LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY
Sessional Committee on Environment and Sustainable Development

Committee Members:

Mr Peter Chandler, MLA	Member for Brennan
Ms Marion Scrymgour, MLA	Member for Arafura (Chair)
Mr Peter Styles, MLA	Member for Sanderson
Ms Lynne Walker, MLA	Member for Nhulunbuy
Mr Gerry Wood, MLA	Member for Nelson

Apology:

Mr Michael Gunner, MLA	Member for Fannie Bay

PUBLIC HEARING, FRIDAY 27 NOVEMBER 2009

Centrefarm Aboriginal Horticulture Ltd

Withesses:

Mr Vincent Lange	Project Developer
Mr Graham Ride	Project Manager, Development

Madam CHAIR: I declare open this public meeting of the Sessional Committee on Environment and Sustainable Development. Our inquiry arises from a reference to the committee by the Honourable Alison Anderson MLA, former Minister for Natural Resources, Environment and Heritage.

I welcome representatives from Centrefarm; Mr Vin Lange and Mr Graham Ride and thank you for appearing before us today. Although the committee does not require you to give evidence under oath, these hearings are formal proceedings of parliament and consequently they warrant the same respect as proceedings of the House itself. I remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Whilst this meeting is public, witnesses have the right to request to be heard in private session. If you wish to be heard *in camera*, please advise the committee prior to you commencing your answer.

Todays' proceedings are being recorded and to ensure the accurate transcription of recording, I ask that witnesses and members identify themselves prior to speaking. In the first instance, I invite representatives of Centrefarm to state their full names and positions before commencing their evidence. Following this hearing, a transcript of your evidence will be uploaded to the committee's website, but not before you have proofed it and had a look.

Before I hand over to both Graham and Vin, you have met Mr Peter Chandler who is the Member for Brennan, Mr Peter Styles, the Member for Sanderson, Ms Lynne Walker, the Member for Nhulunbuy, and Mr Gerry Wood who is the Independent Member for Nelson. Now I hand over to either Graham or Vin to lead us off.

Mr LANGE: My name is Vincent Lange. I am the Project Developer at Centrefarm Aboriginal Horticulture Ltd.

Mr RIDE: I am Graham Ride, I am the Project Manager Development for Centrefarm Aboriginal Horticulture Ltd. and the Senior Consultant for its consulting arm Centerprise Resource Group and I also have had a very long background in the Northern Territory, commencing in the Territory in 1958 and commencing work in the Commonwealth Government in 1963 as a young engineer.

Madam CHAIR: Thank you. Would you like to proceed with your presentation?

Mr LANGE: I will just start with giving the committee a brief background on Centrefarm Aboriginal Horticulture Ltd. Centrefarm is a not-for-profit Aboriginal company limited by guarantee. Centrefarm has members, not shareholders. Those members are the Aboriginal traditional owners that it works for.

Centrefarm was established by the Central Land Council to engender economic development on Aboriginal land, Aboriginal land trust properties, other properties and areas owned or part-owned by Aboriginal interests. A classic example of that is the Pine Hill 'B' property that has just come out of an ILUA and Crown Land where native title has not been extinguished and negotiations had to be finalised.

Centrefarm's footprint was initially the same as the area within the Northern Territory covered by the CLC. The Northern Land Council has requested that Centrefarm expand its operation to cover the NLC footprint. This will happen subject to funding at which point Centrefarm will establish an office, most likely next year, 2010. Next year in 2010, Centrefarm will commence discussions with the Top End traditional owners who want a Centrefarm style model to develop their lands for economic development and wealth creation.

Centrefarm's initial focus was on developing commercial horticulture on Aboriginal land; this followed extensive consultation by Central Land Council and Centrefarm with traditional owners and the Aboriginal residents of Aboriginal towns and outstations. As a result, traditional owners have requested some 33 locations in Central Australia that have been identified for Centrefarm to develop for horticulture. Developing large farms on Aboriginal and non-Aboriginal land is very complex; the process requires wide-ranging negotiations with many people and organisations and compliance with Northern Territory and federal laws. The regulatory approval process is also daunting and time consuming. Centrefarm now has a template to facilitate the process on Aboriginal land.

It is currently taking about 10 years to excise horticultural areas from pastoral leases and freehold the land to enable horticulture or other farm styles to be developed. It is an expensive process. Centrefarm believes that this period can be significantly reduced.

Centrefarm is working towards building up a land bank of commercial farming areas. Currently, it expects to develop at least two new large farms each year. However, it expects to be able to ramp up this rate in due course. With the land development of the first commercial farm on the Warrabri Aboriginal Land Trust, other traditional owners from within Central Australia are requesting Centrefarm to develop commercial farms on their land.

Many traditional owners and Aboriginal residents of various communities in Central Australia have also requested that Centrefarm establish community farms adjacent to their communities to provide fresh fruit and veg and produce to their community stores and provide work opportunities for young people in their communities.

Centrefarm, late last year, held a workshop with organisations previously involved or with an interest in community farms. From that workshop, *Growing to Grow* was formulated. We call it G2G as a concept and it is now being developed in detail with funding from ABA.

Centrefarm is currently constructing a training facility at Ali Curung; which is about 400km north of Alice Springs and at Adelaide Bore, 65km west of Ti Tree and 200km north of Alice Springs.

Centrefarm is currently constructing community farms at Ali Curung and Pmara Jutunta, Six Mile, just south of Ti Tree. Both these farms will commence operation during 2010. Those community farms will ultimately fit in to the G2G model, the *Growing to Grow* model.

Just while I am talking about this, I just want to make a couple of statements around all of this. The Northern Territory and Commonwealth Governments, the *Closing the Gap* policy says that:

> Indigenous employment levels must be at 50% of non-Indigenous employment levels within a decade.

How are we going to do that? The best chance in remote Central Australia is via the Centrefarm model and you will see in your handout, there is a corporate structure as to how that model works. The Centrefarm model always employs best environmental practice, which is relevant to this committee today, and works closely with traditional owners and Central Land Council to ensure that sites of significance are preserved and we very aware of those sites of significance. This will happen through horticultural economic development, wealth creation and, of course, the jobs that we talk about.

Centrefarm has broken Central Australia in to three regions: South, Central and North. The southern region is from Santa Teresa down to the South Australian border, which encompasses Finke, Apatula; Central from Deep Well, which is just south of Alice Springs, north to Utopia and Anmatjere; and North, which includes the Western Davenport Plains, north to Karlantjipa and Kalkaringi.

If we use the Western Davenport Plains as an example, an NRETAS report in September has identified 55 gigalitres per annum average run off. With government support, Centrefarm expects horticultural and agroforestry developments to be 2500 ha over the next 15 years. This 2500 ha, to be able to get there, and with federal and Northern Territory government support, there will be enormous amounts of infrastructure required. Power: there will be 10–12 megawatts of power required. 500-plus jobs will be created out of those 2500ha and that is based around 20 full-time equivalent jobs per 100ha of development, and that will create a minimum of $100 million value to the Northern Territory economy and that is based at $40,000 per hectare. Currently, the watermelons are producing somewhere around $70,000 per hectare; so that is quite a prudent number, the $40,000.

Graham, would you like to take over?

Mr RIDE: Yes. What I would like to talk about is the thrust of the work we are actually carrying out across Central Australia. We have provided a handout, which has got some notes which we are reading from today, and it also includes some photographs but with the photographs at the back, they have got a range of comments which are quite pertinent, a number of them quite pertinent to the matters being considered by this committee.

I need to just briefly cover a bit more of my background. Up to one year ago, I was the Regional Manager for the Land and Water Assessment division of NRETAS and previously I have been the Chief Planner for the Parks Service for some nine years responsible for all park planning, all resource assessments, park development, park interpretation and other matters. I also was the Project Manager for the construction of the Yulara Resort, the Ayers Rock Resort, and I ran the resort on completion for 18 months. I have also been a ground-water and surface water engineer and I have worked in the private sector as well as within the different government agencies.

What we have got here is just some notes, some photographs. We have got a Powerpoint which is just some photographs, but if we can flick up the map, please.

One of the issues I would like to emphasise today is that Centrefarm is developing a large number of farms in Central Australia at this point in time. A lot of people have heard about it and, in fact, the NT government, through Primary Industries and the Department of Natural Resources with assistance from some other departments, has been involved with Centrefarm and CLC for the past eight years and they have done a great deal of work, plus there is about 55 years of various resource surveys across Central Australia. By Central Australia, I am covering from Dunmurra to the South Australian border. That was a map that was produced by NRETA for the Coordination Sub-Committee on Horticulture in the southern region. There are detailed schedules that the Coordination Committee developed last year and over years covering each of the potential horticulture development areas where there is water, where there is infrastructure, where there is suitable soil.

So all I am flagging is what we are talking about today is not new; what is new is that we have got the first farms up in operation and we have now got a clear pathway to develop commercial farms across many of the areas identified on that map. There is one error on that map, incidentally. The location [inaudible] is actually not in that location. It is not [inaudible], that's north; it's on the Barkly Tableland. That is just a minor issue.

So, at the moment we are currently developing two commercial farms on Warrabri. They are 12km² in area and one farm will be 200ha. We have got 100ha in operation now. It is 100ha irrigated. It is a major development. They have already sold off 7500 tonnes and we are only in the trial phase. I would expect that the current crop, this is the current summer crop, will also be about 6500 tonnes. In the last week, they have shipped out 650 tonnes of high quality, very heavy, I might add, water melons to southern markets.

So what has planned for these two farms is to grow a range of vegetables. On the second farm, which will commence development next year, which will end up as 300ha irrigated area, the main crop there will be pomegranates. The agribusiness is putting in a juicing factory to sell the pomegranate juice overseas; he has already lined up his markets, even though it is going to take a few years, in America so that development is on its way.

Centrefarm, on behalf of its Aboriginal clients, is putting in the base infrastructure. We are currently putting in $3.64m worth of bore fields, telemetry systems, monitoring systems for monitoring the soils, the water and in power supplies on the two farms. What we have identified is that we have now got, in addition to the two farms we are working on, we are well advanced on two more farms which we expect to have developed next year, and we are in the planning phase on 11 more commercial farms. We are talking about commercial farms and we expect most of the operators will be agribusinesses from down south or the east coast. We have got a major factor in our favour here and that is our climate and availability of water and soil. The climate is excellent for growing a whole range of crops. Cost is a difficult issue because it is more expensive to grow crops in the Northern Territory and certainly in Central Australia: labour, fuel, etcetera. However; our climate advantage means that we can grow out of season crops, high value crops.

So we expect that there will be a wide range of crops grown. A lot of research has been carried out by Primary Industries over the years. There are research farms at Ti Tree and in Alice Springs and we expect the various agribusinesses that we will negotiate with on behalf of the traditional owners that will own the farms will utilise a lot of that knowledge, as well as bringing their own knowledge in to it.

Also, there are some 18 other development areas that we are doing some work on, but that is not a major thrust. As we said earlier, we are working on two farms for next year definitely to try and get out, but we may achieve a much higher rate than two farms a year. We would expect so.

The operation at Warrabri is a highly mechanised operation and it is high value, too, so what we are seeing in the farms, we are talking about at least $10m a year grace on the first farm and then $15m minimum on the second farm once it gets operating.

Incidentally, they will be operating over 10 months of the year on these farms with two shifts. That is what the plan is and they are putting in seedling nurseries, local accommodation. For training, they are hoping to have a significant input from the local Aboriginal residents in the area.

Centrefarm is also evaluating the development of biological tree farms, biofuel crops, carbon sequestration developments and, the hardest thing, growing of native plant species for food and other products. We have commenced trialling Australian hardwood species at Warrabri for their biological tree farms and two potential biofuel crops.

All the developments we are working on are to sustainable agricultural principles using sustainable water supplies. We favour the policies of water allocation policy, having the declaration of Water Control Districts because it protects the interests of the farmers that establish, plus the communities that are in those areas, the community water supples.

Climate change represents some real opportunities in the future. Higher temperatures can extend the growing period of many crops and has the potential to expand out of season high-value crops, plus in Central Australia where we have large significant ground-water resources across Central Australia, it has the potential to create higher recharge from climate change. Now, there are significant, excellent to fair quality ground-water resources below large areas of Aboriginal land within the Northern Territory. Notwithstanding that, we are not talking about Centrefarm farms in the Top End or across Central Australia becoming the food-bowl of Asia. That is just sheer nonsense, but in terms of having major production, yes, we would expect that within 10 to 15 years that the agricultural industry will surpass the pastoral industry and, of course, whilst we are talking about a lot of farms, we are talking about a very small area in comparison to the total area under pastoral operation. Also, very importantly, a very small area in comparison to the total land systems that they are going on, so we are talking about fractions of the land systems across Central Australia, which is important.

Another issue with Central Australia is that there are very large volumes of ground-water in storage and there is a lot of water that is suitable for horticulture in terms of good quality and fair quality of water, and our soils on our sand plains hold the plant up and are suitable for a whole range of crops.

In closing, in our farming operations, we are setting up monitoring on all the major farms. So we are setting up monitoring systems to monitor the leechate, that is the irrigation water that goes through the soil profile so it doesn't pollute the aquifer systems and, of course, the positive side of that is that it allows the farm to maximise its water use so if it is minimising the water it is actually applying to what the plants actually require, then it can grow more crops with the same unit of water.

We are monitoring water levels, we are monitoring water temperature, we are monitoring water quality. On the first two farms, we have got some $20,000 worth of data loggers down the holes now and they are measuring water levels, barometric pressure and other information every 15 minutes. We are getting data and we are building up a database on the actual natural discharge or through-flow through the ground-water systems, the changes in water quality and then as we extract water, the effects of extraction so that, in the long term, what our Aboriginal owners of these properties need, as opposed to necessarily to the farmers, they need to know what the long-term sustainability is of each of their resources so that they can manage the facilities to best practice.

One area of issue we have got that is coming through is the impending requirement for EIS's for clearing more than 200ha. To us, where we are developing on sand plains, there are not the same impacts. If we were developing on flood-outs or on the lowlands associated ranges, it would be a different issue, but in Central Australia; that is from Dunmurra to the South Australian border, it seems an unnecessary imposition and an additional cost. We are already, as is listed in here, doing a whole series of different management plans and action plans, from bore field management to plans on terms of the weed control, bushfire control, native vegetation management plans, etcetera. What we would see as more appropriate is somewhere around about the 500ha.

If you look at farm number one; Warrabri Farm number one, what we are talking about there is 200ha irrigated, but another 200ha cleared ready for irrigation to let the land lie fallow and so allow the biological processes to restore the health to the soils from farming operations. So if we are required to do an EIS, that is another expensive excise. Yes, we will do it if we are required. All I am flagging is that applying right across the Territory rules that perhaps should be applied differently in different areas of the Territory, I think needs to be looked at. Thank you.

Madam CHAIR: Okay, I will open it up to questions from the committee. I just want to stress again to Members when you are asking the question, can you try and remember that Joanne is trying to jot it down and tape the questions so that we can transcribe. I know that certainly Mr Wood is going to go straight to the EIS stuff!

Thank you, Graham and Vin, for your presentation. I will open the forum now to questions from Members - and one at a time, please.

Mr WOOD: It is not a question. I was going to say I will cover the EIS last. I just want to ask about some basic information. The land is owned by Aboriginal people, but a company will come in and put an offer to the community to lease that land, is that correct?

Mr LANGE: Yes, via a corporate structure that allows everybody's interests to be well managed and well serviced. We call it the Centrefarm model and I will use the Warrabri as an example to paint that picture to everybody. Actually, if you refer to your handout; I think that is the easiest way for me to explain it because it is quite complex and it looks difficult, but in practice it's not.

It is really important that - when you look at this structure, you will think: 'Oh God; that looks terribly complex and difficult', but in practice, the day-to-day running of this is really, really simple. Basically it puts a corporate firewall between the ownership of the land and the agricultural operation that is happening and in full committee with everybody. Everybody must agree to the principle of this structure. We call it the front end. For any horticultural development, this structure has to go in to place.

For example, if there is an argument over the traditional ownership of land among the traditional owners, that is a thing for the Central Land Council and their Anthropological unit to work out with the traditional owners as to the ownership. Now, the last thing that anybody wants is for that ownership to interfere with the day-to-day operation of a farm so it is really important that this corporate structure is in place.

Now, in the case of Warrabri, there are two Aboriginal corporations. We know what an Aboriginal corporation is; it is an ORIC company. One is held by the traditional land owners, the other is held by the Ali Curung residents. Those two corporations have one share each in a fully commercialised proprietary limited ASIC company called Ali Curung Horticulture Pty. Ltd. At the same time, the Warrabri Aboriginal Land Trust that you can see there has leased a very small portion of the Warrabri Aboriginal Land Trust to Ali Curung Horticulture Pty. Ltd. Ali Curung Horticulture Pty. Ltd. has a management agreement with Centrefarm Aboriginal Horticulture. So Centrefarm Aboriginal Horticulture manages the interests of that proprietary limited company. That proprietary limited company then, via the management of Centrefarm, subleases that land under section 19 of the *Aboriginal Land Rights (Northern Territory) Act* - it has to be signed off by the federal Minister - to an agricultural operator, to an agribusiness. In this case it is the melon and pomegranate farmer in Ali Curung.

Here in this structure, there are three growers. In reality in Ali Curung, there are two farms with one grower at this point, and there is another parcel of land that has been excised out of the land trust under an identical model to house the training centre. That is another commercial operation. So that parcel of land that is leased to Ali Curung Horticulture Pty. Ltd is mirror imaged sub-let to the agribusiness operator and Centrefarm manage it.

Now, the traditional land owners are remunerated through land rentals. The rental is paid to Ali Curung Horticulture Pty. Ltd. Centrefarm manages that on their behalf and it is basically held in trust. A small portion of it can be used for community development, but the rest is held in trust with the view to, at some point in the future, that money being able to be used to buy out the agribusiness operator when the local community have the relevant skills and capacity to be able to take that farm on. It may be 15 years in to the future; we must have a long view. We must have a long view. That is absolutely critical.

There is an enormous amount of opportunity on the Warrabri Aboriginal Land Trust alone. That is why, when I spoke earlier, I used that Western Davenport Plains area as an example. Warrabri Aboriginal Land Trust is in the heart of that Western Davenport Ranges Water Control district. Does that answer your question?

Mr WOOD: Yes. Just a follow-up question: how long is the lease for Grower One with Ali Curung?

Mr LANGE: Well, there are two parcels of land that PMG have access to, have tenure over. One of them is Farm One and that has a 90-year licence - not a lease; a licence. The other one has a 40-year sub-lease, so there are two different tenures. The reason for that is that philosophically, we'd probably prefer to do licences, but bankers do not respect licences like they do sub-leases and farmers need to have some serious tenure so that they can go to banks to borrow money to put their infrastructure in place.

So in this case we organised two: a 90-year licence and a 40-year sub-lease, which satisfied his bankers. Minister Macklin has to sign-off on that under Section 19 of the *Aboriginal Land Rights (Northern Territory) Act*.

Mr WOOD: Could you explain the difference between a licence and a lease?

Mr LANGE: Okay. A licence is a licence over the land as opposed to a fully executed sub-lease, which has to be lodged with the Land Titles Office. Really, in effect, there is not a great deal of difference in terms of the operation of either; it is just that the banking, the corporate, the financial world have a great deal more respect for a lease than they do a licence. I would have thought, personally, that a licence to operate is as strong as a lease but for some reason - - -

Madam CHAIR: Under the Aboriginal Land Rights Act, and that is what I was mentioning at the Council for Territory Cooperation, when I asked the Central Land Council how many leases or licences have been granted to the shires because people often focus too much on leases and not enough on licences to be able to conduct their activities on Aboriginal land and it is actually a better process and more simplified. I agree. I think there is not enough emphasis – but you're right, banks and other people think that a lease is actually more powerful when, really, a 90-year licence to have that authority for your activities on that land is actually better because it covers – you know, to do a gravel pit or all of those things are covered under a licence whereas with a lease, you have to go through that process of negotiation. I agree; I was glad to hear you say that.

Mr LANGE: Philosophically, we would prefer to run with licences, but the financial world won't let us entirely. So in the case of Ali Curung, we have done both to allow that farmer to place all of his infrastructure - and to place that infrastructure, he has to borrow money - not all of it, but some of the money. To do that, he needs strong lease type tenure for the banks to respect.

Madam CHAIR: In effect, the sub-lease for grower number one, I think the 90-year licence probably has a lot more for the grower, probably a lot more certainty than the 40-year sub-lease, which would be signed off by Minister Macklin.

Mr LANGE: Once the infrastructure is in place, the licence has a lot more value than the lease because it has a longer term. It is getting that infrastructure in place that is the issue and to do that, and to allow an agribusiness operator to borrow money, we had to go with both types of tenure.

Mr CHANDLER: A banker explained it to me once that if you come to me wanting money and you had a vehicle that was going to produce an income and you had a licence to drive it is one thing, but you need a lease for the next five years over the vehicle to make the money with. So the licence to drive is one thing, but the lease is where the security is for the bank.

Mr RIDE: In this case, Partner One - as I have mentioned before, we are spending $3.64m on the bore fields and other base infrastructure. The agribusiness is spending an equal amount of money on its infrastructure and has spent a significant amount up to date. Now, the best way of looking at this type of operation is like looking at a major shopping centre, whether as an owner of a shopping centre, developer, owner and then there is the manager and they lease the shops to various people. People sell their shops or if they go broke, then another person is wheeled in. It is a similar type operation to that.

Mr WOOD: If you put the bores in, who own the bores?

Mr RIDE: The Aboriginal company.

Mr LANGE: Ali Curung Horticulture Pty. Ltd, owned by the two Aboriginal corporations, owns those bores and you brought up a very good point. This is front and centre with the wealth creation that is happening on the strength of these developments. Prior to this, if you look at Warrabri Aboriginal Land Trust, it is not on a balance sheet. It just doesn't exist on a balance sheet anywhere. I think it is really important in terms of wealth creation that we discuss this. The minute that there is a lease or a licence executed over that land and there is some development, the value of that land goes from dollars per hectare to thousands of dollars per hectare. So suddenly, since we have done this development on Warrabri Aboriginal Land Trust on behalf of the residents and the traditional land owners, they have got a balance sheet with a value of around $4m now on the strength of those bores.

Mr STYLES: Is that on the strength of those bores or is that on the strength of the length of the licence?

Mr LANGE: Well, it is both because there is income driven from those bores. If those bores were never put down, you would not be able to grow anything at which point you just would not be able to get the income from that land other than potentially a grazing licence, which is worth nothing in comparison - not nothing, but it is of much less value.

Mr WOOD: I am probably trying to find out who owns the bore in the sense that if a company using your bore, the horticultural company, is that included in the licence or lease fee? So if they are pumping the water, they have got the right to use the water from that bore.

Mr LANGE: They have the right to use that water. Their rent is indexed against the - we are not allowed, under Northern Territory legislation, to sell the water, but we can index land rental against water use.

Mr WOOD: I could ask who owns the water.

Mr LANGE: Well, that is another story.

Mr WOOD: I know. We won't go there! My background is growing watermelons as well but, of course, in the north. I was interested when Graham said watermelons are heavy and they are labour intensive. When I spoke to Alan Cooney last week, and this was in relation to some prison farm discussions, I asked him how many Aboriginal people are employed and he basically said six. They do employ others from time to time, but I think there are six full-time Aboriginal people employed. I suppose what concerned me is that we need a culture shift, which might take the 15 years you are talking about, to get people to realise that if they want to be in horticulture - and I know what horticulture is like - it is labour intensive unless you have got crops that can use mechanical harvesting. We have a system of welfare. How do you see getting people off the welfare and into what you are trying to have, that is 50% Aboriginal employment in the future?

Mr LANGE: This is another whole subject other than the environment, but it is absolutely front and centre. There is little point in us developing, on behalf of traditional owners, land unless we get some participation. We are fully with you there – other than those other two important aspects of economic development and wealth creation for traditional owners.

Centrefarm has a four-pillar strategy. The first pillar is the development, and Centrefarm actually sits in that pillar. The next pillar is the funding. Currently we are accessing ABA funds to develop the bore field, the infrastructure, and we need the Northern Territory Government and the Commonwealth Government to come forward with power, etcetera. That all sits in that second pillar. The third pillar is agribusiness, the growers that come and lease the land. They are anchor tenants in these early days until such time that we have got that capacity that we are talking about. And the fourth pillar is absolutely critical; it is training for employment. So we have secured $1m from FaCSIA to put a devoted training centre in on the land trust. We have excised out one hectare of land from the land trust. Those buildings are being located there early next year.

Centrefarm has also written a Training for Employment policy, which is very different from any training that has happened historically in the Northern Territory. Our view is - and some people do not like it - that the training that has happened historically has been for the sake of training. The model that has been used has failed year after year after year; decade after decade, and yet people are still wanting to follow the same model. Our belief is that the training needs to be more on-the-job and in-the-paddock and less in a classroom. The training that happens in the classroom should be those things that are critical for health and safety. It should be those things that are critical to allowing an Indigenous worker to know exactly what is expected of him once he gets out in to the world of piece work. Do we all know what piece work is? It is where you get paid for what you do. It is very difficult right now to be able to explain piece work to someone who lives on a community. They need to understand that; that is critical.

We've come up with a 40-week training model with productivity subsidy so that industry does not have to pay. A lot of those subsidies can come out of current federal government buckets that are there, they just need to be remodelled. So we have come up with a whole new *modus operandi*. One of the other things that we are critical of in the current training for employment delivery systems is that registered training operators have a certain need in terms of their bottom line. They have to have a certain amount of contact hours, which lends itself to large groups having to be trained - 20, 18, 16 people. We believe that is too many. We believe that we need to have more of a focused training environment with no more than eight to 12 people in a group. We then need to take them in, we need to have extended mentoring. We are calling it well-being management. It could also be called pastoral care. We have chosen not to go with that appellation; we have chosen to go with well-being management, which is extended mentoring. We have come up with a whole budget around it and we believe that it may not be absolutely perfect, but it certainly is very different from what is currently happening and it needs to be put in place. We need to get Northern Territory Government policy to understand what we are doing as well around training.

Mr STYLES: Vin, I have got a couple of questions so I am going to try and be really brief and because we finish with these witnesses at 10 o'clock and I don't want to run out of time. A couple of questions in relation to how this structure of the Centrefarm model is set up, if you get someone who lives out there who is trained and says: 'You beauty, this is great. I can see the light', can they become Grower Number Four?

Mr LANGE: Absolutely.

Mr STYLES: Is that the intention?

Mr LANGE: Absolutely, and Graham touched on it earlier about a shopping centre. We have used a shopping centre-type approach where if you look at Yiperenya Shopping Centre over here where you had breakfast this morning, there is an anchor tenant in there, and that anchor tenant is Woolworths. We are talking about a horticultural precinct on the Warrabri Aboriginal Land Trust and the current agribusiness operator there now, is the anchor tenant, not unlike a Woolworths in a shopping centre. From there, there is a lot of other opportunity given the water resource beneath that land on the Warrabri Aboriginal Land Trust. There is opportunity for family groups, language groups, to be able to come forward and say: 'We have got the relevant skills. We want to go ahead with this. We want to be commercial'. The opportunity is there.

Mr STYLES: So the drivers that drive humans to achieve - - -

Mr LANGE: Can you say that again?

Mr STYLES: The drivers, the personal drivers, so when people actually see reward for effort. If they understand the value through your training and they go out and they can see reward for effort; as you are saying piece payments, if they go out and work 12 hours a day, they are going to make a bit because they can actually lease a shop in the shopping centre and then work hard at it and enjoy the benefits of their labour. That is absolutely facilitated in this model?

Mr LANGE: That is the model and some of these traditional owners from Warrabri have been to Israel to look at the kibbutz and, more importantly, the moshavim model. The moshavim is a commercial kibbutz and it is very successful in Israel and we believe that, with a bit of tweaking, it has some application.

Mr STYLES: Just a couple of things. Biofuels. What are you growing for biofuels?

Mr RIDE: At the moment we are just trialling Moringa and Pongamia so it is actually being grown as a wind-break species.

Mr STYLES: Are hardwoods in there as well?

Mr RIDE: Hardwoods – there is Chinchilla white gum. It has been recommended by Queensland Department of Agriculture as wind-break and as hardwood species. We put in a first trail of a hybrid that, after the first year, is supposed to grow at 1.8 metres per year so it can be harvested in 12 years, but again, we need wind breaks so they have been put in as wind breaks and the issue here from our perspective is, yes, we know from the evidence in Queensland that they are growing from arid areas right through to 20-inch rainfall areas, but we don't know what the issues will be in different parts of the Northern Territory. So there may be more termites or something else and you need to get in out of the ground and find out how they grow and how they need to be managed.

Mr STYLES: Do you see being able to generate your own electricity out there with biofuels?

Mr LANGE: Can I just come in here, Graham?

We need a lot more research done around biofuels. We have got some real gaps in this and we have scoured Australia looking information around this and there is not very much. In terms of Pongamia and Maringa, the Forest Products Commission of WA have done quite a bit of work on Pongamia, but we can not get a gross margin out of anybody. We need some gross margins to be able to do some proper planning around it. To get some gross margins, we need some trials. We need some money for trials. It is absolutely critical.

Mr STYLES: I will not waste any time explaining it, but there is some fantastic stuff coming out of Germany at the moment and I would recommend that you have a look at some of the fermentation stuff that is coming out of there.

Mr LANGE: Can I contact your office to get that information?

Mr STYLES: Yes. I will give you a card before you go. I have got some of that stuff in my office so I can email it to you.

Mr LANGE: Great.

Mr CHANDLER: I have just got a couple, if I can. Obviously to some of these questions; there might be answers in here, but obviously there are some out of season opportunities. Has there been any thought given to some kind of marketing strategy. I looked at some of these photos and I thought: 'Wow. Someone in Sydney might be perhaps willing to pay a premium price for a watermelon that has grown in the middle of the desert'. Like, you talk about these people who pay premiums today for foods that are grown without chemicals and things like that. Perhaps there is a marketing opportunity there. I just have two questions on the water bores. I noticed in here that you have shallow production bores. What is the average depth of the bores and what is the temperature coming out of those bores?

Mr RIDE: We have got three different aquifer systems below the two farm areas. One is relatively shallow, but when we are talking about relatively shallow, I am talking about bores to 72 metres, but in talking about water levels, here, after a major recharge event, the water levels rise between eight and 12 metres and that occurs about every 30 years and with other spikes at about 12 years when we get significant rainfall events.

The deeper bores - so we are talking about 10-inch or 250mm case bores, though some of them have got multiple springs down the bores – the high standard irrigation bores are not just standard bores that are just drilled. We have spent $200,000 on pump testing to know exactly what the yield is and to assist with our determination of sustainability, our projections at the moment, and then that information will feed in later on in there or five years time when we do computer modelling. Once we have extracted a significant amount of water out, we can then not just guess what the sustainability is, but determine what the long-term sustainability is; determine whether we need to put the water up or water down. So there are two issues here: one is regulatory from the Controller of Water Resources, his approach; and then the other is from the Aboriginal ownership's approach. It is more important that they really understand the sustainability and that they can get value for the water but not have the farms fall over in 10, 20, 30 or 50 years time.

Mr CHANDLER: And the depth of those ones?

Mr RIDE: The deepest bores are down over 200 metres, 220 metres.

Madam CHAIR: What is the quality of the water?

Mr RIDE: The chemical quality varies. In the aquifer, we're drawing on at the moment for farm number one over 1000, but I also get amused at these figures that are plucked out of the air on what is good water and what is poor water; it depends on what soils you are putting in. Even water on the Barkly Tableland where there is brackish water up to and over 2000; it is actually liquid gypsum where the water is - and some black soils are a problem, but most of the Barkly Tableland is actually red soils, not black soils. We just got this picture that it is.

So water quality varies between 400 TDS, total dissolved solids, in chemical up to about 1500. In the 1500, we have got a couple of bores there that we will be then reducing by [inaudible] using the water. We are also looking at fish farms because of the temperature. I thought that might have been where you were coming from with the temperature. The constant temperature through the year allows us to put in to fish farms, but if we have a fish farm, we have got regulatory process to go through at which the agribusinesses commence that process because he wants to set up a trial farm. Then if that works, flow through, so you are using the water twice. It goes into the fish, then goes in to the pomegranates and other vegetables.

Mr CHANDLER: And what was the temperature again?

Mr RIDE: 28° in one of the aquifers; 30° in the other aquifers.

Madam CHAIR: Members, I am conscious of our next group. On the issue of the EIS, did you - - -

Mr WOOD: I do not agree with the EIS and, as I said, I think there needs to be a lot more public consultation. I was really interested in the idea of you setting up commercial farms for people there. I grew vegetables for 14 years in different Aboriginal communities. The problem I had was that when people said: 'We can take over', there was no one who had gone to horticultural college. There was no one with Year 12 or higher qualifications because horticulture, as you see from here, is a science. You are doing measuring of leechate or leeching of materials, are you looking at the right amount of water being put on with whatever is used today. There is a whole range of things that require some good detailed knowledge not only of growing a crop but managing it and marketing. What are you putting in place to go above training just the technical people, which is relatively simple, to taking the big step up, which is training people in the field in the managerial and scientific fields?

Mr LANGE: That is so we have serious succession from the Aboriginal ownership.

Mr WOOD: Yes.

Mr LANGE: We are putting this training together in these early stages, what we call a Five-Step Policy. It is broken into five steps and the intention is, across Central Australia, once we get properly funded - right now, all of these things are funded in the margins on the periphery; they are not core funded. They are not policy and we need them to become policy and core-funded so that they can live for a long time as opposed to, at somebody's whim, them being chopped because we believe it is wrong.

So if we look at the pilot that we would love to have rolled out, and we are trying to get DEEWR to fund it as we speak, from all of these different buckets, pull them all together so that we can actually get this model away; this pilot model would have us training 48 people across Central Australia per annum. Now that is a pilot model. If it is adopted, it could become far more than that.

Now, the Centrefarm Five-Step Training Policy; the first 10 weeks of it, sure, it is got a focus on horticulture, but it is generic. Those guys that are in that training program could decide that they do not want to be farmers after 10 weeks - not everyone wants to be a farmer at the end of the day - and they might want to go in to the mining industry; they might want to go in to pastoral; they might want to work in the local store. The opportunity is there because the first 10 weeks is focused on what is expected on you in your working environment.

If we talk about those 48 people, we believe that over the next five, 10, 15 years, people will emerge and those people that do emerge will be able to take that next step in to that higher echelon of education so that they can be tertiary qualified, so that they can become farm managers, so that they can provide technology transfer and all of those things that are required. It is going to take a generation to do this and if we kid ourselves and think that we are going to get some serious outcomes and those types of people through that you are talking about in the next three to five years, we are kidding ourselves. The reality is it is going to take a generation.

Mr WOOD: We should have been doing it three generations ago.

Mr LANGE: We should have been doing it three generations ago.

Madam CHAIR: Well we could all agree with that, but you have got to start somewhere.

Mr RIDE: Madam Chair; if I can just make one other point about the farming, please, and that is in terms of the watermelon segment of the farm, yes, it is a highly mechanised operation, the actual picking is very hard work extremely hard work, extremely hard work. They work long shifts and they work when the melons are ready, so that it does not fit in to the style at the moment of the Aboriginal aspirations from the local communities; however, that is in the watermelons. In terms of the general work on the farm, there is a great deal of work from doing the preparation of the mounds right through to the bushfire fire-breaks and indeed the plant - - -

Madam CHAIR: What is the participation rate with that, Graham?

Mr RIDE: At the moment it is only small in numbers, but as these farms, we get up to 500 hectares, and indeed, in the pomegranate farm, that is different, it is an orchard. So there mechanisation, but there is a high labour requirement. Then, in the technical – and I was talking about leechate monitoring, water level monitoring, a whole range of monitoring work to be carried out. We are training Indigenous people to undertake that and they will take that work over. So there is a range of other work that is required in these farms and that will expand.

We are working on this. We are planning in the new year to commence drilling the bores for the pasture, the first pasture growing block on Neutral Junction Station near Warrabri, and the other two cattle stations in the area have both advised me that they want to do something similar, maybe a little bit smaller to start with, but each of those creates more work opportunities, particularly in these areas in the base work and in these semi-technical work for which there is any amount of Indigenous people can be trained very quickly and easily.

When I first started work, I might add; in the Water Resources Branch, more than half the workers in that employment were Indigenous. I was amazed when, 40 years later I came and worked in NRETA, I found that there were two people.

Madam CHAIR: Dave Millar was probably one of the last one that were employed.

Mr RIDE: Dave I employed.

Mr LANGE: One more thing, Madam Chair. It is really relevant, this thing, and Graham touched on it. The nature of the work with picking melons: it is laborious, it is hard, there are two crops a year and one of those crops is the time of the year when it is hot and, really, it is a thankless job. It is not the sort of job that many people would want to do. There are people out there in Australia that do want to do those jobs - backpackers, people from other parts of the world who are on a 457 Visas or whatever they are.

Centrefarm is also looking at crop selection very closely. In the case of the Pine Hill 'B', I think we all know about what has happened on Pine Hill Station, the ILUAs that came out of it. There is a proposal up to ILC to develop Pine Hill 'B' on behalf of the traditional owner groups there. There are three families involved in the traditional owner groups. The crop selection has been designed around crops that provide most of the work opportunities during the cooler months; it is a very different thing.

There is an issue around table grape vines. 60% of the work around Table Grape production is during the hot months. Now, there is 40% of the work; pruning and vine-training that happens during the cooler months, which is fabulous, but the work happening in the hotter months, we need to try and steer the crop selection away from. For example, the crop selection in that Anmatjere region that we are looking at right now is pomegranates. Most of the work is in winter. Citrus that ripens in June and July and fits that window when currently Australia is importing citrus from America at high prices. Asparagus is a winter crop. There are two crops per year: one comes on in May; and one comes on in August in that particular region. It also coincides with when Australia is importing asparagus from Peru and Thailand and the price is, again very high. We are focusing on that window and the winter crops. There are two citrus crops, mandarin and grapefruit, pomegranates and then the other crop, a small crop of watermelons, which provides cash flow, a small crop though. The focus is on these crops that have the majority of work happening during the cooler months.

Mr WOOD: But isn't the reality that if you are going to be serious about horticulture, certain crops are labour intensive? Cucumbers, rockmelons, watermelons, they are not mechanically harvested. Even grapes can mechanically harvested if you have got the money, I suppose, but - - -

Mr LANGE: Not table grapes.

Mr WOOD: No, but the reality is if you are teaching people about horticulture, it is not all the easy crops.

Mr LANGE: Absolutely not.

Mr WOOD: It is not like growing mangoes in the Top End where you harvest them once a year and then you fertilise and water them for the rest. But the thing about vegetables, in some cases, is they take 12 months of the year.

Mr LANGE: Absolutely. No one is suggesting for a moment that the work is not hard, but I think if we can be strategic about the seasons, about the weather…

Mr WOOD: Work at night.

Mr LANGE: I think it is wise to be strategic about that.

Mr RIDE: And then we are also talking about biofuels and hardwood, which mesh-in because what we are really talking about is a total economy. People like PMG Agriculture, they want to engage with the local Indigenous so the fish farm is another way of utilising water and more income, but it is seen as an activity that requires little skills on the base area and high skills on keeping the little fellas alive and getting them to market, and the same with a range of other activities that PMG Agriculture are asking: 'How can I get more Indigenous involved?' One, we will put the plant nursery on the farm where we will grow our water melons and other seeds here.

Ms WALKER: Madam Chair, if I could just ask a question around the training model. Given the investment in infrastructure into training and employment outcomes, what level of mobility is there around that facility? Are there plans to have a residential facility where you could bring people into that, or a degree of mobility that would take that training out to surrounding communities?

Mr LANGE: We are proposing two training campuses. One is at Ali Curung. It is right next to the community; it will not be a residential. It will bring people from around that region to train there. There is also a kitchen that has been located on the block as well for training people around food production. It is not hospitality; it is food production with the focus being on providing lunches. We are thinking there is a whole raft of people in the Ali Curung community; women mainly, who could get involved in food production and having a little micro-industry around providing lunches for all the workers on the hundreds of hectares that are going to produce jobs on the land trust.

So that Ali Curung training centre is not residential. It is focused on on-the-job, so the first 10 weeks, as I said, is quite generic. They could go in to any vocation after those 10 weeks. The next 30 weeks is on-the-job. It is on the community farm that is going to be developed next to that training centre, and Graham alluded to that, and on the larger agribusiness that is happening eight kilometres away where the melons and pomegranates are being grown. So that is how that one will manifest itself.

The other one is in Anmatjere. It is 65km east of Ti Tree at Adelaide Bore. It is a deserted outstation. It has about a dozen dwellings and the intention is; once we get all of the funding finally in place, for it to be residential.

Mr WOOD: It was mentioned the other day as a possible prison farm.

Mr LANGE: Adelaide Bore or Karlantjipa?

Mr WOOD: The one just on the railway line. You go across the railway line and you see a turnoff.

Mr LANGE: Yes, that is Adelaide Bore, absolutely.

Mr WOOD: Is that the same place?

Mr LANGE: Yes. It could be used residentially for training. It could be used for bringing prisoners in as a diversionary measure. It could be used for all manner of things.

Mr WOOD: The problem with that, it is a long way from any place where you can actually get Correctional Services people – that is, to house them.

Mr LANGE: Yes. I think the Karlantjipa is a far better location.

Mr WOOD: Is that west of Tennant Creek?

Mr LANGE: Yes, west of Tennant. We really need to look at that one. The traditional owners are very keen to do exactly that on their country. We had a meeting only six weeks ago with them and they are very keen to do something like that.

Mr WOOD: Alan said it would be all right if I went up the road and had a look at the power line.

Madam CHAIR: Anyway, that is a discussion for another forum in terms of your committee.

Mr WOOD: Yes, but it is horticulture.

Mr LANGE: There is one thing about that Adelaide Bore facility that is absolutely perfect for training residentially: it is 65km from the Stuart Highway; it is away from the madding crowd; it is a place where people can focus on their vocation.

Ms WALKER: Have you asked people from other communities if they want to be a part of it, without actually being in the community that is - - -

Mr LANGE: Certainly. Ali Curung is more suited to that because there are lots of different language groups and lots of people are already walking on that country. The Anmatjere-Adelaide Bore facility is probably going to be eastern Arrernte and Anmatjere people. As you would be aware, there are issues with different people walking on different country. Marion, you would be aware of that, wouldn't you?

Madam CHAIR: That is my father's country.

Mr LANGE: So you would be allowed to go there whenever you like. Certainly, though; there are some issues around that.

Madam CHAIR: When I asked about the participation, and I am very conscious of the time, I think I was following on from the Member for Nelson, the Aboriginal workers that you have got there, their participation, you know, labour intensive. Does Centrefarm contract? I was looking at some of this stuff; bushfire control, doing all the stuff with the Fire Management Plan, the Native Animal Management Plan, the feral animal stuff that you have got to fit as part of your plan; are there ranger groups down here that have been established that could also become contract workers with Centrefarm to do some of that work?

Mr LANGE: Certainly we have a very close working relationship with the Central Land Council and the Land Management Division within the Central Land Council and that is where all the Aboriginal rangers sit, so our dialogue is constant with Central Land Council.

Madam CHAIR: And do they have ranger groups that conduct the work?

Mr LANGE: Central Land Council have them. We have not had them working on Warrabri Aboriginal Land Trust, but our intention is to do exactly that.

Madam CHAIR: Just quickly, what the Member for Nhulunbuy asked with the training centre at Ali Curung, you said it was going to be regional. As I understand it, the first lot of training is for 10 weeks.

Mr LANGE: Yes.

Madam CHAIR: So if someone comes from within the region, where are they accommodated? Do they stay in Ali Curung?

Mr LANGE: They would have to be transported to and from every day. There is absolutely no doubt about that with Ali Curung. The residential facility will be for people from Anmatjere at Adelaide Bore.

Madam CHAIR: All right. I am just thinking about Ali Curung. Who picks up the cost for that to and from?

Mr LANGE: In our Five-Step Training Policy, we have budgeted for all of those things and I cannot remember, to be honest with you, exactly which agency we attributed that cost to, but we certainly have attributed the cost of transport.

Madam CHAIR: Oka. Any other questions?

Mr WOOD: I was just going to ask about the land clearing. Forgetting the EIS for the moment, have you got to get land clearing approval once you are over one hectare?

Mr LANGE: Yes.

Mr RIDE: It is more than 10 hectares, but for all these farms, yes, we need land clearing approvals.

Mr WOOD: And those land clearing guidelines are what is written in the Northern Territory *Planning Act*?

Mr RIDE: Yes, and it is set out in NRETA. NRETA have got detailed guidelines. It is slightly different on pastoral lands, but I have identified that in the notes. You will see what is required as part of that clearing application.

Mr WOOD: You are not in government so I can ask you this question: if you carry out your land clearing according to the land clearing guidelines and you get approval under the Northern Territory *Planning Act*, do you think that is sufficient rather than having to go and do an EIS on top of that?

Mr RIDE: Yes, I think that is sufficient for these styles of operations. If we are talking about carbon sequestration/other type operations where you are talking about 2000 or 10,000 hectares, that's a different matter. That is a major development and requires an EIS even on a sand plain. But in terms of when we are talking about 500 hectares on sand plains, I believe that there is so much detail which we are required to put in to the submission that it is sufficient. It takes a fair while and to-ing and fro-ing just to get compliance with the guidelines. You have got any amount of questions and changes that occur in terms of your plan as a result of directions by the regulator and their advisors.

Mr WOOD: Have you seen the new Draft Northern Territory Land Clearing Guidelines, which tell you to look at how many hollow trees you have got, start to talk about the effects - - -

Mr RIDE: Yes. It goes beyond what is reasonable.

Mr WOOD: [inaudible] people probably agree with you because they've got issues with them.

Mr RIDE: I think you have to focus on what the real issues are and from our Aboriginal clients, [inaudible] destroying the landscape or affecting the groundwater-dependent ecosystems or the cultural sites, etcetera, but what are the real important issues. Somewhere it has lost sight of where we need to focus to make sure that developments – and they are here. We are talking about farmers, agribusinesses operating a farm on an Aboriginal owned property. The Aborigines will want those farms operated to best practice so that it doesn't have impacts on the landscape outside the actual farming operations.

Madam CHAIR: All right. Have you finished there, Member for Nelson?

Mr WOOD: I could go on.

Madam CHAIR: Yes, I know you could go on but I am not going to let you go on. I would like to thank Vin and Graham for your verbal presentation as well as the information that you presented for the Committee for their perusal. Certainly, we will be in contact with you once we have gone through the transcript. We will provide you with the same documentation so you can go through and make sure that you have proofed it and it is okay. Thank you very much for appearing before the committee.

The Committee suspended
