent cut-back? Are people going to get a redundancy out of that?

Ms Colreavy—No.

Senator HEFFERNAN—You are just going to sack them and say, 'No, that is it. See you.'

Ms Colreavy—They are not our employees so we are not—

Senator HEFFERNAN—I appreciate that but it is your money and you are beholden to the person who—

CHAIR—With respect you did ask the question. Could you allow Ms Colreavy to answer it? Senator Siewert has a couple of questions.

Senator SIEWERT—I do have a number of questions that I want to put on notice because we are running out of time, but I want to go back to the issue of these regional groups, which is where I was before we were diverted. I want to clarify the role of the regions and the role of the states in this competitive bids process. We have been through in a fair amount of detail the baseline funding and all those sorts of things. They can then apply for additional funding on top of that. My understanding is that will be a competitive bid process. On what basis are they going to be able to compete with the states, as the states now do not have to put up matching funding? Even though you have now reassured me that each of the regions will on an ongoing basis get this base level of funding, from what I understand you have just said, a lot of that is committed

to the investment plan and project development so it seems to me there is going to be a reduced core capacity in each of the regional groups. How are they going to have the capacity to compete with the states for delivery of the other funding sources?

Ms Colreavy—Some of this is hard for me to speculate on, I have to say. But we have talked with representatives of both the regions and the states about this very issue. It is very much our preference that both the regions and the states and other applicants as well, such as the big NGOs, will work cooperatively or collaboratively rather than competitively on these sorts of projects. We are trying to encourage to the extent possible that many of these projects are done as large, landscape scale projects in the same way that Senator Heffernan was referring to earlier, that we recognise that the many activities are linked up and to get the best value out of those activities it is better that they are planned in an integrated landscape scale fashion.

We are encouraging the regions and the states and where it is appropriate, if there are NGOs or others in the vicinity that have an interest in a particular set of activities or a particular precinct, that they actually join together as collaborators for funding and for project delivery because in many cases it would be to their own advantage to play to their own strengths. They each have different levels of expertise and different things that they do best. I believe it is in their interests to work together so that they each do have a role and we get the best outcome on the ground. They have actually really agreed with us on that, that that would be their preferred way of operating as well. I think we have to recognise that we are entering a new way of doing business. This is a new approach, a new design. They are learning with us and over the period of the next four years as we roll this program out I think that everyone is going to have to adjust the way that they do business and we will learn from it year by year about how to do it better and be a bit more clever about how those partnerships are formed.

Senator SIEWERT—I have been around NRM long enough to have heard that statement about 'a new way of doing business' every time we get a new program and we are still at the place we were at. I have worked with the states for a very long time and my experience of the states is that they do not change their spots that quickly, to be quite frank. The ANAO report was very critical of the states. You quote them in your submission, 'There were significant areas of non-compliance by state agencies.'

Ms Colreavy—It was particularly in regard to the timely payments to the regions—that was the area of major criticism—and then the timeliness of their acquittals back to us. That was the area of primary criticism. It was not a misuse of funds but rather it was around timeliness and reporting. That was the issue.

Senator SIEWERT—There was also their inability to work with some of the regions. I know from on the ground, from talking to the regions and my own personal experience that the states do not always show a lot of support for the regions and have been very active in undermining the regional approach. Now you are expecting them to turn around and work cooperatively with the states in what will turn out to be a competitive process. If the states think that they can get away with not having to cut the regions in to some of this stuff, particularly now that they do not have to put in matching funds, what are you doing to encourage them to be involved with the states and to make sure that they cut the regions in? Also, how do you do that if these regions and the community are not involved in the bilateral negotiations that are currently taking place?

Mr Thompson—There are a couple of things I wanted to say. We are sort of speculating on what might come forward but—

Senator SIEWERT—It is not speculating. It is based on pretty good experience.

Mr Thompson—We have expressed what our expectation is. How we manage that will be through the assessment criteria that can be applied. As we have said earlier, we are still working through finalising our business plan or prospectus. There are a couple of things that we might like to look at. First of all, we do not pay for state core costs. We have got to look at the likelihood of these programs actually happening on the ground, so who are partners in these sorts of things? If you are putting forward a proposal at a landscape scale that involves working with farms, if you have not got the industry bodies involved or Landcare groups or some regional bodies, it clearly is not going to happen. The strengths the states have are in the areas of information and technical expertise. They are not necessarily all that strong in making things happen on the ground, so we look for partnerships that look most effective. There already have been some discussions we know in some states between regions and with states as to how to do this. I know I keep harping back to Reef Rescue, but that is the only largish landscape scale project we have around at the moment. That does have regions and industries receiving the bulk of the money. The Queensland government is not part of the delivery arm.

Senator HEFFERNAN—It does not turn up on the ground. This is doomed to failure. You have my full sympathy, but this is not going to work. Farmers are starting to turn off all this stuff because they are into survival mode now. We really have to think about how you get it onto the ground.

CHAIR—Senator Siewert will have a few questions on notice.

Senator SIEWERT—Yes, I have quite a few questions on notice.

Senator IAN MACDONALD—I think I have indicated the questions I have put on notice.

Senator HEFFERNAN—You have my full sympathy.

CHAIR—To officials from both departments, thank you very much.

Proceedings suspended from 11.21 am to 11.36 am

BRUNCKHORST, Professor David John, Director, Institute for Rural Futures, University of New England

ACTING CHAIR (Senator Siewert)—Welcome. I invite you to make a brief opening statement and then we will go to questions.

Prof. Brunckhorst—It was interesting listening to the former discussion with the departmental people. I started out as a marine biologist working at AIMS in the very early eighties and at that time I had arguments with GBRMPA about managing the land for the reef's sake, but in those days GBRMPA argued that the reef went up to the low water mark and that was it, and you were not interested in what was coming off the land. I am pleased that they have changed the tune on that. I would like to talk about the communities of interest. The land users of those areas have a community of interest, as well as a land use, which extends to those inshore waters, and the same thing happens on land.

As to the problems we have faced in NRM, I became a landscape ecologist interested in NRM policy, and by that I mean how do you do this integrated NRM stuff, how you get it into policy and then really make it work on the ground. I ended up becoming the secretary to a House of Representatives standing committee in the early nineties and ran several inquiries for them that looked at exactly the same issues. I can understand the frustrations. The departmental people were discussing the landscape approach and saying that that was the way to go. But even since I was running those inquiries in 1992 we really have not progressed very far. It is not a criticism of any government. It really needs to be a bipartisan thing. We have to move on from what keeps floating up in the policy soup, which is basically reiterations of the same thing, and I think that is where a lot of your questions were going.

What I would like to do is go back and look at some of the fundamentals of what is a region for NRM. We know a regional approach is important. We know we need to integrate what happens on the ground across property and jurisdictional boundaries to make it work, but what is the geography or right spatial context in which to start making it work at a local level, and then how do you scale that up and maintain it functioning and working well until you get the scale of producing good effects?

I started thinking about this after running those inquiries back in the early nineties through to 1993. Back then there were all the same issues with Landcare groups and catchment management groups and it was clear that the boundaries, the administrative frameworks and so on were all mismatching. On top of that, local government areas and local governments are very critical environmental planners and NRM managers that should be part of the picture. Again, what are the right geographies, scales and policies for integrating these things?

I explain that because it has been a long process in getting my head around all of this. We came down to thinking that there are basically three important characteristics that an NRM region should have. One is that it has to represent the area of interest to the local people, otherwise they will not engage or be interested. It has to be where they interact, where they talk to each other and their social networks. It has to be the 'community of home', the geography of their own community or the area where they are interested in engaging in civic issues. We talk a

lot about participative and collaborative processes, but often we are engaging with the wrong groups that perhaps do not have a whole interest in that area.

The second important feature is that you are more or less trying to manage and implement programs on similar environment, the same sorts of soils, vegetation, rainfall, elevation and typography. Managing a similar ecological environment is important, that is, a similar kind of ecological landscape that provides efficiencies in your on-ground program, delivery and works. It is the same for local government. If a local government area matches an ecological biophysical context, that local government knows that in terms of infrastructure works, maintenance, planning provisions, and environmental plans that they are dealing with, for example, blacksoil plains, and maintenance of bridges and planning requirements. It makes good sense for local government as well.

The third important feature is that you can scale up and down. You can go from the local context to a regional context, up to a broader regional context and then to a national context. It is very obvious when you think about it, but it is obviously far more desirable to have the community that you are trying to engage with and have your on-ground programs working. It is going to be far more efficient in resources and time if your NRM region encapsulates the community of interest rather than cutting across it. You will be familiar with the ecological regions of Australia. IBRA is a very useful tool, but it is set at one scale, so you need to be able to nest down into IBRA.

Senator IAN MACDONALD—You said that we would be familiar with this map and perhaps some would, but are these the accepted ecological regions of Australia?

Prof. Brunckhorst—Yes, that is accepted. It is called IBRA, the Interim Biogeographic Regionalisation of Australia, and that is about version 5, but it has had tweaks to it.

ACTING CHAIR—It has stayed interim for a very long time.

Prof. Brunckhorst—It has been interim for a long time. That is the accepted ecological regionalisation of Australia. From a professional point of view, it is the agro-ecological regions and it ends up representing land uses because it does represent soils, rainfall and so on fairly well. I do not want this to sound like a lecture.

Senator IAN MACDONALD—It is very interesting.

Prof. Brunckhorst—I want to try to explain how we are getting to this position. A few years ago we developed a technique to survey residents of communities in non-metropolitan areas in rural regions, and asked residents of communities to identify their community of interest, where they interacted, and where they were involved in civil affairs, local government, environment, planning and so on. When you do that people very clearly know exactly where their community of interest is. When you start mapping these they stack up like an uneven stack of pancakes. You get stacks of areas of community of interest that overlay each other. People in different areas are more or less drawing the same community of interest, and so you get this stack of areas of interest with a peak over a particular geography, which is their area of interest. Out of that community typography the valleys in that community typography are where there is least collective interest in an area. It is those valleys where you can start drawing boundaries for

landscape regional resource management that minimise cutting through areas of interest to local people.

We developed this survey technique that is a fairly complicated technical technique but allows you to do this mapping fairly accurately, and we have found that there are really interesting community surrogates that sometimes represent these communities of interest. For example, in rural areas junior sports associations or the places where parents tend to take their kids for sporting events between local towns is a very good surrogate of what the community of interest is. This is an example where you have peaks of communities of interest, and in the valleys, which are just like catchments with the valleys occurring at different levels, and you can think about drawing lines around them using computerised geographic information systems. You can then do a catchment model, except in this case we are doing a catchment model of the community typography and not of the biophysical typography, and you get different levels of communities of interest.

This is what we have done for New South Wales at the request of the New South Wales government a few years ago. You get what we call level 3 areas, which are the most local area of community of interest. Those level 3 areas nest into what we call level 2 region, which then nests into a larger level 1 region. When you do the same thing for the biophysical environment, the ecological environment, and then you bring those together, the valleys in the community typography can be quite wide in areas and so that gives you options for where you can draw those boundaries without cutting people off. You can then optimise the best fit of the communities of interest with the ecological landscape and produce what we call nested eco-civic regions. These are the nested eco-civic regions for New South Wales and again you can see that they nest from level 3 regions into level 2 regions and then into level 1 regions being the broadest category.

If we go back to thinking about making sure our administrative region, our NRM region or local government region and other administrative regions that are important to NRM like planning actually encapsulates the people that you want engaged in it. You can do a simple assessment, a measure of performance, if you like, on how well administrative regions, NRM regions and other regions, capture the areas of interest of local residents. Of course, the larger the region is the more chance that you will represent the community area of interest, but what we want to do is keep these areas as small as possible with local representation while still representing the most people. As an area/region gets bigger, the more chance you have of collecting people. You can run a random curve, which looks like this line here, and with that random curve, if you randomly allocate areas, increasing the size of those areas, you would represent the communities of interest to the local people.

Local government areas were found to represent less than 10 per cent of the area of interest to local people. Catchment management areas perform even worse. Catchment management areas rarely represent either local communities of interest or the environment very well. Catchments have different soils, rainfall, local climate conditions and topography throughout their length. Catchments represent surface water flow, if you are interested in those sorts of issues, but not natural resource management, land uses and other resource and environmental planning issues, because they do not represent the environment.

Senator IAN MACDONALD—You would disagree with the arrangements currently in place for natural resource management bodies representing a catchment area? Would you say that is not the best way to do it?

Prof. Brunckhorst—No, that is not the best way to do it at all. We need a fundamental change in what we call a region for natural resource management, and that is why I am advocating this approach. We have put catchments on a pedestal over decades. We have elevated catchments to this—

Senator IAN MACDONALD—I am interrupting when I should not. Are you a voice in the wilderness or are there other people who would support your view?

Prof. Brunckhorst—No. I am not a voice in the wilderness at all. There is strong critique of catchment management areas.

Senator IAN MACDONALD—Critique or criticism?

Prof. Brunckhorst—Criticism of CMAs because they are dysfunctional and do not represent communities of interest. They end up with different communities and different land users at loggerheads with each other, as well as not representing the environment.

Senator IAN MACDONALD—Have you told the two Australian government departments this?

Prof. Brunckhorst—Yes. It is a big ask for a big policy change, but the more I have looked at it over almost a decade now the more important I think it is. We have become institutionally entrenched in thinking that catchments are the great integrator for NRM, and they are not, because they do not represent the environment ecologically very well and they do not represent communities very well.

Senator IAN MACDONALD—I would like to hear Senator Siewert's view on that later.

ACTING CHAIR—We have 35 minutes left. I am wondering how much more of your presentation you have before we can ask you questions.

Prof. Brunckhorst—I am almost done. We can amalgamate local government areas into larger areas, for example, planning regions. But local government areas do not represent community or environment very well, and they never perform better than a random allocation. Again, this is why we really need to do a fundamental rethinking of how we integrate.

What we are suggesting is that at the most local level of an eco-civic region there should be local government areas across Australia. They can then nest into the next level, which is the level 2 region for regional NRM, but then you can have local landscape-scale planning and on-ground programs, and you can get local government to match their environmental planning and management to those things. You can then nest up to more regional levels to deal with externalities when you cannot deal with it at the local level.

The community institutions that surround those things will be far more effectively built and more robust because they are representing the areas of interest to local communities and because it will be clear where there is an externality that the local community cannot deal with. It might be a water externality. For example, with the Murray-Darling Basin issues you might nest downstream to deal with externalities that relate to water allocation, pollution or whatever it might be that is going down the catchment. You can nest in different ways to deal with the externalities that might occur. One of the great problems with the Murray-Darling Basin management over the years, apart from getting the states to work together, is the fact that nobody can really own it because it is all over the place. It does not represent the communities of land users, their environment or the communities of interaction.

I know it is a big ask, but I think that after decades of going around in circles and basically the same thing floating up in the policy soup, it is time for a fairly radical change in how we do landscape regional NRM and get local communities involved. I know it sounds radical, but we have been out surveying people on the ground and this is what they are saying they want. Politically it is a win-win. People want local government reform if the boundaries will end up around their communities of interest, where they are interested in local government issues and civic engagement. It is the same for NRM. What they do not like is ad-hoc amalgamations where the boundaries are still in the wrong place and not representing their interests or the environment.

Senator HURLEY—What you were saying conforms with what I heard when I talked to some of the far-north areas of South Australia. They were concerned about the way the previous NRM had operated and were worried about how it would be reconfigured, because they saw themselves as a region across that whole of the top of South Australia, that broad pastoral outback area, and they were concerned that it would be split up into local government areas, which would not allow the people who do have broad-ranging interests across that area to have proper management of that area. That was their problem. They saw it as becoming smaller than they would like. Basically, they wanted it left as a bigger area because people in that area do see the whole of the outback area as their patch.

Prof. Brunckhorst—Yes, that is right. Even though we want to keep bottom up, as local and as representative as possible—and that is something on which people argue against local government reform—you are right in that we are not in the horse and buggy days where local government boundaries were first formed. We interact and communicate more widely even within our own little community and travel more widely amongst our community, and that is why they feel like that.

I do not want to put words in their mouths, but the National Farmers Federation, the Productivity Commission and the Minerals Council of Australia are all aware of this approach, and as far as I know are quite supportive of that approach. From their perspective, when they interact with farmers or communities about, for example, a new mining proposal—and we have this problem in northern New South Wales at the moment—they want to know who to deal with. They want to know what the community of interest is, too. They want to know what the underlying resource base of that community of interest is. It actually helps both parties work out what they should do or how they should negotiate.

Senator HURLEY—You said that you have been looking at this for 10 years, but in that time have you looked at how dynamic those community areas of interest are? Do they change regularly?

Prof. Bruncknorst—That is a very good question. I have sociologists and psychologists on my staff, and I have asked them to look into that question. It is hard to give a finite answer. For example, in very fast developing coastal regions these boundaries might shift with greater/rapid demographic change in the sea change areas. In more inland rural areas that change is likely to be a lot slower. The guesstimate, if you like, from the sociologists is that it is probably good for two generations—perhaps 40 years at best—but less than that in fast growing coastal areas.

Again, I would not say that this should be stuck in concrete, but it should be reviewed maybe every 10 years. If you are implementing an NRM program from a national level, I would say that NRM programs should have a 10-year horizon rather than a three- or four-year horizon, and that in its review process you would want to be reviewing this as well. Again, we do not want to have it stuck on a pedestal like the catchment management regions have done.

ACTING CHAIR—Senator Macdonald?

Senator IAN MACDONALD—I would rather follow you. I draw inspiration from you. As someone who has been totally involved in this for a long time, I am curious about your view on this, although you are not here giving evidence.

ACTING CHAIR—Yes. I am interested to see how you think it would work. The reason that we have chosen catchment boundaries in the past is that it was a topographical basis on which to work, and that then provides an area of interest rather than a community of interest. What you have said is that that does not work; what we are dealing with are ecological issues?

Prof. Bruncknorst—Yes. A catchment is really a physical area and just a watershed to one point. They very rarely represent communities of interest or land uses and they very rarely represent all the other ecological attributes even within that catchment. As you are aware, catchments flow from high areas, usually down some form of escarpment and then on to a coastal plain—a bit of a generalisation—and already that is three very different environments that they pass through, with different soils, rainfall and other ecological attributes. That is reflected in different land uses in different communities as well. Some of the successful Landcare catchment management areas—and there are a couple in Western Australia—by chance are very small catchment areas, which have less of those physical attributes, and because they are small they happen to also coincide with communities of land users and the environment.

ACTING CHAIR—How big would a community of interest be in terms of coverage? There are certain administrative reasons why regional boundaries were picked. Within a regional group at the moment what you are saying is that you have various communities of interest; is that a correct understanding?

Prof. Bruncknorst—Yes.

ACTING CHAIR—How big is a community of interest?

Prof. Brunckhorst—It varies. That is not the answer you want, but it varies. One thing that we have found is that it varies with your demography characteristics so that in coastal rural areas where you have closer settlement patterns and so on your communities of interest will be smaller than they are inland. Communities of interest will tend to be larger inland because settlements, towns, service centres and so on are further apart and people have got used to travelling longer distances between them. The expansion in size of communities of interest is fairly clear from our work, as you go from the coast inland, but it is self-defining. The community of interest, whether it is smaller coastal or broader inland, is where local residents are already happy to travel and communicate within.

ACTING CHAIR—What evidence is there to suggest that will work and deliver better NRM outcomes than the existing model?

Prof. Brunckhorst—There is an enormous amount of evidence from the NRM science literature, sociology and community dynamics literature, and the institutional economics literature which says that there are efficiencies in having people that know, trust and understand each other and have common interests of land use and so on working together in institutionalising cooperative practices.

ACTING CHAIR—What evidence is there to suggest that that would result in the landscape-scale change that we need? We are talking about landscape-scale change. If we are talking about small communities of interest, then that does not necessarily cover the landscape-scale change that we are talking about. How do you go from that small community of interest to landscape-scale change? What evidence is there to suggest that will work better? I am not defending the current model, but if we are going to throw everything up in the air I want to make sure that we are going to gain from the pain.

Prof. Brunckhorst—There is plenty of evidence in Australia and overseas. I would say that a relatively small proportion of Landcare groups that have been successful have been ones that have been working well together at a small scale and beyond their boundaries with other neighbouring groups. There is good evidence already of that, and there is certainly evidence from overseas.

ACTING CHAIR—Could you provide some evidence to committee to show that that has in fact been working?

Prof. Brunckhorst—I would need to think about that.

ACTING CHAIR—You can take that on notice.

Prof. Brunckhorst—I think it would be hard to find concrete evidence of a direct relationship that is causal to that arrangement. It would be hard to tease out the difference and the reason why it was not successful. I can probably provide the committee with some evidence from Graham Marshall and David Pannell's work that shows that those levels of collaboration produce better outcomes for the environment. They are also critics of catchment management systems. The contrary evidence is clear in that we have these huge catchment management regions where, for example, in northern New South Wales we have cotton growing/cropping communities at

loggerheads with grazing communities across the CMA region. It is totally dysfunctional. They have different needs and the environment has different needs.

ACTING CHAIR—I understand that. My concern is that, with the land management issues, you will need to provide a forum. Having cotton growers working with cotton growers, and graziers working with graziers is not necessarily going to solve those big land use management issues. How would you foresee those two groups working individually together would then come together to solve those land use management issues? You would be as aware as I am that some of those really significant issues are major land use decision-making issues. For example, graziers are very critical of the huge diversions of water, if we are talking about northern New South Wales, and you cannot just have those two groups working over here on their land management issues without them talking. What forum would you foresee that would deal with those issues?

Prof. Bruncknorst—That is right. That is when you need to be able to nest up to the next scale of integration. One of the important principles that we are putting forward is being able to nest up from one lot of groups to another lot of groups to deal with externalities that might occur from whatever one group is dealing with. In terms of economic efficiencies, as well as efficiencies of interactions and collaboration, it is far better if you can have decision making at the smallest possible level where you can do something about the problem. If you have local-level of cotton growers or whoever working together at that level they can deal with the problem that is facing them. They can then make decisions about that and they have some expert advice and so on. That is the most efficient way to deal with that. In order to get to your other landscape levels, when there is a problem that they cannot deal with in terms of making a decision, and on-ground action, they need to be able to nest up or go upscale with whatever group or area that is affected by the externality coming from them.

ACTING CHAIR—I do see where you are coming from. In my home state of Western Australia, which I know better than some of the other states, down the bottom of the catchment you have a Landcare group. We all know that salinity is caused by the water management practices up the catchment. It does not matter what they do down there. We have learned this from experience in planting trees; in the end they die because they are treating the symptom and not the cause. They cannot work on those issues. There may be other issues that they can work on, but on that issue they cannot deal with their problem unless they are talking to the people up catchment. It seems to me that we already know in Western Australia that that is not going to work. I am reluctant to go back to that small group of community of interest if we know from experience that you have to be working at that landscape scale. We know that. We have learnt by experience over decades. While I do accept the issues around what you are saying about the community of interest in working together and being better off in small groups, I am wondering if there is a way that we can compromise where, instead of throwing everything up in the air again, we can downscale the regional approach. Maybe it is a throwing the baby out with the bathwater in losing some of those local groups in the interests of the bigger regional groups. I am wondering whether there is a halfway point that we can get to.

Prof. Bruncknorst—Absolutely. I think we are saying the same thing. I agree that some of that needs to come back to a more local level. There might be ground water issues coming from the side and other places as well, but wherever it is coming from, that group that is being affected needs to be able to go to this group as a collective—they are going to have a lot more collective strength together—and say, 'Look, hang on. We've got to do something about this.

You're affecting all of us down here.' That is exactly why catchment management is not working. In the example you are giving it is a catchment problem, which is not being dealt with. Even the catchment arrangements are not dealing with it, because the communities of interest and their particular land uses are not being represented in the deliberative processes of the catchment decisions.

ACTING CHAIR—Why not?

Prof. Bruncknorst—You are saying that they are being affected by salinity from the catchment land uses higher up, and they are not able to engage in changing those decisions.

ACTING CHAIR—I am saying that, if there is just a small group down here, they cannot do anything unless there is a dialogue across the catchment.

Prof. Bruncknorst—Yes, that is right. At the moment they are caught up in a whole catchment management body that is not taking account of or understanding their particular local context?

ACTING CHAIR—I will ask some of the catchment management groups. I do not think that is the case in Western Australia. There is probably not enough money to go around so they are prioritising. There is a whole series of catchments within the regional body in the broader whole of catchment. There are smaller catchment bodies that operate within the regional body. I presume that is the same in other states, but I do not know.

Prof. Bruncknorst—Some of those work quite well. I have a post-doc working over there on some of those and looking at the nesting within some of those NRM regional groups. While they may not be perfect, it demonstrates what we are talking about, that it is important to be able to nest down and up—it obviously goes both ways—so that you do get the right levels of representation for decision making. I am not saying catchments are totally wrong. If it is a catchment issue, like the one that you describe, then the nesting needs to occur within that context to deal with the issue. Often there are adjacent land uses that are similar but in a different catchment that also might need to be looked at, nested towards, or having an NRM related planning issue.

Senator IAN MACDONALD—I am a well-meaning amateur in these areas and I lived through it in a different capacity when we changed to catchment management groups, with the federal government, and some prejudice against that at the time. But over the time I became convinced that catchments were probably the right way to go for the reason that you and Senator Siewert have been talking about. It is pointless doing something at the mouth of the catchment if you are doing something different up at the headwaters. I come from Northern Queensland where we have the Burdekin Dry Tropics, which has the very large provincial city of Townsville running right out to behind the range, the headwaters of the Burdekin and Herbert rivers, and then right down south into the mining areas. There is no community of interest, although they did have subcatchment groups that all fed into the other one. I am not sure whether you are familiar with the area. This is a long preamble to my question, I might say. Then again, I am also familiar with the Northern Gulf Catchment Management Group, which does seem to bring all of the pieces together in one group. Do you have a map of where you think governments should be managing natural resources from and in what sort of components?

Prof. Bruncknorst—Not for the whole of Australia. It is quite a big job to do that.

Senator IAN MACDONALD—Are you New South Wales based?

Prof. Bruncknorst—Yes.

Senator IAN MACDONALD—Do you have it for New South Wales?

Prof. Bruncknorst—These are the results for New South Wales.

Senator IAN MACDONALD—Is that under your principles?

Prof. Bruncknorst—Yes.

Senator IAN MACDONALD—Do you have an overlay of how it compares with the current catchment management arrangements?

Prof. Bruncknorst—I do, but not with me.

Senator IAN MACDONALD—I am not familiar with New South Wales and perhaps I should be, but can you draw some broad circles on your map for where they currently are, just so I can see how they cut across what you are proposing?

Prof. Bruncknorst—Can you see my little arrow here?

Senator IAN MACDONALD—Yes, I can.

Prof. Bruncknorst—The Northern Rivers Catchment Management area cuts around here with all these. The border-Gwydir cuts across all of these. The Namoi cuts across these. The Hunter is probably not too bad, but it does go up into the tablelands. I used to live in Townsville when I was at AIMS and there is a similar problem that you have with the Burdekin and what we were talking about before in terms of Western Australia. The people up the top of the Burdekin do not identify with what is happening down on the coastal plains or on to the reef necessarily, and that is why that whole catchment context does not work. It cuts across communities of interest, land uses and their various inputs. We are not able to deal with the externalities coming from, for example, high up in the catchment, if that is where the sediment and so on is coming from. We are not able to deal effectively and efficiently with those externalities that are then going out of the area of land use and interest and affecting the environment and other people elsewhere.

Senator IAN MACDONALD—I have two questions, with one being very important. I had forgotten that you were from AIMS, but the name is familiar. Are you related to Marcia?

Prof. Bruncknorst—I am not sure. Probably.

Senator IAN MACDONALD—When I was five I went to school in Stanthorpe and my sister had a friend called Marcia Bruncknorst. That is hugely important to this discussion.

Prof. Brunckhorst—We would be related, because my family comes from Stanthorpe originally.

Senator IAN MACDONALD—I have a feeling I might have had this conversation with you. When were you at AIMS?

Prof. Brunckhorst—From 1979 to 1986.

Senator IAN MACDONALD—You said before, when I interrupted you in your initial presentation, that you had spoken to departmental people. I do not want to blame them, but my understanding was when we went to this catchment management arrangement it was on advice from the department. I do not want you to get into an argument with them based on my third-hand, but do they concede that there is perhaps a better way than catchment management arrangements for NR management?

Prof. Brunckhorst—Many do, certainly. As you said, it is not necessarily their fault. The whole idea of catchment watershed management came out of America, and Australia latched on to it fairly quickly. I have a summary of that in the paper I tabled before. It became entrenched in policy and it has stuck there. My criticism, and a lot of other criticism that has been emerging over the last decade but especially in recent years, is that we have stuck on this same framework without questioning the principles that support it, and when is it useful and when is it not. We have stuck on it and just kept reinventing these programs, tinkering around the edges, and the delivery is still bad.

Senator IAN MACDONALD—One of the things that this inquiry is all about is perhaps trying to do that, although whether we are the best people to do that I am not absolutely sure. Just say you are the secretary of the combined Department of Agriculture and Environment or the minister—but heaven forbid allowing a minister to arrange these things—what would you do, bearing in mind what successive governments have wanted to, obviously the best, in managing our natural resources? I have not had a chance to read your paper, but do you have a better way that you would implement if you had all the levers in your hands?

Prof. Brunckhorst—Implementing a national nested eco-civic framework for NRM, and dare I say local government, I would go down that path. If I could be a fairy godmother I would convince the minister, the Prime Minister and the opposition. It would not worry me who was in government.

Senator IAN MACDONALD—Would that be based on local authority boundaries?

Prof. Brunckhorst—I would want to convince them that it is in our interest to redraw the boundaries. It is the old real estate thing—location. It is where the boundaries are, so what you are encapsulating, that is really important.

Senator IAN MACDONALD—Very often local government boundaries are drawn by politicians for all the wrong reasons. You would not just adopt them. You are saying that you would also review local government boundaries to get them into a more civic management arrangement?

Prof. Bruncknorst—And a more environmental arrangement, because local government is so important in an environment management for NRM.

Senator IAN MACDONALD—Absolutely.

Prof. Bruncknorst—I would make our most local level of eco-civic regions—our smallest ones—local government areas, and the next nesting of those would be the NRM regions. I would make those that best represent the broader community of interest and environment the NRM regions. As Senator Siewert was hinting at before, that would not preclude nesting those local NRM areas in different directions where you need to deal with other NRM or planning issues. I would also make that second level a planning region so that you are dealing in a more integrated way with planning regions. Within that framework you can really start doing what we have all been talking about for years about integration. You can really start integrating and coordinating.

Senator IAN MACDONALD—This is really a repeat of a question that I asked before. I am not being offensive in the light-hearted way I ask this, but would other academics or people with your skills consider you a crackpot? I am not being offensive. I am just asking: is this a widely shared view or is it just the thought of one group of people who are not quite in the mainstream in these areas?

Prof. Bruncknorst—The criticisms of CMAs and regional service delivery for NRM are widely-held views. This is, if you like, my research's groups opinion of a very good solution for that and it has a lot of support from a lot of academics, but not necessarily every academic.

Senator IAN MACDONALD—Would we find another academic who would sit in the next chair and say, 'Professor Bruncknorst was just mad. He's wrong for all these reasons and what you are doing is right'? Is there a different school of thought that would argue with you more strongly?

Prof. Bruncknorst—Certainly. There are the academics that are stuck in the catchment model, if I can put it that way.

Senator IAN MACDONALD—You were going to say a time warp, weren't you?

ACTING CHAIR—Can I intervene?

Senator IAN MACDONALD—I am finished.

ACTING CHAIR—I would like to ask a question. Some academics also do not like the regional groups at all. David Pannell was very critical of the regional group approach.

Prof. Bruncknorst—Yes, he likes this.

ACTING CHAIR—He does not just criticise the catchment approach. He questions whether the regional delivery model is the way to go at some levels.

Prof. Bruncknorst—It was based on catchments and NAP regions.

Senator IAN MACDONALD—Are you saying that he does not like local control?

ACTING CHAIR—No. I am paraphrasing him here, and he will probably have a heart attack hearing me, but whether there has been a strategic delivery through that model of resources to address the issues that we are talking about. If I understand him correctly, he questions the approach that has been taken in allocation of resources as to whether it has hit the mark. We were talking about this at the inquiry last week. He has a framework that has been built up over years to look at how you make strategic allocation. I do not take him to say, 'Get rid of your regional approach', but he has been very critical of it overall. I do not get the impression that it is just because of the catchment management approach.

Senator IAN MACDONALD—Is that because someone cleverer can sit in a central position and say, 'Now I know what needs to be done for Australia so I will direct it that way'?

ACTING CHAIR—No, I do not think so. I have watched Professor Pannell's work and been part of it for a long time and he is taking an approach working with the regional groups. He has been working with Victorian groups and groups in Western Australia. It is coming from a different perspective as well, and I think he is more broadly critical of the regional approach than perhaps you are, Professor.

Prof. Brunckhorst—I do not want to put words in Professor Pannell's mouth, either, but I think he has been critical of the catchment approach.

ACTING CHAIR—Yes, he has.

Prof. Brunckhorst—I am coming from a landscape ecology perspective, but Professor Pannell is coming from an economic perspective of efficiencies. He sees efficiencies, better delivery, et cetera, in what we are proposing. We are on parallel pathways, if I can put it like that, and his interests are more closely focused on, 'When you get these groups in the right place representing the right part of the environment, their collective interests and so on, what are the institutional arrangements within the collaborative and accountability stuff and so on that contribute further to that efficiency and effectiveness, while still maintaining the local bottom-up part of it?'

ACTING CHAIR—Thank you very much, Professor Brunckhorst. It has been very interesting and useful.

Prof. Brunckhorst—Thank you.

[12.35 pm]

BURNS, Mrs Joan, Chair, Victorian Catchment Management Authority Chairs Group

O'NEILL, Mr Danny John, Executive Officer, Victorian Catchment Management Authority Chairs Group

ACTING CHAIR—I welcome representatives from the Victorian Catchment Management Authority Chairs Group. I invite you to make a brief opening statement and then we will ask you some questions.

Mrs Burns—We will be very brief. Do you understand how catchment management authorities work? There are 56 catchment management regions around Australia, but each state is different in how they are set up and managed. In Victoria we are a statutory authority. For our boundaries to be changed, which we are discussing at the moment through the Victorian white paper for land and biodiversity in the time of climate change; we are going through these debates now. In other states there is a range of private companies and different sorts of legal and institutional arrangements.

I found it fascinating to think that one approach was going to fix all of these, because really it has to go back to the states. I can see some synergies with aligning boundaries, and nobody has ever had a problem with that, but it is also the water authority boundaries and government department boundaries. There is a whole range of boundaries and, if you start looking at it, it just gets bigger and bigger. To me it is about partnerships and how you work within your catchment to get these synergies happening and communities of interest. In our particular catchment we have two strong communities of interest. We have irrigated horticulture along the river and we have dryland farming. You can manage that. I do not see it as an issue. As you discussed before, you have to get these groups talking at some stage.

To get the bigger picture things, we are involved in a lot of tri-state projects. We work with New South Wales and South Australia. We have about 200 programs going with them at the moment. There are a lot of tri-state and interstate committees. You work well with your neighbours depending upon the need and what the project is hoping to achieve.

We are always looking for better ways to do things. I do not think it is broken. Everything often comes back to personal relationships, and that is always going to be an issue in the regional communities, simply because you have to get staff in. You generally end up with new graduates and by the time you have trained them up and they have become part of the community they are taking a job elsewhere. That will be a continuing battle no matter where you put the boundaries. That is not going to change when trying to get staff on the ground.

I have just handed out the conference book, which is from the conference that we held in April this year. If you look at the themes, we are talking about landscape change at a multiregional level. We are talking about land, biodiversity and integrated regional planning. That gives you an idea of some of the projects and things happening across Australia. This is only what we could

fit into a two-day conference. There are volumes more. This is happening on the ground across Australia.

I really should move back to Victoria. It is just that I was on that working group, so I thought I would mention some of the national staff. Victoria has 10 catchment management authorities within the smallest state. We are small catchment management authorities. We often face criticism that we are too small and we do not get the scale, but we do run a lot of intercatchment projects. That is how we deal with it in Victoria. I am not sure whether you would like to hear more of an introduction from me or whether you would like to ask questions. You have our paper.

ACTING CHAIR—Yes, we have your paper. What are the key things that you think the Commonwealth should fix, if you had a magic wand?

Mrs Burns—If I had a magic wand it would, first of all, be funding for regional bodies. I think we are doing a good job and getting landscape change. You only have to drive through the mallee now to see change/difference in landscape use—no-till, direct drilling and so on. We have not had nearly as many dust storms as in the past. You can see it when you know what you are looking for, but it is hard to quantify. That is the next thing. We need secure funding. We need it for more than one year or three years. We need better guidance on monitoring, evaluation and reporting. Institutional arrangements are still an issue with all catchment management authorities. It is the sheer volume of reports that we have to get out to everyone. We spend so much time reporting.

Mr O'Neill—It is worth mentioning at this point that one of the differences between Victoria and the other jurisdictions is that in Victoria the state government contributes 60 per cent to 70 per cent of the funding to the Commonwealth, and that does vary around the country.

ACTING CHAIR—Sixty per cent of the funding to?

Mrs Burns—CMAs.

Mr O'Neill—CMAs.

Mrs Burns—That varies across Australia.

ACTING CHAIR—Is that 60 per cent of administration funding or project funding as well?

Mr O'Neill—The total budget.

ACTING CHAIR—Were you here when the department was here?

Mrs Burns—No, only for the end.

ACTING CHAIR—Part of the issue in some of the other states where they do not receive funding from the state is their capacity to continue to exist functionally if they drop below a certain level of funding. That does not seem to be the case for you.

Mrs Burns—I would not say that. I am just saying that our state does contribute our funding. We do rely on Commonwealth funding, too, to carry out the range of programs. Victorian CMAs have been going for 10 years and we are the oldest one. We have built up bigger expectations within our communities about what is happening and we do the bigger landscape projects now because we have been able to build up to that scale. The boards in Victoria are ministerially appointed but made up of community members. They are not technical boards, they are community boards.

ACTING CHAIR—Are they provided for under legislation? Are they statutory?

Mrs Burns—They are statutory authorities, yes.

ACTING CHAIR—Is that different from a lot of the states?

Mrs Burns—Yes.

Mr O'Neill—In New South Wales there are statutory authorities, and I think there are statutory authorities in South Australia as well.

Mrs Burns—Yes.

ACTING CHAIR—We have Tasmania, Queensland, Northern Territory and Western Australia who are not?

Mr O'Neill—Yes.

Mrs Burns—I am not sure about the Northern Territory. I think they are, too.

ACTING CHAIR—I will check that.

Mr O'Neill—I do not think they are.

Mrs Burns—I did know that in April.

ACTING CHAIR—One of the issues of concern to regional groups is the ongoing viability with the new arrangements with Caring for our Country. I must say that what I heard from the department this morning is starting to make me feel a bit better; they now seem to be communicating with the regional bodies a bit better and guaranteeing an ongoing level of funding. What I am trying to do now is to go back to the regional groups and ask them whether what I have just heard from the department is what is happening from their perspective. I wanted to pursue that further with you. Where are you at with your level of understanding and what level of funding you are going to be guaranteed from the Commonwealth?

Mrs Burns—I am on the national working group. We met with the Commonwealth department last week or the week before.

Mr O'Neill—It was the week before.

Mrs Burns—The meeting was to look at the proposed new business plan and how they were going to divide the CMA regional body component of Caring for our Country. In the Caring for our Country program 60 CMAs or regional bodies were given 60 per cent of traditional funding. It is a very long and complex thing, but it is how that is going to be broken up and divided up that nobody is certain of at this stage.

ACTING CHAIR—My understanding from the evidence we received this morning is that each regional group will receive 60 per cent of its traditional funding, which means over the last two programs.

Mrs Burns—Not necessarily, no.

Mr O'Neill—Not necessarily.

Mrs Burns—This is where it gets quite tricky. You may know more than me, but my understanding was that it was 60 per cent of the whole amount.

ACTING CHAIR—Sixty per cent of the pie?

Mrs Burns—Yes, 60 per cent of the pie. It may not be anywhere near 60 per cent of what the Mallee CMA got. Traditionally we would have got more because we are older and more established, if you understand what I mean?

ACTING CHAIR—Yes.

Mrs Burns—That is my understanding, but I could be wrong.

ACTING CHAIR—It is fortunate that we have estimates next week, because we will need to pursue this again. I thought I had reached an understanding, but I obviously have not. We will follow that up again next week.

Mr O'Neill—I was going to reiterate that 60 per cent of the funding is available to regional bodies, but that does not necessarily mean that the mallee is going to get 60 per cent of its long-term average. In fact, they might get 50—

Senator IAN MACDONALD—It means that some will only get 40 per cent.

Mr O'Neill—Exactly, yes.

Mrs Burns—It is not 60 per cent of Caring for Country funding. It is 60 per cent of what the regions as a whole traditionally received. That is what I understood.

Senator IAN MACDONALD—It is $127 million plus $10 million, if I understand the figures we got earlier. It is $127 million plus $10 million, and you will get whatever you can out of that. Good luck.

Mrs Burns—Thank you. We need it.

Senator IAN MACDONALD—I hope you do not have as much luck as my Queensland ones.

Mrs Burns—No.

ACTING CHAIR—Where I thought we got to this morning was that regional groups were more confident now and knew where they were at with their funding. Without putting words in your mouth, is that a correct statement or are you still unsure?

Mrs Burns—Which funding?

Mr O'Neill—There are three or four different elements of it.

ACTING CHAIR—There is still a lack of understanding from regional organisations about what is happening with the funding into the future?

Mrs Burns—Until we get through the first year. It is always tricky in the first year of any program. I can remember the last one. The majority would not be sure yet, but I am told that it will become clearer as the business case and the outcome statements are out, so everyone knows the framework in which they are working.

ACTING CHAIR—Did you have any input into that? To what level were you consulted in the development of the outcome statement?

Mr O'Neill—Can you ask the question again?

ACTING CHAIR—To what level were you consulted, either yourselves as representatives, or any of the regional groups that you are aware of, consulted about the outcome statement that the government has just produced?

Mr O'Neill—I come back to Mrs Burns's point before. There is a national working group of chairs. I wear two hats; I do a bit of executive support for that group as well. That national working group had some general briefings, it would be fair to say, without going into huge detail about what the outcome statements were, in August and a little earlier in the year, but nothing specific.

ACTING CHAIR—We used to have this cute thing in Western Australia where we had the chairs group and we had the chair of the chairs. Is the national chairs group the chair of each state?

Mrs Burns—The chair of each state, yes.

ACTING CHAIR—It is not the 56 chairs?

Mrs Burns—No.

ACTING CHAIR—The chair of the chairs in each state meet?

Mrs Burns—Yes.

Mr O'Neill—It is currently chaired by Tasmania. The reason Tasmania is chairing it this year is it will be hosting the national forum of all of the chairs.

ACTING CHAIR—Is that once a year?

Mr O'Neill—It is once a year.

ACTING CHAIR—So, the 56 chairs get together once a year?

Mrs Burns—Yes, exactly.

ACTING CHAIR—I have been told this, but I cannot remember. When did all the chairs last meet?

Mrs Burns—In April. This year we had a forum and the meeting with the ministers, the NRM councils.

Mr O'Neill—The conference was prior to that.

Mrs Burns—The conference was part of that.

ACTING CHAIR—I would like to get back to where the regional groups are at. It is the funding for the regional groups that we are obviously interested in, but it is also the overall delivery of NRM.

Mrs Burns—Yes.

ACTING CHAIR—I am also keen to know what the regions think about what is happening with the program outcomes. Can you tell us where they are heading, about the business plan, any involvement you have had in the business plan, and any understanding you have of what strategic approach is being taken?

Mrs Burns—We have not had input into the development of these documents, because we will be competing against other people. It was seen as an advantage to engage too closely with regional bodies in the production of these documents. It is now a competitive market. We will not be the sole providers of NRM into the regions, and that is fine. We actually work with all these groups anyway on a regional level. We have quite a number of projects with Greening Australia, ACF and all the other groups. Our only concern is that everyone should have to follow the same reporting arrangements and be subject to the same auditing conditions as regional groups.

ACTING CHAIR—This is one of the reasons I wanted to have the department last. I will go back next week and ask the department who was consulted.

Mrs Burns—We were given briefings on it.

Mr O'Neill—About what?

ACTING CHAIR—About the development of the business plan. I appreciate what you have just said about the competitive approach, but you have been the ones who have been delivering this stuff on the ground. How many years is it?

Mrs Burns—Ten.

ACTING CHAIR—And before that.

Mrs Burns—Yes, our predecessors.

ACTING CHAIR—For the last 10 years of your current existence, but we are now into the third decade of Landcare, or NRM.

Mrs Burns—That is right.

ACTING CHAIR—Monitoring and evaluation has been a sticking point for a long time. The ANAO report was very critical of it again. What new approach do you think we should be taking to deal with this once and for all?

Mrs Burns—We need to have some national guidelines on what you want us to report on, and what our targets and outcomes should look like. In the last 10 years I have seen so many consultancies and reports on how we should be reporting, outcomes, et cetera.

ACTING CHAIR—I have a huge stack, but I do not have all of them.

Mrs Burns—It is totally confusing. Just tell us what you want and we will deliver it. If you do not tell us what is expected, we cannot do it. Due to the nature of the industry in which we work, it is very hard to prove long-term outcomes over a one-year period, which is our funding cycle. In a lot of ways it does not make sense. If you tell us what you want, we can give it to you. We are starting to get there with the MERI system and a few other things that are going around.

Senator HURLEY—I wanted to get on to the question of monitoring and outcomes, because there is a lot of criticism anecdotally in South Australia about the monitoring and outcomes in Victoria as we are down the river from you. There is constant criticism of the slow pace of change in Victoria, yet you say in your submission that you have had significant change. It seems to many people in South Australia that that is not quite true or that it is too slow.

Mrs Burns—What sort of change are we talking about? Do you mean river salinity?

Senator HURLEY—Just generally.

Mrs Burns—That seems to be the issue we have with South Australia. In Victoria the view is the exact opposite.

Senator HURLEY—Do you mean that South Australia is not changing?

Mrs Burns—Yes.

Senator HURLEY—I do not see how that affects you.

Mrs Burns—It does in the Mallee because we share an aqua-filter with South Australia.

Senator HURLEY—Are you saying that the NRM people in South Australia are not achieving—

Mrs Burns—No, I am not saying that. It is more about perception. In South Australia they say Victorians are not changing fast enough, but in Victoria they say South Australians are not changing fast enough. I am quite willing to answer your question, but I do not know in what area of Victoria is not changing, according to South Australia.

Senator HURLEY—This is what people in South Australia are saying. I am asking you about monitoring and outcomes. You have just done a brief summary in your submission about what you feel you have achieved, but what kind of monitoring and outcomes would better describe what you are achieving?

Mr O'Neill—Mrs Burns picked up the point before about salinity and River Murray salinity levels. In one sense that is probably a good example of a program where there are quite clearly specified targets, rules within which we work, and the monitoring or reporting system that backs that up. There is a register that the Murray-Darling Basin Commission keeps with salinity debits and credits, et cetera. It then becomes easier to map your programs around that to achieve those targets, and the audit trail is much clearer. I am sure there is a debate from South Australia and Victoria as to whether those targets are high enough or low enough, but it is an example of a reasonably robust system that is in place to allow regional programs to be put in place around it.

Senator HURLEY—In your submission you say landscape changes from revegetation projects are most noticeable among those who travel regularly in the regions and who see rapid vertical growth in revegetation over time. Changes are less obvious on satellite imagery because projects are often linear. Then you mentioned water quality, which you have just dealt with. If the money is delivered and the CMAs, as you say, are operating well, then why are you unable to sight a better measure of your achievements over that time?

Mrs Burns—We can, but the way we have been reporting in the past has been more like the abstracts in the book; it is not actually built up. We have been reporting on each little project. If you look at this book, it will show you the way we have been reporting in the past. To get the funding it was all project funding. This was one of the big problems with it. We had to put up that particular little project and then we reported on that little project. It was not built up to landscape scale. That has been one of the things. That is why we would like more divulged funding. Caring for Country is doing it to some extent where you have the bigger lots of funding so you can report across a landscape and not on a project-by-project basis. The reports are all there.

Senator HURLEY—You agree with that change of direction?

Mrs Burns—Yes, exactly. It is hard to build them up because of the way we have had to report for the funding in the past. It has been a lot about the reporting, too, and that is why that has to be dealt with in the monitoring and evaluation. If we have to report like that, that is how we report and that is why it is hard to build it up.

Senator HURLEY—How does the Victorian government require you to report if they give 60 per cent of the funding?

Mrs Burns—They require their own reports.

Senator HURLEY—Is that on a project-by-project basis or on a wider basis?

Mrs Burns—Hopefully under the new bilaterals under Caring for our Country there will be more synergies in the reporting requirements from the state and the federal. In the past that has not been the case. As regional bodies we have had to prepare different reports for state and federal government.

Senator HURLEY—What is the difference between the reports for state and federal at the moment? If it is a project-by-project basis to the Commonwealth, then what is it on a state basis?

Mrs Burns—They both have their different formats.

Senator HURLEY—Is it still project by project?

Mrs Burns—It is still project by project, but just in a different form.

Mr O'Neill—The annual reports for 2007-08 from the CMAs will be out in about a month's time, so we can make that available to the committee secretariat. The previous years are all there on the web. In there you can probably see the evolution or diversity of reporting that CMAs are now doing. In some regions where the targets and outcomes are really quite well defined you can see the progress of investments leading to where they are up to in relation to those targets and outcomes. If the state and the Commonwealth are not clear about what it is that they want to see changed for the dollars that are going in, it is very difficult to report on progress. There is quite a bit of effort now through the Victorian government land and biodiversity green paper/white paper, for example, to start to be clear about what it is from a statewide perspective the government wants, and then looking at how the regions contribute to that, rather than this basis of, 'Let's add up everything the regions are doing and therefore that is our state priorities or outcomes.'

Senator HURLEY—You mentioned the mallee in general, which crosses the state borders. If the Commonwealth were to focus more on the general region, how would the Victorian government funding be affected by that?

Mrs Burns—I am not in a position to say. I do not know. You would need to ask the Victorian government that.

Senator IAN MACDONALD—As you know, our inquiry is looking at ways to improve and do things better. You mentioned you would prefer divulged funding. What do you mean by 'divulged funding'?

Mrs Burns—It means that each region is given that money and the region can decide the priorities. At the moment we have to meet the Commonwealth priorities and the state priorities to some extent, and that is what we are funded to do. Each catchment has a regional catchment strategy that defines the local priorities. That give us, as a regional body, more say in the direction of that funding. At the moment we cannot get salinity, which is quite strange after NAP funding for seven years. This year we cannot receive any salinity funding, but the salinity in the mallee has not gone away.

ACTING CHAIR—Is it not a priority in the new program?

Mrs Burns—No. If we had some amount of divulged funding we could continue some of that work, because we have to under the NDBC preparation.

Senator IAN MACDONALD—As a local group would salinity be your top priority or one of your top priorities?

Mrs Burns—Yes, that is just an example.

Senator IAN MACDONALD—Would your share of the $127 million be for you to spend in accordance with your current investment plan?

Mrs Burns—No. This is my understanding. I could be wrong. It is only insofar as it meets the new Commonwealth targets.

ACTING CHAIR—That is my understanding of what the department said this morning. It is still to meet the Commonwealth priorities.

Mrs Burns—Yes. My understanding is that I cannot use that money for my salinity work.

Senator IAN MACDONALD—We must confirm that. Certainly, the competitive bid funding is only for a listed number of Commonwealth government priorities, but you think it is all of them?

Mrs Burns—Yes. That is my understanding.

Senator IAN MACDONALD—I would like to get a bit of background on your group. I am interested because I come from Queensland, where we have community groups rather than statutory authorities. You are appointed by the state government of the day whereas in Queensland they are appointed by community people. I am not arguing one over the other, although I have a view, but in your role as a catchment management authority what direction do you take from the state government, which obviously set you up for a purpose? Are you required to pursue their priorities as we are now saying you have to pursue the Commonwealth priorities, or do you go entirely on what you think is best in the local area?

Mrs Burns—No. It is a bit of both. We try to match in. We all have our regional catchment strategies, but to get funding we have to do an investment plan and in that we have to make sure our projects fit both state and Commonwealth priorities, because if they do not then we do not get funded for them.

Senator IAN MACDONALD—Is your state investment plan the same plan as your federal investment plan that was approved three or four years ago?

Mrs Burns—It used to be, yes. I am not sure how that will work next year. I am assuming it will be.

ACTING CHAIR—You have one investment plan that meets state and Commonwealth priorities.

Mrs Burns—Yes, at the moment.

Senator IAN MACDONALD—I remember with the Commonwealth one they were ticked off by the department as being suitable for your purposes but also for the Commonwealth purposes.

Mrs Burns—Exactly.

Senator IAN MACDONALD—And they have to be the same as the state purposes.

Mrs Burns—Yes.

Senator IAN MACDONALD—This might be a hard question, but what percentage of the work of the Victorian catchment management authorities is the sort of work that in the past might have been the work of the Victorian Department of Primary Industries or agriculture—things like extension services, assistance on the ground? Do you look after any of that these days?

Mrs Burns—We do a lot of the extension work jointly with DPI, because we have a lot of on-farm programs running, too. DPI are still doing it.

Mr O'Neill—It is worth adding to the point you are raising. One of the differences between Victoria and the other states is that Victoria does have a direct role in waterway management and actually delivers waterway management programs. This is primarily focused on river health, but that has been a function that has been with the CMA since 1997 when they were established. Across the state it does vary a little bit as to the extent to which the CMAs involve themselves directly in service delivery for other NRM programs and the extent to which they coordinate the delivery of those programs. By and large the CMAs have stepped back from that unless there is a compelling need for them to be in there. An example would be some of the Landcare coordinators. I think the Mallee houses the local Landcare coordinator.

Mrs Burns—We hire them.

Mr O'Neill—West Gippsland might be the same. There are slightly different arrangements around the state in relation to different programs.

Senator IAN MACDONALD—My impression in Queensland, which was confirmed by conversations with NRM groups, is that the Queensland DPI, which used to have a very forthright and useful extension service to farmers, now practically has nothing, with all that work now being picked up by the catchment management authority out of Commonwealth funds. It is a good way of cost shifting from state to Commonwealth. That is not quite as pronounced in Victoria?

Mr O'Neill—I would be having a good guess here, but I would be saying that is probably not the case. There may well be variations. I appreciate what you are saying, that the extension services of state agencies across the nation have probably wound back over the last 10 or 20 years. I speak from a former role in Victoria's Department of Agriculture. I do not think the CMAs are pushing them out. I think there has been a shift.

Mrs Burns—It is the changing face of agriculture; their needs are different. Most farmers in our area now hire private consultants.

Senator IAN MACDONALD—Finally, I would like to discuss your relationship with the people you serve. Do you have in place consultation networks or something along those lines? If I am a Landcare group how would I have an influence in what you are thinking about and whether you should fund what I am trying to do in a particular area?

Mrs Burns—I will just talk about our CMA because it is the one that I know. We have two implementation committees that report to our board. We have a dry-land implementation committee and an irrigation implementation committee. They are made up of community members. We also run the local Landcare network. We have 26 Landcare groups in our catchment and we hire 15 facilitators. We employ the majority of the facilitators. However, some are employed and housed by DPI but we pay for them.

Senator IAN MACDONALD—They are employed and housed by DPI, but you pay them?

Mrs Burns—Yes, we pay for them. It comes out of our money. We pay DPI to house and employ these people, because that is what their group wanted to do. They do the same job. They are a Landcare facilitator. As they are Landcare, we have a committee of the local Landcare representatives to help decide what work they are going to do, because that was an issue at some stage. When we are doing our investment program and deciding which projects to put up for funding, the Landcare, the implementation committees and all the other local groups—whether they be a water authority, Greening Australia or any of the CRC-type groups—attend open forums where all these people are brought in under asset classes. We hold workshop days where they go through and map out what projects and what we need for the future.

Senator IAN MACDONALD—Who determines who those groups are?

Mrs Burns—Basically the board. We ask for applications in all local papers and media and do a lot of elbow tapping of business. It sounds good to get all this community consultation, but people in the small areas are committeed out.

ACTING CHAIR—They are committeed to death.

Senator IAN MACDONALD—These groups are formed by your influence rather than the influence of the people who appoint you?

Mrs Burns—Yes, definitely.

Mr O'Neill—In terms of the other CMAs, I have been doing some work with some of the CEOs on their community engagement arrangements. Yes, that sort of structure does occur across the CMAs. Some have two or three implementation or advisory committees and others might only have one. In some cases they are focused on geographic areas and in other cases they might be focused on issues, such as biodiversity or water, et cetera. There is a bit of diversity of arrangement. A number of them have community engagement policies in place that describe how they will engage with a community on a regular basis. There is a reasonable diversity of mechanisms for the community engagement operating across Victoria.

Senator IAN MACDONALD—Anyone in your areas who wants to have a say is more or less welcomed in?

Mrs Burns—Yes.

Senator IAN MACDONALD—Why would the Landcare facilitators be paid for by you and work to your thing, but employed by DPI? There must be a bureaucratic rationale for that.

Mrs Burns—It was a bain-marie of a couple of Landcare groups. I have absolutely no idea. It has never made sense to me, either. That is what the local Landcare group themselves wanted.

Senator IAN MACDONALD—Are these people state public servants?

Mrs Burns—They are contracted.

ACTING CHAIR—Different regional groups employ their people differently.

Mrs Burns—Exactly.

ACTING CHAIR—Some do it through local government. Some do it from the local agencies. It varies all over Australia.

Mrs Burns—The reason we took it over was the local groups were struggling to do it.

Senator IAN MACDONALD—But you did not take it over. They are still employees of the DPI.

Mrs Burns—Only some of them. We did not for those ones, but we did for the others.

Senator IAN MACDONALD—We are they not just contractors to you?

Mrs Burns—We would have preferred that. That is what the local group wanted.

Senator IAN MACDONALD—I was just curious.

Mr O'Neill—Quite often there are locational issues. The DPI offices used to be reasonably local and so it was easier to have somebody there than based in Mildura.

Senator IAN MACDONALD—Thank you.

ACTING CHAIR—That takes us up to the end of the questions that we have for you. Your evidence is very much appreciated. It helped to confuse me even more; I thought I had got there with the government. If anybody thinks of anything else, we will drop you a line.

Proceedings suspended from 1.15 pm to 2.24 pm

BERWICK, Mr Michael, Chair, Queensland Regional Natural Resource Management Groups Collective

DRYSDALE, Mr Andrew James, Chief Executive Officer, Queensland Regional Natural Resource Management Groups Collective

CHAIR—Welcome. We appreciate your making the effort to come all the way down here to address us and to allow us to ask you some questions. As time is tight this afternoon, I offer you the opportunity to make a very brief opening statement before we go to questions.

Mr Berwick—Thank you very much for giving us this opportunity to speak to you. I guess we see this program as having problems, and that observation is contained in our submission. I think one point in our submission has probably moved on since we wrote it, and that is where it states that there is no certainty that any region would get any money. That part seems to have changed, in as much as $630-odd million has been dedicated to regional groups; however, we are not sure of the exact allocation. But, in our view, the rest of it is still quite correct. Essentially, in our view, running a program like this on a competitive basis seems fundamentally wrong. There were certainly problems with the previous program, but they were getting ironed out. There were lots of reviews and there were good and bad things about them, but we were evolving. To have restarted this program without apparently learning from what had been right and wrong in the past seemed to us to be a silly way of going about it.

To us, the whole concept of funding a program like this through a competitive bid seems fundamentally wrong. We would rather see it run out in a top-down, bottom-up approach instead of just a top-down approach. That would enable programs to be worked out collaboratively across federal, states and regions, and then those programs could be funded. That is pretty much the way in which other joint federal-state programs work. You would never run a health or an education system by a competitive bid process; you would run them by working out programs, having budgets and funding them in collaboration with the people who run such programs at a state or regional level. I guess that is our fundamental problem.

However, I must say that we have found the bureaucrats pretty good to work with, in that they make the best of the system that they have to work within. My particular region will probably be a lot better off financially than it was before, but that does not alter the fact that we think there is that very fundamental problem with it. We have some ideas about how you could address that problem, but I guess fundamentally that is what we would see it being. Andrew, would you like to comment?

CHAIR—Just for the benefit of the committee, which regions is yours?

Mr Berwick—My region is Terrain, which is the wet tropics region of Far North Queensland.

CHAIR—Mr Drysdale, do you want to complement any of Mr Berwick's comments?

Mr Drysdale—My comments are probably targeted not so much at any funding program but more at delivering natural resource management. I do not believe that any amount of legislation,

regulation or government intervention will get the natural resource management outcomes that we require to meet the challenges that we face. I believe that it will be very much an engaged community and land managers who will deliver. It does not matter what the program is or what government runs it; it really needs to be about enhancing the engagement of communities and natural resource managers. At present, our research shows that land managers, farmers, graziers and local governments are contributing $3 for every dollar that comes in and is injected through various programs. That is more the issue that I think we need to face—'we' being governments, communities and organisations like ours. It is about how we keep our communities engaged and mobilised. It is in that context that I would make those comments to the committee.

CHAIR—Obviously, with depopulation of rural and remote areas, you must be finding it a lot harder. We heard clear evidence about that in Western Australia.

Senator IAN MACDONALD—The chair's comment invites a response from me. Correct me if I am wrong, but in Queensland private contributors to your NRMs are not falling in number, are they?

Mr Drysdale—The demise of regional Australia is probably no different in Queensland than it is in any other state. I grew up on a property outside Augathella and my father employed three families; now only my brother is there. We have to look at natural resource management in the context of the social fabric—and, in some cases, the declining social fabric—but I do not think Queensland would be any different from other states.

Senator IAN MACDONALD—But there is still the same number of properties in the work that you do.

Mr Drysdale—That is correct.

CHAIR—I am sorry; I must clarify here. In speaking of 'finding it a lot harder,' I was talking about volunteers.

Senator IAN MACDONALD—Is that right? I know there is a wide range of spectrums in Queensland, but generally are your bodies suffering from a lack of volunteers? Has that been an issue?

Mr Drysdale—No, I do not think we are suffering from a lack of volunteers. We may suffer from people's lack of capacity to participate to the level they wish to, and 'participation' may mean injection of funds. There are farmers and graziers out there who realise they should probably be adopting a certain practice but who are not in a position to do so, because in the first instance it is going to cost them money. That is where we come in and help with programs such as Caring for our Country, NHT, NAP or whatever. In the south-east corner, where there is a very large population, they have mobilised a pretty large number of volunteers to help them in certain programs—for example, counting seagrass. I think they are still very, very engaged.

Mr Berwick—However, lack of certainty is an issue for volunteers, just as it is for employees. Certainty, predictability and long-term planning are fundamental.

Senator IAN MACDONALD—We discovered this morning—I do not know whether this is good or bad news—that there is a pool of $127 million each year for the next four years, plus $10 million, for NRM bodies. That comes to about 60 per cent of what was going to all NRM bodies previously. We have been told by the department that some NRM bodies will be getting 80 per cent. If you can do the mathematics, that means that others will be getting 40 per cent, and it is guaranteed. Can you give me your understanding of this transition period? Have all your members been advised of their budgets to 30 June next year and have they been told that they have to spend that money by 30 June? Do you know whether that has occurred?

Mr Drysdale—No, we have not been advised of that. We are led to believe that we will hear at the end of this month or in the next month what our four-year allocation will be, so we have to progress on that ground.

Mr Berwick—This transition year is right, isn't it?

Mr Drysdale—It is a transition year. But, as of 30 June 2009, at this stage we do not have any—

Senator IAN MACDONALD—But have you been advised of this year's?

Mr Drysdale—Yes. Hopefully, we will hear in the next month or so whether regions have been successful in sourcing some of the $25 million that was available in the open grant; so they may get a boost.

Senator IAN MACDONALD—But, effectively, in round figures, talking average, it is about 40 per cent less than you—

Mr Drysdale—No, that is not necessarily the case. The first allocation made was 60 per cent of the historical average. Then we got a top-up, which they called 'hardship money'. That was the $10 million that was put out on top of the $127 million. The state has contributed also. Some of the reef regions may actually get more. For us, it is not so much an issue of quantum of money, although it is or probably will be for some regions; it is more the issue of security of knowing and the break in funding.

Senator IAN MACDONALD—As a collective, do you have figures of the job position across Queensland?

Mr Drysdale—There are seven national action plan regions and they are looking to be the ones that will face the most significant cut. However, some of those are reef regions, so they will pick up there. Generally, there may be a small reduction in numbers across the state, but most regions, except for a couple, have sourced funds in one way or another to keep their numbers of staff relatively constant at this point.

Senator IAN MACDONALD—That is good to hear. That is quite contrary to my understanding, but I am pleased to hear that. My question really is: do you have the statistics? That is the first question.

Mr Drysdale—No.

Mr Berwick—We did some survey work about that. Where did that come in at, Andrew?

Mr Drysdale—Most of the responses we got were that the numbers were going to remain about the same, except for a couple of regions which ramped up towards the end the NAP and NHT. Burdekin and Burnett-Mary numbers were fairly high; they would have looked at a significant staff cut. It is my understanding that at the end of any program, whether NAP or NHT, inevitably there is a readjustment of your staff numbers.

Senator IAN MACDONALD—You have answered my question, and that is that you do not have the statistics.

Mr Drysdale—No.

Senator IAN MACDONALD—Your feeling comes from having been closely involved in all of it. It is quite contrary to what various NRM groups have told me, but then I hope that you are right and I am wrong.

Mr Berwick—I think it is something that we should clarify with you afterwards. It is not good to leave it hanging like that.

Senator IAN MACDONALD—Yes. I do not want to direct this all to the Great Barrier Reef, about which we had a comment earlier, but it has been suggested to me that some of the funding that NRM bodies along the Great Barrier Reef might have expected has been diverted to GBRMPA to do things that GBRMPA is no longer able to do financially. Does that accord with your understanding?

Mr Berwick—No, it does not. We have heard that and are a bit mystified about what it means. Certainly this year, out of $30 million for the reef regions, $7 million has gone into R&D, which we do not know about, and $4½ million I think has gone into monitoring, but it is continuing a reef ecosystem health monitoring program that was underway already. I do not hear a great deal of argument about that, so I am a bit mystified about where that has come from.

Senator IAN MACDONALD—You are right up there amongst it, but are you still 'full steam ahead' with all of your investment plans for coastal work for the reef? You have had no diminution in funding?

Mr Berwick—Yes. The reef regions will probably be better off than they were before; certainly in my case we will be better off. However, remember that the reef was, I guess, a bottom-up initiative. It certainly was not a top-down, outcomes and business plan driven thing. I think Reef Plan is interesting because it is treated as a model of how things should be done, and I do agree with that. However, it is certainly not a competitive bidding process; it is a bottom-up proposal which has been funded—and that is quite interesting. We have had to do a lot of second-guessing about how much money is coming—that has been part of the transition process—so we have taken risks with employing staff. We have had to do that; otherwise, we could not have done the proposals and all the preparatory work that was asked of us. So we took some risks in employing staff on the assumption that there would be some cash flowing before Christmas; assuming that works out, it will be fine.

Senator IAN MACDONALD—But you do not know yet whether that will happen.

Mr Berwick—The bureaucrats assured us this morning that everything is on track to happen. However, no, we do not know.

Senator SIEWERT—It seems to me that you are in a fairly unique position there because the government had made the election promise of the $200 million.

Mr Berwick—Absolutely; quite unique.

Senator SIEWERT—So you in a unique position compared with all the other regional groups.

Mr Berwick—You are quite right. I do not want to speak for the reef regions, because I represent the RGC. I guess my concerns are broader than those of the reef regions, although they have done fairly well out of this.

Senator IAN MACDONALD—Can I just clarify one thing? In this transition year, you have been allocated money that you have been told about.

Mr Berwick—Yes, that is correct.

Senator IAN MACDONALD—Have you then been successful in bidding for and getting some of the competitive funding for the Great Barrier Reef?

Mr Berwick—This is a rather interesting point. CFRC is to be rolled out principally on a competitive basis and the reef process has been quite the opposite—and I think that is why it works.

Senator IAN MACDONALD—I am just trying to find out what it is; that is all. Tell me what it is. How did you get the money?

Mr Berwick—Reef Plan worked like Reef Rescue. Reef Plan is a state government thing. Reef Rescue evolved from our having Reef Plan, which was the safe initiative and all very nice. It was about agencies all lining up and doing the right thing. There was no money behind it. The reef regions got together and approached both governments; in fact, I think your party and the other party were both coming up with about the same amount of money, and we were pretty happy about that. But it was really about, 'Let's get some buckets of money into implementing what is a good idea but has no resources behind it.'

Senator IAN MACDONALD—But I am asking whether you have received that.

Mr Berwick—We have been told that our indicative allocation for the reef region this year is $30 million for Reef Rescue, of which $7 million has gone to those two things I mentioned before—the GBRMPA monitoring and the R&D.

Senator IAN MACDONALD—So that does not come through you.

Mr Berwick—No, the balance does not.

Senator IAN MACDONALD—So the $14 million—

Mr Berwick—Twenty-three will go to regional bodies and industry groups.

Senator IAN MACDONALD—But you do not know how much each individual group will get.

Mr Berwick—Roughly, we got an indicative allocation and it was either, say, four to six or five to seven. Our region was five to seven and we had that extra—

Senator IAN MACDONALD—Excellent, and that is on top of your general funding.

Mr Berwick—That is correct. That is why the reef regions are in clover.

Senator IAN MACDONALD—The Reef Rescue Plan is excellent—and I have already given credit for that where credit is due—but various people have complained to me that nothing is happening: no money is going to the cane farmers to pull back from the riparian zones; no money has been given to bananas growers to do whatever they do—get off marginal land. In the last 10 or 12 months or at any time, have you been conscious of actual things happening? I was very critical earlier this morning. In 2004 there was another reef water quality plan. It had beaut glossy brochures and the announcements for it were great, but nothing really happened on the ground, because the money never actually got to doing that. There were lots of plans, strategies and brochures for that. Now I am being told that nothing is happening this year either. Would you tell me I am wrong?

Mr Berwick—I do not think that is correct. We were not expecting money to flow until around about now. All the time lines and milestones that we have seen are pretty much on track; like I say, we have been working quite well with bureaucracy on this. If it does not flow in the next month it will be a major drama, but right now it is on track to flow about when we expect it to.

Senator IAN MACDONALD—I know that you are here representing the collective but, just from the perspective of your own group, if you get a cheque on 1 November, when do you say that money is going to go to doing the things that we all know need to be done to rescue the reef?

Mr Berwick—I think that stuff will start to flow fairly well fairly and fairly quickly. The incentives money should go out the door pretty well straight away. The industries are pretty well organised; they are advertising their positions for their coordination now.

Senator IAN MACDONALD—Can you give me an example of what might happen in your area? Will it go to the cane growers to give to their members to buy back land on the marginal areas or what?

Mr Berwick—It will go into cane growers for topping up purposes. We have said, 'There's this number of cane growers on level B and our target is to get so many up to A or from C to B

or whatever.' We have worked out those targets in collaboration with the industry, and that has been great. We have worked together on that. So we will work with industry to say, 'Here's a bunch of growers that need this much money to get themselves from here to here,' and we will fund that. It will be buying equipment maybe for contractors to do minimum tillage, or for hooded sprays or for repairing riparian zones, if they fund us for that. It may be even for buying back land, but I doubt that there would be enough money to do that sort of thing. Then there will be some money that goes to coordination, because a lot of this is about capacity building and extension and about getting out there amongst the farmers and getting them on board. So there are bits of money for all of these sorts of things, but 90 per cent will be on ground.

Senator IAN MACDONALD—Just using your Terrain NRM as an example, you are ready to go, you have all the plans there?

Mr Berwick—Absolutely. We have the staff on board and the plans are there, and we are all ready to go.

Senator IAN MACDONALD—So if you get the money on 1 December, you would expect it to roll out pretty quickly from there.

Mr Berwick—That is correct.

Mr Drysdale—Some of the 60 per cent that they have received plus some of the carryover from NHT, which we are allowed to carry through to the end of this year, is being used—this is right across the state—to just keep things moving while we are waiting for the allocation to come through. One of the things that the regional bodies take on board—and I think they do it relatively well—is trying to make it as seamless as possible for the land managers and the farmers so that we can continue to do work with them. We absorb a lot of the ups and downs that come with the funding. But then in Queensland, as in Western Australia, we are independent legal entities. We have issues with having to remain solvent, just like a company. We are usually companies limited by a guarantee or are incorporated associations. In other states they are statutory and have the state behind them supporting them. So funding—and, again, particularly continuity of funding—is a big issue for the regions in Queensland.

Senator HURLEY—I want to refer to your submission entitled 'The way forward'. You say that you do not like the competitive basis for funding and refer to setting aside a portion for contestable innovation bids. Basically, you say that the entities, as such, should be funded and then, in order to drive innovation, there should be a separate bid. Is that what that is all about?

Mr Berwick—Yes. One thing is that we felt it should be the planning and the process that is funded rather than the regional body. That is a fairly important distinction because we are not in here to protect ourselves, but we think the process of community engagement in regional plans should be centre stage, I suppose. I guess we recognise that there is a role for contestable bids, but it should not be the dominant force. There is always a role. We do a bit of contestable stuff, but it fits within a framework and a plan. We do it with Landcare, for example. Different groups do different things. But, from the Commonwealth's point of view—or the major funder's point of view—having some contestable money is always a good thing because it flushes innovation out. But it should be only a little bit of it and not the majority of it; I guess that is what we would say.

Senator HURLEY—Would you see that contestable innovation process being on a regional level or as a pool of money for whatever?

Mr Berwick—I do not know. When we wrote this, I was just saying that we recognise that a little bit should be set aside for contestability, but it should not be the guts of the program.

Mr Drysdale—We have a region in Queensland at the moment, Fitzroy Basin Association, which has run a small process just to flush out some innovation within its own region. So it can be delivered at a regional level, but it probably could also be delivered at a state or even Commonwealth level.

Senator HURLEY—Your submission also says that there has not been effective monitoring and evaluation of the government programs, and this seems to be a bit of a theme. I really have not been able to pin down how people see that as working.

Mr Berwick—We would go back to what the Audit Office said. We all liked the Audit Office report. We thought it was great because it did not criticise the system but it said that you could not correlate the numbers with the outcomes—and we all agree with that. In the case of Queensland, the first and second bilaterals envisaged the Queensland government setting up a monitoring framework because they are the people whose primary responsibility it is, but that has never really happened. We agree with the Audit Office about the need to set up some kind of accountable and transparent system, and that is certainly not there. It is probably not surprising that it is not there, because it is a new scheme and we are all learning as we go. But the time has certainly come to get that right.

I guess we have gone a little further in here, in talking about the need to have some national approach to environmental measurement and monitoring, much like you do with the finance sector. You see indicators every night on the news and you have reserve banks and institutions, although I am not suggesting anything like that. There is also independent reporting to parliament, although has not done us much good with banks at the moment, has it? Unless you get that right, you are never going to have the confidence of government to continue investing in here.

We think that in the long term you are going to need some kind of approach at COAG. I think, regardless of who was following on from NHT2, you would be up against the same thing. I guess that is a forward-looking thing. But we are a bit mystified about how they are going to go about setting that up. One of the criticisms, I guess, we have had of Caring for our Country is that, unless you have a partnership with the states, it is not going to work. So you cannot develop it up here in isolation in Canberra and then expect the states to fall into line. There will have to be some collaborative design and there will have to be the same down with the regions; they are going to need this collaboration. But, as soon as you go to competitive funding, you are saying, 'Because you are bidders for the money, we can't talk to any of you.' Therefore, you cannot design the thing nationally, state or local, so we are all cut out of the design picture. That is what makes it this top-down approach. That is really the part in it that we see as dysfunctional. If we could collaboratively work out how we are going to do all of these things, we would think there is a better chance of getting it right.

Senator HURLEY—When you bid for a program, do you not include outcomes and monitoring in that? You are saying that the overall outcome is not being properly—

Mr Berwick—Perhaps I can use Reef Plan as an example because we are probably a bit more advanced there. With Reef Plan we have said, 'With this much money we can get this many farmers to change practice from this point to this point and we think that will achieve an outcome in terms of tonnes of sediment, tonnes of fertiliser, volumes of pesticide, condition of the reef et cetera.' In order to monitor that, you have to monitor where the farmers are at at the moment—how many of them are on various practices, which is a big job in itself. You then have to understand how many of them have gone from this practice to that practice, so you have to monitor that. You then have to monitor what comes off the paddock: 'Is that delivering the reduced sediment and fertilisers that we thought it would?' Someone has to do that. Presumably the state government comes in at that point and it is their responsibility to monitor water quality in streams down as far as the estuary. There is a real knowledge gap about how the estuarine system and floodplains work in terms of stripping out nutrients and sediments. Then you need to go out to the reef and ask, 'Well, is the reef water now cleaner than it used to be?'

You cannot design bits of this monitoring in isolation from one another. This is a really big complex job. It is something that has to be done with the Commonwealth, the states and the regions, and we have to get together to work it out. But if you put it in little silos it is not going to work.

Senator HURLEY—I see what you are saying. Bits get monitored but not comprehensively and it does not necessarily all get put together.

Mr Berwick—That is correct.

Senator HURLEY—Just from curiosity really, can I ask this question? You said that you paid farmers to do minimum tillage. Why would you need to do that?

Mr Berwick—I guess you are paying them an incentive to accelerate the uptake of good practice. You might say that a contractor might come and say, 'Look, I'm going to buy a machine that replaces all of these machines and I would like some help in doing that.' That is the sort of thing that we would consider funding. Farmers going from current tillage to zero tillage will save money when they get there—less tractors, less fuel and better health for the soil—but there is a cost to get there. It is that cost of refiguring all their machines to fit in with rows and GPSs. Our incentives are about accelerated uptake of good practice.

Senator SIEWERT—Coming from Western Australia, I find it hard to sit and listen to someone saying that we are still offering incentives—

Senator HURLEY—Yes, ditto, in that I come from South Australia.

Senator SIEWERT—We have been doing it for years, but—

Mr Berwick—Yes, different problems, different places.

Senator SIEWERT—Exactly.

CHAIR—It is just that some are much more advanced.

Senator SIEWERT—Yes, that is exactly right. I would like to pick up where Senator Hurley left off, which is with the issue around competitive bids. However, first, I would like to look at your having said that it then makes it hard for you to be involved in the discussions about and the development of certain key elements of the program. I put this to a couple of people this morning. With Caring for our Country and the business plan, as I understand it, other than a brief discussion with the chairs in April, there does not seem to have been any discussion with the regional groups about the development of the outcomes. Is that a correct assumption or observation?

Mr Berwick—That is pretty correct. Our interaction has been one of briefings and not one of joint design. This is our whole problem: it is a very top-down approach. This is a fundamental problem: if you go to design something that needs community support you cannot just do it from the top down; you have to come up from here as well.

Senator SIEWERT—So the point there is: how then are the outcomes being accepted by the community? This document was launched, I believe, two weeks ago. How have those outcomes been accepted by the community?

Mr Berwick—We do not really know what those outcomes mean until we see the accompanying business plan, and we have not seen that yet. In Queensland we have deliberately decided to hold off until we have seen the business plan. We had a fair discussion about this—whether we were going to write a letter with our submission to the committee. However, we thought we would wait until the business plan comes out and then we will see the picture. But that on its own does not tell you how it is going to work.

Senator SIEWERT—I remember the amount of criticism there was for NAP when it came out, because the same thing had happened there. There was a top-down approach and there was a lot of criticism, particularly from my home state of Western Australia. A lot of the targets they were talking about were end of valley targets and we do not have such things in Western Australia, because we do not have ends of valleys.

Mr Berwick—Because you have no drainage out there.

Senator SIEWERT—Yes, exactly. So Western Australia was slow to sign on for a number of reasons. One was that we were arguing over dollar-for-dollar matching and bean counting and all that palaver, but another reason was that it did not actually meet our needs. If there had been discussion before that decision was made, we could have said, 'It does not meet our needs, because we are not the same as you lot in the East.'

Mr Berwick—That is right.

Senator SIEWERT—Are you worried that a similar sort of thing is likely to happen?

Mr Berwick—I think that is one of the real dangers of having a top-down approach without engagement. It comes back to a point that Andrew made: if you want to change the landscape, you have to have the community on board. They have to be with it, be supportive of it,

understand it and be part of it. It cannot be, 'Here's a bunch of things that we want you to do.' A good way to get a positive response from community is not to come down from the top and tell them what they have to meet.

We had the same sorts of issues with targets from a different perspective. We agreed with the need to have end of valley targets—and, in the wet parts of the world, we do have drainage systems that are pretty lively. However, we did not know whether they were correct; they were all based on CSIRO soils monitoring, which had pretty big margins for error. So there were huge amounts of suspicion among the farming sector about whether these targets were real, were over the top or were going to turn into regulations. That was the mistrust that we had to bear with when we first established our regional body. I think one of our greatest achievements is that we have built trust. We work together. We no longer have that attitude of 'You're the arm of the government that is going to come and regulate us.' So we will get to end of valley targets and we will do it cooperatively, but it will be with good science and will take a little bit of time and we will bring people with us. That sort of trust is absolutely fundamental to getting good NRM outcomes and, if you come just from the top down, you are not likely to get it.

Senator SIEWERT—I am not trying to put words in your mouth, but are we going a little backwards with that trust or are we there at the moment and we will wait to see how the business plan goes?

Mr Berwick—From our constituents' point of view, I think it depends on where you sit in the landscape. As Andrew has said, we iron out a lot of things. We take risks; assuming that money is coming, we keep people employed. So, from the viewpoint of community groups, conservation groups, Landcare groups, farming groups or whatever, the programs keep running. I do not know whether I have really answered your question.

Mr Drysdale—I think at this point it is very much a wait and see situation. I do not think anyone in any of our regions would have any problems or would disagree with the six priority areas; they are that general in their coverage. Then, when we bore down to the outcome statements in that document, we find that, again, they are still pretty general; they are a little more specific and may exclude some things, but generally you could still work within them. The concern will come with the delivery, and we just have not seen the detail of that. The risk with any new program, as in going from NHT1 to NHT2 or whatever, is that you have that transition gap, and the regions are definitely feeling some of the pain. We are and, as I have said, we are trying to insulate our landholders from that pain as best we can. We are waiting with bated breath to see what is going to come out with the business plan.

Senator SIEWERT—Competitive bids have come up as an issue a couple of times this morning. The department was pretty convinced that there would be a lot of collaboration in developing bids for the contestable funds, but other people have made the point that regions may be competing with each other and with states and state agencies. Some regional groups in some states do not have such a good relationship with their state agencies and there is quite a lot of competition amongst them. What sort of relationship do you have with your state agencies? Do you envisage that you will be able to work collaboratively with them, or will you be in competition with them?

Mr Berwick—It is a bit of an unknown and it goes right to the guts of the issue: NRM is about cooperation and not competition. The success in this is that we have got together. Competing bidding inevitably drives people to compete with each other; there is no way that it will not do that. We try to counteract that. When that $25 million came out, we were pretty horrified by the whole process. We brought together a forum of state agencies, NGOs, regional bodies, industry groups and so on and attempted a collaborative bid there, but there were still—how many bids came out of Queensland?

Mr Drysdale—About 170-odd.

Mr Berwick—About 170-odd bids came out of Queensland. By the time it came to doing that, one state agency had done 25 bids. They were all okay, there was nothing wrong with what they were at, but there was no way they could all be funded, and then someone else had done all these bid. So there is no way in which it will not drive people into competing with one another. Trying to create a collaborative framework out of that is a real battle, and I do not know whether it will work or not.

Mr Drysdale—The other things is that we were told there was $200 million worth of bids for $25 million, so obviously there are a great many more losers than winners. A lot of those losers become disengaged. They put a lot of effort into it and then think, 'Well, why bother?' and you lose them out of the system.

Mr Berwick—If you look Australia-wide or in Queensland—it doesn't really matter where—you might find that, with all the costs associated with putting in the bids and doing the assessment, the transaction costs actually outweigh the amount of money being offered by government.

Senator SIEWERT—That leads me to my next series of questions. What happens with the smaller groups? The smaller groups are obviously at a disadvantage compared with the bigger groups and the state agencies. Even the bigger groups are at a disadvantage with the state agencies because the state agencies have far more staff. My other issue there is that it is the state agencies that sign the bilateral and not the regional groups. If what is happening in Queensland is the same as we have been told is happening in WA, the community is completely cut out of any discussions on the bilateral. So they are immediately at a disadvantage because they are not there negotiating. It is not a trilateral. I must put on the table that I have always advocated that bilaterals on this particular issue should be federal government, state government and the regional groups, because it is the region groups that are actually delivering the on-the-ground outcomes. Having put my prejudice on the table, how are you managing that dynamic where the state is the one negotiating but also will be competing against regional groups—against you—in some cases for funding?

Mr Berwick—I do not know how we are going to manage it, because we are all waiting with bated breath to see what is in this business plan and we are all very intrigued to see how they are going to roll it out. We cannot see how they will roll it out. They will come up with a business plan, a set of objectives and I do not know what else—you went to the last briefing; I did not. But translating that and getting all that out on the ground, you can have all these motherhood statements that we all agree with and it is nice that the investment is there, but I just cannot see

yet how you are going to deliver that business plan through a competitive business process. I guess we are very interested to see how this will work.

I would say that it is not a strictly competitive bidding process; Reef Plan definitely has not been one. Reef Plan has been a collaboratively process and that is what has made it work, with the states being on both sides: on the one hand, a bidder; and, on the other hand, a designer. That is not how you run a competitive tendering process. I think the whole concept of saying that we are going to achieve our probity or accountability through competitive bidding is completely wrong—and you have given one reason and I have given another with Reef Plan.

Senator SIEWERT—How would you design the perfect program? If the government were to come to you and say, 'We want to move on from an HT2', in terms of the way forward, would there be anything in addition to what you have said here? I take it that modifies what the government has come up with. What would you have come up with?

Mr Berwick—I had a go at the Prime Minister a while ago. Our view was that, if you are going to criticise, you are obliged to offer something constructive as well. We gave this a great deal of thought, and it had been evolving. I suppose, in essence, we really think you must have a collaborative process. It has to involve the Commonwealth, the states, the regions and probably local government too. So you must have national targets, state targets and regional targets. You have to come up from the bottom as well as down from the top, and that requires a collaborative process in the first place. Then we would have to have a good monitoring system, which clearly we do not have, as was highlighted by the Audit Office report. With that, we think it is time to reach the point where you go to COAG so that you have a national program that is agreed to by the states. We think it is time to move on from bilaterals and go to COAG, in the same way that you run an education program, a health program or any other program. Why would you do them any differently? I keep coming back to this: imagine if you ran an education program through competing printing processes and you had one school competing with another? You do it through programs, targets, milestones and funding regimes. Do it through COAG, call it a national environmental accord or whatever and put NRM on the same footing as other mainstream programs. I think that is how they do them and I do not see why it should be any different here.

Senator SIEWERT—You have given me heaps of food for thought, thank you.

Mr Berwick—That is a very brief summary. The other thing that is absolutely fundamental is some kind of national environmental accounting system so that we can properly count and add things up.

Senator SIEWERT—That has just raised a very important point. Have you looked at the Wentworth Group's proposal?

Mr Berwick—Yes. I support it totally and I think all of our groups will. I think you will find that NRM groups around Australia will probably support that.

CHAIR—Gentlemen, thank you very much for making the effort to come down from sunny Queensland today.

Mr Berwick—I hope we have been of value to you.

CHAIR—Put it this way: if we had another hour, you would still be sitting at the table.

Senator SIEWERT—What you have said has been very thought provoking.

Mr Berwick—Good. We will be happy if there is any follow-up on, I think, the question that Senator Macdonald raised about statistics. We will come back with something for you.

Senator SIEWERT—That would be useful, thank you.

Senator IAN MACDONALD—Send it to the secretariat.

Mr Berwick—I will. Thank you for your time.

[3.09 pm]

STONEHAM, Mr Gary Charles, Chief Economist, Victorian Department of Sustainability and Environment

CHAIR—Welcome. I remind senators that the Senate has resolved that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of them to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Officers of the department are also reminded that any claim that it would be contrary to the public interest to answer a question must be made by a minister and should be accompanied by a statement setting out the basis for the claim. Before we go to questions would you like to make a brief opening statement?

Mr Stoneham—Yes. I would like to make, I think, eight points to the committee. Also, thank you for the invitation to present to you. I am an economist, so a couple of the early points I want to make go to a little bit of background regarding where some of the ideas that I will talk about later come from. So just bear with me on those. Economists now think about the environment as a missing market problem. By that, we mean that, looking into the economy, you will see that in some domains markets operate autonomously and in other domains markets have not taken root—and the environment is one of these domains. The big ideas that have been developing in economics over the last two decades are precisely in this area of missing markets. Other than this year, the Nobel prizes for the last decade at least have been in the areas of gain theory, contract design and experimental economics. These all come together in this field called mechanism design. These are the ideas and tools needed to create new institutions that perform like markets; they actually mimic the way markets work in the economy.

Big examples of where these ideas have been applied are such things as the allocation of mobile phone spectrum. There is a market now to allocate mobile phone spectrum to deal with the impediments that existed with that allocation problem in the past. For example, in America in the early days mobile phone spectrum was allocated by lotteries, but now a quite complex auction is used to allocate it. Airport landing slots at major airports are allocated through a market. Space station resources and electricity markets have been created rather than evolving autonomously.

In Victoria we have been adopting this mechanism design approach to the environment domain. We have gone to the economic ideas that have emerged, mainly in America, and we have taken these to the environment to try to create new institutions that mimic the way that markets operate. For a moment, I will just dwell on why we do that. Markets do two things. Firstly, they discover who the low-cost providers of goods and services are. In a wheat market, for example, there is self-selection of farmers into growing wheat. They look at their costs and at the price of wheat. If they can make a profit, they select into growing wheat. If their costs exceed the market price, they select out of growing wheat and grow cattle, sheep or some other activity. That is the first function: market self-select based on low-cost supplies. The second thing that markets do is ensure that we receive the outcomes that are contracted for. So, if I have a contract

to build a house, I do not want bricks and mortar but a house that I can live in. So we try to contract on outcomes.

It is precisely for these reasons that our environmental programs have not worked that well. We have not designed into these programs these two big functions: who are the low-cost providers of environmental goods and services; and, once we know that, do they deliver the outcomes that we want them to deliver? So, thinking about central planning processes like catchment management plans, you can think they cannot be efficient, because the information needed to solve who are the low-cost providers resides not with the Catchment Management Authority but with landholders. Each landholder is a world expert in knowledge about what it costs to change land use, to put a fence in, to exclude stock et cetera. Knowledge about all of these actions resides with landholders. Simple incentive schemes that do not address these two problems are doomed to fail.

In Victoria we have designed programs such as these and I will give you an example of what they look like, because they do embody competitive processes to deal with the problem of identifying who are low-cost providers. Also, they generally involve contracts to deal with that second problem of whether they will produce what we want them to.

The first mechanism that we have done research on and to this point have run as pilots is auctioning conservation contracts. You may have heard of BushTender and EcoTender. These are our programs that have come out of this mechanism design process. Why have an auction? It is to discover the low-cost providers. Why have a contract. It is because we want incentives built into the agreement to deliver outcomes, where possible. We also want to share risk in that contract. That is the first mechanism.

The second mechanism is what we call smart markets. Smart markets are where computers assist the buyers and sellers in a transaction. Take, for example, an offset market where a developer wants to clear vegetation, is required to get a permit and to purchase an offset from a landholder who is going to replace the vegetation being destroyed. These transactions are extremely complex, when you get down to the fundamental economic problem. The real problem is that there are packages on both sides of this market, and normal markets just do not handle packages very well. So we now have a prototype market in Victoria that allows transactions to occur between developers and landholders and where we require offsets.

The third one, which I will not dwell on, is the tradeable emission permit type schemes. This is the CPRS program. Where you have a point source problem, you define a cap, define your trading rules and allow transactions in the permits.

They are the three main types of institutions or mechanisms we look at. In Victoria, we have built capability and tools to design, create and test these institutions. By that, I mean that we have linked strongly with economic ideas. We have invested in what is called experimental economics laboratories and pilots to make sure that these ideas work in practice. In addition, we have put a lot of effort into the science that is required to measure environmental outcomes. So, when the government has the money and goes looking for a transaction from a landholder that can do something for the environment, we want a transaction that creates value and is fair and we must be able to measure or at least estimate what we would get in terms of environmental

improvement from that landholder. So in Victoria we now have a tool that goes down to a 20-by-20 resolution to do precisely that.

My last point is just about some findings from our pilots that we have run in Victoria where we have employed these mechanisms; they do involve much more than just competitive processes, as you can see. Firstly, from our last pilot we achieved an efficiency gain of around 30 per cent over a random draw. That is, essentially, if you do not bother to find out who low-cost providers are, you are going to go out to the community and randomly make arrangements with landholders—so 30 per cent. There is another gain from running a contract with incentives in it. I do not know how to estimate that, but there is another benefit there. By the way, you could spend up to about $2,500 per landholder in so-called transaction costs before starting to extinguish that efficiency gain; therefore, you can afford to spend a lot of money obtaining this information: who the low-cost providers are and whether they will they supply what we want them to.

The second main finding is that we now have run pilots where we expose landholders to a price for carbon. When the CPRS is turned on in 2010, there will be a price for carbon out there. So we have mimicked that by running our pilots and have run the BushTender style auctions beside them, where we use science to measure outcomes and get them to compete for funds. One of the key findings we get from doing that is that the carbon market starts to pay for public goods because carbon is embodied in habitat. We get about a 26 per cent saving to the government if the price of carbon is $12 and about a 40 per cent saving to the government if the price of carbon rises to $20.

The third point from our pilots is that we reveal prices from these processes so that farmers get to see what the worth of conserving the environment is to them. I have heard that in pubs in Victoria landholders are starting to say things like, ‘Okay, I can get this many dollars from growing grasslands and it’s way more than I can get from sheep.’.

Lastly, we have been working with the ABS in Canberra. If you start to measure and reveal prices, you can actually push the environment into the system of national accounts. I am not talking now about another set of environmental accounts; I am talking about the mainstream system of national accounts. So we have been able to estimate the contribution that landholders make to GDP from growing environment rather than growing sheep. We are currently putting together a satellite set of accounts to deal with what is happening to the stocks and flows of environmental goods and services across the landscape.

CHAIR—Thank you. I do not think it is just the pubs in Victoria where we have heard growers saying that they can make a better dollar out of grain than sheep.

Senator SIEWERT—How is this being included in government funding programs? It seems to me that it goes beyond what they are talking about with the funding of stewardship programs et cetera.

Mr Stoneham—So far we have taken our ideas only through pilots or laboratory experiments, which simulate what goes on in the real world, precisely because we want to reduce risks and do not want to make mistakes with these programs. We have successfully moved from idea pilots in the real world—so these are real dollars and real farmers—through to where we are now funded

through ESAS, which is an ERC process, to build this capacity. After the current program is finished, we will go back to cabinet to see whether we can go further.

Senator SIEWERT—When you talk about 'cabinet', do you mean the Victorian cabinet?

Mr Stoneham—Yes.

Senator SIEWERT—Have there been any discussions at a national level about incorporating what you are talking about, or is it just a Victorian program at the moment?

Mr Stoneham—We have been working on this now for about a decade. Some of the ideas clearly have moved their way through to, say, Caring for Country; the idea of competitive bidding seems to be closely related to it. But essentially, up to this point, we have focused on Victoria, without seriously engaging other states or the Commonwealth; however, we have had lots of dialogue with other states and the Commonwealth about these programs.

Senator SIEWERT—How are you engaging with regional groups?

Mr Stoneham—We run our pilots through the Catchment Management Authority or the Landcare network. We are currently setting up these types of institutions with, say, the Bass Coast Landcare Network.

Senator SIEWERT—I will changing tack slightly, but I think it still involves economics. Have you been involved in David Pannell's work with INFFER? Also, if you have been involved in it, how does what you are doing fit into that process?

Mr Stoneham—David is a colleague of mine and I speak to him regularly. The key difference between INFFER and this program—David has written and agreed with this—is that this is a sort of Rolls Royce program. We drill down to the farm, the site and what the specific change on this piece of land will cost in one of these auctions or so on. INFFER is more where you do not have that capability and you are looking at the program at a fairly global level. You want to look at how we make sure that we invest in public goods and not private goods; that is largely what INFFER does. We only measure public goods. We only measure things like the improvement to terrestrial habitat and aquatic habitat; we do not measure any private goods at all. When we end up with a contract with the landholders, which is for payment over a number of years, it is only for producing public goods. They are quite complementary; it just depends on how far you have gone with the science and so forth.

Senator SIEWERT—It may be because I have a deep understanding of INFFER but, although I was involved in SIF, the precursor to INFFER, a very long time ago, it seemed to me that INFFER was a decision-making framework. What you are talking about, if we decide that this is the public good we want to protect, save, rehabilitate or whatever, is a suite of economic tools—

Mr Stoneham—Underneath that.

Senator SIEWERT—underneath that to make that happen.

Mr Stoneham—Give it effect, yes.

Senator SIEWERT—But also that if you are looking at all the decision-making processes, knowing that you had that suite of tools makes that possible to achieve that public good. Is that a way of understanding it?

Mr Stoneham—Yes. If you think of INFFER as a door into the problem you might be able to make some broad allocations to various domains of the environment, but below that when you get down to the landholder we find massive differences in the quantity of environmental goods and services from different sites. They might look the same but when you start to measure environmental outcomes their location et cetera really matters and their cost structures vary enormously even from what looks like apparently similar land. This is a microscope to get down to that level, and that is what we routinely run now in Victoria in these pilots.

Senator SIEWERT—Is this a way of actually dealing with NRM outside of government funding in the long run?

Mr Stoneham—Because we are dealing always with public goods it is going to need public contribution. The markets cannot handle this notion that we all benefit from a farmer giving us some extra habitat.

Senator SIEWERT—If we are going to invest a limited amount of public funds this is maximising a limited amount of public funds because you are actually using the market with what is a limited amount of public money?

Mr Stoneham—That is exactly right. If you have got less money than you could to do these environmental programs everywhere, which I suspect is going to be the case, this is a way of making best use of those limited funds.

Senator SIEWERT—What I have been pursuing this morning is: how has the Commonwealth been making its decisions about what its outcomes are for where it is going to be investing its limited resources? I am quite attracted to the INFFER model because I think it is an analytical way of actually making some pretty complex decisions. Using your model, how do you decide what public goods you are investing in?

Mr Stoneham—With public goods there is no robust way of dealing with them. This is a worldwide, universal problem. It is just really difficult to deal with the allocation between education, defence and the environment. There are no markets. There are no signals. We have no way of routinely aggregating up our own preferences to decide those problems. I am not proposing that we have a solution to that, and no-one has. What INFFER does is focus CMA's attention on the difference between public and private goods. You have to focus on public goods with public money. This is not a criticism of INFFER, but it does not fundamentally solve the public good problem, and we do not either. What we do is accept the budget from government. It may be a political process that determines the initial allocation between the domain of the environment A, B and C. But what is informative in that process is: let us say we think we prefer domain A but, from running our process we find out that it is really expensive to get another unit of that, we might revise our initial allocations. There is some conversation between our

preferences and what it is going to cost. It is the same reason as I might want to buy a Mercedes Benz but when I go to look at the price I decide to buy a Commodore.

Senator IAN MACDONALD—I am not sure whether this is relevant to your expertise as an economist, but we have had some evidence suggesting that delivering natural resource management through groups based on catchments—which is as it has been for some time—is not the best way to go. It has been suggested that there perhaps should be some other ways of defining convenient and working groups. Do you have a view on that at all?

Mr Stoneham—There are two dimensions to that problem. Firstly, the individual actions of landholders could be regarded as independent of each other. But then there are other situations where, let us say, a wildlife corridor makes sense, so the combination of individual sites gives you more than the sum of each individual site. That is a real problem. I would put that back into a design problem. In theory there are solutions to that problem. In fact, allocating mobile phones spectrum is exactly the same problem. Mobile phone companies want a corridor of bandwidth across the country. They cannot have one gap because otherwise they do not have a viable network.

I would suggest it is worth putting that problem back to some theoretical ideas but in the meantime there is absolutely no reason why groups of landholders should not bid in combination if they think their sites are going to add up to a better proposition than they would as individual sites. The problem with thinking about broad-scale issues like a wildlife corridor for example is that individuals own the land in that area that someone has defined and who is to say what the cost of participation might be for each landholder? It might be better to take a corridor in that direction rather than between A and B because it just cheaper. There is a vector of costs of changing land use and benefits to the environment that will form the trajectory of that corridor. There are real reasons why you want cooperation in the landscape. I would suspect that we have not found the mechanism to implement that at this point.

Senator SIEWERT—If you were recommending to the Commonwealth how best to invest limited resources on an NRM—say you were given the job of designing Caring for our Country—how would you suggest you go about doing that?

Mr Stoneham—To start with I would divide the budget up. Then, part 2, keep the doors open of catchment authorities—I do not know how many. I am talking about a long-term solution here. You might iterate towards this because this is the real world and it is risky to move completely to the solution. But I would also free up a certain amount of funds for competitive processes and I would invest heavily in measuring the outcomes, or at least estimates. We have a scientific tool now where we can literally go down to your paddock and estimate the outcomes we expect from a change from a sheep pasture to revegetation with respect to habitat improvement, water quality improvement, aquatic habitat improvement, et cetera; just measuring sponsors a lot of good questions. The good questions might be: I have measured, how would I get more for my money now that I see what I can get from different sites? It is investing in those tools and investing in the design of these institutions I have talked about. How do we put competition into this space so that it is not threatening to landholders?

In fact, in Victoria the landholders really like the process. There is a site visit; they get a map of their farm. The contract does not look like a nasty contract, it looks like: here are the actions.

It is like a recipe: if you do these you will get progress payments. They get a site visit down the track and usually the response is that no-one has ever come back to check on how we have performed in the past with NRM programs. They are usually very proud of the outcomes that they have achieved. Investing in these processes would be what I would do. In relation to competitive funding you need some to have some organising and coordinating authorities out there to look after measurement and the process. You need some area based authorities. I really support the idea of systematically getting these environmental accounts on board. You need the starting stock, the finishing stock and the flows between, but into the system of national accounts not outside that system.

CHAIR—I think you were here when I asked that question about Wentworth environmental accounting. It is something along those lines. Have you seen their proposal?

Mr Stoneham—I have. I would take it into ABS, into the system of national accounts. To do that you do need tools that routinely measure. In Victoria we are actually putting together the contribution of the environment to the sort of national accounting framework for the regions where we have run pilots. We have got the tools to measure. We have information about prices, and that is all the information you need to start pushing this into the regular system of national accounts. I would take it in that direction, which is a little different to the Wentworth group.

CHAIR—It has come out now several times. Whether it is one method over another, the need for it has come out quite a bit. When you are talking about competitive bids I think you are talking about something slightly different from what we are talking about at the moment with Caring for our Country, aren't we?

Mr Stoneham—I think some of Caring for our Country's money does go through these. It is competition. It is just the landholder who is putting the project up because that is the unit of action that makes sense to us.

CHAIR—You would by-pass the regions and go straight to the landholders?

Mr Stoneham—In Victoria we have used the regions to implement these things. We build their capacity and set up the processes. In fact, when we have run some of these things and the budget has not covered all of the really good propositions that landholders have put up we have come back to the Commonwealth and, because you have got information, you can fund it. But competition makes sense at the farm level, the site level.

CHAIR—I do not mean to be pedantic here but I just want to think this through. Are you suggesting you make it contestable but from an individual farm level, so money goes to the regions on the basis that they then basically administer this contestable process?

Mr Stoneham—Yes. The reason for that is that a lot of this design process I have talked about is precisely to reveal the information you need to work out who are the low-cost providers. That is held by the landholder, not by the area authority. It is the landholder who knows if they have to put a fence around that paddock what it is going to cost. There might be a fence there already. I have to get the sheep off because that is one of the threats. They will work out what that is going to cost. That is at their level. They are the expert. They know the information. We have got to use that. You cannot raise it up because the area authority does not know that information.

CHAIR—You work out an allocation to the regions against whatever the national priorities are that have established and then the regions are given an allocation of money against those national priorities. Is it then up to them at a contestable level to run a contestable process where individual landowners go straight to the regional groups to say, 'Okay, we are prepared to do this at this cost to deliver against this outcome.'?

[3.40 pm]

Mr Stoneham—That is the way we have set our pilot program up. We are running three big demonstrations around Victoria at the moment. That is precisely how it works.

CHAIR—You referred to the project that you are running at the moment. You said it is going to be reporting soon to go to cabinet; is that right?

Mr Stoneham—We have got reports on the individual pilots. These are a group of farmers. We have a bundle of money. We set up these systems. We go to the farms and measure them. They compete for these contracts. We get what looks like a supply curve to do that. The funding to build that capacity is through the ERC process with the Victorian government. We are two years into that process out of four. That is to build capacity and run three big demonstrations. We are going to get back to cabinet. Now that we have got the first of those done, we have evaluated it. We have looked at the efficiency gains. We have got surveys of landholder participation, et cetera. We now want to go back and see where they want to go with the system.

CHAIR—Thank you very much. Again you have given us lots of food for thought.

[3.42 pm]

ABEL, Dr Nicholas Orde, Group Leader, Sustainable Ecosystems, Commonwealth Scientific and Industrial Research Organisation

WALKER, Dr Daniel, Acting Chief, Sustainable Ecosystems, Commonwealth Scientific and Industrial Research Organisation

CHAIR—I welcome Dr Walker and Dr Abel. I would like to remind senators the Senate has resolved that an officer of a department of the Commonwealth or the state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Officers of the department are also reminded that any claim that it could be contrary to public interest to answer a question must be made by a minister and should be accompanied by a statement setting out the basis for the claim. I would invite you to make a brief opening statement if you want to and then we will bombard you with questions.

Dr Walker—The Sustainable Ecosystems Division works on research to inform policy and management actions in relation to ecosystems services for underpinning healthy rural, regional and urban communities and landscapes that support viable enterprises as well as maintaining biodiversity. Clearly the subject of this inquiry is of considerable interest to us. We have had a range of involvement in delivery of NHT1 and NHT2 in a research context, ranging from contributing biophysical and other research into regional processes to inform our understanding of particular issues and effective management interventions as well as contributing to and undertaking in some cases planning processes for regional bodies. That is at the local and regional scale. I have been involved in some reviews of the efficacy of NRM policies and programs at a range of scales, for example, across northern Australia. I have contributed to investment appraisals and allocation processes at state and, to some extent, national levels and have contributed to a number of environmental policies.

That is a little bit of our background beyond the intentionality of the roles CSIRO plays in a research context. I just want to take the opportunity if I could to highlight a few of the key points in our submission. As I am sure you are clear from our previous discussion, NRM issues and outcomes clearly range from national, regional, local and paddock scales. From our perception there is a real challenge in being careful not to optimise at one scale only. It is our observation that experience with NHT has shown it is often difficult to link expenditure to outcomes at and across those scales. That is partly because in our view some of the monitoring and evaluation frameworks do not recognise the different indicators that operate at different scales and the relationships between them because it may be that tight investment has been spread too thinly to produce a measurable return in some of the implementation.

One of our views is that effective frameworks for biophysical data are critical for measuring return on investment for NRM, so the management decisions can be clearly evidenced based and we commend a number of activities in that regard going on at the moment within Australian. In

the submission we talk about a mixed model of investments that combine some of the strengths of the current regional model, some centrally run competitive processes and also service provision centrally and increased involvement of local government has potentially been a desirable outcome. Those are a set of comments in relation to scale and linkage between scales.

I would also particularly like to draw attention to the opportunity to bring Indigenous people more centrally into the delivery of NRM outcomes not only as a means of addressing large areas of the Australian landscape which fall in the Indigenous estate and have particularly high NRM significance but also as a means of helping to address some of the intractable issues facing Indigenous communities in terms of the Australian government's contribution. Thank you.

Senator HURLEY—You talk about using local government but where I have been talking to a particular area of South Australia there are few local government areas. There may be other areas where local government is not that effective. Is that necessarily the best way to go rather than using the kind of regional model?

Dr Walker—I would not necessarily see it as an alternative but as a comment that in some of the earlier NHT programs there was a strong role for local government which has declined substantially in the second NHT program. Clearly the local government arrangements vary dramatically across the country and so circumstances will vary.

Dr Abel—I would agree with Dr Walker, but the big problem that most local governments face is lack of capacity. A lot of them feel that there has been a lot of cost shifting. They have picked up a lot of extra responsibilities that have stretched their resources. If they were to be effective they would have to be resourced accordingly. I think under the proposed new Caring for our Country arrangements they will now be able to bid competitively for some of that funding. But our feeling is that the catchment management authorities, although they are called authorities, do not have any statutory authority at all whereas local government does have statutory powers to effect development or to conserve. Those powers have not been given to the CMAs but they are still retained by local government, so there is a bit of a contradiction there. The two could be bought together, I think.

Senator HURLEY—Do you see the planning powers as essential for proper operation of the outcomes of the Caring for our Country program?

Dr Abel—Planning is very important for coordination, but I would not like to see the whole thing turned over to a big planning operation. I would prefer to see local competitive processes so we can find out the real costs of provision and learn from individual landholder's experiences in actually doing the job because we do not know how to do it, whereas they can find out how to do it if they do not know already.

Senator HURLEY—I think some landholders would argue that your proposal, which virtually takes it out of their hands, does not build on their expertise?

Dr Abel—It is certainly not about disempowering the landholders. I can see a role for zoning as a way of prioritising where investments go but then having competitive bids as to who is actually going to provide the services.

Senator HURLEY—We had one group of people from Queensland tell us earlier that they felt that the competitive process would destroy what they had built up, that the landholders in the community had built up a cooperative and effective arrangement and pitting local council, that group and state government agencies against each other in a competitive process would unravel a lot of the good work that had been done.

Dr Abel—Indeed that may be a danger. There might. It is something that would have to be watched.

Dr Walker—I think there is a challenge of providing different tools at different levels of granularity. The previous witness was talking about instruments for committed tender at a gross scale and that certainly has a role to play. You would not necessarily replicate that right up through the hierarchy. Allocations and investments of different scales might require different tools for the most effective outcomes.

Senator HURLEY—Perhaps I have not understood your submission, but I still do not see how local people and local community groups could fit in very well to the kind of model that you are talking about. You say that they maybe could but it is difficult to see them surviving—

Dr Walker—I think the intention was to talk about some broadly competitive processes for some elements of resourcing to ensure that you avoid the risk of spreading the resources very thinly across the countryside as a whole and running the risk of having very low impacts across the whole of the landscapes, so you need to allow for some increased focus through those processes, but equally you need to retain the enormous investment that has been made in the regional models and the opportunity to work through those sets of regional arrangements and the relationships between landholders and those regional organisations. There is clearly an investment needed to sustain that. Equally, as a third arm, in the context where it is an appropriate player, which certainly is not across the country as a whole, bringing local government in as having a significant stake in managing local environments.

Senator HURLEY—It seems to me that between all these different levels and models you are talking about a structure that would have a lot of administrative costs?

Dr Abel—That is something that would have to be watched very carefully because the money could easily go into administration instead of on-ground works and actions. I think one of the consequences of having the catchment management authorities and their equivalents in there is that it has actually reduced the transaction costs. I believe that it is actually easier to get those funds disbursed because there is coordination at that catchment scale and there is some agreement. Of course there are administrative costs in setting up the catchment management authorities and a lot of the capacity building that is already happening. I actually think that if all that competition were centralised and run out of Canberra I suspect—and we cannot know—that the transaction costs could really blow out through having to deal with multiple farmers instead of having the farmers communicate to the federal government through a catchment management authority.

Senator HURLEY—You were talking about focusing on priority areas and saying that there are some areas we cannot prevent from becoming irretrievably degraded. I think personally that that is demonstrably true. If people want to do some work on the ground that is terrific but where

there is a shortage of funds they should be located in priority areas. Who would you see as setting these priority areas? How would you do it? Do you think we have enough data, enough knowledge, about areas around the country to do that?

Dr Walker—I think the information base to inform those decisions is certainly a significant constraint. Those are policy and political decisions ultimately about priority areas, but we have sets of tools that can help to structure and inform that process but they are certainly limited by the environmental information both in terms of the special distribution of issues and the way that they have changed over time. There is no doubt in my mind that is a significant constraint going forward. Having said that, we clearly need to continue making decisions under imperfect information and there are tools and processes to try to provide support to policy makers in that process.

Senator SIEWERT—I had to step out of the room for about two minutes and I missed some of the questions that Senator Hurley asked, so if I am repeating them I apologise up front. It is useful to follow on from the issues that were raised by Mr Stoneham in terms of the competitive approach. It also seems to me to be consistent with some of the things that you are saying in your submission in terms of targeting highest priorities and whether you think that is the best method of targeting the highest priorities or whether you would suggest some other process for best using limited resources because you make comments also in your submission about targeting limited resources. What would you see as the best method of targeting limited resources?

Dr Walker—I think there is a challenge in the cascading set of scales for investments, so across the broad geography of the country around high priority issues the broad allocation might be quite a different process to then having identified a particular issue and identified a set amount of resources to be deployed to that issue, then there might be a very strong role for the type of competitive market instruments that we heard about previously to most effectively deploy those resources into a particular landscape which the landholders clearly know in intimately more precise detail than any external investor could. It is a question of the cascading set of approaches of those different scales.

Senator SIEWERT—How would you suggest that be done? That is one question. Also were you consulted as part of the process of setting the priorities and outcomes by the federal government in producing this document?

Dr Walker—I know CSIRO has been involved in some of the discussions there. I personally have not been.

Senator SIEWERT—But CSIRO was.

Dr Walker—I believe, yes. I could not say exactly what the discussions were but they have been in consultation at various stages over the last few months.

Senator SIEWERT—I am pleased to hear that CSIRO was involved but how do you think we should go about setting those priorities?

Dr Walker—I will make one comment. While there might be a cascading set of scales and decisions, it is quite important in my mind that the underpinning information that those are based

on has some consistency across those scales that will let them flow back up. The process that we have been involved in developing multi-criteria assessment tools for looking at, if you like, indicative allocations across regional bodies for example which involve determining a set of priorities and determining a set of attributes of the system and making investment decisions across a set of attributes in a deliberative sense across state government and federal government and other key stakeholders in that process. That is quite a different deliberative discussion to when some of the next scale down allocations where some of the tools you were discussing with the previous witness might come into play.

Senator SIEWERT—We have had quite a lot of discussion around INFFER. It has been trialled in WA. It has been trialled in Victoria. We have had David Pannell present it. Is that the type of decision-making tool that you are talking about?

Dr Walker—Yes, potentially. I am probably not particularly well placed to comment in detail on INFFER but those are certainly analogous to some of the types of approaches we have been involved. I think it is certainly highly appropriate at that particular scale.

Senator SIEWERT—At the federal level as well?

Dr Walker—At a number of scales, yes.

Dr Abel—I think David Pannell might object to this, but I think he is operating more at a catchment scale.

Senator SIEWERT—He is. I have been quite critical of the lack of firm decision-making process as to priority setting made at a national level as well. I was asking him about the use of the tool at a national level. I hope I am not misquoting him, but he said that you could apply—it needs some work—INFFER at a national level but he has not—

Dr Abel—Conceptually, I believe so.

Senator SIEWERT—You are right. They have been applying it broadly at the moment more at a catchment level and a regional group level. I am sorry; in Victoria they are called catchment management authorities. In WA they are called regional groups. At that level they have been, but he was saying that he thinks there needs to be the same sort of rigour applied to the next level up as well.

Dr Walker—We have been involved in one analogous process, so conceptually that is absolutely right. Some years ago we were involved in indicative allocations in Queensland for resources in providing some of the underpinning analysis for decisions that are clearly policy and political decisions about indicative allocations. In the very broadest sense that approach is the same conceptual approach as the approach that is being used in INFFER. There is also lot of devil in the detail that might be different but, yes, that is a demonstration of the scale I believe those types of conceptual approaches are.

Senator SIEWERT—You say in relative terms Australia's investment in natural resources is small and CSIRO suggests government should consider whether Australia's level of investment is appropriate to the scale of the environmental issues we are trying to address. I would put on

the table that I wholeheartedly agree with that sentiment. What would you suggest would be the level of investment that we should be making in order to deal with the scale of the issues that we are dealing with?

Dr Abel—It is hard for CSIRO to be put on the spot about government allocations. It might be useful to dodge the question and see if you ask a businessperson what they expect to reinvest in their capital, you might come up with a much higher number than we are now reinvesting in the natural capital.

Senator SIEWERT—Just pretend that you are a businessperson, what level of investment would you suggest you needed to make in your capital investments?

Dr Abel—A fair bit more than we are now.

Senator SIEWERT—I was not trying to trick you, by the way.

Dr Abel—No, I understand.

Senator SIEWERT—I am interested in the quantum that we should be—

Dr Abel—I do not actually know what the number is. Our landscape is a very difficult one. Europe's landscape is much easier in many ways. A lot of the soils are much more fertile and retain their nutrients and water much more easily and more naturally. Our landscape is a tough landscape and might need a lot more care than it is getting.

Senator SIEWERT—I do want to come back to the issue of accounts but while we are here because this has just triggered a question around range land management. When you mention some of the difficult landscapes, we have not really focused in this inquiry much at all on range lands. I have noticed that in your introductory comments and also in your submission you have talked about Aboriginal involvement in land management. We had John Altman in this morning. He was obviously focused on IPAs and Caring for our Country. What would be your chief recommendations in terms of where we should go in NRM and Indigenous involvement not only in the north but also I was thinking that we had pretty powerful oral submissions last week in WA from representatives of the Noongar community? They were also talking about Aboriginal involvement in what I call intensive agriculture, which is still extensive agriculture but compared to range lands it is more intensive. What is your experience and what would you recommend that we do to improve Aboriginal involvement?

Dr Walker—That is a very challenging set of questions. We do not have, if you like, definitive answers for you but some observations. There are some observations in the submission around the extent of the Indigenous estate in the country and the extent of access by Indigenous communities to NRM resources and the disparity between the two. Most if not all regional bodies have Indigenous involvement in the regional body process but that does not experientially seem to have tracked through to the level of involvement of Indigenous communities that might have been expected. What I am saying is that there may be a strong argument for an increase in specifically targeted investments to Indigenous communities. Clearly across the country there are enormous differences, so the extent of the Indigenous estate in northern Australia is a very substantial part of the landscape and is a very different context for Indigenous communities than

say to the Murray-Darling Basin where there are substantial communities—just off the top of my head I cannot give you the absolute figure—but a very low proportion of the landscape actually in a tenure sense is controlled by Indigenous communities. Again there may be a need to have some different, directly targeted means of engagement for those communities say in south-eastern Australia from northern Australia. I think my point is: if we are flowing through regional arrangements on their own that is not adequate, and that is clearly recognised in the current Caring for our Country design, but it is a point I would strongly emphasise.

Senator SIEWERT—You touched on the point there when you were talking about involvement in the Murray-Darling. The point that the representatives from the Noongar community in WA were making was that in the south-west of WA they do not own a lot of land because they have been alienated from the land, but they need to reconnect with country and it is culturally very important to them. I took the point that perhaps Caring for our Country was more focused on areas of land that are actually owned and managed by Aboriginal communities rather than specifically looking at those areas where they have been alienated.

Dr Walker—Maybe that is appropriate in terms of NRM outcomes. There are multiple benefits from this investment. Maybe the broader whole-of-government approach to closing the gap needs to moderate some of them. As I say, these are a very complex set of issues. These are recent observations rather than any prescription which may go beyond the research that we have done.

Senator SIEWERT—Again I apologise if I missed this when Senator Hurley asked it earlier, but what is your opinion of the need for a national environmental accounting system as per either the Wentworth Group's proposal—I do not know if you have seen that—or the one that Mr Stoneham was advocating, a different national system carried out by ABS which would be part of our national account?

Dr Walker—I think it is a very strong requirement for that underpinning to make NRM investments into the future more effective and better targeted. Precisely what the right structure is is a really substantial question, but I do think it has been a significant constraint in the past and will be into the future, so it is certainly an area that requires attention and is receiving attention currently. I know that there are proposals working through to do that. Furthermore, it is very important that again there is a set of scales at which those accounts play out, so the requirements for regional bodies or at subregional scales for information to inform both investment and appraisal might be quite different to what is scaled up in national accounts. There needs to be a coherence across those scales but we should not be looking for a small set of measures that measure everything. It is quite a problematic approach.

Senator SIEWERT—When you were saying that there is some work being done on that, could you point us in the right direction as to who is doing the work that is being done?

Dr Walker—I understand that there are discussions in the Department of Environment, Water, Heritage and the Arts. I have not been involved directly so I have no comment beyond that. But there have been discussions on national environment information systems.

Senator IAN MACDONALD—Thank you for your submission. I note in your submission where you look at options for capitalising on the existing regional network. They are just options, as you say. You do not really recommend any of them?

Dr Walker—I guess we are really making some comments about the need to build on investment in major regional bodies rather than necessarily having a particular prescription for how to do so, yes.

Senator IAN MACDONALD—They are alternatives though, aren't they, except for option 4 which is a sort of combination of all, as I understand it?

Dr Walker—Yes. In essence I think we are articulating that some form of mixed model is likely to be desirable.

Dr Abel—We just used those three options in what we call pure form just to bring out the pros and cons of each option if you took it to an extreme. The idea of the fourth option was that you borrowed the good bits out of the other three and put them together.

Senator IAN MACDONALD—I was particularly interested in your suggestions for strengthening the current model. In item 3, devolving resources of authority to the requisite level, I think you were telling us the lower the decision making goes the better it is and I think you say without necessarily increasing costs. Am I interpreting that correctly, that you get more bang for your buck if the decision on where money is spent is at the level closest to where it might be spent?

Dr Walker—It depends a little on the decision that is being made. As you heard from the previous witness, getting landholders to make decisions about the most cost-effective way of achieving a particular outcome is clearly much more appropriate than having that decision being made remotely. That landholder knows infinitely more about that landscape. But getting landholders to decide what environmental information should be collected to contribute to national environmental accounts would not be sensible. There is a view that there is an appropriate scale for any investment and maybe a principle that those investments should be at the lowest appropriate scale possible, but in some instances again I would have a little bit of a concern under the current regional model that a lot of data collection has been devolved to the regional body scale and that has led to a lot of duplication of effort and at the risk of reinventing the wheel across 56 regions, where some of those issues might have been better suited at the national scale. But an awful lot of the actual investment particularly as to issues you are talking about might be best devolved to a low scale.

Senator IAN MACDONALD—This idea under the proposed new arrangement of having national priorities under which I guess effectively the decision on the expenditure is being made in Canberra at a central government level; do you see some merit in that?

Dr Walker—It depends on the granularity of those national priorities, I believe.

Senator IAN MACDONALD—I am sorry, I do not know what 'granularity' means.

Dr Walker—Clearly priority decisions on a national scale in relation to the on-ground actions that might be taken is likely to be much less effective and much closer to direct management, but priorities in terms of the balance between broad landscapes is clearly something that might best be taken on a national scale rather than regionally or even on a state scale, so comparative investment between range lands and intensively managed landscapes, for example.

Senator IAN MACDONALD—Have you studied what has been proposed under this Caring for our Country arrangement? I think you would probably say nobody really knows what the detail is.

Dr Walker—We have seen some material but we have not studied it in a detailed sense, no.

Senator IAN MACDONALD—Does what is proposed look like it might be going towards meeting your option 4?

Dr Walker—I cannot answer that. I do not have any reason to believe it will not meet that but, as I say, I have not seen sufficient detail to really provide a comment on that.

Dr Abel—I think the roles of the regional bodies are still not clear and their relative importance under the new arrangements is still not clear. The proportion of the funding that they will expect to get in the future is still not known.

Senator IAN MACDONALD—Is there anything that you have seen from the Caring for our Country proposals that leads you to think that local government will be more involved than they already are?

Dr Abel—I think the constraint on local government at the moment is just the lack of capacity they already have to do what they are already required to do. Even if more money is offered for on-ground works I know that the shires that I work with would not actually have the people on the ground able to write the proposal and then implement it even if they scored with the money. I believe that if local government were to be involved in this there would have to be an investment in their capacity to do NRM before they could actually do more of the ongoing work.

Senator IAN MACDONALD—If it were determined that they should do that, they would get a lot of Commonwealth funding to do that work.

Dr Abel—I know that some shires would do it. Others I suspect would not.

Senator IAN MACDONALD—I do not want you to name individual shires, but which state are you working in?

Dr Abel—New South Wales and WA.

Senator IAN MACDONALD—I was interested in your comment:

In some instances the Caring for our Country program has been presented as a one-stop shop for NRM funding in Australia.

Then you go on to say:

This is not the case, nor can it be under existing frameworks.

What do you mean by that?

Dr Abel—It is because there is more than one source of money. For example, if you work in New South Wales you can go to one source for some funding; you can go to the federal government for some other funding. When regional bodies are already under capacity it is hard for them to keep a handle on these different sources of money, each one quite small an amount. There was an impression given that perhaps under Caring for our Country there would be a one-stop shop but it does not look as if that will happen. It may happen but it is not the case yet.

Senator IAN MACDONALD—My understanding of what the department told us this morning was that it was going to be a one-stop shop and a lot of the complexity in currently assessing money would disappear and it would all become much more simple. I will believe that when I see it, but you might just want to have a look at the *Hansard* on that to see whether that changes your mind in any way or another. Again, they are saying that is what it is planned to be but, as I say, we will wait and see what that does.

I am from Queensland, which is the same I think as Western Australia and perhaps Tasmania, in that the NRM bodies are not statutory bodies; they are community groups. But the idea of them having to compete with, as I understand it, statutory authorities like the Great Barrier Reef Marine Park Authority, Queensland government authorities, departments and local government for money, is that the best way to spend a limited amount of dollars, do you think? Do you have a view on the fact that there is no clear doer of a program that the central government in Canberra thinks should be done?

Dr Walker—Getting back to these options we talked about, the proposal around a mixed model is saying that you need to protect in some sense the investment that has been made in the regional bodies, and that needs to be done carefully, but that there might be some issues and instances in those centrally run competitive processes. Exactly how you balance those to achieve a higher impact without undermining the investments that have previously been made is clearly an enormous policy challenge.

Senator IAN MACDONALD—What is the discipline of the two of you? What is your expertise?

Dr Abel—I am an ecologist and an environmental economist and I work on institutions, so rules and organisations.

Dr Walker—I have a cultural systems and ecology background, but have been working in regional natural resource planning in various modes.

Senator IAN MACDONALD—Perhaps you are not the right people to float this with, but would you see, almost forgetting about natural resource management, that the current system does in fact create employment and very often employment in regional parts of Australia? Have you ever thought of that?

Dr Walker—Yes.

Senator IAN MACDONALD—Is that a legitimate goal for any of these programs or would you say that that is nothing to do with ecology and something that perhaps other programs should be associated with?

Dr Walker—Demonstrably these programs create employment and I guess it is clear that retaining people in the landscape in the broader sense is an important part of managing those landscapes. Looking at Indigenous communities for example, the comments we were making about some of the value in linking community level outcomes with delivery of NRM outcomes demonstrates that point, I suppose. That is a legitimate part of the policy process, I think.

Senator IAN MACDONALD—In communities in Queensland—I mention Georgetown, Mount Isa, Charleville and I think Longreach—these programs have brought a noticeable employment boost to those areas. Georgetown for example I think is a town of about 200 people but I think they have, or did have, five or six people employed, which I submit is an argument for having the NRM management at the local level rather than having it done centrally, which would deprive some of those fairly remote places of what is a substantial addition to the workforce. Do you have any thoughts on that at all?

Dr Walker—I think that is certainly part of the consideration, but how much priority you place on those different things is really beyond what a research agency can provide comment on.

Senator IAN MACDONALD—Yes, I guess it is.

Dr Abel—There is a sort of textbook formula for policy making which says that if you try to have too many goals in the same policy instrument you end up achieving none of them. It is always worth bearing the textbook in mind and then actually doing what you have to do on the ground. But I believe there certainly is some truth in that, but there may be more cost-effective ways of creating employment.

Senator IAN MACDONALD—This is not a question but a comment. Certainly in Queensland the delivery through natural resource management groups has really had a noticeable impact on quality employment in some of the remote parts of the state but at the same time they are doing a fabulous job for the ecology. They are doing it because they have the total support of the local community and the local community is getting an expertise and a benefit that they would not in the past have even dreamed of.

CHAIR—Thank you very much for your time, Dr Abel and Dr Walker.

[4.27 pm]

PETRIE, Mr Malcolm, Policy Adviser, Local Government Association of Queensland

Evidence was taken via teleconference—

CHAIR—Welcome, Mr Petrie. What part of Queensland are you from?

Mr Petrie—The Local Government Association is the peak body for all local governments in Queensland. I am based in Brisbane.

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

Mr Petrie—I am quite happy to talk to the terms of reference on the interests from a local government perspective. I am happy to proceed along those lines.

Senator SIEWERT—Last week we had people present to us from WALGA and they were commenting on their concern that they had lost the Commonwealth funding for their NRM facilitator. They were saying that they were very concerned that they had lost it but they were fortunate that in WA's case the association had been able to come up with the money to continue employing somebody. I am just wondering what your situation is.

Mr Petrie—We are fairly fortunate. When the NAP and NHT programs were announced the LGAQ had a fairly strong relationship with the state agency that was the lead agency for those programs in Queensland. We were able to access a capacity building funding program through what they call state investment projects here in Queensland, which was essentially a 20 per cent allocation from the total combined investment of Commonwealth and state funding for both NAP and NHT. That was able to build, I suppose, a program and employ staff within the association to roll out a program over a four-year period. That includes some extensions we received. We have had a fairly strong and consistent team, if you like, in engaging council to deliver those programs. Following the conclusion of both NHT and NAP in 30 June this year, the association decided that it would create a permanent position that would deliver on both natural resource management and climate change.

Senator SIEWERT—You have managed to find the resources as well.

Mr Petrie—Yes, we have.

Senator SIEWERT—What about your actual local government members, do they employ NRM facilitators? In WA it seems to vary; some have the capacity, others do not. What is the situation in Queensland for specific individual local governments?

Mr Petrie—I would suggest that it is a fairly consistent picture nationally in that all states and territories have some very well resourced and sophisticated local governments which not surprisingly have fairly large rate bases. Equally you will have a significant number of poorly resourced and primarily rural regional councils that, whilst there is a level of commitment to

natural resource management, lack both the capacity and resources to effectively implement it. In terms of the capacity of councils and what they are doing, one of the satisfying results I believe in the investment made through the NAP and NHT was the ability for us to go out and engage every single council in Queensland. Before the amalgamation that was in the vicinity of about 120-odd councils. Through identifying gaps and developing products and services over that period we raised the awareness—as their peak body we tend to get a fairly strong audience—of the importance of natural resource management. As a consequence we have just recently gone through amalgamations as a result of the March elections this year. We have seen a number of councils restructure. Toowoomba City Council, which is now Toowoomba Regional Council, is a council that has amalgamated with seven other councils. As a consequence of the restructure, they have created an NRM directorate where there is now a dedicated manager. I believe there will be up to three staff regionally located to support NRM activities within that city.

Senator SIEWERT—That is a pretty progressive move. I would say that process is substantially ahead of many other local governments in other states to have a core unit of NRM people.

Mr Petrie—Exactly. That is just one of a number of examples. But I think one of the critical issues of why we were so successful was that under the previous government there was the local government facilitator position. Essentially they only provided to fund one staff person full-time at FTE and had a fairly small operational budget. When you look at the geographical spread of the likes of Western Australia, New South Wales and Queensland it is very limiting in terms of the ability to go and engage one-to-one with elected members and staff. Over that four-year period we were able to attract about $1.5 million. We were able to employ at the peak, including myself, two other dedicated NRM officers. We were able to go out and engage and respond to the technical gaps that the councils saw as being constraints to effectively participate in NRM. I think as a result of our additional resourcing through the program we had a greater capacity to support councils. We are now seeing the rewards of that investment. No other association was successful in receiving those additional funds for the period of the NAP and NHT. I think that has had a significant bearing on the success of our program as opposed to other associations.

Senator SIEWERT—When you say 'other associations', do you mean other state local government associations?

Mr Petrie—Yes. The facilitator network was essentially an officer based in each of the peak bodies or associations in the states and territories. The ACT was not supported because that officer was based in ALGA, the Australian Local Government Association.

Senator SIEWERT—Under the restructuring processes that occurred in Queensland, what percentage of the new councils would you say have a similar unit to that of Toowoomba?

Mr Petrie—That is a rather challenging question to answer because the amalgamation as you can appreciate is a significant structural reform process for councils. Not all councils were affected but a significant number were. They are still going through those processes both at a political level and at a corporate level. Part of the challenge has been that the state, when it introduced the reform, required that the council must retain all staff other than CEOs for a three-year period. When you look at Toowoomba with a total of eight councils being amalgamated,

there is quite a challenge with a restructure with significant surplus staff. It is difficult to make that call at this stage. I could probably investigate that further, but it would take some time. If I were going to take a rough guess to assist in answering the question, I would probably say something in the vicinity of around 20 per cent.

Senator SIEWERT—What is your opinion on the regional bodies' approach to delivering NRM?

Mr Petrie—From our perspective, being locally focused, if I could refer to the regional planning process that the regional bodies were charged with, we saw that as a critical document for local government, primarily because for councils to effectively deal with natural resource issues it is obviously across boundaries and there needs to be a coordinated strategic approach to dealing with those. We felt that over the period of the NHT2 NAP program there was significant buy-in over that period by councils that were looking to align their land use plans with the regional NRM plan. It has taken some time to educate the regional bodies as to the value of council's capacity to deliver NRM, which is potentially quite significant given their legislative responsibilities.

I suppose my comment in terms of the regional bodies is that four years is a relatively short time for an organisation that in some cases in Queensland were newly established to get their corporate governance in place. I believe that over that period they have progressed significantly with the support of both the Australian and state government and believe that they have a significant role to play in providing strategic direction and coordination for a host of stakeholders, but from my perspective local government is quite critical.

Senator SIEWERT—I do not know how much you know about the new program, Caring for our Country, but a large chunk of the funds that are to be delivered through there are to be contestable. It is going to be a competitive grants process. Do you see the Local Government Association of Queensland being one of the bodies that competes for funds? Are you likely to be doing that or do you see it as being the state government, the regional bodies and any NGOs that are involved?

Mr Petrie—We definitely see an opportunity. One of the issues that we have dealt with the local government amalgamations or reform is that on average each time a local government election occurs you lose around 40 per cent of your elected members. The reform process reduced Queensland councils effectively by half. So there has been a significant corporate loss. We see that there is a continuing role to deliver capacity building and we see that Caring for our Country is an opportunity to do that. I suppose it is very early days in terms of this program in determining how well it will deliver or provide a level of continuity in dealing with natural resource management investment. I think it is a positive in the sense that it is not solely accessible through the regional bodies. But I hope that one of the strengths in competitive bidding is that there is a strong criterion skewed towards partnership which ensures that we get a level of that continuity at least so that any programs that are proposed, endorsed or funded clearly identify the appropriate partnerships to ensure that it is a balanced delivery and that there is a level of capacity building that is enduring out of those programs.

Senator IAN MACDONALD—Your constituent councils are now, after some original hesitation, reasonably happy in their relationship with the natural resource management regional bodies; is that correct?

Mr Petrie—I would have to say that initially there was a lot of apprehension and distrust when the establishment of the regional bodies occurred. I think that was purely the nature of a new relationship. Importantly, the regional bodies did not see the importance of local government initially. It was local governments having to sort of knock on the door and saying, 'How are you engaging us and do you understand how we operate?' I think over the last four years that the council, the association, had been working very closely with the regional bodies. I noted that you would have been speaking to Andrew Drysdale and Mike Berwick earlier. We are in the throes of developing a partnership with the regional groups collective here in Queensland in strengthening those partnerships. We have actually had an MOU signed I think about two years ago which was about clearly aligning how that relationship would operate. As a consequence, I think there is greater respect between both parties, the regional bodies and local government.

Senator IAN MACDONALD—Yes, that is my understanding as well. Is there any thought within local authorities, represented through the LGAQ, that the whole natural resource management process would be more effective if it were taken over entirely by local government; that is, that groups of local authorities would take over responsibility entirely for management of natural resources throughout Queensland. Is there any thought on that or is it being looked at?

Mr Petrie—I think as I stated in my initial submission, back in 2002-03 ABS statistics stated that councils committed around $690 million annually on natural resource management related activities. Councils were very much aware that they were active in that space. I think initially councils did question why regional bodies were established and charged with the responsibility of the regional planning process. I think over time councils realised that the complexity and expertise that was required to understand those issues in a regional context and to be able to coordinate and respond to those challenges was such that they were not in a position to adequately deal with those issues. I think second to that is that, following the reform process that I mentioned earlier, a lot of the regional organisation of councils had dissolved as a consequence of councils moving from a local authority into a regional council and in some cases managing a whole region. I think the Condamine alliance is one of the regions that has essentially two councils in it now, whereas before they had 13. That was the scale of the amalgamations. There is not a great deal of regional coordination in that formal sense any more.

Senator IAN MACDONALD—I suspect if councils were the operating authority you would to a degree then be without the quite significant volunteer effort that goes into NRM bodies because everyone would think, 'Oh well, if the council is doing it, we are paying rates for it, therefore why should we volunteer? We will just let them do it', which then means that there are either extra costs or you would not get things done. Is that a consideration do you think?

Mr Petrie—To be honest, I am not sure whether that would be the case. I think it really depends on the council of the day. There are a number of councils that are very successful in engaging their communities in doing a whole host of activities, but I suspect that the scale of management and the plethora of issues would be just such a significant burden on councils that essentially they would not be able to manage their core responsibilities and that as well.

Senator IAN MACDONALD—That is a good point. As I understand the new Caring for our Country program, councils will be able to bid for a part of the available funding. If my notes serve me correct, there is a total of approximately $300 million for this first year, and $25 million is an open grants program that councils, state government departments and statutory authorities can all bid for. Do you think there is any conflict of interest with councils being able to bid against NRM bodies on which the council has a representative?

Mr Petrie—That is a good question. Obviously there is potential for that to occur. My major concern in relation to the structure of that bidding is the assumption, from a local government point of view, that the councils, firstly, have the capacity, and, secondly, have the expertise and time to actually participate effectively. Under the previous program the regional bodies were required to engage stakeholders and put a lot of time and effort into doing that. The assumption that every council in Australia, let alone Queensland, would be sitting there waiting to apply for a particular grant is probably highly unlikely. There has to be a level of facilitation, partnership and support for those councils to participate. I am a little concerned about how well that competitive bidding will work. It is a valid question that you raise, and I have not really given that a lot of consideration. I wonder in the context of the governance arrangement and this new program how that will operate.

Senator IAN MACDONALD—You might give it some thought. Are you aware whether any of your member councils have been called upon to underwrite employment contracts for facilitators and coordinators in the NRM bodies during a period where, as I understand it, a certain amount of money has been given to 30 June 2009 and there is a promise that some more firm arrangements will be made towards the end of this year to let NRM bodies know what their funding is going to be for the next four years? My information is that a lot of the NRM bodies are having to let qualified staff go, people they have built up over time and people with expertise because they are not quite sure what money they are going to get. They are in a position where they cannot guarantee employment. Therefore, people are looking around for other jobs and leaving. Are you aware whether any of your member councils have been asked by NRM bodies to kick in if not money but a guarantee, or an underwriting, of jobs until the position becomes clear? Are you aware of any of that happening?

Mr Petrie—It may well be occurring, but it has not been brought to my attention.

Senator IAN MACDONALD—I was around the ridges when the funding was given to LGAQ and some other state bodies several years back. Is your main role to help encourage local councils to get involved with NRM bodies? If not, what is your principal role at LGAQ?

Mr Petrie—Currently it has changed slightly as a result of changes to the program, because the facilitator funding has ceased since 30 June. My role is to provide policy advice on both climate change and natural resource management, which aligns with Caring for our Country. Prior to that my role was really focused on managing the development/implementation of capacity building councils in NRM. What that means is that we would focus on raising the awareness of the importance of councils' participation at a local level, but also the importance of partnering with the regional bodies. One of the benefits derived out of that, apart from the funding source, was that the regional bodies have developed and continue to develop some fairly significant and important technical data and mapping. There is a lot of the information that councils do not have the capacity to develop themselves, but partnerships are assisting councils

to be more informed in making land use decisions, if you like, based on that data. It is part of a broader package of supporting and encouraging councils to have a role within whatever the current programs are. But as I mentioned earlier, some of the councils are now taking stronger leadership and embedding that into their corporate structures regardless of funding sources, which I find very encouraging.

Senator IAN MACDONALD—That is the case with the bigger amalgamated councils. You have said that you are now principally a policy adviser in areas rather than a facilitator to help your member councils with the NRM arrangements. Is no-one now doing that from LGAQ now?

Mr Petrie—To be accurate, we have received an extension of the project and we are still providing that service. It is not at the level of intensity it was. As I mentioned, at the establishment phase there were three dedicated officers, including myself. I am the sole officer now. It is fair to say that the level of intensity is not the same as what was initially invested. It is based on the level of funding that we receive as to the capacity that we can support councils in this arena.

Senator IAN MACDONALD—I have a final question—a trick question. In your role as policy adviser on climate change can you tell me the cost to councils of what an emissions trading scheme might bring, and also what impact that will have on the world's changing climate? Before you ponder seriously answering that, I will just mention that it is a trick question and I do not really want an answer. I was just trying to stir up Senator Siewert.

Mr Petrie—You did clarify that.

Senator IAN MACDONALD—You are not required to answer.

Mr Petrie—I am quite happy to make a generalised comment. Obviously the scheme that the Australian government is developing is a responsible reaction to the predicament that we are starting to find ourselves in. There is a community obligation, which local government are very much aware of, to have a role in that. I would go further to say that, from the LGAQ's point of view, we are a little frustrated about the lack of appreciation at both levels of government in terms of recognising that you cannot assume that key stakeholders, including local government, are sitting there just waiting to play. We are dealing with a number of councils that are still needing to be convinced there is an issue, and we see similarly with the capacity building program for NRM that there is a real opportunity if there is an investment in that area to assist in building the council's capacity, not only to deal with mitigation but importantly adaptation, which seems to be getting a secondary focus by government. I think that is the most critical issue because, as you can appreciate, with the population polarised to the coastal areas many councils have not yet planned for responding to the impending implications and we are quite frustrated that we have not had that level of support or investment by government, and are looking to continue to lobby to get it.

Senator IAN MACDONALD—I am glad I asked. Thank you very much.

CHAIR—Thank you very much for your time today.

Mr Petrie—Thank you for giving me the opportunity to provide input.

[4.56 pm]

McGARRY, Mr Phillip John, Private capacity

BRENNAN, Mrs Belinda Joan, Network Coordinator, South Gippsland Landcare Network

CHAIR—I welcome representatives of the South Gippsland Landcare Network. Before we go to questions, do you wish to make a brief opening statement?

Mrs Brennan—I will make a brief one. South Gippsland Landcare Network covers 22 Landcare groups. We have over 800 members and we are part of six Landcare networks that operate in West Gippsland, which cover over 2,000 families in our area. That just gives you an idea of where we are coming from.

Senator SIEWERT—What is your understanding of the current situation with NRM funding and Caring for our Country?

Mrs Brennan—At the moment, the last round of funding, NHT2, finished on 30 June. We are currently waiting for the outcome of our current CFOC bids. We put in two bids under the open grants process. We were advised that the funding will be announced in late October or some time in November.

Senator SIEWERT—Was that the open grants?

Mrs Brennan—That was the open grants, yes. We also put one in, in partnership with one of our local friends group, the Friends of Venus Bay, through the Community Coast Care grants, and we are waiting to see how that went. The current gap between when one funding program is finished and the next one is announced has meant that we the network has lost one and a half staff members because we do not have the funding to cover them. My position as network coordinator is currently covered through the money that the West Gippsland Catchment Management Authority receives. They got their base-level funding. They are in the same boat, as I would suggest every other NRM organisation in Australia is, waiting for the competitive process to be announced. We have all put our applications in. We have had tremendous support from the West Gippsland CMA in that they have given each of the six networks in West Gippsland a half-time network coordinator. Unfortunately they do not have the funds to cover the facilitator positions that were in the networks prior to 30 June. They funded those positions until the end of September with the hope that we would find out prior to then what the funding was, but we did not. We lost one and a half staff members from our network and that was a similar loss across the other networks as well.

Senator SIEWERT—I have been trying to find out through the terms of reference what capacity has been lost. Queensland did not have a real handle on it, but it seems like they have not lost too many. There has been some loss in Western Australia, but we have been looking at regional groups and not necessarily the Landcare networks.

Mrs Brennan—Are you asking from a regional perspective?

Senator SIEWERT—Yes.

Mrs Brennan—My understanding is that the West Gippsland CMA who employs the Landcare staff in West Gippsland, in terms of coordinators and facilitators, has gone from eight and a half down to three in that changeover period. There were eight and half positions and now there are six half-time positions, so effectively three FTs. My understanding is that the CMA has lost in the vicinity of eight to 10 staff because of the gap between one funding cycle and the next.

Senator SIEWERT—What does it mean on the ground for your network?

Mrs Brennan—It means that if we have a new landholder ring up at the moment they do not get a site visit. Prior to 30 June they did. They got a site visit. It was explained to them what was happening. They were referred to a funding program. I work three days a week now. Before that I was working only three and a half, so I have only dropped a little bit, but I do not have any staff to do field visits anymore. We still have a pest, plant and animal officer, but they are funded through the state government through the second generation. If they have a weed problem I can send our pest, plant and animal officer out there.

I had a call this morning before I drove from Leongatha to Melbourne to fly out, 'We have a new landholder in the district. Can you come and see them and tell them what we can help them with?' I said, 'At the moment I can't.' We have developed a Welcome to Landcare pack for South Gippsland. We did that because we are getting a huge influx of people from Melbourne into South Gippsland that do not know what our issues are. We did that so that anybody who comes into the district now will get a welcome pack. They are distributed through us, but also our 18 real estate agents in South Gippsland hand them out to anybody who purchases land. At the moment if you are a new landholder you will get a welcome pack and I will refer you to your local Landcare group, but unfortunately I have no ability to give you a site visit.

The other impact it has had is that we do not have the support for the groups to help them apply for their own funding. That has always been another role that the facilitators have had; working with our Landcare groups to develop their action plans, and then to help them identify where they might get funding from. The facilitator who finished in September helped one of our groups to get some funding to run a dung beetle trial. They have released dung beetles. The follow-up field visits and follow-up farm walks need to be fitted in somewhere and at the moment that is not fitting in very well. I suppose it is that support.

Tree planting is still going ahead because the GippsLandcare has some funding, but it is not going ahead at the rate it was, because we do not have the help that a lot of our new landholders need. They need somebody to tell them, 'This is the species that you need to plant. Have you thought about fencing the gully?' Unfortunately we are having to rely on paper information for people to make those decisions and I do not believe that is the best way we can do it.

Senator SIEWERT—You have applied for the open grant process now. Where have you got your funding from in the past?

Mrs Brennan—The funding has come through the West Gippsland CMA. They had a coordinator and facilitator project. We were part of their regional catchment investment plan, so

that money came through there. That was for the staff component. A lot of our operating we then get through various other small grants through the state or through corporate sponsorship.

Senator SIEWERT—Is it Landcare money, NAP money or NHT money?

Mrs Brennan—NHT.

Senator SIEWERT—Have you been also accessing Landcare money?

Mrs Brennan—At the risk of sounding silly, what do you mean by Landcare money? The funding that we apply for is mainly through NHT. We are not in the Murray-Darling Basin so we have no access to those funds. We are outside of the basin. We have applied for national Landcare program funding, but unfortunately we were not successful. One of the other networks in West Gippsland received some money under the NLP program for a salinity officer. Unfortunately, we were not successful in the last round.

Senator SIEWERT—That is what I wanted to check.

Mrs Brennan—The facilitator money was to support our groups and our individual landholders. As a network, we apply for project money to run a specific project, whether it be salinity or—

Senator SIEWERT—I wanted to check that, because I have had some people asking me specifically about Landcare money and what is happening with that money. Do you have any involvement or is it purely the CMA that is engaged in looking at the new Caring for our Country program and the competitive tendering model that is going to be used?

Mrs Brennan—The CMA has a regional catchment investment plan. The Landcare networks are involved in the development of that. For want of a better term, we are giving a community voice to that. We have always been involved in that. In some respects we are a competitor to the CMA now, whereas we have always been in partnership before.

Senator SIEWERT—That is where I was coming from. Can you tell me how you see that operating and what you mean when you say that you are now a competitor with them?

Mrs Brennan—Yes. In the past we had our facilitator or our project money through the CMA as part of an overall regional bucket. My understanding now is that there is a certain level that the bucket comes into, which is what the CMA has employed our coordinator staff with. Anything above that is competitive. It is in our best interests to work with the CMA on projects or to work with other groups to try to develop a partnership project to put that up. There are going to be times when what the network wants and what the CMA wants are different and in that case we may put our own bid in. Therefore, we are then in competition if the CMA has a different project that they want to put up. We would be a competitor then with the six other Landcare networks if their projects are different. If they are the same, we would put them in together and we would have a multi-network or a large regional project. With the open grants round we had a number of bids. We put in two, because they met the needs of our South Gippsland community, which was slightly different from the Yarram community and slightly different from the West Gippsland community.

Senator SIEWERT—Do you see the competitive process as good or bad?

Mrs Brennan—Part of it is good, because it means that anybody can apply. The bad bit is that everybody applies and then there is the potential for everybody to be fighting. In our region we have an extremely good working relationship with our CMA, so we would always try to do that in partnership with them. The open grant we put in for our community weeds taskforce had 14 letters of support ranging from our local community right through to local government, the CMA and both the Department of Sustainability and Environment and the Department of Primary Industries. It is in our interests to have a partnership approach. My concern would be that, if that partnership approach or those working relationships are not as good as they are in West Gippsland, there is the potential for a negative competitive process where you have a CMA almost against your Landcare network or against the local government. It is very much going to be a regional good or bad, based on whether you have those relationships in place.

Senator SIEWERT—If you have strong relationships you can weather it?

Mrs Brennan—Yes.

Senator SIEWERT—If you do not then there might be problems?

Mrs Brennan—Yes. It does not seem to be encouraging partnerships. Some parts of it does, but in most parts it is 'everybody needs to get a grant in, because if you don't you will miss out'. There was no requirement for us to talk to the CMA about our grant. We did, because it is a relationship that we have, which is a strong relationship. But in other areas that relationship might not be as good.

Senator SIEWERT—So I am not accused of leading the witness I will put on the table that one of my concerns has been that we have spent a lot of time on investment plans and developing what we call at home regional strategies or regional plans.

Mrs Brennan—We call them regional catchment investment plans.

Senator SIEWERT—We had strategic plans and then we had our investment plans. We have spent a lot of time doing that across Australia and it seems to me that the open process can undermine that. Or do you get brownie points if you write in and say, 'This is consistent with the investment plan'?

Mrs Brennan—I will tell you that if we get the money. That is one of the questions in the terms of reference, 'How is Caring for our Country going to achieve these objectives that it has put out?' The objectives and the outcomes are great and they suit our needs. Are they going to make a difference? I do not know, because I do not know what is going to get funded. Until we get an indication of what is going to be funded we really do not know, if we put in a partnership project, whether that will be seen as a good thing, or whether if we stand alone and portray that we are a very good-quality organisation as a single unit and do it based on our own plan, that is going to take us a step further. In Victoria we have a regional catchment strategy and the regional catchment investment plan comes out of that. It is the same sort of process as in Western Australia.

Senator SIEWERT—Yes, it was a two-step thing.

Mrs Brennan—The regional catchment strategies are due for renewal. If we tick the boxes and say, 'Our bid covers A, B, C, D, E in the regional catchment strategy', I do not know whether that will put us ahead. I believe it should, because it means that we are all heading towards the one goal. Until we get some money out of the end of it, or we see who got money out of the end of it, I cannot tell you.

Senator SIEWERT—That is fair enough.

Mrs Brennan—That is where we are at at the moment.

Senator SIEWERT—Have you been around long enough to have been part of the process when we moved from NHT1 to NHT2?

Mrs Brennan—I have been in Landcare and environment work since 1990. I was the executive officer for the Soil and Land Conservation Council for a number of years in Western Australia, while you were on it under Rex Edmondson.

Senator SIEWERT—Of course you were. I am sorry.

Mrs Brennan—It sounds terrible. I am one of the oldies in Landcare in West Gippsland. For half of that time I did have a different surname; I got married in the middle of my term.

Senator SIEWERT—Is this any different from when we had that change before?

Mrs Brennan—Not really.

Senator SIEWERT—Is it inevitable when you change? I am trying to see if we could have learned from it?

Mrs Brennan—In my honest opinion, given that there was to be such a major change, we probably should have done all this sort of work and then announced the change. We have announced the change in May that we are now going to Caring for our Country, but the business plan is not out. The information we received about what we could apply for was there but it was not the best quality. There is always a gap in the middle. I have said to staff, which is a terrible thing to say, 'This happens all the time.' Realistically now we should be a hell of a lot better at this. Yes, there was a gap between NHT1 and NHT2 and some organisations carried staff.

I was interested to hear you ask whether local governments had carried staff until we found some. That happened in some cases, but with the lag that we are experiencing now, as I said, the CMA carried staff until the end of September with the hope that we would know what we were getting and they could move through. We are now towards the middle of October. I think that if we find out in the middle of November if we have got money we will be doing really well in the time factor. If I am lucky enough to get funding, we will not have a staff member in those positions until probably January.

Yes, it always happens. I believe we should have got all of these sorts of things done before a new funding program was announced. I recognise there was a change of government, but with NHT1 there was a transition year of the same process. In my personal opinion, if we had carried it through for another year we could have done all of this so much better and then everybody could have applied knowing exactly whether they were going to get it or not. We are always going to lose staff for any number of reasons. It is unfortunate that we lose them when money runs out. I believe people move for any number of reasons; I was in Western Australia and I now back in Victoria and I come from Victoria. I have moved for a number of reasons. I have never had to move because my funding ran out. I was always able to find another job. That is the unfortunate part. In hindsight, we have seen it so many times surely we could have done it better this time. That is my concern.

Senator SIEWERT—The point with moving when the money runs out is that all the money seems to run out at the same time so you are losing the institutional memory.

Mrs Brennan—Yes. We have lost one and a half staff members. Yarram lost a one and a half staff members. The three facilitators in Lake Wellington are all gone. Their network coordinator went. The Lake Wellington networks, of which there are three subnetworks—one has just moved out—have no corporate knowledge left because the money ran out. Yes, it happens. It happens in all industries. Health runs out of money. I have a friend in Western Australia who is a microbiologist. It is the same sort of thing. She is constantly applying for money. But in NRM this happens all the time. Surely we should have learnt now that we need to apply earlier. We should have been applying in January and not after the money had run out. The money ran out on 30 June and we did not have to have applications in until the end of July and August. We should be better than this.

Senator SIEWERT—Have you had any involvement or had a chance to look at the new outcome statement? What is your opinion of the outcomes?

Mrs Brennan—I believe some of the outcomes suit what we need to do. My role as network coordinator is to manage the staff. I look after my Landcare groups to the best of my ability at the moment because I do not have staff to look after them. If you look under 'sustainable farm practices' it is stated:

> Support the work of voluntary groups, including Landcare groups, to build the skills and capacity of land managers to deal with emerging threats.

That is terrific. What I need to know is whether you are going to give me enough money to employ a staff member to deliver that program. At the moment under the Community Coast Care grants we can only apply for 15 per cent of project support and administration. It costs me $100,000 a year to employ a staff member, by the time I include their super, WorkCover, an office, a computer, phone and a vehicle because they have to be able to get out on a farm. What we need is to be able to have a reasonable amount of employment costs, plus the on-ground work so they can work together. It is no good giving me $100,000 to support the work of voluntary groups if I have nobody to deliver that for me. That is our big issue. You will see in our submission that we said that Greening Australia work on 30 per cent for their support and administration and I do not think that is unreasonable.

Senator SIEWERT—Universities charge 33 per cent now.

Mrs Brennan—We are being asked as a Landcare network to try to do that on 15 per cent.

Senator SIEWERT—Were EnviroGrants 15 per cent, too?

Mrs Brennan—Probably.

Senator SIEWERT—I remember hearing consistent complaints around that. It has dumbed down the grants program.

Mrs Brennan—Anything we put in our submission is not new. Again, 15 per cent does not give us enough for somebody to help run the process. That is the benefit that we have had in West Gippsland and across Australia of having coordinators and facilitators or project officers. They do not do the work. We have still got our landholders doing the work. They are still out there planting the trees, fencing the gullies and doing the sustainable pasture work, but they need somebody to help coordinate them with the next person and help them get some extra money to give them some incentive. None of the Landcare money we get covers everything that a landholder does. Our landholders across Australia do a huge amount. Up until this recent grant everything had to be one-to-one, and the only way a Landcare group could do that was with their volunteer time. They are not new issues. This is part of why we have been invited to speak. We need more project staff. I do not want $200,000 to employ project staff with no outcomes. They will have outcomes, but I need that project money. I need to be able to have somebody there to answer the phone, to encourage our new landholders, to explain to them what species are there, and I do not have that at the moment.

Senator SIEWERT—Have you been told what is going to happen after the transition year?

Mrs Brennan—My understanding is that we have a transition year where we are allowed to apply for nine months funding, which has to be completed by 30 June next year. If I get some money I have to squeeze nine months worth of work into about six. I will do that. It is amazing how resilient we can be. My understanding is that the business plan, which was due out in September, will be out shortly. We will then look at it and decide that we can apply for A, B and C. We will then work on our partnerships and we will put in large three-year funding bids.

My understanding was that this was a transition year. One of our bids was called H2O, Hills to the Ocean, which is trying to link the high-value Strezleki hills to our coastal areas. This transition year we have put in for mapping work to map all our existing work, find the gaps, identify where the high value bits are that need to be linked and then the next three years would be implementing that plan. This is the planning year and then we implement it in the next three years.

Senator SIEWERT—I apologise if I asked this before. Was that project part of the CMA's investment plan?

Mrs Brennan—No, that was not. This year the RCIP did not run the same as it was run in previous years because of the competitive process. In previous years the CMA would have looked at all the projects. We would develop them together. That would then go up in a regional

bucket. This year they got their base-level funding, and then, because it was competitive, it was open and out there. As I said, there were no requirements to talk to the CMA. In the past if this had been part of the catchment process we probably would have put it in as a larger scale project. I am not 100 per cent sure of how that would have worked.

CHAIR—Senator Macdonald, do you have some questions.

Senator IAN MACDONALD—Senator Siewert has asked all the important questions. I would like to ask about the positions that have gone and the few that are remaining. Without being too precise, can you tell us what sort of a salary range are we paying a facilitator and a coordinator?

Mrs Brennan—Our facilitators are what they call grade 3. Mr McGarry may be able to tell me that.

Mr McGarry—They start at around $45,000 and go to about $60,000.

Mrs Brennan—Most of them would sit between $45,000 and $55,000. The network coordinators are a grade 4 level and go from $60,000 to about $75,000. A project officer is generally a grade 2 and they are in the $35,000 to $45,000 bracket. They are a specific project officer role. Obviously there is no requirement for a degree there. Once you go into the grade 3 you have got a degree and some sort of project management skills and budget, and then you are at a network coordinator level, as with myself, where you are expected to manage budgets, staff, et cetera.

Senator IAN MACDONALD—What oncost do you use for those?

Mrs Brennan—We use about 10 per cent. You then have to add a nine per cent super on that.

Senator IAN MACDONALD—You listed off the top of your head the positions that have been lost in your area. I did not add them up.

Mrs Brennan—We have lost 5½ FTEs, or full-time equivalents. That is a greater number of staff because some people were part time. Do you know how many we have lost completely from the CMA?

Mr McGarry—We lost six people. That is 5½ FTEs in Landcare. CMA in total so far has lost 8 ½ full-time equivalents.

Senator IAN MACDONALD—Where were they based?

Mrs Brennan—They would have been based in West Gippsland, so out of Traralgon, Warragul, Ellinbank and Leongatha primarily.

Mr McGarry—And Maffra.

Senator IAN MACDONALD—The Queensland CMAs, or NRM bodies, gave evidence before saying they did not think there were any loss of jobs at the moment, which I find surprising.

Senator SIEWERT—The ones that they knew about were the reef ones where they knew they were getting that extra $200 million that was in the budget.

Mrs Brennan—The other loss of staff depends on how much money would have come in originally, so therefore how much initial support a region would have had. Also, it is how many staff are there. They may have lost staff that he is not aware of, because they may have been lost from other organisations.

Senator IAN MACDONALD—The evidence you are giving is similar to what people tell me even along the Barrier Reef. Do you know whether the CMAs in Victoria or anyone would have a running total of what job loss there has been in Victoria?

Mrs Brennan—I would suggest the CMAs would. The catchment management authorities employ in West Gippsland and partly in Port Phillip. They employ Landcare staff. In East Gippsland they do not; they are employed by their own network. Each CMA would be able to tell you what staff have been lost from their organisation. That does not necessarily mean all the staff because, as I said, in East Gippsland the CMA might have lost staff and the Landcare network might have, but I do not know whether the CMA would know because they were employed by the Landcare network. All of our staff are employed by the CMA, so we do not have the administration burden associated with employing staff.

Senator IAN MACDONALD—Are all Landcare people employed by CMA?

Mrs Brennan—No, it is only in the West Gippsland. In Bass Coast they are employed by the shire. I work for the South Gippsland Landcare Network. I am employed by the CMA for the administration component of my role.

Senator IAN MACDONALD—That leads me on to my next question. Our inquiry is looking at whether we have the best models for natural resource management. Is it appropriate for Landcare to be a different stream or organisation from the catchment management authorities or the NRM groups?

Mrs Brennan—I would say yes.

Senator IAN MACDONALD—Is there still some merit in it?

Mrs Brennan—Yes.

Senator IAN MACDONALD—Landcare has been there for a long time and it has evolved, but nowadays in your area at least, it seems as though you really do your Landcare work but you do it as part of the CMA.

Mrs Brennan—No, we do our Landcare work. What you have to understand is that we have 22 Landcare groups with 800 members. It is the 22 Landcare groups and the 800 members that

do the Landcare work. The catchment management authority has the programs that it runs, but they are delivered by their employees. The bulk of the Landcare work that is happening in South Gippsland and in other networks is done by the volunteers. In terms of South Gippsland there is only myself employed in the West Gippsland Catchment Management Authority Area in the South Gippsland network, because we cover two CMAs. I do not do any of the on-ground Landcare work; I just facilitate. I follow the strategic objectives of our board.

Senator IAN MACDONALD—Does the CMA also get volunteers involved and coordinate them for various things that the CMAs do?

Mrs Brennan—Mr McGarry would need to answer that.

Mr McGarry—We use Landcare as a primary partner for our connection to community because it has a strong history in West Gippsland. The employment arrangement that Mrs Brennan has spoken about is about helping our community avoid having to deal with public liability, insurance, tax office and everything else. We run them as an employee of the CMA and we have a memorandum of understanding where we run a partnership arrangement where the CMA takes on all the legal responsibilities of employing the staff but the community actual form the employment steering committee that manages the staff on behalf of the community. The CMA has recognised in West Gippsland over the last 20 years a long history of community led natural resource management that has had a strong focus from a Landcare basis, and that is why our board and our management see it as an important partner to help us make sure that we are connected to the grassroots people in the region.

Senator IAN MACDONALD—Is your role with the CMA?

Mr McGarry—I am a regional Landcare coordinator. I am funded through the Victorian government to act as a support for Landcare within our region.

Senator IAN MACDONALD—Is your principal employer the CMA?

Mr McGarry—Yes.

Mrs Brennan—Mr McGarry works for the CMA. The money comes in to the CMA to employ Mr McGarry. If I want to employ a staff member I can employ them with our money and I pay the CMA to administer that salary component. Their operating comes out of ours. Last year the network did a strategic plan. Everything that I do is guided by the strategic plan for the South Gippsland Landcare Network. If we do something with the CMA it is a partnership arrangement. It is a fine line. I am employed by but I do not work for the CMA.

Senator IAN MACDONALD—Do not let me put words in your mouth, but is the reason there are two separate but complementary organisations that one is really comprised of state government employees and the other is comprised of volunteers?

Mrs Brennan—Primarily, yes. The work of the Landcare network is done by our volunteers. The coordinator and facilitator roles that we have just help the process.

Senator IAN MACDONALD—Forgive me. I come from Queensland. In Queensland the CMAs are called NRM bodies, but they are community based and they do interact with volunteers. In Queensland we still have Landcare as well, and I have always been confused as to why they were separate. I can understand it now from what you are saying in Victoria, but in Queensland the whole thing is community based with the CMA or the NRM body having big licks of money and paying staff but also involving volunteers in the work that they do.

Mrs Brennan—I will just throw a real spanner in the works for you. That operates in West Gippsland. In East Gippsland the Landcare network employs their own staff. In Port Phillip the catchment management authority, CMA, employs some staff, but the Bass Coast Landcare Network staff are supported by the local government. Instead of the CMA employing staff in the Bass Coast network, they are employed by the shire. They are like a host.

Senator IAN MACDONALD—Even in those places your principal work would be done by volunteers.

Mrs Brennan—The principal work is done by volunteers, yes. I would say that is the same across the whole of Victoria and probably the same across the whole of Australia. The principal work done by Landcare is done by the Landcare farmers on-ground, own property and public land that might be in their area. On adjoining farms, one of our Landcare group have monthly tree plantings and they go from farm to farm. Everybody has their meeting at the same time, but it is all about them working together.

Senator IAN MACDONALD—This is not particularly relevant to you except to say that in Queensland the CMA is also interacting with volunteers.

Mrs Brennan—In our case the CMA does some of it, but the bulk of it comes through with Landcare. If they have a community project we would get involved with them.

Senator SIEWERT—Is it fair to say that the Landcare movement in Victoria seems to be more intact than some of the other states?

Mrs Brennan—Yes. NRM work and conservation work is extraordinary in Western Australia. I used to work in the wheat belt of Western Australia. They had land conservation district committees. It is a different name but the same work, and they were shire based.

Senator SIEWERT—They seem to have gone a little bit by the wayside now. There are some still working strongly, but there are other groups that have popped up, and the NRM groups have a stronger role.

Mrs Brennan—I know the land conservation district committees were based on shires. Again, I was interested to hear the previous speaker talking about the Queensland local government and saying that some local governments have a great interaction. We vary from local governments that we have trouble speaking to, to some such as Bass Coast that employ the staff and have rate reductions for Landcare farmers, et cetera. It is the same as the partnerships that we have across Australia with NRM agencies and Landcare groups. It just depends on the partnerships.

Senator SIEWERT—That would be a fair account of what happens in Western Australia, too.

Senator IAN MACDONALD—Western Australian and Queensland are similar in that the CMA is really a community group that interacts more closely. I think in Queensland it is similar in that Landcare is not what it used to be, because to a degree the role has been blurred. I thank you for the information that you have given us today. It has been particularly useful. I can understand why you have been in the business for a long time. You know your stuff, and I wish you all the best. I hope the funding comes through.

Mrs Brennan—So do we. As I said, our community weeds taskforce is one of the very few bodies in Victoria that brings together approximately 20 different agencies and community groups for weed management. There is a huge passion out there for NRM work, and most people would say that they do not want somebody to do it for them. They just want a little bit of help and that is what our coordinators, facilitators and project officers were there for. It is about having somebody to support them to do it. They do not need you to do it for them. They just need some help. That is the message that I need to get up to Canberra from my community. We do not expect you to do it for us, but we do expect a little bit of help, because it is the environment. As much as the global economic crisis at the moment is terrible, if we do not look after our environment it will not be there. You cannot bail out our environment overnight. It is a long-term commitment and we have those long-term committed people.

Senator SIEWERT—Can we go back to the NLP issue?

Mrs Brennan—Yes.

Senator SIEWERT—Do you access NLP as well?

Mrs Brennan—Not anymore. My understanding is that NLP has finished.

Senator SIEWERT—Were you previously?

Mrs Brennan—Yes.

Senator SIEWERT—How long ago was that?

Mr McGarry—It was up until the last financial year.

Mrs Brennan—NLP finished as of 30 June.

Senator SIEWERT—I am still tracking all the money. We have been told that NLP Landcare funding has gone into—

Mrs Brennan—The Sustainable Farming Program of CFOC, or Caring for our Country; I am not allowed to call it CFOC, sorry.

Senator SIEWERT—I have heard somebody else call it something else.

Mrs Brennan—Sorry, yes.

Senator SIEWERT—My understanding is that is still being run as a Landcare funding issue?

Mrs Brennan—My understanding is that as of 30 June all the previous funding stopped, regardless of what it was called. All the natural resource management funding is handled under Caring for our Country. Under the outcomes that are to be announced in the business plan—and obviously this is the start of it—we will ask: what was NLP money? That is the sustainable farming stuff. What was the coastal money? That is the critical aquatic habitats money. That is how we get our minds around where that money has gone.

Senator SIEWERT—I will double check this again next week, but my understanding is that the Minister for Agriculture is still responsible for the sustainable farming money. Are you aware of that?

Mr McGarry—As I understand it, the National Landcare Program was going to run as a three-year project alongside Caring for our Country, but that changed and was reduced back to one year. Its focus was also going to change and it was going to be a lot more focused on sustainable agriculture and have a lot more industry focus. In our case that would mean we would miss out on that opportunity. When the senator asked us about the difference between volunteers and what the networks and the CMA does, I can quantify it really simply. Last financial year the CMA received $780,000 of NHT money to employ eight and a half coordinators and facilitators. Those eight and a half coordinators and facilitators supported Landcare in the region and they brought on board another $2.2 million of project money for on-ground works.

Senator SIEWERT—Did that come from NHT and NLP?

Mr McGarry—It came from everywhere.

Mrs Brennan—Corporate sponsors.

Mr McGarry—It came from all sorts of places.

Mrs Brennan—We are slowly developing our corporate sponsors. That $780,000 generated another $2.2 million worth of work in our region; because we had that $780,000.

Senator SIEWERT—Yes, in the first place.

Mrs Brennan—We need that $780,000 to be able to get the $2.2 million.

Senator SIEWERT—Exactly. If you do not get the grants—

Mrs Brennan—I am not particularly optimistic. Somebody told me that the Caring for our Country open grants were 95 per cent oversubscribed.

Senator IAN MACDONALD—That is right.

Senator SIEWERT—Yes.

Mrs Brennan—That means there is five per cent. We are just hoping we are in that five per cent, but we are not holding our breath.

Senator SIEWERT—What happens then? It seems to me it is a catch-22, because you cannot get the other money to do your work if you have not got that initial money.

Mrs Brennan—What I will do as the South Gippsland Landcare Network coordinator is wait until the business plan comes out. I will then work with the partners that I have to develop a three-year funding bid, and our network goes into almost a bit of a holding pattern until we can get some more funding. I still support the groups to the best of my ability. We have some money that we have been able to save as a network. We are employing, and we have interviews next Friday, a half-time—for nine months—new landholder project officer, but we have had to fund that ourselves. Come 30 June next year that person will be gone and they are only there two and a half days a week. That is all I have got. If my Landcare groups want some help and if I can fit it in with staff management and all the other stuff I do in those three days a week, that is great. If not, we will just have to wait until some more money comes. It probably means that I will spend a lot of my time in writing applications for money to wherever it comes from. If you know of some money about, let me know because I can write an application. There is the Australian Government Volunteers Small Equipment Grants Program. Our Landcare groups need tree planters and backpacks. What I was doing last night was finishing that off and that went into the post today. I am trying to get $40,000 for our network, primarily our Landcare groups, to help with the work that they do. That will give them some money. The issue I have is that if I get that $40,000 I have to administer it. I cannot say, 'Can you buy 92 tree planters? Can you buy 46 backpacks? Can you buy five GPS units and have all the instructions and all the legalities?' We are going to have a big working bee to label things if we get the money. I apply for money for our groups. Our No. 1 objective is to strengthen our Landcare groups. Everything I do comes back to that one thing.

Senator SIEWERT—Thank you very much.

CHAIR—On behalf of the committee, thank you very much for your time today.

Committee adjourned at 5.42 pm