



NATURAL RESOURCES COMMITTEE

NATURAL RESOURCES MANAGEMENT LEVIES

Balcony Room, Parliament House, Adelaide

Friday, 17 February 2017 at 10:15am

**(OFFICIAL HANSARD REPORT)
PARLIAMENT OF SOUTH AUSTRALIA**

WITNESSES

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MEMBERS:

Hon. S.W. Key MP (Presiding Member)
Hon. R.L. Brokenshire MLC
Hon. J.S.L. Dawkins MLC
Hon. P. Caica MP
Mr J.P. Gee MP
Mr P.A. Treloar MP

WITNESSES:

CLARK, JONATHAN, Regional Director, Natural Resources Eyre Peninsula (DEWNR)

LAUBE, DIANA, Presiding Member, Eyre Peninsula Natural Resources Management Board

760 The PRESIDING MEMBER: Thank you for your attendance here today. As you know, the committee is a standing committee of the Parliament of South Australia. Its powers and functions are set out in the Parliamentary Committees Act 1991. Sections 28 and 31 of the Parliamentary Committees Act set out the privileges, immunities and powers of this committee and the protection afforded to witnesses. Section 26 of the Parliamentary Committees Act provides that members of the public may be present during the examination of witnesses. A request to make a statement in private will be considered by the committee and if agreed to, members of the public will leave the room for the duration of that statement.

The audio of today's public proceedings will be streamed electronically within the parliamentary precinct. That red light that is on in front of our Hansard staff indicates that that is happening. The transcript of these proceedings will be available to the public once you have had an opportunity to ensure that it is factually correct.

Today's hearing is in relation to natural resource levies, first of all with the Eyre Peninsula NRM Board, then the Northern and Yorke NRM Board and then the Kangaroo Island NRM Board. I am introducing all of those now so that we don't have to repeat this each time we have witnesses. What I would ask you from the Eyre Peninsula NRM Board to do is introduce yourselves and then proceed with your presentation. I think first of all we probably need to accept the information that we have received already, and also what looks like an overhead presentation that you are making.

Moved by Mr Treloar.

Seconded by Mr Gee.

Carried.

Ms LAUBE: Thank you, Madam Chair. I am Diana Laube and I am the Presiding Member of the Eyre Peninsula Natural Resources Management Board.

Mr CLARK: I am Jonathan Clark, Regional Director, Natural Resources Eyre Peninsula.

Ms LAUBE: I would like to thank the committee once again. It is a good opportunity for us to come and speak to you every year, and it is certainly something that we find of value. What we are here to talk about this morning is two things: our draft regional NRM plan and, as part of that too, the business plan. Specifically, we will talk about money as part of that.

The first slide we have here today is 'why a regional NRM plan?' Yes, it is a statutory requirement under the NRM Act, and our old 2009 plan was getting a bit long in the tooth, I guess one might say. But that wasn't really the fundamental principle, I think, that the board considered before undertaking this process.

The board's view is that we want a new plan to be owned and valued by the community, one that recognises the interconnection between what we all value most: the lifestyles,

livelihoods and landscapes that underpin our regional sustainability. For that reason, the development of the NRM plan has been a three-year process, and the first two years I would describe the plan as being in the hands of our community. We went out and listened to our community, and there are some statistics on the overhead behind me.

That outlines the number of one-on-one meetings and interviews, and public meetings. We had numerous public meetings that were, in the main, well attended and gave us a lot of good insights in terms of the things that people valued, both at a personal level and at a regional level. Last year we actually showed the committee one of the YouTube videos that came of that. Some of you may remember, it was called *Love EP*. That is part of the whole process. We are just getting our community to talk about the things that they value.

We got some very clear messages as part of that process which, really, we have been able to flow right through the NRM plan. We created a plan built on what people value and we think we've got clear line of sight, which was another thing that we were really clear that we wanted. The strategic priorities flow through the vision and the goals. We are really happy that what we have is a document that does what we set out to do, but, more importantly, at the end of the presentation I will talk about what we have learned from our consultation over the last month or so and some refinements that I think we can put in place to make it an even better plan.

The next page—and I am not going to go through this—we identified eight strategic priorities, and they are listed there. We also had another short video that we brought with us, but that's not working today. What that really does is it works through this process. The vision and the goal has remained unchanged from the last plan. As a board, we considered that very carefully and thought, no, they are still applicable. So, it was just the eight priorities. I will briefly talk about those eight priorities in the last slide and the refinement that we think we will make to those.

I am very cautious about using the term 'divided' because we didn't go and draw lines around the community etc., but we have considered the region as five different subregions. The reason that we have done that is that we have found it an expedient way to group interests, cultural identities, land use, and all sorts of things like that, into five distinct areas. We talk about the Spencer region, which is fairly urban. It's around the Whyalla township, and obviously that's very particular and everyone is well aware of the major issues facing that community at the moment.

We then have a central region, which is mostly a cereal growing region and that is the predominant economic driver of that region. Not only that, we have southern region, which is quite different and varied. It obviously has Port Lincoln in it, so fishing is a large part of it, but also, once again, farming is a large part of it as well. Over on our west coast, we have the Musgrave region, and that has its own particular unique characteristics, and then the far west.

When you look at our NRM plan, you will see in the appendices we have descriptions of each of those regions and that is where we have tried to map the systems, etc. We have stressed that there are no hard and fast rules. The lines that we have drawn on them are very flexible, and that is how we will treat them.

The next thing is the one that I think you are probably most interested in today, and that is the approved levy. The board is making no changes to what was approved last year. Last year was our landmark year, and this committee is well aware that we did something very brave and very controversial—and you are certainly aware of the background to it—where we asked for another \$0.5 million from our community.

We initially proposed that the bulk of the individual amount of that would come from our Primary producers. The reason for that was because we can identify a large percentage, and I think it was something like 50 per cent to 51 per cent of the benefits from our programs that are principally in the rural areas. We had the least paid by each of the individual landholders in our settlements. Part of that was driven because we knew that Whyalla, obviously, was really hurting. However, when we received feedback from that, we flattened out the structure considerably, so the figures that you have up there are what we had approved for last year.

As part of that, we also had approved a 3 per cent increase for this year. That figure is obviously greater than the CPI has turned out to be, but that's what has been approved and so that remains what we are asking for in the coming financial year. There has been no change to what was mooted last year, effectively, and what was approved.

761 The Hon. P. CAICA: So, what we are being presented with today is exactly what we were presented with last year.

Ms LAUBE: No, it wasn't what you were presented with last year. There were some changes made in the final approval and what was given back to us after the ministerial and NRC process.

762 The Hon. P. CAICA: So, what is being proposed today is consistent with what you asked for.

Ms LAUBE: Yes, that's correct.

763 The Hon. P. CAICA: Right.

Ms LAUBE: We were aware of that last year and very happy with those numbers.

764 The Hon. P. CAICA: Does the same apply for the out years as well?

Ms LAUBE: Yes, it does. What was flowed last year after the consultation process had finished is what we are going with. The other thing I would add is that I have had no phone calls at home and we are not hearing any great angst about it. We have had meetings with 10 of our 11 councils—we couldn't lock one in at Ceduna, so we will do that later—and we were not made aware of any great issues in regard to the levy.

I think Kimba and maybe one other council did express that it may be a concern but when we asked, 'Are you hearing a lot of angst? Is it being formalised?' the answer was no. I guess we really won't know until the rates notices hit the community. We were initially proposing for our primary producers a figure of about \$220 or \$230. We have obviously come back considerably from that and we are now looking at, I think, \$147.26—the numbers are behind me.

The next slide is the most important one we have there. We were well aware of the issues, especially for Whyalla and for some of our community. As a board, we had at that stage \$2.3 million in retained earnings. A lot of that had been accumulated in the year of integration when two workforces were virtually stood down, if you like, and then there was a lengthy process of slotting people back into places, so for that year there was considerable underspending.

What happened next was that we made some slight accumulations. Generally, we had positions that were unfilled for an amount of time, and so we were left with \$2.3 million in retained earnings. We need about \$1.2 million of that for our cash flow—there's nothing new about that—so we have been through a process recently with Treasury to try to access \$1 million of that savings.

There are projects that it will go into to assist a number of projects in Whyalla, and the first one is the expansion of nature tourism on the northern beaches. That is one where we would be looking to work very carefully with Whyalla council on the master planning process that they are going through. This involves the Point Lowly area, so it involves the cuttlefish and the shingle beach dunes there. Our minister looked at it when the cabinet was in Whyalla quite recently, and I think he was quite impressed. There is a rather interesting story attached to them. There is an interest in developing some tourism in that area, and the environmental factors will definitely be a leading part of that. What we would like to do is to take funding and work very well with Whyalla council on that, and we see that as one of the main projects.

765 The PRESIDING MEMBER: How are the cuttlefish going?

Ms LAUBE: They're back, and I believe one of the great mysteries is that we don't know where they went. It's reassuring to find out that we don't know everything, isn't it? Water security for sustainable development is another priority that we have. Jonno, I would ask you to perhaps talk a bit more about that one.

Mr CLARK: This project is really around looking to safeguard industry and potential industry investment on Eyre Peninsula. Something we have discovered is that there is a little bit of a gap in our management. At the moment, we have very high levels of management around small prescribed areas, and outside of those prescribed areas there is limited management. This project is really to look at the existing NRM Act and perhaps what they are doing elsewhere in Australia, even internationally, to see if there is some simple way that we can manage water outside of the current prescribed areas without going through that lengthy water allocation planning process.

One of the outcomes of this project would be to look at providing management over water resources that aren't yet exploited. We predict—whether it's in two, three, four, five or 10 years' time—mining companies or intensive agricultural enterprises will start to look at using some of these water resources, so it's pre-emptive management. The other outcome of that would be to actually provide some certainty to industry—what they are going to face if they are going to come in and look at using those water resources. That's the water project.

766 Mr TRELOAR: Jonno, it's difficult to manage anything really if you don't know exactly what you have. Does the board have any concept of the extent of the resource or are there any plans to do some sort of audit in relation to farm dams or potential new lenses or that sort of thing?

Mr CLARK: Thanks, Peter. Over the previous 10 years, the board have undertaken a number of studies. They have done a farm dam audit. They have funded a non-prescribed water resources assessment—a process of actually looking at what other water resources there are out there—so we have a reasonable handle on the other water resources in the region. Another outcome of this process is, for instance, if a major industry or a mining company comes in to look at potential developments, they collect a whole heap of information themselves, so this process would look at how we capture that information and make better use of it.

Ms LAUBE: The next project we have listed down is to do with sustainable tourism. Koalas are one that we really want have a look at. Six koalas were taken to Mikkira Station, south of Port Lincoln, in the sixties sometime. That number has expanded significantly and they are popping up in all sorts of places, so we really want to get a handle on what the numbers might be like and where they are, so there will be a bit of an effort in that area as well.

767 Mr TRELOAR: Diana, I saw one at Edillilie the other day.

Ms LAUBE: I'm not surprised, Madam Chair, to hear that. They are popping up. They are certainly moving north.

768 Mr TRELOAR: It was just for interest.

769 The Hon. P. CAICA: Are you noticing any damage that has been caused?

Ms LAUBE: The concern is the blue gums and what sort of damage is being done there as the numbers grow. That is one of our concerns.

The next one is one that we think is of enormous benefit for all coastal regions. Some of you may be aware of the CoastAdapt tool that is available on websites. It's a great tool for doing sea level rise modelling, etc. We think it would be of enormous use for councils as part of their development process, etc., in looking at coastal development, but the constraint at the moment is that the data that would sit behind that is not available for any of our Eyre Peninsula areas. We would be looking at investing about \$250,000 (and for the whole project around \$400,000 or \$450,000), so we would be looking for partnerships again for that and to try to get that data for our regions, which we think is pretty important and has been well supported by our coastal councils on our whip around. Another coastal access project that has been on the go for a while that we want to keep moving ahead is to do with vehicle access (off-road vehicles), which obviously put a pressure on our coastal areas.

The last project we have down there is running an Aboriginal rangers program. We have a strong focus on Aboriginal work teams. They have been heavily involved. We have had a very good team involved with the Wild Eyre project. They have come down from Ceduna and worked along that western coast. It has been really successful. We have had a rangers program operating through Port Lincoln. We have used Aboriginal rangers of various sorts on projects around Lincoln, and what we would like to do is to formalise that into a further process, so hopefully we get funding.

It is a bit remiss of me but I didn't bring with me the individual dollars for each of these. All up, it is about \$1 million, and the projects vary in investment between something like \$50,000 to \$250,000 over two years for most of them. That is entirely dependent on Treasury, but we are hoping to access those, and obviously what we have built the program around is looking to provide some jobs and some economic impetus to our region. So, that has been our priority.

Moving on quickly to some of our achievements, one of the things as a board that we are really keen to try to address is the criticism that NRM boards get that we do not report on

outcomes. I have some sympathy with that as a criticism, and I guess the culture has probably been historically focused on more outputs—for example, we have had X number of meetings, etc. However, what are the outcomes on the ground? We have tried to look at ways that we can address that, and where possible we will look at a dollar value at the end.

We have some examples that we have brought with us today on what kinds of things we're looking at. First of all, we have had a long-running fox-baiting program. There is a bounceback of things like goannas in the southern part of the region and echidnas as far north as Buckleboo, and we think that bounceback has something to do with extensive public-private lands fox baiting over a number of years. What our Manager of Strategy, Knowledge and Engagement, Susan Stovell, did is specifically asked some farmers about the advantage to them of the fox-baiting program.

Some of the outcomes that she identified in that survey were 93 per cent of farmers attribute fox baiting to improved livestock production, and 75 per cent value the increased production at between \$1,000 and \$5,000 per annum. That is something at the landholder level that is not insignificant. We have deduced from that that the average annual benefit landholders get from fox baiting ranges from between \$2,129 to \$3,225 per landholder per annum. So, we got resounding positive feedback on that, and that is really the first time we have tried to quantify what kind of benefit that longstanding program is giving.

I went to two of the Water Use on Farms Workshops. I think we ran five of these over two or three years. I went to one at Cummins and one at Cleve. Both were really well attended, and they were great days. The interesting thing is that the final thing landholders did in those workshops—and there were probably about 180 to 200 people who went to them, all up—was they were given an overlay map of their farm. They had all the resources in the room, including human resources, to plan out their water system for their entire farm.

For some farmers that map may have then sat in their office until they were ready to move. In one case, I know a farmer had a fire; a lot of his infrastructure was destroyed. He went straight back to the office, pulled the map out, and then it was all quantified and ready to go. So, the value may be a long time in being realised at the farm level. One of the other things was leak detection units. We know that over 130 leak detection devices were installed on farms after that. Farmers are saving 20 per cent to 50 per cent on water bills, and that is significant for Eyre Peninsula farmers. There have been substantial savings in landholder time and effort in monitoring and maintaining water systems. This is something they can monitor remotely. They could be at Lucky Bay over Christmas while still monitoring the leaks on their farm.

The other project that we have going at the moment—and we are about to have the next meeting, according to my diary, over the next couple of weeks—is the Coffin Bay Research Forum. What we did with that was coordinate an enormous amount of research by disparate bodies over the last few years which has sat in silos. So, along with the community, we are now pulling together that research, working forward to prioritise action and do what is the obvious thing, which doesn't happen very often, which is talking to each other and sharing those resources.

Formal consultation closed on 7 February. We received seventeen responses and the consultation report is currently being prepared. Some minor changes are likely to be made as a result of the feedback. The changes we are considering are first of all reducing the number of strategic priorities by combining some together. In regard to those eight, we've suddenly started to have discussions, especially in the car driving around the regions, saying, 'Right, I think we've been a bit unwieldy in going with eight. We can pull that back.' That's been the suggestion we've had at a couple of different sites that have said, 'Eight's too many.'

We were looking at the start of that process. We think we can improve the linkages between goals and strategies. We've got more insight in regard to key activities to be undertaken under each program area. We've been asked by local government to put more detail about that especially into our business plan, and we think we can fairly easily do that. Inclusion of the valuation metrics for each program area, we found as important and improved emphasis on conservation outcomes and climate change, recognition of changes to the Aboriginal Heritage Act and some minor wordsmithing, etc., referencing, which we've been alerted to by some of our partners, which I think will make it a more valuable document. Jono, is there anything else finally that you want to add to that?

Mr CLARK: If I can, I will just go back to our strategic priorities and I might make just a couple of points. Diana already talked about the thorough engagement process. I just want to emphasise that that was a fairly significant process carried out over a couple of years. This strategic plan was truly developed from the ground up. We had staff and board members undertaking one-on-one interviews with community members. We've got the figures there. Some of those interviews lasted several hours. We had two rounds of community workshops in several locations where we started open slather with, 'What are your issues?' In subsequent meetings, we brought those issues back and workshopped them with the community. We undertook delegations to most, if not all, of the relevant councils, so it was a very significant exercise.

Narrowing that feedback from the community down to strategic priorities was a significant exercise for the board, as well—a real challenge. To land at eight, which we still considered to be slightly too many, was actually really difficult. We could have had 20 if we wanted to. The board very much expanded their scope this time round. The current strategic plan was obviously developed when the boards first formed. They've got a broader view, I suppose, of the sorts of issues they've captured in their plan this time round, and a number of the strategic priorities you'll see have a distinct economic or social flavour to them. That was one point.

Just to emphasise, following up from the Hon. Paul Caica's question on the reason we are developing a new business plan this year—because we had a three-year business plan signed off on last year—the only reason we're going through the process again was to realign our business plan with the new strategic plan, and secondly was to include those projects to access the retained earnings. A lot of what the community told us through our engagement process sits a little bit outside of what will be our day-to-day business, and we believe we've captured those in those retained earnings projects. That is probably all I had to add.

770 The Hon. J.S.L. DAWKINS: Thank you for your presentation, as always. In your document under 'Achievements', there is a dot point about the survey on various weeds. One that sticks out to me is buffel grass. This committee has seen the impacts of that in the very far north of the state, but I've also been concerned recently to see, or hear of, evidence of buffel grass very close to Adelaide, in the peri-urban area to the north of here. To what extent is buffel grass a problem on Eyre Peninsula?

Mr CLARK: I can answer that question, if you like. It's not a significant problem yet. It's a big priority for the board to keep it out of the region as much as we can. We obviously have railway line and road transport routes coming into the region. There is a buffel grass statewide strategy, and our board also have a buffel grass management plan. It is definitely one of the board's priorities, and all our staff and board members are very aware of it. We have a concerted effort to manage it when we find it and do what we can to keep it out of the region.

771 The Hon. P. CAICA: To add a bit of focus on the figures here, how are the discussions going with Treasury, on freeing up those funds?

Ms LAUBE: We were hoping to hear yesterday. We haven't heard anything yet, and really we have no feeling which way it would go.

772 The Hon. P. CAICA: I notice that your papers incorporate within the proposal the use of the retained earnings. I have a couple of questions. First, I congratulate you on your work. I think you are terrific on our NRM board, and I support what you have put forward here today. With the water charges, of the \$284,000 that has been proposed with retained earnings under the heading of water, what costs have been incurred for the provision of services by DEWNR?

Mr CLARK: The \$284,000 costs?

773 The Hon. P. CAICA: Yes, are your charges incorporated into that?

Mr CLARK: Is that the water levy?

774 The Hon. P. CAICA: No, you have your water levy and I see that that is \$405,000 in the estimated budget for the future. I am looking at the expenditure, which is around \$284,000 for earnings. What component of that might be charges for services provided through DEWNR?

Mr CLARK: What proportion? I would have to double-check, but I believe the water planning management charge is around \$80,000.

775 The Hon. P. CAICA: Okay. If you could provide that, I would be interested in seeing that. The other thing I want to ask is about private conservation being done by farmers and how that is integrating with what you are doing. What about expenditure through the fund that looks at the offsets for land clearance? How much from that fund is being spent on Eyre Peninsula, and also what is the relationship between private farmers, conservation measures and the involvement of the NRM board in the delivery of those initiatives?

Mr CLARK: Certainly, I can answer that. The board, primarily through its Australian government funding, essentially funds private conservation. Fencing of vegetated areas or revegetated areas—

776 The Hon. P. CAICA: That is through Landcare.

Mr CLARK: That's through the National Landcare Programme. The board has one project in place with a landholder on Western Eyre Peninsula, which involves a significant environmental benefit offset through the Native Vegetation Council. That's one project presently, however, we are having active discussions with the native veg management unit around other offset proposals. So, if any significant developments are undertaken on Eyre Peninsula, we are really keen to partner with that industry and with our landholders to try to ensure that that offset is recognised locally.

Ms LAUBE: It's probably also worth adding that we have signed an MOU with Iron Road in regard to their significant mining proposal at Warrambo in regard to SEB. We have put a proposal to them about how we could be involved in that process. Obviously, that mine is unclear, like all others at the moment, but that's the kind of stance that we are taking to be proactive with that sector as well and to look at the SEB offsets opportunity there.

777 The Hon. R.L. BROKENSHIRE: I have two questions in my last question. The first question is: with respect to the water leaking devices (which I heard are pretty good, when I was over there at the field days last year), is the NRM contributing financially to help the farmers purchase those?

Ms LAUBE: No, we provide the focus day, and in the room on that day there are a lot of different resources they can access, but it is then the farmer who decides what they want to do. There was a range of interests, too, on the day: some were interested in the sheeted catchment, others were interested in desal. That's a business decision.

778 The Hon. R.L. BROKENSHIRE: My final question is that when you look at the proposed income, 2016-17 was clearly adopted, with \$192,000 from the state government. However, in 2017-18, 2018-19, it was \$41,000. So that is your cut or forced contribution to DEWNR. For all intents and purposes, your CPI is only going to pick up what you are losing back to DEWNR? Is that correct?

Ms LAUBE: The bigger, more immediate pressures that we probably have I guess you could say are in staffing. So, yes, that's DEWNR staffing that we use; we have cost pressures there, and really we can identify a number around staffing, which is normal operation.

779 The Hon. R.L. BROKENSHIRE: Supplementary to that, what is at risk as a result of this money that clearly the state government is not providing to you, like over \$100,000? Is it staff numbers or programs?

Ms LAUBE: It is staff numbers and programs both, but the bigger risk that we have at the moment is the national Landcare if there isn't another round similar to the current one. That's our bigger risk because that is a significant loss of income and that would be a significant downsizing of our programs.

780 The Hon. P. CAICA: Is Landcare guaranteed until 2018-19?

Ms LAUBE: I think this is the last year coming up, 2017-18.

Mr CLARK: It concludes in June 2018.

781 The Hon. R.L. BROKENSHIRE: It shows 2018-19 on this chart.

Mr CLARK: Sorry, in the business plan I guess we have projected that we predict there will be another National Landcare Program, but that is not guaranteed.

782 The Hon. P. CAICA: It is meant to have finished—

Mr CLARK: Yes, the current contract.

Ms LAUBE: Yes, 2018. In regard to that, because it is such a critical component and I guess far more finite to us in terms of its potential than the state government funding is, we have obviously been very active as part of the investment strategy and trying to get the word into Canberra on that.

783 The PRESIDING MEMBER: Thank you very much for your presentation. Also, please pass on our thanks to both the committee members and the staff. We really appreciate what you do.

Ms LAUBE: Thank you very much for your time, Madam Chair, and to the committee.

THE WITNESSES WITHDREW

