



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

FINANCE AND PUBLIC ADMINISTRATION REFERENCES  
COMMITTEE

**Reference: Regional Partnerships Program**

MONDAY, 18 JULY 2005

BUNBURY

BY AUTHORITY OF THE SENATE



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## SENATE

### FINANCE AND PUBLIC ADMINISTRATION REFERENCES COMMITTEE

Monday, 18 July 2005

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

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

**Participating members:** Senators Abetz, Bartlett, Bishop, Brandis, Boswell, 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, Johnston, 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**

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**Committee met at 1.40 pm****GILMOUR, Mr Cameron Stewart, Deputy Chairman, Augusta Community Development Association****JONES, Mr Owen, JP, OAM, Chairman, Augusta Community Development Association**

**ACTING CHAIR (Senator Johnston)**—I declare open this hearing of the Senate Finance and Public Administration References Committee. Today's hearing is part of the committee's inquiry into the administration of the Regional Partnerships program and the Sustainable Regions Program. The committee has previously held 14 public hearings for this inquiry and has published a number of submissions, which are available from the committee's web page. This morning the committee visited the Karnet Prison Vocational Integration Program project at Harvey, EG Green's and then the In Town Centre expansion project here in Bunbury—in other words, the Shoestring Cafe, as it is more adequately known by local people.

This afternoon the committee will take evidence from a number of organisations and individuals, as listed in the hearing program. We will commence the hearing this afternoon by hearing from Mr Owen Jones and Mr Cameron Gilmour, who I welcome here today, along with Mr Jones's guide dog, Blaze. It is always important to get the important personalities into the *Hansard*, Mr Jones!

Evidence given to the committee is protected by parliamentary privilege. This means that witnesses are given broad protection from action arising from what they say and that the Senate has the power to protect them from any action which disadvantages them on account of the evidence given before the committee. Could I remind you that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. The committee prefers to conduct its hearings in public. However, if there are any matters which you wish to discuss with the committee in private, you can make an application at any time to the committee for us to go in camera, which means that the room will be cleared and you can tell us what you want to tell us about any of the matters that are before the committee.

The committee decided during an earlier meeting that evidence given by all witnesses to this inquiry should be given under oath or by way of affirmation. As stated earlier, whether or not witnesses give evidence under oath or affirmation, providing false or misleading evidence to the committee may constitute a contempt of the Senate. Can I call on Mr Owen Jones and Mr Cameron Gilmour to receive the oath or the affirmation. Mr Jones, do you wish to be sworn or affirmed?

**Mr Jones**—I am prepared to swear.

**ACTING CHAIR**—Mr Gilmour, do you wish to be sworn or affirmed?

**Mr Gilmour**—Sworn.

**ACTING CHAIR**—Thank you, gentlemen. You have now been sworn in by the secretary. Thank you for coming along today. What would you like to tell us about the Augusta Community Development Association?

**Mr Jones**—The Augusta Community Development Association is an organisation that was put together 10 years ago. It is not like a ratepayers association that fights with the council about shire rates and things; it is an association we put together to benefit the community. Its objectives in its constitution are to identify the community's objectives and to work towards achieving those goals. So it is a bit different to what ratepayers and electors groups usually do. We are an incorporated body and we have about 85 members from the community. We run on the basis of a main committee and eight or 10 project committees on each of the projects that we are working on at any one time. It seems to work rather well. We have the cooperation and support of the shire council; we work together with them. We have the cooperation and support of the South West Development Commission and we have the cooperation of the South West Area Consultative Committee. We work together with the chamber of commerce and the Augusta-Margaret River Tourism Association to gain benefits for our town and the region.

**ACTING CHAIR**—How has the Regional Partnerships program assisted your association?

**Mr Jones**—The Regional Partnerships program allowed us to proceed with our regional hydrotherapy pool project. After conducting various leisure needs studies over about 15 or 20 years, the community identified the need for a hydrotherapy pool in the community. It has taken us 10 years of hard work and applying to the state and the Commonwealth, and the Commonwealth application was the one that was successful. The problem that Augusta has had is that it has got a population of just over 1,000 people and it has been in recession since the BHP Beenup mine closed about six years ago. The state government promised at the time to look after Augusta and to make sure that action was taken so that people would not be disadvantaged. Unfortunately, all the problems with trees, timber and so on in Manjimup and over that way took over the government's focus and they forgot all about us. We have got about eight shops empty, and the school population has gone down from 130 primary school students to about 95. Generally the town has been in recession.

When the local member of parliament, Mr Prosser, came down and told us that our application had been successful, the feeling of delight in the town was almost palpable. It was really the first nice thing that has happened in Augusta for 10 years. It is a joint cooperative effort, and we were very pleased with the Commonwealth for assisting us. It is a joint community association-shire-Commonwealth project. The day Mr Prosser arrived and made the announcement at the site of the proposed pool, about 30 or 40 people had turned up, and I had only made about three phone calls. So that was the interest in the town.

The community association contributed \$22,000 to the project, which was a bequest from a deceased resident, to initiate the project. That was matched by the shire. About 10 years ago they built a shire house in Augusta. That was under the Whitlam government—I think it was called the RED scheme. Augusta had one of the highest proportions of unemployment in Australia. The shire, instead of creating jobs with the money, which they were supposed to do, built a house. We kicked up a stink about not creating jobs, so the council resolved that, when the house was sold, the money would go towards a hydrotherapy pool.

Just coincidentally, last year they sold the house. That has enabled the shire to fund the project with their share of the funding, without it adversely affecting ratepayers, for the capital expense of the project. So, with contributions from the community association, the shire and the Commonwealth government, we were able to complete the project. It is a little behind schedule



but only to the extent of about a month. It was supposed to be finished by October but at the moment it looks like it will be November.

It has been a very productive exercise. Perhaps I will leave Cam to talk about the uses of the pool and the patronage. It is not just a town facility; it is a regional hydrotherapy centre. It is based in Augusta and people from there to Manjimup, Margaret River, Busselton and all of the surrounding towns will come in. We based everything on a predecessor at Jamestown in South Australia. They acquired, with a grant from this same source two years ago, a pool from the Sydney Olympics. With your assistance again and that of their council, their community worked together. Their population is about the same as ours. The demographic is about the same. They have surrounding towns as well. It has been operating for two years and it is operating at a profit.

So it is a delightful project where we can all join together and we do not have to worry about future costs and more cost to the community. The pool is a specifically purpose-built pool. It comes from America. It is widely used over there. It was selected by the Sydney Olympics committee as the best available hydrotherapy pool. Jamestown was lucky enough to acquire one. With your assistance it is in. Because it is of a size that will take a maximum group of six people exercising in the pool together, it only costs \$10 a day to operate, including filtration and heating, so it is affordable. It is going to be great for Augusta but also for the regional community for rehabilitation and fitness. I will leave Cam to talk about those aspects of it.

**ACTING CHAIR**—Thank you. Mr Gilmour, tell us a bit more about the pool. How big is it? How many people do you anticipate using it?

**Mr Gilmour**—It is not much longer than this table and it is about as square as what we have in front of us. It is about 15 by 10. We intend to have only individuals under training going into the pool. It is designed for people to use who have all sorts of complaints. Also, its alternative is for the use of sportsmen. You can adjust the flow of water so that you are swimming against it in a very short area. The temperature is running at about 30 degrees all of the time. That assists leg joints and movements. We have it all set up for volunteers to work there, from first aid people to people on duty. Our pool is running a little bit behind time because of the weather. We have had such bad weather since 1 May. In actual fact, you could swim in the hole at present. Other than that, we are making great progress.

Getting it to this stage was rather unique. Mr Jones has covered a fair bit, but to get it to this stage and to push the nonbelievers aside—because a lot of them did not want it to happen—we had to go out into the community and say: ‘This is what the government is doing for us. We are going to make this an achievable event.’ We got everybody working together, as Owen has explained, right throughout the whole region. So it has become a community effort of support. Then when the information came through—and Mr Prosser was helping us all of the time—it was unbelievable. Then our support was like a wave and it started to go forward.

**ACTING CHAIR**—I take it the Augusta-Margaret River community or the Augusta community—

**Mr Gilmour**—It is the Augusta community.

**ACTING CHAIR**—I take it the age demographic is one of retirees?

**Mr Gilmour**—That is right. About 60 per cent of them are retirees, aren't they, Owen?

**Mr Jones**—It is 36 per cent.

**Mr Gilmour**—In the population most of them are over 60. There is a berth there for you, Sir, if you get into that age group under 90—you will be welcome in the community.

**ACTING CHAIR**—I will remember that!

**Mr Gilmour**—So we have a strongly ageing group, and there was that support from all ranks of society.

**ACTING CHAIR**—Tell me about the money. What does the total pool project cost? How much did Regional Partnerships contribute? Where did the rest of the funds come from?

**Mr Jones**—The community association put in \$22,000, Regional Partnerships put in \$128,000-odd—\$130,000 in round figures—and the shire council put in \$160,000 but they have already gone over budget to the tune of \$50,000. The original application was on the figures I have just quoted, but at the moment it is going to cost the shire \$50,000 more than the cost estimates.

**ACTING CHAIR**—So the total project value is \$350,000 to \$360,000?

**Mr Jones**—Yes, that is exactly right.

**Mr Gilmour**—The reason it has gone over budget is the change of plans on two occasions. The council have project officers. We cannot control the destiny of what they want to do, particularly when they are being so helpful and they are footing the overbudget side of it. We were not over budget with the original allocation from the Commonwealth.

**ACTING CHAIR**—At the moment where is the project at?

**Mr Jones**—The pool is in Perth. It is there from America. It is waiting to be installed on the concrete pad in Augusta. The site of the pool is the recreation centre at Augusta, adjacent to the gymnasium. It will be used conjointly at the recreation centre, near the football field, where all the recreational facilities are based. As Cam mentioned, it is not a pool that you swim laps in. There is a big paddlewheel at one end and you swim against the current from it. If I go for a swim, I will put it on 'slow' and go nowhere. If Shane Gould dives in, she can put it on 'fast' and she will go nowhere. It has got a built-in purpose-built exercise station for exercising knees, hips, shoulders, arms and everything else.

**ACTING CHAIR**—What do you anticipate being the average fee for a person who has an arthritis problem, has heard about the pool and travels from somewhere in the region—say, Manjimup—to use it? What are you going to charge them?

**Mr Jones**—\$5.50 per session.

**ACTING CHAIR**—What is a session?

**Mr Jones**—Each session is half an hour. Rather than reinvent the wheel, what we have done—because they started off with ideas and did things that did not work and they have modified what they originally started off doing—is physically adopt everything that they do and the way they do it—

**ACTING CHAIR**—In Jamestown, South Australia?

**Mr Jones**—Yes, because they are making a profit.

**Senator STEPHENS**—I wish to talk about the project and the program itself. Can you tell us about your relationship with the area consultative committee?

**Mr Jones**—Yes, we have enjoyed an excellent relationship with the South West Area Consultative Committee. Its people are very friendly but very firm. The officer that I had the most dealings with is its project officer, Jan Pedersen. Having done all the homework and decided on all the basic information that was required, we then met with Jan Pedersen, who helped us prepare a draft application. I must say that the draft application was redrafted five times. The committee are very thorough and they do not miss a bloody trick—sorry, perhaps I should not have said that. It was an exhausting process but in the end that did not matter because it was successful.

Ultimately, on the fifth redraft of the whole thing—and things are more difficult for me now than they used to be when I could see—when I had a secretary from the community helping me, I think I said to Jan: ‘We can’t do any more. We can’t be reasonably asked to do any more. We can’t put in any more effort. For goodness sake, can we please just put the application in and, if it succeeds, it succeeds and, if it sinks, it sinks.’ We went through it over 12 months or more. They are very thorough and completely inquisitive into every little section of everything. It was a big effort for the community to do it. It is probably easier in towns where you get support on these sort of things from the shire council, as a lot of towns do, but while our council was supportive and worked in cooperation it would not give us any resources to help us apart from photocopies. I am a retired human resources manager from the SEC, and I think I had to work harder and do more for the South West Area Consultative Committee on this project than I ever did in 30 years as a manager for the SEC. Then the application went from the South West Area Consultative Committee to Perth, where they had a few inquiries and met their people. Then I think from Perth it will go further to Canberra and whatever their processes are. You guys will know more about that than I do. It was thorough, complete and exhaustive.

**Senator STEPHENS**—Do you think the fact that it took you five drafts to get there was overly onerous for a community organisation such as yours?

**Mr Jones**—No, it was not overly onerous because I realise that for the Commonwealth to provide funding—and you have the whole nation to look after—the people who are considering and recommending that the minister approve these plans have to be pretty sure about what they are doing. In that sense, it is good that it was as onerous as it was. We had had enough, but it was a fair enough process.

**Senator STEPHENS**—That is fair enough.

**Mr Gilmour**—Otherwise it looks dodgy. It is a problem getting everybody working together and doing all the homework, but I do not blame the administration for taking us to task and making things 100 per cent correct so there is no wastage of money.

**Senator STEPHENS**—How quickly after the project was approved did you actually get the contracts?

**Mr Jones**—The agreement with the Commonwealth was about a month after the announcement. The legally binding contract between the Commonwealth department and ACDA took only about a month.

**Mr Gilmour**—We implemented that as soon as possible.

**Senator STEPHENS**—Were there three payments?

**Mr Jones**—Yes.

**Senator STEPHENS**—Have you done the final acquittal?

**Mr Jones**—No. The project will not be completed until November. We have received the first payment, and in January we had to give a full account of everything—I think it had to be an audited statement. That first acquittal was done in January. The second one has not yet been paid.

**Senator STEPHENS**—So you have not received your second amount?

**Mr Jones**—No.

**Senator STEPHENS**—Are you anticipating that very soon?

**Mr Jones**—Yes. The project has been delayed. We spent a lot of money on professional fees and those sort of things, but the hole in the ground and the concrete is happening as we speak. That will be the time when we seek the second payment. But the first payment was—

**Mr Gilmour**—Quicker.

**Mr Jones**—Yes, it was a large amount—\$128,000 or whatever it was. That enabled the thing to get going.

**Senator STEPHENS**—Did you have any problems with the department because the project was delayed?

**Mr Jones**—No, because in the legally binding contract that we have the project has to be completed in 12 months, and that contract was entered into in October last year. If it is not completed by October this year, there is a clause in the contract that says we have to refund the money. But we are currently talking to the department to try and get an extension of time due to unforeseen delays.

**Senator STEPHENS**—I am sure that will not be a problem at all.

**Mr Gilmour**—The contractors cannot handle the situation; it is beyond them at this stage. But we will achieve the results. The money is all there and the enthusiasm will carry it forward. There will be no worries.

**Senator MURRAY**—One of the purposes behind this program is to reach a situation where the community end up feeling they have ownership of the project—because they have to commit a lot of time and energy to getting something up—and to ensure that the funds come from different sources so that there is full motivation and participation. Do you think that the Commonwealth's share of things, being a third, is a fair way to go?

**Mr Gilmour**—It makes the community pull together. You are not running the home of the good shepherd—nobody would want to work. That is the situation; it is a community effort. It is like a fish on the line: you do a bit and we will help you, otherwise we will all just lie in the doldrums.

**Senator MURRAY**—You mentioned that some people were opposed early on. Was that just because they are opposition types or because they thought the money—

**Mr Gilmour**—They are opposition types. You get them everywhere. Some are very influential in other areas.

**Mr Jones**—Also, they were under the misapprehension that this was going to be like a heated public pool—a big thing that would run at a loss and cost ratepayers a heap of money every year. They did not have the picture of what it was really all about. Once they became aware of what we were doing and the fact that it would be cost negative—although you still get opposition to anything from a few people, I suppose—the majority of the community were totally in favour of it. When the pool is in use there can be a physiotherapist giving patients treatment. There can be a sporting or fitness coach, an aerobics instructor or all these sorts of people that are going to use the pool. If the physiotherapist says, 'That's the exercise I want you to do; do it three times a week and come and see me next week,' under the health laws you cannot have anybody in the pool without somebody in attendance. You have two choices: you can employ somebody or you can have volunteers from the community doing it. We have taken the Jamestown route and got about 50 volunteers in the community already prepared to be there while people are in the pool.

**Senator MURRAY**—Another aspect of the program is the intention to create a multiplier effect, so that a dollar spent on this project results in many more dollars being spent in other areas. What are the knock-on effects of this? This is going to be a building next to the community centre—correct?

**Mr Jones**—Yes.

**Senator MURRAY**—You have mentioned that a physiotherapist will now be able to set up shop there—you will have somebody employed. Are there other services and so on which are likely to grow from this so that, in fact, this forms the core of something much larger later on?

**Mr Jones**—Again, under the health department laws the person who looks after the water quality has to be specially trained, qualified and certified. Our volunteers have to have St John Ambulance first aid resuscitation certificates and so on. The construction of it is employing builders and plumbers and all the contract workers. Use of the pool will create work for physiotherapists. Enclosed in our application were letters from orthopaedic surgeons stating that this facility is tremendous for the rehabilitation of their patients. So the benefits, perhaps, are not so much in creating other jobs but in bringing more people from the surrounding areas into the town to use the facility, and they may stop and use the local cafe or whatever. Sporting clubs and so on will benefit. So the benefits of physical wellbeing and community support are greater than the financial benefit from creating a number of jobs.

**Senator MURRAY**—So your answer is that this will have a multiplier effect.

**Mr Jones**—Yes.

**Mr Gilmour**—This pool will be catering to the best part of a 100-mile radius in one direction, and anybody within our shire can use it. There is a difference between the 50 kilometres from Augusta to Margaret River but there is a huge community out in the bush, between us and Nannup, and that will bring these people into the town, which will build up various other projects because they will all be spending a dollar. The reason we went out—as I mentioned before—was to sell the idea. Now that we have got everybody there thinking along the same lines it will boost the whole community. The distance is not a worry. People will be able to use this facility which they have never had before.

**Senator MURRAY**—That is the value of community driven projects. If you try and plan stuff centrally you never get outcomes such as you are describing.

**Mr Gilmour**—It is not like a shire hall or something like that which they might only ever come to once in a year; this is going to be operational all the time. That is the big thing.

**Senator BARNETT**—Thank you for your presentation. It is a wonderful case study. The last time I was in your part of the world, about six years ago, I visited the Cape Leeuwin cave. Apart from being a very beautiful part of the world, like my home state of Tasmania, the cave is home to a Tasmanian thylacine skeleton. So we have something else in common.

The South West Area Consultative Committee have referred to your project as a case study in their submission to our inquiry. I refer to a statement about your project at the end of their submission. It says:

This outcome has only been possible because of the tenacity of community champions, like Owen Jones, and a unique funding programme like Regional Partnerships.

It is clearly an endorsement of your project and the Regional Partnerships program, so well done on that.

I want to ask a question about the timing of your application and the approval. Senator Stephens asked a little bit about this. According to this document, the application went in on 18 May 2004 and it was approved at the end of August 2004, so we are talking about just a few

months for the application to be approved. Were you happy with that process, that once the application went in you got approval within a few months?

**Mr Gilmour**—I do not think we could have hustled along any faster.

**Mr Jones**—I would have thought it was a lot longer than that.

**Senator BARNETT**—That is what the documentation says. That is why I am asking the question.

**Mr Gilmour**—I am not going to argue with the documentation—apart from the fact that I cannot see it.

**Senator BARNETT**—It does not talk about the expression of interest—that obviously went in before then, when you would have liaised with the ACC—but the formal application went in in May.

**Mr Jones**—As I said before, the application was prepared and redrafted and the final application went in. I would have thought it was earlier than that but, if that is what the document says, I will accept that that is right.

**Senator BARNETT**—I am just going through the process. It was three months until you got approval and it was announced. Did Mr Prosser let you know about the—

**Mr Jones**—Yes, he did.

**Senator BARNETT**—He is a very hardworking member. He was obviously on the ball and wanted to let you know as soon as possible. You said that within one month you then had a contract with the department.

**Mr Jones**—I received a draft contract from the department. About a month, or two months at the most, after Mr Prosser told us that it was successful we received a contract from the department.

**Senator BARNETT**—Were the terms and conditions of that contract satisfactory to your organisation?

**Mr Jones**—Yes.

**Mr Gilmour**—Yes.

**Senator BARNETT**—You then signed and executed the contract?

**Mr Jones**—We then executed it—

**Mr Gilmour**—Straightaway.

**Mr Jones**—and returned it to the department. We know we must live within that contract.

**Senator BARNETT**—Exactly. That is my next question. Do you believe you have lived within and met the terms and conditions of the contract?

**Mr Jones**—Yes, definitely.

**Mr Gilmour**—We were geared up to go right from the start. Once we had made up the whole deal we had everything in place. It was either to be knocked back or we could go forward.

**Senator BARNETT**—Has the department, on behalf of the Australian government, met the terms and conditions of the contract?

**Mr Gilmour**—At this stage, yes.

**Senator BARNETT**—The only issue we have that needs to be put on the table is the time frame. According to the documentation it was meant to be due for construction in the first half of this year, 2005. Does that sound about right?

**Mr Jones**—Yes.

**Senator BARNETT**—So it is going over time. How far over time do you think it will be?

**Mr Gilmour**—If the good Lord looks after us a bit further we will make the grade and probably only have to apply for a couple of months extension at the most.

**Mr Jones**—The shire is employing a project manager and, in turn, a building contractor. Last week I received a new schedule for the completion of the pool. The pool is expected to open on 23 November this year. That makes it about a month over. We signed the contract in October last year and it said it should be completed within 12 months, so we will have to apply for about a month's extension to 23 November this year.

**Senator BARNETT**—But you have a reasonable expectation that you will meet the terms and conditions of the contract in that time frame—

**Mr Jones**—A total expectation.

**Senator BARNETT**—and that they will then subsequently fund all of the remaining portion of the amount owed to your organisation?

**Mr Jones**—Definitely.

**Mr Gilmour**—We have meetings with the shire all the time to make sure things are going correctly.

**Senator BARNETT**—I think you indicated that you needed an extra \$50,000 or \$60,000 in funding.



**Mr Jones**—No, that is from the shire.

**Mr Gilmour**—We are not asking the Commonwealth—

**Senator BARNETT**—No.

**Mr Gilmour**—The shire have come to the party because they want to give us better facilities to cope with our gymnasium and the whole lot. You can go through the pool area into the gym or whatever you want. Building the whole complex into that Lesser Hall situation where you have the gymnasium and the whole complex running together is causing the delay. Other than that, we hope to be on time. The reason for that is that we put in the time and effort at the beginning and now we have our flow-on of what to do. Owen and I go down to the shire to have regular meetings with the council executive and the engineer. I did not attend the last one a month ago but Owen was there. We have a hands-on approach all the time and if we do have a problem we can give them a needle.

**Senator BARNETT**—That is fine. I do not have a problem with that. That is well explained. The documentation I have talks about your association doing surveys and having planning days—you have had several planning days. One of those in 1994 said that more than 94 per cent of the residents nominated the therapy pool as a high priority. From that we can assume that has overwhelming community support.

**Mr Gilmour**—Yes, it has. On our last community planning day, which was last year, we had the same support. We do planning days where everybody can put a tick against a number of projects on a sheet. We have more projects than just the pool. You can see all the people that went along and nominated the pool. Even the ones that had to be pushed there in their wheelchairs put up their nominations.

**Senator BARNETT**—Well done to your association and thank you very much.

**ACTING CHAIR**—Thank you, gentlemen. I do not think the senators have any further questions. Thank you for coming up from Augusta today, and we wish you all the best for your hydrotherapy pool. I am sure it will be a huge boon to the region, thanks to your foresight and your hard work as volunteers. I think your community will benefit substantially. The *Hansard* will be on the web site in a week or two, and you will be able to see what everybody else has said. A report that deals with the way Regional Partnerships funding is working Australia wide will be handed down some time in October. You will be able to read all that, and hopefully it will give you a broader understanding of your role in the wider picture of what Regional Partnerships is achieving. Thank you for coming today and have a safe trip home.

**Mr Gilmour**—We will make sure that, when we open the hydrotherapy pool, you will get plenty of publicity!

**Senator BARNETT**—We will make sure that the chairman puts his name down for an application to access your community at age 65!

**Mr Gilmour**—Only if he can meet certain conditions! Thank you very much.

[2.22 pm]

**MACHAR, Mr Kent William, Volunteer Manager, Administration, Foodbank South West**

**RANSON, Mr Ross Maxwell, Chairman, Foodbank South West**

**ACTING CHAIR**—Welcome. Today's hearing is part of the committee's inquiry into the administration of the Regional Partnerships program and the Sustainable Regions Program. The committee has previously held 14 public hearings for this inquiry and has published a number of submissions, which are available on the committee's web page. This morning the committee visited the Karnet Prison Vocational Integration Program project in Harvey, EG Green and the in-town centre expansion project here in Bunbury, which is the Shoestring Cafe. This afternoon the committee will take evidence from a number of organisations and individuals, as listed in the hearing program, of which you gentlemen form a part. We commenced the hearing earlier, as you have observed, with Mr Jones and Mr Gilmour from the Augusta Community Development Association.

Evidence given to the committee is protected by parliamentary privilege. This means that witnesses are given broad protection from action arising from what they say and that the Senate has the power to protect them from any action which disadvantages them on account of the evidence given before the committee. I do not expect that to be terribly relevant, but I need to tell you a bit of the background of parliamentary privilege. I remind you that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. The committee prefers to conduct its hearings in public. However, if there are any matters which you wish to discuss with the committee in private, you should make an application for the committee to move in camera, and the committee will consider that. The committee decided during an earlier meeting that evidence given by all witnesses to this inquiry should be given under oath or by way of affirmation.

It is customary for witnesses to make an opening statement of five or 10 minutes or so to tell us about what you do and to get onto the record your relationship with the terms of reference that the committee is inquiring into—that is, Regional Partnerships. Mr Ranson, would you tell us about Foodbank, its origins and the relationship that your project has had with the Regional Partnerships program.

**Mr Ranson**—Foodbank South West, formerly Rotary Foodbank, was officially opened in August last year, so we have been trading for about 10 months to date. Prior to its opening, I was approached by the Deputy Mayor of Bunbury and asked whether Rotary would be prepared to look at forming a retail outlet for the underprivileged in the city. I took it upon myself to do a bit of research. The need for something along those lines not only in Bunbury but in Busselton, Collie and other places in the South-West was pretty obvious, and quite surprising, to me.

With that in mind I went to my Rotary Club and to the other three Rotary clubs in Bunbury. They unanimously agreed they would form a small committee and research it further, which they duly did. They agreed that there was a need but, at the same time, we felt that a wholesale food bank, if I can use that term, would be the better option. It was along those lines that we

continued the research. It was pretty obvious that not only did Foodbank Western Australia have an outstanding record but their whole operation was very efficient. Rather than trying to reinvent the wheel, we worked with Foodbank Western Australia towards opening in the South-West.

We presented to them a comprehensive business plan. Prior to receiving that business plan, they said: 'No, it's too early for us. We can't help you in the South-West.' I think we took the wind out of their sails a little with our business plan, which proved the need, and how we thought we could make it work. We then got the approval to draw from their facilities if we could get the premises, the funding and the like. Our budget at that time indicated that it would cost us somewhere between \$240,000 and \$300,000 to set it up as we thought appropriate.

It was with that in mind that we went to Lotteries, we went to Foodbank, we went to businesses and various clubs in the South-West, and we went to the South West Area Consultative Committee. From there we obtained \$77,000, as you are probably fully aware, \$7,000 of which we are yet to draw down. That provided us with the impetus to get the show on the road. We put everything in place and then had to wait a while until that funding came through. When it did, we implemented the construction within the building, which a local businessman donated to us for the first 12 months. It was a wonderful gesture that gave the community in excess of \$30,000, virtually, in rent that he could have earned from this brand new building.

We officially opened the doors in August last year and have since made application to Lotteries for a five-tonne truck, which has since been approved, to provide our clients with better service. That was put on the road in the last week or 10 days. So it is up and running. We budgeted on a turnover of about 72,000 kilos in the first year. Up to a month ago, we had done 62,000, and we will probably exceed our budget by 2,000 kilos in the first year.

We are servicing 26-odd agencies in the South-West, which every week helps 350 individuals who had problems obtaining the food necessary to sustain their lifestyle. We are servicing 13 schools, from Balingup to Busselton to Bunbury, with the breakfast program, and that is increasing every week. If you add those up, we are probably servicing around 1,850 people per month with the food that they in most cases desperately need.

On top of that, Foodbank Perth have now realised the importance of Bunbury because we are sending nearly that much fresh product from this region to the metropolitan area to be distributed to Perth, Geraldton, Albany and they are working on Kalgoorlie. We think it has produced the goods. We have a little way to go. There are a few programs we would like to implement as we spread our wings in the South-West. To date we have just about met all our objectives that we set and there is the tremendous work that the volunteers are doing within the operation. Rob Prestage is a retired businessman who is voluntarily running the warehouse side of it and Kent is a volunteer retired banker who is doing the finance and administration. It is providing for the needs that we thought it would and I am sure it is going to continue to grow. The South West Area Consultative Committee's funding and your government's funding just gave us the impetus—though we would have got it up because I think we had the drive to do it—that was needed to promote it and get it really rolling and up and running.

**ACTING CHAIR**—Mr Machar, do you want to say anything in addition to Mr Ranson's comments?

**Mr Machar**—No, not at this stage.

**Senator STEPHENS**—Gentlemen, I understand that you have received \$77,000. Is that right?

**Mr Ranson**—That is correct.

**Senator STEPHENS**—Is that inclusive of GST?

**Mr Ranson**—Yes.

**Senator STEPHENS**—This is quite an extraordinary project, I think. It is certainly a credit to you all. We are interested in how effective the program is in terms of meeting community needs as well. How did you find the process of applying for funding?

**Mr Ranson**—Interesting. I did most of that application with Jan Pedersen through the manager, Graham Hodgson, and to a lesser extent the chairman, Mr Paul Vukelic. They were very thorough. We put up a business plan which we thought was very thorough. It is all here in the documentation. They got down to the nitty-gritty. There was no pulling the wool over anyone's eyes, because we all knew that that can happen when you start a project like this. I was frightened Jan was going to come after me with a big stick if I did not tell her the whole truth and nothing but the truth. It took a little while to get up and running. I have run a reasonably successful business for a long while, so I knew what the numbers were. As I say, they were very thorough and we redid the numbers several times to make it not only a very truthful document but a document that was very accurate that we had to work by. It was something Kent picked up at a later date and, all of a sudden, Peter Old wanted a report and we were down to the last cent. Luckily, without going overboard, through good management from the board, Kent and Rob, we have been able to achieve all the budgets and all the targets we set. It was very thorough.

**Senator STEPHENS**—Have you received all the funding now?

**Mr Ranson**—No, we have yet to receive \$7,700, which we will receive at the end of the first 12 months.

**Senator MURRAY**—That is the GST.

**Mr Ranson**—I will have to talk to someone about that.

**Senator STEPHENS**—Was the GST component problematic for your organisation?

**Mr Ranson**—No, it was not because we had the support of the four Rotary clubs. We knew that there was cash coming in and we worked our cash flow to be able to carry it, and we have been able to do that. No, it was not a big deal. We were not going to argue over getting \$7,000 12 months early, if we could get \$70,000 now. That was the important issue at the time.

**Senator STEPHENS**—In terms of the development of the project, do you envisage that it will expand?

**Mr Ranson**—Yes, I certainly do. For example, in recent times Kent and I have been to Busselton and Manjimup and spoken with the Rotary clubs there. They were surprised not only by the magnitude of the project but also by the need in their respective areas. Now that we have Bunbury up and running and the system right and the agencies starting to understand our method of operation—that we do not just give it out willy-nilly; they have to meet certain criteria—we can now look at the further outreaches of the South-West, which was planned in our application. We are servicing up as far as Yarloop and down as far as Manjimup to the schools and to Busselton, Bunbury, Harvey and Collie with agencies. It will spread now that we have got the vehicle and we have got the time and the system in place.

**Senator STEPHENS**—Was the provision of school breakfasts originally envisaged to be such a big part of the program?

**Mr Ranson**—It was. Kent might like to tell you more.

**Mr Machar**—It is probably our favourite part of the program, if we are allowed to have a favourite part. Before I go on, are there any press representatives behind us?

**ACTING CHAIR**—I do not believe there are.

**Senator MURRAY**—It is a public hearing.

**Mr Machar**—I realise that, but I just wanted to check because there is a tendency sometimes to sensationalise what I am about to explain. In fact it has already happened, but we drew it to a close. It can harm the program. The schools program is about feeding hungry kids that arrive at school without having had breakfast, sometimes without having had dinner the night before and often without having any lunch money or the wherewithal to get lunch. It is surprising and worrying just how many young kids go to school that way in this region, which is an otherwise fairly prosperous region—but with pockets of deprived or disadvantaged people, admittedly. We have been a bit surprised, it is fair to say, about the demand, and delighted with the response from the 13 or 14 schools that are using this program every day of the week. The schools are starting to give us voluntary comments back, often with their order every week, saying what a wonderful effect the program is having on educational outcomes, with a lessening of disruption in the classrooms and other associated problems. In suburban areas in Perth where they have been running this program for some years now they have found that it even goes as far as lessening the amount of petty crime in the area surrounding the school. Our local police superintendent will say that a large amount of petty crime can be attributed to hunger. So this is having an effect as well. It is a wonderful program and it is fully sponsored. From memory, I think the Australian children's trust this year has donated about \$187,000 to fully fund the program in Western Australia.

**Senator STEPHENS**—Who else are your partners in this program?

**Mr Ranson**—Lotterywest have just granted us funds so that, along with \$18,000 of your money, we can come up with a vehicle for the program. There are four Rotary clubs in town and we had budgeted on getting about \$7,000 from them. We finished up with about \$27,000 from the four clubs. And there has been a series of donations from businessmen throughout the town. We have not been anywhere and got a knock-back at the end of the day. The donations have not

been big money—\$3,000 here and \$4,000 there. Someone might say, ‘Take all those shelves there and use them.’ A lot of equipment, rather than the dollar value, has been donated. It has been local people, Lotterywest and your funding that have got the program up and running.

**Senator STEPHENS**—How do you anticipate it continuing after the 12 months?

**Mr Ranson**—We have already started talking to corporate people about additional funding. The shortfall will not be huge and next year we will become fully part of Foodbank Western Australia, but we will still be run by the South West committee. We think we can continue to fund it partly by the funds we get from our clients. We charge 35c a kilo for fresh produce and 65c a kilo for packaged produce, which of course allows our clients—I am talking about the Red Cross, the Salvation Army, Anglicare and the like, who used have to go to the big supermarkets and pay retail price—to quadruple their buying power and service more people. That is just a transport cost that we charge. So that is an income all the time, and there will be corporate funding. We also hope to have a little bit from the shire councils if we approach them correctly over the next 12 months.

**Senator STEPHENS**—Congratulations. It is a very far-reaching project for a very modest amount of funding and it is making an extraordinary difference to a lot of lives.

**Senator MURRAY**—I am interested in the involvement of Rotary. In discussing projects elsewhere we have seen the crucial role played by the ACC. They are locally sourced, with a local board who know what’s what in their region and they are serviced by energetic full-timers who know what they are about in the region concerned. It has been easy to understand their involvement, but it seems to me that Rotary, as an example of a network of very skilled people, is an interesting community channel or mechanism for these sorts of projects. I wonder if what you have done here is capable of being replicated elsewhere through people understanding how it was done and how the energy, skills and abilities of a group like Rotary could interlock with the ACC—another voluntary organisation, at least at the board level—and with government. Have you been asked by Rotary or thought of going around and proselytising this success story as an example of a big project?

**Mr Ranson**—To be honest, we have not—or I have not. It is certainly known in Western Australia. There is no doubt about that. Rotary has supported Foodbank WA in all the districts in the state, but they have not gone to the same effort that we have in Bunbury. It is an interesting concept. We have all had plenty on our plate and it has been the furthest thing from our minds. But, when you sit back and look at it as you have, it is an interesting concept and it is something that I am sure Rotary could well pick up if there is a need for things like this in other areas or states.

**Senator MURRAY**—In Tasmania, for instance, we saw an excellent business-mentoring scheme, whereby small businesses skilled at producing an item or in a particular activity but not in management and growing a business were assisted by a business-mentoring network. As far as we are aware, that has not translated into other states. It has occurred to me since, and perhaps to my colleagues, that maybe one of our recommendations should be to find a way in which people who have successfully gone through the process, such as you have, of creating a working, effective and needed community project of substance and real benefit to a wide community are able to transfer that knowledge to other people—such as the Rotary network—who, if they

understood the process and the mechanisms, would easily be able to assume it. After that long introduction, my question is: would people such as yourselves, if there were such a sponsorship scheme available, be willing to give some time to travel around and talk to people about these things?

**Mr Ranson**—I am sure we would, because it has had an enormous impact on all our lives in different ways. Yes, I am sure that they would unanimously support anything they could to enlarge it and to spread the word. We have the documentation. It would be a simple operation to package it up with information on how to do it and where to go. We have had some contact with Canberra.

**Mr Machar**—I was just going to say: if only I could apply for a scholarship or funding now. Yes, the Rotary Club of Canberra have just started talking to us. It is mainly by email at this stage, but I anticipate that either we will be visiting them or they will be visiting us in the near future.

**Mr Ranson**—They were very preliminary discussions but they happened about a month ago.

**Senator MURRAY**—The danger with these projects is that they remain siloed and isolated. The whole country does not necessarily get the benefit of the experience.

**Mr Machar**—There are other Foodbank operations around Australia, including on the east coast. I am afraid I cannot tell you exactly how many, but there are probably four or five, I suspect. We also had an expression of interest from one of the large Victorian inland cities—I am sorry, I cannot remember exactly which one it was and I am not too sure where that is at. It was a bit of a mirror situation to our own, in that there were three or four Rotary clubs in the city and they were looking at going at it as a joint project, which, depending on the size of the clubs, is possibly necessary.

**Mr Ranson**—I suppose in some cases you can do so much by mail and telephone, but if you had the ability and the financial backing to jump on a plane and go and spend a week in Canberra and help them set something up it would be a wonderful opportunity for all parties. But, of course, we do not all have the ability to do that. If it were something that came out of your organisation, whether it be Rotary or whatever, it would create some wonderful opportunities to expand all sorts of things in the country. You would not be talking about hundreds and hundreds of thousands of dollars for a week here or a week there.

**Senator MURRAY**—It is the ability to transfer the knowledge and experience elsewhere in Australia. On another topic: Mr Machar, you are clearly meeting a need here, but you expressed surprise—which I am sure would have happened to all of us in similar circumstances—at the pockets of poverty and deprivation, even in a relatively well-off society such as ours and in a relatively prosperous region such as the South-West. It occurs to me that many of the people who reach out and help the disadvantaged get insights into causes as well as effects. The effect is that a kid does not have enough to eat, and if they do not have enough to eat they behave badly, their attention is all over the place and they do not learn properly. But you would have insight into causes. Do you think there is any way in which those insights could get to our policy makers in an easily translatable form?

**Mr Machar**—I am sure they could. Because we deal with the agencies and do not hold ourselves out to be part of the welfare effort at all, we do not get as much direct feedback as you may think. Being only eight months old, we really have not sat down and had long, deep discussions with our various agencies about causes and that sort of thing. I am sure the agencies themselves, who tend to cooperate quite closely in a city like Bunbury, could provide all the feedback you want. They do not have a spare minute in the day, these people. Such is the demand for their assistance.

**Mr Ranson**—It would probably be easy for us to coordinate something like that in our local area, because, as Kent said, we are dealing with the front-line people every day. If we were to say: ‘Come in, have a cup of coffee and sit down. How can we help you? What’s happening? What’s the cause? How do you see it?’ I am sure we, as a small central body, would be able to come up with some interesting statistics to pass on to another.

**Senator MURRAY**—I think that can be a by-product of these things. You would be aware of another great man who said, ‘The poor will always be with us,’ but nevertheless you can address or try and prevent rather than cure. You are in the business of curing, essentially, but there must be a degree of prevention that goes on. I have been involved in a lot of work with people who have been institutionalised and in care, and what we have established through our work is that if you badly harm a child you end up with a badly harmed adult, with all the consequences that arise from that. So you want to go back to the causes to stop children being harmed in the first place.

One of the things we do not do well enough as a society is collect the raw data so that we can work out that 80 per cent of the women in a prison have been abused or assaulted in some way and that there is a cause-and-effect process under way. That is my next major question: do you think organisations such as yours are useful bodies for collecting raw statistics about where the need is greatest and where the causes of problems in our society are, or is that very difficult for you to do?

**Mr Ranson**—You have asked a question off the cuff, and I will give you an answer off the cuff. I think it would not be. We would probably need some professional help to get up a pro forma of how to approach it, but, no, I do not think it would be difficult. Would you agree, Kent, to talk to our agencies, who are the on-the-ground people, to pull together something like that?

**Mr Machar**—I can just see, Mr Ranson, that you are going to be encroaching on my bowling days.

**Mr Ranson**—You have always got something to complain about!

**Mr Machar**—But I agree with you. People like Rotarians like to get their teeth into something worth while, and these are worth while—nothing could be more worth while. I imagine you could easily spend a year—and I am not exaggerating—going into the causes of some of the problems that affect society these days. In fact, I think I could talk nonstop for about four hours now.

**Mr Ranson**—Don’t.



**Mr Machar**—Okay.

**Senator BARNETT**—Thanks very much for your excellent contribution. Bowling is important and Foodbank South West is also very important. I think you mentioned the children's trust, the national funding body that gave you some funding.

**Mr Machar**—We operate under the auspices of Foodbank WA when it comes to the schools program. The approaches to obtaining donations like this are made by the chief executive of Foodbank WA in Perth. My understanding is that the Australian children's trust is funded by a high-profile private individual in WA with a high-profile board that helps.

**Senator BARNETT**—It is a Western Australian entity, not a national one?

**Mr Machar**—It is Western Australian.

**Senator BARNETT**—Thanks for that, and well done on it. I have a special interest in the issue of obesity in children and in their health and wellbeing. How do you set the criteria for what breakfasts are available for which kids?

**Mr Machar**—This is related to my question about the press, to be honest, because it is quite a sensitive program, as you can imagine. We tackle it fairly uniformly across WA. As I mentioned earlier, we provide at no cost a maximum package of specially selected, nutritious breakfast food. There is everything from low-fat, low-carb breakfast cereals, UHT milk and all that sort of thing to baked beans and fruit, which is the most popular part of the program. There is often fresh fruit but sometimes there is tinned fruit for those who have to store it over a period. The way the schools run it, which proves uniformly successful, is that they merely announce at their assembly that breakfast is available in the canteen or wherever for any child who, for whatever reason, has not had breakfast. In that way, a mixture of the 'genuines', those who indeed did not have breakfast and probably have not had it for weeks, and the try-ons, those greedy little so-and-sos you get in every school, roll up for about the first week. After about a week—and, again, this is a uniform result—the non-genuines drop off and the genuines, whom the teachers have always known about, keep coming to the program. In approaching it this way there is no obvious identification of the unfortunate kids who, for whatever reason, have not been fed.

The reason that I was asked whether there was any press in the room today is that this was picked up and sensationalised a bit and the next thing there were some embarrassed parents, some of whom probably did not deserve to be embarrassed. We could have seen the program fold but I called in the reporter concerned and had a quiet reasoning word with him. He dropped that story and the following week, at my request, published a more positive newspaper article, which gave credit to the teachers who had in fact been feeding hungry kids for years out of their own salary.

**Senator BARNETT**—I am very interested in this part of your work—if you do not mind me going down that track—in terms of a number of issues. How do you link in with the schools, as in the relationship with the parents and friends, or is it with the school itself? How do you determine which school has this program and which school does not have it? Do you discriminate there?

**Mr Ranson**—Every school that needs it, and they really come to us.

**Senator BARNETT**—So a school has to apply to you to receive it? Is that how it works?

**Mr Machar**—Yes. We obtain a bit of advice on the socioeconomic factors surrounding certain schools in our region. That gives us a bit of a guide. We initially went out and invited schools to approach us if indeed they had a problem.

**Senator BARNETT**—All the schools in your region or only certain schools?

**Mr Machar**—The great majority. I would not say that we have touched every school, because the list of schools that we had been using was about four years out of date. I have discovered over the last several months that there are schools that have opened that have now approached us that we were not even aware of. We probably need to keep updating the list of schools.

**Senator BARNETT**—So you try to cover—

**Mr Machar**—Wherever there is a need. Whether or not the school has just opened, we do not really care. If they put a case to us and say that they have children coming to their school hungry, we do not care whether it is two children or 22 children—or, in the case of Yarloop, 87 children—we will help them.

**Senator BARNETT**—And this is offered every day? Is it just primary schools or primary and secondary?

**Mr Machar**—Primary and secondary.

**Senator BARNETT**—Every school day?

**Mr Machar**—I could not say exactly how every school runs its program. It is certainly every day for some schools. In some schools it is probably two or three times a week.

**Senator BARNETT**—In terms of nutrition and the health of the food that is offered, do you have a consulting nutritionist who assists you with what you should offer these children, or is it just whatever is available? How is that managed?

**Mr Machar**—The food in this case—because it is a fully sponsored program—is actually purchased by Foodbank. Foodbank WA has access to several nutritionists and advisers. There are a couple of programs where nutritionists are attached to Foodbank via the Department of Health, and their expertise is used in this sort of a program.

**Senator BARNETT**—Does the Department of Health approve the food that you are putting in, or are they just aware of the food and the nutritional value of the good that is offered to the kids? What relationship does the Department of Health or the Department of Education have with the program?

**Mr Machar**—I cannot speak with great authority on this because it really is administered out of Foodbank WA in Perth. What I am passing on to you is just my general knowledge of how it operates there.

**Mr Ranson**—The health department do work very closely with Foodbank in Perth, and we operate under all their guidelines. I am sure that they would have full knowledge of this program but, like Kent, I could not say exactly.

**Senator BARNETT**—My next question goes to the program generally—not just for schools—and the safety and hygiene of what is offered. The document talks about not only packaged and processed food but also fresh fruit and vegetables. How do you manage that side of things? This is an issue certainly in other states. I know that, in Tasmania, under this type of program, there are issues about not being able to give the food away because it is potentially unhygienic and it is not safe. How do you get around those issues?

**Mr Machar**—We do not get around them. We have to observe all the same statutes as any other food handler does. We have to observe all the requirements of the food act, and we have been inspected on two or three occasions in the eight months by the local health inspector. We are subject to the HACCP rules and regulations as far as food handling is concerned. We have professionally put together food handling and food safety type programs, which all our volunteer workers participate in and are reminded about. We observe all the requirements of use-by date and best-by date regulations. Absolutely nothing past the use-by date is handed out. My colleague manager is extremely good at what we do. As soon as an item—and it might be 700 kilos of an item—gets close to its use-by date, the manager rings up a charitable organisation or school of our choice and asks them whether they would like half a tonne of fresh apples or whatever. Of course they do want it and they take it. So far, other than when an electrical storm caused the breakdown of a freezer and we had to offload a small amount of spoiled goods, we have not had to dump any food in eight months. It has all been well and truly usefully utilised.

**Senator BARNETT**—I notice that one of your objectives is avoiding waste in the overall system. Obviously Foodbank South West works well in achieving that objective.

**Mr Machar**—It certainly does. We are particularly involved with the fresh fruit and vegetable producers down here who, until we arrived, were dumping literally truckloads of carrots, mandarins, apples, pears and onions that were not going to reach the market for whole host of normal commercial reasons—they were too small, too big or had pimples on them. Instead of burying it down the back, at a cost—a complete waste—we now go out there and pick it up and use it right throughout WA.

**Senator BARNETT**—It is an excellent concept. As Senator Murray said, we will certainly look at replicating it around the country and see if we can do something about it. Thanks very much.

**Mr Machar**—My pleasure.

**ACTING CHAIR**—With respect to the contact you have, let us go through what the practical model is. Foodbank WA is an organisation, to your understanding, which is what?

**Mr Ranson**—It is an incorporated body with a board of management in Perth that some people could say has been or is the who's who of the second tier of the business world in Perth. It is funded very well by major items from the lottery in WA, Rio Tinto, the *West Australian* and so forth.

**ACTING CHAIR**—Are they a tax-deductible trust organisation?

**Mr Ranson**—Yes.

**ACTING CHAIR**—So the cash donations to Foodbank WA and Foodbank South West are tax deductible for those donors.

**Mr Ranson**—Yes.

**ACTING CHAIR**—You have applied the Foodbank WA model, which predominantly serves the Perth metropolitan area but branches out to other regional centres, into Bunbury, in the South-West. You have based that model on the capacity that Rotary has initially been able to supply through its clubs network and you have had seed capital from Rotary and from Regional Partnerships.

**Mr Ranson**—Correct.

**ACTING CHAIR**—What precisely did the \$77,000 go to?

**Mr Ranson**—That went towards a forklift, a coolroom and a freezer.

**ACTING CHAIR**—You have premises in Bunbury?

**Mr Ranson**—Yes. I am quite happy to mention that the donors of that for 12 months were Mr and Mrs Eddie Bricknell. They are local businesspeople. That was rent free for the first 12 months.

**ACTING CHAIR**—What do Mr and Mrs Bricknell do?

**Mr Ranson**—They are electrical contractors and very big contributors to the community. We fitted that out with shelving. You might like to have a browse through that.

**ACTING CHAIR**—Where is that building?

**Mr Machar**—It is in the Halifax industrial area.

**Mr Ranson**—It is in the new Bunbury Business Park. The bulk of the money went to shelving, a coolroom, a freezer, a forklift, and \$18,000 went towards the new truck, which we have just received.

**ACTING CHAIR**—Every day your volunteers man the pumps and this food goes out to the various places that you provide with this sustenance. How many volunteers do you have?

**Mr Ranson**—Nearly 30 now. We were out looking for a few more, because the load is starting to build up.

**ACTING CHAIR**—Where do you get them from?

**Mr Ranson**—Rotary, Lions, and Mr Smith rang up and said, ‘Do you need a hand?’—so the wide, broader community.

**ACTING CHAIR**—So people who are aware of the project through their service clubs say, ‘I’d better put some time in down at Foodbank.’

**Mr Ranson**—Yes.

**ACTING CHAIR**—How would, for instance, the Waroona primary school come to contact you? What is the practical operation? What happens? Does a teacher ring you?

**Mr Machar**—We deal with principals. They are the people responsible for making the ultimate decision.

**ACTING CHAIR**—How do they know about you?

**Mr Machar**—We spoke to a few of the local schools initially. To be honest, it was largely word of mouth after that.

**Mr Ranson**—We dropped a note to a lot of them. We did not get a lot of response from that, but we followed it up.

**ACTING CHAIR**—Did you say 14 schools?

**Mr Machar**—Fourteen have just been signed up.

**ACTING CHAIR**—So you run the program by delivering the food to the school. The school is then charged with the duty of how to deal with that. You do not immerse yourself in which classrooms and so on—they handle all of that?

**Mr Machar**—Yes.

**ACTING CHAIR**—And the teachers supervise the morning breakfast and all of that sort of thing.

**Mr Machar**—Sometimes teachers, sometimes the P&C. We make suggestions. There are also seniors groups, and there are all sorts of spin-offs when you involve senior groups. You get relationships developing between young kids who may not have grandparents. It is good.

**ACTING CHAIR**—It is virtually a charitable wholesale service. Have you had any resistance from local business that was previously providing the food? Has there been a downside? I am bound to ask this question from a devil’s advocate point of view, because we do not want to see

people who are in business losing business—notwithstanding that we have got a charitable purpose. We have to be careful. What checks and balances do we look at?

**Mr Ranson**—Kent might come in on this if he has any other comments to make, but, no, not really. For example, Coles is a major supplier to us. We have a crate in every Coles store that we can. They put anything that is damaged or getting a little bit close to a use-by date in the container, ring us up and our truck goes and picks it up. Many of the businesspeople who have supported this project are running businesses of their own.

**ACTING CHAIR**—They are very pleased and happy that you are filling a role in the community, notwithstanding it is a related sort of business.

**Mr Machar**—Yes. There are some serious agreements signed between Foodbank Australia—there is an Australian head body—and food manufacturers, who generously donate a lot of food to us. In turn, between Foodbank WA and Foodbank Australia and between us and Foodbank WA, it is stipulated that under no circumstances are we to sell food. We are constantly reminding all the people who use our services—all the charitable organisations—that they must not blur the line between our being a source of cheap food and our being a source of food for the truly desperate, hungry and needy. That is reinforced on a regular basis.

**ACTING CHAIR**—I do not think we have got any more questions. Thank you for coming along today. I wish you all the success in what is obviously a very important contribution to your community. More power to you, and good luck into the future. I am sure your funding sources are going to be sustainable, given the success which we heard about today. Thank you for coming along.

**Mr Ranson**—Can I close by thanking you as the representative of the government for giving us the funding we got and also the local committee for the efficient way in which they handled it. It took a little while for it to come through, but we were very pleased to see it in the end.

**ACTING CHAIR**—Thank you.

[3.11 pm]

**ANDERSON, Mr Raymond John, Director, Westcoast Electro Fishing Pty Ltd**

**ACTING CHAIR**—Welcome. I am not sure whether you have been here all afternoon, but I think you have and so you have heard all of the information regarding privilege. You have probably also heard me say to previous witnesses that, as is customary, you can make a brief opening statement to the committee about your business and the relationship you have had with Regional Partnerships and the area consultative committee. After that we will ask questions.

**Mr Anderson**—Westcoast Electro Fishing was an idea that happened about four years ago. I will not go into a lot of detail. My son is an avid fisherman. He used to fish consistently around the area of Manjimup and Pemberton. This area was mentioned earlier because it is suffering from woodchipping et cetera being closed down. When my son would go down there and fish, he would always bring back a particular fish called redfin perch. When I cleaned these fish, I would always notice that in their stomachs were crustaceans known as baby marron. The baby marron is a delicacy here in the South-West. The seasons have changed for marron. It used to be open for six months of the year and it went down to three months of the year. It is open, I think, at the moment for about 10 days of the year.

There has been a lot of discussion on why the marron are getting fewer. There has been a lot of talk about salinity and various other things. But I can assure you that, of the fish that I have filleted at home when my son was just fishing on an amateur basis, I did a count and it got up to around 10,000 baby marron in the stomachs of redfin perch. So we decided to do a bit of a study on the fish and how it got here et cetera. One hundred years ago it was introduced into Australia from England. It is a beautiful eating fish. It has a nice, white, firm flesh. For a freshwater fish it is very nice. This fish was brought into Western Australia and released into the river systems, mainly in the South-West but also throughout Western Australia. To give you an idea, there are redfin perch over in the Collie area, but it is more dominant around the area of Manjimup, Pemberton and Albany.

We also found out that this fish is what is commonly called feral. If you go onto a property and you catch this fish—this is with the farmer's permission, of course—or you catch it out of the river, you have to kill the fish; you are not allowed to take it anywhere. There is no limit on them, but if you catch one that you do not want you are certainly not allowed to throw it back.

So my son and I got together and decided that, if this fish was in these quantities—tonnes—and it was creating such a problem to the marron, we should make a few inquiries of the farmers in the area. Every farmer that had the redfin perch was only too pleased to get rid of it, because he was also trying to grow marron. He may have three or four dams on his property. You must understand that the water flows from one dam to another then out of a property into another property and there could be something like 100 dams on one gully-fed stream. Generally you would find that if there was redfin here it was down the end of the stream as well. After approaching these farmers, they said that they would love us to get rid of the redfin, because the majority of the farmers already have the big breeding marron in their dams. Consequently, as

soon as a marron breeds, the redfin eat the babies and that is the end of that and there is going to be no growth.

We went away and had a look at various other places in Australia and in the US et cetera and looked at how they controlled this fish without harming the environment, which was the most important thing that we had to look at. In the US they have been using this technique called electro fishing for 50 years. There are some 40 boats in Australia but there were none in Western Australia. There is now—we have one. Consequently, I contacted Fisheries and sent my son over to Victoria. Fisheries own approximately 35 of these boats and the other five are privately owned. You may have heard of a company called Charlie Carp, which fishes the Murray and removes the carp with the electro fishing method.

My son went over there and spent some time with Fisheries on their boats in various areas and came back here and we proceeded to approach the state government. We drew up a business plan and, after contact with the Manjimup Shire and a lot of discussions with the farmers, we decided that we could make the project viable. Is that enough of a resume?

**ACTING CHAIR**—Tell us how electro fishing works.

**Mr Anderson**—We put electricity into the water—

**ACTING CHAIR**—You do not have to tell us any commercial-in-confidence information—how many volts and that sort of stuff.

**Mr Anderson**—The particular boat that I have at the moment, to give you an idea, is six metres long and 2.4 metres wide. We have a hold tank in it which is about a metre—probably about as big as this area here you can see. I do not know if you know much about electricity, but I can put 1,000 volts into the water and up to 50 amps, which will kill you. We have to meet a certain requirement of the fish that you are going to catch so that you do not harm it. If you put too much electricity into the water—in other words, go past its threshold—you will actually damage the flesh of the fish and when you fillet it you will see where you have broken the blood vessels and there will be marks on the fish, which is then not commercially viable. We put a pulse around the boat. I have an array that sits out the front of the boat which puts the electricity into the water. The beam, or the array, out the front is six metres across. That sits about two metres out from the boat—

**ACTING CHAIR**—In the water?

**Mr Anderson**—Yes. This particular array comes in different sizes. If I need to go 10 metres into the water or two metres into the water, there are different sizes. The phenomenon that actually happens is that it puts a pulse around the boat and, when the fish come swimming in, the fish are actually attracted to it. You or I, obviously, would go the other way. I will be at the back of the boat, steering the boat and controlling the power, and I can watch the fish over on the side. You will see the fish swimming quite quickly to the front of the boat, where the power is. Without getting too technical, it actually inverts their swim bladders—it does not hurt them at all—they float, they pop up, and then we hand net them and put them in the boat.

**ACTING CHAIR**—In your cubic-metre holding tank?



**Mr Anderson**—Yes.

**ACTING CHAIR**—Do they revive in there?

**Mr Anderson**—Yes. The time it takes depends on the size of the fish. A marketable sized fish for me is about a kilo, but I certainly catch them bigger. We also have to take the small ones.

**ACTING CHAIR**—So you cannot put the small ones back because you are cleaning out the feral problem.

**Mr Anderson**—That is right, but we also use the small ones as our feed. Let us say that yesterday or the day before I had caught fish and I have them in my hold tank in Manjimup: when I take the little ones back, the bigger ones will eat them. We use them as our feed. What else can I tell you? When the fish invert, if I look in the water and see native fish—there are a lot of native fish, obviously; a lot of mosquito-eating fish—we just leave those, and frogs.

**ACTING CHAIR**—So the native fish floats up and you revive it with the current off?

**Mr Anderson**—No. Because we are moving along at about a knot—

**ACTING CHAIR**—It will be all right?

**Mr Anderson**—It will be all right once it gets out of the field.

**ACTING CHAIR**—What is a native fish? A trout?

**Mr Anderson**—No, a trout is an introduced fish. A native fish is a fish that has been here.

**Senator BARNETT**—A black fish.

**Mr Anderson**—It is a Western Australian fish that has been here without being introduced. There are nightingales. There is also the pygmy perch. There is a variety of native fish which we have throughout Australia.

**Senator BARNETT**—What about the trout?

**Mr Anderson**—The trout is introduced.

**Senator BARNETT**—Yes, I know. But what you do with the trout?

**Mr Anderson**—We pick them up as well. A lot of the farmers who we go to will tell us that they have trout. Also, we work with the Western Australian trout association. They go down to places like Manjimup and Pemberton and they put fingerlings into the dams of certain farmers, and then we will go in there. I have done this quite a few times where I will get a phone call and they will ask me to come in. They are thinking of bringing their club down from Perth, so I will go out to a dam in Manjimup on their behalf—at no cost because I know where they are coming from—and I will zap it for them and give them the results of how many of those fish have

survived, or whatever. But they have the problem that when they put these fingerlings of trout in—you have to remember the redfin is like a piranha—the redfin will eat the fingerlings.

**Senator BARNETT**—But you do not keep the trout.

**Mr Anderson**—Sometimes I do. I will just bring them home for friends of mine or whatever. But a lot of the time the farmer will say, ‘Let them go,’ or they will tell me I can take three, four or half a dozen et cetera.

**ACTING CHAIR**—Tell us how Regional Partnerships assisted you.

**Mr Anderson**—I bought a boat, and you may think that because I go onto a property and reduce the number of redfin I am going to run out of redfin as a commercial venture—I am not really because there are so many down there and they are everywhere. Hopefully, I will end up with about three boats. On selected dams which are easier to get onto and use the boat et cetera, we can go back to the farmer and, if the farmer is not in a position to do what we would like to do—I have spoken to another company in Perth that is quite happy to come in with us—say, ‘We want to put 5,000 juvenile marron into your dam.’ The marron are one year old and are what we call super marron. When they are three years old they are ready for the table, so in three years time we go back and there are 10,000 marron because there is no predator in the water. It is not as simple as that—you have to put the right habitat in the water and you have to feed and look after them.

I needed another boat, or another boat on top of that again, because with the array out the front of the boat we can link up with another boat, and another boat, and I can have something like 25 metres of power in the water. I have 5,000 marron in that dam and I can crank it up and herd the marron up into an area where the guys can physically stand in water up to their knees with their rubbers on et cetera and remove them. I can hold the marron there. The marron do not stun but I can shift them. The men remove the marron without having to use drop nets and be there for a year.

**Senator MURRAY**—It is a harvesting mechanism.

**Mr Anderson**—In America they have designed dams—they have crawfish over there—and they will actually push a channel. They have a crane and a net and the electro boats come in and push the crawfish onto the net and they simply pull it up and drop them. Then they sort them and throw back the ones they do not want. I already had this one boat. I really needed a smaller boat. I approached Regional Partnerships some time ago. With their help I was able to get the funding to purchase another boat.

**ACTING CHAIR**—How much did they give you?

**Mr Anderson**—They gave me \$99,000 including GST.

**ACTING CHAIR**—When was that?

**Mr Anderson**—It was granted last year. I drew \$50,000 in the middle of March, if my memory serves me right, and I have purchased another boat. I have not got the electro gear on it

yet, but it is all happening. I have had to get better tanks et cetera to hold the fish. The new tanks we have just bought—\$30,000 worth—have special fluoro lights and special filters so you are not emptying water all the time. The Regional Partnerships were excellent to deal with.

**ACTING CHAIR**—Where are you selling your fish?

**Mr Anderson**—I am selling them in Perth at the moment. We have a whole tank in Perth. We take them from Manjimup to Perth. We have a live market. It has only been in the last three months that I have been able to transport the fish from Manjimup to Perth. I got the regional plan in place and everything was fine, but I am dealing with some people in Perth called Fisheries who, in my opinion, do not fully understand. They knew what I was trying to do but they did not seem to work in with me properly.

**ACTING CHAIR**—Is this the state department?

**Mr Anderson**—Yes, this is the state Department of Fisheries. To give you an idea, they set out a lot of rules and regulations for me to have to operate under. Because we were the first—

**ACTING CHAIR**—Give us an example of the sorts of rules and regulations they apply.

**Mr Anderson**—Okay. They struggled because I was the first person to come into Western Australia to do this. They got together and said, ‘How are we going control this guy?’

**Senator BARNETT**—You were the first person to harvest redfin perch—

**Mr Anderson**—and transport them live to Perth and sell them live in Perth. The reason I want to sell the bigger fish to a live market in Perth is because it gives me a cash flow. The smaller ones, et cetera, will be another business that is going to happen in Manjimup.

**ACTING CHAIR**—What is that—putting them in a plastic pack and selling them in fillet form?

**Mr Anderson**—Yes, we are going to fillet them. We have a filleting machine et cetera. That is all part of the regional program. They wanted me to basically be a research officer for them. They had to give me the GPS readings, which is fine, and I had to take all the water readings et cetera, which was no problem, but I had to get permission from each farmer, obviously—

**ACTING CHAIR**—In writing?

**Mr Anderson**—in writing, on a signed document—and send it to Perth. I would go down a particular road. Let us say I obtained 50 signatures. I would then send those 50 signatures to Perth. They told me the turnaround would be something like a week to two weeks. Two months later, I was still on the phone trying to find out what was going on.

**ACTING CHAIR**—How recently was that?

**Mr Anderson**—That was last year.

**ACTING CHAIR**—In 2004?

**Mr Anderson**—Yes. We have improved. Then the signatures would all come back and it would be fine. I was operating with permission *et cetera* and was able to take the live fish off the property. Remember that the rule is that the fish have to be dead. You are not allowed to take them off the property. I have a two-year exemption—which is not a licence—which is great, because they did not want cowboys or somebody else to see what I was doing and then have to grant that person a licence under the trade act and all the rest of it. We have an exemption that protects my business, which I appreciate.

I would be fishing away on the property and, because it is very new and with the word of mouth, I would have five farmers watching me and coming out on the boat with me. All my insurances *et cetera* cover that. Then a particular farmer would say to me, ‘This is great. It doesn’t hurt anything. I’ve got redfin. There’s my dam just over there,’ and I would say, ‘Fill out the form’—

**ACTING CHAIR**—‘I’ll be there next week.’

**Mr Anderson**—Yes. It is just crazy. I then suggested to them: ‘Let me do the dam.’ There was no limitation on the fish I was taking, whether they were this big or that big. So, finally, we sorted out this problem to a certain degree. They have given me bigger areas in which I can go. That was a big hurdle to get over. The crazy part about it was that I was going from property to property, with the permission of the farmers and the fisheries, and I would come out with a couple of hundred kilos of fish. I would drop them off at Manjimup and then I would have to apply for permission to take the fish to Perth. I would do that and get them to my premises in Perth. I would have all these nice big fish swimming around and then I would ring up a restaurant, because the fish go into restaurant aquariums, but the fisheries would not let me take them out of the building unless they were dead. Some of these fish did 700 kilometres and I wanted to take them five kilometres down the road and put them in a tank, but the fisheries said, ‘No, you can’t do that.’ I went back to the minister. I think I had four meetings with Mr Chance. They finally said, ‘Yes, you can sell them in the restaurant.’ They are the problems that I had.

**ACTING CHAIR**—What was the basis for that?

**Mr Anderson**—I have no idea. Where I was taking the fish in Perth was like a processing. At Osborne Park it had to be advertised for 21 days. I had to go to council meetings to see if anybody objected *et cetera*, because this was a trade offence or whatever it was. All that takes time and all the rest of it. Finally, I walked into one of the meetings—as I said, it was the third or fourth time. It was just a waste of time going back to the fisheries. It seems like I am hounding them a fair bit, but it was so frustrating to try and get my business to where it should have been 12 months ago. Consequently, that has all been sorted out. As I said, I have another boat and things are now starting to take place, but it has been a long, hard process. For example, I dealt with a particular person—a lady—at fisheries. We were getting there and then she left, so I deal with another person. I did not really want to come here today and complain.

**ACTING CHAIR**—Are there any questions for Mr Anderson?

**Senator BARNETT**—Yes. Mr Anderson, as somebody who has a very special interest in fishing, and, being a Tasmanian, in trout fishing in particular, I know how feral these redfin are and how important it is to rid our waterways of them, particularly in Tasmania. That is a key objective in Tasmania. We have got electrofishing, as you are probably aware, in Lake Crescent and Lake Sorrel, where the carp have sadly and tragically infested the area. We are now trying to rid the lakes of them through the kind of fishing that you are involved with. Your concept is using that type of fishing without killing the fish—you are stunning them, putting them in your boat and sending them off to the market.

**Mr Anderson**—Yes.

**Senator BARNETT**—You are working through the paperwork to make sure that can happen?

**Mr Anderson**—Yes. To go on with the lake over there: it is very interesting where the carp were running amok. People got to the stage where they thought they had caught all the carp, and they have this technique now whereby they caught what they thought were the last three or four, they put little transmitters in the fish, stitched them back up and then released them. The carp will then find its way to a partner or whatever and they will zap it. They will probably zap the same fish 50 times, because it does not hurt them; it is a proven method.

**Senator BARNETT**—It is interesting because it takes so long to jolly well nail these fish and to kill them. I think we are nearly there in Tassie but we still have our fingers crossed.

**Mr Anderson**—There is a lot of money spent on waterways in the eastern states and there is very little money spent here. Recently, over the summer, we seem to have lost a lot of fish in Perth. Are any of you senators from Perth?

**CHAIR**—Yes, Senator Murray is.

**Mr Anderson**—Well, you know about the Swan River and the fish that are being washed up there. Unfortunately, the fish are not intelligent enough to swim out of the area and go downstream or whatever, so I have rung a couple of departments regarding the Swan River, including waterways, and offered free of charge to bring my boat to Perth to see if I can help, even if I can save one fish. I can zap them and take the ones that are not dead and give them to fisheries or whoever and move them—

**ACTING CHAIR**—And re-release them in an area that is not affected.

**Mr Anderson**—Yes. And they say ‘We will get back to you in a few days.’

**Senator BARNETT**—I have a few other questions on the Regional Partnerships project, because that is really what we are looking at. You have obviously got the funding and, in terms of the total project, it is one for three or thereabouts. Is that right?

**Mr Anderson**—Yes.

**Senator BARNETT**—\$250,000 in total and you have about \$90,000 plus GST?

**Mr Anderson**—Yes.

**Senator BARNETT**—That is good: one to 2½ or one to three. And, jobs-wise, in the ACC submission it talks about one job per \$18,000 of Regional Partnerships funding. They talk about five new jobs in the Manjimup area. Does that sound pretty right to you?

**Mr Anderson**—Yes, that is pretty right.

**Senator BARNETT**—That is obviously a very good result.

**ACTING CHAIR**—What are those people doing?

**Mr Anderson**—I need two on the boat to work with me and when I get another boat I am going to need another person—three altogether.

**ACTING CHAIR**—And that does not count your filleting business?

**Mr Anderson**—That is right. Then we will fillet them off in Manjimup.

**Senator BARNETT**—Is that with all three boats, or is that just the one boat? This money is just to fund the one boat, isn't it? Are these five jobs for all three boats or just the one boat?

**Mr Anderson**—With the one boat I still employ five people.

**Senator BARNETT**—Being a devil's advocate again: some people would say, 'This is the private sector at work; why should the government or the taxpayer be investing any money in a private sector operation?' What would you say to that?

**Mr Anderson**—Consider what I am doing for the environment alone by removing this fish—it is costing, under the program, \$99,000. Then consider the amount of damage caused by these fish; hopefully that is a good enough answer.

**Senator BARNETT**—Sure. And there are benefits for the marron population as well.

**Mr Anderson**—And it gives farmers an extra income. They are devastated down there, with the prices they get for their vegetables et cetera.

**Senator MURRAY**—An important point is that marron is mainly for the export trade.

**Senator BARNETT**—That is a good point. So in terms of the funding application, you applied for it in around January '04 and you got approval in around June '04. Have you signed a contract with the department?

**Mr Anderson**—Yes.

**Senator BARNETT**—And have you met all the terms and conditions of that contract?

**Mr Anderson**—Yes. As I said, I took my first \$50,000 in March.

**Senator BARNETT**—Has the department met its terms and conditions?

**Mr Anderson**—Yes.

**Senator BARNETT**—And are you satisfied with the way it has performed?

**Mr Anderson**—Yes.

**Senator BARNETT**—And you have a reasonable expectation that it will be concluded satisfactorily?

**Mr Anderson**—By the end of the year, yes.

**Senator BARNETT**—In accordance with the milestones of jobs and outcomes.

**Mr Anderson**—Yes.

**Senator BARNETT**—Well done and good work.

**ACTING CHAIR**—Senator Murray, do you have any questions?

**Senator MURRAY**—No. I have heard every answer that I need. It is very enterprising. You seem to be a bloke who can make his way through bureaucracy quite well.

**ACTING CHAIR**—One area interests me. If you are as successful as I suspect that you are going to be with your methodology, what about sustainability? Isn't there going to be a time when all the redfin perch have gone?

**Mr Anderson**—I hope so.

**Senator BARNETT**—That would be a fantastic outcome.

**Mr Anderson**—As I said, of the more than 100 dams that I have been on, there are only about 10 to 15 dams which we would restock with marron. When the marron go back in, we have to go back there and put habitat and food lots in there. Marron need somewhere to protect themselves from other marron. We build little 'houses'. We use PVC pipes which vary in size. Let us say we have 50-millimetre pipe along the bottom and we run 45-millimetre pipe until we have 10-millimetre pipe at the top, so we build a little house. As the marron grow and if the food lots are not right, the bigger marron will chase the little marron. They are clever enough to think, 'I'm a 10-millimetre marron and if I can get up into there the 25-millimetre marron won't be able to get in and get me.' You have to place these houses around the dam and you have to look after the water. There is a lot of work to be done just to get that right, without even going on and getting further dams and without catching the redfin.

**Senator MURRAY**—So you will become a marron farmer?

**Mr Anderson**—No.

**Senator STEPHENS**—A ‘marron baron’?

**ACTING CHAIR**—A marron herder?

**Mr Anderson**—A marron herder. If you have a dam and at the moment all you are doing with it is, say, irrigating and feeding your cattle and you want to put marron in it, I will come in and pay for the marron and look after it for you. After three years, at the end of the deal, we will come to an arrangement—say, a 70-30 split. I will give you a cheque for X dollars and you, the farmer, have not done any work at all. The more work I can do in there—

**ACTING CHAIR**—You have done the original earthworks that provide the improvement to the property that hosts your marron.

**Mr Anderson**—Yes, on a lot of dams. The big farmers have already built their own marron farms and spent their \$50,000 or \$100,000 but there are a lot of farmers down there who cannot afford to do that but they have the water there ready for another use. To answer that question, no, I do not think I will ever—

**ACTING CHAIR**—That is good; I am pleased to hear that. What do we make out of redfin perch? If I want to eat some redfin perch tonight, and I am going back to Perth, where do I go?

**Mr Anderson**—Most of them are pretty hard to get at the moment because the weather has not been all that flash for me to get down there and fish et cetera.

**ACTING CHAIR**—It is pretty wet.

**Mr Anderson**—They are mainly in Chinese restaurants—about 150 in Perth. I spoke to the guy from whom they lease their tanks.

**ACTING CHAIR**—At Northbridge, there are those restaurants with the tanks in the windows.

**Mr Anderson**—Yes, they are the ones. At the moment we are supplying into about half-a-dozen. They are very popular. The Asians always like to pick their fish out of the tanks. Because it is a red fin, it means wealth, health or whatever. The restaurants also sell barramundi. We sell barramundi; we buy it in from Fremantle. There is also another fish called silver perch. We are mainly in redfin and barramundi.

**ACTING CHAIR**—What about your export opportunities for live redfin?

**Mr Anderson**—Absolutely. The good thing about the redfin perch is that in the countries we have already spoken to—mainly Switzerland and around that area—be it, again, because of the supply of fish, which is getting worse every year—or because of the climate conditions where a lot of the lakes et cetera over there freeze, the demand for fish fillet is great. The good news is that they just want the little fillet. They do not want a big fillet off a kilo fish. That seems to be



the way they want to buy them. So if I could supply five container loads of fish tomorrow, I could sell them.

**ACTING CHAIR**—What is the power source on your boat? What do you use to generate the voltage?

**Mr Anderson**—I just have a kvH. It is a generator.

**ACTING CHAIR**—So it is a Genset powered with—

**Mr Anderson**—With 7.5, if you know much about them. As I said, \$1,000—50 amp. Fortunately, with trout, redfin et cetera, to give you an idea, I use about 250 volts. I use somewhere between five and 10 amps. So my gear is just ticking over. If I had to use 1,000 volts and 50 amps to stun a fish, my gear is not going to last forever.

**ACTING CHAIR**—Approximately how many fish do you handle—that is, how many do you scoop from the surface of a pond or a dam or a river—per annum?

**Mr Anderson**—Good question. Probably, a good week for me is about 500 kilo of fish.

**ACTING CHAIR**—Goodness me. But how many fish would that be, roughly? A fish is not a kilo—2,000 or 3,000 fish?

**Mr Anderson**—Yes, but they vary. It is amazing how with the redfin you will go to a dam and catch 500 fish and they will all be that long, because they have this controllability of themselves and their supply, and they do not grow any bigger.

**Senator STEPHENS**—What is the capacity for you to grow in terms of the redfin supplies in the state? Where is the redfin a native of?

**Mr Anderson**—It is from England, introduced 100 years ago into Australia, and it breeds. They are worse than rabbits.

**Senator STEPHENS**—You need a calicivirus for redfin.

**Mr Anderson**—Not that I need to, because of the supply that is there, but if I had 50 tanks I could put the little fish in and feed them up and breed them. But under the act you are not allowed to do that. I use the little ones for feed, anyway. We have a very limited supply of stuff we can tan. There is a guy in Esperance who has already contacted me. When you skin the fish, the fish has suitable skin so they can tan it and make belts and shoes—crocodile et cetera. He is limited as to what he can do. So that is a market for the skin. We also have the idea that any of the fish we damage et cetera, we can fertilise.

**Senator STEPHENS**—One last line of questioning: how did you find out you had been successful for your grant?

**Mr Anderson**—I got a phone call from Geoff Prosser—I went to school with Geoff—then I received it in writing from him. I was very excited and I rang the people behind me, whom I

have worked with very closely over a couple of years. They already knew. That is how I found out.

**ACTING CHAIR**—Thank you, Mr Anderson.

**Senator BARNETT**—If you are successful, we really need to replicate this in every other state, especially Tasmania and Victoria, in terms of the redfin perch species, the feral species. If you get going, this concept is the sort of thing you could expand.

**Mr Anderson**—Yes. They just breed like you wouldn't believe. According to *Pests in Australia*, which I have in my briefcase, the No. 1 pest in Australia is the carp. It costs Australia something like \$50 million a year. I cannot remember what is second but, given we have the rabbit, the cane toad et cetera, it is amazing that the carp is the No. 1 pest in Australia.

**ACTING CHAIR**—Thanks for coming in today. We very much appreciate it. It was most interesting. We wish you all the very best, and let us hope that senators can access one of your fine fish restaurants this afternoon or this evening.

**Mr Anderson**—They will have to go to Perth.

**ACTING CHAIR**—We are all going back to Perth tonight.

**Mr Anderson**—Unfortunately, I am not allowed to sell the fish in between. I can only cart them from Manjimup to Perth. I am not allowed to stop anywhere along the line and sell them. That is just another bit of trivia.

[3.51 pm]

**WEBSTER, Mrs Geraldine Ann, Secretary and Volunteer, In Town Centre Inc.**

**ACTING CHAIR**—Welcome. Thanks for coming in. You have heard me say the important technical information about witness appearances before the committee. I reiterate that if there are any matters which you wish to discuss with the committee in private, you can make an application to the committee for us to go in camera, and we will consider that application. Now you have been sworn in, I ask you to make a brief statement as to what the In Town Centre is and what its relationship to Regional Partnerships funding is.

**Mrs Webster**—I have been involved with the In Town Centre since its inception in March 1990. We run with one part-time paid coordinator and a group of dedicated volunteers. We provide a meals service and a drop-in centre for the homeless and disadvantaged in this area. We opened with a contribution from the City of Bunbury, and it was our current mayor, Mr David Smith, who was then the state Labor minister for the South-West, who helped us with funding under the Supported Accommodation Assistance Program. The Hon. Geoff Prosser, the member for Forrest, has also been a supporter over many years. He said to me that he always hoped that his children would grow up in an area that looked after all its citizens and that he would help us in any way he could.

Prior to this project, we leased the old civic hall from the City of Bunbury, but that building has now been demolished. We have worked very closely with Foodbank and the Rotary clubs. The Leschenault Rotary club also run the ‘Give a damn, give a can’ campaign, which they have been doing for about the last four or five years. That has been a tremendous help to us in enabling us to stock our larder and provide more varied meals for the client group. We also rely on the business sector and many members within this community.

This has been my first real grant experience, working with the Regional Partnerships program, and I have been very appreciative of the assistance that we have had from the South West Area Consultative Committee. When we were looking at possible funding sources, I got together a group of what I call the ‘movers and shakers’ in Bunbury—of whom Paul Vukelic was one—to say: ‘Help. Where can I identify sources for funding for part of these projects that we are trying to do?’ I think it was Paul who introduced me to the Regional Partnerships funding. I found that it was well organised. I have also appreciated the help that I have received from Mr Peter Old at the department of transport and regional development.

I do believe that splitting the funding into three payments over three different periods has assisted in monitoring the project and the progress that we are making. The independent auditor has also ensured that there is proper accountability of the expenditure of the public money. She was the person who picked up for me the fact that, during the period that the funding had been in the bank account we had paid out so much money in bank charges. She said, ‘Therefore, would you please go and spend another \$20, then we can truthfully show that we have spent every cent correctly on the project.’ The new kitchen fit-out has enabled us to work with a properly equipped kitchen. We now meet all the health requirements and at long last we actually have a

cooker, which we did not have in the old building, so we can provide more varied and healthy meals to the homeless and disadvantaged members of our community.

Above all, I would like to say thank you to the federal government and congratulate them on setting an example by working together with state and local governments, Lotterywest and members of the community to provide a solution to a local problem. It has been a true partnership to prevent an agency for the homeless in fact becoming homeless. As you may well be aware, Bunbury was hit by a cyclone which caused much damage to the city. The senior citizens building lost its roof. Thanks to the new kitchen, we were able to share our facilities with Meals on Wheels, so they have been able to continue their service of providing meals to the elderly. On behalf of our staff, our clients and the senior citizens, we thank you for your help and support.

**ACTING CHAIR**—Thank you. We should acknowledge that we went to the In Town Centre at lunchtime today—or the ‘Shoestring Cafe’, as I think we affectionately call it.

**Mrs Webster**—That is right. You were very welcome.

**Senator STEPHENS**—Thank you for that presentation. It is certainly a very interesting project that you are involved in, and your experience with the Regional Partnerships program seems to have been a very positive one, so that is good.

**Mrs Webster**—It has been.

**Senator STEPHENS**—I understand that the money from Regional Partnerships went towards some specific things in the centre. In terms of the sustainability of your service, do you have any comments to make about how you hope to continue?

**Mrs Webster**—From March 1990 we have worked with the Department for Community Development under the SAAP. We also do our own fundraising. We have found that the local community is very generous. If we get stuck and get low, we go and do some fundraising. We have done several different things in the past. When a brand-new restaurant opened up, I went to them and said: ‘We’re in the same business, but we do not tend to have quite the same diners. I wonder if we can help each other.’ I suggested that if he gave me his menu we would photocopy it and deliver it to all the businesses in town and encourage community groups to have their Christmas parties there. In return, I asked him if he could kindly donate \$1 a head for the people who booked and mentioned our name. This worked very well. We ended up with nearly \$1,000 out of that. A few months later, I received a little bag with jelly beans. A little lass walked in and said, ‘Here’s a present for you,’ and ran off. It took me a while to realise quite what it was. They had a little machine by the cash register that gave out jelly beans. All the money that went into the jelly bean machine was sent to us. We work together. I think we would be sustainable.

**Senator STEPHENS**—In terms of the Regional Partnerships program and your experience of it, you mentioned that you were in contact with the department in Perth and that you were very happy with that. Was there good service from that regional office?

**Mrs Webster**—Very good service. I probably bugged them a bit. I wanted to ensure that I had the paperwork correct and we were acquitting it to the best of our ability. I rang them on two or

three occasions for help. I also had to ask for a one-month extension because there was a bit of a delay in finishing off some of the parts of the building. That was because of the amount of work that was being done down here.

**Senator STEPHENS**—Did you put that project application in through the system yourself or did the ACC put it in for you?

**Mrs Webster**—I worked with Jan Pedersen mainly. We sat down and worked through what was possible. She helped me fill it out. So we did receive help.

**Senator STEPHENS**—Did you find that a difficult process?

**Mrs Webster**—I found that some of the questions were fairly similar and it was difficult to know quite how to answer them. But once you got into it and you completed the process it became more obvious what they were looking for. Then I was able to go through it again and make sure I got it—

**Senator STEPHENS**—Did you fill in an expression of interest first or go straight to a full application?

**Mrs Webster**—I think we went straight to a full application.

**Senator STEPHENS**—How did you find out that your grant application was successful?

**Mrs Webster**—I had been ringing the Hon. Geoff Prosser and he said, ‘Don’t worry: as soon as I know, I’ll ring you on the mobile.’ He rang me straightaway from Canberra and said, ‘You’ve got it.’ Then we had the letter a few days later with the mock cheque. He came and presented that to us.

**Senator MURRAY**—What interaction do you and your organisation have with other bodies servicing your clients?

**Mrs Webster**—We try and work with other organisations that are also working with the same clients. We work with Pathways, which is the mental health group, and the Southwest Community Drug Service Team. Most weeks, one or two members of the drug team will come down at lunchtime. They can talk with some of their clients. We provide them somewhere they can meet their clients more easily, because the clients do not always go to their office. It is somewhere the clients feel comfortable. It is not intimidating. They can sit down together and share a cup of coffee or their lunch. We find that this is a very good way of providing somewhere they can meet and feel comfortable.

**Senator MURRAY**—I met a man at your establishment who I think is quite typical. He clearly has potential—he is not a no-hoper. He is sleeping rough and has mental health problems but not such as are unsolvable. That is my professional judgment after 15 minutes but I am usually accurate based on a lot of experience. He said two things. Firstly, essential to him getting on his feet and finding his way and getting employment and that sort of thing was accommodation, which he said was very hard to find in this town. Let us deal with that first. You would know that there is an accommodation problem for homeless people in Bunbury. What

happens with that problem? Do you tell people? What do people do about it? How is it addressed? Are Rotary or the Lions Club interested? What goes on?

**Mrs Webster**—We contact Agencies for South West Accommodation, ASWA. While they have quite a lot of accommodation under their umbrella, it is always full. Currently, because so much building is going on in the area and new people and new businesses are coming into the town we find that the cheap accommodation is virtually nonexistent. The rents have gone up and people on the pension would probably not be able to make the repayments. I know what this gentleman is doing. He is trying very hard to save up enough for a bond. He is working towards trying to get something through Homeswest. But that takes time. He is not going to achieve that overnight.

**Senator MURRAY**—Don't you find it remarkable that a disaster arrives on our doorstep and Australia can immediately marshal tents and provide emergency accommodation, which people deserve, and yet for our own homeless on our own shores we have not even got the brains to put a tent city to cover the problem until such time as more permanent accommodation can be produced?

**Mrs Webster**—We did at one point have a couple of tents that we used to loan out. After a while they went walkabout. But we do try to make sure that we have always got some spare blankets and, preferably, sleeping bags so that where possible people can stay warm. A number of these people come in and we give them something extra in the morning so that they have had something to warm them up, especially in this weather.

**Senator MURRAY**—You are just making do, whereas my point is that if emergency services were, for instance, to provide a supervised small tented area those people who are genuinely stagers on their way to a better life will get their much quicker.

**Mrs Webster**—They will. I would also like to see, and it is needed in Bunbury, some sort of accommodation where people can go in at sunset and possibly have some soup and a roll or something and leave in the morning—more or less on a first come, first served basis. Once you gain the confidence of some of these people they can, with a bit of encouragement, go further. We cannot in this day and age have too many people sleeping out in this weather.

**Senator MURRAY**—But they do, don't they?

**Mrs Webster**—They do. And they have to move around virtually every night or two nights.

**Senator MURRAY**—I just find it a bit strange. We can get stuff within 36 hours onto a Hercules and over to a disaster area and kit up thousands of people, but not on our own doorstep. The second problem he outlined was a relationship problem. Medical assistance to overcome mental health issues is essential but he indicated that whenever he saw a doctor it was a new doctor. Partly that is because these people shift around. Is there a problem with constancy in these relationships? That is key, isn't it?

**Mrs Webster**—It is a key. There is a bit of a shortage of general practitioners in this area; therefore, on the whole, when those in our client group say they need medical help, they need to see a doctor today or, at the latest, tomorrow, not to have an appointment in three weeks time—

which is another problem. I took a group of people to a couple of seminars. Just before the new millennium, the division of general practice did a survey on men's needs, women's needs, youth needs and Aboriginal needs. I took a couple of guys to the seminar on men's needs where the main discussion looked into prostate cancer. These guys said, 'This is ridiculous. We're not going to live long enough to get prostate cancer'—they did not even know what it was or where it would be in the body—'but we need a detox centre in Bunbury.' They do not want to go back to Perth. Often many of their friends are in Perth and, if they detox there, they go straight back afterwards into the same group of friends. They want to stay in Bunbury to detox, where they possibly have some support groups going, but we do not have those sorts of facilities.

**Senator MURRAY**—Is that a financial thing? I presume that the local government is aware of that need.

**Mrs Webster**—So many things are needed that you have to try to decide where your priorities lie, and I do not think that has been very high on the priority list. I also took a young girl and a young boy to one of those seminars. We were getting many homeless youth at that time, especially young girls who would become pregnant. That is when we started up a group for adolescent pregnancy.

**Senator MURRAY**—Were they typically out of care?

**Mrs Webster**—Some of them were in care and some of them had run away from home. The youngest girl we had was 14 and pregnant. Out of that meeting, echoed by a couple of young people from Collie high school, came the need for their ability to see a GP somewhere private. It was not that they did not trust the GP at home but, when they were in the waiting room, mother's friends would be sitting there. Then, when they would go home that evening, mum would say, 'So-and-so saw you in the surgery. What did you go for? What did you want there?' They felt that they did not have privacy and confidentiality.

We started to get one of the GPs to come in one day a week over the lunchtime period with the bait, 'Look, we'll give you lunch; just come and talk to our client group.' One GP managed it for a while and then got too busy, but he was amazed at the pathology and the problems he picked up and also the things he was able to assist with when attending at the centre.

**Senator MURRAY**—There used to be a system of school doctors; in other words, a doctor would go around to all the schools and get to know all the kids and so on. I do not know whether that system still exists. Do you think the health system needs to consider having visiting practitioners appointed by the state going to places and not to people? At the moment our whole system is people orientated, where people come to a doctor; whereas, if there were a doctor whose only work was to go around to various establishments like yours—

**Mrs Webster**—I think it would be wonderful. The Wesley Uniting Church has a drop-in centre in Murray Street, Perth. There is a little surgery there and a GP who visits on a regular basis. It would be wonderful to be able to do that.

**Senator BARNETT**—I think most of my questions have been asked. Thank you for the tour this morning. I was immensely impressed with the services that are offered and the community

service that you are offering. I want to clarify a couple of things quickly on the volunteer side. I understand that in the kitchen you have about five or six volunteers; is that correct?

**Mrs Webster**—We try to have four people on each day, so that the volunteers can actually enjoy it and they do not feel too pushed. They have time to go and sit outside and have a cuppa midmorning and get their lunch in before they serve lunches to the client group. In fact, if you look after your volunteers you will keep them.

**Senator BARNETT**—That is in the kitchen. Are you a full-time or a part-time volunteer?

**Mrs Webster**—I was full time, but I have cut down to part time now because I have other family commitments that I am going to have to give more time to.

**Senator BARNETT**—Do you have any other volunteers?

**Mrs Webster**—Our committee is also obviously voluntary. We have only the one paid staff member.

**Senator BARNETT**—You have one paid staffer. Is that June?

**Mrs Webster**—Yes. That is all. Everyone else is voluntary.

**Senator BARNETT**—Does your committee meet once a month or so?

**Mrs Webster**—Once a month.

**Senator BARNETT**—In terms of getting bang for the buck, as it were, and value for taxpayers' money, I think this project is clearly demonstrating that—I do not have the figures here—you are getting a good return on the funds invested. Would you agree?

**Mrs Webster**—I believe so. I defy anybody to do it cheaper.

**Senator BARNETT**—I see from the documentation that the government funding is \$71,500. Does that include the GST?

**Mrs Webster**—That is the federal funding that we received and, yes, that includes GST.

**Senator BARNETT**—The total project is \$295,000 or thereabouts?

**Mrs Webster**—No, the total project would probably work out at about \$500,000 and, as an agency, we actually put in about \$8,000 ourselves out of our own fundraising.

**Senator BARNETT**—If it is a \$500,000 project, obviously that is a huge return in terms of dollars invested. Can you identify the jobs created by the project or is that too hard in light of the volunteer effort?



**Mrs Webster**—It is essential that we have another paid member of staff. The first reason is for continuity, because, if June is off sick, if she is on holiday or if she goes for training, we do not have anyone. The second reason is that the client group we are dealing have a number of mental health problems and drug and alcohol issues, and when there are 40 or maybe 50 people in the hall and someone is having a bad hair day, things can very quickly get out of control. We need somebody in that hall at all times to help us monitor the situation. In that way, you can then defuse things before they get out of hand.

**Senator BARNETT**—I did ask about incidents and security arrangements this morning.

**Mrs Webster**—We do have incidents; it is getting more prevalent, because, I think, of the drug and alcohol issues. In the future, once we have two members of staff, I would like to take some of the ideas from Ruah in Perth. They close at about half past one and reopen again about two o'clock. They do programs working with clients who want to do something to improve their situation, to help them become independent, to gain some of the living skills and some of those sorts of things. I think with two members of staff we could be even more effective, because we are trying to help people become independent and to build up their self-esteem.

**Senator BARNETT**—Finally, I want to give a huge commendation in particular to the volunteers. Without the volunteers in this country, society as we know it would collapse. They make a fantastic effort. Thank you.

**ACTING CHAIR**—Thank you, Mrs Webster, for coming along. Well done. We did enjoy our visit. More power to you; keep up the good work. I think Regional Partnerships see good value for money in your operation at Shoestring. Thanks for coming in.

**Mrs Webster**—Thank you very much.

[4.26 pm]

**HODGSON, Mr Graham David, Executive Director, South West Area Consultative Committee Inc.**

**VUKELIC, Mr Paul, Chairman, South West Area Consultative Committee Inc.**

**ACTING CHAIR**—I welcome Mr Graham Hodgson, the South West Area Consultative Committee executive officer, and the chairman of the consultative committee, Mr Paul Vukelic. You have heard me outline all of the technical requirements of the committee in terms of the evidence that you might give to it. Let me reiterate that if at any time you want to say anything in private to the committee, feel free to make application to us and we will consider that. The committee may then move to hold the hearing, for so much of that information that you wish to provide, in camera. Do you have an opening statement? I am not sure whether you do, but you have heard that that is what we do as a matter of course.

**Mr Vukelic**—I will make it very brief and then I will ask my executive officer to make a PowerPoint presentation, which will prompt questions and answers and save us a lot of time and effort. If at any stage during his presentation you wish to ask a question or make comment, I think it might be desirable for that to take place. I have been the chairman for six years now. It has been an absolute pleasure to be chairman because we run a very cost-effective operation. We are funded \$230,000-odd a year. We employ four people within that structure. We are very cost-effective as far as the taxpayer is concerned. What we do, from the bottom up, should be replicated in many other departments of the Commonwealth because we run it very much like a private enterprise situation. We spend the money like it is our own. We are not a democracy. Our board is very much focused on that basis. We get things done. I will ask Graham to take over now.

**Mr Hodgson**—I have also provided an update to attachment 1 in our original written submission to the inquiry, which we submitted back in January, regarding the board members of the South West ACC. A couple of new members have come on board. There is also an update to the number of approved Regional Partnerships projects in the South-West of WA. I have also provided some further detail from our annual report of the economy, demographics and the status of our region. There are a couple of newspaper clippings, which will demonstrate one of the points that I want to make about the particular nature of the South-West of Australia, and our latest ACC newsletter, purely for information.

*A PowerPoint presentation was then given—*

**Mr Hodgson**—I will flick through this presentation quite quickly and just make some points along the way. It follows the structure of our original written submission to the inquiry, which provides some background on the ACC and our region of operation, and some further detail on the approved Regional Partnerships projects in our region. You can see here where we are in Australia's South-West. There are 12 local government areas from Harvey, where you were this morning, eastwards through to Collie, southwards to the south coast at Walpole, and westwards to Augusta—you have heard about one of our Augusta projects.

Our Regional Partnerships projects cover pretty much every local government in this area. We have 27,000 square kilometres to cover and it is about a 2½-hour drive to Walpole. So that gives you some scope. It is 1½ hours to Augusta. We are the fastest growing region in Australia. The Department of Transport and Regional Services produces this book on local government. This is the current edition. There are 721 local government shires in Australia. Of those, 425 are classified under their classification system for local governments as being rural—in other words, non-urban. Of those 400-odd non-urban shires, nine are given the classification of regional significant growth. Of those nine, one is in Victoria—the Surf Coast shire west of Melbourne. The other eight are in Western Australia. Five of those eight are in our patch. So that gives you some idea of what we are dealing with.

**ACTING CHAIR**—Where are the other three?

**Mr Hodgson**—Murray, Serpentine Jarrahdale and Greenough. All those regional significant growth shires are based upon a population of less than 20,000 but a growth rate in excess of three per cent.

**ACTING CHAIR**—What is the title of the book that you have just quoted to us?

**Mr Hodgson**—It is the *Local Government National Report* from the Department of Transport and Regional Services which has local government under its umbrella. Those shires that I am referring to are Harvey, Dardanup, Capel, Busselton, Augusta-Margaret River. They are all down the coast. It is very significant in terms of the way we are dealing with our region. Our vision for the South West ACC is to empower communities in the South-West. I will come back to that point because it is not just a bit of rhetoric; it really is what we live and breathe every day in our job.

In addition to Regional Partnerships, we have been involved in a lot of programs for the Commonwealth government. These are the most direct ones, where we have provided particular advice about programs. Over the six years that Paul and I have been at the ACC, \$15 million has come in, project costs in excess of \$50 million, and there have been all these other programs as well. We have provided advice and information, promoted and generally supported them in our region.

**ACTING CHAIR**—We should pause to mention that you have had RAP, Dairy RAP and a whole host of other important projects in this region.

**Mr Hodgson**—Yes, and a whole host of other programs over those six years. They are national programs, but we have been delivering them in this region.

With all these other programs, the Commonwealth government has put something like \$33 million into this region; over \$100 million worth of projects all up. And we do that work—I have to make this point—with a staff of three. Our average income over that year, from the Department of Transport and Regional Services, has been around \$250,000. It has not gone up in six years. So we think we are pretty lean and mean, as Paul said. About 32 times operational funding has been delivered through Commonwealth programs coming into this region. I would just make the point that the state government has a development commission in this region which covers the same patch. They have got 25 staff and an operational budget of \$2.4 million. I

am not going to make any comment about the state government's contribution, other than to say that we operate in quite a different way to achieve much better outcomes.

On Regional Partnerships: we have had lots and lots of inquiries and sessions to promote the program, but only 29 projects have gone to formal application. Twenty-one projects have been approved as at 5 July, for \$3.1 million in regional partnerships.

**Mr Vukelic**—That is for that 18-month period.

**Mr Hodgson**—Total project costs are about \$10 million, so there is a leveraging there of between \$3 and \$4 per dollar of Commonwealth money. The funding has been split between community, business and local government projects. All of that is based around our strategic plan, as well as the regional partnerships. Approvals in our strategic plan point to projects being supported in areas of disadvantage in our region. So we are not worried about areas that are going well; we are worried about the inland ones. If you do an analysis of the projects that have been approved, you will find that mostly they are in the inland shires. I mentioned earlier those coastal growth shires: you drive 20 minutes inland and you are in a flat economic area. There is regional industry restructure going on in terms of forestry, the dairy industry and horticulture, but the tourism industry is flat. These shires are not growing. Our office is here in Bunbury but we do most of our work out in the hinterland. So that is a little bit about the environment that we are living in.

These are the projects—and when I mentioned before about empowering communities, this is the point I want to make about regional partnerships. Pauline McLeod is the second on the right in this slide. She is general manager of the Augusta-Margaret River Tourism Association. They have been managing the Cape Leeuwin lighthouse for 24 years on a rolling one-month lease from CALM but have finally got themselves a long-term lease and are able to do something with it. Margaret River is one of our tourism hot spots in Western Australia. Thirty minutes south is Augusta, and they get one-tenth the number of visitors. So there is a huge opportunity there. Pauline McLeod has been championing this project. She has been pushing that line very, very hard with her organisation.

Tom Fox is a pioneer in seed potatoes. It sounds pretty boring, but the global seed potato market is worth about \$50 billion. You have to have seeds to grow potatoes—and they are potatoes. But we would use them for only one year and chop them up. In a lot of Asian countries nearby, they will use them to the third, fourth or fifth generation. Every time you do that, the yield goes down. Tom has pushed the international export of seed potatoes out of the South-West as a pioneer in the industry.

**Mr Vukelic**—He is east of the Manjimup.

**Mr Hodgson**—He has a vertically integrated sales system. So he actually gets Indonesian farmers to come and spend some time with him on the farm. When they go back home they know much more about how to grow potatoes. They increase their yield, in the first year after visiting Tom, by 40 per cent.

The person at the back on this slide is Lyn McLoughlin. She is the manager at the Bridgetown call centre. Before she got this job, she worked in the timber industry. She said that this was the

first job she has had where she did not have to work in the rain. She was very grateful for it. Alex McKenzie is the state CEO for the Royal Life Saving Society.

The shire of Nannup is one of our tiniest, poorest, most struggling shires. Rachelle Maddox was the community development officer there. She is being paid to do her job, but she was the one who really pushed this project harder and harder. For a tiny little town like Nannup, they are going to have a community asset and a business asset now as a consequence. I might say that some Regional Solutions money has previously gone into an associated area that will support this project as well.

With respect to the city of Bunbury, we are slap-bang in the middle of one of the sea change cities. If we do not do something really smart, we are going to be drowned by the number of people who are coming here. The city has been pushing that. Ann Chapple is the second person from the left in this slide. She is the project officer for this project. This is an inland project. Again, Harvest Highway is about trying to get tourists and others to move down the inland highway—the route you took, as opposed to the coast road, on which you will probably go back tonight because it is the quickest way—using fresh fruit and fresh produce as the hook. So there are about 700 businesses involved in that project.

You met Matt's dad, Ray, here today. This slide shows some redfin perch that he has pulled out of a dam. This guy has just been so tenacious in the face of bureaucracy over the last three years; it is quite astounding. Ray mentioned a couple of the barriers that they had come up against but, honestly, there are a heap more as well.

In the next slide, Pastor Steve Heron is the guy with the yellow hat. This is a program not about supporting disadvantaged kids but about giving primary school age children life skills. It is a preventative program. Steve Heron had worked at it for three years without any support other than the donations coming through his church before we were able to get Regional Partnerships program funding for it, which enabled him to expand the program right across the whole region and tackle about 7½ thousand kids over the space of 12 months. Both my grandchildren have been to one of his presentations and they just loved it.

You met Tony Bandera today. The interesting thing about that project is that this has come from middle management. This is not EG Green's CEO or board thinking of the project; this has come from middle management. Tony has had to convince a lot of people that it was worth pursuing, and you saw the outcomes.

George Thomas is an engineer making a product. The only other business in the world that does this is in Norway, and he is doing it in Harvey, which is an area that has suffered a lot under dairy deregulation. The jobs that he is creating there—and there are going to be something like 35, with about another hundred indirectly—are not high-skilled, steel fabrication type jobs; they are semiskilled jobs that are needed in that plant. He is servicing the world's mining industry from Harvey.

**ACTING CHAIR**—Regional Partnerships assisted him to shift from Perth?

**Mr Hodgson**—It assisted him to expand the operation in Harvey. The shifting costs they bore themselves and the state government provided some additional funding.

Dawn Earl is the community development officer at the Bridgetown shire and has so much energy as to be astounding. This slide shows another of these projects that is providing a community asset as well as a business asset. It is a particularly lovely little spot but just needed developing. You met the guys from Rotary who are pushing this project. You did not meet Rob Prestage.

The guy in this next photo is Mike Hendry. He is the local manager for Australia Post. He is also one of the Rotarians, and Lyn and Margaret are both volunteers who work at Foodbank.

Rod Burton is the guy in the middle of this slide, and this is in Walpole. Walpole is a very remote community in our region. It is an hour and a half to the nearest medical facilities, and Silver Chain Nursing have been running a primary health point for people in that area for many years out of a three-bedroom house, which is completely inadequate now. They are constructing a new health care centre there, which will also help service the 200,000 visitors they get each year who have been drawn there primarily by the treetop walk.

You met Geraldine. Geraldine is one of those people who make you feel good about the human race. This slide shows some of her volunteers at a Christmas in July lunch for the clients. Manjimup is building this pool and Regional Partnerships is helping to cover it. It is a beautiful sunny day in the photo I am showing, but I can tell you that most of Manjimup's days are pretty horrible. They have been trying for 30 years to get this project up and they have finally achieved it. There is over \$2 million going in, but only a small amount of federal money. You met Owen Jones and Blaze today. This is another project that has been a decade in gestation. This slide shows the size of the hydro pool, although it is not the actual one that is going in—that is still under construction.

Errol Seymour, the guy on the right in the slide I am now showing, is an ex BHP Billiton engineer. He is growing organic strawberries in a beautiful spot about 20 minutes east of Bridgetown. The guy on the left is a contractor who he is employing to roll out this season's organic mulch so that he can plant 30,000 strawberry plants. That would be all right, except that he wants to take it a bit further. So he is putting into the market a frozen organic strawberry product. You can actually buy his fresh strawberries in Sydney and Melbourne at the organic markets. He wants to take it further. This project will create an additional 19 jobs in an area that does not have any employment. More importantly, it is going to foster organic horticulture in the region because he will buy in more product.

Organic foods are an unmet market need. The market is growing at a ridiculous rate. With the Regional Partnerships funding he is moving to build a processing plant, which will be the only one for organic horticulture in this area. He has appointed one of his labourers from last season, who is from a neighbouring farm but who does not have full-time work, to be the operational manager for this coming season. They plant, pick and harvest for about six months, so it is quite long-term work. The guy is 21 and he is putting him in charge of the whole team. So this is really growing the skills of the people in his region. The next photo is of Bannister Downs. It is a dairy farm at Northcliffe. I think Paul once described Northcliffe as the end of the earth, but that is probably a bit unfair.

**Mr Vukelic**—It is the end of the earth, I can assure you. They milk 600 cows a day there.

**Mr Hodgson**—They have the capacity to produce about three per cent of Western Australia's whole milk. They saw themselves going broke if they stayed in the industry in Western Australia because the prices are just appalling. They moved into packaged, branded cheese of their own. They now process and retail whole milk on their farm. There is nobody else in WA doing that. It is all multinationals or pretty much all multinationals, apart from Harvey Fresh.

**Mr Vukelic**—It is a husband and wife. They were having a baby at the time of this photo—that was about two months ago. Their eldest child is about five years of age.

**Mr Hodgson**—The baby is Annalise. Sue is not in the main photo because she was in hospital having the baby just a month or so ago. It has not stopped her sending us emails constantly over the last six months since the funding was approved. They are going to have their milk on deli shelves in the local area in the next two to three weeks. Six of the nine people they said they would employ are already on board. They start staff training on Monday.

**ACTING CHAIR**—Is the milk in bottles or cartons?

**Mr Hodgson**—It is in biodegradable plastic bags from a manufacturer in Sweden. Nobody else in Australia does it, but it is the predominant packaging for milk—about 80 per cent of it—in Europe and North America.

**ACTING CHAIR**—What is the brand name?

**Mr Hodgson**—It is called Ecolean. It is biodegradable. It comes flat, you fill it and it sits on your fridge shelf. It is an absolutely brilliant product. Sue Daubney, who is still nursing the baby, is the marketing brains. Matt is the farmer. He is a third generation dairy farmer. Matt had to make a choice as to whether they would stay in dairying or get out. They said, 'We're going to stay but we're going to do it on our own terms.' If they meet their sales targets, they will go beyond their capacity to produce milk for their own brand and will be buying in from neighbouring farms at a 30 per cent premium to the majors.

This slide shows a little project at Greenbushes, a tiny little community. They have been running this volunteer interpretive centre for the last five or six years. It got a small amount of money to help them get up and develop another visitor attraction. Pat Scallan is the manager of the Greenbushes mine but it has a huge community commitment.

These are the Grumpy Old Men from Bridgetown. They have actually registered the name. Terry Linz is the guy in the middle. He is a veterans' affairs volunteer. This project will provide a centre in which perhaps 100 older men in that community can gather to learn some woodworking skills, to sell some products, and also to be exposed to some health promotion programs like Pit Stop. That gets men, who are notoriously bad at seeking health checks, to turn up.

Daly Winter is the President of the Boyup Brook Music Club. They have been pushing Boyup Brook as the country music capital of Western Australia—like a Tamworth. They have one major event a year that attracts about 10,000 people. They want to have six or seven so that they can grow the business across the whole year. By providing a dedicated facility, an outdoor one that can be used by the local primary school, church groups and the square dance groups—I

understand there is a huge revival in square dancing—they will be able to bring more business into Boyup Brook. Boyup Brook is a bit of a *Brigadoon* town. It has not really changed since the 1950s. This brings me back to the point I made at the beginning about our vision. We are talking about regional development from the bottom up. The South West ACC does not direct traffic here. These projects come to us and we fit them into Regional Partnerships and our strategic plan, but they are driven by all the champions that I have mentioned.

**Mr Vukelic**—ACCs do make a difference. There are 56 ACCs around Australia. We are better than most; we intend to be better than most. I do not make any apology for that statement. I have asked many politicians, ‘What is an area consultative committee?’ and they have not known. Consequently, it is a privilege to have you people here and I trust that you, whatever political persuasion you are, will tell people how good we are and how cost-effective we are for the taxpayer.

**Senator STEPHENS**—Thank you, gentlemen, for your presentation. What we have heard this afternoon about the projects that you have been supporting has been pretty astounding and has certainly represented value for money. To begin with, I want to ask you a couple of things about the nitty-gritty of the Regional Partnerships program. First of all, has your ACC experienced the circumstances where you have recommended projects which have not been approved?

**Mr Vukelic**—On the back of this document there is a printed list of four projects which have not been approved. Two of these projects we did not recommend, but under Regional Partnerships we cannot recommend that a project not be forwarded to Canberra. We only recommend, but two of those projects we did not recommend. The minister and the department have the right to override us, but I do not think we have ever been overridden. So there are four there that have not been approved.

**Senator STEPHENS**—Have you had projects where you have recommended a certain allocation but that has been reduced somewhere further up the line?

**Mr Vukelic**—No.

**Mr Hodgson**—We have had a couple of projects where we have recommended a reduced allocation because we did not believe the original amount was warranted or because the value for money was not there. In both those cases the final decision supported our recommendation.

**Senator STEPHENS**—Is the Bunbury planning project one of those where you recommended a lesser amount?

**Mr Hodgson**—Yes, it is.

**Mr Vukelic**—That has just been completed now.

**Senator STEPHENS**—Have you had any projects withdrawn?

**Mr Vukelic**—What do you mean by ‘withdrawn’?



**Senator STEPHENS**—Where applications have gone forward—

**Mr Vukelic**—Where people themselves have withdrawn them?

**Senator STEPHENS**—and then the projects have been withdrawn.

**Mr Vukelic**—We do not waste our time on people who—

**Senator STEPHENS**—Sometimes circumstances can change and people cannot go on. You gave us lots of statistics but you did not mention what the unemployment rate was.

**Mr Hodgson**—In our region the unemployment rate is a touch under 4½ per cent at the moment, but it varies. The highest is about nine per cent. In a couple of local government areas it is as low as two per cent. There is an artificially low unemployment rate in some of those inland towns. Because there is no employment people simply leave and they are registered elsewhere. There are also pockets of unemployment depending on which demographic or ethnicity you fit into. For example, Indigenous unemployment is probably about 25 per cent.

**Senator STEPHENS**—What is the Indigenous population?

**Mr Hodgson**—It is actually quite low here compared with the rest of Western Australia. We have the lowest. It is a bit under two per cent.

**Mr Vukelic**—Some of the highest unemployment, believe it or not, is in Margaret River where there is so-called lifestyle unemployment.

**Senator STEPHENS**—At several of the hearings we have had around the country so far we have heard about challenges for the ACCs, one of which is the high turnover of staff. You certainly seem to have had an executive officer for a substantial period of time.

**Mr Vukelic**—Graham has been here six years and Jan two or three years. I have only had two executive officers. The first one was for six months, and Graham has been here for over six years. Our staff has been very stable. That is in spite of the comparison between our salary package and that of local and state governments. The quality of staff that we have here in the South-West would kill what the development commission and local government have. We are good.

**Senator STEPHENS**—In terms of the changed role of the ACC and the work that you have done, you have highlighted a whole range of other programs and projects that you have been involved in. At another hearing we had a presentation about the role of the ACC as a lead agency and a catalyst for bringing whole-of-government together. Is that an issue that has changed for you in the South-West?

**Mr Vukelic**—It has not changed, but it has been very frustrating for us. For example, we are trying very hard to get involved in skilled migration, and DIMIA have told us in no uncertain terms that that is their turf. We could do it so much better and so much more economically. There are other government departments that come into our region and they do not even come and talk

to us. We do not even know they are coming in. We could save them so much time and do the job so much better because we have the local input and contact.

Our role has matured and we have—as I commented during the teleconference to Canberra the other day—educated the department of transport more than they have educated us. Quite frankly, the department now—compared with four or five years ago—under Leslie Riggs and John Anderson, has been exceptionally good but there have been times when we have been very frustrated. There were times when approval for Regional Partnerships and other programs took much too long. The turnaround time has improved dramatically over the last six to nine months. When you have frustrations, unfortunately it slows everything else down; there is follow-up and so on. It is a bit like a bad debt; you spend too much time chasing it up. Yes, our role is changing but I think the department is also changing. The government is changing. We have had support from John Anderson, and we hope that we get similar support from Warren Truss. I hope also that we get support from people like you because it is important.

**Senator STEPHENS**—Going back to your comments about DIMIA, as an example: do you see the changes to the key performance indicators in your current contracts, which require a lot more whole-of-government reporting, as a challenge or an issue for you?

**Mr Hodgson**—No, I do not think so. We have always taken the view that we are punching above our weight. I do talk to the staff about our position as a single agency in a region that has local government, government departments, state government agencies and whatever, and that we need to look to be bigger than we really are to get the outcomes that we want. I do not see any particular issue around that.

**Senator STEPHENS**—You are very confident and you have the corporate knowledge of the region. You are a keeper of the knowledge, I suppose, and, while you are willing to connect with other agencies, the idea is that they will be connecting with you. I was a bit concerned about the expectation of government that that will be a performance indicator of you when it is not something that you are able to control. It is a bit tricky.

**Mr Hodgson**—I have lived with KPIs and government KPIs for my whole career.

**Mr Vukelic**—Unless you are producing an article, it is very hard to measure. It is like a small business having to put in a report and it is all based on numbers; it is not based on quality. I look at quality far more than I look at numbers. It depends how good a journalist you are. Graham is an ex-journalist so consequently our KPIs are very easy to quantify.

**Senator STEPHENS**—Do you see the speedier processing of smaller projects up to \$25,000 as an advantage for your region?

**Mr Hodgson**—The under-\$25,000 component is fine. You will have noticed that we have a couple of approvals in that process. We are responding to the needs of our region. In many cases we are looking for projects that are going to have significant outcomes. Sometimes you can do that with a small amount of money; sometimes you need a larger amount. It is horses for courses. It is what is going to work for that community at that point. But it takes as much to administer a \$5,000 grant as a \$50,000 grant. We have tended to try and seek out the larger amounts.

**Mr Vukelic**—We concentrate very much on what we call the inland road, not the coast. We follow the road down to Manjimup, down to Walpole, up to Bridgetown and to Donnybrook where, although the unemployment rate is low, as Graham said earlier, the opportunities for employment are not there. Consequently, a lot of people commute from Donnybrook and Bridgetown to Bunbury and Collie and places like that where their employment is. So, really, it is an artificial situation. We concentrate very hard on, and we have put enormous time into, some of those disadvantaged areas down that way.

**Senator STEPHENS**—I have a final question about the Strategic Opportunities Notional Allocation guidelines. Do you know about the SONA guidelines?

**Mr Hodgson**—There was some mention of SONA at an EO's conference about two or three years ago.

**Mr Vukelic**—I do not even know what you are talking about.

**Mr Hodgson**—That is the only knowledge I have of it.

**Senator STEPHENS**—So you do not recall receiving either version of the guidelines?

**Mr Hodgson**—I do not recall receiving guidelines for a thing called SONA. I do not think there are any.

**Mr Vukelic**—I have never heard of it.

**Senator MURRAY**—I have a question about initiating projects which create jobs—and you have mentioned two in Harvey. One is the conveyor belt, which I think you said could produce 30 jobs altogether, and the other is the meatworks, where we went this morning and where new jobs are being created for former prisoners. The inmates said that one of the big issues facing them when they come out is accommodation. There is a shortage of accommodation in Harvey. I would understand it a bit more in Bunbury because it is a growth area. When you create these jobs the infrastructure sometimes has to catch up—certainly accommodation and so on. What are you able to do about that? Is there an early warning that goes from you to—

**Mr Vukelic**—When we left there today, I said that we—together with EG Green's Harvey Beef—should look for accommodation somewhere along the line. I said we would look at receiving an application where we could create some sort of halfway house accommodation where these sorts of people had somewhere to bring their family or whatever the case may be. As Tony said there, they come out of there with a shoe box. He did not say it publicly, but he said that when one of the guys was in jail his wife divorced him. When he came out of jail—and he is working full time now—he walked out with a shoe box and his wife presented him with an eight-year-old daughter and said, 'Now, you look after her.' But apparently the community helped him enormously. So there are those sorts of situations.

**Senator MURRAY**—You would remember, Mr Vukelic, that on the Swan River, coming in to Perth, on the way down towards the Burswood complex, is a Homeswest complex which used to be the migrant receiving centre. Foreign migrants coming in to Western Australia would temporarily house their families there before they got established and found jobs, housing and so

on. What we are talking about here is almost internal migration—people are coming from other places and going to, for instance, Harvey. I wonder whether any early warning system is provided to the shire or the state government or whichever housing authority there is to let them know that this is happening and that a few years down the track there will be that demand.

**Mr Vukelic**—The shire are quite supportive of Harvey and EG Green and their program. EG Green have had a problem with the police up there. Anytime anything happened, the police tended to look at these ex-prisoners as the culprits and as the perpetrators. They were most unfair about it. I said, ‘If you hear any more about it, I know the local inspector quite well, so I can talk to him on that basis.’ That is an interesting situation. We will talk with EG Green with the view that maybe we can do something such as a Regional Partnerships application, or something along the line of what you are talking about, with them.

**Senator MURRAY**—I do not raise this just in respect of your region. Right through the country, Regional Partnerships is busy creating job opportunities. But there is an obvious consequence: unless there is some mechanism for advising the right authorities or getting the reaction, it can result in lost opportunities. It seems to me if some of those young inmates cannot get accommodation they might not be able to take up the job, especially if they cannot drive due to not having a licence.

**Mr Vukelic**—It is definitely something we will look at. There is no question about that.

**Senator MURRAY**—The other line of questioning I want to put to you is whether you have any recommendation we can consider for ways in which the Regional Partnerships system or process could be improved based on your experience.

**Mr Vukelic**—I have tried very hard to talk to the department. I have suggested to DOTARS that, where we fund private sector people—whether it is in fish or in some other private sector—and they start making a profit, we recycle that money and that they pay back the loan over a period.

**Senator MURRAY**—Like a HECS scheme.

**Mr Vukelic**—But government departments say that that would be much too difficult for them. I suggested it under Dairy RAP and I also suggested it under Regional Partnerships. It frightened them. They thought they would have to be debt collectors.

**Senator MURRAY**—Do you have any other recommendations?

**Mr Vukelic**—No. DOTARS is good as far as that is concerned. I believe that we are capable as an organisation of handling other government programs for other departments. I mentioned DIMIA. But there are other areas, such as tourism, where we have the capacity. Some ACCs have the capacity to do it because they already have a strong enough board, a strong nucleus of staff and a track record. I would say that 50 per cent to 60 per cent of ACCs have the capacity to do it. We could very effectively and very efficiently carry out programs for other government departments.

**Senator MURRAY**—What about the by-product of benefits from greater consultation? I am referring to the immense experience, abilities and insights that the ACCs have. I am not sure that there is enough exchange—except informally due to the fact that you might get personnel in common between organisations—between the various shires, local government operations, state development commissions and so on. What I have been asking around the place is whether people such as you think that a formal sponsored annual get-together—not an occasional one; not one done once; but a regular annual or biannual get-together—would improve the efficiencies and the opportunities.

**Mr Vukelic**—I will get Graham to comment after I have finished. We find that the local development commission talks a different language. Maybe that is our fault; maybe it is their fault. We have tried very hard to cooperate with them and it just does not seem to work. Some ACCs get lots of programs through local government. We market ourselves to local government but we do not get the number of programs from them that we feel we should get.

This financial year we are looking at that quite intensely to try to get a closer relationship with local government. One of the big problems with local government is that they lack funding—they do not budget for it. Consequently, all of a sudden they realise they have a program they have not budgeted for this year. We have suggested that they put an amount of money into the budget each year for the potential of a program coming up. That is like talking to a brick wall.

**Senator MURRAY**—Let me try again because I am not sure whether you said yes or no.

**Mr Vukelic**—I said both.

**Senator MURRAY**—Like a politician. What if we were to consider recommending—and I stress the committee has not come to this view; I am just putting it as a proposition—that the government look at sponsoring a coordinated annual or twice-yearly exchange of ideas between local governments, state governments and the federal government in regions? In some regions it should obviously include the Indigenous organisations because they are big in some parts of the country. Those meetings would enable the exchange of insights and make recommendations and so on. Even though you might not speak the same language or have the same ideals you are, nevertheless, working broadly for the community and in the interests of the community. Would you oppose it or would you like to try it and see?

**Mr Vukelic**—We would encourage anything that would create economic activity and jobs. A lot of that is within an interacting type situation. One of the problems is the multiplicity of local government. We have four local government authorities within seven kilometres of where we are sitting here and each one has an opposite view and interpretation of where they want to go. The state government does not seem to want to do much about it. It is more their patch than ours.

**Senator MURRAY**—What about you, Mr Hodgson?

**Mr Hodgson**—If you are talking about three levels of government coming together to deal with the issues of regional Australia then that can only be good.

**Senator MURRAY**—That is what I am talking about. To explain, let me repeat what I have said elsewhere: typically in Europe—not a big place!—to get the proper interaction going they

will bring regions or countries together every three years, two years or one year. It is a formal thing; it is in people's diaries, a proper program has been developed and people talk to each other and come up with recommendations and ideas. It is relatively cheap to sponsor but the result is people with different viewpoints share ideas and come to a common perspective. I am thinking of a smaller version of that with more limited numbers from the ACC, local and state governments and the federal government getting together in regions to get regional development going.

**Mr Vukelic**—As you say, one does not have to reinvent the wheel. If it is done somewhere else there is nothing to stop it being adapted to an Australian situation. It would be worth doing one, maybe two, to see how it goes. One does not really prove anything. You have to have a repetitive situation to see whether it has legs.

**Senator BARNETT**—Thank you for the presentation and the opportunity to learn more. I am one of the many senators who are supportive of the ACCs. Mr Vukelic, you said earlier that many politicians do not know about the ACCs. I want to follow through on this theme of awareness and understanding of the ACCs and their role because I think they have an important role to play. How do we improve that?

For example, we have just been to the Kimberley and the Pilbara. The Pilbara Area Consultative Committee has a little flyer that talks about the Regional Partnerships program, sample assessment criteria and other bits and pieces about the ACCs and the Regional Partnerships program. They distribute this to different parts of their area. Then they have other ones promoting the Pilbara. I have your presentation pack, but what do you do to promote education and awareness of your ACC in your area?

**Mr Vukelic**—The newsletter you have there, every quarter we send 700 to every local government authority and everything, and our mailing list is increasing by about 50 per month. We run a GrantSmart Expo where we invite everybody. We had 200 people down in Busselton where we explained the program because one of the problems is the Canberra talk—people do not understand it. David was down there to open it. There was also one run up in Gingin by another ACC. We have run two of those in the last 18 months to get people together, who in turn should be talking to others—because word of mouth is the greatest advertising out and it is a continuing thing. You can send out all the brochures you like but word of mouth is better, we say. Like some of these people here today say they heard about it somewhere. That is an important distinction.

**Senator BARNETT**—That's right. We often ask the question, 'How to did you hear about it? How did you find out about it?'

**Mr Vukelic**—I used to be in the car business and every sale you made you asked the customer, 'Why did you come and see us?' Because then you had an idea which 50 per cent of the advertising you were wasting.

**Senator BARNETT**—Exactly, and we will perhaps need to consider in our recommendations how best to educate and raise awareness in the community about the program and how to access it. I am just trying to learn from you.

**Mr Vukelic**—I wrote a letter recently to Peter Shergold on the DIMIA situation and one of the things I mentioned—and it is a continuing problem also for DOTARS—is the lack of knowledge within government departments of what we do: a lack of cooperation within government departments and the lack of knowledge by the politicians themselves. If you do not know what you are funding from within the government, in other words, if you are talking to a constituent and you are not aware of an ACC you would say, ‘Oh, I don’t know. Go to the bank and get the money, or go to a moneylender.’ It is a long, hard battle. We get only \$230,000 to \$250,000 a year so our marketing budget is also rather constrained. One thing that you could recommend is that we get extra funding so we can do our marketing properly.

**Senator BARNETT**—So those seminars you referred to, and your newsletter and these sorts of brochures are all within that marketing budget?

**Mr Vukelic**—Yes, that is all.

**Senator BARNETT**—That is helpful. I think you have about 10 people on your committee?

**Mr Vukelic**—Yes.

**Senator BARNETT**—I have looked at your documents. How often do you meet?

**Mr Vukelic**—Once a month. And we have never not had a quorum. We actually meet 11 times a year. We have never not had a quorum.

**Senator BARNETT**—I assume they are all volunteers, apart from Mr Hodgson.

**Mr Vukelic**—One person claims mileage and not one other person does. And the only time I ever claim anything is when I happen to go east to somewhere. Otherwise, not one of our board members makes claims.

**Senator BARNETT**—I assume they are your eyes and ears out there in your area, the south west?

**Mr Vukelic**—To a large extent, but my main eyes and ears are my staff and, as I said earlier, we do not run a democracy. We have a small executive committee of three and we very much make the decisions. To a large extent we have made the decision sometimes before it goes to the board for endorsement.

**Senator BARNETT**—I think you mentioned earlier that you were above the national average for ACCs. Are there any key performance indicators where you believe you are above?

**Mr Vukelic**—Only from what we know, and from confidential information which I am not prepared to talk about now on the record—

**Senator BARNETT**—That is fine. In your submission today, you talked about the 29 successful projects, the \$3 million in Regional Partnerships funding, or thereabouts, and the \$10 million in total projects—three to one, which is obviously pretty good. Did you do any assessment of the jobs created?

**Mr Hodgson**—Not all projects have direct jobs. Some of this is more about community capacity building than about straight employment outcomes. Where we do have direct jobs, we can quantify that by the amount of Regional Partnerships funding. Typically, it has been less than \$20,000 per job.

**Senator BARNETT**—I notice two of your case studies here. We have one at \$14,390 and another one at about \$18,000 per job. That is pretty good.

**Mr Hodgson**—We do not let anybody else go through with higher than those kinds of figures.

**Mr Vukelic**—Also, some things we fund far exceed employment eventually. That is a theoretical one. Averaging out, we would exceed what has been targeted there.

**Senator BARNETT**—You regularly exceed the target.

**Mr Vukelic**—In the end, yes. It may not be within the 12-month period. We have instituted a program now where we will keep a diary of projects we have funded over the last two or three years. Not every project we have funded has been successful. There is an odd project here and there that probably should not have been funded, but we would have probably 80 per cent of projects that we should have funded, and have funded. I cannot complain about an 80 per cent success rate.

**Senator BARNETT**—This is my final area of questioning: as a person with a business background, I am very interested in those private operators, who you mentioned earlier, where you have provided some funding and talked to the department about getting some repayment in due course. Can you expand on that?

**Mr Vukelic**—Why should the taxpayer fund something where the recipient makes a profit and does not repay that money to the taxpayer? First, there was a lot of funding under Dairy RAP. I brought it up; you should see the bureaucrats run for cover. A lot of ACC chairs also did not like the idea.

**Senator BARNETT**—You can understand there are ups and downs to a program like that, or to that concept.

**Mr Vukelic**—But even under Regional Partnerships I still believe the same philosophy applies.

**Senator BARNETT**—Okay, but let us flesh it out for a moment. Would you want to see it as being the repayment of a loan or as royalties of X per cent of the grant paid back over a five-year period?

**Mr Vukelic**—I would see a situation where, if they submitted, they would be obligated for two or three years to submit a balance sheet—a tax return. If their profitability was at a certain level, they would repay a certain amount of money—maybe not any interest at all, just a repayment. Even if the cost of repaying it was cost neutral, the situation is to do with the morality of being given money. It is like lending your kids money: once you lend it to them, you often do not get it back; but if you guarantee a bank loan, it does get paid back.



**Senator BARNETT**—I am quite taken with the concept; that is why I am asking you the questions. Would a devil's advocate say that it is too difficult to make the assessment, that there is too much of a paper trail to do the reviews and check the balance sheets and profit and loss over the following three years or whatever? There must be other arguments against that. Another argument is that it is in the community interest—or the public interest—because all these jobs have been created, so it is a net gain, and if somebody is making a bit of money on the way through, who cares. Is that what they say?

**Mr Vukelic**—I know of projects we have funded that will make very good profits out of it. It is just a simple fact. We funded Harvey Fresh. They are very astute people. They eventually would have done it themselves but us funding it brought forward the employment of people in the Harvey region by 12 months. Those people would be in a position to repay. The seed potato guy—Mr Fox—down at Manjimup is also a classic example. He will do very well out of it. We bring forward projects for employment and economic development.

**Senator BARNETT**—In terms of the seed potatoes, and as a Tasmanian senator, I would be concerned if the Indonesians are now growing those potatoes and selling them back to McDonald's here in Australia. I am hoping that is not the case.

**Senator STEPHENS**—I was just thinking about that information you gave us about your funding levels. Did I hear you say that you have not had an increase in your funding for the last six years? Is that what you said?

**Mr Hodgson**—It has gone up and down. We had a special allocation for a couple of years. We had some funding to upgrade our IT. We had funding in one year under DEWRSB to run a conference. But essentially our operational dollars are in the ballpark of what they were in 2000-01.

**Senator STEPHENS**—Have you had CPI increases?

**Mr Hodgson**—It does not work like that.

**Senator BARNETT**—Is that a yes or a no?

**Mr Hodgson**—We have had nothing that is directly related to CPI increases. We operate within the funding that is available.

**Senator STEPHENS**—I appreciate that, but we had a discussion in Port Hedland the other day where the fellow from the ACC was telling us he is now paying \$1.82 for diesel. That certainly was not in the budget.

**Mr Vukelic**—I can see the problems that the department has got because there are some ACCs who do not spend their annual budget. They do not have a lot of Regional Partnerships applications either. That is one of the difficult ones. I must also say that the department has never let us get into trouble. If we have needed something for, as Graham touched on, a special project and it is over and above our budget, we have never been knocked back, to put it that way.

**Senator STEPHENS**—So your budget this year reflected no general increase in this contract?

**Mr Hodgson**—No increase.

**ACTING CHAIR**—Thank you, gentlemen, for your time today and for your assistance to the committee for our investigation into your South West projects. It has been a most successful day.

**Mr Vukelic**—Thank you. It has been a pleasure and a challenge for us. I could not have wished for better people to give this presentation to you from Harvey—from EG Green to Geraldine Webster, and every one of them. We could not have scripted it better.

**ACTING CHAIR**—Thank you again. Thank you to the people from Hansard for the work they have done and to the secretariat staff for supervising the committee hearing in Bunbury today.

**Committee adjourned at 5.34 pm**