



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON ABORIGINAL AND TORRES
STRAIT ISLANDER AFFAIRS

Reference: Indigenous employment

MONDAY, 26 MARCH 2007

CANBERRA

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to:
<http://parlinfoweb.aph.gov.au>

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS
Monday, 26 March 2007

Members: Mr Wakelin (*Chair*), Dr Lawrence (*Deputy Chair*), Ms Annette Ellis, Mr Garrett, Mr Laming, Mr Slipper, Mr Snowdon, Dr Southcott, Mr Tuckey and Mrs Vale

Members in attendance: Mr Laming, Dr Lawrence, Mr Snowdon, Mrs Vale and Mr Wakelin

Terms of reference for the inquiry:

To inquire into and report on:

Positive factors and examples amongst Indigenous communities and individuals, which have improved employment outcomes in both the public and private sectors; and

1. recommend to the government ways this can inform future policy development; and
2. assess what significant factors have contributed to those positive outcomes identified, including what contribution practical reconciliation* has made.

*The Committee has defined 'practical reconciliation' in this context to include all government services.

WITNESSES

HARVEY, Mr Bob, Group Manager, Indigenous Employment and Business Group, Department of Employment and Workplace Relations 1

HOFFMAN, Mrs Marilyn, Acting Director, Business Development, Department of Employment and Workplace Relations 1

SAKKARA, Ms Mary-Anne, Assistant Secretary, Future Directions Branch, Department of Employment and Workplace Relations..... 1

STEVENSON, Ms Lynne, Assistant Secretary, Indigenous Employment Program Branch, Department of Employment and Workplace Relations 1

Committee met at 12.13 pm

HARVEY, Mr Bob, Group Manager, Indigenous Employment and Business Group, Department of Employment and Workplace Relations

HOFFMAN, Mrs Marilyn, Acting Director, Business Development, Department of Employment and Workplace Relations

SAKKARA, Ms Mary-Anne, Assistant Secretary, Future Directions Branch, Department of Employment and Workplace Relations

STEVENSON, Ms Lynne, Assistant Secretary, Indigenous Employment Program Branch, Department of Employment and Workplace Relations

CHAIR (Mr Wakelin)—I declare open this public hearing of the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs into Indigenous employment and welcome everyone here today. We know what we are here to do. I welcome representatives of the Department of Employment and Workplace Relations and invite you to give evidence. As you would well know, while this committee does not require you to give evidence under oath these are legal proceedings of the parliament. Bob, would you like to make a short opening statement on what the current picture is on this issue?

Mr Harvey—We have actually put together a quick update on the last two submissions that we have made and in it we have included three copies of ‘Indigenous potential meets economic opportunity’, which is the discussion paper which was released last year and is the basis on which the reforms to the community development projects have gone ahead. Would you like me to talk to some key points?

CHAIR—As to the CDEP changes or do you mean in general?

Mr Harvey—In general.

CHAIR—Yes, if we can have the key points, and please constrain it to five or six minutes.

Mr Harvey—Yes, Chair.

Mr LAMING—Do we have copies of it?

Mr Harvey—I am actually presenting it today.

CHAIR—How many copies do you have? Perhaps only one?

Mr Harvey—Unfortunately, I have only come with one.

CHAIR—We will accept it now as a submission. Is it the wish of the committee that it be accepted as evidence? Mr Snowden has so moved and Mr Laming has seconded it. There being no objection, it is so ordered. We have certainly accepted the submission as the motion has been

carried, therefore it is now open for us to consider it a public document. Andrew is now free to look at it. Please proceed.

Mr Harvey—I will address the key things that have happened since we last spoke to the committee. We are continuing to see significant numbers of Indigenous people getting into jobs. In the 12 months to January, through Job Network about 47,900 Indigenous people have gotten into jobs, which is a very large increase, I think it is an 11 per cent increase on the previous year. We are also seeing significant numbers getting placed through the Indigenous Employment Program—something like 63,500 since July 1999. We have been pushing ahead with the government's Indigenous economic development strategy, on which we last submitted to the committee. We have been doing a lot of work in terms of local jobs for local people, a lot of work in Cape York in a number of the communities working on local job strategies. In the Northern Territory we did 52 mappings of jobs, particularly looking at the jobs held by Indigenous people. We have done a lot of work in Murdi Parki in NSW. There are very large regional partnership agreements in the north of Western Australia, partnerships that identify 1,500 jobs over five years in the case of the Kimberley and 450 in the Pilbara—a very large number of jobs, not only in the mining sector but across the board in terms of local government and in all areas. We are working in a range of other areas.

CHAIR—So you have pretty much available details of the Western Australian side?

Mr Harvey—Yes.

CHAIR—All that is significant.

Mr Harvey—Yes. Both of those are very large employment initiatives. The CDEP reforms continue. We have already had this year, through CDEPs, 3,898 job placements. That has already exceeded last year's placements in total. The government released a discussion paper which talked about reform and then Minister Hockey released a press release which talked about the reforms in urban and major regional centres. Those reforms are transitioning CDEPs and the whole program into a new structured training and employment arrangement from July this year.

The whole strategy is to pick up on the growth in the labour market, particularly in the urban and regional sectors, given the large number of Indigenous people that are coming into the labour market, and to look at fast-tracking Indigenous people into jobs. We have had consultations in something like 37 locations, with 1,300 people talking to us and 70 submissions. Then the government released the strategy. It impacts on about 6,000 CDEP participants across Australia. We have a quite comprehensive strategy in place to transition CDEP organisations into becoming Structured Training and Employment Project service providers or to whatever else they may be going to deliver. We are in that process now. The submissions for the structured training and employment panels system, which is the replacement to CDEP in urban and regional areas, closed on 14 March and we are currently assessing those.

We have seen continuing work in the whole area of vocational education and training, particularly as to Indigenous youth mobility strategies in trying to see what we can do with young people. We have been driving enterprise development through the placing of economic development officers. We have done quite a lot of work with the NT government in putting in

place economic development officers across the NT. We have also worked with the Queensland government and the Western Australian government.

The government released a policy on outback stores which is designed to improve the health quality of food, get better cost savings and produce a better service through outback stores. It is through a company that is run by IBA. It is designed to produce better produce and better quality food for Indigenous people. We have been pushing ahead with business leader initiatives and developing business hubs. The final thing is that the government has been working with the Cape York Institute to develop strategies around employment and a whole range of issues on Cape York. It is working with four communities in particular—Aurukun, Hopevale, Coen and Mosman Gorge—to drive what is described as further welfare reform in the cape. A report is due in March—an interim report—and a final report is due in September. That is it very quickly.

CHAIR—Thank you very much. Let us talk a bit about the business initiative, and I think you mentioned business leadership. Is much happening in the enterprise development area? I know you would regard that as an IBA issue, but please start with business leadership and we will see where that goes.

Mr Harvey—In terms of business leadership, what we have particularly been looking at is three hubs in the Northern Territory—one in Darwin, one in Alice Springs and one in Tennant Creek. The whole idea of these business hubs—and you already have a number of hubs in regional and urban areas—is to create an area where enterprises can be nurtured and grown. We are looking in particular at a focus on tourism but also at other developments as well. Through running these business hubs you actually generate business opportunities. We are also looking at developing business skills. We have looked at joint initiatives with a range of people, looking in particular at how we can develop the business skills of Indigenous people. As you say, IBA have an Indigenous business program whereby they fund across Australia a whole range of businesses. Also, and I think we reported to you on this last time, we have run workshops across Australia in which we have focused on and highlighted the success of Indigenous businesses across Australia and profiled them. We have run workshops in a number of locations across Australia. So they are the sorts of things that we have been doing on business development.

CHAIR—The Cape York Institute for Policy and Leadership is probably a new initiative, being a link to the tertiary type effort. Would you describe it again, please. I remember it, but obviously I just need some fleshing out of what it is doing.

Mr Harvey—There are two broad focuses. One is about welfare reform, looking at the impact of incentives such as CDEP and Newstart allowance in particular and other allowance such as Abstudy. Noel Pearson often talks about placing Indigenous people on a welfare pedestal. He says we place them on this welfare pedestal and it is difficult to get them off that welfare pedestal and have them starting to go into the job market. The government has already made reforms in urban and major regional centres around the movement from CDEP to structured training and employment. Those sorts of models and other models have been considered by the Cape York partnership. They are also looking closely at family payments and the arrangements associated with family payments, particularly whether incentives can be put in place to encourage kids to participate in school. They are looking at the broader social issues in communities around creating leadership and dealing with a whole range of social issues. It is a joint initiative with the Australian government and with the Queensland government. There is a

steering committee which consists of Cape York representatives: the mayors of each of the four communities that I talked about, the Cape York Institute plus Australian government representatives—from our own portfolio, FaCSIA and Treasury—plus state government officials. That has proved very productive, particularly as to focusing on alternative models about how we get Indigenous people into work, but, importantly, also on a whole broad range of social issues and dealing with those.

CHAIR—My suggestion of the tertiary sector—the university, the academic, the education sector—is not linked in there anywhere?

Mr Harvey—It is to the extent that we are looking at basically getting Indigenous people into jobs—at what sort of incentives we need to create to achieve greater mobility. So it is looking at that, if I am following your question—

CHAIR—Yes.

Mr Harvey—and also looking at how we can increase the outcomes—education outcomes as well as employment outcomes—and at more innovative approaches to numeracy and literacy as well.

CHAIR—Anything specific on that?

Mr Harvey—We have done some work with a Canadian group called Guiding Circles, but we did not actually bring that into the Cape; we brought it into the Territory. I think there is some work being done with the University of Melbourne—one of the universities—on numeracy and literacy in the Cape and in a number of locations throughout Australia. We are looking at different models of numeracy and literacy. In the case of the Northern Territory, there is a requirement in each of the funding agreements that numeracy and literacy is emphasised as part of the CDEP funding. So we are trying to—

CHAIR—Harvard is not in there anywhere? You have not seen anything out of Harvard lately on that stuff?

Mr Harvey—No.

Dr LAWRENCE—I have just a few questions to elaborate a little. You mentioned the number of Indigenous people who have been placed in employment following changes to CDEP principally—is that right?—and movement across.

Mr Harvey—That is correct.

Dr LAWRENCE—What is the retention rate like of those people who have found employment? What is the success rate in keeping them there for three months, six months, nine months?

Mr Harvey—The only thing we measure with CDEP is 13 weeks. At this stage—

Dr LAWRENCE—Sorry?

Mr Harvey—Thirteen-week outcomes.

Dr LAWRENCE—Why 13 weeks? That is an odd number.

Mr Harvey—It is just that for years we have done that with the Job Network as well. We mentioned 13-week and 26-week outcomes. So it is three and six months. So that is what we measure, and we have been measuring that for years. Generally about 50 per cent outcomes through the CDEP program—that is a rough figure.

Dr LAWRENCE—That is into CDEP or into other employment? Are you comparing apples with apples here?

Mr Harvey—Off CDEP into employment. When we measure a 13-week outcome, it is basically off income support into a job. So when we talk about a 13-week outcome—

Dr LAWRENCE—It is kind of not apples with apples though; that is why I was asking the question that way.

Mr Harvey—Sorry?

Dr LAWRENCE—In a lot of communities, the CDEP program was effectively the employment. It may not have been a desirable objective, but the objective was not to get them necessarily—when you get people who are working as community health workers, for instance—permanently on CDEP funding. So anyway—just looking at clearing that.

Mr Harvey—The government is looking at the whole issue of what we call cross-subsidisation, which is basically converting those jobs that CDEP funds—

Dr LAWRENCE—It should be properly funded, yes. I agree with that.

Mr Harvey—which are health workers and education workers, and it started in the last budget with converting about 130 CDEP jobs into health worker jobs.

Dr LAWRENCE—I totally support that initiative. I just want to make sure that what we are comparing here is like with like, and it is quite clear to me that we are not. Having said that, what is the success rate from the Job Network into employment after three months?

Mr Harvey—For Job Network into employment, with the figure that I quoted of 47,900, you are getting into apples and oranges, but, anyway, the figure is 13,300 13-week outcomes, so that is the outcomes under Job Network. I do not have a calculator and I did not do the percentage.

Dr LAWRENCE—Thirteen out of?

Mr Harvey—Out of 47,900.

Dr LAWRENCE—Are still there or have gone?

Mr Harvey—Have left income support and are in a job at 13 weeks.

Mr SNOWDON—So that is 27 per cent.

Mr Harvey—Yes.

Dr LAWRENCE—Do you have any explanation? It is a pretty low figure in some respects for retention.

Mr Harvey—Actually, we think it is a very good figure. We think it is a very good figure because in fact, if you get someone into a job, you have broken the unemployment cycle. With the Job Network, you are looking at them dealing with the whole range of participants, and basically their requirement is to get people into jobs. If you look at the CDEP, and this is why we are changing the focus with CDEP, we set job targets; we do not totally pay on the basis of outcomes. So what you are dealing with is a much broader cross-section of people, and the Job Network is actually focused on employment outcomes and getting outcomes—whereas with CDEP we set employment targets. So there are different drivers in both the CDEP program and the Job Network program. So, when you talk about employment outcomes, you have a differently focused program.

Dr LAWRENCE—I appreciate that. If you regard that as a success rate—the 27 or 30 per cent or whatever it is—how does that compare with non-Indigenous people who are being placed through the Job Network program?

Mr Harvey—I have not got that figure but, from individual samples that I have done, it tends to be better in some locations than others, and in some it is not as good.

Dr LAWRENCE—You would be comparing the long-term unemployed—I would think that would be the appropriate comparison group, wouldn't you?

Mr Harvey—The challenge is that when we look at the Indigenous population in the Job Network, anywhere between 70 and 80 per cent of them are classified as highly disadvantaged. There is a lot smaller population in the Job Network that are classified as highly disadvantaged; so when you try to compare Indigenous people with the rest of Job Network, it becomes very difficult. But in some areas where we have worked intensively, we are actually getting similar results in the Job Network for Indigenous and for non-Indigenous.

Dr LAWRENCE—There were a couple of other things, but I appreciate the time. You talked about the reforms to CDEP and transferring some of those CDEP positions into properly paid jobs; I think is something that was waiting to be done so I have no argument with that at all. In some townships there have been reports of a decline in services and facilities as a result of CDEP changes. Have you seen any effects of that?

Mr Harvey—No, we are not seeing that, because basically what we are doing is making sure that the services are there and, if they are basically being funded by CDEP, we are looking closely at the whole issue of cross-subsidisation. We do not think there has been a reduction. We are finding that Indigenous people are getting jobs, and some of the jobs that they might have had that were community support work were not effectively real jobs, and people are actually

getting jobs outside of the CDEP, which is very encouraging. So where they are real jobs, we have looked at converting them, through this cross-subsidisation exercise, and working with other Australian government agencies. We are now starting to work with state government agencies, but we have not yet had exposure to complaints that there are reductions in service. We have been looking very closely at each community that has been impacted on, and we have been developing transition strategies to make sure that, where a service is actually supporting the community and is being funded by either the Australian government or the state government, and can be delivered by either one of those, we can fund those.

Dr LAWRENCE—It obviously needs some attention, because I have some reports in Western Australia suggesting that holes have been left—that that agreement with other levels of government has not occurred. There is one community, at Oombulgurri, where there is nobody managing that community at any level, managing that community. It is a very serious problem.

Mr Harvey—It is. But if you look at a community like that, there is a whole range of issues other than just the—

Dr LAWRENCE—Sure, but what has happened now is that there is a hole at the top and they have no money to employ even a CEO let alone—

Mr Harvey—They have, it is just how they use the money. The other point is that the ones transitioned from to CDEP to STEP are not impacting on remote communities. What you will have with a community like the one you spoke about is that we, through CDEP, will fund communities to deliver services, but if there is not the infrastructure there because there is not a CEO or a structure or whatever, and a whole range of services are not being delivered, we will put in place an alternative provider or project manager to assist in overcoming those issues. That is not part of the broader CDEP reforms; it is just how we are managing the delivery of CDEP.

Dr LAWRENCE—I know of other cases, but it does not seem to be happening in the case of Oombulgurri. My information is a couple of weeks old, but I think it is a problem. Can you provide us at some point with a comparison between Indigenous and non-Indigenous changes in unemployment rates? You are making some claims here about the figures, and it would be interesting to see those in trend terms. We are at a period of unprecedented employment and very low rates of unemployment. I would be interested to track the two—

Mr Harvey—We have tracked it since the census.

Dr LAWRENCE—in percentage terms. Since 2001?

Mr Harvey—In 2001, Indigenous employment was about 21 per cent. Early last year through one of the other surveys, it was about 15.4 per cent for Indigenous people. So we are seeing a tracking down in Indigenous unemployment, which is fantastic. Another way of looking at it is that we are seeing significant numbers getting placed through the Job Network and also through CDEP. The other thing is that we do not have full utilisation of the CDEP, which basically means that Indigenous people are getting jobs and staying in jobs, which is tremendous as well. But the basic point is that at the time of the census Indigenous employment was around 21 per cent, and it has now gone down to 15.4 per cent—that was early last year. We would hope that through the industry strategies, through the local job strategies and the range of other things that are

happening that we will see that trending down even further. But we can give you some more information.

Dr LAWRENCE—It is just a comparison. I read those figures but it would be interesting to see that compared to the dramatic changes in the non-Indigenous population that we have been getting.

Mrs VALE—Considering all the recent changes to the CDEP, is it too early to see any trends? Do you have any positive results, or negative ones that you are concerned about?

Mr Harvey—The government went through reforms in 2005 and 2006 and is going through more in 2007. Looking at the percentage increase in employment outcomes over 2004-05 compared to 2005-06, there was a 135 per cent increase. Already this year, we have exceeded that employment figure and we are already above the achievement for last year. We think that probably CDEPs will get anywhere up to between 5,000 and 6,000 job placements. The other thing is that the government has a requirement in urban and major regional areas, where there is a Job Network, for the participants to link up with Job Network. Effectively, about 20,000 of the 31,000 Indigenous people who are in CDEP are linked up with the Job Network. That is adding further servicing, so you are basically getting enhanced servicing for Indigenous people.

We are starting to see—and we talk a lot to people on the ground—that these reforms are very good and that we have got general support from governments at all levels, from business and industry and from communities. They are saying that it is working because Indigenous people are getting into jobs. The reforms are making an impact. If we look back over the last couple of years, we are starting to see a change of attitude. The strategies have shifted the belief. You can actually get people into jobs now that these major strategies are in place—and I talked about that.

I also talked about the regional partnership agreements in the Kimberley. Fifteen-hundred jobs over five years is a huge job strategy in the Kimberley. That is partly based around Argyle Mines and Rio Tinto's work there, but also more broadly. Down in the Pilbara, there are 450 jobs. That is through the minerals council. There is something like eight regions that are being looked at for the Mineral Council regional partnership agreements. We are now looking at another four locations. Because of the experience that we have gained in these regional partnership agreements we think that we will be able to—and the industry is saying this and Indigenous people are saying this—ramp up this whole employment strategy. There has been considerable success and that is because the Indigenous community, business, industry and all levels of government are working together and really pushing the pace along.

Mrs VALE—Is mentoring a significant part of that process?

Mr Harvey—It is. Mentoring is very important, both within remote areas and in major urban areas. In remote areas and in the mining sector we are using Indigenous mentors. We are going through a whole cultural change process with companies, but even in companies like the Ford Motor Company there were Indigenous mentors employed and working with the people that went into the Ford Motor Company. There is also a lot of work being done where each of the Indigenous employees that were placed were matched up with people on the shop floor to drive it. There was also significant change going on in the Ford Motor Company. We found this in the

case of other locations such as Mildura. One of the successes there is that an Indigenous person—a chap who is a respected elder—is employed in the structured training area. He works very closely with the Indigenous participants. They have achieved fantastic results in Mildura. The last count was that over 140 people had gone into jobs over three years—and that is in a small town such as Mildura.

Mrs VALE—Do you remember the retention rates of that?

Mr Harvey—The retention rate is very high. I know that it is high because they are putting people in Mildura through traineeships and there is incredible support within the community. They are profiling success. It works because of the way it is run. It is a Structured Training and Employment Project. They have the Indigenous mentor; they have the support structures. It is a very good outcome. What you have is a change of attitude on the part of business and the community so that they now say, ‘We can do it and we can do it together.’ We can get you the retention rates in Mildura—I do not have them with me.

Mrs VALE—When we first formed this committee, the Indigenous coordination centres were only just beginning; they were just being rolled out. How have they been working?

Mr Harvey—They have been working very well. This was quite a paradigm shift for government. What you are doing is driving a whole-of-government approach—and this is not only happening at the Australian government level, it is happening at the state government level and at the local government level. If you look at the cases of the regional partnership agreements in Kununurra and Port Hedland, they were being driven through the Indigenous coordination centres. I have had the good fortune to sit in most of these regional partnership agreements not only there but in Weipa and a range of other locations. The Indigenous Coordination Centre manager facilitates the meetings, which will have Indigenous people, business people and people from all levels of government driving that with support from Australian government agencies and state government.

The other thing that is important is that you have representation from across government so, for example, when they look at funding agreements—which they are at the moment—they look at them collectively to see how those funding agreements work together. We have a thing called an e-submission. People within agencies or organisations within communities put in submissions and they are collectively looked at by the Indigenous coordination centre. It is a focus for people in the community, business, industry and all levels of government. So it is working well for a new model and it is giving an opportunity for all levels to work together. I travel quite a bit and work with these ICCs, I think that they are working quite well on the ground.

Mrs VALE—That is from point of view of the governments. How about the Indigenous people themselves? Do they see that it is meeting their needs? Have they been surveyed in any way? Do they actually have any opportunity for input?

Mr Harvey—They do because they hear one voice. This is me speaking. I know that the ICCs have been reviewed. When I go into a community, there is one voice even when I am working together with a range of people. From that, you get significant initiatives—like the two in Port Hedland and Kununurra that I talked about. Two years ago, those sorts of things would have been difficult to drive unless you had a whole-of-government approach. Now we have the

confidence to push ahead with even more locations. We are looking in more areas for industry strategies. It makes it a lot easier to drive these regional partnership agreements, either around tourism, mining, manufacturing or whatever tends to be the issue within the location.

CHAIR—So the ICCs are creating their own reconciliation within departments?

Mr Harvey—Yes.

CHAIR—Good.

Mr SNOWDON—I do not know how objective that analysis is, but we will not contest that at the moment. What impact has the removal of remote area exemptions had on employment outcomes?

Mr Harvey—With remote area exemptions, what happened was that a whole range of people across Australia—probably about 5,000 to 7,000 formally and about 20,000 informally—were exempt from doing anything when they got welfare. So the idea of lifting remote area exemptions is to basically say, ‘If you are going to get income support, you have to do something for it.’ We have gone through a process of lifting those. We are only talking about very small numbers getting employment outcomes. If I could put my finger on the figure, I would give it to you, but it is only a very small number. Basically, 936 individual remote areas exemptions have been lifted, with 739 being registered with the Job Network and 429 now participating in CDEP. But it is only a handful of job outcomes. Mary-Anne tells me 14 people linked to the Job Network have been placed into part-time work with CDEP top-up and six have been placed into full-time or part-time work off CDEP.

Ms Sakkara—They are quite old figures. They are from August last year.

Mr Harvey—Why we are not worried about that is because the first thing to do is shift the attitude and the approach. The big thing with remote area exemption is to bring in a cultural change. When we do this, our people go into communities and start to talk about a new approach, which is basically: ‘If you get income support, you have to do something for it.’ We then go back—

Mr SNOWDON—Typically, what does that require them to do?

Mr Harvey—If they have got income support, they have actually got to either participate in CDEP or register with the Job Network and undertake something like Work for the Dole. That is what we require as an initial step. We get reports back through a number of feedback mechanisms. We find that once we go into a community, a number of the elders in some communities will welcome us with open arms and say: ‘This is fantastic; we’ve been waiting for it.’ They then take over the consultations and start to talk about it.

We get feedback from government officials who visit other communities—particularly those in the APY lands with the government strategies on Opal fuel and the reduction in petrol sniffing that has been achieved—that you can actually see a change in the way that the community is operating because people are saying, ‘If I’m getting welfare, I have to do something for it,’ and so are actually contributing. Other things that we are driving as well include local job strategies.

If we look at the Northern Territory, the local government association audit that we undertook showed that only 43 per cent of the jobs were held by Indigenous. So there is a goldmine of jobs that we can target.

Mr SNOWDON—Not quite, because they are now being rationalised.

Mr Harvey—They can rationalise them but there will still be—

Mr SNOWDON—You are right. I am not arguing. But the quantum is going to change significantly because that rationalisation to get rid of 63 councils and make them nine is going to have an enormous impact upon the labour force. I am not arguing; I am just trying to—

Mr Harvey—It is the Northern Territory government who are doing that.

Mr SNOWDON—But it has an impact on the way in which you get outcomes. I am not arguing that you are not getting outcomes; I am just trying to have a discussion about this because I think it is potentially very important for two reasons. One of which is that I am aware of a CDEP Bawinanga association who it appears your organisation is trying to say they should not have all of the CDEP they run, and there is an approach to the local council to split the CDEP.

Mr Harvey—That is not the case, but keep going.

Mr SNOWDON—I am glad that is not the case; tell me if it is not the case. But, importantly, what happens in July 2008 next year when this new local government reform comes in? How might CDEPs like Bawinanga and others around the place, who operate within a defined area, be impacted upon by those changes as far as you are concerned?

Mr Harvey—There is an economic development committee that is a joint committee between us and the NT government that looks at all of these sorts of issues. We are obviously aware of the reforms in local government.

Mr SNOWDON—I do not agree with them all, but that is beside the point. Keep going.

Mr Harvey—We talked about economic hubs. One of the things that we and the NT government have talked about is that, if you move to regional governments, you create economic service hubs and you start to create the jobs. If you have outback stores, you build in the local motel, butcher and baker and you start to create the market and the economy. In cooperation with IBA and a range of state government agencies, we are starting to look at the whole issue of creating a real market as opposed to a welfare state, a market economy based around whatever is needed. They need bakers, butchers, hairdressers and, if they had a 10-bed hotel, they could accommodate the press and the public servants that go in and out the whole time. It is a reality.

CHAIR—Business opportunity.

Mr Harvey—It is a huge business opportunity, so IBA is looking very closely at tacking accommodation on to these outback stores, and you can do it in a number of cases. In the case of Bawinanga, there is no reason why—

Mr SNOWDON—They have already got a motel.

Mr Harvey—Yes, and you cannot extend that. You obviously know more than I do about the tourism that is going on there and the opportunity for business growth.

Mr SNOWDON—What about this argument that they put to me that there was an approach made by the department to the Maningrida Council to tender for the CDEP when the Maningrida Council had not met and had not decided they even wanted to tender. Then later on—and I was at Maningrida when this happened—the local community got very antsy with the local town clerk and the CEO for participating in discussions with DEWR without informing the community.

Mr Harvey—We run very strict requirements for our tender process and how we operate. As you would know, there is an incredible amount of local politics that dealt with that situation. We do not go asking people to do things; we say that we have a funding agreement which is a competitive process and that it is up to any organisation to tender to basically run the CDEP. If an organisation asks us about what is involved, we will tell them, but we do not initiate something unless we have a service that is not delivering. If an agency or a CDEP is not delivering, we can do things.

Mr SNOWDON—I appreciate that. What about the COAG trials? What is your experience of the COAG trials in terms of addressing employment opportunities and getting employment outcomes?

Mr Harvey—DEWR was involved in two COAG trials: one in Cape York and one in Shepparton. In the case of Shepparton, we drove employment outcomes. We got them to a level similar to non-Indigenous employment outcomes because we put in place structured training and employment initiatives. In the case of the Cape, we were doing some work and analysis on the number of jobs. Again, when you look at the number of jobs—I am trying to remember the figures—there was something like 3,500 jobs in the Cape and there was about 4,015 plus Indigenous people. Many of those jobs were not filled by Indigenous people.

CHAIR—15,000 plus Indigenous people?

Mr Harvey—No, 4,000.

CHAIR—What was the 15?

Mr Harvey—There were 3,500 jobs and about 4,000 Indigenous people 15 plus years. So there were huge opportunities to get Indigenous people into jobs. What we have been doing is driving those job outcomes through the CDEPs. We have now moved to a bundled approach to delivery of Job Network and other services in remote areas.

CHAIR—How does that work?

Mr Harvey—We basically get one provider to provide Job Network, disability services and the personal support program so that they can basically impact more effectively on the ground, given the sparseness of the population and trying to get better servicing. I think we did quite

well. Some would say that we probably put too much emphasis on driving the employment through the COAG trials, but that is one of the spin-offs you can get. If you have a whole range of employment programs and you have Job Network, you can drive that as well as driving other things through the COAG trials.

Mr SNOWDON—One of the obvious things is that there is an enormous amount of road construction and housing construction which goes on in these communities. What is the propensity for you to tie employment and training outcomes to government expenditure when it is for capital purposes like housing and roads?

Mr Harvey—I think there is always that potential. You have two issues of work here. One is the capacity of the organisations to run house construction and road construction.

Mr SNOWDON—Typically, if you go to most communities across Australia, you will see that road construction is done by the XYZ road construction company, who might reside in Katherine, Halls Creek or wherever and will not ordinarily have Indigenous ownership or participation on any great level, and housing will be done by XYZ housing construction from Darwin. There is nothing compelling them as to where they might spend significant amounts of money. Wadeye is a good example, but there are a whole range of others. I must say that I tried to address this with ATSIC when we were in government. We tried to tie our labour market programs to capital and said, ‘Why don’t you just ensure that the tender documents require you’—that is, the winner of the tender—‘to be engaged in the employment of local Indigenous people and the training of local Indigenous people?’

Mr Harvey—I agree with you.

Mr SNOWDON—We were told it is too bloody difficult.

Mr Harvey—I agree with you and it is a big push. I am sorry that I started on the end of the capacity of organisations, but we are driving business development through CDEPs, through other Indigenous organisations, and we have also struck a deal with the NT government about creating construction apprentices in the building industry. But, again, with the reforms the government is looking at in terms of the provision of housing, they are also looking at the issue of how we can build the Indigenous workforce to construct. We are aware of a number of locations—and we talked with the state government as well about what we can do with local government about housing contracts. We tried to facilitate that through the business development program or through support in structured training and employment. I think a lot more can be done in involving Indigenous people in road construction and house construction.

CHAIR—Mr Snowdon and I have been saying that for about 14 years.

Mr SNOWDON—Finally the penny is dropping with us. Are these business hubs like incubators? Is that what they are supposed to be?

Mr Harvey—Yes.

Mr SNOWDON—We did set them up, you know—one in Darwin and one in Tennant Creek. It is not your fault, but after 1996 they fell and their job was exactly to do this. They were called

mobile business incubators, and their job was to go out and develop businesses not only in Tennant Creek but also around the region—in this case, the Berkley. I am pleased they are there. Let us hope they work.

Mr Harvey—They will.

CHAIR—Figures for urban, regional and remote, you have done some work for us on that. Given that the mining, construction and pastoral industries have predominance in regional and remote areas—perhaps not construction, but certainly two of those—do you have the figures in your list up here which should bring us up-to-date on that? If not, just take it on notice.

Mr Harvey—So what you want is?

CHAIR—We are trying to understand where the job impacts are. We have got an impression that urban is pretty solid and that the percentages are pretty well down even though there have been some issues locally. Then you go to your regional-rural and then you go to remote. We have talked about it earlier with the minister. There is quite a different categorisation of all of the statistics. How good are they and what they tell us, and relating that to what is happening. You have done great work with the regional partnership stuff in the west and other areas, for example, but isn't it great to have that template to show us as clearly as we can see it at the moment in a national sense. All right?

Mr Harvey—Yes.

CHAIR—SRAs no doubt are on the same track as they have been. Do you have anything on them? You probably touched on them earlier.

Mr Harvey—In the last submission we gave information on these, generally the government is moving to more comprehensive SRAs and we are pushing ahead more with these regional partnerships.

CHAIR—They were a bit mickey mouse earlier. Are they getting more comprehensive?

Mr Harvey—Yes.

CHAIR—Thank you for the local jobs, local people plan. You have some good stuff in here, which I have just glanced at. I think that just about cuts me out. Are there any further questions?

Mr SNOWDON—Can I pursue outside of this meeting the issue of this stuff at Maningrida just so I get a clear understanding of it? I do not want to do it on the record but I would not mind having a chat about it.

Mr Harvey—Okay.

Mr SNOWDON—What I am told and what might be the truth or not the truth.

Mr Harvey—Sure.

Mr SNOWDON—I will not do it today, but at some point. We could do it now, but I do not think—we are going to have different perspectives and that will not lead us to a conclusion I do not think.

Mr Harvey—All right.

CHAIR—Is there anything else you would like to quickly add?

Mr Harvey—We are always pleased to talk to this committee. The government, through the Indigenous Economic Development Strategy, has really pushed ahead on Indigenous employment and wealth creation. The whole-of-government approach is really starting to bear fruit, particularly in partnership with Indigenous communities, with business and with all levels of government. It always surprises us the success that we are having with the outcomes and the cooperation, particularly the job outcomes and the employment outcomes.

CHAIR—One thing that troubled me a little bit this morning is that allegedly a total number of qualifications completed by Indigenous vet students declined 10 per cent from 2001 to 2004. Can we get a bit of feedback from you on that?

Mr Harvey—Now?

CHAIR—If you have something off the top of your head that is fine, but I would not expect you to have anything.

Mr Harvey—No, I have not.

CHAIR—Can you take that on notice. Anything else you would like to add?

Mr Harvey—No.

CHAIR—Thank you very much, and thank you ladies and gentlemen.

Committee adjourned at 1.03 pm