



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

ENVIRONMENT, COMMUNICATIONS AND THE ARTS
REFERENCES COMMITTEE

Reference: Forestry and mining operations on the Tiwi Islands

TUESDAY, 19 MAY 2009

MELVILLE ISLAND

BY AUTHORITY OF THE SENATE

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SENATE ENVIRONMENT, COMMUNICATIONS AND THE ARTS

REFERENCES COMMITTEE

Tuesday, 19 May 2009

Members: Senator Birmingham (*Chair*), Senator McEwen (*Deputy Chair*), Senators Boswell, Ludlam, Troeth and Wortley

Substitute members: Senator Crossin for Senator Wortley

Participating members: Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Mark Bishop, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Lundy, Ian Macdonald, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Sterle, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Birmingham, Crossin, Ian Macdonald, McEwan, Siewert and Troeth

Terms of reference for the inquiry:

To inquire into and report on:

Forestry and mining operations on the Tiwi Islands

- a. an assessment of the environmental, economic and community impacts of existing and proposed forestry and mining operations on the Tiwi Islands including compliance with relevant environmental approvals and conditions;
- b. a review of governance arrangements relating to existing forestry and mining operations on the Tiwi Islands, including the examination of consent and approval processes to date;
- c. in respect to forestry operations, an examination of the adequacy of contractual, commercial and legal arrangements between project proponents and operators and the Tiwi Land Council;
- d. an examination of the economic opportunity costs associated with existing developments including forestry operations;
- e. an examination of the prospects for alternative economic development opportunities and impediments for the Tiwi Islands including sale and promotion of cultural products, community development activities, land and sea management, and opportunities for involvement in future carbon trading and emissions offsets schemes; and
- f. any related matters.

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Committee met at 2.32 pm**HADDEN, Ms Kate, Environment Manager, Tiwi Land Council****HICKS, Mr John Sydney, Staff Member, Environment and Resources, Tiwi Land Council****KALIPPA, Mr Cyril, Manager, Tiwi Land Council****PURUNTATAMERI, Mr Marius, Member, Tiwi Land Council****TIPILOURA, Mr Bernard, Member, Tiwi Land Council****TIPUNGWUTI, Mr Andrew John, Manager, Tiwi Land Council**

CHAIR (Senator Birmingham)—I declare open this public hearing of the Senate Environment, Communications and the Arts References Committee in relation to its inquiry into forestry and mining operations on the Tiwi Islands. I would like to, firstly, thank the Tiwi people for their hospitality today and for welcoming us and hosting us on their country. Secondly, I want to thank Tiwi College for hosting us and allowing us to conduct these public hearings in this location this afternoon. These proceedings will follow the program that was circulated, starting off with hearing from the Tiwi Land Council; however, we will not be rigid in terms of who we are hearing from or who is at the table. If there are additional people who need to be brought forward to give comments along the way, please feel free to invite them forward.

These are public proceedings—and we have Hansard and broadcasting here keeping a record of the proceedings—however, the committee may agree to a request to have evidence heard in camera or confidentially or may determine that certain evidence should be heard on a confidential basis. I remind witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is, therefore, unlawful for anyone to threaten or disadvantage a witness on account of evidence they may give to this committee. Such action may be treated by the Senate as contempt. It is also contempt to give false or misleading evidence to the committee.

If a witness objects to answering a question, the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. If the committee determines to insist on an answer, a witness may request that the answer be given in camera. Such a request, of course, may also be made at any other time.

I welcome Mr John Hicks and members of the Tiwi Land Council. You have provided a written submission to this inquiry, which is submission No. 34. Do you wish to make any alterations or amendments to your submission?

Mr Hicks—No, Mr Chairman. We do have a document from the vice-chancellor of the university which challenges the factual evidence that one of the submitters gave. Are we able to submit that?

CHAIR—Indeed. If you would like to make some opening remarks on behalf of the council, I invite you to do so and then you might wish to table that document as part of those remarks and we can then accept that document as additional evidence to the inquiry.

Mr Hicks—Thank you, Mr Chairman. I am the secretary to the management committee of the Tiwi Land Council. We would like to take this opportunity, as you have seen our forests—and I think our leaders and our land owners are very grateful that you did take that opportunity to come and have a look—to say that what you have seen involves very little government funding where you have been travelling this afternoon. I think, from evidence that we have been hearing and reading about, there is a difficulty in grasping the concept of funding for services that governments supply in Aboriginal communities and the ability to support the creative skills of landowners who live on these lands. There have been comments about Pirntubula. If you look at the land council budget, you will see that it supports the land council to have meetings and provides services to the people. It does not fund things that you have seen today. It does not fund the legal arrangements that go into creating what the landowners seek to create. I think that decades ago the Tiwi leaders determined that the service funds were not what they were seeking as much as the ability to create their own lives upon their own land. Take things like the Tiwi health board. Pirntubula funded that until government thought what a good idea that was and started to fund it. Pirntubula funded the Tiwi education and training board until government thought it was possible to do that—and you will be speaking to the Tiwi education board later. The education board is the same, being a subcommittee of the land council. Government does not fund the initiatives of landowners to attempt to create the things that they believe are important within their society. The Indigenous marine ranger program was an initiative of the Tiwi land owners, with boats and vehicles and other things funded by Pirntubula. Two or three years later, government agreed that that was a very good policy and project

and now assist with its funding. The point I have been attempting to make to you, Mr Chairman, and to your Senate colleagues is that if you are able to encourage, support and facilitate the creative abilities of landowners and their relationships with their own land then that is an outcome that can be achieved. Government does provide enormous funds, much of it to the great embarrassment of many Aboriginal people that I know. Where people have been able to be part of the creation of their own initiatives it has been remarkably successful, in my view.

CHAIR—Thank you. We will proceed firstly to some questions from this side of the table. As I said, others should feel free to give responses to those questions as well along the way. Mr Hicks, did you want to table that letter?

Mr Hicks—Yes, I did. There was a submission from Professor Garnett that we read about. The land council wrote to the university and we received a response from the vice-chancellor. I understand there are 10 copies that are required.

CHAIR—Thank you very much.

Senator SIEWERT—I want to ask a general question first. It came up out of some discussions that we have had over the last couple of days. Could you just clarify how members are elected to the land council. Is the election carried out by the Australian Electoral Commission?

Mr Hicks—The Australian Electoral Commission conducts the elections of our chair. The members of the land council are nominated by the trustees of each of the eight landowning groups. The composition of the Tiwi people is eight recognised groups of landowners. Each of those groups nominates its trustee, who is the person who is regarded as the senior landowner of the group, and that trustee himself nominates four others to join him on the land council. So you have a land council of 40 people basically representing one for each 21 adult landowners that own the Tiwi land.

Senator SIEWERT—What piece of regulation, governance, legislative instrument, is the land council established under in terms of how you decide that it is the senior landowner? Is that by custom or do you have a governance—

Mr Hicks—The regulatory authority is under a section of the land rights act. The minister approves the processes of construction of the land council. This goes back. Mr Kalippa was the foundation chairman of the land council, and it goes back to those years.

Senator SIEWERT—So it is under the land rights act.

Mr Hicks—It is, and the minister has a discretion to approve the process of the composition of the land council. I understand that is the same for all land councils.

Senator SIEWERT—So the senior person then nominates four others from their group, and they make up the council, and then the AEC conducts an election amongst those 40 people to the chair.

Mr Hicks—Yes, and it is an exhaustive ballot structure, where our chair holds the position for three years. The accepted process of election is through exhaustive ballot, where the six nominations are all balloted and the person who comes last drops off the ballot and everyone votes again.

Senator SIEWERT—But it is the 40 on the council that vote?

Mr Hicks—Yes.

Senator SIEWERT—And how often are the members elected?

Mr Hicks—Three years.

Senator SIEWERT—Thank you for that. It came up so I just wanted to check it. You will be aware of and will have seen the submissions that we have received, and I am sure you are aware of some of the issues that came up yesterday. I cannot imagine that you would not be. One of the issues that came up was land valuation. There was discussion around what the land was valued at and how the decision was made to set it at \$1 versus the \$3. Then it has gone up and the rent is now, as I understand it, \$17.50. I understand a land valuation was carried out. Could you just take us through that process, on what basis was that carried out and then how the decision was made?

Mr Hicks—The assessment of leasehold value on Aboriginal land began with the leaders here beside me. It was new and novel. Township leasing, I think, is one of the issues they are dealing with right now. Perhaps when you discuss things with the Mantiyupwi people you might understand how they establish their lease values. We sought the advice of the Australian Valuer-General, who provided a report that set a value of \$3 per

hectare. We would not accept that and we negotiated with the company, which was Sylvatech at the time, and said that the Tiwi landowners were prepared at \$12 a hectare. Nobody ever paid \$3 a hectare. For forestry land since the NT government and the Commonwealth withdrew from their forests—they, by the way, paid no rent—the value has been set at \$12. Then we had a rent review in 2008, which was again by the Australian Valuer-General, and he suggested a figure between \$20 and \$24. I am not quite certain of that figure but it was around \$20 or \$24 per hectare.

Great Southern under our agreements have the opportunity to also get a value and they did. That came in at \$10 a hectare. The argument was that the Australian Valuer-General was valuing it on the basis of infrastructure that did not exist here on the Tiwi Islands—you have driven across some of it today—and was referring to land in the Douglas Daly, which is significantly different. The value from the Great Southern valuers was clearly not acceptable. As you say they were already paying \$17.35 a hectare and our agreement said they could not pay less. We then agreed—when I say ‘we’, the leaders of the land council—at \$20 a hectare. Eighteen of that is paid in cash every three months to the land owning accounts and the other \$2 is set aside in an educational trust fund that Pirntubula matches. It adds up to \$66,000 from Great Southern and \$66,000 from Pirntubula to establish a training and support fund for the participation of landowners in the project.

Senator SIEWERT—It is for education and training?

Mr Hicks—Yes, for education and training. You might discuss it with Tiwi Enterprises, who now have carriage of that participation and integration.

Senator SIEWERT—Tiwi Enterprises, not the training?

Mr Hicks—Tiwi Enterprises is another initiative of the landowners. Again initially funded by Pirntubula and what resources we have, although Pirntubula is now having to sell assets to provide resources particularly to the Tiwi College here. The landowners are very determined that they are able to participate in the contracts that flow from the harvesting of the forest. That commences in 2013. There is work to do between now and then to assist the participation of Tiwi people as contractors in the harvest industry.

Senator SIEWERT—Where does the \$1 per hectare that a number of submissions refer to come from?

Mr Hicks—I can understand you asking that, and it has been said without referral. It was a peppercorn rent that the Australian valuer general suggested. We assumed without checking that it was \$1 a hectare. It was not. It was \$3 a hectare. But it was still a peppercorn rate that was unacceptable.

Senator SIEWERT—So that was never paid?

Mr Hicks—No, \$1 was never paid.

Senator SIEWERT—And \$3 was never paid—or \$12?

Mr Hicks—The \$12 was the commencement rent for forestry on the Tiwi Islands.

Senator SIEWERT—When the AVO did the initial assessment, under what circumstances were they reviewing it to come to the determination it was \$3? Were they assessing it as plantation land or as inalienable Aboriginal land?

Mr Hicks—You are pushing my area of competence. I have read the report. There is a mathematical formula for standard variable rent. I am really not familiar with the mathematical calculation. But we did send it to the Senate, I think, and we would be happy to send it to you if you wanted that.

Senator SIEWERT—That would be useful. So now \$20 per hectare is being paid?

Mr Hicks—Yes.

Senator SIEWERT—It was also put to us yesterday—although it was near the \$18 mark, not including the \$2 that goes to the education fund—that that is significantly less than what landowners in southern Australia get. The argument has been put—and you touched on it too—that there is a lack of infrastructure, but the converse approach, which has also been put, is that it is close to the markets up here and therefore there are swings and roundabouts. What you lose from a lack of infrastructure you gain through other things. Have you looked at that?

Mr Hicks—We would like to think that they gain considerably by doing business on Aboriginal land. I think you may be touching on MISs and so on, and we are aware that Senator Heffernan and others have dilemmas about MISs, but I cannot think of any other investment on Aboriginal land of \$170 million from 2,700 mums and dads around Australia that could ever kick-start an industry like this. As to the infrastructure,

yes, there is a port that needs to get the stuff out, and there is another \$40 million to be spent extending the infrastructure of the port to accommodate 50,000-tonne ships in 2014. The costs are significant. Great Southern tell us that it is 25 per cent more expensive to do business on the Tiwi Islands than in any other part of Australia.

Senator SIEWERT—I can accept that it is more expensive. The point that was put to us is that landowners in southern states, even if you take the 25 per cent into account on the \$20, are getting a lot more for the rent of their land.

Mr Hicks—That is a suggestion easily made—that they enjoy things that we do not. I guess it is a matter of opinion, but you rely on the expertise of the Australian valuer-general's office and other valuers who do value it.

Senator SIEWERT—You offered to send us the additional AVO report. Could you send us the first one and the second one?

Mr Hicks—Yes, indeed.

Senator SIEWERT—I have a question in regard to the land and sea rangers. Should I be asking you about that or Tiwi Enterprises?

Mr Hicks—You should be asking Mr Tipungwuti and Ms Kate Hadden. Mr Tipungwuti is a marine ranger with an international coxswain's rating.

Senator SIEWERT—Mr Hicks, you made a comment that the land council had started the project but now there is federal funding.

Mr Hicks—Yes.

Senator SIEWERT—There is some confusion about whether the money that Great Southern was paying was for land and sea rangers. It has been generally said it is for land and sea rangers. As I understand it, in fact it is not—is that correct? Is it for environmental works? Land and sea rangers are now being paid for by Caring for our Country? Is that correct?

Ms Hadden—I can cover the funding side. The land and sea rangers are funded by a mix of funds with every Indigenous ranger program across Australia. We have funding through the Indigenous Land Corporation. We have some funding, though not very much, through Working on Country. We have some funding through Great Southern. We still have some interim funding through the Natural Heritage Trust or Caring for our Country. There is a whole mix of funding that supports those two programs.

Senator SIEWERT—Are those rangers employed by Tiwi Enterprises?

Ms Hadden—The arrangement was that Great Southern agreed to fund the wages of the rangers, initially, in 2006. With the EPBC offset projects, that condition said that Great Southern or Sylvatech were to pay the land council X amount of dollars towards the ranger program to carry out some offset projects. That went into Tiwi Enterprises because we are always looking for opportunities to self-fund and for opportunities to resource the rangers through their own work.

Senator CROSSIN—How much is that?

Ms Hadden—It is \$450,000 a year for three years.

Senator CROSSIN—Has that already started?

Ms Hadden—Yes, that started in January this year.

Senator SIEWERT—So you get that and the money for the wages?

Ms Hadden—No. That now goes into what is almost a revenue bucket, so we have the option to either spend it on wages or spend it on operational. To maintain continuity, that money is spent on wages because it is quite safe.

Senator SIEWERT—You do not get two packets of money anymore?

Ms Hadden—No.

Senator SIEWERT—The money that was supposed to be used as the offset money has now replaced the wages money that you got from Great Southern for land and sea rangers?

Ms Hadden—Yes.

Senator SIEWERT—How much did you originally get for the wages component from Great Southern?

Ms Hadden—Great Southern paid the wages through their payroll because we had no payroll capacity. Their accounts people will tell you exactly how much, because you have to take into account on-costs, superannuation and time off with pay and without pay.

Senator SIEWERT—We will ask Great Southern.

CHAIR—The Oakton report states that the Great Southern reported that wage payments to these rangers between October 2007 and September 2008 was approximately \$240,000. Does that sound approximately right?

Ms Hadden—Yes, which means that the \$450,000 that we receive now is wages and operational.

Senator SIEWERT—I know we have been through the red Tiwi issue before. But I am wondering how you reported the loss back to the community. I am not going to go over the old evidence, but it has been established that there was a loss for the Tiwi Land Council of \$600,000. It has been said to us that the community did not know anything about it until we discussed it in the Senate at the particular estimates hearing. So I am just wondering how you communicated it back to the community.

Mr Hicks—You will need to ask the managers here, but the evidence was given to us by Great Southern about the losses. They were discussed in land council meetings where 40 members were present. The expectation is—and we have no reason to think that it does not happen—that they take that information back to their respective communities and families. I would be surprised if there were many people who did not know, but let me ask the managers here. Senator Siewert is saying that Tiwi landowners did not know that we had made a loss on the timber. There are a number of meetings—over 100 a year—and there are minutes of people that well understood we had not made any money from timber. The question is: how did the other landowners learn about the loss we made with timber and that we could not make any money with the pine log?

Mr Tipungwuti—From memory, we have discussed this issue. We were advised that the cypress and the Caribbean are not worth anything. I think it is probably one of the reasons why the government many years ago withdrew from growing this and passed it back to the Tiwi people. In our interaction with Great Southern and others their advice to us was to this particular timber needs to be taken to market, it needs to be on their doorstep, within two weeks. If you do not have it cut down, removed and taken to the buyer within two weeks, it is not worth anything. Clearly, it takes two weeks by the time you remove the tree and get it down to the port to freight the timber overseas.

Senator SIEWERT—That is for the cypress and the Caribbean; it is not for the red Tiwi though?

Mr Tipungwuti—No.

Mr Hicks—There are 40,000 tonnes of red Tiwi—and I know Tiwi Enterprises are trying to get some sawmilling going. It is sitting at the port, but it does not deteriorate the way that the pine does.

To answer your question about how the community was informed that this stuff was worthless, I would have relied on the land council members conveying that information. It might have appeared in the *Tiwi Times*. Maybe Norm Buchan from the Tiwi training board could help answer that question. The land council has been very determined to get information out to our people. Sadly, in a society where more than 80 per cent are illiterate it is not easy. Tiwi Enterprises are now developing community broadcasting services, and you can talk to them about that. Certainly with mobile phones and the revolution of communications that Telstra has now facilitated on the Tiwi Islands it is becoming easier to get information out.

Senator CROSSIN—Thanks, everyone, for your time this afternoon. Does the land council meet monthly?

Mr Hicks—The land council is budgeted to meet four times a year. We try to meet five times a year as a full land council. The land council and the trustees meet more often.

Senator CROSSIN—For the *Hansard* record, could you explain to us the difference between a full land council and the land council and trustees. What are you talking about there?

Mr Hicks—I am talking about the budget that the land council is allowed to have. It budgets for four meetings a year, which is around \$10,000 per meeting.

Senator CROSSIN—That is for the eight nominees, is it?

Mr Hicks—That is the whole 40 members of the land council. The leadership group, who are meeting with the Northern Territory government on Monday, for instance, will be the trustees. They are the eight members plus our chairman and our executive. So a total of 15 will meet. The land council as a full land council meets

four or hopefully five times a year if we can manage. The executive has met—and I think we have put it in our submission—an average of 18 times a year over the last decade. And there are many forums other than those.

Senator CROSSIN—Do the meetings move around or are they always held in the one community?

Mr Hicks—They move around significantly. The last three, I think, have been at Nguuu because there have been issues there. The communities are now discussing township leasing and they have preferred to meet at Nguuu, which, as you are aware, has the largest community of residents. But we attempt to stage the meetings in all the communities.

Senator CROSSIN—And they are open, so you can come and sit in as an observer to the meetings?

Mr Puruntatameri—Yes.

Senator CROSSIN—And the minutes of the meetings are made public?

Mr Hicks—The minutes of the meeting are held in the managers' offices of the land council. The minutes are kept and bound and recorded each year.

Senator CROSSIN—Are they public documents for anyone on the island to look at?

Mr Hicks—No. There is a confidentiality clause in the land rights act that allows the landowners to decide. Generally, minutes that are printed out get around the community.

Senator CROSSIN—So if you wanted to know what was happening at a land council meeting or see the minutes you would need to ask one of the trustees.

Mr Hicks—No. You could walk down to Cyril Kalippa's office, Walter's office or the office at Milikapiti—

Senator CROSSIN—And look at them there but not copy them?

Mr Hicks—I do not know that we have had a request to copy them.

Senator CROSSIN—But you could actually ask to see them if you wanted to? If you were a member of the community you could ask to see the minutes?

Mr Hicks—Absolutely, and people do, don't they?

Mr Puruntatameri—That is right.

Senator CROSSIN—There are no women on the land council—that is, no women among the eight trustees and no women among the 40?

Mr Hicks—The issue of women is one that is not part of the traditions of the Tiwi, but in fact in the late eighties we had the death of a very senior elder and a woman was appointed to be his replacement. She did not feel able to take her place. That was nearly 20 years ago. You would need to talk to leaders about the issue of patriarchy and gender within a traditional Aboriginal society. The landownership—

Senator CROSSIN—Or this society, because there are women significantly represented on the Central Land Council and the Northern Land Council, for example.

Mr Hicks—The issues of inheritance are somewhat different. There are matrilineal groups throughout mainland Australia. The Tiwi golden rule is that land is inherited through the male and that the spiritual strength that supports the male is inherited through the female. You have a pattern of tradition that secures the assets of land in the hands of the male.

Senator CROSSIN—So if I am a Tiwi woman and I am married to a Tiwi man and he dies I do not inherit his land? Does that go to his brother, for example?

Mr Puruntatameri—The Tiwi rule is that it is from the father's side. It is a patrilineal descent line.

Senator CROSSIN—So if my husband died I do not get to automatically inherit his land by right.

Mr Puruntatameri—No, you do not.

Senator CROSSIN—Who would it go to?

Mr Puruntatameri—His sons.

Senator CROSSIN—And if there are no sons?

Mr Puruntatameri—The nearest brother. It is a patrilineal descent line—it has always been. The Tiwi ladies have always respected that. The men are the dominant figure in the family. But now we see there is an opportunity—we know there are some changes and we allow women to be involved in some committees. There were opportunities before, as John mentioned, and a lady was a member of the land council. Perhaps she

may have felt uncomfortable because the senior men were there and because the Tiwi culture has always been that the men take those roles. She, by the way, was one of the trustees of the land council.

Senator CROSSIN—I would like to ask about the \$18—and the \$2 that goes to the trust fund. Is the \$18 the amount that is paid to the landholders every three months—those three main groups? Is that correct?

Mr Hicks—Yes.

Senator CROSSIN—Okay. So if I lived at Nguiu I would not necessarily get any money from the forestry project. Is that correct?

Mr Kalippa—No, that is not correct. If you are an owner of this area and if you live at Nguiu, then you are entitled to that.

Senator CROSSIN—I will rephrase my question. What I mean is that we have seen where the money has been split up into three groups. So if I lived and was part of the landowner group of, say, Tikilaru I would not perhaps receive any money from the forestry program?

Mr Kalippa—That is correct.

Senator CROSSIN—So I have to actually own the land and have forestry happening on my land to benefit from that \$18. Is that correct?

Mr Hicks—No that is not correct. The Tikilaru people have a radar station. They are about to have Sterling Resources go down there as well. So it is the landowner benefiting like other landowners in the nation from the resources and activity on their land.

Senator CROSSIN—I see. I guess what I am trying to get at and to clarify for the *Hansard* is that the \$18 per hectare is not spread across all of the Tiwi landowner groups, only those involved with the forestry. Is that correct?

Mr Puruntatameri—That is correct.

Senator CROSSIN—I think it is important to clarify because there have been a few queries about that.

CHAIR—How many Tiwis their living on the island?

Mr Hicks—On our traditional owner register there are 1,980. I may be corrected when you talk to the Mantiyupwi people. I do not know whether our registrar, Jennifer Clancy, is going to speak, but the registers are updated. We have accessed the census that was done in 1928 and Jennifer is inputting that data as part of our database of inheritance, where people have come from and where they belong. There are around 2,000 landowners on the Tiwi Islands; the total population is around 2,350—I think that is the figure I saw in the shire records.

Senator CROSSIN—Mr Hicks, can you then explain this to me: Pirntubula is the business arm of the land council. Is that right?

Mr Hicks—No, it is not.

Senator CROSSIN—How did that come to be established, then?

Mr Hicks—Pirntubula was established at the behest of the of the Northern Territory government in 1986 when they realised that the land council could not engage in commerce and they needed a vehicle to transfer the assets of pine trees to a Tiwi entity. The distinction between the land council, which is a statutory authority established for the benefit of the land owners, and Pirntubula, which is a trustee company established for the benefit of the landowner's commercial interests, goes back to 1986. It is not a creature of the land council. The land council has no shares in it. It is wholly owned and structured by the landowners. Yes, the land council does provide suggestions of things to invest in, like the health board, the training board, the marine ranger program, ceremony, culture and some books that the leaders would like to give you before you leave. But all those things are part of their initiative, and the land council has neither the resources nor the legal capacity to be involved in those.

Senator CROSSIN—But there are directors of Pirntubula that are not landholders; in fact they live on the mainland and they are non-Indigenous. Is that right?

Mr Hicks—There are no shareholders. There are two directors, yes.

Senator CROSSIN—And you are the secretary of that company?

Mr Hicks—Yes, I am.

CHAIR—How many directors are there in total?

Mr Hicks—There are now five. In the last week there have been three resignations. The five directors are: Mr Tipungwuti; Mr Kalippa, our chairman; Mathew Wanaemirri; Craig Phillips, of late Great Southern; and Ian Sylvester, who used to be the CEO of Perkins Shipping. Pirntubula has bargaining interests. He is a chartered accountant also.

CHAIR—Why did three directors resign last week?

Mr Hicks—We accepted their resignations. Bruce Maluish was one of the directors associated with Matilda Minerals, which disappeared. Tony Rokov was an accountant with Great Southern and Bill Headley was a past employee of Great Southern.

Senator CROSSIN—How does Pirntubula get its money to exist, essentially?

Mr Hicks—Now it gets it from having to sell assets. The demands on Pirntubula through the years have been significant. It currently has an income of around \$360,000 a year. \$300,000 of that is rent from the port and the Tiwi commitment to the Tiwi College is \$300,000 a year for the support of the Tiwi education board. The other \$60,000 comes from a number of bits and pieces. There is a stumpage rate. Although the pine is no good, Great Southern in the past year were interested in using areas of that land and the landowners were interested in getting a lease payment for the land so they paid a stumpage rate on the tree. It is now a difficult time for Pirntubula. Its ability to provide resources for people in hospital in Adelaide and trips for the Tiwi Bombers is quite constrained with that income.

Senator CROSSIN—The directors do not have shares in the company, but do they get a sitting fee?

Mr Hicks—They do not get a sitting fee. The three Tiwi directors are paid \$10,000 a year each. Looking back through the last audit I do not think each has had \$10,000 for a number of years, but that is their entitlement.

Senator CROSSIN—And the other two?

Mr Hicks—They are not paid.

Senator CROSSIN—I notice Pirntubula is not mentioned in the Tiwi Land Council annual report. Is that because there is no official link to the land council? You do not have to report about it under your statutory obligations?

Mr Hicks—It is not a creature of the land council. We did report it in about 1986-87. If you look back through those annual reports, you will see comment there about Pirntubula and its involvement, particularly with Melville Forest. In fact, Minister Scrymgour was employed as a manager by Pirntubula on the Tiwi forests. There is some comment about that. It just was not a function of the land council and, for the reasons you say, it is no longer reported on.

Senator CROSSIN—Where would I go if I wanted to look at its commercial record—its income, assets and liabilities? Would I need to look through the Corporations Act? Is it registered as a corporation under ORAC or is it a NT association?

Mr Hicks—It is a proprietary limited company.

Senator CROSSIN—Do you have annual reports and annual returns?

Mr Hicks—Yes, there is an annual audit done. I am happy to advise you that it has assets of around \$6 million, which includes a share in Tiwi Barge Services, a range of boats, a port—

Senator CROSSIN—The port being?

Mr Hicks—Port Melville.

Senator CROSSIN—Even though that was built with ABA money, that asset was then transferred to Pirntubula, was it?

Mr Hicks—No, Pirntubula got the money to build it.

Senator CROSSIN—From ABA?

Mr Hicks—Yes, and from Great Southern. ABA contributed \$4 million and Great Southern about \$1 million. The port infrastructure is valued at over \$20 million.

Senator CROSSIN—And it is now owned by Pirntubula.

Mr Hicks—It is owned by the company Port Melville, which is part of the same trust as Pirntubula. Pirntubula has two arms: Port Melville Pirntubula and the Tiwi Islands Community Trust, which is the link to the owners of the land.

Senator McEWEN—Is the port one of the assets you are having to sell?

Mr Hicks—We have had to sell Tiwi Tours to raise \$200,000 for a contribution to the college. The Mantiyupwi landowners, who now own Nguiu or Wurrimiyanga, purchased it. They receive an income of \$80,000 a year and have plans to develop its other infrastructure. That is the asset base and the income is around \$360,000 a year.

Senator CROSSIN—Mr Hicks, just to get this right, ‘struggling’ is probably too strong a word, so it is now difficult to find that \$300,000 a year as the contribution to the college? Is that what you are telling us?

Mr Hicks—Well—

Senator CROSSIN—So you have got to sell—

Mr Hicks—I have only had 24 hours to respond to that question.

Senator CROSSIN—So you have got to sell your Indigenous Tiwi Tours hub in order to do that?

Mr Hicks—We sold it to the landowners upon whose land it is situated.

Senator CROSSIN—I see.

Mr Hicks—The other assets we have are some we purchased from Marine Harvest—some boats and barges and sea cages.

Senator CROSSIN—So who owns Tiwi Tours now?

Mr Hicks—Tiwi tours is owned by the Mantiyupwi people.

Senator CROSSIN—I see.

CHAIR—Does the port bring in any income at present?

Mr Hicks—They are obliged under the lease agreements to pay. In fact, it is around, after GST is taken off, about \$260,000 per annum for the rent. That rent is reviewable in a few years. I think we are a secured creditor but we would have to seek advice.

CHAIR—‘They’ being Great Southern?

Mr Hicks—Yes.

CHAIR—Which of the landowner groups is the largest?

Mr Hicks—The Wuranguwu people are numerically the largest on Bathurst Island. The township community is Ranku. They are the largest numerical group.

Senator IAN MACDONALD—First of all, I congratulate you all on the work you do here, which seems to be very good. I am delighted we have had the opportunity to talk to you because a lot of rumours go around, most of which seem to be not factual. Can I clarify for my own mind this. The money from the forestry goes to the people whose land the forest is on. I think you said that. Is that right?

Mr Hicks—Yes.

CHAIR—To create an analogy, if my wife and I and our children bought some forestry land in Queensland, where I live, and then we made an income from the trees, my family and I would get the money, not my neighbour who did not grow any trees. So it is the same sort of thing, is it? Is that the way it works?

Mr Puruntatameri—Yes.

Senator IAN MACDONALD—Were you spoken to by these people from Oakton, who did an assessment for the Department of Families, Housing, Community Services and Indigenous Affairs?

Mr Hicks—Yes. They spent a week or maybe longer in the land council office. They visited the land use fund accountancy firm. We had them for over a week.

Senator IAN MACDONALD—Going through all of your books?

Mr Hicks—Yes, they went through all the records. Great Southern saw them as well. The land use fund accountants saw them.

Senator IAN MACDONALD—Were they on the island for some time?

Mr Hicks—No. This was done in Darwin, where the records are kept.

Senator IAN MACDONALD—But did they come to the island to have a look around? Perhaps I should ask Great Southern rather than you.

Mr Hicks—I think they did.

Senator IAN MACDONALD—They do say they travelled to the Tiwi Islands. I am pleased to hear they did, because it was suggested to us yesterday that they were not a very professional group.

Senator CROSSIN—Sorry, but we will repeat what was said over there for the *Hansard* if that is going to make it easier.

Senator IAN MACDONALD—Sorry?

CHAIR—We have just received advice from those in the audience that they spent two days on the island.

Senator IAN MACDONALD—I am pleased to hear that. Quite clearly, if they spent a week or more going through your books it was a pretty thorough investigation—and from your point of view too, I guess.

Mr Hicks—Yes, they were certainly thorough. There was a lot of information. They spoke to our lawyers, Middleton's, in Melbourne and throughout January—this goes to the issue that Senator Siewert raised about valuation—all the valuations were submitted to them. As to the processes, they had access to all our minutes over 30 years.

Senator IAN MACDONALD—And in all of your dealings with Great Southern or their predecessors you were advised by Middletons. Is that correct?

Mr Hicks—Yes. Our landowners sought the advice of a reputable forestry legal firm. Middletons had lawyers; at that time they were a different company. They were called Coltmans or Price Brent. But Mr Sebastian Green, who does a lot of our work, lectured on forestry agreements and also assisted the Victorian government, I understand, in their agreements for forestry. The foundation suite of documents that underline our relationship with Great Southern were founded in those discussions. He visits here regularly.

Senator IAN MACDONALD—Can I ask some of the Indigenous elders, or leaders, what is the underlying purpose of your involvement with forestry on Tiwi Island? Why are you bothering? Why are you involved in it?

Mr A Tipungwuti—The Tiwis have got a long past in forestry which goes back to the mission days, I understand, or back further into making canoes—cutting down trees and using canoes as a means of transport to get about and hunt. Then government came in and thought, 'This land over here,' without the red tape of the environment centre, they came in and said, 'We should run a forestry industry over here and create jobs and employment.' Halfway through it they said, 'Well, we need to get out of this because it is costing us a lot of money.' So they palmed it back off to the Tiwis and we have sourced joint venture partnerships. Sadly, our joint venture partner was extracting and not putting anything in, so we decided that it is best that we do not have any ties with him. We moved on and ventured ourselves, creating a good friendship and partnership with Sylvatech and on to Great Southern. It has been a huge source of income for the Tiwis. There are a lot of people benefiting from the use of their land through forestry. I could say that if we did not have forestry on the island I do not know where we would be today.

Mr Puruntatameri—If I might add, the fundamental thing of having developments on our land is to do away with handouts from the government, to create employment for our people. That is the key issue of creating business on our land, which is important to us because we cannot rely on the government to give us handout money all the time. We saw an opportunity to take this initiative to create business on the island in partnership, as Andrew and John mentioned, to do away with the handouts from the government, which is critical and an important step towards changing the mentality of our people into getting into jobs. We are getting there slowly, which is important.

Senator IAN MACDONALD—Good on you.

Mr B Tipiloura—I will be turning 70 this year, and I was a foundation member of the Tiwi Land Council. One of the things I want to add to what my colleagues have said is that we want a plantation on Melville Island so that whoever comes in as our partner will maintain our roads so that Tiwis can go and have a look at their country, because the government people will not build better roads for us but investors will, with the partners that we have achieved. That is one of the things people understand when we explain to them, 'You know, if we

have a partner, they will make better roads for us to see the country and to take our children so we are able to continue to teach the children.'

Senator IAN MACDONALD—Thank you.

CHAIR—I asked a question before about which was the largest landowner group, and you said the Wurankuwu?

Mr Hicks—Yes, that is numerically the largest.

CHAIR—And there is no forestry in that landowner area, is there? No? Would it be possible for us to receive a breakdown of the number of landowners for each of the landowner groups, please—not now, but if you could provide it?

Mr Hicks—Yes.

CHAIR—That would be useful, thank you.

Senator SIEWERT—Can I ask a follow-up question to that. As I understand it, the groups with forestry on their lands get the payments of \$18 per hectare. Is that right?

Mr Hicks—Yes.

Senator SIEWERT—Presumably, that is per hectare that they own?

Mr Hicks—Yes.

Senator SIEWERT—And is my understanding correct that that then gets disbursed to all the members of that particular group?

Mr Hicks—It goes into the landowning fund for that group. It is perhaps interesting that over the last three years the distribution was to the group, and the group would itself, through its five fund managers, distribute to those purposes that the group determined were to be funded. In the last three years, that has changed. Now, although the money goes to the group, it is distributed to 67 families within those groups. So the families are now asserting their family identity rather than relying on their membership of the group itself to gain an entitlement.

Senator SIEWERT—So, within the groups that have forestry, there are 67 family groups. Is that right?

Mr Hicks—More or less—is that right?

Mr Kalippa—Yes, that is right.

Senator McEWEN—Before, you said that there were 1,980 registered Tiwi landowners. So how many of those individuals would receive the \$18 per hectare paid quarterly? Do you have those statistics?

Mr Hicks—Those figures would be available. You asked, Senator, to get the breakdown of the group membership. I think Tiwi Resources made a submission, but maybe you are not calling evidence from them. They have all those figures, and I am sure we could make them available to you.

Mr Kalippa—There are two islands here. One is Bathurst, and there is no forestry there at all.

CHAIR—Indeed. But there is a landowner group that overlaps there, I see, that would have some forestry.

Mr Hicks—That is the Mantiyupwi people, who I think you are speaking to next.

Mr Kalippa—That is right.

CHAIR—So, even though many of the Mantiyupwi people may live on Bathurst, they would still receive payments associated with the forestry on Melville?

Mr Hicks—Absolutely. The majority of the population, two-thirds of Tiwis, live at Ngiuu—or Wurrimiyanga.

CHAIR—Is it fair to say that most of the opposition to the forestry comes from people within those landowner groups who do not have any forestry and therefore do not have any revenue from it?

Mr Puruntatameri—The majority of people, as you have already heard this morning, had an earlier meeting at Maxwell Creek. There has been a process of consultation with the people. People know. And it is not a majority of people; it is only a minority of our people who sometimes do not, perhaps, attend meetings and the information does not really go out to those minority people. There are not a great deal of people who do not know about the information.

CHAIR—Let me try to put the question a slightly different way. I am not trying to argue whether there is a majority or a minority of people who oppose the forestry, but do those who do oppose the forestry come, in particular, from any one or group of landowner groups?

Mr Hicks—The first question might be: does every Tiwi Islander oppose the forestry?

Mr Kalippa—You could count on your fingers those people who are opposed to the forestry. There would not be very many people who oppose the forestry on the Tiwi Islands.

Mr Puruntatameri—Also—I will be straightforward—we have non-Tiwi people living on the islands, who perhaps have an influence on our Tiwi people.

Senator CROSSIN—It probably cuts both ways, I think.

Mr Puruntatameri—No, it does not, because—

Senator CROSSIN—I am sure it does.

Mr Puruntatameri—No, I am sure that if you go through the submission and the land council records, you will see there have been a number of consultations that have occurred between Great Southern and the Tiwi people. There is no way that you can say there is no record of people knowing what has been happening on the islands. People are quite aware. The only impediment, I feel, is the influence that our non-Tiwi employees have on our Tiwi people.

Senator CROSSIN—Can I ask a follow-up question?

CHAIR—I thought you might.

Senator CROSSIN—No, not about this, because we have met with a significant number of people who want their evidence to us kept confidential and we cannot raise issues with you that they raised with us. I want to go back to something Mr Hicks said. You said that Tiwi Enterprises may well have a number of people who have had the payment?

Mr Hicks—Tiwi Resources.

Senator SIEWERT—Tiwi Resources, which is different to Tiwi Enterprises.

Mr Hicks—Yes.

Senator CROSSIN—Okay. So what is Tiwi Resources? Is that another arm of something, another business that sits in there somewhere?

Mr Hicks—Can I perhaps express the Tiwi's determination to develop their lives and make their decisions for those benefits upon their land. There are organisational Aborigines who have created belonging to organisations as a replacement for the heuristic of land and relationship. Where you have those two coming together you have the vibrant opportunity for people to develop, contribute and participate and to be free to secure their own lives upon their land. Where you do not have that—where you have an organisational structure for a purpose that is related to mental health, local government or whatever other creature, which does not rely upon that land and relationship heuristic—then you have great difficulty in achieving anything of substance, because it cannot be related to the strength of the people themselves, and I think that has happened a lot.

Senator CROSSIN—But, Mr Hicks, all I wanted to know was something much simpler than that, and that is that Tiwi Enterprises obviously is an employing arm—they employ the sea rangers by the looks of things. Is Tiwi Resources the organisation or the company that actually gets the payments from the forestry and distributes it?

Mr Hicks—Senator, like your life and the life of most Australians, the future of the Tiwi people is not their relationship with organisations like the land council even or other organisations; it is their relationship with professional, skilled and competent business people. That is the structure that Australian society, that the Tiwi's want to be part of, is founded upon. These organisations—Tiwi Resources, Tiwi Enterprises, Pirntubula, Port Melville, whatever else. Government provides amazingly significant funds and resources to provide services and encouragement. Our minister has accepted the township leasing proposition: that in the hands of the landowners themselves, who are part of the participation and process, it will work.

Senator CROSSIN—I do not yet have an answer to my question. Is Tiwi Resources, then, a publicly listed company?

Mr Hicks—No, it is a private company.

Senator CROSSIN—What is its main business? What does it do?

Mr Hicks—The main business of Tiwi Resources is to receive funds from activity on Tiwi land and distribute those funds in a transparent and accountable way to the landowners, whose land those funds are related to.

Senator CROSSIN—Who are the directors of the company?

Mr Hicks—They did give evidence. I honestly do not know.

Senator CROSSIN—I am not sure that their directors are listed in their evidence. We would need to go and find that through the publicly listed company resources, which we will do.

Mr Hicks—Yes, you could find it, I am sure.

Senator TROETH—We are seeing Mantiyupwi Pty Ltd next. Could you outline the relationship between the land council and that organisation? That is a separate clan group, I take it?

Mr Hicks—The Mantiyupwi people are one of the eight landowning groups. They are the landowners of the Nguiu township. They have entered into an agreement with the Commonwealth government for 400 hectares of their land that does not grow trees but grows a township. They are the planning and development authority, through their own organisation, the Mantiyupwi Association, of the development that occurs at Nguiu.

Senator TROETH—On that 400 hectares?

Mr Hicks—On that 400 hectares. They also own blocks of forestry. They own the land upon which we are sitting here. Their investments, through the initiative of township leasing, are involving them in planning. You will discuss that with them.

Senator TROETH—Does the land council appoint members to their board or is there a crossover in membership between the land council membership of 40 and the broad structure that presumably Mantiyupwi has?

Mr Hicks—No, there is no relationship. The individuals are there, because in a community of 2,000 people you have got a small leadership group.

Senator TROETH—You do have that, that is true. I also wanted to know how mining or timber products would be exported from the island while the wharf is in its present condition.

Mr Hicks—There is no timber being exported, and none is predicted to be exported until 2013-14, which gives us four or five years. There are no exports from the port. We understand that Stirling Resources may use it for offloading zircon mineral sand.

Senator TROETH—It is transported by boats that I gather have a very shallow draught.

Mr Hicks—They barge it out, yes.

Senator TROETH—Stirling Resources are the group that bought out Matilda Minerals—is that correct?

Mr Hicks—Yes, they are, and we understand that Olympia, a company in South Australia, has now purchased the zircon arm of Stirling Resources.

Senator TROETH—Does the land council have any interaction with Stirling Resources or its subsidiaries?

Mr Hicks—No. Our first interaction is to occur on Monday, we understand, when their directors come up, but we have not had any interaction other than through Ferrier Hodgson, the administrators of Matilda.

Senator TROETH—Very good. Thank you.

CHAIR—Thank you very much, Mr Hicks and other witnesses, for your time and your evidence today. It has been most helpful for us.

[3.55 pm]

FARMER, Mr Gibson James, Director, Mantiyupwi Pty Ltd

KERINAIUA, Mr Walter Benedict, Senior Elder, Mantiyupwi Pty Ltd

KERINAIUA, Mr Walter Jr, Member, Mantiyupwi Pty Ltd

ULLUNGURA, Mr Brian, Member, Mantiyupwi Pty Ltd

CHAIR—Welcome. We appreciate you coming along to speak to us today on behalf of Mantiyupwi Pty Ltd. The committee has received a submission from your organisation, listed as submission No. 6. Do you wish to make any alterations or amendments to that submission?

Mr Ullungura—No.

CHAIR—Would you or any of the other members like to make a brief opening statement or comments?

Mr Ullungura—The gist of the submission that these guys put in is really about the frustration they feel about always having to fight to use a very small area, less than five per cent, of their land for economic development—in this case, it is forestry. The potential for jobs is enormous. A harvest is going to happen; someone is going to have to harvest this stuff when it is ready. I know there has been talk about art and tourism and stuff, but you are never going to employ potentially hundreds of people directly, or there is the forestry camp that you guys were at today. People have to be fed and watered, there is a hospitality industry there and the roads have to be done. There is a lot of short-term stuff, when they do the harvest and get rid of the chipping, but then they have to replant it. The potential for employment is huge.

The lease money is not great, and Tiwi people always would like more, but it is a catch 22. Would you ever have got an investor onto the island if you were going to charge them 350 bucks a hectare? You just never would get anyone in. We have got a good investor in—though, all right, they are struggling now—but, at the end of the day, they have got 30,000 hectares planted, and Mantiyupwi have got about 5,000 of that. It is cleared land. If it is not used for forestry you could grow tomatoes, whatever, because it is good agricultural land with good water. But the real benefit is in jobs.

The other thing that these guys have been saying is that this is their land here, this college. If it was not for forestry, we would not be sitting here now, we would be sitting out in the long grass. It is not the \$10 million or \$15 million that the federal government put in, but the initial stages of the feasibility study and all of that was all paid through forestry. Education was recognised on the islands and especially at Wurrimiyanga, this mob's country, as just a disaster, an absolute basket case. I am a teacher by trade, part of the system that was teaching at Nguuu, and we have been pumping out illiterate kids, 90 per cent plus—literally, kids who cannot spell 'cat'—for 20 years.

These guys are trying to build a future with five per cent of their land. They recognise, as well as anyone, that they want to look after their endangered species, but there is 95 per cent of the land that is free for the dunnarts to go roaming and all that sort of stuff. These guys have been saying for years that the answer to solving Indigenous disadvantage is jobs, jobs, jobs. You get self-esteem; you get money; you get a fridge full of food to feed your kids. To go out bush, to go hunting—that is all good; you leave it all alone. But you need jobs to be able to buy your car to be able to get out bush to go to your country.

The frustration that these guys keep telling me about is that they are always under pressure, and this Senate inquiry is just another incoming bomb attack. What they are actually asking for is a hand, for government and others to actually help them get jobs and give the kids a future. That is my opening statement.

CHAIR—Thank you. If no-one else wants to add anything, we will go to questions.

Senator CROSSIN—I have a question that has been on my mind for a long time. It is probably unrelated to this inquiry, but this is a good chance to ask it. What was the deciding factor in putting the college here and not over at Nguuu?

Mr WB Kerinaiua—The students should stay here and get away from the distraction—of other kids fighting, of mothers, of parents.

CHAIR—So this is a residential college here?

Mr Farmer—Yes.

Mr WB Kerinaiua—The kids stay here.

Senator CROSSIN—They go back on the weekends to Nguiu?

Mr Farmer—Yes.

Mr Clancy—That is not what they want. Ideally they want the kids to come here and stay for a few weeks in a row and go back, but this school has been going for 18 months. That will happen. You talk about Senate bombs, but we get other bombs, from people saying the college is struggling or whatever. The fact is it has been going for 18 months. Catholic education has been at Nguiu for a hundred years. The NT government has been out here for 60 years. What we are saying is people need to take a deep breath and come and have a look at what is happening in five years when we develop that culture and the leadership. As Walter said, when they did that feasibility study it was sort of saying, ‘Maybe you could build somewhere near Nguiu,’ but these guys said, ‘We’ve just got to get these kids out.’ Back then especially, it was struggling. It is still struggling now, and you have just got to get the kids out. They need a good night’s sleep and a good feed, and this is God’s own country, this place.

Senator CROSSIN—Given that Nguiu is the capital city, I guess, of the Tiwi Islands—maybe nobody has coined that term before—

Senator TROETH—I saw a sign today. That is what it said.

Senator CROSSIN—Have you given any thought to looking at the future for Nguiu and your land area in terms of a tourist resort, a fishing resort, a la the Anindilyakwa Dugong Beach Resort over on Groote Eylandt? I know you have got 5,000 hectares, but it is perhaps not a lot compared to some of the other landowners that are getting payment from the forestry. Is the next stage to look at a tourist resort, a weekend fishing charter business or something? What is your thinking for the future?

Mr WB Kerinaiua—We are going to build a big motel.

Senator CROSSIN—Are there plans for that to occur?

Mr WB Kerinaiua—Yes.

Mr Clancy—With the lease, these guys got some money upfront and they bought Tiwi Tours off Pirntubula.

Senator CROSSIN—I have got my head around that now, I think.

Mr Clancy—That is only the tip of the iceberg. It is just what you said. Nguiu needs a motel. If you guys were going to stay and had to do two days in Nguiu, you would literally come in and fly back out and then come again in the morning because there is nowhere to stay. We are working with IBA at the moment for that. They are doing up the feasibility study.

Senator CROSSIN—Are you going to talk to Foxy Robinson again?

Mr Clancy—We have got a meeting with Foxy Robinson on the 25th, I think, or the 27th.

Mr WB Kerinaiua—And we’re building a shop, a supermarket.

Senator CROSSIN—Maybe more of that story has to get out. Our job is we can get that story out for you and let people know about that sort of stuff as well. I have certainly been trying to promote the Tiwi Bombers and the success of the oval and what that has meant for the community. It is the same old problem isn’t it? Not enough good stories get out there. All of the negative stuff seems to get out there all the time.

Mr WB Kerinaiua—There is a coffee shop being built for this one bloke.

Mr Farmer—Like Walter said, we’re getting a coffee shop and a hairdressing salon.

Senator CROSSIN—So there are plans to have industries here other than just the forestry.

Mr WB Kerinaiua—Yes.

Senator CROSSIN—That certainly needs to get out and get told, I think.

Mr Farmer—There is one other thing. I was at Wurrimiyanga last week. There have been a lot of people trying to buy their own houses. People I was talking to want to buy their own house. I was talking to one of the ladies from Darwin, from IBA. They want to purchase their own house.

Senator CROSSIN—So you are saying there are plenty of people who might live in Darwin who would like a weekend shack over here?

Mr Farmer—No, people who want to live out here. Local people want to buy their own houses.

Senator CROSSIN—So you have not opened up your land to the rest of us yet?

Mr Clancy—They cannot do it. It is in the lease. A maximum of 15 per cent can be non-Tiwi residents. But there are 30 applicants in with IBA to either buy their own house—the house that they are living in today—or to build, and there are two houses literally being built as we speak that are under that homeownership.

Mr Farmer—There are a lot of messages going out on Tiwi Islands. When we were meeting, we would go and report back to our people so they get the message that we discuss in Darwin or wherever. We take it back to our people.

Mr WB Kerinaiua—Those houses are not built for us. They are built for everybody.

Senator CROSSIN—You are working with Territory Alliance in the building of the houses. Is that right?

Mr WB Kerinaiua—Yes.

Senator IAN MACDONALD—Can I congratulate you again on what you are doing. You are saying that this committee is another burden you have to wear. One of the reasons we are here is that people in the south have been making accusations, so it is interesting to talk to you, because we can go and tell the real story, not what some people in the south are saying is happening. So I hope we are not an imposition. I hope we can help get the message out.

I think we were told before that there are 67 family groups that share in the forestry money. How many family groups in your clan groups?

Mr Ullungura—Seven.

Senator IAN MACDONALD—And what do you call an average family? Is it a very much extended family—grandma, grandpa, five or six children and their families of five or six children? How many people would be in what you are talking about as a family, just approximately, on average?

Mr WB Kerinaiua—Lots.

Mr Farmer—I can speak on behalf of my group. I am in charge of my group. As soon as the money comes into a bank account, we distribute it. Walter looks after his group, Brian looks after his group and I look after my group.

Senator IAN MACDONALD—How many? Are there are 100 in your group?

Mr Farmer—No, we are a small group, but when the money comes down we distribute it to everyone. Everyone gets their own.

Mr W Kerinaiua—They still go by a group of surnames.

Mr Clancy—There are probably seven—or whatever it is surnames—in Mantiyupwi. In Mantiyupwi there are probably about 320 traditional owners. So there are, say, seven or eight families, and some of those families—like Kerinaiua—are all over the place. They are everywhere. Some of those families have split in terms of the Tiwi resources. So there could be three groups or four groups, I think it might be, of Kerinaiua families. Tiwi Resources is effectively an accounting firm. It has nothing to do with who manages. The funds come in and, say in Gibbo's case, if his son wants to access some of that money there is a form. You would need to talk to them, but there is a form and they have to write down what they want, what they are going to do with that \$200 or whatever it is, and then three people who are nominated from that small family group need to sign off on it. Then it is put in the system. Tiwi Resources is effectively a private bookkeeping firm.

Senator McEWEN—This morning we heard about \$100 vouchers being given out. What is that about? Is that from Tiwi Resources?

Mr Clancy—That is their land use funds. A lot of people go in and get a voucher for food. It could be food.

Senator McEWEN—So they would sign the form and say, 'I want a food voucher.'

Mr Farmer—Yes.

Mr Clancy—It does not matter how much it is for. For audit purposes, it has to be filled in. A lot of people have bought washing machines—through purchase orders is easy. You cannot do cash.

Senator IAN MACDONALD—You have the 400 hectares around the township of Nguui. How do you make money out of that? Is it an income-earning thing?

Mr Farmer—No.

Mr Clancy—The 400 hectares is leased to the federal government for 99 years, and there is the Office of Executive Director of Township Leasing, which is a statutory body that has been set up which hands out

subleases. Centrelink and the Tiwi Land Council need to get subleases. Mantiyupwi, even though they own the land, have had to get subleases for the shop and the motel. They get subleases for all of those things.

Senator IAN MACDONALD—And if you wanted your own house, you would have to get a sublease?

Mr Clancy—Yes. You need to get a sublease.

Senator IAN MACDONALD—Do Mantiyupwi get a lease payment from the Commonwealth government for the 99-year lease?

Mr Clancy—The way it worked was that they got \$5 million for the first 15 years and then after year 16 they will get whatever lease money is generated through Centrelink and everyone else who pays lease money. They will get that less administration costs.

Senator IAN MACDONALD—I see. So the sublease rental goes to your group—

Mr Farmer—Yes.

Senator IAN MACDONALD—with a little bit less—

Mr Clancy—Yes.

Senator IAN MACDONALD—That is all I have to ask. Good work, and good driving too.

CHAIR—Thank you, Gibson, for your transportation.

Senator CROSSIN—Can I just clarify something? The kids who come to this college can come from anywhere on the island. Is that right?

Mr Farmer—Yes.

Mr WB Kerinaiua—Yes.

Mr Ullungura—Yes.

Mr WB Kerinaiua—Anybody can. It is paid for with the money the government gave us to build this place and from the lease money. We built it for that.

Mr Ullungura—As to the question about kids coming here, what Brian said is good. There are too many distractions in the community that we want to get them away from. At the community there are clubs. Kids cannot sleep.

Senator CROSSIN—Yes, I understand.

Mr Ullungura—And it is better if they are able to stay on the island rather than hanging around in the community where there are drugs. That is the reason why we have them here. They get good sleep and have good food and are ready for school and it is isolated from the community.

Senator CROSSIN—To get across to the other island, there is a barge that takes you across, yes?

Mr Farmer—Yes, a car ferry.

Senator CROSSIN—Is that owned by a particular—

Mr WB Kerinaiua—It is run by the shire.

Senator CROSSIN—The shire run it, do they?

Mr Farmer—Yes.

Mr Clancy—But, since we have two enterprises, they are looking at developing a whole-of-island transport system. When the harbour system stuff starts, those won't do any good.

Senator CROSSIN—Does the shire charge?

Mr Clancy—It costs \$50 each way.

Senator CROSSIN—Does it take your car?

Mr Clancy—It does not cost anything if you just want a lift over.

Senator CROSSIN—You need a bridge.

Mr Clancy—We've got plenty of sand! Have you got any money?

Mr WB Kerinaiua—We have been thinking about a bridge for a long time.

Mr Farmer—It's in the pipeline!

Senator SIEWERT—A lot of the questions I wanted to ask have already been asked, but we have been told that once you get to harvest time you get two per cent of the harvest profits. When you say that the project will provide between \$30 million and \$40 million, is that based on that two per cent of what is on your land?

Mr Clancy—On the total where all the trees are. Oh, sorry, they will get two—good question.

Senator SIEWERT—I might put it on notice. If the money is then divided out between the different groups, is that money for everybody or for you Mantiyupwi and your families in particular?

Mr Clancy—Good question. Everyone.

Senator SIEWERT—Everyone who has forestry on their land?

Mr Clancy—Yes, the 67 families.

Senator SIEWERT—The 67 families. So it is between \$30 million and \$40 million for the 67 families?

CHAIR—The 67 families represent the entire island population. That is what everyone here is saying. Cyril, would you like to come back to the table?

[4.14 pm]

KALIPPA, Mr Cyril, Manager, Tiwi Land Council

Mr Kalippa—Once the harvest is done and the proceeds come out of that, it goes to all the Tiwis on both islands.

Senator SIEWERT—To all the groups?

Mr Kalippa—Yes, to all the Tiwis.

Senator SIEWERT—Even if they don't have forestry?

Mr Kalippa—We do not have forestry. That is—

Senator SIEWERT—That is not what we have been told. My understanding—

Ms Hadden—That is for the rentals.

Mr Clancy—Maybe that would be worth a question on notice. We would be happy to do that.

Senator SIEWERT—Yes, because otherwise that is not being very clear at all.

Mr Kalippa—The proceeds from the harvest, or the profit, goes to all Tiwis on both islands.

Senator SIEWERT—How would that happen? Would that go through Tiwi Resources? As I understand it, at the moment the rent money comes into Tiwi Resources and that gets disbursed to the families who own the land. But there have been no profits so when the profits come in they will go to Tiwi Resources and then go to everybody?

Mr Kalippa—Well, that is three years away. We have not discussed that. We have not really discussed what is going to happen and where the proceeds will go to. That is another three years away.

Mr Clancy—Maybe we can put that one on notice.

Mr Kalippa—There has not been any discussion on it and where the profits will go.

Senator CROSSIN—If Pirntubula happened to buy out Great Southern's share of this operation, then your return would be even greater because essentially you would be the only shareholders. Wouldn't that be so?

Mr Clancy—I know things are a bit scary but there is some real potential in this stuff that is happening so maybe—who knows?

Senator McEWEN—Can I clarify this with Cyril. You said it has not been decided yet what is going to happen to the profits when they come but you also said that the profits will go to everybody. So has it been decided that the profits will go to everybody? So what has not been decided is the company or the mechanics of how they are going to be distributed?

Mr Kalippa—It is what I said just a while ago. It has not been discussed about profits from that. I know it is two per cent. But the rental, whatever it is now, is—

Senator McEWEN—Yes, I know the rental. But in terms of the profits is there already a decision—

Mr Kalippa—No decision has been made.

Senator McEWEN—about whether everybody gets it or not?

Mr Kalippa—Everybody will get it.

Senator McEWEN—So that decision has been made.

Mr Kalippa—As far as I know, that is the decision. It is for every person on the Tiwi Islands.

Senator SIEWERT—This may be a question that we have to put on notice for the land council. Can you show us the documentation? I certainly did not pick it up, from what I have read, that that is what is going to happen. I understood, from what we have been talking about and from the submissions, that it goes to the family groups.

CHAIR—The Oakton report does seem to suggest that there is a level of uncertainty here. It says that as of December 2008 there was no agreed procedure for the distribution of net harvest proceeds or the management entitlement. In fact, it goes on to further say that the council would like the federal minister to define the terms in the act as to what 'benefit to the Tiwi people' means as to how that benefit is actually distributed. That may

be an issue on which we can prepare some extra questions on notice to put to the council and to put to the department as well.

Mr Clancy—I think their one recommendation was for us to do that.

CHAIR—It is better to resolve it now some time before the money starts flowing. Colleagues, are there any further questions for these witnesses? There being none, we thank all the witnesses very much.

[4.22 pm]

BUSH, Mr Andrew, Tiwi Enterprises

SMITH, Mr Jim, Tiwi Enterprises

TIPILOURA, Mr Eric, Tiwi Enterprises

CHAIR—Welcome. Thank you for coming along. The committee has received your submission as submission No 3, which means you must have got it in nice and early. Do you wish to make any amendments or alterations to your submission?

Mr Smith—No, thank you.

CHAIR—Would you like to make a brief opening statement or some opening remarks?

Mr Smith—Thanks. I presume you have read the submissions and you know that my eight directors are trustees from each of the land groups, as per the other models you have been hearing about today. Tiwi Enterprises was started in early 2008 to service a contract to the forestry operations and in that capacity it was a contract to plant, fertilise, prune et cetera the new plantation going in. That struggled somewhat. Great Southern Forests ended up managing that contract to a large extent and pretty much that was completed at the end of last year. I started with Tiwi Enterprises in November 2008, at which time the brief for Tiwi Enterprises had expanded considerably in terms of potential enterprise opportunities on the islands. My role has been to facilitate that. So, briefly, I have been with Tiwi Enterprises now for just over six months. You would probably note that the Tiwi Enterprises submission is somewhat flip to the Senate inquiry, for want of a better expression. I hope that after you have satisfied yourselves today that you come away from a historical perspective and look at the Tiwi Islands in terms of everything you have learned.

One of the big concerns for Tiwi Enterprises is that there are three levels of government on this island. It is the main industry on the island but there is no whole of government approach on the island. Tiwi Enterprises is picking up two very important services, if you like, one being whole of island transport for the communities and the other one being communication. Both of these the local government has not being able to fund out of its core services.

It is my personal opinion that state and federal governments basically ride the back of local government expecting them to deliver services for free. The reality is that there is no capacity and there has not been for some time. For example, with broadcasting, BRACS or RIBS, which is Remote Indigenous Broadcasting Services, as I understand it, has been pretty much out of action for five years. There has been no funding. Our role is to commercially look at it and get it up. There is a lot of governance in terms of broadcasting that has to be accounted for. Tiwi Enterprises will cost that and put it back into the mix. The job I will have is to seek the funding and to try to get it up and running. The same goes for transport between the townships.

CHAIR—Thank you, Mr Smith. Gentlemen, do you have anything that you would like to add before we commence?

Mr Bush—No.

CHAIR—Just to go back to the initial stage of the establishment of Tiwi Enterprises for the seeding, planting and establishment of the forest plantations and the failure to be able to realise those objectives that were initially set. Is it safe to assume that that was due to a lack of established skills to deliver on those objectives?

Mr Smith—Generally, it would be a case of management ability.

CHAIR—What steps have now been put in place for your future objectives to rectify that skills deficit, apart from your appointment, Mr Smith.

Mr Smith—The attraction on the ground is the big issue for all operations out here. There is a lot of scope in terms of what you could see that could be a great business here. There is anything from small food service, cleaning services and all those sorts of things, but you have heard about literacy today and numeracy. There really just is not any capacity here. You really cannot assume anything in terms of what we would take for granted living on the mainland. The services just do not exist. The ability of people to conceptually run a business, for example, just is not there. Even small business accounting, the basic BAS requirement, bookkeeping et cetera just does not exist. We have identified that as a need and, through the different levels of

government, there is capacity. It is a matter of identifying it. Once we do actually get a small business such as a cleaning service, for example, up and running, there is making sure that there is strong support and mentoring ability. We have about a dozen projects on the go at the moment, but they are all very elementary and in the initial stages. My fast track of learning, particularly with the services, is how you actually go through the funding maze to satisfy and tick all the boxes. Capacity with people is a big issue.

CHAIR—How exactly is Tiwi Enterprises picking up transport and communication services?

Mr Smith—We were asked by the Tiwi Land Council to pick up two buses that they got grant money for from ABA last year. The reality is that there is no operational money. One of the first jobs is to structure a budget for that and locate people that could actually provide the service. They said, ‘We should be able to get the funding.’ They did not get the funding and the bus service is not running. It is a major issue in sorting these things out. The current buses as you possibly know are run by the Tiwi Island Shire Council and they are not properly funded either. It is a big problem. How we do it is that basically we run a model and work out a coordinated system, which would probably have to be run by non-Tiwi people to get around a lot of the social and cultural problems so that people can rely on the service. We say, ‘This is what it is going to cost.’ We justify it. It will probably end up going through KPMG to verify the numbers and then we would submit it through the appropriate channels. It will probably be on the table in current negotiations with 99-year leases and so forth.

CHAIR—Will it replace the council service?

Mr Smith—Yes. They were asking us to fix it for them, because they cannot fund it. The other one is the ferry, which is grossly inadequate in terms of giving proper transport between the islands. It is only a one-car barge.

CHAIR—They cannot fund the bus service?

Mr Smith—No.

CHAIR—And you cannot fund it without grants from somewhere either.

Mr Smith—And it has to be recurrent.

CHAIR—Absolutely. How is the current bus service funded?

Mr Smith—You would have to ask the shire council for those details. I do not know, other than they tell me they cannot fund it. It is no longer part of their core business. Shire council are telling me that they have \$10 million worth of projects to fund and they get about \$5 million.

CHAIR—To come back to the terms of reference, how important are the forestry operations or what role do the forestry operations play in your future plans for Tiwi Enterprises?

Mr Smith—The big one is the harvest coming up in 2012 onwards. There is about \$40 million worth of contracts outside of what you have heard about today in terms of rentals and royalties and so forth. A lot of that is very capital intensive. I am not a forester but, for example, there is the cutting of timber, the cleaning, the preparation, the chipping, the transport and then the port operations. Apparently the annual operational costs will be around \$40 million, which is a huge opportunity for Tiwi. We are identifying what in that we can do and we will work towards that and position ourselves. It also includes the housing. There is an estimate that about 400 people, as forecast by Great Southern, will be needed to run that operation.

Senator SIEWERT—So to run that operation you are looking at a mixture of Tiwi and non-Tiwi?

Mr Smith—That is correct.

Senator SIEWERT—And how many are you planning would be Tiwi?

Mr Smith—Naturally as many as possible. The detail of that has not been worked through. We only got the initial scoping from Great Southern last week, indicating what it looks like and what the state-of-the-art equipment is. I would anticipate that the highly capital intensive, specialised stuff will have some Tiwi operators. Something like haulage is something we will target—the trucks and so forth. We will target those specifically because there is an opportunity for each land group to own a truck, for example, to give some ownership of the forest back to the people.

Senator SIEWERT—How much do you interact with the Tiwi training and development? How much are you doing in preparation for the harvest and how much will they do? You talk about training as well, and capacity building.

Mr Smith—We will be the ones administering along with Great Southern the trust training fund that is coming out of that \$2 a hectare. That will be a fund established to make sure that the apprentices and so forth get appropriate training down south with all the technology. The technology is not here yet; it has got to come.

Senator SIEWERT—You do the strategic work. Is that a good way to put it?

Mr Smith—We facilitate; we do not necessarily have the expertise but we go and find it and we make sure all the traditional owners are represented in any of these interests. Another one, for example, is the SIHIP work in the communities. We have negotiated for all the payroll for casual people at SIHIP to go through Tiwi Enterprises. Potentially about 40-plus people will be on the payroll.

Senator SIEWERT—They would then be employed by you.

Mr Smith—We will administer the payroll for them. They will get recognition that they are being paid by Tiwi Enterprises, even though it is coming through SIHIP. SIHIP is an amalgamation of a number of companies. We are doing the same for the forestry.

Senator SIEWERT—It is a bit different, I think, isn't it, because the training and development issues surely Tiwi training and development would pick up. So you would essentially contract them to provide the training you identify.

Mr Smith—Correct. We are a host employer for Tie Tip, for example, for apprenticeships and so on.

Senator SIEWERT—You contract them to provide the training that is necessary as part of that.

Mr Smith—And then where there is a gap we can fill it up with this trust fund that has been created, for example.

Senator SIEWERT—Sorry, I am losing track of the various trust funds.

Mr Smith—An apprenticeship contribution through training is about \$130 per week. As you understand, as people get more trained up they earn more. Where there is a skill shortage or training required that cannot be delivered here or whatever, that trust fund will pick up the difference.

Senator SIEWERT—And send them to where the training is going to be. I want to quickly go to the issue around the land and sea rangers and the environmental work that is being done. The land and sea rangers are separate to the work that is being done for Great Southern as part of the environmental offsets, is it?

Ms Hadden—The land ranger and sea ranger programs only just transferred across to Tiwi Enterprises.

Senator SIEWERT—Even though Tiwi Enterprises is running it, you have just transferred it over, and there are nine land and sea rangers.

Mr Smith—What we do is provide the administrative support so she is not bogged down with the payroll and all the other bits and pieces that are important in terms of employee contracts.

Senator SIEWERT—So how many rangers are there?

Ms Hadden—We have eight positions for land rangers. Two of those are vacant at the moment and are being advertised. We have one position for a land ranger mentor and we have four marine rangers. So there are 13 in the team all up.

Senator SIEWERT—Okay. Then there are the four that are providing some of the services that Great Southern were talking to us about, who are doing some of the works programs.

Ms Hadden—No. The land and marine ranger programs are completely separate from any Great Southern operation. They have the works crew.

Senator SIEWERT—I thought four of the works crew—

Senator CROSSIN—They said to us this afternoon that in their works team they have three, and four who are employed from Tiwi Enterprises.

Ms Hadden—Right. But they are not rangers.

Senator SIEWERT—That is fine. I did not say they were. Another four that are doing the works program for Great Southern.

Ms Hadden—No. The four are doing the works program for Great Southern. The 13 are doing Tiwi Land Council determined—

Senator SIEWERT—That is what I just said.

Ms Hadden—Sorry. They are quite separate.

CHAIR—So you have got the two teams in the rangers program who are employed through Tiwi Enterprises and you have got four people in Great Southern's works program are also employed by Tiwi Enterprises.

Mr Smith—It floats. We did have. They picked up two and put them straight on their payroll. At the moment I have got zero. But as casuals they come and go. They use us to employ Tiwis initially. If they meet all their criteria, they will go straight into their workforce.

Senator McEWEN—The rangers we saw today down at Great Southern, wearing the Great Southern T-shirts with 'Tiwi Ranger' written on them, said they were employed by Tiwi Enterprises.

Mr Smith—Correct.

Ms Hadden—We have just ordered a new set of uniforms which do not have 'Great Southern' on them anymore. The reason they had 'Great Southern' was the 2006 agreement where Great Southern paid the ranger wages directly, so it was a sponsorship logo. That will not be on their new uniforms; it will be 'Tiwi Enterprises'.

Mr Smith—That is right.

Senator SIEWERT—I suppose we are confused because we were down there talking to Great Southern and the land and sea rangers were down there with 'Great Southern' branded. Do they do work for Great Southern in the environmental offset program that Great Southern has funded Tiwi Enterprises to do? Do the rangers do that?

Ms Hadden—The environmental offset programs are not something that Great Southern is required to do; they are something that the Tiwi Land Council is required to do under EPBC as a joint proponent of the forestry project. The revised conditions say the Tiwi Land Council must do these offset projects because it is a joint proponent of the forestry. Great Southern must provide \$450,000 a year to the Tiwi Land Council to assist them to do the offset projects under the EPBC compliance, changing the conditions.

Senator SIEWERT—That is what is funding part of the land and sea rangers?

Ms Hadden—Yes.

Senator SIEWERT—So in fact they are doing the environmental offset work that Great Southern is required to do.

Ms Hadden—No, the Tiwi Land Council is required to do it. It is quite specific in the conditions: it says Great Southern must do this and the Tiwi Land Council must do this.

Senator SIEWERT—And you are all part of the Tiwi Island Forestry Project?

Ms Hadden—Yes, but we are not totally under the Tiwi Island Forestry Project; in fact, there is only a very small part. The rest of it is completely separate from the forestry. What the rangers do is AQIS work, work around the communities, school talks et cetera. So they do not have a forestry ethic, if you know what I mean. They do not go out and talk about forestry. They do not do any forestry operations. They have a completely separate work program which Great Southern have no input into. It is really determined by the landowners through their management and what their priorities are for land management, which often has nothing to do with forestry. Most times it is not to do with forestry, because Great Southern have their environmental team that does the Great Southern environmental stuff, and the land rangers do whatever else across the rest of the islands.

Senator CROSSIN—I have one question. Mr Smith, what I am hearing is that with Tiwi Enterprises you have set yourself up as a business on the island with the potential to get more contracts and essentially growing that business. Is that the plan?

Mr Smith—Yes. The current big opportunity is the SIHIP program and how much we can involve Tiwi business through that. It is surprising what you can do. It is not just about helping with the labour. The other one is helping with supply, and that is reliant on benevolent people in the Australian community. The other one that is looming is aquaculture. We will know at the end of the month whether we have a joint venture occurring there. They are the immediate ones, but the big one on the horizon in terms of what it means for the landowners is probably the forestry contracts.

Senator CROSSIN—How many people would Tiwi Enterprises employ in its administration area—not the land and sea rangers?

Mr Smith—There is me, and I have a contract bookkeeper. That is it. We are looking at putting somebody else on.

Senator CROSSIN—I can understand.

Mr Smith—We have about 20 people on the payroll who we are managing at the moment.

Senator CROSSIN—I see. I will just ask you something about your comments about communication and particularly transport. If I take it correctly, you are saying the Northern Territory government, for example, manages public transport around Darwin and Palmerston—

Mr Smith—Correct.

Senator CROSSIN—but, when it comes to the Tiwi Islands, the shire council is expected to pick that up but is not funded to do it. Is that what you are saying?

Mr Smith—That is correct.

Senator CROSSIN—I do not know very much about the transfer arrangements under the new shire structure, but did the shire or the individual councils out here ever have funding for public transport, or is this just something that has never occurred and is now being compounded, I suppose, with the new structure?

Mr Smith—The best person to speak to, obviously, is the CEO of the shire. There has been enormous disruption to local government out here in the last five years—enormous disruption. He does not even have any records to be able to answer your question. That is what he is telling me. I have already asked him that question. He said there are no financial records.

Senator CROSSIN—All right.

Senator SIEWERT—Can I ask another question—sorry, I am trying to get the facts straight. Are the 400 people who you have said are going to be involved in the harvest a new group of people?

Mr Smith—It would pick up, I believe, the existing 30-odd who are there, but that is the scope in terms of the provision for forestry operations on the island.

Senator SIEWERT—Is there an agreement about how many of those people should be Tiwi people?

Mr Smith—No.

Senator SIEWERT—Because in some contracts in other places they are now requiring a percentage of people who should be Aboriginal people.

Mr Smith—It is a good question, and it is probably one for the Tiwi. The Tiwi want this to work, and they want to make sure that they and their children have opportunity. In my experience, with all their dealings, they are quite pragmatic about the realities of what they can and cannot do.

Senator SIEWERT—Thanks.

CHAIR—Thank you, Mr Smith, and thank you, gentlemen and guest, for joining us.

[4.47 pm]

BUCHAN, Mr Norm, Chief Executive Officer, Tiwi Islands Training and Employment Board

CHAIR—Welcome, Mr Buchan, and thank you for joining us today. It is always hard on the witness who comes in at the end of the day. You have sat here and heard most of the discussion that has taken place. We thank you for taking the time to be with us. The Tiwi Islands Training and Employment Board have lodged a submission, which has been received as submission No. 10. Do you wish to make any alterations or amendments to that submission?

Mr Buchan—No. We are happy with it the way it is.

CHAIR—Thank you. In that case, would you like to make an opening statement or some brief opening remarks?

Mr Buchan—Yes. If you have read my submission, you would have seen that the main thrust of the submission is looking at government policy—both the NT government and the Commonwealth government—as it stands at the moment; the whole thrust of closing the gap through creating enterprises and creating jobs to work in those enterprises; and the fact that there are only so many jobs in remote area communities. As it says in here, we have stores and schools and things like that, but there are finite positions. There are only so many positions that you can put into those operations. I think the only way we can really expand the number of people in employment on the Tiwi Islands is to create bigger enterprises, sustainable enterprises, with ongoing work opportunities. I think that is exactly what we have done with forestry. Really, I think the forestry initiative is something that government has been pushing through remote area communities for many, many years—to create something that will create jobs. The whole thrust of the Tiwis, ever since I have been with them, is to get themselves off the welfare system, and they see this as a way of doing that.

CHAIR—Thank you for that. How long has the Tiwi Islands Training and Employment Board been in existence?

Mr Buchan—Since 1999. I was 2IC with a state training authority, and I had a previous history in the seventies with the Tiwis. I was asked by the land council to set up a training board for them to prepare people for work in some of the enterprises they were setting up. I enjoy a challenge, so I said yes.

CHAIR—Was there any project in particular that sparked the establishment of the board?

Mr Buchan—Any project in particular?

CHAIR—Any project, any undertaking, by the council that particularly made them say, ‘Now is the time we need a training and employment board’?

Mr Buchan—There were lots of activities happening and lots of opportunities. Forestry was in its infancy. There was talk of fish farms, which came and went with the cyclone. But, having worked here 30-odd years ago and knowing the people, I just knew—and I think a lot of people in government would share my views—that if there is any race of people who are going to make a go of getting themselves off the welfare system it is the Tiwis. So I was excited about the opportunity of setting up a training board and helping them to get there.

CHAIR—We just heard from Tiwi Enterprises that the hopes and aspirations for larger numbers of people to be employed in the establishment phase of the forestry were dealt a blow in part because of a lack of skills and lack of training to get them there. Is that something—now looking towards the harvest end of that forestry project—that you see the training and employment board playing a role in?

Mr Buchan—Absolutely. But I would argue that there is no lack of skills. I have some papers here that would show you that we have about 120 Tiwis who have various skills in forestry operations, who have been undertaking training through either apprenticeships or short courses. A lot of those are just specialised courses—running chainsaws, firefighting, burning off and things like that. The real crux of the problem is the lack of participation. Training is really the easy part, but getting people involved to take up the challenge is another story.

Senator TROETH—So how do you go about that?

Mr Buchan—We have implemented quite a few different things. We have incentive programs, I guess, where we offer lunches. We provide vehicles for transport. We try and encourage people through people like Gibson Farmer, who has been working in forestry since the sixties. My board of directors are all Tiwis. They

try and encourage people to participate. I have to say that this has not always been the case. It has more been the case in the last two years.

Personally, I think people are just fed up to the back teeth with the intervention. We have bureaucrats in and out every day. We have loads of money hitting the communities all at the same time. People just go berserk for a couple of weeks, and when they are broke they come back. There is the 99-year lease, the intervention, income management, the shared responsibility agreements a couple of years ago—it has just been going on and on and on. I really think that people are just fed up. I think it is pretty typical of Indigenous people that they do not rebel; they just walk away.

Senator TROETH—Passive resistance.

Mr Buchan—Absolutely. Until we get over that, things are going to be difficult, but we will keep trying.

Senator CROSSIN—Thanks, Mr Buchan. I think you have undersold yourself. I think you should explain to the Senate committee that when you started there was probably not even a training facility here and you have managed to set up quite an establishment. In fact, we probably should have pointed it out when we were at Nguiu. It is a business that has grown. There are now classrooms and conference rooms and a training venue that was not there 10 years ago. You say there are about 120 people on this island who have done a unit or a short course or even a certificate through TITEB?

Mr Buchan—In forestry, yes.

Senator CROSSIN—In forestry related areas?

Mr Buchan—Yes, that is just in forestry.

Senator CROSSIN—How many would have done a certificate rather than just an odd unit or a short course?

Mr Buchan—About 23 have completed a full apprenticeship in forestry and forestry operations.

Senator CROSSIN—We saw today at Great Southern Ltd that some of those people have come and gone from Great Southern for various reasons. Let me ask you about a concept. People often say that we need to train a couple of electricians in communities. Other people say that we need to train a couple of dozen, because at any one time there will be a number of people out of the scene for either health or ceremonial purposes. Do you think it is a criticism when people say, ‘You’ve got 23 but there are only nine employed now’? Do you have an answer for that?

Mr Buchan—Because of the reasons that you just mentioned—cultural reasons, family obligations and a whole host of other reasons—my whole philosophy for the Tiwi Islands is to develop a pool of people with skills who can drift in and out of different jobs. That is where I come to grief with Commonwealth policy when I am chasing grants. What they are looking at is numbers in and numbers out. Outcomes have to be fully completed apprenticeships and things like that. My argument back to them is that I believe it is better to have a pool of people with skills so that people can be pulled in and out of positions and people can go away and do their private business. I will give you an example. We probably have 30 or 40 ladies who have a certificate III in business who are no longer in work. They are not counted as outcomes. From my point of view and the community’s point of view, we have 30 or 40 women who are computer literate, who can teach their kids how to use computers and who can help them with their homework. For me, that is just as good an outcome as them being in a job. Does that answer your question?

Senator SIEWERT—We were talking before about the 400 extra jobs that will be coming up because of the harvesting of the plantations. I am following on from the point that you just made about having a group of people. Can you think of a way of making it work for Tiwi in terms of the way that they want to be employed?

Mr Buchan—The way they want to be employed?

Senator SIEWERT—Yes. We were just talking about how people drift in and out of work. It may be for social or cultural reasons that they do not want to be in a job full-time, which is the way that non-Tiwis see people being employed. Is there a creative way of facilitating that to happen?

Mr Buchan—Sure. We have tried that with some of our apprentices. We have had split shifts: some people work in the mornings and some work in the afternoon. We have things like four-day weeks, with a 12-hour a day. It depends on what suits individuals. Some of them work at Maxwell Creek. Friday is a pay day and a shopping day. If they are not back in the community before 4 o’clock, they cannot get their pay and they cannot do their shopping. So there are lots of different ways that you could explore this. But the crunch will

come when people are asked to stand up and be counted. I am sure that, when all this intervention stuff settles down, things will get back to normal. We are just going through a rough patch at the moment.

Senator SIEWERT—What is normal?

Mr Buchan—Normal is when you are supposed to have 20 students in a class and you have 20 and not two. Normal is when you have 10 people who are supposed to rock up at 6 o'clock in the morning at the plantation and you have 10, not three.

Senator SIEWERT—If I understand what you said earlier, that is how it used to be and there has been a sudden change?

Mr Buchan—Yes. It is really hard to identify why that is, but it seems from talking to the Tiwis that they are pretty confused about everything that is happening, with 99-year leases and the intervention and all that. The big buckets of money that have been rolling in really do not help. A lot of people go back into Darwin and the money is blown. There is just so much happening in remote area communities at the moment that people are confused. As Senator Troeth said, there is passive resistance—they just avoid it.

Senator TROETH—Do the settlements here suffer from the same social problems that many other Aboriginal settlements seem to suffer from?

Mr Buchan—Absolutely. In my paper I say a bit about that. The average age of death is 48.9. Less than five per cent of Tiwis reach retirement age—from drugs, alcohol, domestic violence. It is not a pretty picture.

Senator CROSSIN—Suicide rates have diminished?

Mr Buchan—Absolutely. We are very happy about that. I do not think we have had a suicide for about two years.

Senator CROSSIN—The Tiwi Islands used to have the highest statistic in the country, unfortunately. But lots of things have happened to work on that.

Mr Buchan—Yes.

Senator SIEWERT—I just want to clarify where you get your funding from.

Mr Buchan—I get it from wherever I can! I run about 12 programs through TITEB at the moment across mainly two Commonwealth departments in the NT. We are running a money business for FaHCSIA across the islands, and HOIL SEP, which is the program for first home owners on Indigenous lands. We have got LLN running through DEEWR plus a STEP contract for our group training organisation. We have got User Choice funding from the NT government to train apprentices. We have a literacy and numeracy fund through JIFP, which is a joint DEEWR-NT government initiative. We have got two Tiwi teachers working on literacy and numeracy with our apprentices. We have got quite a big capital infrastructure program happening. As Senator Crossin said, we have got two training centres at the moment worth about \$2 million and a third one on the way at Milikapiti, which comes from another half a million from the NT government. Plus there is \$400,000 for an accommodation block there, which is a joint venture through DEEWR and DET. We also get quite a bit of funding through Job Network agencies. We do training for them. We are also registered as a charitable trust, but we do not make an awful lot of money through that.

CHAIR—Mr Buchan, thank you very much for your time today. We have appreciated you generously giving it and for your involvement in this inquiry. Is it the wish of the committee to accept the documents that have been tabled today? There being no objection, it is so ordered.

As I have done numerous times throughout the day but will do again for the record, I thank the people of the Tiwi Islands for their hospitality today and for their assistance throughout our hearings and travels across the islands, and I thank all witnesses for their participation. A special thanks goes to Hansard and Broadcasting for a challenging day at their end. This inquiry will resume hearings in Darwin tomorrow morning.

Committee adjourned at 5.05 pm