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Official Committee Hansard

SENATE

FINANCE AND PUBLIC ADMINISTRATION REFERENCES
COMMITTEE

Reference: Regional Partnerships Program

FRIDAY, 15 JULY 2005

BROOME

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SENATE

FINANCE AND PUBLIC ADMINISTRATION REFERENCES COMMITTEE

Friday, 15 July 2005

Members: Senator Forshaw (*Chair*), Senator Watson (*Deputy Chair*), Senators Fifield, Moore, Murray and Stephens

Substitute members: Senator O'Brien for Senator Moore, Senator Barnett for Senator Watson, Senator Johnston for Senator Fifield

Participating members: Senators Abetz, Bartlett, Bishop, Boswell, Brandis, Brown, Carr, Chapman, Colbeck, Conroy, Coonan, Crossin, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Ludwig, Lundy, Sandy Macdonald, Mackay, Mason, McGauran, McLucas, O'Brien, Payne, Robert Ray, Sherry and Webber

Senators in attendance: Senators Barnett, Forshaw, Murray and Stephens

Terms of reference for the inquiry:

To inquire into and report on:

- (1) The administration of the Regional Partnerships program and the Sustainable Regions program, with particular reference to the process by which projects are proposed, considered and approved for funding, including:
 - (a) decisions to fund or not to fund particular projects;
 - (b) the recommendations of area consultative committees;
 - (c) the recommendations of departmental officers and recommendations from any other sources including from other agencies or other levels of government;
 - (d) the nature and extent of the respective roles of the administering department, minister and parliamentary secretary, other ministers and parliamentary secretaries, other senators or members and their advisers and staff in the process of selection of successful applications;
 - (e) the criteria used to take the decision to fund projects;
 - (f) the transparency and accountability of the process and outcomes;
 - (g) the mechanism for authorising the funding of projects;
 - (h) the constitutionality, legality and propriety of any practices whereby any members of either House of Parliament are excluded from committees, boards or other bodies involved in the consideration of proposed projects, or coerced or threatened in an effort to prevent them from freely communicating with their constituents; and
 - (i) whether the operation of the program is consistent with the Auditor-General's 'Better Practice Guide for the Administration of Grants', and is subject to sufficient independent audit.
- (2) With respect to the future administration of similar programs, any safeguards or guidelines which might be put in place to ensure proper accountability for the expenditure of public money, particularly the appropriate arrangements for independent audit of the funding of projects.
- (3) Any related matters.

WITNESSES

BAXTER, Ms Lesley, Coordinator, Kimberley Interpreting Service	18
BERGMANN, Mr Wayne, Executive Director, Kimberley Land Council	2
BOTSMAN, Dr Peter, Voluntary Secretary, Indigenous Stock Exchange	42
DURANT, Mr John Roy, Executive Officer, Kimberley Area Consultative Committee and Kimberley Sustainable Regions Advisory Committee	51
HAEREWA, Mr Geoff, Chair, Kimberley Area Consultative Committee and Kimberley Sustainable Regions Advisory Committee	51
MARTIN, Mrs Carol Anne, Member for Kimberley, Western Australian Parliament	31

Committee met at 9.06 am

CHAIR (Senator Forshaw)—I welcome those present and those who will be coming later today to our hearing of the Senate Finance and Public Administration References Committee's inquiry into the Regional Partnerships program and the Sustainable Regions Program. We have held quite a number of hearings around Australia—I think this is our 14th hearing—and it is certainly a welcome opportunity for the committee to visit Broome and to talk to community groups and other witnesses about these issues in this very nice part of the country. We will take evidence today from a number of organisations and individuals, as listed in our program.

I advise, for the benefit of all witnesses, that evidence given to the committee is protected by parliamentary privilege. Any action taken against a witness by a third party which would be injurious to the witness as a result of giving evidence would be considered to be a contempt of the Senate. The Senate has the power to protect witnesses and their evidence in such circumstances. We prefer our hearings to be conducted in public but if at any stage you wish to discuss matters in private with the committee the witness should make a request at that time and we will consider it. We decided very early in our hearings that all evidence would be given under oath or by way of affirmation.

I want to put on the record that originally we had expected the Department of Transport and Regional Services officers to appear at the end of today's proceedings, as has happened at a number of public hearings. It gives the committee the opportunity to question the department on the evidence that has been presented by witnesses during the day. We received advice via letter of 8 July from Ms Leslie Riggs, the Executive Director of Regional Services, advising us that officers of the department would be unable to attend to provide evidence at the hearings this week. I will not read the letter in detail, but I do particularly note the following:

The department would incur significant costs in having relevant SES staff and staff from the regional office in Perth travel to Broome.

I want to indicate my disappointment that the department cannot be here today with relevant SES officers. I am aware that it has been a practice of officers of the department to attend ACC and SRAC meetings around the country. Secondly, we do have representatives of the department in the audience today, as we did have yesterday in Port Hedland. I will not comment any more than that, because those people are not permitted by the department to appear today and were not allowed to appear yesterday. However, they are present.

[9.09 am]

BERGMANN, Mr Wayne, Executive Director, Kimberley Land Council

CHAIR—We will proceed to hear evidence from Mr Wayne Bergmann, of the Kimberley Land Council. I invite you to make an opening statement. I understand that you will give a slide presentation. As you would appreciate, the inquiry is particularly directed at access to the Regional Partnerships program and the Sustainable Regions Program, how you have interacted with that and your views about it. We are also interested in hearing about the activities of the Kimberley Land Council.

Mr Bergmann—Thank you, Chair, and your fellow senators for the opportunity to make a presentation to this committee. In the short time we have, I will give you a quick, broad brush stroke of the Kimberley Land Council, because it goes to the heart of the missed opportunities in the Regional Partnerships or Sustainable Regions programs. The quick overview gives a bit more of a context of how native title and the land council have been operating in the region.

CHAIR—Will you provide the committee with copies of the slides?

Mr Bergmann—Yes.

Overheads were then shown—

Mr Bergmann—The land council's vision is very simply put: 'Getting back country', 'Looking after country' and 'Getting control of the future'. They are general headings but very broad and very important. 'Getting back country' is probably more expressed as part of our native title functions—about following those legislative processes. There are other mechanisms of state government reserve lands and that sort of stuff. In respect of 'Looking after country', we have a large land management unit that provides land management training throughout the region. That unit does a whole range of interesting things, such as researching dugong and turtle management. We have a couple of cooperative arrangements for funding and research with the state and the Commonwealth governments. We are concerned about the sustainability of our future. 'Get control of the future' is about how to become independent—how to become less dependent on government programs and how to establish our own capital wellbeing.

I will not refer to everything in our slides. Here is an image of the Kimberley region, of our rep body area. The land mass is approximately 420,000 square kilometres. There is a slide of the current native title determinations being progressed in the Kimberleys. Visually, this really makes the point. You can see how native title is being determined in the Kimberleys. I have not updated the slide in respect of Bardi Jawi. A decision has been made but the final orders have not been made. It is subject to mediation at the moment but, in broad terms, the judge has determined exclusive possession on the mainland and native title rights and interest in that low and high watermark.

The central Kimberley claim has approximately just over 60,000 square kilometres—an area bigger than Tasmania—that has been determined for native title purposes. It has a range of

tenure from exclusive possession to part-extinguished native title and extinguished native title. Ironically, one of the areas of extinguished native title is an Aboriginal reserve. We have an agreement with the state, which I think shows the lunacy of the legal process we have to work in, about working out how we hand back control of those areas to the relevant traditional owners in the area.

At the top of the slide is the Miriuwung Gajerrong No. 1 case that went all the way to the High Court and came back. In that case KLC were not representing the No. 1 applicants until it came back from the High Court. It was at a time when there was a conflict between, or overlapping representation by, the Aboriginal legal service and the Kimberley Land Council. Those systems have been taken out now. You cannot have representative bodies representing overlapping areas, which I think streamlines the process and allows us to get to the heart of things. There was intense mediation over nine months to bring about a consent determination, which I think was a really good outcome. It saved us. There was potential for it to be fully tried again by the full Federal Court which, after 10 years, would have been a nightmare.

One of the first claims was by the Tjurabalan, which determined exclusive possession native title over primarily vacant crown land. It is a desert region. Ngurrara is an overlap area that was part of the Martu determination, which represents the waterhole people—the Agilla people—in the Great Sandy Desert.

Karajarri was determined as well. It was done in two parts, A and B. Part B involved waiting for confirmation of the law from the High Court in relation to pastoral leases and sea rights, which allowed the parties to then go ahead and make agreement on that area.

Rubibi is currently before the full Federal Court. We are at the final stages of the trial where we would expect some kind of decision by the court. We are still pursuing resolving it by mediation, but the judge is actively going ahead with making his decision. If we do not resolve it by mediation he will go ahead with his decision. That concept applies through the whole Kimberleys; it is extremely resource intense when you have to run mediation and litigation at the same time. The map shown on this slide shows approximately 30 per cent of the Kimberley's determined native title—very strong, positive outcomes for traditional owners in the Kimberley.

The next slide shows the balance of our claims. The reason these claims were progressed—the ones shown in green and pink—was because resolving them would provide us with the ability to resolve the balance of claims by agreement. They provide some judicial reasoning about bordering groups to allow us to resolve claims. We hope we will save a lot of money by this approach. Following that through, we think we will be able to resolve the balance of the claims in the Kimberley.

We have a system where we agree priorities with the state government and the National Native Title Tribunal as to what work we can do with our limited resources. That results in a report that goes to the Federal Court. One of the outstanding and biggest issues confronting us—as you can see by the land being determined native title—is the operation of prescribed body corporates. Unlike the land rights act, where the land councils have an ongoing role in representing Aboriginal people in land management issues, there are formal embargos in our funding agreements to prevent us providing real assistance to prescribed body corporates.

It is a major issue because it is not a matter of just giving us funding, it is the wider community now that is being affected. They ring us up or write us letters and say, 'We want to engage with Karajarri traditional owners. Where do we send a letter? Who do we write to? They have no staff.' So it is causing frustrations with industry and the broader community, and I think that is going to get worse as we get more determinations in the Kimberley. Generally, the land council's view is, 'You send us a cheque so that we can employ someone to go out and engage someone on this.' This is starting to interfere with regional economic development. If those parties, those proponents, are small then where do they get the money from? They do not have the cash flows of the big companies, the big corporates. We do not generally have that problem with the big corporates because they will resource us to do their job.

Our land and sea management unit is also a very positive unit, doing generally a lot of partnership and cooperative research throughout the region. Through one of these projects we ran we found that, in the Fitzroy River at the Camballin barrage, there was an endangered freshwater shark and swordfish and the barrage was blocking their natural migration patterns. The freshwater shark was coming up there and feeding ferociously on all the other small animals that were going up there: prawns and small barramundi and so on. We believe that is having a major impact on the ecological sustainability of fish stocks et cetera. So at the moment we have put in a submission to look at having a bypass put around that barrage so the sharks will keep moving. That project also established a number of new species, but I cannot recall them off the top of my head. It was in cooperation with Murdoch University and it was a very positive project.

On this map you can see a range of the land and sea unit's activities around the Kimberley. One of the projects that we are doing is a study of the economically sustainable harvest of plants and animals in the Karajarri determination area. As you may be aware, there was a major campaign against cotton by traditional owners in this area—about genetic cotton or major irrigation in the west Kimberley—and we are trying to say that there are alternatives to wide scale irrigation which can build a major economic base. So we have started some of the work to look at indigenous plants and animals, their pharmaceutical properties and the commercial harvesting of them, because we recognise that we do need economic activity to sustain us. We are trying to come up with alternative ways of doing that. A good example, that we have not been so much involved in, is the major expansion of collecting gubbinge, which is similar to the Kakadu plum which has a high vitamin C content. One of the Aboriginal organisations in the Kimberley currently operates that business and has turned it from an initial feasibility of 10 tonnes a year into 20 tonnes a year. They cannot meet the supply so, in cooperation with the local TAFE, they are looking at farming and growing gubbinge plants.

One of the major issues that we need to resolve in order to stimulate regional development is the heritage process. In the Kimberley heritage is a major issue and mining companies generally cannot operate without having heritage advice. So we have been negotiating with the state government and the resource sector, who have a working group, about establishing a regional heritage agreement. The Kimberley is the last area to sign off on one, and we have found that the regional differences are very pointy at the moment, compared with the other regions in the Kimberley where the Aboriginal people are not prepared to give companies broad-ranging clearance unless people in the area know exactly what is going on.

One of the major agreements that have been discussed in the Kimberley has been with Woodside, which you are probably aware of. Woodside has been having talks with the KLC and progressing engagement about what is going to happen in the west Kimberley region. A cautious view is being expressed by traditional owners because Woodside has not had a good history of dealing with Aboriginal heritage issues, though I am certainly confident that those views in the company have changed. We are facilitating further engagement with Woodside in the region. There is another Japanese oil and gas company called INPEX up in the area that is looking at the potential of tapping into another gas well—a very similar basin to the one Woodside is looking at—and bringing it onshore in the north Kimberley.

You are probably more aware of the Argyle Diamonds agreement. We have settled that. That was a major process over three years which took a lot longer than we anticipated. Through the process things came up that we never anticipated. After Argyle's original agreements with traditional owners, the process was in shadow and people were really concerned about that being transparent. The whole process had to allow traditional owners to let their anger go after what happened in 1980 and to engage with the company about a new agreement. It is really fundamental that Aboriginal people have representation in this process. Companies do not give away benefits unless they are made to give them away or unless they are convinced to give them away. I think you could compare the Argyle agreement today to what existed 20 years ago. There are all sorts of justifications for saying either/or, but I think there is a difference in contrast.

The other benefits from that process are to the regional community. These agreements we are making are going to have a far greater effect not only on Aboriginal people or traditional owners but on the regional community, because we are making companies spend their dollars in the local region, which affects transport, major infrastructure—a whole range of changes.

Another small mining agreement in the Tjurabalan area is Tanami Gold. It is an incredible agreement that provides great benefits for traditional owners and Aboriginal people in the area. The only problem is that traditional owners have a prescribed body corporate. The words of the agreement are there to create the benefits in terms of employment and training, but the local traditional owners do not really have the capacity or the support to turn that into reality. We are finding that the land council's job is to get the legal commitment into words and then the whole implementation phase I think is the challenge.

In terms of our future, the KLC board has been looking at creating a sustainable development trust to work on economic issues in the region. We have established a company called Kimberley Sustainable Development Pty Ltd, which is the trustee for the trust. That company received some level of funding from the Sustainable Regions Program. The whole basis and philosophy behind the operation of that trust is that it would be the front person to come in and provide the support and the outcomes for these mining agreements.

We are finding that the native title system is focused on the legal rights based agenda; whereas we needed a different kind of thinking and mentality to create the business opportunities. We have been trying to separate those things so that you can engage with a company with colleagues, so to speak, because the language that happens in the native title negotiations is different from the language used in a commercial negotiation.

Like always, there is a huge demand on our staff. I am forever cutting things and saying, 'We cannot do that.' I would rather do a few things really well than do everything. It is a consistent thing, and it is a frustration amongst our membership, and the broader community, that they cannot have their advocate or their service organisation do these things when they want them. In the days of the land council we had up to 50 staff in the region. That was probably about eight years ago. We have gone down to about 30 in terms of managing that on a funding level basis. A lot of that was due to the heavy commitment regarding litigation.

That is a broad brush presentation giving a bit of a picture of what the land council is up to. I wanted to make some specific comments about the resource sector and the opportunities or missed opportunities that are happening there. The opportunities that are being missed are because we are not organised or we do not have the staff or the capacity to engage with the boom in Western Australia in the resource sector. A month ago I had a presentation from the National Native Title Tribunal which showed the level of future activity in the region almost doubling. We have, from memory, dealt with three mining leases in the last 12 months, and another 40 were left in the system. I can understand the wider community's frustration as they are saying that native title is a locked gate. We have difficulty getting through there to do our economic programs.

The Argyle process cost a couple of million dollars to negotiate from the rep body side. It was funded by both the company and the Commonwealth. If you are looking at those kinds of resources, the reason why those costs were so high is that we had to contract out and get consultants to deal with a lot of that work, because we never had the in-house staff to deal with it. We do not have the numbers. The KLC is under incredible pressure at the moment to be able to deliver on those things—not just from the broader community and maintaining economic development but also from our own mob, because there is a thinking about nation-building and about what the community will look like in 50 or 100 years time. Those are the challenges we are looking at: how do we create the opportunities that will give us our independence to move on? A capital base is a fundamental part of that.

I am afraid that we are missing out on some of those opportunities because we do not have the staffing levels to engage with them and we do not have the flexibility to increase our staff levels to engage with them. That is why we tried to corner it off into a sustainable development trust. As you may be aware, our funding for the Sustainable Regions Program was up around \$900,000.

CHAIR—That was your application, wasn't it?

Mr Bergmann—Yes. We received only about \$88,000, and so we had to refocus and move to a very different project from that which we had intended. The only thing we have been able to do in order to be effective with that limited amount of funding is identify at an early stage potential agreements, and to stimulate them with that funding to make those initial engagements with different companies to ensure that there were opportunities for employment and training in any agreements.

The problem is having an ongoing engagement with the company. It is not at those early stages where you really identify those employment, training and business opportunities; it is only when they go into the feasibility studies, when they look at the commercial viability of mining,

that they start crunching the numbers. For instance: ‘There is \$100 million worth of joint venture mining contracts; are you able to joint-venture with anyone with the skills that would give us the certainty of moving forward?’ And in that process is also the traditional owners balancing the environmental impacts of those operations, and in some cases having to make decisions on whether the environmental and cultural impacts will far outweigh the benefits. So there is a bit of toing-and-froing for people on that basis. I will leave things there and let you ask me questions.

CHAIR—Thank you, Mr Bergmann. Your comments were interesting and comprehensive, and it is of assistance to the committee to get a broad picture of your activities and where you are trying to go. You mentioned your application for a Sustainable Regions grant. You said that you had applied for \$900,000. The department has provided us with tables as part of our overall inquiry. They list that an application was lodged by the Kimberley Land Council on 11 November 2002, which was approved on 6 May 2003. It says that the project title is ‘Kimberley Sustainable Development Pty Ltd’ and that the grant was for \$88,000, inclusive of GST. A summary of the project states that it is a ‘flagship project for the Kimberley Land Council to maximise opportunities in the resource industry in the Kimberley Region’.

I am interested to know how the land council became aware of the Sustainable Regions Program and what involvement you had, if any, with the Sustainable Regions Advisory Committee in putting together your application. You applied for \$900,000. You have put to the committee that it is a huge task and that it involves significant cost, yet you received only \$88,000. Would you give us a quick summary of how you went through the process of getting the grant.

Mr Bergmann—We became aware of the program through public advertising. At that time, we were in discussions with a number of public companies about potential joint venture operations in the Kimberley. In conjunction with being aware of possible Commonwealth funding to support Indigenous business, employment and joint venture arrangements, we entered into a memorandum of understanding with Monadelphous.

CHAIR—Is that a company called Monadelphous Engineering Associates?

Mr Bergmann—Yes. Their head office is based in Perth. We were very interested in the service agreements. Between that company and KLC we lodged the application. An incredible amount of work had to be done to get past the first stage—the initial assessment. Then you would get invited back to put in your major submission. The original intention—the scope of what the project originally set out for—changed dramatically based on the level of funding. We found that Monadelphous was still very much interested in expanding its operations up into the Kimberley and doing mining service arrangements, and that, if native title was able to be a lever to give them a step-up into the region, they were all for it. I am not sure if that answers all of your questions, though.

CHAIR—Was the \$900,000 you were seeking to cover a range of activities, like employing additional staff?

Mr Bergmann—It was to employ staff—sort of project negotiators. There were two or three staff from memory. It was to cover some on-costs, vehicle and operational costs, and to base it

outside of the existing land council office and possibly base one in Kununurra and one in Broome. Then it was to have the rep body, which was engaged with the companies, provide us business support about the details of the native title negotiations and create those relationships so the companies would look at our proposal for business and joint venture opportunities directly with who we put up.

CHAIR—Was the setting up of Kimberley Sustainable Development Pty Ltd—which you call the trust—done specifically for this purpose, or had that been done earlier?

Mr Bergmann—The idea for it had come earlier. A year or two before that there was the workshop entitled ‘What is the Vision for the Kimberley Land Council?’ which was held over two days, just out at Derby. There were some outcomes from that, and one of the outcomes that I followed up was the creation of a capital base—our business opportunities. That was then workshopped at our AGM Bungebung workshop up the peninsula a year after that, where about 100 people came to our general meeting and workshop and endorsed the creation of this. Then the specific opportunity came in with the Sustainable Regions Program and we thought we should get moving and create this legal entity because there were specific opportunities to go for.

CHAIR—So you received a grant of \$88,000 which was approved on 6 May 2003. Have you received all of those funds?

Mr Bergmann—Yes.

CHAIR—What was the sort of time line, if you like, in which that funding was supposed to come through?

Mr Bergmann—It was originally six months. We extended that time by another six months.

CHAIR—Did you do that by renegotiating with the department?

Mr Bergmann—Yes.

CHAIR—But that did not give you any more funds.

Mr Bergmann—No, it did not. We did not spend any of it. The land council is very conscious of being in the public spotlight because of that funding, and we would rather hand it back than spend it in a way that people then said was not done properly. We were trying to identify easy wins, I guess.

CHAIR—Because of the substantially lesser amount of funding that you had earlier applied for. Tell me about the involvement of the Sustainable Regions advisory committee. What was that relationship like?

Mr Bergmann—When the committee was established we actually wrote and expressed concern that there were no Aboriginal people—in the sense of anyone from the native title side of it—representing an interest on it. We did so because we saw that the population of the Kimberley was around 50 per cent Aboriginal and that native title was a major issue in development that proponents had to deal with. It was important, therefore, that you had someone

with that expertise sitting on that committee. So we wrote, and the reply from, I think, the minister at the time—I did not actually prepare myself on that—was that they had appointed a commissioner of ATSIC at the time, Ian Trust, and he sat on it.

CHAIR—He was put onto the board of the—

Mr Bergmann—Kimberley Sustainable Regions Program.

CHAIR—And it was put to you that that was—

Mr Bergmann—That that was sufficient representation for Aboriginal people in the Kimberley, and we said that it was not.

CHAIR—Was that in a letter to you from, you think, the minister?

Mr Bergmann—There is a letter.

CHAIR—If you could provide that to the committee subsequently, that would be very helpful. Obviously you do not have any direct representation from the land council on the committee.

Mr Bergmann—It was not even necessarily representation from the land council that was our point. It was more to have representation from someone who had more experience and expertise in the native title field, so that there would be a relationship where they would be able to say, ‘These are the issues.’ I must say, the staff at the time were incredibly helpful.

CHAIR—This is the staff of the SRAC, the advisory committee?

Mr Bergmann—Yes. It was the CEO—I think that was his position; he was incredibly helpful and he made a number of trips over here. He saw the advantage in bringing business and native title together.

CHAIR—Okay. I think I will leave my questions at that point and go to other senators.

Senator BARNETT—Thanks, Mr Bergmann, for your presentation. As a Tasmanian Senator I found it very informative because I am not very familiar with this area as it is my first visit here, so thank you very much indeed. The Sustainable Regions Advisory Council: where is the one based that you had contact with its CEO—do you know?

Mr Bergmann—It used to be based in Kununurra. I thought that it had now been amalgamated into the area consultative committee. The original letters that I wrote, I think I wrote directly to the minister, from memory.

Senator BARNETT—Do they cover this region, the Kimberley region?

Mr Bergmann—Yes.

Senator BARNETT—So you made an application, and you set out in your application all of the things you wanted to do, I assume.

Mr Bergmann—Yes.

Senator BARNETT—So, as far as you are concerned, in terms of the application that was successful, you got the funds, it has now been acquitted, and the job has been done. Are you are now satisfied that it is all complete?

Mr Bergmann—No. We have not actually finished the project. We have spent about half the funding. We still hold about \$36,000—I cannot remember specifically. Actually, I might be able to check—it is about \$24,000 or \$25,000, I think, that we hold in our accounts for the balance of the project. That has been reported back to the Department of Transport and Regional Services against the projects that we have been working on and what has been happening on them. So it has not been fully acquitted, no.

Senator BARNETT—It has not been fully acquitted. And in terms of the contract: you had a contract with the department?

Mr Bergmann—With the department. The last correspondence between us and them was on 27 January 2005. An update of the report was given and a request was made to extend the deadlines or vary the dates because of the number of issues we were dealing with—not having to pull on someone full-time as a staffer and having to project manage it on a bitsy, bitsy basis.

Senator BARNETT—So are there any issues that you want to raise with our committee in terms of the terms and conditions of the contract that have not been met by either you or the department? Or do you believe that those conditions have been met?

Mr Bergmann—I am concerned that it is not quite clear, from the correspondence we have, when the end date is.

Senator BARNETT—That was my next question.

Mr Bergmann—That is what I am concerned about. Our understanding of the project is that, once this project is finished, the committee will consider a new application to extend the good work of this project. This project is severely reduced in scope because of the level of funding that was originally anticipated, but I think there are now opportunities different to those at the time of the submission, like Woodside, iron ore mining on Koolan Island and Argyle Diamonds's new agreement in Sally Malay. It could take on a new level if it were looked at again. My issue is based on the idea that if you can actually deliver something then let's look at redoing it to get some of those outcomes. At the moment it has just been seed funding, so to speak, to create the stimulation, as opposed to taking it beyond that.

Senator BARNETT—Is that something you are interested in looking at doing with the department once this project is complete?

Mr Bergmann—Yes, definitely.

Senator BARNETT—In terms of the funding that you have received, can you identify outcomes or particular benefits that have flowed from the project and can you advise the committee what they are?

Mr Bergmann—There have been some benefits in the sense of creating opportunities. Going beyond that to saying concretely how many people are employed and all of that, I think that might go a bit too far. It is creating will in the companies to say, ‘Yes, we are prepared to do business that way to increase Aboriginal employment and involvement in our operations or to sign a binding agreement that, when we do go to operations, Aboriginal employment and training will be some of our primary objectives.’ Those projects that we worked on or that we utilised these funds to employ people to negotiate were at the seed stage. They have not gone into operation.

Senator BARNETT—In terms of the funding, do you know what you have to do to acquit the \$30,000-odd that you mentioned?

Mr Bergmann—Yes. We already have the funds in our bank account. The funding arrangement of what we can and cannot use those dollars for is quite clear.

Senator BARNETT—So the only thing that is not clear is when you have to do it by: the end date.

Mr Bergmann—Yes, whether we should acquit it now and hand back the balance of the money held in our account or whether they see the benefits of the seeding we are doing with that funding and are happy for us to continue with that because there is a longer term outcome. But I know that in government programs there is generally a start date and an end date. I think the end date, because it was changed a number of times, is a bit blurred.

Senator BARNETT—I just have a couple of miscellaneous questions. You mentioned that 50 per cent of your population up here is Aboriginal.

Mr Bergmann—Yes. The population of the Kimberleys is, I think, about 24,000, according to the Australian Bureau of Statistics. It ranges from region to region. Derby would probably have a higher population of Aboriginal people, and Halls Creek as well. Because it has been growing so fast, Broome’s Aboriginal population is probably down around 43 per cent.

Senator BARNETT—In terms of the land council, you mentioned the sustainable development trust and prescribed body corporates. What do they do, as opposed to the trust? I think I have got a grip on what the trust does.

Mr Bergmann—The prescribed body corporate is a creation of the Native Title Act. After a determination of native title the court has to make an order of the corporation or entity that holds native title. It can only be held on trust or agency, although so far I do not know of any agency arrangements where these corporations hold native title. Those corporations have the authority to approve activities on that land that interfere with native title.

Senator BARNETT—And that is a prescribed body corporate?

Mr Bergmann—That is a prescribed body corporate.

Senator BARNETT—My final question, because I am not familiar with this, is: where do the benefits flow through to the actual people on the ground, your Indigenous people?

Mr Bergmann—From the mining agreements?

Senator BARNETT—Yes.

Mr Bergmann—At a couple of different levels. Generally, most mining agreements set up a trust for that agreement and they have a range of things, according to the mining agreement. One is direct outcomes in employment and training, and some of the dollars from the compensation agreement are used to pay for what it takes to train up Aboriginal people in that process. They try to lever that funding to get more DEWR funding into it as well, matching it on a dollar-for-dollar basis. The KLC has a policy of not supporting any finger money, where Aboriginal people would get paid cash as compensation. That is a policy issue. At the end of the day it is the people who have the legal rights in that area to deal with that stuff. Most trusts—all the trusts that I know of—are set up for either benevolent purposes or charitable purposes. The slight distinction is that, for charitable purposes, trusts would have to be distributed within that financial year and, for benevolent purposes, trusts can keep rolling over their funding and growing it. So there is an elaborate trust structure to get trusts for benevolent purposes set up.

Senator BARNETT—Have you noticed a difference in the benefits between, say, 10 years ago and now under the new system?

Mr Bergmann—I think Argyle is the best example of it. It is only a new creation, but my feeling is that there is change happening with non-Aboriginal people who traditionally did not want to engage with Aboriginal people. The philosophy of the company is: ‘If you want to get contracts at Argyle, we want to know what you’re doing in the local community. Are you taking on any Aboriginal trainees?’ By the might of the dollar, people’s attitudes have changed and I feel there is a difference. I saw another example of that when we were at the formal launch of the extension of the Broome jetty yesterday, where local traditional owners did an opening and a welcome. Those sorts of things were unheard of. The port was seen as the elite end of business. So you are seeing a different level of engagement and understanding happening, and I believe that it is on that level that we are going to start making some real difference in the local community.

Senator MURRAY—Continuing with that line of questioning, you mentioned your 30 staff, and I presume they are really focused most of all on the native title issues. But you indicated in your slide presentation that you expect many of those to be resolved favourably, which I assume means that in the medium term native title will be settled, and then there is the question of administration and of achieving the benefits arising from native title. When would you think that the hard slog of litigation and getting these claims reconciled and negotiated is likely to be over, at least for the bulk of them?

Mr Bergmann—I think the easy ones will be done in maybe the next 10 years and the harder ones will take longer. The big factor determining whether they move ahead quickly is the roles the state and the Commonwealth take in that process. We have had the misfortune, when trying

to settle native title by agreements, that the Commonwealth or state takes a position of being the judge and determining whether your connection material meets a certain standard. There is a level of that you have to deal with, but I think sometimes it goes beyond what is required.

My view on the theory and methodology of mediation on native title is: is it arguable? Is it arguable that these people who walked off the desert in the 1960s have sufficient knowledge, control and understanding of their country to fulfil the requirements of native title? If it is on that basis, can we do a deal? Can we recognise native title within the laws of Australia? I do not think enough of that thinking is happening and that is why matters like Bardi Jawi go to a determination rather than resolving it and the Central Kimberley claim went all the way to a determination by the judge rather than being resolved.

Senator MURRAY—If only the easy ones are going to be resolved within 10 years, it means that to progress the other objectives that you have—namely, regional development objectives: environmental, cultural, economic and so on—it is very difficult to use the Kimberley Land Council staff and resources, because they will continue to be focused on—

Mr Bergmann—It is very difficult because we have a small level of staff as well. Although people may say that the KLC is one of the highest funded rep bodies, I think you have to look at the regional issues that are happening and the outcomes that we are getting. I see that the long-term processes are parallel processes where you would have to continue with progressing the native title discussions. But we need to start the vehicle moving about those regional opportunities now. Generally, the biggest costs for companies are in the construction phase, and native title agreements in some cases happen after a company has made all its commitments about the construction phase and therefore you lose the opportunity.

Senator MURRAY—Apart from purely administrative staff, because you need them doing organisational tasks, are there any operational staff, if I can describe them as such, dedicated to regional development issues entirely—that is their only job—in the Kimberley Land Council?

Mr Bergmann—Not in the commercial sense.

Senator MURRAY—I meant in the cultural, environmental and economic sense.

Mr Bergmann—Yes, there are—through the land and sea unit, where we are doing all the land management projects. They are purely dedicated towards—

Senator MURRAY—How many of your staff would be doing that?

Mr Bergmann—There are about eight staff, and they work on a project-by-project basis. There is no long-term employment there, which makes it difficult to maintain the skills and capital knowledge base in the land council.

Senator MURRAY—Looking to the future: if there are future applications for Regional Partnerships or Sustainable Regions grants, is it those eight people who would be involved in making those happen?

Mr Bergmann—No, because unless the philosophy of the committee has changed those eight projects would not have a strong enough commercially sustainable focus. The funding we get is through Environment Australia and some of the money from the sale of Telstra and it is to do some specific land management and environmental management things. I would not waste my time, unless someone told me otherwise, putting in an application for those types of projects we are doing through the Sustainable Regions Program, because I would get a knock-back.

Senator MURRAY—The area consultative committees attempt to be regional development catalysts, from the perspective of both the community and commerce. The Kimberley Land Council cannot really put itself into that role, can it?

Mr Bergmann—I think it can, because I think we have got to deal with those issues. Those issues come up anyway.

Senator MURRAY—So how could it?

Mr Bergmann—Because our board is made up of elected people from each claim group. We have a broad representative basis.

Senator MURRAY—But I am thinking about your staff and resources. How would you be able to—

Mr Bergmann—Maybe there is a distinction between what the land council thinks it can or should do or what it is responsible for, and what it physically can do with its staff. What we physically can do with our staff is limited. Generally, it sits at a senior level with me and some of the senior managers to stimulate those discussions of the partnerships in the regional community and then, if an opportunity for specific funding happens, we engage in them.

Senator MURRAY—I may be wrong, but I see basically three main regional bodies capable of promoting regional and community based development in the Kimberley. One would be shires or town councils, one would be the area consultative committee and the third would be the Kimberley Land Council. I cannot think of any others. It is those three on which the hopes for programs with objectives like those of Regional Partnerships or Sustainable Regions would have to interact. Am I wrong in that view?

Mr Bergmann—I am not quite sure. I have not turned my mind to the role of the shires and the regional consultative committee, but I certainly think that a big driver behind a lot of things that happen in the Kimberley comes through the land council. It does have a major role to play; a lot of people say that it does not, but the reality is that it does. It comes from people being worried about how this landscape will look in the future and for their kids and a growing desire to find out what kind of economic activity can be done that will protect those cultural values. That is what has continuously put us in that seat. Our technical ability to respond across the board to all those emerging issues is extremely limited.

Senator MURRAY—There is also a state development body for the region, isn't there?

Mr Bergmann—The Kimberley Development Commission.

Senator MURRAY—That is probably the fourth arm in trying to get these things going.

Mr Bergmann—Yes. I sit on the Kimberley Development Commission board as well. It certainly acts as an agency that brings people together to stimulate those opportunities, selectively limiting what it will get on the ground. It has a limited ability to be hands-on as well, I guess, in terms of the level of funding the state provides to their regional development body.

Senator MURRAY—Are there ever any occasions in the Kimberley region where the four main groupings that I have described would meet together and discuss common cause issues, things which they might believe could be coordinated or motivated between the various bodies?

Mr Bergmann—It has not physically happened. The closest one to it was when the Kimberley had an ‘Our Place, Our Future’ conference that brought a whole lot of stakeholders together. They talked about the black and the white future for the Kimberley. It was quite a powerful ‘bringing people together’ conference. Another one of those conferences would be timely. To answer your question: bringing those players that you mentioned together has not happened. On a one-to-one basis, there has certainly been talk that we should do it, but the other question has been: who is going to have the time to organise it?

Senator MURRAY—What I have been groping towards in this inquiry is the sense that, in terms of regional development, both community and government groups—and in that I include local government—are kind of siloed; there is not enough interconnection. It is provided, to some extent, in these rural and remote areas by the same people being on the shire council and the area consultative council and sometimes in the Aboriginal groups and the state groups. So you get that sort of informal connection, but a formal ability to make proposals for the region as a whole seems to me to be limited because there is not a structure for it to occur.

Mr Bergmann—Yes. I think there needs to be some kind of forum where we can at least get together. I do not know whether a major structure needs to be formalised, but there needs to be some kind of forum where we start exchanging views and ideas. When I have had the time to meet with different people, there a number of things we all have in common—native title—but making the time to find out what you have in common is generally the problem.

Senator MURRAY—Do you think that one of the things the committee should consider is perhaps recommending to the federal government that it sponsor annual regional get-togethers of various state, Aboriginal and federal bodies? It can be relatively low cost. You are talking about a day or two with a proper agenda, where people can really share a vision of the regions. It happens with the area consultative committees. The 56 chairs meet and, periodically, the chief executive meets, so that organisation is interacting and sharing ideas, but it does not seem that it is happening enough—

Mr Bergmann—It does not have all the ingredients.

Senator MURRAY—Yes—across the four bodies I outlined: state, local, Aboriginal and federal.

Mr Bergmann—I think there would be some benefit in that. The shires in the Kimberley do come together on a regional basis to have a think tank. There are a number of mechanisms where

the same concept could be grown. There could be something like a leadership forum, where on an annual basis certain people who are considered to be within the leadership of regional development and sustainable development come together and brainstorm and workshop ideas about how to improve things. That could translate into a major conference every two to three years, where a wider stakeholder group come and put forward their views. One of the examples is the Pastoralists and Graziers Association. They have been saying to me that they need the Aboriginal pastoral stations to be operating efficiently because, if they do not, it affects them all.

Senator MURRAY—That is right.

Mr Bergmann—Aboriginal people own, I think, close to 40 per cent of the pastoral stations in the Kimberley.

Senator MURRAY—It is about a quarter right through WA.

Mr Bergmann—It is bad business for them, so they are saying, ‘What is government doing to assist these Aboriginal pastoralists to manage the project in a way that’s going to sustain their industry?’ If the number of cattle exports decreases, the cost for the existing stations goes up and up. I just want to say one thing before we finish. I forgot to mention that contact in the Kimberley is really recent. There are people who walked off the desert in the sixties who are still alive today; they had first contact when they were in their teens. If you get time to go to the Kimberley Bookshop, there is a book called *Two Sisters: the Stories of Jukana and Ngarta*, which tells the amazing story of two Aboriginal women who walked off the desert. The book talks about an expedition, in 1980, by an anthropologist called Kim Ackerman, from Noonkanbah Station. They went out into the desert, where they tracked an Aboriginal man they knew was still walking around and living in the desert. We are talking about real, strong connections to country in the Kimberley.

Senator STEPHENS—I have just a few final questions going back to the Sustainable Regions Program and the Regional Partnerships program, and your application for your sustainable development trust. The original application was for some \$900,000. Was the project proposal supported by the local Sustainable Regions committee?

Mr Bergmann—I assume that it must have been supported because we did get some funding. I have not had any formal communication about that, but the funding that we received was on the basis of that submission. It is just that the level of funding that was available was severely reduced.

Senator STEPHENS—So you do not know where the decision was made to reduce the level of funding to your organisation? Was there any negotiation?

Mr Bergmann—No. It was just a letter saying, ‘Your application was successful—here is \$88,000.’ We did not have any kind of engagement. We had to severely rethink the project within the limits of that funding.

Senator STEPHENS—Since that project proposal, have you put any other project proposals through the sustainable regions advisory committee or through the Regional Partnerships program?

Mr Bergmann—No.

Senator STEPHENS—Have you been asked to provide commentary on any other projects from other proponents that have gone through that program?

Mr Bergmann—No.

Senator STEPHENS—Thank you very much for your evidence; it has certainly been very informative and helpful for us to understand the native title implications of the economic development challenges of the Kimberley.

Mr Bergmann—I certainly see native title as a major lever for the regional economy. When you look back on history, you do not see any of the resource industry companies trying to develop the regional economy. It is generally far more commercially efficient for them to fly in and fly out. Now, although it is not their responsibility, you are seeing Aboriginal people with a lever saying to them: ‘You want staff to work regularly in your mine and you need them to get up at certain times. We live here and we want to do it but, hey, there are 20 people living in my house. They’re not going to get a good night’s sleep, so they’re not going to go to work and be productive. We want you to assist us in increasing the number of houses in our community.’ It is creating a whole lot of different thinking.

Mining companies are saying: ‘We’re going to change the way we operate and become more computerised. But you don’t have any people now who have those skills.’ So we are saying to the companies: ‘Let’s look at our year 7 students and let’s focus on them having skills. Give them incentives to stay—a guaranteed job when they finish year 12, so that they can go straight to this mine and become a technician or something.’ That is hands-on, direct and interventionist, and I think we are seeing some changes. I am really excited about what is happening because there is a change in what is going on. The other benefits to that are that the local businesses in the region also get the contracts to build the houses, schools expand in size and the options for different electives at schools increase because there is a bigger population and schools can offer more. I hope I do not have to send my kids to Perth to finish high school. I hope that there will be enough options in Broome—that the schooling will expand enough—so that our kids will stay here.

I think native title should not be seen as an obstacle. We had this debate back in 1993 or 1994 when the Native Title Act came into play. It is here to stay and we need to work out how we work with it. A performance indicator as to how the economy is growing is how well Aboriginal people are engaging with the companies, because generally where the rep body is more organised you see that these developments and operations are streamlined and happen a lot quicker.

CHAIR—Thank you, Mr Bergmann. Your evidence has really been very informative. As a regional focus is part of this inquiry, it has been good to come to this place with its regional focus. Given the nature of these programs, we wanted to get out into the regions to speak directly to the affected people and in particular to take the opportunity to talk to the Indigenous community. We appreciate your coming along this morning. Keep up the great work that you are doing.

[10.22 am]

BAXTER, Ms Lesley, Coordinator, Kimberley Interpreting Service

CHAIR—Welcome. This is a hearing of the Senate Finance and Public Administration References Committee into the Regional Partnerships and the Sustainable Regions programs. We prefer all evidence to be heard in public but if there are any matters that you need to raise or discuss with the committee in private at any time just tell us that and we will consider that at that point. All evidence is protected by parliamentary privilege, which, in a short form, means that witnesses are given broad protection from action arising from what they say. The Senate has the power to protect them from any action which disadvantages them on account of the evidence that they give to the committee. All evidence should be truthful and any false or misleading evidence may constitute a contempt of the parliament. We have determined earlier on in our proceedings, some 12 or 13 hearings ago when we started, that all evidence shall be given by witnesses either under oath or by affirmation. I invite you to make some opening comments before we proceed to questions. I leave it in your hands to give us a bit of a rundown on the Kimberley Interpreting Service in respect of the issues that this inquiry is looking at.

Ms Baxter—I will start with describing the organisation that I work for and giving a bit of a history of where it has come from. It is a fairly young organisation. It started in 2000. The Kimberley Interpreting Service came out of a recognised community need for Indigenous people from the Kimberley to have a stronger voice. The majority of Kimberley Aboriginal people do not speak standard Australian English as a first language or necessarily as a second or third language. There are 15 living languages throughout the region. Historically, communication between mainstream and Aboriginal people has not been very strong.

The interpreting service came as a result of a project that was started in the late nineties through the Department of Justice in Western Australia. It came out of deaths in custody. My details might be a little inaccurate, but I am just giving you the background as I know it. Quite a substantial amount of money came from the state government into a project to train Indigenous people in the whole state to interpret between English and their native language. A training organisation in Perth oversaw the project. Through that, a number of Aboriginal people throughout the Kimberley were trained and accredited to become paraprofessional interpreters.

I work for the two language centres, which are both community based organisations. One, in Kununurra, is called Mirima Council. They started the interpreting service to provide a structure and a business for the Indigenous interpreters in their region. Within the first year they decided that it needed to be a Kimberley-wide organisation and they invited in the Kimberley Language Resource Centre to become a part of the steering committee to run this new service. So, in effect, it is a new industry. It has grown quite dramatically over the last 4½ years.

We are very small. We are very lean. We secured a budget from the state government. That budget is made up from eight different state government departments who all put in \$15,000 a year, so our annual operational budget is \$120,000. Through that, I am employed; we run an office, a vehicle and telephones; and I have a half-time worker who works with me. So the whole organisation is really run through this fairly small budget.

Also, as you know, we have obtained money from the Sustainable Regions Program. The essence of that was to develop the organisation as a business, which we have taken on quite seriously. We are in the process of doing that. We have taken on that we need to become a self-sustaining business within the next three years. Three years might be a bit unrealistic, but that is the direction that my committee is taking the organisation. I have brought copies of our business plan and materials that have come out workshops, because we have identified that for us to become a self-sustaining business we cannot just rely on the work of interpreting. Most of the money that comes in from interpreting goes straight back to the interpreters and we get a very small percentage of it which we then put back into resources for the interpreters.

We have gone through a process of looking at cross-cultural training and making it a part of our business. We are one of the few organisations in the Kimberley that works right across the region. We work with 70 Aboriginal interpreters in 15 different languages. Our interpreter cohort has doubled in the last three years. There is a lot of enthusiasm around communication and interpreting. I have worked in the Kimberley for 25 years, in education mostly, and what I have seen happening with interpreting is quite remarkable. People who have skills in their traditional language and English are really keen to do the work, and 95 per cent of the time the outcome is incredibly positive. Moving into cross-cultural training is appropriate, and it is a way of up-skilling our interpreters to be able to expand their work and skills and their economic base.

In relation to our structure, I have an office in Broome, where there is me and a half-time worker. We do everything from administration to applying for grants, organising jobs, servicing interpreters and organising training. Everything that happens in the organisation happens through that office. I work with a committee that directs the whole operation. The committee is made up of six people: two from each of the language centres and two interpreter reps. We get together once every three months, usually by telephone. Once a year we meet face to face. As a result of this business development we are doing, we have had to come together much more regularly to workshop things like cross-cultural training—whether we are prepared to take it on and what it is—so there is an education process going on for the committee as well as the interpreters. This is where Sustainable Regions and our Regional Partnerships grants have really come to the fore. Without that money, we would not have been able to do it. I think I have painted a fairly clear picture of where we are at.

CHAIR—Are you going to provide the documents that you have brought along to members of the committee?

Ms Baxter—Yes.

CHAIR—We will formally receive those documents. Can that information be made publicly available?

Ms Baxter—Yes, it is not private information. Very little information that comes from us is actually private. The only sort of confidentiality issues we have are to do with the interpreters. We need to professionally stay in charge of placing interpreters into jobs because it is a delicate thing.

CHAIR—Any material that the committee receive is normally made public unless there is a request for it to be kept confidential.

Ms Baxter—Just been mindful that one of the documents is workshop notes, so it is a very informal document. The other one is our business plan.

CHAIR—We receive this information formally and will make it public, subject to the usual checking by the secretariat.

Senator STEPHENS—Thank you, Ms Baxter, for your information this morning and for your evidence. Yesterday we were in Port Hedland, where we heard from the Wangka Maya organisation and about the wonderful work that they are doing. Is your service based on a similar model?

Ms Baxter—They have based their service on our model. It is a bit different. Wangka Maya language centre's work is language work. I am not sure if they have set up their interpreting service sector, but I know we have a lot of communication with them and have given them all of our business plans and information about how we are running the interpreting service, because we are the only Indigenous interpreting service in the state and one of only two in the country. There are only two Indigenous interpreting services—there is one in the Northern Territory and there is the Kimberley Interpreting Service.

Senator STEPHENS—So you are totally funded by the state government here?

Ms Baxter—Yes.

Senator STEPHENS—How far does your service extend if you are the only service in the state?

Ms Baxter—The Kimberley. We do set up jobs in Perth when Kimberley people go to Perth and find themselves in hospital or prison. We also do jobs for Kimberley people in Darwin. So we have worked outside the state, but we can only work with the languages of the people in the Kimberley.

CHAIR—I would like to properly understand this. Forgive my ignorance on this, but you said there are 15 languages. Is the interpreting service designed so that the interpreters are people who can translate from one of those 15 languages into English and into other Indigenous languages, or is it more focused on translating one of the Indigenous languages into English? That may be determined by your resources and the number of people—

Ms Baxter—It is absolutely, totally dependent on the people. The language situation in the Kimberley is such that Kriol, which is a modern language, is the lingua franca of most Kimberley Aboriginal people. Kriol sounds a little like English. It has the grammatical structures of traditional languages, but uses English words with different meanings—so words that we use in English do not have the same meaning in Kriol—and traditional language words. So there are dialects of Kriol from town to town. For example, the Kriol that people speak in Broome is a very mild Kriol and quite close to English. In Derby they speak a much stronger Kriol, and the languages of that region have a very powerful influence over the way people speak Kriol. In Fitzroy Crossing, Halls Creek and Kununurra it is the same. They are the regions. People from Balgo and those desert regions do not speak Kriol very much. The kids learn Kukatja, Walmajarri or Jaru as their first language, and when you go to somewhere like Balgo you will

hear little kids speaking a traditional language, which for me is quite unusual because I have spent a lot of time in the west Kimberley. In places like Kalumburu right up north only the old people really speak the language and the young people speak English and Kriol.

So in each place throughout the Kimberley the language situation is quite different, therefore the interpreting needs are quite different. So when people are trained as interpreters, like the last lot of interpreters who went through the diploma, they do their accreditation in Kriol, because logistically it is much easier for them to do that. However, most of those people speak three or four languages, so they can apply their interpreting skills in real life to their different languages. But placing people in jobs is quite a delicate thing because of relationships. We have to know the interpreters, who they are interpreting for and the nature of the job. You cannot just put anyone who speaks that language in, because everyone is related. For example, you cannot get a sister to interpret for a brother about a medical matter—or, for that matter, anything much really—and you cannot get a mother-in-law to interpret for a son-in-law. I rely completely on my interpreters to tell me who the best person for this job is. I spend a lot of time on the phone. It is really complex.

CHAIR—It sounds far more complex than just having a booth like at the United Nations, where one person speaks six languages.

Ms Baxter—No, it does not work like that. Another thing that holds it back is people's understanding or level of standard Australian English. Embedded in our language is our culture and our cultural mores—how we think, how we see the world, how we relate to the world and all those sorts of things. For most Kimberley Aboriginal people, their level of standard Australian English is a huge issue.

That leads me to other issues. One of the things that is holding us back at the moment is a lack of education and training specific to our needs. We have huge needs for education and training that just does not exist. We have to get Batchelor college to come over and deliver the diploma. Batchelor are funded by the Northern Territory government and the Commonwealth; they are not funded to do education across the border. They did come last year and deliver the diploma, which was fantastic. At the moment I am trying to negotiate to get Kimberley College of TAFE in partnership with Batchelor to get this diploma happening year after year without breaks, without two years off. It is the same with specific training which will raise people's levels of English and give them specialist training in health, justice, governance and those sorts of things.

CHAIR—I think Senator Stephens wants to pursue some questions on the grants.

Senator STEPHENS—I do. It is obviously a fascinating workplace and a huge challenge for you. You said to us earlier that you worked for Mirima originally. From my understanding of the information that has been provided by DOTARS, you got two grants. One was to the Kimberley Interpreting Service and the other one was to Mirima Council. Is there a formal arrangement between the two?

Ms Baxter—Mirima Council is the parent organisation. I am employed by Mirima Council, and all of our grants and finances go through Mirima Council.

Senator STEPHENS—I see that your first grant was approved in May 2003. That was for \$127,000. Has that all been expended now?

Ms Baxter—No, it has not.

Senator STEPHENS—Have you received it all?

Ms Baxter—No. We have not acquitted our second lot of money as yet, and we have a third lot, which I think is about \$5,000. It is a small amount of money. We are using that grant for our business development.

CHAIR—This is the Sustainable Regions money?

Ms Baxter—Yes. It is for our operations and our growth. We are using that money for the growth of the organisation. Our business plan and the development of that plan have come out of that Sustainable Regions money. Our move into looking at cross-cultural training and our employment of consultants to move that on has come out of the Sustainable Regions money. We have done trips through the Kimberley, researching and talking to government agencies and to business about their needs from us. We have developed policies and procedures out of this money.

We have used our Sustainable Regions money to make the organisation very solid. We have a plan to move into in the future. The Sustainable Regions money has given us a base to be able to do things that we would not have been able to do. It is about business development. I do not know what you have in front of you, but that—

Senator STEPHENS—We were just told that this was approved to assist the Kimberley Interpreting Service to increase the use of interpreters within its existing client base as well as to develop an expanded market within the private sector.

Ms Baxter—That is correct.

Senator STEPHENS—Can you tell us how you became aware of the Sustainable Regions Program?

Ms Baxter—I did not do that grant application; one of my colleagues at Mirima did the application. She did it locally through the person working for DOTARS at the time, Anthony Harvey. She worked with him to develop the submission to get that grant.

Senator STEPHENS—Was that the total amount that was applied for?

Ms Baxter—Yes.

Senator STEPHENS—The \$127,000?

Ms Baxter—Yes.

Senator STEPHENS—And it took seven months for the grant to be approved. Can you tell us what your relationship is with the Sustainable Regions advisory committee? Does your organisation have an ongoing relationship with the advisory committee?

Ms Baxter—No, I cannot say that we do. There is none really. I have met people from DOTARS, but I have not met people from the Sustainable Regions advisory committee.

Senator STEPHENS—What about the local federal member, Mr Haase? Did he have any involvement in this project?

Ms Baxter—No.

Senator STEPHENS—That is good. The information that we have is that the \$127,000 represented 38 per cent of the total project funding. Did you have funding from other organisations or other grants programs to match this funding?

Ms Baxter—Yes, our funding from the state.

Senator STEPHENS—So your core funding was incorporated into that?

Ms Baxter—Yes.

Senator STEPHENS—You talked about developing your business case and expanding your existing client base. You also said that the interpretation services are for legal, medical and community purposes. Did your core funding come through the department of justice in response to deaths in custody and the legal requirements?

Ms Baxter—Not really. Our original funding came from the state from the Department of Employment and Training. We got a one-year grant to get started. I was not working there at the time, but my predecessor worked half time and got the service started—established the web site and booking procedures and created the organisation as an entity. In the second year, I think the departments of justice and health put in money for operations. In the third year, DIA came in and supported it. The funding for the service has been very tenuous from the beginning, but the state government has always come through in some way or other. At the moment, we have three years of ongoing funding. That started last year. That funding is from eight state government departments through, I think, the social policy standing committee.

Senator STEPHENS—A pooled funding arrangement?

Ms Baxter—Yes.

Senator STEPHENS—So, through the Sustainable Regions funding, you are increasing the use of interpreters. You said that you have 70 interpreters now and an increasing need. To what extent do you not meet the existing need with 70 interpreters? What is the level of demand?

Ms Baxter—We have had to be very careful. The level of demand is huge and, as we are often told, once services start properly using interpreters, we are going to have a wildfire on our hands. That has come from justice and from health. We have not done any huge marketing campaigns.

We would be very silly to do that. We do not have the interpreter base to be able to deliver the service. At the moment we do an average of four assignments a week throughout the region. They are either for government or for private business. There are probably 30 jobs that we could do a week. Every time an Aboriginal person is picked up by the police in any of the police stations to make a witness statement they need an interpreter. There are a lot of problems arising in the health, police and justice areas as a result of miscommunication. I will not go into that in this forum. All it would take is one court case in one of those sectors and people would not be able to have interviews, do operations or treat Aboriginal people without having an interpreter there. There is a huge need, and we have had to be strategic in how we present ourselves—how we advertise, how we market the organisation. As I said before, it is all dependent on training.

Senator STEPHENS—In terms of what you are trying to achieve with the funding that you have got from this Commonwealth program, first of all, how did you find out that you had been successful in the application? Can you remember that?

Ms Baxter—I think I found out from my colleagues in Kununurra. I found out through Mirima. Then I think Barry Haase rang up. There were a number of politicians. I cannot remember who.

Senator STEPHENS—From the time it was announced that you had been successful, how long did it take for you to receive the contracts?

Ms Baxter—I cannot remember. I do not know.

Senator STEPHENS—Did it seem to be a reasonable period of time?

Ms Baxter—Yes. There was no problem with that.

Senator STEPHENS—Do you remember how quickly you received some funding?

Ms Baxter—I think we received our first lot of funding quite quickly.

Senator STEPHENS—You say you have not had any ongoing relationship with the Sustainable Regions advisory committee?

Ms Baxter—No. I do not know who the committee is or where they reside. That does not mean anything to me.

Senator STEPHENS—You also got a Regional Partnerships grant for \$29,480 in mid-2004 to recruit interpreters at Kalumburu and Balgo. That was a different project?

Ms Baxter—Yes.

Senator STEPHENS—Can you tell us a little bit about that project and how it was different?

Ms Baxter—Recruiting interpreters is very specific. We need to cover a really wide region. I have approximately 50 people on my books who are ready to do interpreter training as a result of that Regional Partnerships grant. There are people up the Gibb River Road right up to Balgo

who are really interested in doing the training so that they can start working as interpreters. There are regions in which not a lot of interpreting happens, because we do not have the people to do the work.

Last month I was in Balgo, Mulan, Billiluna and Ringers Soak, talking to people about interpreting and getting the response of the community. As you can imagine, it is time intensive and travel intensive. I always take interpreters with me to do that recruiting. That is what the money is for, and we have been doing it over the last 12 months. I have to do another trip up to Kalumburu to sign up people to courses.

Senator STEPHENS—Did the area consultative committee help you with putting forward that application?

Ms Baxter—No, we did it ourselves. I think it was negotiated at director-general level. It was something that was worked out between people in the department.

Senator STEPHENS—It is interesting that this funding came through under Regional Partnerships and the other money came through under the Sustainable Regions Program.

Ms Baxter—They are quite different projects. They are quite different parts of our work. The Sustainable Regions one came early and the Regional Partnerships was a specific, separate project. It fitted in more with our operations.

CHAIR—Did you, yourselves, ascertain that it was appropriate to apply under Sustainable Regions for the first one?

Ms Baxter—Yes.

CHAIR—It was not based upon being told or advised by the department?

Ms Baxter—No, it was totally determined by our needs and negotiations that we had done with people in different government departments.

Senator STEPHENS—Given that the Kalumburu and Balgo projects were negotiated at that senior level of the state government—obviously with DOTARS—were they part of the East Kimberley COAG trial?

Ms Baxter—I would say that the East Kimberley COAG trial had some influence on that, but I cannot really remember. We have done work in those regions. We send interpreters to the meetings. I have a project that I have been trying to get off the ground for the last 18 months, which is to train and get accredited 20 Aboriginal people from those COAG communities to work as interpreters at all levels in those communities. We need about \$50,000 to employ a trainer—who can also do NAATI testing—to send them into those communities to train a team of people to work as interpreters. I did a project description and a budget about 18 months ago. I have sent it to the COAG trial site workers. It has also gone to DEWR and to DEST. It has gone all over the place, and I have not managed to get it moving yet.

Senator STEPHENS—Have you had negative responses, or has there been no response as yet?

Ms Baxter—No response. I have had people—

Senator STEPHENS—So they have gone into the mix of the COAG process?

Ms Baxter—I have had people say: ‘We’ll ring you next week. Yes, this project needs to happen.’ It is not as though there is any resistance or there is anyone saying it is not a good idea. Probably the closest I have had to that is somebody from DEWR who said: ‘What are the outcomes? Does it provide full-time employment for Aboriginal people?’ No, it does not, because of the nature of the work. So it does not fit within the mainstream criteria. People say, ‘It doesn’t fit our outcomes or our criteria.’ There is no doubt that it is quite expensive training.

Senator STEPHENS—Even given the fact that you are the only interpreting service in Western Australia, you receive no Commonwealth funding at all for your services?

Ms Baxter—Other than our Sustainable Regions and Regional—

Senator STEPHENS—You do under the grants program but not otherwise?

Ms Baxter—No.

Senator STEPHENS—And there has been no capacity to negotiate that?

Ms Baxter—No. There has been a lot of effort put into it over the years. The only other Indigenous interpreting service in the country is in the Northern Territory. They work with a budget of \$1.4 million a year. They are a Northern Territory government department and they have nine full-time staff.

Senator BARNETT—Are they funded by the department or are they a department?

Ms Baxter—They are funded by the Attorney-General’s Department, I think—

Senator BARNETT—Is that in the Territory government?

Ms Baxter—No, the Commonwealth government. They reside within Jack Ah Kit’s department—the Department of Housing, or regional development, or one of those departments. They are jointly funded by the Commonwealth and the state. That is the sort of thing we have been trying to set up for the Kimberley Interpreting Service. But we just keep coming up against brick walls.

Senator STEPHENS—Ideally, what would be the best funding model for the Kimberley Interpreting Service?

Ms Baxter—It would be a funding model where we got money from the state and the Commonwealth to keep the service going, because there are a lot of issues in there which are to

do with social justice, equity, capacity building and employment. All of those issues sit within the interpreting service.

Senator STEPHENS—Given the situation you are in now, how do you make the decision about who is going to receive interpreting assistance? How do you determine who gets your help and who does not?

Ms Baxter—It does not work like that. We are a business. People ring us, make a booking and employ our services. We provide a service. Anyone who can pay us \$55 an hour—

Senator STEPHENS—No, I meant in terms of Indigenous individuals needing interpreting services. If someone from the Kimberley is in court in Perth, would you be engaged by the court or the department from Perth? Is that how it works? Individuals do not come to you asking for your advocacy or your service—you are engaged by an agency or a business?

Ms Baxter—Sometimes they do. How we have dealt with that is that we have given local people cards and information to say they need to ask the police or the hospital to ring us and get an interpreter. In cases where people desperately need an interpreter, we would potentially pay for an interpreter to have an assignment rather than not have it, but we do not have a budget to pay the interpreters to do the jobs. The model in the Territory is that I think the departments all have an amount of money which goes into the interpreting service. So the money is an internal thing, certainly for the government departments. But we work in a different way. Our model is different from that.

Senator BARNETT—I am learning a lot today. It is very informative. What proportion of the population in the Kimberleys would be covered by the 15 languages that you cover? I understand that nearly 50 per cent of the population of the Kimberleys is Aboriginal or Indigenous. What proportion of those people would the 15 languages cover?

Ms Baxter—One hundred per cent.

Senator BARNETT—I would have thought that there would be other languages that you did not provide services for.

Ms Baxter—No. We might only have one or two interpreters with a particular language, but I could say that we cover 100 per cent of Indigenous languages.

Senator BARNETT—In terms of elsewhere—places outside the Kimberley—how do they get on, say, in Perth? You have your service here; what do they do?

Ms Baxter—They do not. They absolutely, definitely do not get on. Historically Aboriginal people throughout the country have not had a voice. That is extreme, but that is what I see happen. I get calls from all over the country for languages that I have never heard of, and I cannot direct those people somewhere else. Last year we did a study for ATSIIC. We wrote a scoping paper where we had to collect together all the information about the state of Indigenous interpreting in the country. There is nothing on the east coast. This paper kept coming back from the people we were writing it for, saying, 'You haven't talked about Queensland and you haven't talked about New South Wales.' I would write back and say, 'There's nothing there.'

Senator BARNETT—I had a look at the 2002-03 and the 2003-04 budgets. I think approximately 20 per cent is fee-for-service and the other 80 per cent is department funding. Does that sound right to you? Is that pretty accurate?

Ms Baxter—Yes, that would be fairly accurate.

Senator BARNETT—The fee for service that you have here, of your total income, only covers about 20 per cent.

Ms Baxter—I know how much we have in the part of our budget which is the money we get back from fees for services. It is about \$30,000. That is accumulated over the last four years.

Senator BARNETT—Is it your hope or your budget that that will increase?

Ms Baxter—Our hope is that we become totally self-supporting—100 per cent. Our aim is to become a self-supporting business that is not dependent on government money. That is the aim of the organisation. That is where we are heading. That is what our business plan is all about. Indications are that, if we get support—and it may take four or five years—there is no reason we cannot be self-supporting. We are creating a new industry. In every industry there is an economic base, and that is what we are in the process of creating now.

Senator BARNETT—You said earlier that you are an unincorporated association. You have those two main stakeholders or shareholders which are community based.

Ms Baxter—Yes. We have an accountant coming next week to do a workshop with the steering committee. Our plan is to become a proprietary limited company by this time next year. Over the next 12 months our aim is to educate all of the committee and to work out exactly how we are going to move into that. We do not have the skills or expertise ourselves, so we need to get people in to assist and support that to happen. The sort of model that we are looking at is for the two language centres to be the two shareholding groups. In time, if we do the business properly, any profits that are made will go back into those language centres to support language work. We will have a board of directors, which will be made up of Aboriginal people and people from the business sector. We have quite close relationships with people like Argyle diamonds, who have used us constantly over the last three years. We are developing connections with the business world.

Senator BARNETT—That is excellent. Senator Stephens mentioned that the Sustainable Regions funding—\$127,000 or thereabouts—was 38 per cent of the total funding for the project. Can we clarify for the record whether you have a contract with the Sustainable Regions Advisory Council, whether you believe the terms and conditions of the contract have been met, firstly, by you and, secondly, by them?

Ms Baxter—Absolutely.

Senator BARNETT—What are the key milestones or outcomes to date?

Ms Baxter—The key milestones are the development of our business plans, the statistics on the number of jobs we are doing and the number of interpreters we have on our books. We are

mapping our progress next to that business plan. We are working to that business plan and we are on track with all of it.

Senator BARNETT—Excellent. Are all the funds acquitted now?

Ms Baxter—No.

Senator BARNETT—How much?

Ms Baxter—We acquit them. I do lots of variations, so I am always referring back to the contract. I have been working with these contracts over many years. You just work well with the contract.

Senator BARNETT—How far through are we? What proportion has been acquitted?

Ms Baxter—I think we still have \$50,000 from the last lot. A lot of that will get used up with this workshop we are having next week. We have one more of \$5,000 after that.

Senator BARNETT—So you have a reasonable expectation that you will fulfil the terms and conditions of the contract and meet the milestones that are set out in the contract?

Ms Baxter—Absolutely. That is how we work; you cannot do it any other way.

Senator BARNETT—Thanks very much.

Senator MURRAY—Pretty well all my questions have been covered. My real interest is in whether this concept can be extended throughout those parts of the country which have large numbers of Indigenous folk—for example, North Queensland and the rest of Western Australia. I worry about what happened in the previous 100 years. It is remarkable to me that it has only just come alive. I have not heard much in your discussion about work being sent your way by the Kimberley Land Council. Does that happen? Is your organisation used by them, given their interaction on native title and all the legal stuff they have to do?

Ms Baxter—A little. We do work for the Kimberley Land Council. We work with them in the same way that we work with everyone else.

Senator MURRAY—Once a claim has been established and the court has said that that claim is agreed, do you find your work picks up? People in resource companies and other commercial bodies need to work with the people who are covered by the native title claim. Do you find you are doing more of that kind of interactive work? When a mining company wants to establish a new mine, do they call you in to help consult with the local people and use an interpreter to do that?

Ms Baxter—Not necessarily. We are not that mainstream yet, but that is what we are heading towards. Government departments and the mining companies are committed to interpreting, because they use us all the time. Eventually interpreting will become part of everyone's standard practice. When they organise a meeting, they will organise the venue, the food, the travel and

interpreters. That is where interpreting sits in interactions between anyone outside and Indigenous people.

Senator MURRAY—Knowing the money that is being spent throughout the resource negotiation agreements area in its interaction with native title, I suspect you would have a huge mine of opportunities to explore once sufficient interpreters have been trained and accredited and you are able to market the organisation. The basic requirement in arriving at an agreement is to consult and to get the approval and understanding of the people concerned. That requires interpreters.

Ms Baxter—We did have an interpreter working on the Worrorra land claim. I do not know the official name for that land claim, but we had one of our interpreters work through most of that hearing. However, that is the only one that I know of. People in the Broome region have quite a high level of standard Australian English, so there is not such a huge need for interpreting in this region. The need in the Broome area is for Aboriginal people from more remote areas. We get a lot of calls for Walmajarri, Karrajari and Kukatja, which is from the desert. So you have people coming in from those regions. I have a small pool of interpreters here in Broome that I can call on if the police, the hospital or whoever calls. But in respect of land claims in this region, there is not a great need for interpreters.

The Bardi Jawi claim that Wayne was talking about is from this region, where people do speak pretty good English. Historically, though, what you are saying is absolutely correct. Interpreters should be used in all those land claims, but we are dealing with a situation where it is not normal practice. After all this time, it is not normal practice. If people were speaking Chinese or Japanese, everyone would understand that an interpreter was needed, but it has not been the case with Indigenous Australians.

CHAIR—Thank you very much for coming in this morning and giving your evidence to the committee. It is very much appreciated. Thank you for the material you provided.

Ms Baxter—One question I would have of you—maybe you can direct me—is on the issue of education in this area.

CHAIR—There is a Senate committee and other committees of the parliament that look at issues of education, employment and so on. It is not something that we are focused on in this inquiry but as senators we are conscious of the education issues and education needs. We are focused on these two programs at the moment; however, it does not mean that we are not concerned about other issues.

[11.20 am]

MARTIN, Mrs Carol Anne, Member for Kimberley, Western Australian Parliament

CHAIR—Welcome. I understand that you have a time constraint and you need to get to another meeting by midday. We will endeavour to meet that. As you would be aware, this is an inquiry of the Senate Finance and Public Administration References Committee into the administration of the Regional Partnerships and the Sustainable Regions programs. I do not think I need to take you through all of the arrangements that apply to parliamentary privilege, but all evidence you give is protected by parliamentary privilege and we do prefer hearings to be in public. We require all witnesses to give evidence to the committee by oath or affirmation.

We are very appreciative that you are attending our hearing today. It is a privilege for the committee to be up here in your electorate in this part of Western Australia to hear evidence from you and other witnesses. I invite you to make an opening statement, following which senators may wish to ask questions. We are very interested in hearing about your role as a state member and your interaction with the Kimberley Area Consultative Committee, the Northern Land Council and other groups in respect of these two programs.

Mrs Martin—I would like to start by welcoming you. It is really good that you are here. The Kimberley is left behind in a lot of ways but your being here shows a commitment. I will give you some of the demographic information that pertains to my electorate. It is made up of 220,000 square kilometres. From one end of my electorate to the other, it is 1,400 kilometres on the main road. There are approximately 38,000 people here, 48 per cent of whom are Aboriginal. Of that 48 per cent, 65 per cent are under 16. So we have a very young Indigenous population. In Western Australia we have 10,300 Community Development Employment Projects positions, or CDEP. The fact that 5,000 of those exist in the Kimberley, within a population of this size, indicates an obvious problem.

We are supposed to have an 11 per cent unemployment rate here, but realistically I suspect that that would be 43 per cent if you took out the Work for the Dole, which is the CDEP. I submit this information to you because we have an issue with poverty. I think we also have an issue with neglect—by any government—over at least 50 years that I am aware of. As this is my second term, I have had a bit of time to get this information together and to try to work out what is happening in this part of the world. The most important thing that we look at here is that people who are on CDEP are on an annual income of \$9,000 and you have to take into consideration the fact that it costs 17 per cent more to live up here. We need also to take into consideration the fact that quite a few of the population live in abject poverty—not just poverty in economic terms but poverty in terms of the spirit. What I want to present to you today is that overview, just so you know where I am coming from as the elected member for Kimberley. What affects the Indigenous population in my electorate affects everybody, because these Third World conditions are an indictment of all Australians. I just want to put that on the record.

When you have a look at industry up here you see that we have got tourism. That is a lot of what Broome is about; however, we have also got the pearling industry. We are coming into our own when it comes to mining, and there is the pastoral industry, which has held its own over a

number of years. We have six per cent growth of our population across the region in real terms. My electorate does not take in Fitzroy Crossing or Halls Creek. That, of course, is a bit of a concern to me, but I still service them. Those two areas have some real problems in terms of accessing resources.

So the program, I believe, has been great—great for us because we got \$11 million that came direct into our economy one way or the other.

CHAIR—Was that from the Sustainable Regions Program?

Mrs Martin—Yes. The allocation was \$12 million so in my view we have got \$1 million to spend—so don't take it away! Although I have to say to you—and I will come back to all those years of neglect—we need a lot more than that. The state government ups the ante from time to time and we have actually done very well in terms of our budget. But we need a lot more. We have roads issues; we have education issues. In my first term my job, as I saw it, and I think I succeeded in it, was to ensure that the infrastructure for the future of our health service was impacted upon, and also of course education. Every hospital in this region has been either fully refurbished or rebuilt, or a new hospital is being built. We have the infrastructure now in place to provide services that citizens in other parts of Australia feel they can take for granted. We in the Kimberley do not take anything for granted. Anything we gain we fight for.

To me there have been three phases to this program. In the first phase, when it first came along, I was very well informed and was able to give information simply because I was out there. A lot of the organisations came to me and I would send them off to get the funding, and I would of course support them. In the second phase there started to be a bit less of that. In the third phase, in the last year, there has been very little, and that is understandable because we have got rid of most of the money.

Some of these programs have been innovative in terms of setting a precedent for industry. For example, I am not sure how much was made available, but in Kunanurra there was a program to look at preparing mangoes so that they could be shipped overseas. That is about marketing. That is about a direct impact on our economy. Every cent that comes into the region has a good impact; I believe that you should give us 100 million bucks to play with—that is my view. Programs that are not funded properly really need to be looked at.

I know that you have just had Ms Baxter here—the woman is tenacious. It is true: government departments do not pay for the interpreter services that we need. If you go down to the hospital you see people there that do not speak English. You cannot be sure if the doctor on the receiving end is getting the message. The way I understand it, there is about \$80 million to \$100 million that goes into interpreter services for people from non-English-speaking backgrounds, but they are people from other countries. The people from this country are not catered for. I find that really difficult. Even though it is only a small amount there needs to be more. And there needs to be a commitment from governments to ensure that Indigenous people have equity.

That is just one program. It has made a difference. Mowanjum is another one that I have had quite a bit to do with. Of course, the longer they are trying to get funding the more it is costing. But the reality for us is those programs will have a direct impact on Indigenous people and their economy because, as I explained to you already, poverty is the baseline that we work from. If we

can put more resources into the Indigenous community and assist them to participate in the economy of this region then everybody benefits.

Indigenous people will no longer take beads and blankets as a means of exchange or trade. If we are going to be talking to Aboriginal people whose land we need for development, let us talk about economic participation. Let us talk in real terms. I have to say that I would not give my freehold block to anybody for half of what it is worth. It is as simple as that.

I also want to put on the record that the Kimberley is one of the most beautiful places to live. All the people that come and live here are not chained here; they come here by choice. We want to live here, but we want the same rights as other citizens in Australia and we want the same level of service. We know we are not going to get all the services, but we need a baseline that allows us to have a decent lifestyle so that we do not have starving children in our communities and we have access and roads that do not kill us. We also need economic development. We need to be able to think outside the square and actually make a difference. This program has provided us with an opportunity to do that, but we need a lot more to make it work. That is about it.

CHAIR—I will start with a couple of process questions. By the comments you have just made, you have obviously been very involved in promoting the program. Could you tell us a bit more about your relationship with the area consultative committee and the sustainable regions advisory committee? I understand that they are now combined. Is that a good model for the delivery of this program and for getting information from people like you about what is needed? I am interested in that. Also, can you comment on your interaction with the federal department, the Department of Transport and Regional Services, which is the department that ultimately signs off on the funding and enters into the contractual arrangements with the proponents and so on.

Mrs Martin—There are a couple of things. They are not criticisms; they are observations. As I said, for the first part of the implementation of this program, I had a great relationship with the field person. He kept me informed simply because we had a pre-existing relationship in that I had worked with him in other settings. I got a lot of information, and it was really good because I could then assist. Then the position changed, somebody else went into it and the relationship started to wane to the extent that I really have very little to do with it now. There were three phases—and, I must say, they are partly due to me saying, ‘I haven’t got time for this bull.’

I do a lot of driving and there is not a lot of Telstra coverage, so I do what I can with what I have. I do get out to the communities. Where they have applied for funding, it is the organisations themselves that brief me. I get more information from them than the committee. As I said, these people have their own lives and they do come together to make a difference. I understand that but, from where the relationship was originally to where it is now, there has been a deterioration of communication, let us say. Again, you have less money now. We need more money. The relationship has never posed a problem, but it is really hard to get information out of them sometimes.

CHAIR—Do you feel that there is an enthusiasm, if you like, or a real interest on the part of the sustainable regions committee in engaging with you as a person who is in that position?

Mrs Martin—No, there is none of that.

CHAIR—Do they come to you and say, ‘Carol, what do you think about this?’

Mrs Martin—I have to say that I am a very frustrating person to work with: when people are having their meetings, I am in Perth hanging out with that mob in parliament house because that is my job. People ring me and say, ‘I need to meet with you’, and I say: ‘I’m sorry; I won’t be there. I’m going to be in Kununurra.’ When I come home, ‘home’ is this bit of road that is 1,400 kilometres from one end to the other. When I say that I am coming home it is not necessarily Broome; it could be anywhere in that area. That is the frustrating bit. The really good bit about my job is that I am allowed that 1,400 kilometres, and I am usually out there. It is frustrating for them to have to contact me and make an arrangement to be at the same place I am.

CHAIR—What about contact with the department in Perth?

Mrs Martin—No, none.

CHAIR—We heard some evidence yesterday. I detected a frustration from the Pilbara Area Consultative Committee with regard to one aspect. They put a lot of effort into getting a project up and getting the application developed, and then suddenly it goes off to—

Mrs Martin—Simply none, I can honestly say.

CHAIR—I must say, it was not so much criticism of the Perth based office of DOTARS but of what happens when the application goes off to Canberra. You are a member of parliament. Do you not find that that gives you a bit more opportunity?

Mrs Martin—I do not know who they are. I do not see them. I have to actually prioritise who I have time for.

CHAIR—So the department does not come to you?

Mrs Martin—No. I think I have met two of their people on the plane because they sat next to me, but that is it. Otherwise, no. You meet some of them at functions in different places. The other thing is they have made it clear that they have no obligation to keep me informed, which is true on one level but to their detriment because I am actually a member who knows what is going on in my electorate. I am, I believe, an asset that is not properly utilised by the federal departments. Again, that is to their detriment. As far as I am concerned, this is my electorate and I am willing to give a hand. It is as simple as that. All they have to do is say, ‘Can you give me a hand?’ and I would say, ‘Yes, mate, she’ll be right.’ It is just a matter of getting us in the same place.

Senator MURRAY—Mrs Martin, thank you. That was most informative. I have observed that for people in our profession quite often the necessary interrelationships and briefings come about as a side effect of something we are doing. For instance, we are inquiring into Regional Partnerships. The chair has been smart enough to say, ‘Let’s come over to the Pilbara and Kimberley regions and suss them out.’ In the process, of course, we end up engaging with other Kimberley and Pilbara issues. So it is a side effect of something else that we were doing. I want to put the question to you which I put to Mr Bergmann earlier. Do you think there needs to be a formal, at least annual, meeting of all the relevant individuals and bodies in your region to

integrate and coordinate their views as to what should be happening here? I named in that discussion with Mr Bergmann the state, federal and local governments and of course Aboriginal groups as four relevant groups.

I have observed, for instance, that in Europe the way in which parliamentarians and policy makers get to understand what each other is doing is through formal sessions set down for two to three days to which parliamentarians and policy makers have to go. The interaction therefore is productive. To stop the situation where you are in Kununurra and somebody who wants to speak to you is in Broome, and so that they can engage with you intensively at one time—do you think there is an opportunity for the federal government to sponsor that kind of annual jawboning between affected bodies?

Mrs Martin—I honestly believe it is essential. It is not the first time that this has been brought up. In 2000 there was a huge Kimberley-wide conference which had all the state and federal government departments and all the key stakeholders, including Aboriginal people. The conference was called ‘Our Future, Our Place’. We found that when pastoralists and their neighbours sat down together they had lots to offer each other. Government departments that were duplicating services could see where one could be more effective and the other could back off so that they would not be wasting time. All of these things came out. If I recall correctly, it was Patrick Dodson who facilitated that process.

We were meant to have another one but it never happened. Every year since, I have put pressure on the Kimberley Development Commission, who are our body here. They just said, ‘No, we are not giving you the 90 grand to do it.’ The reality is that what you say there is essential to the future of this region. The conference would also be able to identify the priorities for looking at the infrastructure and services that will make a difference, in real terms, to people who live here. Talk is cheap; we all know that. But when people get together and can see where we can properly fund things it has obvious benefits for the wider community.

Senator MURRAY—What I am suggesting, based on experience elsewhere in the world, is not the occasional conference but regular meetings at set times. I again use the European example: institutions there may vary in the frequency of their meetings—they may meet frequently during the year or may meet once a year or once every two years—but meetings are regular, consistent and diarised. And, as you say, all the relevant stakeholders participate. Also it is relatively cheap; it is not an expensive way of getting the interaction necessary, provided it is properly managed.

Mrs Martin—I also believe it is the first step to true regional governance. If everybody is included, then there are no surprises. Why shouldn’t a region govern its own destiny, in terms of inclusion, participation and prioritisation? The community in the Kimberley is a multicultural tapestry. I would say it is one of the most diverse regions in the country. I would also say it is the most beautiful. We have all these things to offer, but if we cannot develop infrastructure to provide us with the economic base to allow us to live comfortably we are not going to get anywhere.

Tourism is the best example of all. Here we have the product; everybody knows it. You go and ask people, as they are leaving the country, what they wanted when they came in, what they got and what they are disappointed about: it is the Aboriginal tourism experience. The advertising

overseas—I have seen it—promotes the mystique of the Aboriginal landscape; but, when tourists get here, we have got nothing. Why aren't we putting the resources into developing those products? There are some here but we overburden them; we burn them out when we should be developing a whole range of products. To do that, we still need the infrastructure. We need to have the airports sorted out. Do you see what I mean? We need more accommodation. One leads to the other and so on.

We did not get to this because we were not prepared. We got to this because we have been neglected for over 50 years. That is why I will come back to that. We have to make a major investment in the region to get some progress—to get rid of the indictment that is the Aboriginal situation in this region.

Senator MURRAY—Mrs Martin, what I have observed in stumbling along the road to understanding is that, in a region such as this and in the Pilbara, you have amazing people doing amazing things. There are terrific organisations and some very good government programs with some very good outcomes. But the integration and the by-products that should arise from that, and the way in which those things can be maximised, are limited because the interaction of people in the different silos under which they operate is mostly by accident: the shire clerk happens to be on the area consultative committee, or the person on the land council happens to be also on the area consultative committee. It is a by chance arrangement.

Mrs Martin—I do not say it is by chance; it is by choice. It depends, of course, on who is represented. It is based on relationships. Any decision that you make will be made not just on the submission but also on who you know. I accept that. I also accept that every single project funded in this region has a direct impact on the benefits for the region. Sometimes the most important projects are left behind, and I get disappointed about that too, as we all do. It means that it is the same old story: here is the bone, you guys fight over it. That is really what it is. Whereas if the pool were something realistic in the long term there would not be the dog and bone syndrome that we have to deal with. What we are doing is using our energy to bounce off everybody else so that we can get what we need, instead of being properly funded so that we all get what we need. That was the problem with ATSIC: 'We know you need to live, but we can only provide you with this much to do it.' When you are fighting for survival your eye is on the bone. It is not on the other things, and that is the problem.

Senator MURRAY—Mrs Martin, I wonder if you could help me with a question that I should know the answer to but I do not. You know that federal programs are frequently granted on a triennial basis—in other words, for three years. My understanding is that that arose because of the three-year electoral cycle federally. That is the length of time governments serve. In Western Australia do you work on a funding cycle that is four years because of the different term? Is it longer and is there more certainty, or is it also triennial?

Mrs Martin—No, it is not triennial. I do have to say that it is pretty obvious that the funding is according to the electoral cycle, which is four years.

Senator MURRAY—So it is generally four years?

Mrs Martin—Not always. I recollect that when I was originally elected I made a heap of promises. As far as I was concerned, they were based on my consultations in the community

leading up to the election and I was looking at the priorities for my community based on what they said. That became the strategic plan for where I would go from there. It meant that, yes, we said that we would do the extension on the port and that four years later we got it. But it is not just about what I am working on: it is about how you work with the federal government to get the best benefits, it is about budget cycles and it is about what the community themselves have identified, and I have found that it works.

Senator MURRAY—From my business experience, Mrs Martin, I would think that any funding which ends after three years has not had enough time—if it is a single project, of course it can work. But most of these things are building projects. You establish people in programs and they are going to develop over time. In a business you would not expect to get your full return after three years; you would need to keep funding and growing that business for five or seven years.

Mrs Martin—Your third year is your break-even year, isn't it?

Senator MURRAY—That is right. So it seems to me that three years certainty in terms of funding is too short when you are into regional development activities. Does your experience confirm that?

Mrs Martin—It does, and Broome is a good example. We are going through a planning process at the moment, looking at the community in 15 to 20 years from now. We know that in 15 years the population will have doubled, so we have to be prepared for that in terms of ensuring infrastructure and the planning of the community. We have to make sure that the key stakeholders, such as the Kimberley Land Council and the traditional owners that it represents, have a say in what is happening, and the business bodies, and the government in terms of its housing policies and essential services.

So we see that at the planning level, and the funding level is a problem. This is a three-year program; I accept and acknowledge that, but if we look at its success we should say, 'Well, it has been successful in the Kimberley.' Then why not fund it properly now? Why not give it a five-year life? Let's not just pull up and do nothing with it from here. When this program first came out, I will be honest with you: I was a bit sceptical. When I saw the applications there were only two things funded in the whole lot that I thought were stupid. That is my view. Then there are all these other great things that were funded. But there were two, which is not bad out of, what, 30-odd?

Senator MURRAY—Yes.

Mrs Martin—But you do need funding for longer and you need more money. That is the other thing: \$12 million is a pittance compared to what we actually need to catch up. Then, I think, we will have some amazing things happening up here.

Senator BARNETT—Thanks, Mrs Martin, for your contribution today. Have you had much contact, and do you have much contact, with the Kimberley Area Consultative Committee?

Mrs Martin—No.

Senator BARNETT—Do you have any contact with them?

Mrs Martin—Originally, yes, when they first started up.

Senator MURRAY—That is what you went through in the end, wasn't it?

Mrs Martin—Yes.

Senator BARNETT—I thought you were talking about your contact with the department.

Mrs Martin—With the department? Absolutely none.

Senator BARNETT—Let's clarify this, because the department is separate to the consultative committee—

CHAIR—I asked about that.

Mrs Martin—Yes. The committee started off great, and then waned, and we have had very little contact since.

Senator BARNETT—And contact with the department is nil?

Mrs Martin—Nil, except for, as I said, at functions or sitting in the plane next to them now and then.

Senator BARNETT—That has clarified that for me. You mentioned two projects that you thought were not of merit out of the 30-odd projects funded. Do you want to tell us about those?

Mrs Martin—Not really! But, if you want to know, the one that really got me was a portable stadium for Broome. I know a place like Broome does need it because of the opportunities for entertainment, but I would have preferred it if something else had been funded, like a women's project against violence, or infrastructure to actually make a difference to our kids—not something for tourists.

CHAIR—Is this the \$550,000 for the transportable stadium seating for up to 2,500 people?

Mrs Martin—Yes. Sorry, but I cannot do it. I mean, it is \$500,000—I could give you 100 projects that were not about tourists coming in to watch some show. I am sorry, but there are roads that need to be done up because they are killing people. There are all these things that I have a different set of priorities about. When I saw the application, I thought, 'Okay, you guys have made your decision; that's fine'—

CHAIR—It was not this committee, you understand; it was the government.

Mrs Martin—No, no. This is what I was saying at the time: 'You guys did that.' But I am not smiling.

Senator BARNETT—This is through the Sustainable Regions Program?

Mrs Martin—Yes. So I was not happy about it, but that is neither here nor there.

Senator BARNETT—I have not looked at the detail of that project, but I assume it relates to encouraging health and fitness as well as other—

Mrs Martin—No, it was for venues. It was actually for entertainment venues, for visiting entertainers to earn money from concerts. Now, I do not have a problem with that if they pay for it themselves. I have a problem with it when it comes from a fund like this that we could be making a difference with. That is the only thing. You have got 30 really good projects; why not chuck that extra \$500,000 into Mowanjum?

Senator BARNETT—We will ask the area consultative committee about that project and get their views. What is the second project?

Mrs Martin—It actually worked out. It was a shed for KPIA, the Kimberley Primary Industry Association in Kununurra. It was a problem with the state, actually. It is a tripartite arrangement. KPIA were going to put their dough in and of course they got the Sustainable Regions money. They were trying to get a co-op thing going. I agreed with the concept but, when the state would not match it, what was the point of keeping it on their spreadsheet?

Senator BARNETT—The state would not match or did match?

Mrs Martin—It did not. I then thought that, if it is financially viable—they have an association thing—they should go to the bank, because it would stand up with a business plan. I thought, ‘If you can’t get it this way, guys, get it off that spreadsheet and go and get it somewhere else.’

CHAIR—What was it for?

Mrs Martin—It is for their co-op system—so they can have one packing shed where the industry participants could come and use one facility. It was a good idea, but why would you go to them when you could go to the bank and it would stand up alone? That is what I am saying.

CHAIR—This project was \$25,575 to the Kimberley Primary Industry Association for the Ord River Irrigation Area Horticultural Industry Development Strategy. It says:

This project will determine the feasibility of establishing a central packing facility and single marketing body for the Ord River Irrigation Area.

Is that the one you are talking about?

Mrs Martin—Yes, that is the one. As I said, the business plan would have stood up by itself. Then of course the state let them down. They got the funding from one source and they were going to chuck their own in. That is the problem with these tripartite arrangements. Sometimes two lots come up and you miss out because the state or someone else does not come up with it.

CHAIR—It said that a third of the funding came from—

Senator BARNETT—Yes, a third.

Mrs Martin—I still reckon that, if they had taken their business plan to the bank, they would have been fine, without having to put all these submissions in and stuff. As I said, there are 30-odd and there were two—but that is just me.

Senator BARNETT—Going back to the area consultative committee, are you familiar with the membership of the committee in terms of the volunteers who work on the committee? Do you know some of those people? Do you have contact with them?

Mrs Martin—Not often. I see a couple of the committee members from time to time because I know them. But, in a formal sense, I think I have had one briefing in 18 months. It was a sort of paper briefing, but that is fine. As I say, when the first lot started, it was really intense and there was a lot of work going on. When the person I knew moved on, it went down from there.

Senator BARNETT—We have found that, in other parts of Australia, these area consultative committees have a wonderful grassroots feel to them and they do a lot of volunteer work. They have their monthly meetings or regular meetings, executive committee meetings and so forth, but they are the eyes and the ears for the committee to a large degree in other parts of Australia. They make contact with and get feedback from people through the volunteers and the consultative committee. We will ask them today how they operate.

Mrs Martin—The information I get is usually third party or from the persons who have put the submission in. I do eventually get the information, so that is really not the issue. I think the other thing is that these people are brilliant in the work that they have been doing. Their chairperson has only just changed. I just wonder whether the previous chair was congratulated on all her hard work. You could actually see that they were committed. I acknowledge that they have worked hard and I also acknowledge that they have made a difference—but just give us 10 times that \$12 million and we will be right.

Senator BARNETT—I think you made the point earlier that you were sceptical initially.

Mrs Martin—I was initially.

Senator BARNETT—But now you are pretty well satisfied with the program?

Mrs Martin—You have to get your head around the exact benefits. As I said, out of the 30-odd programs, I thought that two were suss. I think that is a pretty good track record. I believe it is a program that works. It needs to be better funded and resourced. I think that you should start with the Kimberley and work down. That way, we get everything that we want and then, once we have all that, you could go down to the Pilbara. Do you see what I am saying?

Senator BARNETT—It sounds like you are a good advocate for your electorate, Mrs Martin.

CHAIR—Thank you for coming today and giving of your time. We certainly appreciate that.

Proceedings suspended from 11.59 am to 12.10 pm

BOTSMAN, Dr Peter, Voluntary Secretary, Indigenous Stock Exchange

Evidence was taken via teleconference—

CHAIR—Welcome. I will deal with a couple of formalities before we go to your evidence. All evidence is protected by parliamentary privilege. That essentially means that the Senate can take action if necessary to protect a witness from any injurious actions that may be taken against them as a result of evidence they give to the committee. We do prefer evidence to be in public but if there is any particular matter the witness feels the need to discuss in private they can make a request and we will consider it at that time. Of course, all evidence must be truthful and any deliberately misleading or false evidence can be regarded as a contempt of the Senate. I invite you to make some opening comments and then we will follow that with questions.

Dr Botsman—I have been the voluntary secretary of the ISX since its formation back in March-April 2003. Let me tell you a little about the ISX and what it is trying to do. The great developing world entrepreneur Muhammad Yunus called a year ago for the development of what he called a ‘social stock exchange’—that is, a place that could develop private capital to be invested in social ventures that were needed throughout the developing world. A year before Muhammad Yunus made this call, we had conducted our first trading floor of the Indigenous Stock Exchange in Canberra. At that stage the trading floor was really in some ways a meeting to discuss the idea of what an Indigenous stock exchange might look like and how it would operate. What we did in Canberra at the Ngunnawal trading floor—and each trading floor that we conduct is named after the Indigenous community where the trading floor is held—was to call people together to come up with business ideas and social business ideas that needed support.

The response in Canberra, even in a very short space of time, was overwhelming and we started to get serious about the idea. We have a principle with the ISX that it is totally devoted to Indigenous businesses and to Indigenous people themselves, even in the running of the trading floor. We did not want any committees, we did not want any superfluous activity other than just being totally devoted to supporting the Indigenous businesses that would emerge through the trading floor process.

Then we had our second trading floor in Mossman, North Queensland. Mossman is about an hour and a half out of Cairns. It is an area which is quite notable for disharmony between Indigenous and non-Indigenous people over a long period of time. We purposely held the next trading floor there, in the local municipal hall, and it was an overwhelming success. But we realised then that there was a problem in getting people in the investment community to spend an hour of their time looking at Indigenous businesses, let alone travelling all the way to a remote and regional community—which might take a week of their time to get there and back.

Which brings me to where you are at the moment in Broome. We came up with an idea, thanks to Kevin Fong and the wonderful Goolarri Media Enterprises group, that we would hold our next trading floor at Goolarri and we would web cast and videoconference the trading floor into the major financial districts of the capital cities. At the Yawaru trading floor in Broome we did that: we videoconferenced and web cast the proceedings to Rio Tinto in Melbourne, Gilbert and Tobin in Sydney, to the Balkanu Cape York Development Corporation in Cairns and, in

addition, up to another 150 or 200 web based computers all around the world and around Australia. The Yawaru trading floor really had an enormous impact. It did two or three things: it showed us how we could break down the tyranny of distance in Aboriginal Australia and it was also of great import to the local businesses from the Kimberley area who had the opportunity to talk to major mentors, investors and entrepreneurs in the capital cities.

Our last trading floor was held in Shepparton. It was the Yorta Yorta trading floor and we held that at the Rumbalara Football and Netball Club. For the first time we held a videoconference with London and that involved us talking about cultural tourism. And also, with some of the British soccer clubs, about the kinds of innovative approaches to sporting enterprise that they were developing and which were directly linked to the kinds of activities that Rumbalara Football and Netball Club are involved in in Shepparton, and also the Clontarf Football Academy in Perth and the Garnduwa club in the Kimberley. As part of that trading floor we brought about 60 young people from all over Western Australia to play a game of football against the Rumbalara football and netball teams in Shepparton on the day after the trading floor. So that was a tremendous success.

Let me sum up this short statement introducing the ISX by saying it has been an extraordinarily enriching experience for all of us concerned. Our principle is that we are all volunteers and that all of the funding that comes for the trading floors goes to Indigenous organisations first and foremost, even in the operations of the trading floors.

The other thing we have tried to do is make ISX a market with a difference. Our trading floors do not discriminate against anybody who wants to put up an idea, so that means we get a lot of novices who have never really done any kind of business before. But what we think and what we have learned so far is that the actual act of presenting an idea on the trading floor is an extraordinary learning experience which takes people in a very short space of time from being a novice to understanding the kinds of requirements that investors and mentors have in business.

We have expanded into social and cultural areas. We think the ISX is going to be very important in the future for, say, things like shared responsibility agreements or any other public investment into social and cultural activities of Indigenous Australia. We can use the ISX to leverage those kinds of investments and allow people, where there is tax-deductible recipient status—and there is for many Indigenous organisations—to actually use the ISX to make donations to those businesses so we can raise much-needed investment capital for those activities.

As we have done that we have focused very much on our web site, which is at www.isx.org.au. Every month it reaches a new height of interest. Our current record for hits for the month of June was 67,850. So we know that we are really starting to break through in those areas. I will stop there, having given you a taste of what the ISX is about, and answer questions that you might have.

CHAIR—Thank you. In respect of the actual grant funds, according to information supplied to the committee by the Department of Transport and Regional Services, an amount of \$49,500 was approved as a grant to the Balkanu Cape York Development Corporation. This was to fund a videoconferencing linkage for the Yawaru Indigenous Stock Exchange trading floor held in Broome. Is that correct?

Dr Botsman—That is right. DOTARS, if I remember correctly, provided us with a grant that enabled part of the trading floor to take place.

CHAIR—According to the chart that we have been given, the percentage of the project that the Regional Partnerships funding provided was 20.69 per cent.

Dr Botsman—That sounds right.

CHAIR—That was held in Broome. When was that held?

Dr Botsman—That would have been in April 2004.

CHAIR—You have previously run a trading floor, you said. The first one was in Mossman, wasn't it?

Dr Botsman—In Canberra.

CHAIR—And then there was one in Mossman in Far North Queensland. I presume they were separately funded, not under any sort of grant from the Regional Partnerships scheme. How did you find out about the scheme? Can you tell us a bit about the way in which you processed the application? For instance, were you involved in any discussions or consultation with the Far North Queensland Area Consultative Committee or the Kimberley Area Consultative Committee?

Dr Botsman—The partners in effect that supported the Yawaru trading floor included the Kimberley Development Commission in Kununurra and the Western Australian government. The Brotherhood of St Laurence has been in a sense the foundation supporter of the ISX since its inception and it usually provides us with about \$15,000 of direct cash and some level of in-time support. Goolarri Media Enterprises was another partner and the Outback Digital Network and the Kimberley Land Council were others. There was also the Balkanu Cape York Development Corporation, who received the \$49,000 from DOTARS, and Cape York Partnerships, Gilbert and Tobin Centre of Public Law and Cairns TAFE, as well as a whole range of private individuals who volunteered their services.

When we do every trading floor we search for funding, obviously, to help make the event happen. The Yawaru trading floor was the first one in which we used the digital technology in the form of the videoconferencing and web-casting abilities. That came out of the last realisation that we really needed to bring the business communities to the remote communities through digital means. Balkanu has the most advanced digital network in the world, according to—I am trying to remember the name of the computer company that made that claim. The name escapes me, but the Cape York Digital Network is one of the great digital connectors of Indigenous communities. The digitalisation, web casting and videoconferencing were done because of Balkanu's work and expertise in that area and also because of the work of the Outback Digital Network and Goolarri media. In effect, that triumvirate applied to DOTARS to extend the work that they had been doing in those areas to show what could be done through a broadcast, and on that basis we went to DOTARS to apply for those regional funds.

CHAIR—How much was the application for?

Dr Botsman—I believe, from memory, it was for somewhere of the order of \$60,000, and I think perhaps we came back to \$49,000. It generally costs us about \$50,000 to run the videoconferencing and the web-casting facilities. I can send the committee, for example, a CD-ROM of the entire trading floor at Yawuru and also the Yorta Yorta trading floor which you might be interested in seeing. That will give you some idea of what is involved. There has to be a camera crew that films the whole proceedings. Everything has to be run very tightly in accordance with time schedules in the capital cities. In effect, we have two operations: a trading floor and a videoconferencing situation.

CHAIR—That would be very much appreciated, Dr Botsman, if you could send that through to the secretariat. So the application was made to the department. Do you recall if it was accompanied by a recommendation from either the area consultative committee in the Far North Queensland area or that of the Kimberley area?

Dr Botsman—I think all of our work with regard to the grant was through the Far North Queensland ACC. I think it was Tomas who was the main contact there. I will search my memory to see if I can remember the contact point that we did most of our work through there with, but I understand that he was the head of the Far North Queensland ACC.

CHAIR—That pretty much covers what I wanted to ask you at this stage. I now invite Senator Barnett to ask questions.

Senator BARNETT—Thank you for your contribution and for the informative presentation. It is excellent to hear of the ingenious methodology that is being used. On the Regional Partnerships funding that you have received, I want to confirm that you have a contract with the area consultative committee or with the sustainable regions committee.

Dr Botsman—My understanding was that Balkanu Cape York Development Corporation had the contract to run the technical and digital services involved in the running of the Yawuru trading floor. In effect, Balkanu was the contractor and the other subcontractors involved in the digital delivery of the Yawuru trading floor were paid through Balkanu. It included Goolarri Media, it included the Outback Digital Network and it included a company in Sydney that is a specialist in web casting as well as a company in Sydney that is a specialist in videoconferencing technology. There are so many parts to the running of these things that each, in a sense, requires a specialist. That is my understanding of the way those payments were made.

Senator BARNETT—Was the Indigenous Stock Exchange one of the parts of that contract?

Dr Botsman—Not particularly. The ISX is virtually a voluntary, not-for-profit association. For example, there are not many costs associated with the ISX. I work for free most of the time—I simply look after costs—and that is the case for Mr Pearson and Mr Fong, who are the office holders. Our whole principle is that we try to fund Indigenous organisations first and we then use funding that we receive to pay technical companies and so on. After that, we look at costs for the ISX, which are usually minimal. If you think about that \$49,000, I do not think very much at all was received. In fact, there is no bank account called the ISX. Really, all of that is done through the Brotherhood of St Laurence in Melbourne.

Senator BARNETT—That is what I am trying to clarify: the structure of the ISX. You said you are an association. Is that an incorporated association?

Dr Botsman—No, we are a voluntary association of individuals. We have actually looked at this matter recently because, for a whole range of reasons, we are able to use the term ‘stock exchange’ currently because we are not an incorporated association. We have discovered that we would need to write to Senator Minchin for permission to use the words ‘stock exchange’ if we became an incorporated association, which we are in the process of becoming. Just to give you some understanding of the ISX, the whole idea of it was that we would work in a social entrepreneurial way and that we would not have a formal organisation or formal committees. Our whole idea was that we would be a voluntary group that would work as hard as we could for the benefit of Indigenous organisations and companies. It is only because we have been so successful—the Yawuru trading floor is now a laureate of Silicon Valley’s tech museum. We won an application from 50 countries and 300 applicants, we were nominated and we received a short-listing as a laureate.

That kind of success was, in a way, completely unexpected and we are in a sense having to catch up with the organisational formalities and legal requirements of what we have done after the effect. One of the reasons we are slowing down a bit this year is that we are all voluntary; we are doing it in addition to our other jobs. We have just agreed that we are going to take up breath and go back and make sure about the way we proceed; especially if we are processing investments for Indigenous companies and organisations, it has to be very carefully done. That is where we want to go next.

Senator BARNETT—The recipient of this funding is the Brotherhood of St Laurence. Do they hold it on trust and then expend it as agreed?

Dr Botsman—Yes. We cannot formally receive any funding. It is either an Indigenous organisation—in this case, Balkanu—that receives the DOTARS grant, as far as I am aware, or the Brotherhood of St Laurence. For example, Rio Tinto and Bendigo Bank provided us with an investment of some \$15,000 each for the last Yorta Yorta trading floor. That goes to the Brotherhood of St Laurence and is held in an account, called the ISX account, by the Brotherhood of St Laurence. We try to ensure that any funding or financial dealings are all run through the Brotherhood of St Laurence rather than through any private individuals or anyone like that.

Senator BARNETT—Have you had any feedback or issues with the Australian Stock Exchange?

Dr Botsman—Yes, we have had some correspondence with ASIC, to the effect that they have basically been very helpful in making sure that we are in compliance with their regulations. We have a mailing list and Tracey Lyons—who is I think the legal officer at ASIC—receives all of our correspondence. We want to keep them informed at all times about what we are doing. They have written to us on three or four occasions now, most recently saying that we really needed to be careful about the way in which we had disclaimers on all the pages of our web site and that we were in fact in a situation where we needed to look at getting permission for using the words ‘stock exchange’. At the moment, our legal advice is that we can use the words ‘stock exchange’, but if we seek incorporation or if we move to any more formality then we really need

to either write to Senator Minchin for permission to use the words ‘stock exchange’ or write to the relevant ministers in each state in relation to using the words ‘stock exchange’.

Senator BARNETT—I understand, and you obviously have some issues to work through this year in terms of incorporation.

Dr Botsman—Yes.

Senator BARNETT—In terms of the Regional Partnerships funding, as far as you are concerned have you met all of the terms and conditions of the contract that was signed?

Dr Botsman—Yes, I think we have met them above and beyond what Regional Partnerships were requiring of us, but I have not got those conditions in front of me. My feeling about the Yawaru trading floor is that it was just an extraordinary success that showed how people in remote areas could work together right across the top of Australia and also how digital technology could play a role there. Really, that was the key part of the DOTARS funding for us and that is at least my informal understanding of the obligations for that funding.

Senator BARNETT—On the flip side, are you happy with the response by DOTARS in meeting their commitments under the contract and their approach?

Dr Botsman—We are never happy with the amount of time it takes for the wheels of motion of government to turn, especially in relation to Indigenous affairs and these kinds of innovative projects. One of the big problems for an organisation like Balkanu is the amount of accounting and reporting time involved in receiving a grant. When we did our trading for the Yorta Yorta trading floor, Balkanu really felt that they could not take the responsibility for accounting for the next trading floor because the requirements involved in receiving the DOTARS funding were so onerous that in effect they meant that Balkanu had to devote large amounts of their accounting and management staff time to meeting those requirements, which they had not been expecting. I think this is a really big issue for people doing innovative projects like this one. We really do struggle. We really need the services of another organisation to just meet the government reporting requirements involved. I would certainly urge your committee to have a look at that.

Take a great project like the ISX trading floor. We unearthed 40 new businesses in the Kimberley that others had not realised were there and we promoted them in the capital cities. That in itself was an enormous achievement. It required a lot of responsibility on our part. Then you find that you must devote large amounts of time to reporting back to government on how you spent the money that you had been allocated. That really makes it very tough for the people who are volunteers to do that work. One of the things that we hope will happen in the post-ATSIC Indigenous governance situation is that governments will look to longer horizon funding with simpler accounting requirements. I am not in any way expecting to have less scrutiny of funds, but perhaps it could be a different kind of scrutiny that enables the organisations and the people that are involved in this kind of work to really do their primary job as best they can.

Senator STEPHENS—Dr Botsman, it is a quite ingenious project. It is very exciting. One of the questions that I was going to ask you was how many businesses had emerged from the Yawaru trading floor. Did you say about 40?

Dr Botsman—Yes. You can see them all on the web site. You can search under ‘trading floor’ and if you use ‘Yawaru trading floor’ you will see most, if not all, of the companies and organisations and businesses that were listed. For every trading floor we try to get organisations and businesses to put a listing on the web site. Some of the novice people coming up to make a verbal/oral presentation on the trading floor find that quite difficult. It is hard enough getting up there in front of an audience to make a live presentation that is going all over Australia, let alone putting together a written version of what you are going to say.

To go a little bit deeper into this: we have been on a big learning curve and, while we do not turn anyone away, we do try to say to people, ‘If you want to be successful, you really need to do a number of basic business things, and they include setting yourself up for the GST, registering a business name and a whole range of things like that.’ We have struggled with that. We have made a link with Barbara Gabogrecan. I am not sure whether you have heard of her, but she is a microbusiness entrepreneur par excellence who has made quite a lot of money off her kitchen table producing designs for businesses like David Jones.

She has put all her microbusiness experience into this program called Micro Biz Navigator, where she will give you a rating for your business based on your going through and fulfilling all of the basic requirements that, say, a bank would want in order for you to receive a loan. Of course, many Indigenous people have no credit history and no business history. Barbara’s program allows them to be able to present an investor or a bank with an independently verified set of checks that have been done on their business readiness.

We are trying to encourage every business that lists on the trading floor to do that. But we do not discourage anybody from making a presentation, because the act of talking about what they want to do is an enormous learning curve. That is against some advice, actually, that says that we should really only put the best businesses up on the trading floor. The reason we have gone in this direction is that the Aboriginal population’s age is very young and we need to create about 50,000 jobs over the next five years just to keep the current levels of Indigenous employment. So we did not want to turn away any prospective business person from putting up an idea.

The whole thinking behind the ISX is to try to get up as many Indigenous businesses and to create a learning environment in Indigenous communities where we can try to create business and employment opportunities in places precisely like the Kimberley, where a lot of people advised us there was none. I can give you a couple of examples of businesses that were not expected to be there. There was a bug-busting business—I am just having a look at this on my screen now. If the Senate committee has travelled anywhere in the Kimberley you will know that bugs are a major issue. To some extent they will eat through buildings. They create a huge problem. The company that listed that no-one expected and no-one had heard of was called Tjurabalan Bug Busters by the Wirrimanu Aboriginal Corporation. They basically were looking to set up a branch of a pest control franchise. My understanding is that ever since this listing they have really been well supported. Noel Mason, who is the CEO at Wirrimanu Aboriginal Corporation, has done well through the current funding arrangements. That was one of the first things that got put up onto the trading floor.

The other thing I should say is that I really always try to just stay in the background of these trading floors. I am the secretary trying to look at the processes. We have businesses emerging when others do not expect them to emerge because of people like Kevin Fong or Paul Briggs in

Shepparton or Gerhardt Pearson in North Queensland—in other words, Indigenous leaders themselves, who are sending the word out through the Indigenous communities that there is an opportunity here for people who want to take it. My experience is that we are finding Indigenous people who emerge because of the community endorsement of the process who do not for example emerge in, say, the Indigenous coordination centres as they now are.

This is one of the reasons we really want to push the ISX as a model. There are two fantastic things about it. One is that it is Indigenous run and, in a sense, Indigenous led. The other is that when you apply to a government department or to a bank, say, for business support and you are unsuccessful, most often those applications are left in a filing cabinet somewhere. If you get rejected the person who puts up that proposal feels a bit dejected and maybe does not have the confidence to go forward with it. We are trying to impress upon people through the ISX that there will not just be occasion when you are going to ask for funds; there are going to be many occasions, and the best bet is to make sure that your proposal is out there for people to see.

I think one of the reasons we are getting such a large number of hits on our web site is that the ICCs and other organisations are starting to look by region at what businesses we have listed so that they can go and support them. I think that is a fantastic thing. It is great for the people in the community. Not to go on too far, the latest enterprise on the web site is from the north coast of New South Wales. The community involved had been rejected by the ILC for a land grant to buy a building in the business. Now that they have failed that, we have given them the opportunity to go to other places to start to look for those funds.

Senator STEPHENS—So there are a variety of potential opportunities that are exposed for those businesses.

Dr Botsman—Yes.

Senator STEPHENS—I take you back to your previous answer to Senator Barnett about the complexity of the funding agreement. Would it be possible for your organisation to supply the funding agreement to the committee for consideration?

Dr Botsman—It is Balkanu that has that funding agreement. I think that that would have to go to Mr Gerhardt Pearson, the Chairman of the ISX, who really oversaw all of the work that was done. I can make your request known to him.

Senator STEPHENS—If you could, that would be great.

Dr Botsman—I know that it did take a long time for even the sort of technical services people to be funded. I am thinking it was of the order of six months, which was really tough. When you are using an organisation like a professional web cast organisation, they want to be paid within 30 days and, if you are still filling out grant applications or going through the requirements of the grant application six months later, it does not exactly create a happy environment for us to then ask them to come back and do another trading floor, which is what they were very good and did for the Shepparton trading floor. It makes it very tough. You require a team of accountants and people who are able to process those kinds of grants, like any non-government organisation or corporation has. It makes it tough to do these innovative projects.

Senator STEPHENS—Thank you for that.

CHAIR—Thank you for making yourself available today to give evidence to our inquiry. Your submission and evidence has certainly been interesting. We wish the organisation, the project and all the people involved in it every success.

Proceedings suspended from 12.53 pm to 2.00 pm

DURANT, Mr John Roy, Executive Officer, Kimberley Area Consultative Committee and Kimberley Sustainable Regions Advisory Committee

HAEREWA, Mr Geoff, Chair, Kimberley Area Consultative Committee and Kimberley Sustainable Regions Advisory Committee

CHAIR—I declare open this afternoon's session of the Senate Finance and Public Administration References Committee. We are inquiring into the Regional Partnerships and Sustainable Regions programs. I welcome representatives of the Kimberley Area Consultative Committee and the Kimberley Sustainable Regions Advisory Committee. You have been here this morning and heard me explain the implications of parliamentary privilege and all those administrative issues. I will not need to go through those again but, as was indicated earlier, we are requiring witnesses to give evidence under oath or affirmation.

Gentlemen, thank you for appearing today. I note that you have been present since the commencement this morning, and we certainly appreciate the fact that you have come along and heard the evidence of earlier witnesses. We have a document which you have provided to us, which is headed 'Kimberley Area Consultative Committee Inc: Sustainable Regions Advisory Committee'. It is a set of briefing notes headed 'Broome 15 July 2005'. I take it that you are presenting this to us as an opening statement and you would like that to be incorporated into the record of the committee?

Mr Haerewa—That is true.

CHAIR—Is it the wish of the committee that the opening statement be incorporated in the transcript of evidence? There being no objection, it is so ordered.

The opening statement read as follows—

GENERAL

1. Since early 2004, the Kimberley Area Consultative Committee (KACC) and the Kimberley Sustainable Regions Advisory Committee (KSRAC) have continued to operate as two separate entities with the same Chair, but the Administrations have merged so that the Committees can share the same Executive Officer and Project Manager.
2. KACC, consisting of committed volunteers drawn from the community, local business and government, has focused on delivering its Charter:
 - a key facilitator of change and development;
 - the link between Government, business and the community;
 - facilitate whole of government responses to opportunities in their communities.
3. In this context, the main concentration of KACC has been on facilitation of Regional Partnerships Programme Applications.
4. KSRAC has focused on facilitating and recommending Projects under the Sustainable Regions Programme under which \$12 million excl. GST has been allocated to the Kimberley.

REGIONAL PRIORITIES

5. The Regional Priorities which had originally been developed between key stakeholders in the Region are:
 - a. Regional Infrastructure;
 - b. Local Co-operative Projects;
 - c. Indigenous Enterprise and Economic Development;
 - d. Regional Marketing;

e. New Sustainable Industry.

6. Most projects selected in the Region would comply with at least three of these Priorities.

IMPACT

7. The Australian Government's Sustainable Regions Programme is arguably the most effective Regional and Community Development Programme to be introduced into the Kimberley Region in recent years. The Programme focuses on creating a viable economic, social and environmental foundation for the future by undertaking sustainable development projects which strengthen the economy, improve social conditions, sustain the environment and take account of cultural factors. The Programme supports community leadership in the development of local solutions, fosters new ideas, community energy, drive and self reliance. The Programme is also intended to forge partnerships between the private sector and all three spheres of government.
8. The Kimberley is benefiting from \$13.2 million on projects ranging from major infrastructure development of ports; wharves and aerodromes; co-operative projects in literature, language, art and culture; Indigenous enterprise and economic development in the pastoral and aquaculture industries; regional marketing in tourism development and primary product exports; and new sustainable industries in land and marine agriculture. Most of these projects are contractually committed and well under way.
9. The Regional Partnerships Programme, in the past year, has been used as a "back up" Programme for the Sustainable Regions Programme with various projects being transferred between Programmes in the Application stage as logic and appropriateness has dictated. The Sustainable Regions Programme has been given the priority with those projects having longer and more difficult time horizons, generally, being guided towards the Regional Partnerships Programme.

REGIONAL CAPABILITY

10. The Kimberley Region is twice the size of Victoria, with a population of about 32,000, 47% of which is Indigenous. Only 56% of the participatory population is employed and 41% of the employed population derives its income from the public purse. The Region, however, is amazingly rich in potential – it is rich in minerals, particularly diamonds, gold, lead, zinc, bauxite, iron ore, oil and natural gas. It is rich in agriculture – grazing, horticulture, irrigated crops and aquaculture. The tourism potential is enormous, as is the potential for cultural and eco-tourism.
11. The great deficiency of the Kimberley is the inability of its people to deliver on its regional potential. Whilst the "blame" could easily be laid at health, education and security, each of which has significant difficulties in the Kimberley, arguably, the real problem lies in the area of inadequate Community Capacity – particularly in respect of business capability. The Sustainable Regions Programme has shown that where projects are being managed by semi or quasi government, or by sound business corporations, they are reasonably successful. Otherwise, a different picture has emerged.
12. Many proponents under the Sustainable Regions Programme possess little business expertise and operate in remote or distant localities where relevant professional expertise is difficult or expensive to access and may not be of high quality in any event. In a culture which has been traditionally focused on grant funded services, this may not be surprising. The transition from a "grant dependent" culture to one of "sustainability" is a challenge to Community Capacity and one which is greatly assisted by Programmes such as Sustainable Regions and Regional Partnerships.

CURRENT PROJECTS

13. PROJECT	GRANT	incl GST	PARTNER FUNDS
SUSTAINABLE REGIONS			
Ord Land and Water		\$151,410	301,748
Broome Arts and Music		55,000	31,180
DERBY Airport		660,000	900,000
Mirima Council		127,000	210,000
Kimberley Sustainable Dev		88,000	
Ord Irrigation		55,000	110,000
Broome Port		3,300,000	10,700,000

Wunan Tourism	93,500	85,000
Black Tiger Prawns	725,920	1,622,781
Fitzroy Xing Family Cent	220,000	610,000
Lake Argyle Industries	364,065	764,364
Warlayarti Artists	670,890	497,937
Kimberley Sus Tourism	350,000	550,000
Broome Visitors Centre	550,000	550,000
Mowanjum Arts Centre	1,100,000	1,056,500
Mango Sea Freight	363,191	292,176
KAPA	317,130	299,000
Derby Wharf	957,000	
Broome Visitors Centre	770,000	
Scrivener Road	308,966	63,844
Kununurra Child Care	825,000	1,593,900
Kununurra Youth Centre	550,000	1,313,400
Maritime Vessel Simulator	326,700	270,000
Yiyilli	205,700	651,200
Derby Mud Crabs	266,200	1,038,823
Ringer Soak Arts Centre	319,000	313,500
REGIONAL PARTNERSHIPS		
Recruiting Interpreters	120,000	330,000
Halls Creek Swimming Pool	550,000	4,840,000
Warlayarti Staff House	60,940	62,533
Mangkaja Arts Centre	312,703	1,177,975

Fitzroy Crossing CRC	1,320,000	
Purnululu		
KAPA		
Madjulla		
KAAC		
Warmun Arts Centre		
B-N Arts Centre		
Wunan Strategic Capacity		
Doon Doon Donga		
Barge Freight	770,000	1,697,370
OrdGuard Bio Security	64,900	138,600
Halls Ck Interpretive Centre		

FUTURE DIRECTIONS

13. The greatest advantage of the Sustainable Regions Programme is that it has enabled focusing on fixed Time and Cost Targets to achieve specific Regional Priorities. The greatest advantage of the Regional Partnerships Programme, on the other hand, is its “Merits Based” “Discretionary” process which enables Regional economic Development opportunities which were not forecastable when “Guidelines” were developed to be considered when the opportunity develops.
14. The disadvantages of the Programmes, however, are the amount of work required by Applicants without reasonable expectation of return, together with the need to generate Partners and multiple Applications to a variety of different sources all with different procedures and requirements.
15. There are a number of issues which merit address including development of “Customer Focus” by Administrative Stakeholders, Timeliness of Processing, Incompatible Electronic Systems, and, in particular and MOST important, the provision of “Capacity Building” support to successful Proponents.

CONCLUSION

16. The concept of the Community itself being a major driver of its own Regional Development, using Programmes such as Sustainable Regions and Regional Partnerships, facilitated through an empowered and networked privately incorporated organization appears to have been a success. There are obvious difficulties in interfacing between the culturally driven Public Sector and the aspirations of democratically elected personnel as there are between the “silos” of the Westminster system of Government, and, indeed, the three sectors of Government in Australia, at the Regional level. But the Kimberley has shown that the model can work and should be further developed.
17. The most significant deficiency in the present system is the lack of “Capacity” support in the process for newly emerging proponents to make their mark, pursue their ideas and deliver contributions to more prosperous Regional Development.
18. The concepts of more recently developed models to achieve “Whole of Government” purpose by providing horizontal integration at the Regional Sector, such as the Indigenous Co-ordination Centres and COAG (Council of Australian Governments - trial sites), could be worth pursuing.
19. Overall, there is a preference for Sustainable Regions type of Programs over Regional Partnerships, but the concept of these Programmes being facilitated by privately incorporated bodies remains supported.

CHAIR—What we would like you to do before we proceed to questions, if you wish, is make an opening statement, and particularly give some background to the nature of the two entities, which are now operating as one. We will obviously want to go to questions regarding the operation of both the Sustainable Regions Program and the Regional Partnerships program and ask specific questions in relation to various projects.

Mr Haerewa—As per the briefing, we are no different to any of the other ACCs. Our priorities are to help out the general region, its communities and the people in our particular area. If this can help out then we as volunteers will wholeheartedly give it the best shot we can. That is about all I can say. I am a local businessman from Derby, and my wife was born and bred there.

CHAIR—How long have you been the chair, Mr Haerewa?

Mr Haerewa—Since 14 February this year.

CHAIR—Mr Durant, did you wish to make some additional comments?

Mr Durant—I will add one thing to what Geoff has said. Until the end of 2003, we were two separate committees—two separate organisations at arms length, with no relationship. In March 2004, the two organisations were brought together, and that is when I was appointed. I was appointed as executive officer of both committees to create a single administration, to run the committees separately but administer and facilitate them as a single unit.

CHAIR—What was the reasoning behind bringing the two together? I assume that it was economy of scale reasons—sharing resources and so on—but was there some other purpose behind combining the two bodies?

Mr Durant—That was certainly the intent, but there were other advantages to be seen by being able to make best use of both programs for the overall benefit of the region. It was seen to be a very important and strong efficiency move that was beneficial to the community.

CHAIR—Was it a proposal that emanated from within the ACC or the SRAC, or was it a suggestion from outside?

Mr Haerewa—That was before I came along. I honestly have no idea.

Mr Durant—It was also before I arrived, but I understand that the idea came from a number of different directions as being a logical way to go. I understand that there had been an attempt when the committees were first established to do something like this. Someone mentioned to me that there were two different departments involved in those days. I am not sure about the truth of that. But you would appreciate that the membership of each committee comes from a different source, and it was universally accepted that this was the way to go.

CHAIR—So I clearly understand it, there were two separate committees which have now been brought together. Are we now talking about one body or are we still talking about two separate committees?

Mr Haerewa—We still have two separate committees.

CHAIR—What is the overlap of membership of the committees? You are both involved, but are other people—

Mr Durant—Initially there was no overlap, except for the chair and me—not that I am a member. We had the responsibility of knitting the issues together. The Sustainable Regions committee obviously focused on the Sustainable Regions Program, and the ACC focused on the ACC charter. However, as we progressed two appointments were made from the Sustainable Regions committee onto the ACC. One has since resigned. Otherwise, there is no common membership.

CHAIR—Do you share resources such as staffing and facilities?

Mr Durant—Yes. The ACC is the incorporated body which handles all of the administration. We also combine the location and timing of our general meetings—they are always on the same day—and we have very strong networking between the two committees. So generally on a general meeting day we would have a meeting of the Sustainable Regions committee, followed by a meeting of the ACC, followed by a very important networking opportunity between the two committees and the local community in which the meetings are held.

CHAIR—But you still have separate meetings?

Mr Durant—Yes.

Mr Haerewa—We only have four shires within our region, and until recently we had four shire presidents on our committee, which was a great networking opportunity for them to get information out to their various areas.

Senator BARNETT—Which committee were they on?

Mr Haerewa—The SRAC.

CHAIR—So, until recently, there were four mayors on the Sustainable Regions committee. What changed?

Mr Haerewa—Two of them were voted out at the last elections.

CHAIR—Were they replaced by other people?

Mr Haerewa—Not yet. I have not approached them, to let them settle into their jobs. I will approach them later.

CHAIR—Can I ask you about the support from the Kimberley Development Commission. I am referring to some material that was provided to us by the two committees in response to a request from the committee. I appreciate the fact that you have provided copies of the minutes and recommendations with regard to the two programs. I noted something from the minutes of a teleconference meeting on 10 November 2003. Under the heading ‘Combined Executive Officer

Role—SRAC and KACC’—that is, the Kimberley Sustainable Regions Advisory Committee and the Kimberley Area Consultative Committee—the minutes state:

Cori Fong explained that administrative support funds for Sustainable Regions were insufficient to continue to maintain a separate Executive Officer position now that the Kimberley Development Commission had advised that it would no longer be able to provide such support (which included housing).

I presume that this may be before your time, but do you know what support the Kimberley Development Commission provided?

Mr Haerewa—No, I do not.

Mr Durant—I can answer that. At the time of the two separate independent committees there was, naturally, an executive officer with each committee. The Sustainable Regions committee was based in Kununurra and the ACC was based in Broome. They are some 1,200 kilometres apart. The total staffing of the Sustainable Regions committee was just the executive officer. It was being supported by funding provided to the shire of Wyndham East Kimberley, and the accommodation provided was in the Kimberley Development Commission offices. For various reasons associated with the changing duties and functions of the KDC and also, I understand, the changing of office location at that time, they were unable to continue to provide the space for the SR executive officer. You also have to bear in mind that in the establishment of the Sustainable Regions committee the Kimberley Development Commission played a very important part in helping to ensure that the state and the Commonwealth objectives were coaligned as much as possible in the way priorities et cetera were identified. A very close working relationship developed between the Sustainable Regions committee and the KDC, but it just reached the stage where administratively and resource-wise it became very difficult. That was another of the factors that led to the consideration of combining the two committees.

CHAIR—I think you said this earlier, and I just want to clarify this: does the ACC have the administrative role in the SRAC operational funding arrangements?

Mr Durant—It does now.

CHAIR—I am talking about under the new structure. Has the amalgamation—I will use the word ‘amalgamation’ but it is in a loose sense of the word—resulted in more project funds becoming available overall? Are you able to say that?

Mr Durant—The way I would put it is that it has not impacted on the availability of funds because the Sustainable Regions allocation is a set target amount of \$13.2 million including GST. The access to the Regional Partnerships fund is based on a discretionary approach. That situation did not change. What bringing them together did was to make the administration, processing, promotion, recruiting of proponents and everything, far more practical and positive. It meant that we could bounce off each program according to how the particular projects fitted best and under which circumstances. It improved the whole efficiency of the purpose that was being pursued by everybody.

CHAIR—Are we talking about the same geographical area for the two committees?

Mr Durant—We are. It is the total Kimberley region.

CHAIR—Let us go to a hypothetical, but I do not like to use that word. If an applicant or a proponent comes through the door seeking support funding for a project, how does the combined body deal with that situation? How do you determine, for instance, whether it is to go to Regional Partnerships or to Sustainable Regions? Is that your task?

Mr Durant—Yes, certainly. In the early stages, of course, before the two committees were combined, each one dealt with its own issues. The combination has fundamentally meant that, at the stage when anyone approaches us for a project or we talk to people and encourage them to make an application or one of our networking people recruits somebody, we would not particularly focus on either program; we would focus on what the project is about, what the benefits are and how it fits. Our preferred method is to somehow meet the proponent, sit down and have a cup of coffee and a good talk.

That is not necessarily the first stage, because our members would have recruited—I use the term ‘recruited’ loosely and advisedly, but I think it is a good way of putting it—the proponent or the proponent would have come to one of our network members or been directed to us in some way. The whole purpose of the networking is to bring people together so that cup of coffee can actually be had. That is when we would start talking about the project or the application. We would lead on from there as to what is the most appropriate way to go. In a lot of cases, on the first point of contact, doubts might be raised as to the appropriateness of the project, and that may simply mean that the issue needs to be looked at from another direction or in another way or that it needs to be thought through in some other format. We would follow on from there in a variety of different ways.

The early stages of Sustainable Regions were all focused on achieving the notional target as quickly as reasonably possible to ensure that the full objectives of the program were met, but that always became interesting as you went along, because at what stage do you realise that you have actually reached that magic figure of \$12 million exclusive of GST? As people prepare their projects and works, the money can change a little bit. Some projects get withdrawn and some do not proceed. So you are constantly watching it. Particularly in the latter 12-month period, we would look very carefully at which program a project would fit under best. The great advantage of the combination has been that we have virtually been able to discuss with the proponent the choices as to which way they would prefer to go and then we can raise that with our committees, who would then confirm a direction. We can discuss it with DOTARS and with other partners, therefore getting the best benefit from both programs by mutual consent, discussion and negotiation.

CHAIR—So you would be able to conclude that a particular project that is being put forward is not eligible or that you believe that it is not eligible for one program but it may be eligible for another. That assessment could be done very early in the piece. Is that what you are saying?

Mr Durant—Yes, except that the eligibility was not always a major issue. I think the eligibility for Sustainable Regions is a bit freer than for Regional Partnerships, but on the whole we have not had a real problem with eligibility. It is more a question of things like, for example: is the project realistically going to be able to be completed within the time limits of the government’s allocation, and so on? There would normally be some external factor. It could

relate to project partnerships. As you would appreciate, all of these projects are partner related. It could be that a partner has put a deadline on when their moneys have to be spent or vice versa. The moneys may not be available until a certain time. Those sorts of issues were the more dominating issues when deciding on which particular direction we might proceed.

CHAIR—If you are having separate meetings of the ACC and the SRAC, do situations arise where you have internal disputes about whether or not a project should be supported under, say, Regional Partnerships? Are the members saying, ‘No, let’s see if we can do it under SRAC’? I suppose I am looking at the two bodies working together very closely, even though they are meeting separately. This is not necessarily something that happens anywhere else in the country. They may not have the same ability or availability to weigh up the two options at the same time.

Mr Durant—That is right. We generally program the Sustainable Regions meeting before the ACC one. The Sustainable Regions Program is, of course, the critical one from this point of view because it has a sunset time. That is the one for which you have to make sure that the moneys are properly spent and allocated. I cannot remember any dissonance in the discussions of any of these things, because everything seems to fall out so logically and correctly. It has been fairly common that we would say in a Sustainable Regions meeting that a project had best be referred to the ACC for consideration under Regional Partnerships, for some very valid reason. At the next meeting it would then be presented to the ACC, who would generally pick it up. I cannot think of any problems we have had with this; I do not know whether Geoff can.

Mr Haerewa—I have not thought of any.

Mr Durant—It just seems to fit nicely.

Mr Haerewa—There is always a lot of discussion before the meetings. John sends us out the information and the committee discuss it amongst ourselves prior to coming to the meetings.

CHAIR—You might be like this committee; you might drink a lot of coffee.

Mr Haerewa—We have a few beers now and then.

CHAIR—Perhaps we will get to that later. Are the expression of interest forms that people fill in when they come forward with a project essentially the same for both?

Mr Durant—They were different, but we now only use the one form, which is the same as the one used for Regional Partnerships. Again, it is a very simple form.

CHAIR—But it is the harder one of the two, if you like.

Mr Durant—Yes. It is just to get an idea of what the person is talking about and to get them to make some commitment in writing so that you can see that you are not making mistakes due to misinterpretation.

CHAIR—I want to ask some questions about the Sustainable Regions Program. I know there will be questions on Regional Partnerships, but I would like to stick to Sustainable Regions for the moment. We will come to other questions from other senators later. In overall terms, what is

the funding allocation and the time frame for the Sustainable Regions Program for the Kimberley SRAC?

Mr Durant—The time frame for completion is 30 June 2006. You would appreciate, of course, that that is the time by which the works are supposed to be finished and the funds acquitted and signed off. As I understand it, that is a requirement of parliament and that is something that has to be met.

CHAIR—It is \$13.2 million, I think you said.

Mr Durant—Including GST. We think at this point that we have notionally just about spent all that. We still have about three projects where we are in the final stages of helping the proponents with their applications, and we have another three or four projects—I think it is four—which have now been submitted to the minister for consideration. Notionally, I think we are now close to having consumed our funds. That does not take into account any funds that might be returned to the fund as a result of difficulties or otherwise in various projects.

CHAIR—We heard earlier that it was \$12 million plus the GST and that \$11 million has pretty well been allocated. I think that might have been the evidence from Carol Martin.

Mr Durant—I cannot remember the figures. This week we have had \$1.6 million allocated, and we have not added the figures up properly yet.

CHAIR—I want to turn to one particular project involving the Kimberley Aboriginal Pastoral Association. According to the tables that we were provided with by the department, a grant of \$317,130 was approved in June 2003 to fund a part-time executive officer to coordinate the association's strategic plan and contribute to the day-to-day running of the association's office. That represented 51 per cent of the project funding, so overall the project was valued in excess of \$600,000. It seems like a substantial amount of money that was approved to fund a part-time executive officer. Are you able to comment on that grant and tell me what the project was about and what the other sources of funding were for that project to make it up to the 100 per cent?

Mr Durant—What I would prefer to do, if you would indulge me, is to give you a situation report on that project, because a number of things have happened.

CHAIR—If that covers the questions that I have asked then we will see how we go.

Mr Durant—I think it will, and I think it will be much easier for me to answer. You heard this morning from Wayne Bergmann that there are a large number of Indigenous pastoral properties in the Kimberley. My understanding is that there are about 33 of them. It is written on that card that you have all got. It is my understanding that only one of them is actually operating in what you might call a revenue satisfactory way. The Sustainable Regions committee was very conscious of the fact that something really needed to be done to help this and to create a situation whereby we had a functional and an operable Aboriginal pastoral industry.

An organisation was created a number of years ago called the Kimberley Aboriginal Pastoral Association, which was intended to be an association of those properties. I understand that this goes back to the days of the equal wage case. The state government at the time bought properties

for Indigenous people but did not then really follow through in a capacity sense to ensure that they could be properly operated. There are fairly significantly sized communities on a lot of these properties—I understand that there are up to about 30 people.

So the idea was to fund KAPA to be able to get themselves onto a business commercial basis and to engage a part-time executive officer who would have a series of functions to fulfil—including coordinating and organising training, improving capacity organisation, getting the marketing sorted out and getting them onto a commercial basis in a very general sense. That was the purpose of the project. I cannot quite recall exactly where the partnership funding came from, but in my list here \$299,000 worth of partnership funding came into it. It came from a number of sources. WA Ag was involved, the ILC was involved and a number of other organisations which I cannot recall off the top of my head were also involved.

A working group was also set up, of which we also became a member, to assist the project as it proceeded, to provide some guidance, but unfortunately for quite a number of reasons the project did not work very well. At about the time I arrived, there was a public falling-out between KAPA and the ILC which created some quite serious dissonance. There were a number of issues associated with that. It led to the ILC withdrawing its funding contribution. That of course led to DOTARS looking at the project very carefully, and at that time it became quite obvious that the milestones had not been achieved to that point.

We did a number of things to try to work out what to do with this. We formed a review group and particularly invited then ATSIIC commissioner Ian Trust, who was one of our SR members, to join the working group to review it and to come up with a way for this project to be reconstructed, redeveloped and taken forward. Unfortunately, things galloped away from us from the point of view of time, and one thing and another led to the project being totally suspended. Since then, especially since Geoff has become the chair, we have continued discussions with the ILC, DOTARS, WA Ag in particular and other parties in an attempt to identify how we can rescue that project and take it forward. Unfortunately, it has been delayed by the development of a particularly difficult family situation for the new chair of KAPA, and so we put it on the backburner a bit. However, while that was the case, we held major discussions with the ILC, and WA Ag has also contracted with the ILC to provide training for Aboriginal pastoral stations in the Kimberley which can easily be extended into this field.

That is the position we are at, but because of the impending closure of the Sustainable Regions Program we are now looking at redeveloping that project and taking it forward under Regional Partnerships. But the fundamental issue is: how do we get as many of these Indigenous pastoral stations as possible to be commercially operable? That is something that the Kimberley is really crying out to achieve and all the various parties and stakeholders involved want to achieve that. I apologise for the long and laborious description, but this is a—

CHAIR—You have answered a number of other questions that I no doubt would have asked. Has the funding agreement been suspended?

Mr Durant—Yes.

CHAIR—When did that happen?

Mr Durant—Just before Christmas, or late 2004 anyway.

CHAIR—Could you take that on notice and let us know?

Mr Durant—Yes, certainly.

CHAIR—How much grant money, if any, was paid to the proponent? If it was paid, has any of it been recovered?

Mr Durant—The administration of the contract itself is the responsibility of DOTARS, so it is not necessarily something we would know about.

CHAIR—Do you know?

Mr Durant—A sum of money has been reallocated to us from it. I believe it is \$180,000.

Mr Haerewa—I think it is around \$180,000, yes.

CHAIR—Who was that paid to?

Mr Durant—It has gone back into the fund.

CHAIR—Who is that held by?

Mr Durant—It is held by the federal government—Treasury.

Mr Haerewa—It has gone back into the money that we can allocate to other projects.

CHAIR—Is that the total of the money that was advanced against the overall amount?

Mr Durant—I do not know. You would need to ask DOTARS for any detailed information on what has actually been paid and what has been recovered. That \$180,000 is roughly the amount that we have been advised can be reallocated to the fund.

CHAIR—If DOTARS had been here this afternoon, we could have asked them, but we will get to that in due course. In the material that we were provided with, which came from the Sustainable Regions committee, was a CD that was attached to a document called a ‘project status report’. That had been prepared for the 1 December 2004 meeting. The CD had additional material on it, which I have had printed, entitled ‘KAPA project—notes for consideration’. It lists a whole series of difficulties, and I think you may have covered some of those in your earlier remarks. It reads:

DIFFICULTIES

- Dissonance, KAPA/ILC
- Project over-ambitious
- Milestones and goals too complex and unachievable
- Resources inadequate

- Lack of Governance Capability of Board
- Inadequate range of Board Skills
- Carriage of non-performance capable stations
- Conflict of objectives between an Association of Peers and a Business
- Conflict of personal objectives between 'status' and 'profit'
- No evidence of revenue orientation

It is quite a long list, and the conclusion was:

At this stage, the association is meaningless, has little focus, and no effective revenue—it cannot go anywhere.

I have this as a written document, but I understand it was prepared on CD as part of the documentation presented to a meeting last December. Who prepared that?

Mr Durant—I cannot say precisely who, but I can say that we had quite a number of people contribute to identifying those issues.

CHAIR—It was prepared within the SRAC.

Mr Durant—And with our stakeholders. That is a summary, if you like, of the issues that have been identified in that description.

CHAIR—That is the way I took it. I have a fundamental question: it is a fairly extensive list and there are some serious deficiencies; is there any reason why these things were not picked up or identified before the funding was approved in the process leading up to the decision, which was ultimately a decision of Minister Anderson, I think? How did all those problems slip through the net?

Mr Durant—I will give you the easy cop-out for a start.

CHAIR—Give me that and then give me the real answer.

Mr Durant—I was not here at the time when that went through. Hindsight is a wonderful thing, and that is what I used.

CHAIR—This is not directed at you personally.

Mr Durant—I appreciate that. We have the benefit of hindsight at this stage. I did go back and have a look at the origin. With my experience, I would have questioned the complexity of the objectives in the first place, but clearly they were all good, fine objectives and they were all important things to achieve. There is no doubt that the committee at that time felt that way. My understanding is that it did go through a due diligence process with DOTARS, and I think at the time it would have been quite reasonable that it would have gone through quite satisfactorily. I am not sure if the CEO that they appointed as a consequence of this was actually in place at the time the allocation was prepared or whether he came along later, but I do know that he worked very well with us in trying to identify these points. In other words, this is a mutual job. It was not just us standing back and judging the organisation; it was based on the experience that had been developed since the project had started with us working together cooperatively with the proponent and the stakeholders to say, 'Why isn't this working?' To be quite honest, I parallel it with the way in which so many of Aboriginal corporations have been put together: the concept of

having a board which is made up of definitive people as distinct from people who have the competence necessary to make that board a success. I cannot think of the right word to use—oxymoron does not sound right—but it is obviously a capacity problem that we have now developed in the Kimberley. This is one of the things we looked at.

Under the Aboriginal corporations law, to be on the board of KAPA there were certain requirements. They would not necessarily relate to the ability to make it work. The committee at the time when this was approved—so it gives you an indication that they did take it extremely seriously—had said that one of the conditions of the allocation of the grant was that KAPA reincorporate under Western Australian law and break away from the Aboriginal corporation so they could actually recruit onto their board people with the necessary competence and skills to make the project succeed. One of difficulties at this stage was that KAPA had not done that. I think that is probably one of the things that led them to not achieving some of their milestones.

There are a lot of issues associated with it. It is not an easy one to talk about. It is very complex. I have no doubt that all of the due diligence was done in good faith. I think projects of this type, especially when they are as ambitious as that—and let us face it, that particular area of the project has a history of disasters going right back to the equal wage case, which was thrown in without people thinking through what the consequences were or providing for them. I am not 100 per cent sure of all of the details of what happened from there on, but it has been almost—I do not know whether disaster is the right word.

CHAIR—When you say the equal wage case, you are talking about the—

Mr Durant—I am talking about 20 or 30 years ago.

CHAIR—stockmen's decision and the industrial situation to do with that.

Mr Durant—Which just overturned the whole thing. The social issues associated with it obviously were not thought out.

CHAIR—That is many years ago.

Mr Durant—But that is where it started and it is still going on. The problems are still continuing.

CHAIR—In my former career, I was a union official. I am pretty familiar with the history of that. I was in the Australian Workers Union, so I am even more familiar with that. I do not want to debate that, because that issue has been debated at length. The decision was made and people have had a lot of time to come to grips with it. Whatever people's views about it are, these issues that were raised at this meeting in December are fundamental and it surprises me that they were not picked up much earlier in the context of getting a grant for \$317,000. That is not a small amount of money. Anyway, you have answered the questions I had. Obviously, we will need to pursue that with the department as well, because they did the due diligence.

Mr Durant—That is the process. Our job is to facilitate these programs.

CHAIR—I am aware of that.

Mr Durant—Honestly, I would not dump that on anyone. As you have been involved in it, you would appreciate that it has been a difficult exercise, and it is not over yet.

CHAIR—I have not been involved in this, and I was not involved in the original stockmen's case—I was only a kid then.

Mr Durant—It is a serious issue and it seriously affects the Kimberley.

CHAIR—That decision had application nationwide, not just in the Kimberley. Have any other Kimberley Sustainable Regions Program grants been withdrawn?

Mr Durant—We have the question mark hanging over the one that Wayne Bergmann was talking about today, the Kimberley sustainable development project.

CHAIR—But that funding had not been advanced, had it? From memory, he said that it has been approved.

Mr Durant—The difficulty, as I understand it, was that that project was for a joint partnership between the Kimberley Land Council and Monadelphous. The mine that Monadelphous had its contract with has gone into care and maintenance. We were asked to try and facilitate some other direction for those funds, but the KLC did not seem to want to particularly pursue that. It is really up to DOTARS now to decide what happens with the balance of those funds and which direction it ought to go in.

CHAIR—I will move to another project, the funding for the Mowanjum Arts/Tourism Centre. This was a grant of \$1,100,000 to the Mowanjum Aboriginal Corporation. It was approved on 23 August last year. The application was lodged back on 4 November 2002. It says:

The project will establish a building complex where programmes will be based to represent and market the area of the region, support tourism and represent and advocate for traditional culture.

That represented 50 per cent of the funding. This project was processed through the Sustainable Regions committee.

Mr Durant—Yes.

CHAIR—Can you give us a quick rundown on how that project application was processed or developed? As I understand it, it started out as a Regional Partnerships program.

Mr Durant—It did, yes.

CHAIR—That is the advice I have.

Mr Durant—You will appreciate there are so many of these things that remembering the fine detail on them is a challenge. It did. At the time the application was being prepared, it looked as if the total under the Sustainable Regions Program had been notionally achieved. But there were variations and adjustments and it was felt that this project proceeding under the Sustainable Regions Program would be a much better way to go. It is the sort of situation I was talking about

before. This is a particularly exciting project. It is one of our flagship projects. The Mowanjum community, by the way, are the community which did the artwork for the 2000 Olympics. They are beautifully located on the Gipp River Road at the start of the wilderness area of the Kimberley. The chair could probably talk more about the community. It represents communities which go right up into the north of the Kimberley. These are the people associated with the Wandjina.

Mr Haerewa—There are five different family groups in that community. I have a particular interest in helping them, in any which way, to get across the line. I went out there the day before yesterday, and they are selling about \$5,000 worth of paintings per day out of an old shed. They are really pumping along. Hence we need this building.

Mr Durant—They are world-class Indigenous artists. On one occasion when I was there during the preparation of the project I met a charter plane load of international buyers. It is a really top Indigenous business in the making. The project is aimed at creating, in a sense, a factory, a production unit, for quality art, as well as an art centre where it can be displayed and a cultural centre where Indigenous tourism can be promoted and developed. It really is the gateway to the Kimberley wilderness experience. It has just about everything going for it. I have to be careful here because my chair comes from Derby and I do not want to sound like I am running Derby down, but in many people's eyes Derby is a town that has been superseded by Broome and is in decline.

Mr Haerewa—That is the case with all the towns in the Kimberley. Broome is sucking a lot of resources out of all the towns.

Mr Durant—There is an opportunity here, amongst a number of other things—and we have other projects involved in this—to reconstitute Derby, to turn it around and to turn it into the vibrant, wonderful centre that it could be, especially as places like the Browse Basin get developed and the mineral opportunities of the Kimberley are developed. Facilities like this art centre are seen not so much as a saviour—that is probably an excessive description—but as contributing very seriously to the development of Indigenous business and the development of a culture which says, 'You've got to make your own way in the world, and the world is a real place.'

That was the theme. Quite a number of people have contributed to the origin of this. They include our new arts coordinator, who has just gone back there and who was involved in it early on. A chap by the name of John Oster, who is now the CEO of Desart in Alice Springs, and the community themselves were also involved. The really fantastic artists they have got all contributed to how they would develop the concepts, where they would put it and how they would run it. It was really something. We get involved in helping people to do these things, but this was a case where we could stand back and watch them.

CHAIR—I am interested in the process. How did it get from being a Regional Partnerships application to being funded under Sustainable Regions? I am not in any way being critical of the project.

Mr Durant—It is an Australian flagship, this one; you will see it and enjoy it.

CHAIR—I can see you are very proud of it.

Mr Durant—We looked at it and thought, ‘Which is the best way to go?’ It is an interesting situation. One of the great advantages of the Regional Partnerships program is its merit based discretionary approach. One of the great advantages of Sustainable Regions is that there is a sum of money there that we have to target. You are tempted very quickly to say: ‘That’s real money.’ The other stuff is okay if you can get the necessary convincing through. One of the criticisms of the Regional Partnerships program is that you have to do all this work and you do not really know whether you are going to be successful or not. It is all going to be totally dependent on the quality of the argument you put forward. When you have a target amount of money and the project is clear and worthy and meets all the criteria, naturally you go that way.

CHAIR—You already have the pie, in effect, and it is about how you carve it up.

Mr Durant—That is exactly right. We could see the slice of the pie, ready to fill—and that is the logical thing to do. Both committees were very comfortable with that. The other good thing about our networking is that, irrespective of which committee people were on, they all knew what was going on in these things. People observing our meetings cannot get to grips with the fact that, when you sit down at the meeting, everyone knows. That is the nature of the Kimberley community.

Mr Haerewa—That is where the networking comes through.

CHAIR—So that was effectively an in-house decision, with the two committees working together.

Mr Haerewa—It is no different to any project that we have looked at swapping over from Regional Partnerships to Sustainable Regions or vice versa.

Mr Durant—In the Kimberley house, I would say—not some magical little group that we may or may not be—because that is the way the networking systems operate.

CHAIR—The minutes of the meeting that was held on 1 December last year show that Bill Dejong from the department made a presentation to the sustainable regions committee. It says he gave a Regional Partnerships media report. What was that report about and why was he reporting to the sustainable regions committee on Regional Partnerships matters? Is this just part of this flavour of working together? You did have separate meetings, did you not?

Mr Durant—Yes, but there are a couple of issues here. Firstly, Bill Dejong was the then director of the Sustainable Regions Program. If he produced a media report—I cannot remember it—it would have been something that he brought with him or was given to him, or something of that type. I cannot answer more than that. I just cannot remember. If you give me some more information I can work it out.

CHAIR—It is in the minutes. I would have to go through and have a look while others are asking questions. It also says that he told you that regional officers would assume responsibilities for sustainable regions issues and that officers in the Canberra office would still attend future meetings even though the regional officers were going to take over responsibility.

Did that constitute any change in the department's administration of the program as far as you were concerned?

Mr Durant—Only in the sense, of course, that we were now going to be dealing with different people and different areas. That obviously always creates some angst in people settling into their jobs and getting to know and understand how things happen and how they work.

CHAIR—I might be able to find that report shortly.

Mr Durant—It is just the media report that I cannot recall. The rest of it is fine.

CHAIR—It says here in the DOTARS report:

On behalf of DOTARS, Bill Dejong reported on the following matters:-

a. Regional Partnerships Media Report; business as usual

It does not tell us anything more than that. Can you recall?

Mr Durant—Was that about the time your committee was established?

CHAIR—This was 1 December 2004. You have asked me a question about when our committee was established. It was before that.

Mr Durant—This might have been our first meeting after that. I think there was a media release put out by DOTARS.

CHAIR—Regarding our committee?

Mr Durant—Yes.

CHAIR—DOTARS put out a lot of things. They wrote a lot of letters about our committee.

Mr Durant—My expectation is that that is what it was.

CHAIR—They got about half the things wrong in the letters they wrote but that is another story, which we will debate another time. The reference was actually, I am reminded, right at that time, so your recollection is probably correct. With regard to the remaining funding within the Sustainable Regions Program, the advice given to the committee by the department shows that, as at 31 December 2004, \$9.8 million in Sustainable Regions funding had been committed to the Kimberley. I assume that that does not include the money that had been approved but has been subsequently withdrawn or put into suspense, as it were.

Mr Durant—It certainly did not include that KAPA money we were discussing, which would have been added since then. It was \$180,000 or something like that. I think there were a couple of other projects that were cancelled. I cannot remember whether they were in or out.

CHAIR—There is the Kimberley pastoralists of \$317,000. In December last year, the SRAC wrote to the minister proposing the allocation of the remaining funding of \$1,990,587 through two programs. One was the remote airstrip project valued at \$1 million and the other one was a governance and leadership fund project valued at \$990,587.

In that letter you sought advice from the minister on whether either would be acceptable projects under the Sustainable Regions Program. Can you tell us about those project proposals? Firstly, were these projects applications from proponents or were they self-initiated by the committee? Why did you seek advice from the minister as to whether they would be eligible for funding?

Mr Durant—I will take things chronologically. The projects were proposed by a member of the committee, on the floor, by surprise, without any warning. No other member was aware that he was going to do this, nor had we done any proprietary work on it. There is no doubt that both proposals were excellent, but the immediate concern we had was whether they were eligible and appropriate, whether they could be dealt with in the time, whether they fit with our regional priorities et cetera. No-one had instant answers, hence the need to raise the questions. After that meeting the letter was written to the minister, the DOTARS officers made inquiries on our behalf and we looked into the projects themselves. I brought a report forward at the following meeting which suggested—

CHAIR—When was that meeting?

Mr Haerewa—It was at the beginning of March or something like that.

CHAIR—According to the minutes, it was 2 March.

Mr Durant—I will give you a short answer, and then I can elaborate to the extent that you would like. The remote airstrip scheme is of great, vital importance to the Kimberley but, because of the complexities, it was just not practical to deal with it under the Sustainable Regions Program. So it has been referred to the ACC for further examination under the charter of the ACC, and we will look at that. In the background to that we discovered that the state government and DOTARS in its transport role had been looking at this particular problem for some years. It came about because of a change in safety standards caused by CASA which virtually deprived quite a number of pastoral stations of their mail services and access to the Flying Doctor Service. Grants were made available by various organisations at that time to fix that problem. Some stations took them up and some did not, and we also had this dissonance factor with the Aboriginal pastoral stations, as that relates to the KAPA matter we were discussing earlier.

Fundamentally, it is a fairly important and serious issue. I have it sitting on my desk, and the paperwork is literally about four inches thick—about 100 millimetres. It is something that we are still investigating, but there was clearly no way that it could be processed in the final time frame. Putting it together is a difficult thing because there is no component for it, so it is an issue. The governance factor relates to something that I would very much like to talk about. I would imagine that you will question me somewhere on this—I would be surprised if you let it through—further down the track. The KAPA example is unfortunately not the only example we

have had. It is probably the worst example we have had of difficulty with a corporate proponent being able to deliver on their project.

There is a great realisation that capacity building has to be an essential component of work, especially in places like the Kimberley and especially in backing up some of these programs. We have an organisation in east Kimberley called the Wunan Foundation, which has been doing some absolutely fantastic work. It is an Aboriginal corporation and it is getting money from a variety of sources, including the Myer Foundation and various others—there is even a sustainable regions program approved for them, which is an absolutely tremendous one. They are very anxious to become involved in capacity building and how that might occur. We have had meetings at the Kununurra ICC, especially in relation to some problems at Kalumburu. This question of capacity building, especially in the Indigenous areas, and how that might be delivered is perplexing not only us but practically every service provider in the Kimberley.

The proponent who put this forward put it forward at a time when everyone was thoroughly supportive of the concepts and ideas. Again, it was a project without a proponent and one that will take a fair degree of difficulty in working out how to advance it. Again, it does not fit the Sustainable Regions time frame. But it is not a matter that we are letting go; it is a matter that we have listed very heavily on our address list.

CHAIR—Did you get a formal response from the minister to your request for advice?

Mr Durant—I certainly got responses from DOTARS—fundamentally in the direction of more questions, rather than answers. Between us we virtually had to suggest a reasonable or logical way to go. That is really what the minister had done—direct that we try to sort it out, which is what we have done, even though it is still an ongoing issue and a major one to address.

CHAIR—But, by the sound of it, you certainly had a view that there were difficulties in proceeding with these applications for a number of reasons, even though you sought the advice from the minister.

Mr Durant—Yes. It was difficult. After every KSRAC meeting we have generally written to the minister and told him what the key outcomes were. It was difficult to write and say, ‘This one was brought up off the floor; we don’t really know what the implications of it are but we need to have a look at it.’ That was the way the committee felt it should be dealt with.

CHAIR—Okay. Would you be able to provide us with a list of all the projects that have been funded in the Kimberley under Sustainable Regions?

Mr Durant—I have done that. It is on the handout you have.

CHAIR—Is that in the material you provided to us at the start?

Mr Durant—Yes. Under the partner funds, I have a few blanks there. In the short time we had to get ready for this and all the other tasks, there are a couple I did not get. So, rather than give you the wrong figures, I have left a couple of blanks. But they are the partner funds. The grant funds are correct and they are all in, with the exception of the KAPA one. It has the original allocation there rather than the revised one.

CHAIR—Thank you. You will appreciate that I had not had a chance to go right through the document. You said earlier that the timeline is through to June 2006. Has there been any proposal from the committee or any indication from the government that there might be some extension of the time frame and maybe a top-up of funds? Has that been canvassed in any way?

Mr Durant—Not in any official sense. Obviously these are questions that are always being asked by everybody, but there has been no official suggestion that anything like that might occur.

CHAIR—The committee has not applied for an extension?

Mr Durant—Not at this stage. At this stage, we do not see that it is necessary. But, no doubt, as the date gets closer the chair will have a careful look at this.

CHAIR—I am conscious that there have been indications both from you and from earlier witnesses that, whilst a large bulk of the funds has been spent, some other substantial projects are sitting there in suspense, if you like.

Mr Durant—They have all been flagged to DOTARS, who are responsible for that aspect. They are well aware of them. Again, this is the great advantage of having the two organisations together, because we have been able to swap projects between the two programs to ensure—

Mr Haerewa—A greater degree of flexibility than the other ACCs. I am probably the only one in the country who is the chair of both KSRAC and an ACC.

CHAIR—Yes. That is as I understand it too. That is one of the reasons we were interested in asking you how that functions.

Mr Durant—Extremely well.

Senator BARNETT—I will go back to the structure—and, as you say, Mr Haerewa, you are chair of both organisations. Can you tell us how many volunteers or committee members you have on both, how regularly they meet and where they meet?

Mr Haerewa—I actually have a list of all my committee members for the ACC. I could not find my list for the KSRAC. We have 18 volunteers.

Senator BARNETT—That is for the ACC?

Mr Haerewa—That is for the ACC, and do you have the KSRAC list, John?

Senator BARNETT—Would you be able to table that document—is that possible?

Mr Haerewa—Yes, that is fine. That is the up-to-date one?

Senator BARNETT—Yes. How often would they meet and where would they meet?

Mr Haerewa—We try to meet a total of four times a year. We have not been able to do that because of the sheer size of the area. We try to meet in Broome or Kununurra. I think our last meeting was in Derby, about three weeks ago. That was a feat in itself, trying to get volunteers and the right time—you have to be able to take time off to get to one place.

Senator BARNETT—Day meetings?

Mr Haerewa—Day meetings, yes. So we have the two meetings on the one day to try to make it a bit more cost-effective.

Senator BARNETT—Two meetings?

Mr Haerewa—KSRAC in the morning and the ACC afterwards. Due to the sheer size of the area, the price of fuel and all the rest of it, we may have to cut back to three meetings a year. But we do have a board meeting—every month?

Mr Durant—Every two months.

Senator BARNETT—Which board?

Mr Haerewa—There is also an ACC board.

Mr Durant—Other ACCs tend to call it an executive committee. We found there was so much trouble with fundamentally three committees all being called committees—it was so confusing—that we changed the constitution to call it a board.

Senator BARNETT—That is what I am interested in. How many are on the board and how often do they meet?

Mr Haerewa—There are eight on the board and we meet once every two months. It is not face to face; it is usually by electronic means such as phones.

Senator BARNETT—What are the board's role and responsibilities compared to the committee's?

Mr Haerewa—That is when John as the EO gives us recommendations and we pass out our recommendations to the rest of the committee.

Mr Durant—It is fundamentally—

Mr Haerewa—Administrative.

Mr Durant—an administrative function. We do not bother the ACC or the SRAC with administrative trivia, if you like. Obviously, they are involved in major decisions.

Senator BARNETT—Do you as the board make decisions or recommendations on funding?

Mr Haerewa—No, they go to the full committee.

Senator BARNETT—So you make recommendations and then they go to the full committee?

Mr Haerewa—Yes.

Senator BARNETT—And they all look at it and send it back?

Mr Durant—No.

Senator BARNETT—Sorry, I am getting mixed up here.

Mr Durant—The board deals with administrative issues. The main committees deal with the programs, the policies, the strategies and all that sort of stuff.

Senator BARNETT—I am just dealing with the ACCs. Can we start with them?

Mr Durant—I will elaborate further. They are things like putting the seal on contract documents; under our constitution, that has to be carried by the board. Another example is the monthly financial statements for the operation of the administration, if you like.

Mr Haerewa—The recruitment of an EEO and new project manager.

Mr Durant—Yes, for the recruitment and engagement of staff.

Senator BARNETT—Now I am with you. So that is admin—

Mr Durant—That is the board's role.

Senator BARNETT—and those sorts of things. That is the role of the board. But they also make recommendations regarding applications for funding—

Mr Durant—No.

Mr Haerewa—No, they do not, sorry.

Senator BARNETT—Okay. So, in terms of applications for funding that you as an ACC might get involved in, how long does it take? If you are meeting only three times a year, it might take a while to get your recommendation.

Mr Haerewa—With electronic means like email, John is constantly sending us through the information and we the committee talk amongst ourselves and try as best as we can to come up with a decision for the next meeting.

Senator BARNETT—So does an applicant need to wait three months to get a recommendation or can you decide it quickly?

Mr Durant—No. Fundamentally, we use electronic means. We distribute expressions of interest as soon as we are satisfied that they have been properly compiled. We get the feedback from our membership and our networks. We then assist the proponents to prepare full-scale applications which we then distribute to our members for their responses. In most cases we are also working with the memberships during these processes, especially in the network areas and especially if those people are local and aware of those particular proposals. They are then stitched together; we send them out. Where there is general agreement, that is taken as a decision and off it goes. The only projects of that type that are actually referred to the committee are those where there could be an issue that definitely merits that occurring, or where one or more members have raised issues that are best discussed in that situation. In most of our cases the responses are unanimous. The whole concept is to prepare those things so that they are of good quality. If that has been done then the electronic system works extremely well.

Senator BARNETT—A lot of the other ACCs probably have fewer numbers than 18, but do you find it is manageable, and do you have 18 in order to try and cover the geographic area of the Kimberley? Is that the idea?

Mr Haerewa—We do have 18 in order to try and cover that geographic area. As you can understand, it is a huge area.

Senator BARNETT—Does that work?

Mr Haerewa—It is about the only means we have got available to us, without physically flying everybody from A to B.

Senator BARNETT—Can you tell me about the structure of the KSRAC? How many members are there and how often does it meet?

Mr Haerewa—I do not have a list here.

Mr Durant—There are now only seven members. There were nine when it was originally set up. They are all appointed by the minister.

Mr Haerewa—One resigned only this week. She has gone to Queensland.

Mr Durant—When it was originally set up, it was set up on the basis of having the four shire presidents, the ATSIIC commissioner, the CEO of the development commission and two businessmen, both involved in the tourism industry. It included at the time three Indigenous people and a mixture of both males and females, spread right across the whole of the Kimberley.

Senator BARNETT—Are you a member?

Mr Durant—No. I am the executive officer; in other words, I do all the work.

Senator BARNETT—How often would it meet?

Mr Durant—We have generally met four times a year. Again, there is the same process that I mentioned earlier—electronic communication contact. The networking contact is continuous, by

the way. We also run briefing sessions for our members when either the executive officer or the project officer are in particular subregional areas. The members from that area will tend to gather at lunchtime, along with some other selected people, including people like Carol Martin.

Senator BARNETT—Is she one of the people that you brief?

Mr Durant—Yes. We invited her to the briefing that we had in Derby, and she did acknowledge that in the evidence that she gave, which was great. We tell them what is going on. We generally try and invite a couple of the key proponents along to talk to about how they are going and what they are doing. That is an opportunity type thing that we do wherever we can.

Senator BARNETT—That group of seven makes the decision regarding this \$12 million?

Mr Durant—Yes.

Senator BARNETT—Is that the decision-making process? How do you decide? Do you have to go through the criteria as to whether it fits and so on in accordance with the Australian government's criteria?

Mr Durant—A document was developed in the early stages called 'Process'.

Senator BARNETT—Who prepared that?

Mr Durant—The committee itself, in conjunction with the guidelines that it had been given.

Mr Haerewa—We tried to put it in laymen's terms because most of the committee members are laymen.

Mr Durant—It was also developed very closely with the Kimberley Development Commission, along the lines of the state government guidelines. Everyone in the Kimberley found themselves to be pretty well aligned with state and local issues, as well as federal issues.

Senator BARNETT—Did you find the federal guidelines too cumbersome? Why did you develop your own criteria?

Mr Durant—I think the committee needed its own directions to work things out, and they are co-aligned, so it is great. It is a fairly simple document.

Senator BARNETT—So you can categorically say that you are meeting and have met the federal guidelines and criteria?

Mr Durant—Yes, without a doubt. We believe we have, anyway. Regional priorities are also included in that.

Senator BARNETT—You mentioned earlier your constitution; what is the constitution of each body?

Mr Durant—The Sustainable Regions committee does not have a constitution as such. It is a direct appointment and it is not incorporated. It is not an entity at all. The ACC, on the other hand, is incorporated under Western Australian law and has a constitution.

Senator BARNETT—It is an incorporated association; is that right?

Mr Durant—Yes.

Senator BARNETT—The Kimberley Sustainable Regions Advisory Committee is not operated by any particular entity?

Mr Durant—It is now operated by Kimberley ACC Inc., and the contracts that we have just signed for this year clearly enshrine that.

Senator BARNETT—In terms of the \$9 million contracts—up until you have started this year with the ACC signing the contracts—who is the signatory?

Mr Durant—There are two different types of contracts. The contracts involving the projects are a matter for DOTARS. They sign the contracts, they establish the contracts and they operate them. The administrative contracts, on the other hand, are now a matter for KACC Inc.

Senator BARNETT—Can you give me an example of an administrative contract?

Mr Durant—An operational contract that gives me the money—that pays me, for example.

Mr Haerewa—So we can administer all these projects going out.

Senator BARNETT—You now have two very large committees—one of seven people and one of 18, and you have one common director, which is you, Mr Haerewa. Do you think that is the best way to go? Is that the best possible structure or is there a merged structure that is more preferred? Do you have any response?

Mr Haerewa—I think it is the best way to go. What we do now is the best thing. The reason we have 18 people on the ACC is that many people cannot make it to different meetings so we have to try to get a good crew there to make an informed decision.

Senator BARNETT—You must be a busy person?

Mr Haerewa—I am. I came here today during the busiest time of the year in my business.

Senator BARNETT—What is your business?

Mr Haerewa—I have a hardware shop in Derby, and it is flat out.

Senator BARNETT—That is a nice problem to have when you are in business, isn't it?

Mr Haerewa—It is a nice problem, but it could also be a costly problem.

Senator BARNETT—Thank you for the submission that you presented to us at the hearing. It gives us a good overview of the grants and the partner funds. Do you have totals there? Obviously, the total of the grants under Sustainable Regions is in your submission. It is \$12 million plus GST. Is the total of the \$12 million in your document?

Mr Durant—I have not totalled that. As I said before—

Senator BARNETT—It would be thereabouts?

Mr Durant—We are getting close.

Senator BARNETT—The partner funds; what would they be?

Mr Durant—They can be a variety of different funds.

Senator BARNETT—Do you know what the total amount of funds is?

Mr Durant—I do not. I have a few blanks missing, because I have not had a chance to research them.

Senator BARNETT—I am interested in what sort of return on funds taxpayers are receiving—whether it is one to two, one to three, one to four, as a result of Sustainable Regions investment?

Mr Durant—Last time I looked at it, it was about three to one or maybe even four to one. It is pretty substantial. Bear in mind, of course, that that does include state government funding.

Senator BARNETT—A lot of the partnership funds are state government funding?

Mr Durant—Some of it is. It comes from different sources.

Senator BARNETT—And local government, I assume?

Mr Haerewa—Yes.

Mr Durant—Definitely. So it is not necessarily outside the public purse area, to put it that way.

Senator BARNETT—The question of what sort of return we are getting is of interest certainly to me, and I think to other members of the committee. You think it is about one to three, one to four?

Mr Durant—Again, I am not 100 per cent sure. We are virtually taking those partner funds as what was put in the original applications. At that time, of course, they do not necessarily have the final guarantee that they are going to get those.

Mr Haerewa—I think DOTARS would have more of an idea.

Mr Durant—They would have a better idea, but it depends how important it is for you. We can give you figures, but whether they are meaningful or not is another question.

Senator BARNETT—If they were in the applications—and in the contracts, I assume, with DOTARS—you would assume that the milestones have been met. That is my next question: have the terms and conditions of those contracts under the Sustainable Regions funding been met? Have the milestones been met? Senator Forshaw has asked you about a particular project, but I am asking about the bulk or all of these projects.

Mr Durant—We are not directly involved in the administration of it. We are the facilitators of the applications, not the administrators of the execution. You would need to take those questions to DOTARS. We get well informed. We have a good teamwork relationship and in most cases we know that they are being achieved quite satisfactorily. We are also aware of a few other difficulties.

Senator BARNETT—Let me put it this way: can you alert us to any of those projects that you are aware of which are not working or not operating properly?

Mr Durant—Yes. I will work down the list with you. Most of them are pretty right. Kimberley Sustainable Development is one that is not working right. That is the one you heard about this morning. Wunan Tourism has had a problem but I think it has been resolved. Black Tiger Prawns is quite satisfactory now. Lake Argyle Industries has a problem and I expect that DOTARS will sort it out very well. I have spoken to the proponent there and the way they are talking about going seems quite satisfactory. We have discussed KAPA. I think the rest are okay.

Senator STEPHENS—I was looking again at the minutes of Wednesday, 1 December 2004 and was a bit confused by what is reported in the minutes. At paragraph 7.3 you show the projects being reconsidered and there are four projects: Kachana Pastoral Co., Halls Creek Community and Resource Centre, Purnululu Tourist Accommodation and Broome Aboriginal Media Association-Outback Digital Network. And then there is the stadium seating project. The Halls Creek cultural centre recommendation states:

... as a consequence of undertakings by the CEO of the Shire of Halls Creek ... \$825,000 including GST, be reserved for the project subject to a full, complete and satisfactory project and business plan being received ...

That is the recommendation, I presume, of the staff or the office. Then we have a resolution that the staff recommendation not be accepted. It was the outcome of the meeting that the recommendation was not accepted?

Mr Durant—That is correct.

Senator STEPHENS—And it is the same for Kachana Pastoral Co. The staff recommend that the project cannot be supported by the committee in its present form, that the project be referred for advice and that the applicant be invited to consider a new application through the Regional Partnerships program, taking into account the advice received. Then there is a resolution from the committee saying that the staff recommendation be not accepted as the proponent was aware of the application deadlines. The recommendation was that it should go to the Regional Partnerships program for a new application. I want to find out what happened to that project.

Then we have another one, Purnululu—it must have been a feisty meeting—with the same recommendation: that the staff work with CALM and the proponent to develop a satisfactory application et cetera, but the resolution was that the staff recommendations not be accepted. It is the same with the stadium seating, which we know was finally approved, but again there was a resolution saying that the staff recommendation not be accepted and the project not be endorsed. As the current chair, has that been part of the pattern—that the staff might make a recommendation that the committee did not accept or resolved not to accept?

Mr Haerewa—Yes. We did that at the last meeting when a recommendation went forward and we as a committee had looked at it and overturned the recommendation.

Senator STEPHENS—What happens to those recommendations?

Mr Haerewa—We then get the staff to go back and look at it again.

Senator STEPHENS—So in the case of the committee not recommending the stadium seating, for example, we know that the stadium seating project was approved. So the process of the committee determining that they are not supporting—

Mr Haerewa—I do not know anything about the stadium seating one, so I will pass it on.

Mr Durant—The stadium seating one has since been withdrawn. It is no longer an approved project.

Senator STEPHENS—I do not think we had that information.

Senator BARNETT—I was going to ask you about the stadium seating and the co-op system on the Ord River. The stadium seating was raised this morning by Mrs Carol Martin. We were led to believe that it was funded for \$550,000 or thereabouts. It is in the document here—22 December 2002, and then approved on 24 June 2003. That is a couple of years ago. What has happened to that \$550,000?

Mr Durant—That has been returned to the fund. The basis upon which the project was originally approved changed. As a consequence, the funding was withdrawn.

Senator BARNETT—So the moneys are still with the government; is that right?

Mr Durant—No, the money has been returned to our fund. That project is now history.

CHAIR—How did that happen?

Mr Durant—Again, I am talking about before my time, but I believe the story I am telling you is correct. It was originally put together as a very significant venture to be conducted by the shire here. I cannot tell you too much about the precise detail, but there were a number of changes in direction. It was originally for a beach ball type competition that would be established as a big business enterprise here in Broome, and then later was to be a part of another project which we were working on—I cannot pronounce the Aboriginal name, but it is a cultural and arts centre. That would have the stadium seating as a component. Then there were a number

of other things. The whole thing changed several times before it was finally put to bed and we said ‘not on’.

CHAIR—But that was after the funding grant had been approved.

Mr Durant—The funding grant was approved based on the original application, but was then subsequently withdrawn and deleted.

Senator STEPHENS—In the minutes here it says that there was a revised application submitted on 2 November 2004.

Mr Durant—There was a new consideration that also came into it, which is not unrelated to things like the Ord Valley muster and the fact that the shires had got together on the issue. You have to understand that we are talking now about something like six months ago, and this is hot, interactive stuff that is going on all the time. When the shires got together, a lot of concerns with the workplace health and safety regulations and the public safety issues in the old days of, say, going to the Ord River muster and just standing on the backs of trucks and watching the whole thing there, are gone now from a legalistic point of view. People are starting to realise that if you do not have the right facilities for your crowds and your people for these sorts of events, they are not going to be on. But, unfortunately, a lot of people in the Kimberley still have not realised how important that is. Some people saw this as an opportunity to address that. Others are saying, ‘What a waste of money. We do not need it.’

CHAIR—Isn’t this one of the downsides, the dangers, of this approach? You said earlier that one of the attractive features of Sustainable Regions is that you have a bucket of money and you know it is there. It is probably easier to access through the bureaucratic process than the Regional Partnerships. We have heard evidence—without wanting to speak on behalf of the committee; we still have to write our final report—that you say: ‘Here is \$12 million for a region. That money is there. Now let’s find a way to allocate it.’ You can end up with projects coming forward that can get ticked off and approved and then fall over—a closer examination takes place and what was seen to be a good idea does not translate.

We have had evidence from some witnesses who would be critical, who are saying, ‘There’s \$12 million. There are three shires. Let’s split it up and give them four million bucks each,’ rather than having a proper focus upon a whole-of-region approach. Do you feel that that is a legitimate point in respect of some of these cases where the committee was saying, ‘Don’t endorse them’?

Mr Durant—I recognise the point you are making. I think the easiest way for me to describe it is to remind you that before Carol left she said they really needed \$120 million. When you have got that big a gap between the need and the opportunity you do not really have this problem. Those issues that I have just been describing are issues that people are now trying to face up to. One of the good things about it has been the level of debate that has developed.

The stadium seating, by the way, was always intended to be mobile stadium seating that would service the whole four shires. It was not intended to be just a single feature. But it was the feature upon which it was originally based, and for which the overseas entrepreneur was contributing significant amounts of partnership money. When the whole thing fell over the

question was, ‘What do we do with this?’ One school of thought was that we walk away from it and finish it. Another other school of thought was the one I just gave you a minute or two ago, and there were others. But I think it shows that a healthy debate took place on these sorts of issues. The fact that at the end of the day it was recommended for withdrawal is a healthy outcome.

Senator STEPHENS—Although it was not recommended for withdrawal, was it? It was actually recommended:

KSARC advise the minister that it endorses \$550,000 including GST subject to the following undertakings from the Shire by 4th February 2005 ...

Mr Durant—It may have been 4 February when it was withdrawn, but it has definitely been withdrawn. I cannot remember when. Again, these things go through a few hurdy-gurdies on the way.

Senator STEPHENS—So there was a recommendation that the staff recommendation not be accepted on the 4th. If the staff make a recommendation and then the committee makes a different recommendation, which recommendation goes forward?

Mr Haerewa—The committee’s.

Senator BARNETT—You say that the stadium seating project was withdrawn, and Senator Stephens has talked about a revised proposal. Do you know when it was withdrawn?

Mr Durant—It was around the beginning of the year. I cannot be more precise than that. It was either at that December meeting, which I thought would have been the one, and I think Mr Sands has identified that that is correct, or the alternative is that it was at the February meeting. But I am pretty sure it was the December meeting. I cannot be more precise at the moment.

Senator BARNETT—Before it was withdrawn was there an agreement with the operator in terms of the funds—the \$550,000?

Mr Durant—That other operator had withdrawn long ago. So that is what caused and started the whole—

Senator BARNETT—Yes, but was there an agreement? If so, who were the partners in the project?

Mr Durant—I do not believe it was ever contracted.

Senator BARNETT—There was no contract?

Mr Durant—I do not think so.

Senator BARNETT—So it was approved but then the contract never got consummated?

Mr Durant—It did not get to contract stage, no. In fact, I am very sure of that.

Senator BARNETT—Do you know who the partners were?

Mr Durant—No, not from memory. The original idea was that the Shire of Broome would take responsibility for the whole facility—for storing it, administering it, repairing it—and there would be a contribution from another mob.

Senator BARNETT—These are issues we can ask the department to get a bit more information on. Are there any other projects that were withdrawn that we do not know about?

Mr Durant—There were projects withdrawn at different stages such as jetty to jetty, for example, which was a project that had been put forward for approval. I do not think that had reached the stage of ministerial approval but I cannot remember precisely. The shire withdrew that because of native title issues that developed and other matters.

Senator BARNETT—You heard Mrs Martin's evidence this morning about the co-op system for the Ord River. Was it \$25,000?

Mr Durant—Yes.

Senator BARNETT—What is your response to her allegations and comments?

Mr Durant—Unless I am in error—I will have to operate with a general view of things, as distinct from a detailed view in a lot of cases—my memory of that project is that it was a process to deal with what you might call 'seconds fruit'. You will appreciate that, when you are selling fruit under fluorescent spotlights these days, it has to be virtually flawless. You cannot imagine that the orchards, especially in the Ord, are producing flawless fruit. What do you do with the fruit that is still perfectly good but does not look really good? The traditional way to deal with that is to juice it. The problem in the Ord relates to how to juice it. You have the tyranny of distance and all sorts of other factors. My understanding is that that was the motivation behind the KPIA project. I am not exactly sure just where that is at, because we only handle the facilitation; we do not go into the contract administration. I think there was a difficulty with the state government on that issue.

Senator BARNETT—Were they a partner?

Mr Durant—They wanted to be a partner, but I do not think they ever actually came forward. In that sense, I think Mrs Martin was correct in saying that this morning. I cannot say exactly where that project is at this moment, I am sorry.

Senator BARNETT—Your document here has \$55,000 for the grant and \$110,000 for partner funds. Is that right?

Mr Durant—I ought to be careful on this, because there are a couple of projects here and I am not sure which one is which sometimes.

Senator BARNETT—It is a one to two at least.

Mr Durant—I am just not sure whether that is the one or whether the Ord land and water is it. I would have to go and check in more detail.

Senator BARNETT—Okay. Let us have a look at these Regional Partnerships grants. There are quite a few gaps there, so it is a bit tricky to tell, but have you got total figures for the Regional Partnerships funding?

Mr Durant—No. I will take you through the list. The first four are projects that are approved and funded, and those figures are correct. The next four and the ones over the page are all projects that are in process. Some of them have reached the EOI stage; some of them have not even got to the EOI stage, so the figures in that context are a little rubbery in the sense that they have not yet been finalised, worked on or developed.

Senator BARNETT—So those first four have been approved and funded?

Mr Durant—Yes.

Senator BARNETT—Have you done an assessment of jobs benefit for the area as a result of Sustainable Regions and/or Regional Partnerships?

Mr Durant—No. I have the figures in the applications on each particular project, but we have not got a summation of them.

Senator BARNETT—For your interest, when we met with the Pilbara Area Consultative Committee yesterday, they had an assessment of the of 100 additional jobs in that area.

Mr Durant—I think we would be well over that.

Senator BARNETT—Pilbara gave a strong presentation yesterday. They showed us some of the material that they prepared, including a pamphlet entitled ‘A Pilbara Portrait’, which is an Australian government initiative with the ACC. It talks a bit about the location, the industry and how to contact them. They also gave information on what the ACCs are, the Regional Partnerships program, how you can apply and that sort of thing. I know you said you have these meetings around the Kimberley and you have seminars and presentations on your program, but do you have any of those sorts of flyers that you distribute to people? How do you tell people about the programs?

Mr Durant—We particularly like a few of those—and, plagiarising being the best thing to do, we are into it.

Mr Haerewa—They showed us those pamphlets about six weeks ago.

Mr Durant—We had our own, but we like some of those so we are going to use them.

Mr Haerewa—We have asked them if we can use the same idea. It is a good idea.

Senator STEPHENS—Moving onto the Regional Partnerships and trying not to labour the point, these figures that you have provided today, Mr Durant, show us at a little over \$1 million. Is Fitzroy Crossing CRC going ahead as well?

Mr Durant—No. That is still very much in the infancy stage of its preparation. It is past the EOI stage. I think Joe Ross may come back later this afternoon if you have some time. He is the representative of the proponent and would be very happy to talk to you about that if you like.

Senator STEPHENS—That does not include the \$49,000 for the ISX trading floor, does it?

Mr Durant—No. Sorry, I have taken the ISX as being a district project really. It was a ‘one-dayer’.

Senator STEPHENS—Was it ever attributed to your ACC?

Mr Durant—We had to agree to it.

Senator STEPHENS—You agreed to it. How?

Mr Durant—I got a telephone call and said yes.

Senator STEPHENS—What about the Christmas Island projects?

Mr Durant—Those projects were in our region at the time and our committee was required to endorse them, which obviously we have to report on. We looked at it, it sounded reasonable and it was fine. That was Isabella Beach particularly. Since then Christmas Island has been taken out of our region and has been relocated to the Perth region.

Senator STEPHENS—So who assessed the application for Isabella Beach?

Mr Durant—DOTARS.

Senator STEPHENS—And then you were asked to endorse it.

Mr Durant—We were asked whether we agreed that it was an appropriate project to be carried out and the answer was yes, based on the report they gave us.

Senator STEPHENS—So the Indian Ocean territories are no longer in your region—is that right?

Mr Durant—Not any more. You cannot get there anyway.

Senator STEPHENS—You cannot get there?

Mr Durant—Not from here.

Senator STEPHENS—When it comes to the issue of performance indicators, which I was going to talk to you about, and how the whole Sustainable Regions Program and the Regional Partnerships program will be assessed and evaluated externally at the end of the funding period, the ACC does not get credit for the Christmas Island project, or certainly the Isabella Beach access project, does it?

Mr Durant—We have taken the credit.

Senator STEPHENS—You can take the credit, but what does it look like in the figures when you compare one region with another? It comes in on our table as ‘not applicable’. You do not actually get the credit in the DOTARS list.

Mr Durant—Our view is our view, and we view it as our credit. We are not particularly interested in the view of DOTARS.

Senator STEPHENS—That is what I am saying: that is why it is so important at the end of the external evaluation when you are compared with other regions. What about the GSM phone service on Christmas Island? Did you assess that project?

Mr Durant—No, I am not aware of that one at all.

Senator STEPHENS—It was a \$2.7 million grant to establish a GSM phone service on Christmas Island through the Regional Partnerships program. There was no involvement by your ACC?

Mr Durant—When was it?

Senator STEPHENS—I would have to find it in the list.

Mr Durant—It could well have been before my time. There was a gap of about six months between when the ACC executive officer left and I arrived.

Senator STEPHENS—I will look it up here. Just for your information, the application was lodged on 5 April 2004 and it was approved on 6 April 2004.

Mr Durant—It was never submitted to this committee. I was here at the time.

Senator STEPHENS—The information we have is that the project was approved under what are called SONA guidelines. Have you heard about the SONA guidelines?

Mr Durant—I have, but they have not in my time been applied in this region.

Senator STEPHENS—Have you heard of those, Mr Haerewa?

Mr Haerewa—I have not heard about them at all.

Senator STEPHENS—They are called the Strategic Opportunities Notional Allocation guidelines. As the chair of the ACC sustainable regions committee, you have not got the guidelines, have you?

Mr Durant—I have to take the responsibility for that.

Mr Haerewa—I get a lot of information coming through and I do not have the time to read the whole lot.

Mr Durant—I am responsible for advising the chair on these matters. We do have a potential SONA application; we just have not got to it in the time that we have had to address these issues. I have yet to brief the chair on these matters. I will do that.

Mr Haerewa—We have also had issues of John being the only officer. We did not have a project manager for six months. We have only just approved the appointment of one today. Those are the sorts of problems we have up here.

Senator STEPHENS—We will come back to that. If you are looking at the SONA guidelines, Mr Durant, you had better make sure that you have the right version. There are two.

CHAIR—Have you received two versions, do you know?

Mr Durant—I am not sure that I have any versions. I have got to chase this up.

CHAIR—Would you check that out and let the committee know whether or not you have actually received the SONA guidelines?

Mr Durant—I am very confident that I do not have them.

CHAIR—Just for the record, could you confirm for us whether you have or have not? If you have, how many versions have you received and when were you made aware of them? When did you first become aware of the existence of these guidelines? They seem to be a bit of a mystery.

Mr Durant—In March or April last year.

CHAIR—Do you recall how?

Mr Durant—Yes. I was told about them, but I am not sure whether it was in Canberra or in Perth at the EO's conference. I think it might have been in Perth.

CHAIR—At one of the state or national meetings?

Mr Durant—Yes. As I said, we have a target for that, but we need to develop it and work on it.

CHAIR—Part of the interest of this committee is in how those different guidelines were developed and how they were communicated or not communicated out there in the system.

Mr Durant—It has been a low priority for me at this stage.

CHAIR—That is fine.

Senator STEPHENS—In terms of how the committee is operating and the corporate governance issues around the Regional Partnerships program and Sustainable Regions, how regularly does a representative of DOTARS attend your meetings?

Mr Haerewa—Which meetings are we talking about—the full committee meetings?

Senator STEPHENS—Yes, the full committee meetings.

Mr Haerewa—So far I have had two this year and there was a DOTARS personality at both.

Mr Durant—Since I have been here, there has always been a good attendance by DOTARS people.

Senator STEPHENS—What about the electronic hook-ups that you have?

Mr Durant—We involve them in it.

Senator STEPHENS—They always participate?

Mr Durant—They are made aware of it and, no doubt, if there were a problem they would speak to us. We have certainly had advice from them on these projects. There is no problem.

Senator STEPHENS—The question was: do they participate in the telephone hook-ups?

Mr Haerewa—In the board meetings?

Senator STEPHENS—Yes.

Mr Haerewa—So we have moved from the full committee meetings to the board meetings?

Senator STEPHENS—Yes.

Mr Haerewa—No, they do not.

Senator STEPHENS—They are not board meetings?

Mr Haerewa—No.

Senator STEPHENS—What about a representative from Mr Haase's office? Does anyone participate in the meetings?

Mr Haerewa—I have not seen any since I have been the chair.

Mr Durant—No. We keep him informed.

Senator STEPHENS—Do you send him minutes?

Mr Durant—No, but we keep him informed of projects and what is going on, because we endeavour to get a comment on every project from the local federal member—and I am not using any name.

Mr Haerewa—Mr Haase was supposed to arrive at my first meeting in March. The planes were delayed, which is quite common here, but Mr John Cobb was here at the time.

CHAIR—He arrived after the meeting was finished?

Mr Haerewa—He arrived after the meeting. He arrived for dinner.

Senator STEPHENS—This morning and yesterday we heard—certainly from Mrs Martin—about the living costs and the challenges in operating a program like this in such a huge geographic region. I wonder whether or not you can confirm that your experience is the same as we heard about in the Pilbara—certainly about the skills shortage, the shortage of project officers and the difficulties that they have in housing and accommodation.

Mr Haerewa—We have very similar problems to the Pilbara. I think ours are even worse in that we do not have the mining infrastructure that the Pilbara has. They can grab people off, so to speak. We struggled very much to get decent EOs, decent project officers or decent staff, full stop. There had been, for want of a better word—

Mr Durant—I use the term ‘Kimberley pirates’.

Mr Haerewa—They are being sourced by everybody else.

Mr Durant—You can bring a good person into the Kimberley and, as soon as that person establishes their reputation, everyone wants them.

Mr Haerewa—Today was a fine example. We interviewed a potential project officer because John will be leaving in three weeks. We have a new EO, who is Lyn.

Senator BARNETT—John is leaving. Does he go in three weeks?

Mr Haerewa—Yes, because his contract is up.

Senator STEPHENS—Are you leaving as well?

Mr Durant—Yes.

Mr Haerewa—The package that we could offer her was about \$15,000 less than what she could get with another state government department.

Senator STEPHENS—Is there a difference between state—

Mr Haerewa—I meant with a government department. She opted to give us a go because of the working relationship that we have with the local Aboriginal communities and businesses at large. We are struggling to compete. It is getting worse. As you know, there are skills shortages. We do not have the capacity to compete with these people, so we are trying to keep what we have.

Senator STEPHENS—Industry is able to compensate for some regional disadvantages, I suppose, in terms of airfares or housing subsidies.

Mr Haerewa—The mining industry in general can blow us out of the water. Even in my own business I have exactly the same problems in trying to retain good staff. We cannot match what the mining industry is putting out there. For example, we are losing a lot of tradespeople in both towns here. They are going out to the mines and driving trucks for \$20,000 or \$30,000 a year more. The tradespeople are getting out of here, so it is a compounded problem.

Senator STEPHENS—That must compound the cost of living issues for ordinary people in the community, does it?

Mr Haerewa—Yes.

Senator STEPHENS—The tax zone rebate would be one incentive, I suppose. What other incentives are there for employees to come to a place like Broome?

Mr Haerewa—Are you talking generally?

Senator STEPHENS—Yes.

Mr Haerewa—In general the incentives would be the lifestyle and the weather. That is about it, in a nutshell. It is a good place to live in. It is a good lifestyle.

Senator STEPHENS—Are you trying to convince us?

Mr Haerewa—Well, you are here now.

Senator STEPHENS—What does the government offer for professional people coming here?

Mr Haerewa—I think the government offers airfares and much higher packages. My experience is with the police. For example, a senior sergeant in towns like Broome, Derby and Fitzroy Crossing is paid anything up to \$50,000 more than they are when they go back to the city. That is with the overtime, the allowances and so forth. That is just to try to keep them here. Those are the problems we are facing.

Mr Durant—We did a bit of research just recently. There is a district allowance, which is fairly common here, of \$3,000. There is also an accommodation allowance of about \$5,000. So you could say that a person down in the south—we will use the case that Geoff mentioned a few

minutes ago—in a \$70,000 state government job in Geraldton would get \$78,000 up here. There are also other benefits, like an extra week's leave a year.

Mr Haerewa—There are free airfares to the capital cities. There are airconditioning and power subsidies. That is what they have to do. GEHA in particular pay out huge rents. I am fortunate; I am a recipient of some of those huge rents.

Mr Durant—Access to GEHA housing is a great benefit as well, of course—which is another problem.

Senator STEPHENS—Are you able to offer anything like that for your staff? What award do you pay your staff under?

Mr Durant—We do not; we have individual contracts. I do not think that we could afford to pay them under the award, quite honestly. I do not know if there is an award. We have met with the Office of the Employment Advocate to try to identify that. Unfortunately, there is no clear-cut definition in that direction.

Senator STEPHENS—Does your funding reflect the geographic challenges in any shape or form?

Mr Durant—No.

Senator STEPHENS—How do you put in a budget bid for the way that it operates up here?

Mr Durant—This year we were given a figure and told to prepare a budget that matched that total figure.

Senator STEPHENS—Where did that come from?

Mr Durant—It was communicated to us from Perth, but I understand that it came from further back than that.

Mr Haerewa—In saying that, I think we do a damn good job with what we have. With good old bush sense we try to do the best we can.

Mr Durant—There are a number of things that we do, and it is only fair to mention them. It virtually means that you are looking for a certain kind of applicant. You cannot take any person; you have to take a person who wants to do the job for pure job satisfaction.

Mr Haerewa—Like me—I do it for love of the community.

Mr Durant—We do pick up people. Three of our staff are at what we might call the grandfather age and are past the stage of being totally career focused or salary focused. Job satisfaction is an extraordinarily important part of their motivation. One of our fallback positions is to look for people on a part-time basis, but fortunately we are not at that stage at the moment because we could not copy with it.

Mr Haerewa—We have had five office managers in the last six months, because they have been stolen from us by higher paying positions.

Mr Durant—That is what I meant by the ‘Kimberley pirate’. In other words, you get a good person, they start performing well, they are seen and people lure them away.

Mr Haerewa—Because we are in the public eye all the time they attack our little organisation and take them to theirs.

Mr Durant—That is why, for most of the last six months, I have been trying to run both Regional Partnerships and Sustainable Regions on my own. We talked about bringing the two organisations together to make the use of resources better. What we effectively did was to end up running both programs with one organisation, and it has been hard. It is very difficult. I can understand the situation that everybody is in. We are very happy with the idea of being given a sum of money and being told to make the cloth fit but unfortunately it also has to be cut into line items where the micromanagement takes place, and that makes it even more difficult. I can understand why some of that micromanagement occurs. I do not think it is right—but that is another issue. There is no doubt that the system could be a lot better.

Senator STEPHENS—That reminded me that you are here giving generously of your time today—and being paid what he thinks you are worth, by the way! I understood that ACC members do not get a sitting fee but Sustainable Regions advisory members do. Is that the case in your situation?

Mr Haerewa—I get \$200-odd.

Senator STEPHENS—That is on Sustainable Regions?

Mr Durant—Yes, our people are paid; the ACC are not.

Senator STEPHENS—Has that proven to be a difficulty for you at all?

Mr Durant—No. I qualify that again: those who are in state government positions are not paid. It is only those who are non-government.

Senator STEPHENS—It is an inconsistency.

Mr Durant—It has not caused any problems for us.

CHAIR—Just to tidy up a few matters, you have meetings which people attend and you have teleconference meetings. Where do you hold the ones that people attend—here in Broome?

Mr Durant—We have been rotated through the whole region: Wyndham, Fitzroy Crossing, Derby and Broome. We have a difficulty now, though. Under the budget we now have there has to be a lot of careful thinking done; we cannot afford to do that rotation anymore.

CHAIR—You said that there are officers of the Department of Transport and Regional Services in attendance at the meetings. They are advised of the teleconference meetings and they may or may not be on the line. Is that correct?

Mr Durant—Where they are required to be on the line for a telephone conference, they are. They have been very cooperative and there is no problem at all in that regard.

CHAIR—Where meetings were held in different locations and people have come in—that is, not teleconferences—have DOTARS officers travelled to those meetings?

Mr Durant—Yes.

CHAIR—That includes officers from the Perth regional office?

Mr Durant—Yes.

CHAIR—And from time to time it has included officers from Canberra?

Mr Durant—I think it has included officers from Canberra every time.

CHAIR—Right. Is Leslie Riggs one of those people who would have attended meetings?

Mr Durant—She has attended meetings here, yes.

CHAIR—Do you know how many meetings she has attended?

Mr Durant—None in the period that I have been here, but I do know she was here the meeting before I arrived.

Mr Haerewa—She was supposed to be here at the March meeting but she had a family crisis.

CHAIR—I am just trying to remember which year. Which March was it?

Mr Durant—I am pretty sure she was at the Wyndham meeting, which would have been towards the end of 2003. She was due to be here in February this year.

CHAIR—But she has attended at least a couple, because the minutes I know show that she was at a meeting of the area consultative committee on 1 July 2003.

Mr Durant—My apologies. That would have been the one at Wyndham, I think.

CHAIR—No, this one says it was held in the Mangrove Hotel. I am assuming that is here.

Mr Durant—It is. I stand corrected.

CHAIR—I am interested in a comment—she gave a fairly detailed report, it seems. There is a section in the minutes of this meeting of 1 July 2003 headed ‘Planning: Leslie Riggs’. After

quite a number of paragraphs, it says, ‘Ms Riggs said Commonwealth spending on regional issues was up to the Deputy Prime Minister and was a political decision.’ Do either of you recall what was understood by the members of the committee when they heard that statement, and by the way it was recorded in the minutes what it was meant to convey?

Mr Durant—Neither of us were here at the time. I wonder whether that term would have actually been used by Leslie Riggs. In any case, it would have been quite clear that the decision would be a ministerial decision. Whether to call it a political thing is correct or not, I do not know. I do not think so. Our quality of staff is reflected in the comments that the chair made a few minutes ago. Whilst that was written in good faith, I am sure the implications could be open to some interpretation.

CHAIR—That is a matter for speculation, and you are not able to say either way.

Mr Durant—It is, but it is informed speculation—put it that way.

CHAIR—The report goes on to say, ‘However, she also indicated Canberra should note that ACCs knew what was best for their communities.’

Mr Durant—I am well aware there was a full and frank discussion.

CHAIR—The minutes display a back-and-forth, full and frank discussion about this, but that was an interesting comment. So she has attended a number of meetings. I assume we have all the minutes of all the meetings here and, as I said, we appreciate the cooperation you have displayed in providing that material to us.

I also want you to clarify something I raised with you earlier. The minutes of 1 December last year—referring to a report by Bill Dejong of DOTARS—said:

On behalf of DOTARS, Bill Dejong reported on the following matters:-

- a. Regional Partnerships Media Report; business as usual

What you said appears to coincide with that. That was virtually coincidental with the day that the Senate made the reference of this inquiry to this committee, but there had of course been speculation that notice of motion had been given earlier that this committee inquiry would be put before the Senate. As I understand it, to the best of your knowledge that is probably what that report was about.

Mr Durant—The more I think about it, the more I am confident on that.

CHAIR—Further down, it says he had also reported on:

- b. New Parliamentary Secretary, Mr. John Cobb

... ..

- c. Regional Offices to assume Sustainable Regions responsibilities

d. Canberra Offices to still attend future Sustainable Regions meetings

What is actually meant by that minute? What was being reported to the meeting for that to be noted? There is a clear change here. The regional offices are 'to assume Sustainable Regions responsibilities' but Canberra is still going to make sure they send Ms Riggs or someone else over to the meetings. What does this all mean?

Mr Durant—I can elaborate. Up until March we had two separate operations. We had the Kununurra based Sustainable Regions operation and the Broome based ACC operation. The Kununurra operation related directly to Canberra. The Broome operation related directly to Perth. When we amalgamated them not only did we have a chair wearing two hats and an executive officer wearing two hats but we also had two DOTARS liaison arrangements: Perth for the ACC and Canberra for the SR. At the end of the year, major changes were made in the DOTARS organisation.

Senator BARNETT—Which year?

Mr Durant—End of year 2004. As a consequence of that, the responsibility for the administration of Sustainable Regions projects and the initial processing of applications was transferred to Perth from Canberra. I understand that the final processing of applications still remains in Canberra; hence the need for Canberra to remain aware of what is happening. There were significant changes of staff in Canberra as well. New procedures kicked off into the new year. We were dealing with new people and new arrangements and that is fundamentally what happened. This was a report to the committee saying what was about to happen.

CHAIR—Have any projects been rejected since December 2004?

Mr Durant—Yes, the Mulan Women's Centre.

CHAIR—Was that under Regional Partnerships?

Mr Durant—Yes. The Ord Bio Ash Recycling Project has also been rejected and the grounds for the rejection were that the proponent had not sourced more appropriate funding. We will talk to the Ord River sugar industry and look at that some more because I still think that is an excellent project and it may also merit a fresh application after having dealt with that issue.

Senator STEPHENS—What was that called? We do not have details of that.

Mr Durant—No, you do not. The Bio Ash Recycling Project deals with the by-product of the sugar milling process to make it into fertiliser instead of just dumping it.

CHAIR—Are there any others, Mr Durant? You might take it on notice and let us know.

Mr Durant—I think they are the main two.

CHAIR—You can notify the committee if there are any more.

Mr Durant—I think that is pretty well it. We have not had any Sustainable Regions projects rejected, other than those that have been withdrawn by the proponents or something like that.

CHAIR—One of the issues that has come up in the course of our inquiries is the way in which proponents and ACCs are advised of the outcome of an application. It appears that it differs. It is not the case that in all cases the proponent finds out in an appropriate way. It might be by way of a phone call. Sometimes the ACC does not find out until it reads about it in a press release from the minister or the local member. What has been the scenario here? Has the ACC or the SRAC always been advised formally that an application has been accepted or rejected or the amount amended?

Mr Durant—It is quite simple: if the project has been refused we get a copy of an advice from the regional office in Perth. If it has been approved the advice is given to the proponent by the local federal member of parliament or his office.

CHAIR—Who is that?

Mr Durant—Mr Haase, and we are advised at the same time.

CHAIR—How are you advised?

Mr Durant—Can I give you an example?

Mr Haerewa—I have a letter here from the Hon. John Cobb, the parliamentary secretary, advising us of a project that has got up.

Mr Durant—Yesterday Barry Haase got a message to us to assemble at the shire council chambers about 10 minutes before the shire meeting was about to start. Barry arrived and the shire councillors were there. The proponents of the particular project had all been advised to attend and he made the official announcement at that time. That is very much appreciated.

CHAIR—That is the successful one.

Mr Durant—We have a very good working relationship on these matters now and it is going very well.

CHAIR—The issue generally for us is that there appear to be inconsistencies across the country. I would not say that is true in all cases.

Mr Durant—I am well aware of that and we are very conscious of it here. It is a question of creating good effective liaison and teamwork with the local member's office. We of course have the advantage that we have only one local member. I understand that some areas have more than one member, which makes it a little more difficult.

Senator STEPHENS—Who is a member of the government.

CHAIR—Some have members who are not members of the government. That is another issue. The proponent will always be advised by the local member of successful projects. Who advises the proponent if it is a rejection?

Mr Durant—DOTARS. They copy us.

CHAIR—They simultaneously advise you.

Mr Durant—From our point of view it works well.

CHAIR—Is Mrs Martin kept informed of the outcomes? It seems from what we have heard today, and others have agreed, that she is a very active supporter of the program.

Mr Durant—Mrs Martin is very much part of our network but, as often happens in the Kimberley, your brands are all over the place. I noticed this morning she was saying that she knew about everything but she did not really know about the ACC. The people who are talking to her have several different hats. She is not necessarily aware of which hat they are wearing at any one particular time. That is the nature of the Kimberley. We are a networking operation. The networks work extremely well. Mrs Martin is kept well informed.

CHAIR—She did not complain to me that she was not. She demonstrated that she had a pretty good knowledge of what had happened.

Mr Durant—She has been very cooperative and very helpful.

CHAIR—That was a question prompted by the fact that we know that in other areas they are not always kept informed, particularly if state government contributions are sought for some of these projects as well.

Mr Durant—We even got acknowledged yesterday by both federal and state at the start of the Broome port project, so it is working well.

CHAIR—We have heard about this TRAX system that is used within the department for recording and assessing project application data. Do you have a comment to make about how successful or useful that is?

Mr Durant—Not about how successful or how useful.

CHAIR—Do you have any comment to make about TRAX?

Mr Durant—I think that the sooner they abandon it the better.

CHAIR—That is a comment about how successful it is—it is just that it is not.

Mr Durant—The system is full of bugs. It is difficult, time consuming, frustrating and customer unfriendly and it should not be released until all the bugs have been removed and it has worked on a proper system. I cannot think of anything else to say.

CHAIR—That is an interesting comment. We sought information from all the ACCs around the country. We know that was a big task for some ACCs and we appreciate the effort they went to. But some said, ‘It is all on the TRAX system; just get it from the department.’ That is another story.

Senator BARNETT—I have a quick question on TRAX. We have talked about networking—

CHAIR—They might need a grant to fix it up.

Senator BARNETT—and communicating. Do you support the electronic system in terms of communication with Perth and Canberra?

Mr Durant—Yes, absolutely. Because we have had so much trouble we have a system where we use electronic transmission of the applications. We get the proponent to complete the application and send it to us. We give advice and send it back. That goes electronically backwards and forwards. At the end we have a very nice, competent electronic copy of that application. We then have to sit down and put it on to this inadequate—as I call it—customer unfriendly system. For what benefit we cannot see. It does not make sense.

Senator BARNETT—You would prefer to electronically transfer what you have?

Mr Durant—Yes—submit the application electronically and let whatever happens happen. That is not a problem.

Senator BARNETT—That is helpful feedback.

Senator STEPHENS—I want to clarify something about your funding. You were saying that there are line items for your funding formula. Do either the sustainable regions or the ACCs have any discretionary funds?

Mr Durant—The short answer is no, but we do have a project called the capacity building program, which I think has been a fantastic program, but it has not really been workable in recent times. That is a program where a set sum of money was allocated by DOTARS for work in capacity building in the region, and it required the chair of KSRAC, the EO of the ACC and the director, north and north west, of regional programs from DOTARS to sign off on decision making. Up until Christmas that was working excellently; since then it has been a little difficult. However, it is the sort of discretionary fund that I think needs to be developed and worked on. I also believe that there needs to be a capacity-building program going in parallel with these programs so that we can help, assist and support proponents who need it.

Senator BARNETT—In capacity building?

Mr Durant—In capacity building and development so you can actually achieve a successful project, otherwise you are only giving money to those who fundamentally do not need it.

CHAIR—Thank you. It has been a long session, but obviously, given the role of the ACC and the SRAC in all of this, that was to be expected. We very much thank you for your appearance this afternoon and for your cooperation—particularly you, Mr Haerewa, for giving up your

valuable time. We have had a number of people appear before us who work in a similar capacity to you on these bodies around the country, and we certainly want to acknowledge the fact that they give up a lot of their time in a voluntary capacity. Coming along today was very worth while, and we thank you very much. We also thank you, Mr Durant, for your cooperation, for providing the material requested and for appearing. I thank everyone else who has appeared today, and particularly our hard-working Hansard and secretariat staff, who always do a great job—and we will certainly give them a mention in the report. That is one thing we will all agree on. The committee will resume in Bunbury on Monday, 18 July.

Mr Haerewa—We have a bloke coming in from Fitzroy Crossing who would like to talk to you today, but we are not sure where he is at the moment.

CHAIR—I am sorry, but we have to conclude the hearing. If he is available now, he can have a private talk with some of us. The committee would be quite willing to receive a submission in writing.

Mr Durant—Joe was coming to give you an opportunity to talk to an Indigenous person who is involved in a project development operation.

Committee adjourned at 4.18 pm