



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON ABORIGINAL AND TORRES
STRAIT ISLANDER AFFAIRS

Reference: Indigenous employment

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS

Monday, 21 May 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: Ms Annette Ellis, 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

**SZYDZIK, Mr Jack, Chief Executive Officer, Cairns and District Regional Housing Corporation
Ltd 1**

Committee met at 11.33 am**SZYDZIK, Mr Jack, Chief Executive Officer, Cairns and District Regional Housing Corporation Ltd**

Evidence was taken via teleconference—

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. I welcome Mr Szydzik. Do you have any comments to make on the capacity in which you appear?

Mr Szydzik—I am also a director on the board of directors. I am here with the knowledge and approval of the board of Cairns and District Regional Housing.

CHAIR—I understand that you would like to make a short opening statement; or would you like me to go straight to questions?

Mr Szydzik—Yes, please do.

CHAIR—Can you please tell the committee how the Cairns and District Regional Housing Corporation contributed to improved employment outcomes for Indigenous people?

Mr Szydzik—That is a big question. There are many aspects to this response, particularly in the context of the underlying theme of practical reconciliation. I will offer a response on a number of aspects and, in doing so, I will refer to significant factors that have contributed to, or restrained, our success. I offer that in the context of lessons learned and what we can do better the next time. Are you happy with that approach?

CHAIR—Yes, fire away.

Mr Szydzik—If you have any specific issues or questions along the way, please feel free to ask. I see this as a golden opportunity to contribute to doing things better in the future, and that is the way we have agreed to pursue this within our organisation.

First of all, let us have a look at some background, because context is important. In December 2003, members of Cairns and District Regional Housing—the board of directors—made a very conscious decision to use the imminent defunding of ATSIC to break away from the entrenched culture of nepotism and self-interest that pretty much characterised Regional Housing and to charter a new course for Regional Housing. That is quite an opening statement. Some of you may wonder why an organisation would turn on itself like that. The answer is quite simple. There are many gifted and dynamic people within Indigenous communities, but the experience within Regional Housing—and the region at large—under ATSIC and its then funding managers was that the federal bureaucracy that was in place then was, along with ATSIC, responsible for core and significant programs and organisations funded through ATSIC being pretty much controlled by a small number of family groups. Despite wide-ranging dissatisfaction within the wider community about how these organisations operated, they continued to be run, often, by the same family members until they were eventually defunded. Regional Housing was definitely in

that situation. Often, family members, even if they were eventually charged with criminal offences or were part of failed systems and structures, were simply recycled into other family-run fiefdoms created by public money. Regional Housing certainly was in that mould.

In March 2004, ATSSIS—which was the intermediate stage between ATSIC and the Department of Families, Community Services and Indigenous Affairs, before FaCSIA took over responsibility for Indigenous programs—advised Regional Housing that it was going to be defunded from that point onwards. It was only its last-minute commitment to change, and an agreed approach to conducting quarterly reviews, that provided Regional Housing with a further lifeline. That gives you an idea of just what a low baseline Regional Housing was starting from in its change program back in early 2004. In April 2004, Regional Housing conducted its first strategic planning workshop, and in that workshop it crafted for itself a new vision for the future. Copies of that strategic plan and the current business plan have been provided to members of the committee.

CHAIR—I am scanning it now; it is in front of us. It is in our documents.

Mr Szydzik—At the strategic planning stage in April 2004, Regional Housing, as the umbrella Indigenous housing organisation for Far North Queensland, made a conscious decision—and then formally documented that decision in the form of a long-term strategic plan—to create a new future for itself. It decided to challenge the current domineering individuals and family groups that effectively controlled Indigenous programs, to create a new culture based on taking control, accepting responsibility for our own future and building a housing corporation based on inclusiveness, transparency, accountability and professionalism. This is, in essence, practical reconciliation.

At this critical point, the majority of Regional Housing directors decided to make a quantum leap in the maturity continuum, to move from dependence to independence and then to engage with any future funding body, whether federal or state, in an interdependent manner. We were actively supported in this approach by ATSSIS. The operatives from ATSSIS and Regional Housing actively sat down and charted this program together. In that circumstance, there could have been no better or more positive demonstration of practical reconciliation.

So in April 2004, with the support of the then funding body—which was the federal government—Cairns and District Regional Housing Corporation charted a course of action for itself, and it is clearly set out in the strategic plan. The strategic plan you have there in front of you is the one that was actually crafted then. We had a three-year plan; it is still current. Every year we just update our business plan.

There are four main themes within the strategic plan. The first is a change from a dependency culture to a culture of independence, having relationships with other bodies in an interdependent manner—and that includes relationships with our own communities, other service providers and funding bodies. The second theme is to continue to allow the aggressively resistive family-dominated member housing organisations to remain as members and to allow them to re-engage at some future time. The third theme is to recreate Regional Housing as an umbrella organisation to consolidate, repair and better manage all housing assets; to create opportunities for growth; and to leverage other programs, such as employment and improved health, off our housing assets. Most importantly, we aim to position Regional Housing for the future and in particular—

and this began way back in 2004—begin the process of integration into the state system. I might add that this is something that we have been aware of for quite some time.

To the many community based members that were party to this transition, the issues of housing, health and employment were all inextricably linked. For this reason, Regional Housing, as can be seen from the strategic plan, has tried to set itself up as a model for what a successful organisation looks like—one that various communities and people can learn from and leverage off in implementing enterprises for themselves.

Copies of the Regional Housing corporate governance policies and procedures; copies of the Regional Housing tenancy and property management policies and procedures; our computer based housing management system, including the IT sitting under it; locally developed asset management and asset register systems; and many other locally developed processes that could be readily implemented have been freely disseminated to all our local housing organisation members. These things have also been provided to a wider range of Indigenous service providers, like Yarrabah council and Bardu Island—and I have workshopped them—and to our counterparts in Rockhampton, Townsville and south-east Queensland. I have workshopped the Hopevale Community Council here. All these have been forwarded on freely, on the understanding that we all move forward together and we can all, down the track, cross-support each other.

That is perhaps a longwinded introduction but it tries to outline the most important part of practical reconciliation—that is, for all parties to be clear about their own agenda for their own future and for those parties to engage in an interdependent manner. This last comment is an appropriate segue into the issue of significant factors that contributed to positive outcomes. As mentioned earlier, many of the community representatives within Regional Housing saw the demise of ATSIC as an opportunity to break with the past and take control of their own future. That is a feeling that underlined the driver for change within many of the community members that now direct Regional Housing. When FaCSIA assumed control of funding from ATSI, the goodwill and cooperative approach evaporated instantly. Where ATSI had understood that Regional Housing was undergoing a difficult but necessary change program, FaCSIA systematically engaged directly with the resistive member housing organisations and often destabilised Regional Housing efforts to drive change.

I discussed in our last session the issues and problems encountered with the behaviour of the local FaCSIA and ICC office, and at some future date we may discuss this in detail. The impact of the continued destabilising behaviour of FaCSIA and the ICC was to continually give the message to the community that the government did not endorse the change agenda, that the family groups in control during the ATSIC era were still supported by the government and that Regional Housing did not have its support. I have provided some documentation to the committee to demonstrate our continued frustration and the blocks that we experienced—

Mrs VALE—Jack, can I interrupt for a minute. Just so that we are very clear on this: there are echelons within FaCSIA that are providing stumbling blocks to the objectives that your organisation has for the independence of your Indigenous communities, stumbling blocks to your organisation working for the advancement of all the Indigenous people? They are actually working against our own policy of practical reconciliation?

Mr Szydzik—I believe so.

Mrs VALE—That has been your experience?

Mr Szydzik—I do not think that, at the service delivery level within FaCSIA and the ICC, they understood that their role was to be more of a strategic role, as an enabler and facilitator. They still persevered with being low-level control people, and I do not think they made the transition. I do not think, at that level, the government has made the sorts of quantum leaps in maturity that a lot of Indigenous organisations have made over the last three years. You have got a mismatch of understanding of what practical reconciliation is. Does that confuse you or clarify?

Mrs VALE—No, that is fine; thank you.

CHAIR—Okay, Jack, I reckon you are getting towards the end there.

Mr Szydzik—I can keep going—trust me! The recommendation we offer in this context is that the federal government realise that all the best intentions and strategies to initiate change will fail if the delivery process is firmly connected to the past and has as its power base the very things and corrupt structures that the government want changed in the first place. The federal government may not have yet realised this, and perhaps this forum is an opportunity to get this message to them. All the exposure of undesirable aspects and consequences of the way Indigenous programs were managed in the past, coupled with lots of rhetoric for change, have lead to scepticism and, in some cases, resentment of the government. They see that their program managers, who are a key party to the past, are still operating as they were in the past. There is a feeling that the government want others to change but that they want to stay the same. I believe that it is important to align what is actually happening in the delivery with the intention at the policy level. I believe that mismatch is a key issue. It is that mismatch that has frustrated us.

That is at a strategic level. Let me talk about some specific examples about blockers and what we tried to achieve.

CHAIR—I think we need to hold it for a minute. I think people might want to ask a couple of questions, just to get a bit of context. We have about another 10 to 15 minutes if we need to use it.

Mr Szydzik—We will need at least another 15.

CHAIR—That is all we have, my friend.

Mr Szydzik—I didn't realise I was on a time frame.

CHAIR—We all are, I'm sorry.

Mr SNOWDON—I have a range of interests. Unfortunately, I was not there in Cairns last Wednesday, so I am not sure where to start, apart from wanting to know a couple of questions. What funding do you get from the Commonwealth?

Mr Szydzik—We receive CHIP funding.

Mr SNOWDON—What will happen as a result of the end of CHIP, as a result of the budget decisions last week?

Mr Szydzik—We will receive \$80,000 next financial year operational support. We had set ourselves a target of being totally self-sufficient by June 2008. We will be self-sufficient by that stage.

Mr SNOWDON—What funds do you use for the purchase of houses?

Mr Szydzik—Up until now it has been CHIP funds.

Mr SNOWDON—So what will it be in the future?

Mr Szydzik—If I kept going, you would probably get all those responses—

Mr SNOWDON—If you could answer the question, that would be great.

Mr Szydzik—Okay. What we tried to do was set up an arrangement where we could consolidate all our assets, get all the housing organisations operating under common systems, common processes, best practice real estate processes. Then with 300 houses in tow, we were going to start adopting a commercial approach and start leveraging off our assets. What we were going to do was grow from our own resource base. We have already spoken to the Cape Bank, we have already spoken to financial institutions. Two years ago we had the FIMS program lined up, all the things that are being talked about now. We were planning to grow from our own resource base.

Mr SNOWDON—What access do you have to state housing resources?

Mr Szydzik—None at the moment. The other part of our program was to transition into that by about June 2008, which is exactly in line with what the federal government is now advocating.

Mr SNOWDON—What do you mean by transition to that? What would you be aspiring to get to?

Mr Szydzik—We want to become part of the state system, but we do not want to lose our value contribution. Our value contribution is, we believe, that we should be able to provide a pathway to improved access to private rental and improved access to home ownership. We want to be part of the state system but we do not want all our houses listed as state housing, because that takes that capability away from us.

Mr SNOWDON—So if I am an indigenous person in Cairns and I want to get a house, who do I go and see, you or the state housing commission?

Mr Szydzik—Both because neither of us have enough houses to get by. We have already worked with state government service providers so that ideally we would be on the same asset

register. We currently have exactly the same housing application forms. We have already integrated our processes into the state system. Eventually we would hope that there should be somewhere one point of contact and one distribution process.

CHAIR—Thank you.

Mr Szydzik—I might add, that I am not on my own here, regional housing is not on its own. Our counterparts in Townsville, which is North Queensland, our counterparts in Central Queensland centred in Rocky and our counterparts in south-east Queensland are all of the same mindset: we are all working together to get to the same point in June 2008.

CHAIR—Dana Vale, Jack.

Mrs VALE—Jack, would you just like to articulate, for the record, the members of your board, especially the women elders, of the different communities who are part of your board structure?

Mr Szydzik—I certainly can. If you just bear for a moment, I will go to our listing. We are quite lucky in that we have some very special people on our board of directors. We have the local traditional owner group, the Yirranjdji Gurubana Aboriginal Corporation. The chairperson of that group is Janet Singleton. Also from that group is Catherine Kyuna. We have from Bidji Bidji, which is in Atherton, Kathy Titlow. We then have a fair few other members. We have Innisfail with Chjowai. We have Mosman Gorge, with Damien Britnell and Janelle Rinaldy there. From Nundai, which is in Kuranda, we have Benny Gutcheon. Kozan, which is an Islander group, we have Kathy Louwer. We have Goobidi, which is Mosman itself, and our member there is Bronwyn Morgan. We have Jiddabul, Rena Woods; Giangurra, Tracey Grey; Bama Ngappi Ngappi, we have Percy Neill; Gindaja we have Father Wayne Connolly. Juyuga we also have Michael Connolly and Vivien Connolly. Ngadjon, which is a traditional owner group up in the Tablelands, we have Ina Gerse and Yvonne Conando. I might add that we have some very special people. We have people who have stood up for themselves and re-engineered themselves and made a very strong stand to move us and their communities forward, and move away from some of the undesirable aspects of the past.

Mrs VALE—Jack, I understand that all these board members fully embrace the corporate governance principles that the board has promoted but done so with enthusiasm and commitment.

Mr Szydzik—We have enthusiasm and commitment, with the exception of three or four, who are housing organisations who pretty much ran this place in the past. They have been a source of resistance to the change and transition that we are going through. It is their connections through the bureaucracies that have caused us a fair bit of grief.

CHAIR—We have about five minutes to wrap, so we are going to have to get pretty efficient. We have got Hansard from last week with us, we have a picture from that, we have your comments now, which are quite extensive. You have had extensive discussions with Mrs Vale. We have quite a bit of information there now. The time has come to try and draw it together and go back to that question of the improved employment outcome for Indigenous people.

Mr Szydzik—I will just take out the whole middle bit of what I was going to talk about—

CHAIR—Just give us a 30-second summary of what you wanted to talk about

Mr Szydzik—Let me just go into how this all relates to Indigenous employment.

CHAIR—That's it.

Mr Szydzik—If you refer to both the Indigenous housing strategic plan and business plan, you will note that the regional housing commitment to leveraging off its housing programs to create employment opportunities for the Indigenous communities. There are a number of dot points here. At one level, by asking the contracted program manager to achieve as high an Indigenous labour component as possible in our past construction and repairs and upgrade programs we achieved on average 70 per cent Indigenous labour component. What is important to note here is that we did this in a purely commercial environment. Whilst we asked our builders to achieve as good a result as they could, all the work was tendered out, and all the work was allocated on cost basis and value for money. So right from the outset, it is not a situation of either or. You can actually have both, and that is something we have demonstrated. It is just a matter of how you approach it.

At another level, regional housing tried to assist community based organisations to create and maintain their own building and or property management programs. Following Cyclone Larry we offered all our cleanup work to such Indigenous organisations, and continue to do so when we can. We recently completed construction of two houses in Mossman Gorge, where we tendered the work out, and where we applied positive discrimination to the local Bamanga Bubu Ngadimunku. We call them BBN community, which is the Mossman Gorge community. They contracted a builder, and built the houses locally. So the idea, then, was to try and foster some form of long-term apprenticeship and building program in that community itself. Following a request from a local group of people within regional housing for us to actually help coordinate small CDP group, we workshopped the group and put in place a business plan and a go to market strategy for a property maintenance and events management business. We assisted them to get their blue cards and necessary safety equipment. In this group were people with extensive experience initiating and coordinating major sporting or cultural events. We hope that this group could use our property management or maintenance work as a base, and then they could progressively leverage off and create a small enterprise. Given the property boom in Far North Queensland, this is not a radical approach. The group did get to work for us, and not only that, operating out of our boardroom, they organised a most successful football carnival in north Queensland; over 10,000 people attended over three days. There were 30 teams participating from all of Queensland, extensively from North Queensland and the Torres Strait. It was a brilliant success with not one single adverse event and glowing reports in the local media.

The same group went on to initiate an equally successful North Queensland darts competition; however, they did not get 10,000 people there. This group had all the ingredients of success: good leadership, good skills, willingness to learn, willingness to work. But they lacked the support needed for the basic start-up like access to a four-wheel drive and access to a trailer. They just could not get to the jobs. They failed because when they went to their CDP service provider the central coordination one, they had their own priorities and these people were not

well enough connected. There is a fair bit of spontaneous development and a fair bit of talent out there but by the very nature of the way we run programs we sometimes exclude them.

CHAIR—We need to come to the 70 per cent, the improved employment outcome for Indigenous people. You need to talk about that.

Mrs VALE—There is a minimum 20 per cent required and you are actually achieving 70 per cent. How?

Mr Szydzik—Simply because we asked our builders to do it, and what we also gave them was, if you look in our Property Tenancy Management Policies and Procedures—

CHAIR—You asked them to do 20; they achieved 70. Why?

Mr Szydzik—We not only asked them to do it but we gave them a code of conduct framework which they could hand to all the subbies.

CHAIR—What is in that code of conduct that you think makes the difference?

Mr Szydzik—We are an Indigenous organisation so, when a code of conduct is handed to Indigenous people it is not seen as something that is being imposed on them. It is seen as something ‘from our mob, for our mob’.

CHAIR—Who does the analysis of the 70 per cent?

Mr Szydzik—Because we tender all that work out, that is done by the professional project managers, and they provide us with reports on—

CHAIR—Is that actually bodies at the site or actually hours of work?

Mr Szydzik—Based on hours of work.

CHAIR—We have got a pretty good picture of it. You have got a couple of minutes to sum up.

Mr Szydzik—One thing that Regional Housing has demonstrated is that there is a groundswell of change within the communities. Where we are at the moment demonstrates that. For the federal government to kick some major goals on practical reconciliation, it needs to actually recognise that there is this groundswell of change and engage with the change as it is happening within the communities. I believe that is where the federal government’s policy platform is. Its actual service delivery at the lower end is one of still being a gatekeeper rather than clearly understanding the need for thinking in terms of being a strategic organisation, and being an enabler and a facilitator. I believe that is pretty much where the mismatch is.

Ms ANNETTE ELLIS—I am going back to the 20 per cent-70 per cent question, and I understand that the requirement was 20 per cent and the average is 70 per cent. Considering that you have got houses spread over an enormous area of country—and the average of 70 per cent is

admirable—can you tell us of any geographical areas where you have houses where you actually may not have made the 20 per cent?

Mr Szydzik—If we had a weakness at all—and I don't know these figures because we have only just finished a construction in Mossman Gorge—it actually would have been within the work given to Indigenous communities themselves. They have been subbing out to non-Indigenous people.

Ms ANNETTE ELLIS—We may have to leave this as an assumption or maybe an unanswered question; you may not have the mathematical detail. If there were difficulties anywhere in reaching those benchmarks, why would they have occurred? Could they have been because of remoteness, or maybe a contracting builder not going into a particular area and another one doing it? In other words, if there is an issue, could we identify what that issue is, because that helps us to understand why the success is where it is as well.

Mr Szydzik—The only problem we have here is that the whole of Far North Queensland is in a ridiculous building boom, and we just can't get builders and support people because they are so busy—

Ms ANNETTE ELLIS—This is not a criticism at all. I am just trying to understand if there is an issue, where it is, and why.

CHAIR—A regional difference.

Mr Szydzik—I don't think that we have an issue. It is just a matter of trying hard.

CHAIR—I thank you very much.

Mr Szydzik—My pleasure. I thank you very much. I felt very warm towards this committee. I believe that the issue of practical reconciliation is one that is there for us all to grasp. I believe that at a senior level the federal government is on track. I believe that at the operational level there is space to grow on the maturity continuum and it is certainly possible for us all to make big improvements. I believe that you guys are on the right track. Thank you for the opportunity to contribute.

Resolved (on motion by **Mr Snowdon**):

That this committee authorises publication of the transcript of the evidence given before it at public hearing this day.

CHAIR—Thank you, everyone.

Committee adjourned at 12.10 pm