



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

# HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON ABORIGINAL AND TORRES  
STRAIT ISLANDER AFFAIRS

**Reference: Indigenous employment**

MONDAY, 8 AUGUST 2005

CANBERRA

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**HOUSE OF REPRESENTATIVES**  
**STANDING COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS**  
**Monday, 8 August 2005**

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

**Members in attendance:** Ms Annette Ellis, 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**

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**Committee met at 9.54 am**

**CALDWELL, Ms Jo, Group Manager, Intensive Support Group, Department of Employment and Workplace Relations**

**CARTERS, Mr Graham, Group Manager, Working Age Policy Group, Department of Employment and Workplace Relations**

**HAMILTON, Ms Jody, Assistant Secretary, Business and Policy Development Branch, Department of Employment and Workplace Relations**

**HARVEY, Mr Bob, Group Manager, Indigenous Employment and Business Group, 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 inquiry into Indigenous employment. I welcome the witnesses. Thank you for your submission. As you would be aware, this hearing is regarded as a proceeding of the parliament and needs to be treated accordingly. Do you wish to make a brief opening statement? You may wish to add to your submission, which we received last week.

**Mr Harvey**—The key objectives of the Department of Employment and Workplace Relations involve increasing work force participation, improving the effectiveness of the labour market and achieving highly effective and productive workplaces. The submission notes a range of mainstream and Indigenous-specific programs and services and, at the request of the committee, lists case studies against each of the programs. Many factors contribute to the relative disadvantage of Indigenous people, and they include unemployment and educational levels. As you probably know, the participation rate for 15- to 64-year-old Aboriginal people is around 54 per cent, compared to 73.3 per cent for the rest of the Australian population. The Indigenous employment to population ratio for 15- to 64-year-olds is 43.2 per cent, compared to 68 per cent for non-Indigenous people. These are 2001 statistics and are the best statistics we have available. The unemployment rate for Indigenous people in 2001 was 20 per cent. In 2001, the national unemployment rate was 7.2 per cent. It is now 5.5 per cent.

We are starting to see significant improvements in Indigenous unemployment. For example, the rate of unemployment for Indigenous people fell from 22.7 per cent in 1996 to 20 per cent in 2001. Other things are encouraging as well. We are starting to see a reduction in long-term Indigenous unemployment. We are starting to see that Indigenous people are a lot more secure about job opportunities. We are also starting to see that there are a lot of jobs outside of Community Development Employment Projects, and non-CDEP employment accounted for about 70 per cent of the jobs between 1994 and 2002. That is encouraging. We are also seeing a reduction in Indigenous dependency on pensions and benefits. That has decreased from 55 per cent to 50 per cent in the eight years to 2002. We undertook consultations across Australia on the changes to CDEP, and in undertaking those consultations we got quite positive responses regarding the need for greater employment outcomes through this program.

I will also talk about the Employment and Workplace Relations Indigenous tool kits. A whole range of programs are delivered through the department. On the employment side there is the

Job Network, which offers a range of assistance, particularly through intensive support programs and the job seeker account. We also have assistance where the market is a little more challenged—fee-for-service arrangements. We have the CDEP, which I will talk a little more about, and the Indigenous employment policy, which is a program focusing on getting Indigenous people into private sector employment. There are a range of components within that program, which I would also like to talk briefly about. On the economic development side, there is a tool kit surrounding business opportunities. The New Enterprise Incentive Scheme comes under the Job Network umbrella. Later on this morning you will be speaking to Indigenous Business Australia, and they will take you through the programs that they operate. There are a range of other programs which I will come to.

The important thing about the changes that have gone through is that these programs that are put in place complement other programs that are operated by other agencies at the Commonwealth level or at the state and local level. Importantly, all of these programs are delivered through our department structure, particularly down at the regional and state office level but also at the Indigenous coordination centres, where DEWR have people in place and what we call ‘in place solution brokers’. Those solution brokers are basically there to package up programs and deliver programs to Indigenous people.

I will talk briefly about the Job Network. One of the most significant changes that have come through the Job Network is the active participation model, which was introduced in July. The particular change that came through the active participation model was to focus on the individual job seeker and ensure that services were available to the individual job seeker and that a job seeker could choose a Job Network member of their own choice. Under that model, there are significant opportunities through the Job Network to access a range of employment and training programs. Even within the Job Network they have access to what is called the job seeker account, which enables the Job Network to package up a whole range of programs and activities to assist Indigenous people in getting into jobs. There have been quite significant improvements in the placement of Indigenous people over the last couple of years. To 30 June 2004, there were 22,000 job seekers placed in jobs through the Job Network. Last financial year, that number jumped to over 39,000 placements.

**Ms ANNETTE ELLIS**—Indigenous people?

**Mr Harvey**—That is correct: 39,000 Indigenous people.

**Ms ANNETTE ELLIS**—Is there a breakdown of the type of work—full-time, part-time or casual—in that figure?

**Mr Harvey**—We can provide you with that.

**Ms ANNETTE ELLIS**—I would like to know that.

**Mr Harvey**—But what is encouraging is that something like 9,900 of those placements were what we call long-term outcomes—13 weeks plus. So that is very encouraging in terms of employment outcomes for Indigenous people. The point of that is the significant jump in the number of placements through the Job Network over the last few years.



The other thing about the changes that the government put in place through the active participation model and other refinements is that Indigenous people can then get access immediately to intensive support Job Search training. They can get that available straightaway on a voluntary basis. This is usually available to job seekers at three months. Equally, many of the Indigenous job seekers who go into the Job Network get classified as highly disadvantaged. Of the 60,000-odd that were on the active case load, probably about 80 per cent or about 50,000 were classified as highly disadvantaged, which means they get access immediately to a whole range of services.

I talked also about the job seeker account. The job seeker account is very important because it offers incredible flexibility for the Job Network to package up assistance, whether it be training, equipment, wage subsidy, clothing or whatever it is. Not only that, the Indigenous job seeker has access to what is called a training account, which enables the Job Network to spend funds particularly on accredited training for an Indigenous job seeker.

In the more remote areas, the government has put in place fee-for-service arrangements. These fee-for-service arrangements are designed to basically assist Indigenous job seekers in more remote locations. That is particularly where there are challenges within the labour market. So there are strategies in place to deal with more remote locations as well. One of the other strategies that we put in place is an industry strategy. We target industries—for example, the mining industry, where—

**Mrs VALE**—Excuse me, Mr Harvey. You said before that, when classified as highly disadvantaged, Indigenous people get immediate access to a whole range of services.

**Mr Harvey**—That is correct.

**Mrs VALE**—Is that all over Australia?

**Mr Harvey**—That is correct.

**Mrs VALE**—You are saying that you do extra for remote Australia. Is that right?

**Mr Harvey**—Yes.

**Mrs VALE**—As well as that.

**Mr Harvey**—Yes.

**Mrs VALE**—Good. Thank you.

**CHAIR**—Mrs Vale, you need to leave us a bit before 10.30 just for a little while. We are mindful of Mrs Vale and will go to her first. If we could be aware of that—

**Mr Harvey**—Speed up?

**CHAIR**—No. Perhaps we could have two or three minutes of summing up and then we can come to questions. I am conscious of balancing the books with my available people.

**Mrs VALE**—I was just grateful to be able to ask the question when it came up because sometimes we do not go back to it.

**CHAIR**—I am mindful that you need to be somewhere and you will miss the opportunity unless I advise you of that.

**Mr Harvey**—Thank you for that.

**Mrs VALE**—Thanks, Mr Harvey.

**Mr Harvey**—I have talked about industry strategy. The CDEP program is a very important program. Minister Andrews released a discussion paper in February then a future directions paper in April. That future directions paper was about recognising the unique mix of CDEPs across Australia with an emphasis on employment and business development. A new funding model was put in place to basically look at the opportunities for better packaging of activities and a stronger emphasis on partnerships.

There are a whole range of programs, which are listed in the submission, under the Indigenous employment program, including a structured training and employment program, which is basically designed to develop projects with industry to train up Indigenous people to get employment. That is a very successful program. There is a corporate leaders program, where we have MOUs with a range of corporate leaders across Australia to employ Indigenous people. Under the Indigenous employment program there is wage assistance. There is a cadetship program. There is a range of issues around getting community volunteers to participate. There is also an Indigenous self-employment program where people can get assistance for financial literacy and training. There is a small business fund. There is an Indigenous capital fund where Indigenous people can get assistance of up to \$500,000 to start a business. There are the Indigenous employment centres. There are 33 across Australia. The government announced an additional 15 coming out of the budget. They basically provide additional assistance to Indigenous people and they work off the CDEP.

There have been something like 45,000 placements through the Indigenous employment program since it was put in place. I will not go into IBA because you are talking to them later on. But the key thing, I suppose, that the government is looking at in the future is an agenda around increased performance, increased employment outcomes and increased outcomes through the CDEP—for example, finding jobs and increasing participation. It is an agenda around increased linkages with vocational training and education, the further development of these industry strategies—we have had a lot of success in the tourism industry and a range of other industries—and an emphasis on local jobs for local people; that is, how we can get Indigenous people into local jobs.

A lot of this was encapsulated in the government's new economic development strategy, which was announced in the budget and which talks about all of these initiatives around employment and business development. It also talks about bringing together our business development programs and looking at them more in a sequenced way around what the business viability of a venture is, what business skills are needed and what business finance is needed. The Australian government has put in place whole-of-government initiatives to service Indigenous communities

across Australia. The Indigenous coordination centres are a very important part of that. A number of government agencies are represented in these Indigenous coordination centres.

Finally, in terms of the active participation model, the government's Welfare to Work initiative has talked about the importance of getting a whole range of clients back and participating in the work force, particularly the disadvantaged, parents and the mature aged. Indigenous people are represented across all of those groups. Something like 120,000 Indigenous people are on working age payments. The government's agenda is to move very quickly to look at how we can get Indigenous people into jobs, how we can build on the toolbox of programs and initiatives to achieve outcomes and how we can better leverage off that. I think I had better leave it there.

**CHAIR**—Thank you very much. That was comprehensive. In keeping with the spirit of our inquiry, you have focused on the positive. We think that is a useful thing to do.

**Mrs VALE**—Thank you very much, all of you, for coming. What processes do you have in place to let Indigenous people know about all these new services and programs?

**Mr Harvey**—We have a range of mechanisms in place to communicate with Indigenous people—for example, the changes that we made to the CDEP reforms. We communicated that across Australia through some 40 consultation sessions and engaged with Indigenous people across Australia. The Job Network is in many locations throughout Australia and it interacts directly with Indigenous clients. There are some 30 Indigenous coordination centres throughout Australia. The responsibility of people within those Indigenous coordination centres is to actually interact with Indigenous communities, determine what their needs are and then broker solutions.

**Mrs VALE**—So there was significant consultation with the Indigenous people themselves about their needs?

**Mr Harvey**—Yes. There is a range of mechanisms for consultation. We have a lot of information on the web site. We produce marketing material. We are just going through a stage now of revamping some of that marketing material to re-present it again. We are continually looking at the marketing material and interacting with the community. When we look at a change or when we introduce something new, our approach is to engage with the Indigenous community and talk to them about issues and the directions in which we are going.

**Mrs VALE**—When you come up with programs for employment for Indigenous people who live in regional or more urban areas, there is obviously a big difference when it comes to how you focus on the regional problem and the remoteness. How do you go about addressing that and how do you go about encouraging people like those at the Alice? When you visit Alice Springs there are still Aborigines who of course seem to be quite lost at the interface with the township. How do you go about addressing the issues with those people?

**Mr Harvey**—Through the machinery of government changes, the department now has the Community Development Employment Program. We are integrating and bringing that in close cooperation and partnership with a whole range of other programs that we operate. The Community Development Employment Program is a very important interface with the community. There are over 220 organisations throughout Australia that provide that service. One

of the changes that came through the CDEP reforms was a greater emphasis on community but also recognition that each community is quite different. When you are running the program, you need to recognise that. The other thing is that our services, either through the Job Network, the department or through the Indigenous coordination centres, are quite mobile. What I mean by that is that they get out and engage with communities. They engage with communities about the type of service and what is required. The other very important thing about the active participation model is that you can design an intervention to assist an individual. We do that as well.

**Mrs VALE**—Is this a new initiative?

**Mr Harvey**—It has been in place since the late nineties, but we are continually building on that approach. We continue to refine the model. What we have in place basically with that active participation model are the building blocks to assist people to get an outcome. The other important thing that the government has put in place are the Indigenous coordination centres. The people working in those centres are actually out there interacting with communities. It is very clear in the minds of our service providers and our staff across all Australian government agencies that that is the way we provide service.

The other thing that local government, state and Commonwealth agencies are doing—and this is a COAG initiative—is working a lot more in partnership to deliver services; so you engage with local government and state government on the ground. We have a number of examples of that across Australia, where all levels of government are working together to address Indigenous disadvantage. In summary, the programs are flexible enough to deal with individual requirements. We can also, through industry strategies, for example in the Pilbara, start to develop relationships and programs to assist Indigenous people getting into the mining industry. So you have a toolbox of services, which is really flexible, to enable you to target clients, target communities and achieve results.

**Mrs VALE**—These are Indigenous community centres?

**Mr Harvey**—Indigenous coordination centres.

**Mrs VALE**—Indigenous coordination centres. They are relatively new, aren't they?

**Mr Harvey**—That is right.

**Mrs VALE**—So you have not been able to see how effective they are at this stage? I should imagine that is a bit too early—

**Mr Harvey**—We have, to the extent that the government has put in place a number of shared responsibility agreements. These shared responsibility agreements are, again, designed to determine what are the community's needs and wants and then to package up assistance around those needs and wants to meet the community's needs.

**Mrs VALE**—Like an active—what did you call it?

**Mr Harvey**—Active participation?

**Mrs VALE**—Yes; so it is on a community basis?

**Mr Harvey**—It is. And what is very important is that, as we know, once you start to address one issue, there is a whole range of interdependencies between education, health, housing or whatever. So these interventions are enabling us to go more widely into a range of other initiatives as well. We are trying to make sure that we are dealing comprehensively with the community's needs—and there are significant needs around education and health. We try to package up assistance around those needs and individual communities contribute through these shared responsibility agreements to achieve those outcomes.

**Mrs VALE**—Do you happen to have a map, like a structural map, of how all the different services and programs that are offered fit in—just so that somebody like me, who has not been in this area before—

**Mr Harvey**—We can put something together for you and present it to you. For example, when we first introduced the active participation model, we had a stream of information there. When we did the changes to CDEP, we presented CDEP in the context of the broader employment and business development agenda. I can present that.

**Mrs VALE**—That would be very helpful for me.

**Mr Harvey**—The challenge is that there are so many programs and so many initiatives. This is the important responsibility of the people in the Indigenous coordination centres: not to present a whole range of program options to a community but to say, 'What are your concerns?' Then they must package it all up and deliver it to the community so they achieve, from our portfolio perspective, employment outcomes and business outcomes, but also education and health and housing and social—

**Mrs VALE**—So it is really like having a bank of resources that you can draw from to fit the individual's needs or the community's needs?

**Mr Harvey**—That is right.

**Mrs VALE**—I would like to know exactly what they are. You have mentioned several this morning. I would really value that information, if it is not too much work.

**Mr Harvey**—No, it is not too much work; I think it is very important to get a simple message across. We describe it is a toolbox.

**Mrs VALE**—I understand what you are saying and I think it is an excellent idea.

**Mr Harvey**—We take things out of the toolbox to fix the challenge that we are facing. It would be important to get a very simple message across.

**Mrs VALE**—That would be very helpful for me. Thank you very much.

**Ms ANNETTE ELLIS**—Mr Harvey, at the beginning you mentioned a figure of 54 per cent employed, I think. Do the figures you gave at the beginning include CDEP?

**Mr Harvey**—That is correct.

**Ms ANNETTE ELLIS**—I just want to clarify that the figure of 54 per cent employment in Indigenous communities includes CDEP figures.

**Mr Harvey**—The figure of 54 per cent is the participation rate. The unemployment rate was 20 per cent, and that 20 per cent does not include CDEP.

**Ms ANNETTE ELLIS**—So those are the two differences. I just wanted to clarify that. The other question is a rhetorical one: the 2001 stats—there is nothing we can do about that, is there? I am not blaming you guys—it is the ABS—but the point is that you are working on very active programs and looking at obvious government and community expectation for measures, yet you are working on stats from 2001. Is there anything within your control that you can do to improve that?

**Mr Harvey**—We work with the ABS on those statistics but we are starting to quote the figures from our performance through the Job Network. For example, we will be relying more and more on the 39,000 placements until we get the next survey through the ABS so that we can show that there are significant increases in the job placements through—

**Ms ANNETTE ELLIS**—In other words, results happening.

**Mr Harvey**—Yes. We see it through the Job Network. We see it through our industry strategies. We see through the Structured Training and Employment Projects program that we are having significant outcomes by these interventions.

**Ms ANNETTE ELLIS**—You will need to take this on notice: it would be extremely useful for my head—and I think for the committee's—to get a better measure if we knew what those 39,000 jobs were. I do not mean baker or candlestick maker; I mean full-time, part-time or casual and the geographic spread of them. I do not know how difficult that would be, but it would be extremely useful. For example, is there more happening in urban than rural or remote? Is there more casual short-term than long-term? It would be very useful for us to get a reading on what that represents as a measure of success—not that any of that is unsuccessful.

**Ms Caldwell**—The 39,000 count is a count of job placements. Our data is limited to a fairly short window after that so that is people into jobs without necessarily being enduring jobs. The other figure that Mr Harvey referred to of 9,000 jobs that had sustained for at least 13 weeks is the other big measure of success from our point of view.

**Ms ANNETTE ELLIS**—Do you have in place any mechanism by which you can keep a tab on how many people come back into the system? This is not a critical thing. It is important for us to get a feeling on what success we are talking about.

**Mr Harvey**—Generally, what we know through our evaluations is that if people get a first chance and they get a job, even though they might stay there for 13 weeks and then they might go back onto unemployment benefit, we find that once they have made that first step they go on and get into employment. So we think first intervention in this participation is very important because they go on and get a job. We have got a very clear agenda from the government to

provide services across Australia. I am quite aware that across all of regional and remote Australia we are intervening in all marketplaces and we put a particular emphasis on that. If you look at Cape York, for example, we have done some analysis there and we are doing a lot with a flexible service arrangement. We know there are over 4,000 jobs in Cape York and something like 3½ thousand Indigenous people aged 15 years plus, but not a lot of them are employed in jobs. So the local jobs for local people strategy is a very important one that we are working on.

I could list a range of interventions and activities that we have had across regional and remote Australia that have proved to be very successful—for example, servicing mining companies. I talked about that earlier. It is not only participating in mining activities but also running activities to service the mining companies, such as in the hospitality area. We have a range of interventions where we work with communities and locations, for example, in Shepparton, where we engage with no fewer than 60 local employers and set a job target of 100. They are well on the way to achieving that. It is similar in Mildura where there is a large Indigenous population. We could go around Australia. We have done it on a regional basis where we have been looking at large pockets of Indigenous unemployment, tackling the issues associated with those who have the jobs and then matching up Indigenous people to those jobs.

**Ms ANNETTE ELLIS**—I applaud all that because that is what we need to be doing. The reason for my persisting a teeny bit here is that two things can happen: success can happen and then some people can fail and be left behind—and be caught in that left behind state, whether we like to admit it or not. My ears are picking up from travelling around that it is really interesting to understand what the reason is if a person goes into employment and does not hold it for a very long period of time. For instance, if it is educational or cultural then there needs to be another range of things put in place for them to get back on that bandwagon, as you put it. The reason for asking that question is to get that sort of understanding. There is no doubt that in some parts of the country cultural reasons may be the very reasons that a person cannot maintain the employment. It is not necessarily their fault but may be the fault of an employer or work mates who have not come to grips with the cultural requirements that they have. That is the reason for my trying to get a better understanding. I do not want to overanalyse it, but I strongly believe that with that success comes the risk of, in some small cases, people falling off and not being given assistance to get back on because of the reasons they fell off. That is the reason for the question.

**Mr Harvey**—That is very important in the design of programs. Through the Structured Training and Employment Projects program we build in cultural awareness, particularly for employers, helping them to understand the cultural issues, but also for Indigenous people, helping them to understand work. Equally importantly, we tend to put in place Indigenous mentors as well, to work with people. The other thing with the active participation is that if the job seeker goes back on to unemployment they remain on the Job Network's radar at least for a year, so they come back to that Job Network member if they have been unsuccessful in remaining in a job. The big thing with all the other programs that we have for Indigenous people is that there is mentoring, training and other support to ensure that they stay. This particularly comes through the structured training, but it also comes through what the Job Network do through their job seeker account. Where they have had a lot of success and where Indigenous people are engaging a lot more with the Job Network, it is because they are achieving more sustainable outcomes.

**Ms ANNETTE ELLIS**—Can you provide information to the committee about where the 33 IECs are?

**Mr Harvey**—Yes.

**Ms ANNETTE ELLIS**—I have just started to read the submission now. It mentions that the IECs are aimed at people on CDEP but that people who are not on CDEP but who are registered with Centrelink receive limited support. I am just wondering if now or at some time in the future you could outline for us what happens to someone who is not on CDEP. Is there something else in that toolbox of yours that they get instead of the IEC?

**Mr Harvey**—Yes. They can go to the Job Network.

**Ms ANNETTE ELLIS**—I have no wish to be critical, but that sounds so simple, yet we are talking about Indigenous people who may have poor education and are not on CDEP, for whatever reason. I am just trying to work out whether they are on a different level of assistance. It sounds like they are.

**Ms Caldwell**—I can perhaps explain it. The IECs are a particular adjunct to CDEP organisations with a strong jobs focus. In the Job Network we have both specialist organisations designed to service Indigenous Australians particularly, as well as Job Network members in areas where there are high Indigenous populations which have to put in particular service strategies.

**Ms ANNETTE ELLIS**—And they have Indigenous or culturally trained people in those Job Networks? That is a guarantee, is it?

**Mr Harvey**—Yes. One of the things that we are encouraging, and that we are starting to see, is a number of Job Network members employing Indigenous people as well. So we have seen a significant increase in the number of Indigenous people employed there.

**Ms Caldwell**—It would be really unhelpful for us to indicate that IECs are the only providers of employment services that have that Indigenous flavour to them, because for Job Network, in their general contracted services, in their specialist services and very much in their performance measurement systems, their performance with Indigenous and disadvantaged job seekers is very front and centre.

**Ms ANNETTE ELLIS**—I do not think the chair will mind if I say this on behalf of all of us. Wherever we have been so far, every time we have asked people what their relationship is with the ICC, 99.9 per cent of them say they have had no contact from an ICC yet. Obviously, the ICCs are a fairly new arrangement. You have mentioned them several times this morning. The committee has a slight level of concern at this stage about the relationship of ICCs. Would it be fair to say that, Chair?

**CHAIR**—Yes. I was going to ask the same thing, but I will do that later.

**Ms ANNETTE ELLIS**—I will leave that to you. We have picked up this issue as recently as the last three weeks in Darwin, Weipa, Alice Springs and Cairns. People look at us when we



mention ICCs and some have said, 'An ICC?' not knowing what it was. I am just telling you that for what it is worth.

**Mr Harvey**—We find that they will see the people who they used to see and they will not know that they are from the ICC—for example, 220 people came across to us from the old ATSIC. They will see those people, but they will not translate them into an ICC.

**Ms ANNETTE ELLIS**—If the ICC has a new role, then these people should know it.

**Mr Harvey**—They should, but it is a two-way thing of understanding who they are and where they fit in. We have just gone through a round of funding agreements across Australia. They have been negotiated with communities—for example, not only do they cover employment but they cover all the services across hundreds of communities across Australia. Funding agreements have been negotiated and they are negotiated through the ICC. People may not have that ICC banner in their minds. We take your point about that.

**Ms ANNETTE ELLIS**—You made a comment which we would all agree with: the government has a wish that we move very quickly to move people into jobs.

**Mr Harvey**—Correct.

**Ms ANNETTE ELLIS**—How is that happening in relation to education? What relationship do you have with the education processes in the country, given that is one of the other very big issues? Again, everywhere we go that is brought up as one of the big hurdles. I am not at all critical of the wish to move people quickly, but some people might not move quickly because they have literacy and numeracy issues and some of the employment opportunities they face are limited dramatically by that very issue. For example, Comalco are providing training so that the people they employ can read safety notices and can work in a mine—but that is not done overnight. There are a lot of jobs that are not in the mining industry. Do you have a whole-of-government approach where education is concerned and a realistic measure of what may or may not be required when talking about moving people quickly into employment?

**Mr Harvey**—If I could come to this jobs first strategy, it is important to recognise the basic requirements people need to get into a job and then get them into a job. It means designing programs that can get Indigenous people as well as other Australians into jobs quickly. Through bilateral arrangements and work with all levels of government and through the Office of Indigenous Policy Coordination there is a lot of work going on with the state governments. In that regard, one emphasis is around designing more flexible training arrangements. We have just put in place through 16 CDEPs across Australia a new pathway to employment for people coming out of CDEP. This is a joint initiative with the DEST that we have put in place. We find that Indigenous people have the skills but their challenge is that they have not always had access. We can get over that and basically determine the skills, identify the skills and present those skills in a way that can get someone into a job, they can actively participate. We can move quickly because we can take Indigenous people from a number of locations throughout Australia who are very well trained and get them over that initial hurdle.

You talked about the mining companies. We will design a package jointly with the mining companies to get a person into employment. We are also looking with the state governments at

more flexible arrangements through TAFE, particularly in more remote locations. This idea of giving people the basic requirements to get a job and then developing them within a job is having results. It is working. It means greater flexibility in our TAFE system and greater flexibility in private provider training. The important thing through the Job Network and the training account is that you can package up something for an individual.

Again, I could cite a number of examples where I have seen one-on-one activity with an Indigenous person who may not have literacy and numeracy skills but who is taken through, say, a basic building traineeship, using a curriculum designed for the individual to get them into a job. When we are adopting that more intensive approach, we are actually getting outcomes. So it does mean a lot more effort at all levels of government.

Look at the COAG pilots, particularly the two in our portfolio, in Cape York and Shepparton. In the case of the cape, there is a lot of activity around what they call 'work socialisation'—giving people the opportunity to participate in work. I talked about Shepparton earlier. It is about actually getting people into jobs—getting them work ready and then training them up in the jobs. We are finding that employers, as you said, are quite willing to do this, because Indigenous people are in locations where there are large requirements for skills in agriculture, in mining and in hospitality. So they are in good labour markets. All we have to do is match that.

We are doing things such as better connection workshops across Australia in more challenged labour markets to match up the job seeker and the employer and get people into jobs. We are finding a lot of success with those industry strategies. It is a significant challenge.

**Ms ANNETTE ELLIS**—I am very enthusiastic about what you are trying to do. I am looking for a realistic measure of how far we have gone and what we need to do to enhance it even more. It is difficult and it is not going to happen overnight.

**Mr Harvey**—Our experience has been that we have had some incredible successes working with a combination of initiatives to get a number of Indigenous people into jobs by trying different approaches, learning from those and communicating that across Australia.

**CHAIR**—Where is the department's own employment strategy with Indigenous people at? What sort of percentages do you have?

**Mr Harvey**—We have recently relaunched our Indigenous employment policy. Something like five per cent of people in our department are Indigenous. We have about 140 Indigenous people. We have had an Indigenous employment policy for a number of years. As part of NAIDOC week we have just relaunched our Indigenous employment strategy. It is a very important part of our strategy. We are keen to get Indigenous people into all levels. For example, something like 40 per cent of people in our Indigenous coordination centres are Indigenous. So far, we are doing okay, but we believe we can do a lot better and we are trying to improve the number of Indigenous people participating.

**CHAIR**—You have a little way to go to match Rio Tinto and Comalco in Weipa, perhaps.

**Mr Harvey**—We have. The challenge for us is that Indigenous people, particularly those with skills who come into the Public Service, are quite in demand.

**CHAIR**—It was a very unfair question considering the nature of the job market, your situation and their situation, so you can disregard the question. Annette touched on the criticism of the department over targets set without negotiation. In the new era of the ICC and the shared responsibility agreements, do you have a response? We have had criticism of the department, particularly over the management of CDEP, that they have felt under some duress, some additional pressure—and there would be very good reason for that, in some cases, I would imagine. Can you give us a response in terms of how negotiations are occurring and the differing responses on CDEP and other programs.

**Mr Harvey**—We actually had very positive responses on CDEP. I visited a whole range of communities and gave presentations across Australia. We had incredible support from a number of CDEPs.

**CHAIR**—But not all?

**Mr Harvey**—No, not all. The challenge is, when you go through change, not everyone is going to accept that. The CDEP program is about employment and getting people into jobs. Our experience with the Job Network is that, if you set a target, you get results. This year we have looked at the capacity of individual CDEPs, we have looked at the labour market in which they operate, and then set employment targets. We have had responses from across Australia, which you probably do not hear, that they are very encouraged; they want to work with us to get Indigenous people into jobs.

**CHAIR**—You might give us some advice. The ones you are referring to may be in your submission. You may be able to help us by referring two or three of those to Cheryl. I will take that opportunity, because that would be a good balance.

**Mr Harvey**—We can you give that. Across Australia we have set an employment target which averages out to about an additional 5,000 people going through CDEP and getting into a job. That is quite a significant increase; several thousand over where they were last year.

**CHAIR**—So would you say the CDEP is moving on from the old concept of sit-down money and that there is some evidence that not that many years ago it was almost a program for life? Most Australians said that was unacceptable. Particularly in a good labour market area like Western Australia, the criticism in the mining industry five years ago was that we do not have one participant in certain mining projects from CDEP.

**Mr Harvey**—Yes.

**CHAIR**—I think you are well aware of that criticism, but this is a positive inquiry. I need to move on to a couple of other questions. If I were to say to you that this committee recommends—and let me emphasise that it does not at this stage—that when government contracts are allocated under the banner of COAG or whatever they would have some kind of mandatory requirement for Indigenous employment and training, what would be the impediments and the strengths and weaknesses of that proposition?

**Mr Harvey**—Coming to the strengths and weaknesses first, the procurement guidelines already say that you need to recognise Indigenous employment and companies that promote those sorts of things; it is already in the procurement guidelines.

**CHAIR**—Is it already in the guidelines?

**Mr Harvey**—Yes.

**Ms Hamilton**—For general projects over \$5 million, or over \$6 million for construction projects.

**CHAIR**—But what if I said half a million dollars or \$1 million? I know of projects—Wadeye in the Northern Territory is one that jumps to mind from a previous inquiry—where there is frustration in the local community, and there could be very good reasons for that. They used to build their own homes, and now of course they use outside contractors—you know the story better than I do.

**Mr Harvey**—I think you can do that, but we are finding—and you could look at overseas experiences where that has happened—that we are having greater success by working with industry and with the contractors, saying, ‘We want you to employ Indigenous people;’—not only that—‘we will assist you to employment Indigenous people.’ We are having a greater impact through that direct contact, as opposed to setting targets across Australia that everyone will employ Indigenous people for contracts. As you said, it is already there. We are seeing a lot more happening by these interventions with industry and business.

**CHAIR**—Let me ask the question another way: \$5 million, I would suggest, would not cover very many communities across regional and remote Australia, where the weakest job markets are.

**Ms Hamilton**—Exactly.

**Mr Harvey**—I agree with you, but what we are doing is working with—

**CHAIR**—It is my job to test the argument, isn’t it?

**Mr Harvey**—Yes. We are working with local and state governments to focus on trying to put municipal services, for example, into a contracting arrangement so that Indigenous community people can contract to deliver those municipal services. Again, that is what we are looking at. That is changing the way that services are being delivered and giving Indigenous communities the opportunity.

**CHAIR**—I am not totally convinced by your arguments, but we do need to listen carefully to those. I would be interested in the overseas experiences. I am sure you are talking of a Harvard type initiative; Harvard is seen to have done pioneering work in understanding some of this stuff.

**Mr Harvey**—Yes.

**CHAIR**—In terms of the Aboriginal Employment Strategy and the \$17 million, it looks as if the country might be coming to the city—is that a fair comment? There is Moree, Tamworth, Dubbo, Maitland, Hunter Valley, Western Sydney and now central Sydney—does that mean Redfern and places like that?

**Ms Caldwell**—Yes. The presence in Main Street, Sydney is attached to the Western Sydney operations of AES.

**CHAIR**—Like an outstation?

**Ms Caldwell**—Yes.

**CHAIR**—I will not use names—the personalities are well known. In terms of the issue of the Aboriginal Employment Strategy and the \$17 million, what attracted the government and the department to invest that sort of money? What was the deciding point that got it into the 2005 budget? Are you prepared to share that with the committee? It is a lot of money and it is not going to be offered unless it is seen to do some pretty good work. What seemed to be the main focus of the Aboriginal Employment Strategy? I have great confidence in it—I have great faith in the people—but I need to know what convinced the department and the executive.

**Ms Caldwell**—You will appreciate that is not the position of officials to go to the factors that were weighing on the government's mind. What we do know is that the AES is part of the suite that Mr Harvey referred to of a range of different interventions and tools in our toolbox that are available. We know that it has runs on the board in those locations where it currently is. We know there is a lot of demand from a number of communities, not just the locations that you mentioned but a number of regional towns in particular, as well as some larger metropolitan areas, for the sorts of services that AES offers that differ again from the type of services we spoke of with Job Network mainstream, specialist Job Network and IECs, which we also spoke of. AES is yet another type of model that has worked quite well in those locations where it is operating and has, in broad terms, achieved about 100 jobs in each of those locations in each year for Indigenous people, oftentimes in difficult and unfriendly and challenging labour markets. It has broken down some of the barriers between the relationships in those local areas as well. That is, in broad terms, the nature of the investments that the government is making.

**CHAIR**—If I have time, I may come back to that. Mr Harvey, you touched on mentoring. It is a very useful part of the overall situation. Can I quote our experience of the last week or two. In Alice Springs, working out of CAAMA, there is Footprints Forward—does anyone know the program? It seemed to me that the experience of the people working there was quite specialised. They had commitment. They had a long background working for departments, working for land councils and linking with the big goldmine out there—for want of a better phrase, the de Crespigny goldmine, the goldmine which de Crespigny formerly owned. There was a lot of experience there. This mentoring process seemed to be quite valuable, particularly in terms of the people my colleagues were referring to.

You may not care to specifically refer to the individual organisations. They were looking for a shopfront where they developed that. You would probably argue that the various programs should be able to pick up the support for those people. Yet their comment to me was that they were living virtually in CAAMA radio's accommodation and were supported by them. They

were looking for a shopfront, which may do it. I know Tangentyere do some good work as well. Without getting into too many value judgments about the personnel, what are the strengths and weaknesses of this mentoring issue? I can see how you could have a front office and it could all be cups of coffee and 'how's it going?' without outcomes. You still have to aim for those outcomes. Can we talk about the reality of the language barrier, the literacy and numeracy barriers—the things that are preventing the positive outcomes and the balance with the mentoring? It is a key part of this issue.

**Mr Harvey**—There are two points. The first is that, as you say, mentoring is very important, particularly in the workplace. The mentor is part of the training process and the Indigenous person or anyone else identifies with that. The mentor interacts with the individual and the employer within the employment environment. There is a range of initiatives through which we can fund mentoring; Job Network, for example, could contract an agency to deliver mentoring. If they were a successful business we could give them funding through Indigenous business support programs to set up an Indigenous mentoring business. So they have to deliver a service that someone wants to buy and then achieve it.

There are our STEP projects: we could talk about AES and our experiences in Shepparton. Those individuals have set up shopfronts to deliver those services, so the environment is flexible enough to meet the needs of the market place. It is how the individual delivers that—whether they set up a business and provide it, whether they are contracted from Job Network or whether employers want to buy it and so on. Everything is there in place to do it. One of the things is guaranteeing the sustainability. If you put in place a shopfront, is that going to be sustainable in one, two or three years time? We find very quickly that you can run out of job ready job seekers within a region and then—

**CHAIR**—That would be my concern. There would be other reasons as well. I wanted to touch on that but I need to keep moving. Has the department done any work on the relationship between welfare and impediment to employment? It seems to me that there needs to be a significant incentive. That was the real challenge in CDEP over the years when it became known as 'sit down money'. Has the department done any analysis which understands the psyche around the balance between welfare and that which gives people the confidence and the capacity to want to be employed? Do we understand any of that general balance? It is a difficult part of the issue but there are those who are well known in Australia with very strong views about that and we as government need to understand them.

**Mr Carters**—No specific analysis was done of the impact of welfare dependency on Indigenous people—

**CHAIR**—Yes, 'dependency' seems a fairer word.

**Mr Carters**—as part of the development of the Welfare to Work package. However, it is quite well understood that CDEP is in a lot of cases a very positive program whereby people are working for the community in return for income support. In that respect that is fine but the issue is that people do not use it as a transitional process to move into paid employment outside CDEP. Over a long period of time it has been seen as a final job for people on income support. It has also been the case that because it has become so entrenched a lot of Commonwealth, state and local government agencies use CDEP to support real employment. In fact, where separate wages

technically should have been paid for real employment it was not happening or it was happening in a subsidised way so that part of the job was funded through CDEP and there was a top-up for the extra hours and work that was done. That, unfortunately, led to a continuation of the welfare dependency culture.

**CHAIR**—That has really touched on something—CDEP being used not to meet the real challenge of the real job market. That is what you have said to me. There is always this terrible fine line judgment and in the weakest job markets it is used quite often for a lot of things for which the real money on the table should be there.

**Mr Harvey**—That is being addressed in this whole-of-government agenda, where we are starting to look at what the service is, funding to the service and what the requirements are. That has been done through whole-of-government—local government, state government and Commonwealth government—working together to look at how we service that community, what goes into that community and what services we provide.

**CHAIR**—That might lead us to shared responsibility agreements. They are all fine, and they are accepted because you encourage communities to come out and state a position. At the same time, they rely on exactly that—the communities coming out and stating a position. It can happen in certain communities. With communities sitting there and the government sitting here, how do we encourage communities to develop shared responsibility agreements? Do you hear what I am saying? I hear the sensitivity of encouraging the community to do something and to be participatory rather than dependent but what percentage of our community are we engaging? Are we starting to assess that in terms of shared responsibility agreements?

**Mr Harvey**—What we are doing with shared responsibility agreements—and this is driven through the Office of Indigenous Policy Coordination—is looking across Australia and interacting with state and local governments and looking at areas of need. So you are making a general judgment on the areas of need. You are also looking at where large Indigenous populations are. You are looking at where interventions probably have not worked effectively in the past. At this stage, you are trying to target communities where you think you can have the most significant gain in terms of where things really have not happened. Is it systematic? It is as systematic as that approach can be.

**CHAIR**—Let us be very specific in relation to my concern. I would like reassurance that every community knows that it has a responsibility, a capacity or is encouraged to step up to the line. Some communities will and some will not. I am looking for reassurance that communities will be encouraged. They know what their basic rights are. I understand the difficulty of engagement. Do you see what I am saying?

**Mr Harvey**—Yes, I do.

**CHAIR**—There should be a basic benchmark saying, ‘Does everybody understand here that they can step up to the mark?’

**Mr Harvey**—Yes.

**CHAIR**—One of our members got me thinking the other day that, as you have mentioned today—and I suppose it is fairly self-apparent—at least three basic industries are involved with Indigenous employment. It appears that the Aboriginal employment issue can be focused on specific industries. You have mentioned mining, catering and hospitality and tourism.

**Mr Harvey**—I can mention others. We are also targeting manufacturing, retail, health and community services, and property and business.

**CHAIR**—I hear retailing, but you know that retailing is tougher.

**Mr Harvey**—We know that.

**CHAIR**—Let me just ask the question and you can weave that into your answer. The question is: as there seem to be particular industries that Aboriginal people are more easily identified with, or they may identify more easily with and their skills may be more relevant to those industries, in your work, do you acknowledge that?

**Mr Harvey**—Yes.

**CHAIR**—Whilst accepting that, we hope the Aboriginal family will be part of the whole Australian family, and they are entitled to be in any employment they so choose, given their skills et cetera. Can we talk about those things which Indigenous people particularly identify with and the way the department responds to that.

**Mr Harvey**—In the case of the construction industry, which is very important in regional locations, when we had consultations in relation to the CDEP, the Territory government said, ‘Will you assist us in remote building-trainees?’ We said, ‘Of course we will.’ They talked about 100 remote trainees each year, over the next so many years. In the building industry, if we can get Indigenous people to build houses that are in the communities and can set up building gangs, that is one of the ways you can do it. So we are targeting that industry.

**CHAIR**—You are not answering my question. If the issue is about playing to your strength then remote building is one of the toughest because we know there is no sustainability in that model.

**Mr Harvey**—But there is sustainability.

**CHAIR**—If you go to work gangs perhaps.

**Mr Harvey**—There are going to be a number of houses built in communities over the next number of years. There is sustainability in the mining industry.

**CHAIR**—Stay with housing, because I am encouraged to hear that you think there is sustainability in the housing industry, but how?

**Mr Harvey**—Because there is a significant requirement for Indigenous housing across Australia. The Northern Territory government, for example, know that they have to build several thousand houses over the next three, five or 10 years. If they can put in place an Indigenous



building gang that can not only build those houses but also maintain the houses and the areas, they can also participate in building for mining townships. So there are significant infrastructure requirements. You have a program over a number of years, the building of houses, making sure that they are in place and that you do not have fly-in and fly-out labour. They are actually measured so that the houses get built by Indigenous people with the assistance of other expert contractors.

**CHAIR**—I am not convinced because of the isolated communities, unless you can show me a model in terms of the gang. That has been the weakness for a long time.

**Mr Harvey**—In Fitzroy Crossing I saw a group of Indigenous people being trained as building trainees. They were building the houses in the community.

**CHAIR**—But that work will only last for three or four months. Where do they go after that?

**Mr Harvey**—They become a mobile team, as most builders are.

**CHAIR**—That is what I needed to hear you say.

**Mr Harvey**—They build houses within the Fitzroy Valley. If we look at the growth of the Indigenous population and the requirement to put in place that infrastructure, education, health and road infrastructure—

**CHAIR**—We go on at great length about this, but I want to go to retailing. We think it is one of the toughest; we think there are a whole lot of reasons. What is your experience?

**Mr Harvey**—If you look at the AES, you are starting to see Indigenous people in shopping centres up and down western New South Wales. If Indigenous people are in shopping centres—

**CHAIR**—Why?

**Mr Harvey**—Because it is good business sense.

**CHAIR**—I know. But why has AES made it work?

**Mr Harvey**—I could go to other locations where other interventions have worked.

**CHAIR**—I could take you to a lot of places where it is not working.

**Mr Harvey**—Okay. Then what you do is work in those locations.

**CHAIR**—I want to know how to get to the point where—

**Mr Harvey**—You get there by structuring it. We are targeting the retail sector. We are targeting small retailers but we are also targeting the larger retailers such as Woolworths, Coles and IGA and saying, ‘Why don’t you have an Indigenous employment strategy across the whole

of Australia?' They are doing that because it is good business sense to have Indigenous people on the counter.

**CHAIR**—Okay. You have left out a fair bit of the rest of Australia in the big corporates but that is another question. With respect to the ICCs—I think Annette touched on it earlier—there is fairly limited awareness. You are telling us that they are aware of a program but there is no real concept at the moment of some kind of cooperative group. It is eternal to government. As you acknowledge, there are all these various programs. It is quite confusing for those who have been at it for a long time and probably confusing to departmental officials. In fact, I know it is. The bringing together of departments to work on specific issues is something I suspect that governments have never really been able to achieve that well. Could you name two or three things which might help the ICCs to develop a profile but more importantly to get a reputation for problem solving? That relies on a lot of goodwill from a lot of departments and probably from a lot of department heads and from ministers. Without getting all of us into trouble and telling ministers and department heads what to do—

**Ms ANNETTE ELLIS**—Let's try.

**CHAIR**—Let's try. That is our job, isn't it? Could we just suggest two or three things. At the moment 'ICC' is just an amorphous name—and that is understandable. Because we have failed so miserably in Indigenous policy for so long, people are prepared to give this a crack. They can see that there is probably some merit in what we are trying to do. Do you have any thoughts on how we can get these ICCs to work a bit better?

**Mr Harvey**—The first thing is that what we are starting to see with ICCs is that they are actually doing things on the ground. They have embraced this concept of solution brokering, so they broker solutions on the ground. That is happening because people are working together. You go to Broome, for example, where there is a range of activities across the Kimberley. That is now happening through the joined up approach. You can do the same in Port Hedland, where you are starting to see one face of Australian government going into communities and brokering solutions.

The other thing is just a simple matter of packaging the programs. For example, what we provide is a matrix of programs which tells our ICCs what the DEWR programs are. It goes through the programs, target groups, eligibility requirements and how you find out more. All of us are doing that. These are the tools that they work with. Then it is simply a matter of training your people to work together. Again, it is a new initiative. I have incredible optimism because I have seen it working on the ground. I have participated on the ground with ICC staff in going to communities, brokering things and seeing that the ICC staff are working with the communities. I advocate the solution broker concept, simple tools for people to use and then just getting on and doing it.

**CHAIR**—It seems to me there is work to be done and work in progress.

**Mr Harvey**—That is right.

**CHAIR**—You are saying that the community understands, and that is a much tougher thing to do, I suspect.

**Mr Harvey**—Yes. Unfortunately, people will come to committees with a range of problems. I get phone calls now from people across Australia who say, ‘This new approach is fantastic because for once we are getting a whole range of things.’ They are very supportive of it. They are getting a whole-of-government approach and it is actually working.

**CHAIR**—When we go to a community we could consider inviting the ICC in. There is a lead manager in that group; we could invite them to address, on the spot, what is happening. There will always be resistance to change with a new concept. I share that with you in the best of spirits—and you would be well aware that I have a healthy suspicion of government’s capacity to always work together in that harmonious way.

**Mr Harvey**—You shouldn’t.

**CHAIR**—To finish on a positive note: there are many positives happening as well. Thank you very much, everybody. Does anyone want to say anything?

**Ms ANNETTE ELLIS**—I want to ask a technical question. If we have already got this information then that is fine. But, Mr Harvey, can you provide us with a map which shows the levels of unemployment in Indigenous communities across the country? It might be just a list of figures or it might be a map of Australia; I do not care how it comes to me. The reason for asking for it is that you are placing a lot of emphasis—and correctly so—on regional and local community development. Shepparton and the Cape have been talked about constantly this morning. I want to know what the regional, rural, remote and urban picture is in relation to the general unemployment level.

**Mr Harvey**—The challenge will be that that data is not readily available, but whatever we can get we will give you.

**Ms ANNETTE ELLIS**—I understand that. Get us whatever you can because, to be quite honest, if the whole-of-government approach is providing regional and local solutions for local communities, then you have got to be basing it on something.

**Mr Harvey**—We are.

**Ms ANNETTE ELLIS**—So there has to be something you can tell us about the numbers you are basing it on.

**Mr Harvey**—The most up-to-date thing will be our job network data by employment service labour market, so we will give you that.

**Ms ANNETTE ELLIS**—It is just to give us a geographic picture of where it is all happening.

**Mr Harvey**—The other thing we will give you is the CDEP overlay.

**Ms ANNETTE ELLIS**—Yes. Give it to us with and without CDEP. Thank you.

**CHAIR**—I would like to thank all the witnesses and thank all the representatives of the Department of Employment and Workplace Relations for staying. It is much appreciated.

**Mr Harvey**—We look forward to your report. Thank you very much.

**CHAIR**—Whenever I think of Shepparton I think of Rumbalara. Are you doing much with Rumbalara? How are they going?

**Mr Harvey**—They are going very well. We work with them and a range of other people in the community. I think some very good things have come out of Shepparton and very good things have come out of—

**CHAIR**—We were with Michael Winer in Cape York last week. We mentioned in the public hearing the connecting of these things. It is the corporate opportunity that seems to be what Shepparton is presenting to some people.

**Mr Harvey**—It is incredibly encouraging.

**CHAIR**—Yes, it is. Thank you.

[11.13 am]

**CLEMENTS, Mr Colin, Assistant General Manager, Home Ownership Program, Indigenous Business Australia**

**MORONY, Mr Ron, General Manager, Indigenous Business Australia**

**MYERS, Mr Ian, Deputy General Manager, Indigenous Business Australia**

**PARRETT, Mr Ivan, Assistant General Manager, Business Finance, Indigenous Business Australia**

**WOODS, Ms Michaela (Kaely), Executive Policy Manager, Indigenous Business Australia**

**CHAIR**—I welcome representatives from Indigenous Business Australia today to the ATSIA public inquiry into Indigenous employment. These are proceedings of the parliament, and we need to treat them accordingly. Mr Morony, I invite you to make an opening statement. We know the workings of IBA pretty well. You might like to add to your submission.

**Mr Morony**—I would like to start by acknowledging the Ngunnawal people, the traditional owners of the country that we are meeting on today. Our chairman, Mr Elu, sends his apologies. He wanted to be here but he is currently travelling.

**CHAIR**—We exchanged greetings last week in Brisbane.

**Mr Morony**—He mentioned that to me. I thought I would elaborate and summarise our submission, and I thank the committee for giving us the opportunity to say a few words about our role in Indigenous employment. In summary, we are now located within the DEWR portfolio. The Indigenous Economic Development Strategy that was announced by government in the last budget is a major part of the way in which we operate. Under that strategy, the DEWR programs focus primarily on employment and elements of economic development while IBA is largely focused on asset and wealth creation. We have a suite of programs that are there to assist us. While employment is not our primary objective, there are significant employment outcomes that arise from the business that we are involved in.

We have highlighted some case studies in our submission to indicate some of those successes and we have highlighted the joint ventures where we bring together expertise from within industry and Aboriginal groups to engage in economic activity. One of the key elements of what our organisation is seeking to do is to tackle the issue of poverty that arises in many of the circumstances of Indigenous Australians. We are also seeking to provide opportunity of choice. In other words, for those who want to engage in business and look for self-employment opportunities then IBA offers one approach.

We have long seen the CDEP, to some extent, as an impediment to people moving out of CDEP and into business development. We are very supportive of the new reforms that DEWR

are going through, which encourage that element of business development within CDEPs and look at ways in which we can develop more sustainable economic opportunities.

We have found that there has often been a tension between economic development and social development and, in our view, they need to be separated in the administration. For that reason, IBA is a very specialised organisation that focuses on economic development. We do not think that trying to deliver a mix of social programs and economic programs fits very well. So our organisation is very specialised in its aims to deliver economic, commercial programs. The committee would be aware that recently we have undergone some growth. The government transferred two new programs to us 16 weeks ago—the Business Development Program and the Home Ownership Program—which were part of ATSIC.

The loan portfolio value for the Home Ownership Program is around \$415 million and there is a portfolio of business loans of about \$60 million. This is on top of what IBA has traditionally been involved in, which is an equity program which has an economic base of around \$100 million. So we are going through a fairly significant change right at the moment. Our staffing resources have moved from around 15 staff to somewhere around 140 to 150. Our capital base has grown quite significantly in dollar terms and we now have resources in state offices within the ICCs, and in some regional offices as well.

I need to stress also that one of the differences with our commercial programs is that to a large extent they focus more on families and individuals, whereas most government programs tend to focus on communities or larger organisations. The Home Ownership Program, while not directly contributing to employment outcomes, is in our view a very important part of the array of programs that we have in that it provides home ownership for Aboriginal people and families who would otherwise not have access to the necessary financial support to own their homes. We believe this provides stability, security and a stable base for families. A number of home owners have been through this program and many have moved on to mainstream commercial financing as they gain equity in their homes.

The Business Development Program, which recently came out of ATSIIS, has been significantly reformed. We make the comment that small businesses do tend to fail, so there has been a historical failure rate in this program, but we are looking at ways in which we can enhance the program to ensure that we add a new element to it, which is about strong support for those people that we assist into business. So not only are we about assisting people into business but we stay with them and support them to the extent that we need to. That is a very broad summary of our submission and some of the new elements that have come to us. We would be more than happy to respond to your questions.

**CHAIR**—I was interested in your comment that CDEP is an impediment, and there has been great debate about it in recent years. We have seen it come from what many see as sit-down money and people not being able to make the transfer into employment. Under DEWR's new arrangements we have a much stronger focus on that transfer. I am mindful that you said that employment is secondary to other directions of IBA, but nevertheless I would like to revisit CDEP. You mentioned the support of the government's movement on that. You might mention the issue of welfare dependency and the contrast that you see in policy. Just describe the process of coming out of poverty and moving on to create wealth. You mentioned CDEP; there are just a few things that I would like to tease out.

**Mr Morony**—There are a number of elements to that, and I might ask Ian to comment further. One of the difficulties we have is in encouraging movement from CDEP into other areas of business activity and having people work ready. Our engagement in commercial activities is a historical element of the way we have operated and we obviously look at Aboriginal employment as part of the assets that we are involved in. Looking at some of the assets that we have been involved in, we engage in the tourism sector—for example, we have the crocodile hotel in Kakadu, Cooina, the Kings Canyon Resort in Central Australia and the Monkey Mia Dolphin Resort in Western Australia.

**CHAIR**—You have some investment in Cairns too, I think.

**Mr Morony**—And there is Tjapukai in Cairns. We feel that those assets can be used as great training tools. One of the problems historically has been to attract people out of CDEP to undertake training and to provide movement into normal employment. We are now talking to DEWR about ways we can identify areas in which we can be involved in new business opportunities and target CDEP more to encourage people to move out of CDEP into the mainstream.

One of the difficulties is that to some extent CDEPs tend to want to hang on to their members rather than encouraging them to move out of the CDEPs. That has been an issue for a number of private sector employers for a while. In other sectors, like mining, we are probably having less of a problem because people do get attracted to outdoor type jobs but, again, there are still CDEPs in areas where there are high levels of job opportunities.

**CHAIR**—It is an interesting point, and I make the observation that not that many years ago in Western Australia there was significant Indigenous employment in mining with a significant corporation, but many people were still very frustrated that no-one in this area had made the transition. That memory has stayed with me. I hope things are moving on, and I trust they are—I am just making an observation.

**Mr Morony**—One of the case studies we provided to you was Ngarda Civil and Mining.

**CHAIR**—We met some of the principals.

**Mr Morony**—For a number of years I had been trying to get job outcomes in the Pilbara. A huge amount of activity was happening there, but to a large extent the work force was flown in. The Aboriginal communities were observers of the process, not participants. When I talked to mine owners they said: ‘Look, you’ve basically got an unskilled work force. They’re unreliable because sometimes they have to go off on ceremonial activities. They don’t like the long periods on and off. You can’t guarantee the quality of your work,’ and so on.

We talked to a public company, Henry Walker Eltin, and set up a solution: we set up Ngarda Civil and Mining. Currently we have, I think, 130 Aboriginal people on the books all earning significant salaries. That is out of a work force of 160. It seems to me that there are ways in which you can get around problems in a commercial way. As an organisation, we are making money out of the venture. It is contract mining and it has \$50 million worth of orders on the books. We are training Aboriginal staff. We are actually having a number of our staff poached by

BHP and some of the other companies—but that is a great problem to have. We have had, I think, in excess of 200 people going through Ngarda, and they either stay with it or move on.

**CHAIR**—There are some great examples. We were with some people from a significant corporate a fortnight ago. I think it is fair to say that they had a lower rate of absenteeism with the Indigenous employees than with the mainstream. There are some great examples there and with the company you mentioned, and I am experiencing it much more in my own electorate. Ian, did you want to add to anything about the log jam that I think governments have had to delve into over the last 30 years—about the need to be compassionate and fair and give people a fair go? Yet there is dependency. It is a real challenge for us to get the balance right.

**Mr Myers**—I would make just two points. The first one is that in many of these communities CDEPs have been going since 1975. You are basically talking about people who have been on CDEPs for quite a long time and they have never had the opportunity to participate in a broader economy in the local area. It is really about trying to work with them hand-in-hand to move them beyond CDEP. CDEP is almost an institution, and to take people out of that zone and put them into broader economic opportunities is a challenge for them as individuals, and it is certainly a challenge for government and the agencies.

**Mrs VALE**—Is that because they feel safe doing that and it is a threatening environment outside?

**Mr Myers**—In my view, yes. You are working with your fellow community members. Going out in ones or twos to participate in local enterprises is quite a challenge for them to face. The second point I would like to make is that, by bringing the additional functions into IBA with the Business Development Program, we now have the opportunity to help ones and twos in CDEPs step out of CDEP into their own business opportunities. Before, with its much greater level of activity with the larger sized businesses, IBA could not do that. We now have an opportunity to work hand-in-hand with individuals and families within CDEP, to help them look at the opportunities for stepping out of CDEP and into small business.

**CHAIR**—I have a question about microcredit, which you mentioned, that is perhaps linked to the entrepreneurial approach. You are clearly role models. You are clearly out there with the Indigenous focus on business and have been part of the Australian scene for a long time. I hear that you are pretty hard nosed. You made the point that you are growing the business, not separating it into economic and social. Could we talk a bit about microcredit and the entrepreneurial approach? We had a wonderful man, Mr Dennis Foley, appear before us. He has been doing analysis on this for his PhD. We thoroughly enjoyed this analysis. We have not tested it or whatever but we enjoyed this man who had taken this much trouble to try and understand this. He got quite excited. I did not know that people would commit so much of their life to this very important part of our national culture in the broader sense. Have you any comments about the purpose and how to help us create this environment?

**Mr Parrett**—The microfinance proposal came to ATSIC back in approximately 2000. The BDP was trying to increase the suite of products it could offer Indigenous people trying to get into business. This was one area that had not been established in the program historically. The microfinance example had worked successfully overseas and was very successful in some countries. Originally we worked with an organisation called Opportunity International. They ran



a pilot program for us in the Many Rivers region. We used Hillsong Emerge to run a pilot for us in Sydney, in the Redfern and Mount Druitt areas, as well. The whole concept was, first of all, to establish whether there was a demand for such a product in the Australian environment with Indigenous people. Secondly, it was to establish whether it was a viable option for business development or government to be offering it as a mechanism for moving people from hobbies into business opportunities and self-employment. That was the concept. We have now extended that pilot into remote Australia via the Cape York experience. Hillsong Emerge are now driving that for us in that region as well. They are working closely with organisations such as Balkanu to try and establish that in that region.

The pilot so far has been very successful. It has a very low failure rate. It has created self-employment for a number of people. We are now starting to see the concept move people from welfare into running their own small businesses. We think there is a demand for the product and that over time it will be something that we will be able to move out into Australia as a whole. The issue is the cost associated with delivering such a product. Its success relies very heavily on a very detailed, hands-on approach. Unlike a business development or lending product, where it is all based on a commercially viable assessment, microfinance is about holding people's hands and working through all the issues with them and getting to a point of trust before you lend them money. The loans are very small, but they can gradually increase from thereon. Hopefully they can move into mainstream finance over a period of time. It is that aspect which is the question in our minds as to whether it is a viable proposition, although the success is starting to show us that it does have potential to create employment and business opportunities.

**CHAIR**—Mr Morony was saying that it was economic and social. It is just at the cutting edge of this balance and mindful of organisations—I think it is Cape York Partnerships—in terms of the corporate volunteers that are there. Do they become vehicles for some of this? Is that what I am hearing?

**Mr Parrett**—That is certainly one of the aspects that we have tried to investigate more: rather than recreate a structure in each region where you deliver this, how can you utilise the structures that already exist? Some of the aspects that we have thought about are the business hubs, such as Balkanu—but some of the other areas have things like the traditional credit unions, which already have a structure in a region—and whether we can utilise that structure to reduce the cost of delivering a product such as microfinance.

**CHAIR**—Victoria had some experience, I think, of a credit union out of central Victoria. Is that one?

**Mr Morony**—First Nations Credit Union.

**CHAIR**—It is the same sort of thing.

**Ms ANNETTE ELLIS**—I also have a very strong interest in microcredit, I have to say, because of the international evidence. Can you just go back a little bit for us. We started off with Opportunity International and Hillsong Emerge. Were they two organisations that were already performing this sort of business development elsewhere? How did you find them?

**Mr Parrett**—Opportunity International is one of the organisations that have delivered the concept of microfinance overseas and it has been very successful. Unfortunately I was not in the organisation when the original decisions were made, but my understanding is that ATSIC was approached by Opportunity International. This concept was sold not just as a mechanism for developing the pilot to see whether the product was viable but also as a mechanism for releasing this product into Australia as a whole. It was contracted on that basis.

**Ms ANNETTE ELLIS**—But they are not doing it any more?

**Mr Parrett**—No. Although we extended the pilot in all the regions at the beginning of 2004, we had discussions with Opportunity International because we were getting to the stage where there was an ongoing obligation, as well as our trying to get further findings with regard to their success. The decision was that Opportunity International are really about introducing a concept, rather than actually managing the concept, whereas Hillsong Emerge are in a better position to do that.

**Ms ANNETTE ELLIS**—And they were already doing that here as well, were they?

**Mr Parrett**—They were already doing that in the Sydney region, and the two approaches were significantly different. Hillsong Emerge in Sydney were less concerned about the lending aspect and more concerned about the support and development aspect of microfinance, whereas Opportunity International were very much focused on the lending aspect of microfinance. Hillsong have now taken on the three pilots for us.

**Ms ANNETTE ELLIS**—The way I have had it presented to me, from the international experience, is that microcredit is a terrific way of walking into a community, finding that spark and giving it the fuel to take off. I am a very strong supporter of it in theory. I just want to understand how it is working. I think you stated in your submission that there was a grant of just under \$1 million to Hillsong Emerge. How is that working? Is that for them to operate the program or is that money funding the credit?

**Mr Parrett**—No, the \$1 million is there for developing the infrastructure to offer that credit.

**Ms ANNETTE ELLIS**—Through that organisation?

**Mr Parrett**—Through that organisation.

**Ms ANNETTE ELLIS**—Where do they get the money to do the microcredit loaning?

**Mr Parrett**—We also have a component of funding for them which is for the loan aspect. The loans are always the—

**Ms ANNETTE ELLIS**—That is the \$280,000?

**Mr Parrett**—Yes.

**Ms ANNETTE ELLIS**—But it is nearly \$1 million to set it up?

**Mr Parrett**—Yes.

**Ms ANNETTE ELLIS**—And that is Australia-wide?

**Mr Parrett**—No, that is in the three regions.

**Ms ANNETTE ELLIS**—Which are, again?

**Mr Parrett**—The Mount Druitt and Redfern region in Sydney, the Many Rivers region in central New South Wales.

**Ms ANNETTE ELLIS**—I am not aware of where that is.

**Mr Myers**—It is near the Queensland border.

**Ms ANNETTE ELLIS**—Obviously there are a lot of rivers there!

**Mrs VALE**—Tweed, Clerks, Manning.

**Ms ANNETTE ELLIS**—Many rivers.

**Mr Parrett**—And now into Cape York. The reason we extended it into Cape York is that we were starting to gain information about urban and regional Australia but we had no findings in remote Australia. That is where we feel that this product might have its best result.

**Ms ANNETTE ELLIS**—Have we got any feedback yet on the measure of its uptake? I notice in the last 12 or 18 months this has started to happen. Is there any sort of measure of its success?

**Mr Parrett**—We have not because of timing. The Cape York experiment has not moved as quickly as we had hoped, but in the Many Rivers region we now have got 63 loans. Some of those are repeat loans. They all start at very small levels of about \$2,500 and they progress from there. They have an arrears rate of less than five per cent, which we feel is very good. As I said, we are now starting to see some of those clients move from welfare arrangements to full-time employment with their proposals.

**Ms ANNETTE ELLIS**—No names, no pack drill, but would it be possible for us to get a bit of an understanding of what the little enterprises are—not now; you could take it on notice.

**Mr Parrett**—Yes.

**Ms ANNETTE ELLIS**—If the committee could see a descriptive rather than a name, if that has to be the way it is done—a list of the grants; what sorts of businesses they are going to—that would be of enormous help. Say, in the Many Rivers district, here is the list; and in the Sydney district, here is the list, because there will be a different emphasis, obviously.

I do not know whether I am asking the right people or not, but in relation to applications for business development, which is your area, the observation—and we were talking to DEWR

about this before a little—I have made is that some industries are right up-front in welcoming and working out very successfully not only employment of Indigenous people but ancillary things attached to that. The tourism industry fascinates me because, on the one hand, we do not see one ad advertising Australia without there being Indigenous faces all through it, yet when you go into the major tourist areas it is very difficult to find Indigenous faces working up-front in it. There are reasons for that. Do you get very much feedback from business development ideas within the tourism industry from the Indigenous community? Is there much of that sort of activity going on?

**Mr Morony**—I might start on that and then ask Ivan to make some comments. IBA is a very major player now in the tourism industry. We have resorts in Kakadu. We are a joint venture partner in Kings Canyon. We are involved in the lodge and hotel at Fitzroy Crossing, Monkey Mia Dolphin Resort and Tjapukai in Cairns, and we have a facility at Lake Mungo that we have recently acquired. We talk a lot to the industry about Aboriginal employment and participation in the industry. What we have attempted to do is provide training through our facilities to enable people to move onto other jobs, particularly at Kakadu, which we feel is a great facility and mechanism for providing training and opportunities within the sector.

We recently produced a magazine because industry is always indicating to us that there is not enough product out there in terms of Aboriginal involvement in the industry. We identified by state the number of tourism operators that are out there. They are mostly smaller, and there are about 70 groups that we identified that are presenting product and offering it to the public. That level of interest is growing. WAITOC—I cannot remember what the acronym stands for—had a major conference in Perth, and a number of Indigenous representatives attended that. There is a great deal of interest in Aboriginal groups presenting their product.

**CHAIR**—Do figures like 80 per cent of people wanting to have an Indigenous experience and 10 per cent actually getting one sound right—is that what you are telling us?

**Mr Morony**—That is what I am heading to. A lot of people want an Indigenous experience. There are products out there and they need a lot of support. I am not quite sure how many applications we get in Ivan's program, but there are a number of small operators out there that do need a little bit of support—web site design, publicity and access to mainstream areas. One of the things that we are encouraging our staff to do now is not only getting people into business but providing backup support—visit them, find out what is going on, why their business is not growing and how we can assist them. Something that IBA prides itself in is actually assisting people once we get them into businesses and encouraging people to develop. Ivan, you might want to elaborate a bit more.

**Mr Parrett**—I am not certain I can add much more to what Mr Morony has said. Certainly we are getting approaches from Indigenous operators in business and looking to get into the tourism business constantly. The big issue that we find with these applicants is that often the proposal does not meet the commercial viability aspect of the program. That is where we struggle for business development assistance for Indigenous tourist operators. But we certainly are getting a significant approach from people looking to get into tourist related operations.

**Mrs VALE**—Thank you very much, Ron, and thank you for bringing your team along today. When it comes to creating business enterprise, do you wait for Indigenous people to come to you

with an idea and then you cultivate and mentor them or do you come and present ideas to perhaps people within the Indigenous community who you think may have the talents or the expertise to follow something through? Which comes first?

**Mr Morony**—We receive a large number of applications where communities and individuals come directly to us. Now we also do a lot of work with the private sector trying to find out where the deals and the good opportunities are emerging. The reality in business is that good deals do not come along every day.

**Mrs VALE**—So intelligence gathering is an important part of your strategy?

**Mr Morony**—It is a major part of our role. People are starting to look at us and say, ‘Wow, these guys actually know how to operate in the business environment.’ People in a way feared Aboriginal groups as looking for something for nothing. More now understand that we have investments in coalmines and in tourism resorts, that we have actually been able to operate in the commercial environment—

**Mrs VALE**—Competitively.

**Mr Morony**—and that they should not fear involving Aboriginal people. We are getting a lot of people now approaching us. We have access to capital. We are basically saying that it is good business to involve Aboriginal people. We are now taking opportunities to the community. To a large extent in the equities area, which is the traditional area of IBA’s operation, a lot of the new projects that are getting up are actually coming via industry to IBA and we take it to the community. This is rather than the traditional source, which has been the local person going broke, going to the bank manager but not getting any money, going to the Aboriginal person in the end and saying, ‘Would you like to be my partner?’ Nine times out of 10 those businesses are not good businesses.

**Mrs VALE**—Anyway?

**Mr Morony**—Yes.

**Ms Woods**—We are also running a couple of regional economics intelligence pilots, which are specifically about trying to identify what business opportunities might arise in regions. We are not sure about how cost-effective that sort of approach will be, so we are trialling it in the Kimberley and in the Townsville regions. Essentially what they are doing is gathering the economic intelligence and trying to assess not only the opportunities at the moment with any gaps but also what emerging opportunities there may be for Indigenous people to get involved in business in those areas.

**Mrs VALE**—I was interested too when you said you were actively seeking strategic alliances with local governments, state government and private enterprise. How successful have you been? Do you find that those particular entities are quite alert and ready to come on board with some of your ideas?

**Mr Morony**—In regard to the private sector and those groups, we do business with the General Property Trust. It is an organisation that does not normally joint venture with others. I

guess we can open up access to Aboriginal lands for them that they might not necessarily get close to. Colex International is another group. Once the private sector understand how we operate, they become very comfortable with us, and come back and bring new deals. Westpac, for example—our bankers—and some of the commercial institutions are now looking at us and saying, ‘Wow, we better let them know what’s going on around the place.’ We are starting to find now that we are getting a good deal of information of what is coming up.

**Mrs VALE**—Building relationships is a very important part of what you are doing.

**Mr Morony**—It is critical. It is networking. It is about understanding what is happening in an area. We have a long way to go in this. We are very small players at the moment, but a network of very powerful Aboriginal organisations is building up now. We mentioned Ngarda and there is Yarnteen in Newcastle. There are various groups that are commercially focused and they too are networking and building up information. We are starting to share that amongst ourselves as well.

**CHAIR**—I remember some of the principals of the Western Australian example. They were strong characters and they had a very clear view.

**Mr Morony**—Absolutely.

**Mrs VALE**—Are you getting support from local governments and local councils?

**Mr Morony**—We are actually getting inundated with requests from state and territory governments to talk to the economic agencies. Traditionally, we have met some in the past, but the doors have opened up a lot more now. I am not sure whether that is a reflection of the fact that we have access to more capital, but I think they genuinely see opportunities within their states and territories.

**Mrs VALE**—It might be a little of both.

**Mr Morony**—I am sure that local shires, once they understand what IBA is about, will certainly take a lot of interest in us. Just along those lines, we are not represented in every ICC around the country. At the moment, we are trying to work out how we can have a presence in all the regions around the country. We are looking at ways of having, maybe, a flying squad of staff that will travel around, visit the local shires, talk to the local business people and talk to the local community about where the business opportunities are. All of that is just starting to emerge.

**Mrs VALE**—Are you able to use IT to help you do that? Do you know a web site or something that is accessible from these ICCs?

**Mr Myers**—We are going through with the merger of all the programs together. We actually have to co-locate into a new building so we can bring our staff together. At that stage, we will then roll out a new IT platform so we can link into the ICCs. Both our program managers are able to do that now but, what you might call, the old original IBA is not part of that IT network yet, but it should be by about the end of October.

**Ms ANNETTE ELLIS**—How many ICCs are you on?

**Mr Parrett**—Currently it is around 12 or 13.

**Ms ANNETTE ELLIS**—Is there a specific reason why you are not on all of them?

**Mr Myers**—When the programs were transferred to IBA as part of the abolition of ATSIC, they did a mapping exercise of where historically the workload was with housing loans and business development loans and mapped those staff to IBA. The reason we are not in some ICCs is that historically there was neither a housing loans nor a business development loans presence in those ICCs.

**Ms ANNETTE ELLIS**—But Mr Morony has indicated there might be an idea in the future for remedying that.

**Mr Morony**—Certainly our planning at the moment is that we will have travelling squads, if you like, who will go to those areas and spend time. At the moment in Ivan's program there are staff within the state who service those areas on a normal basis, as does Colin's home ownership area. We do have a capacity to cover those areas. We are trying to look at innovative ways of going in and meeting with the likes of local government, business people and Aboriginal groups. We want to spend a week there and be intensive about it.

**Mrs VALE**—It sounds like exciting times.

**CHAIR**—This is, excepting the transition, quite a growth period. What is the Indigenous employment rate within your existing IBA now?

**Mr Morony**—It used to be 40 per cent. We would have to take that on notice.

**CHAIR**—I will give you forewarning that there will be questions on notice as the inquiry proceeds. Is there anything else you would like to conclude with?

**Mr Myers**—I would like to make two comments in respect of areas which seem to be of very strong interest to the committee. The first one is on microfinancing. The Commonwealth did have a go at this; I think back in the 1980s it actually was using a bank outsource to deliver microfinance to Indigenous people. It was a disaster because not enough work was done up-front to support the group and then to provide the hands-on support after. We are trying to make sure that mistake does not happen again. I think that is very important. The second one was the comment that we have a reputation for being hard. I think it is important to note that we have a fiduciary duty to the applicants. We should not get people into businesses or into housing loans that they cannot afford because if it collapses, we have to go in and take recovery action. So we are very careful about our decision making to make sure we support those home loan or business loan applicants that we think genuinely can make a go of it.

**Mrs VALE**—Even in mainstream Australia, community business entrepreneurs need mentoring, often for years. That is why there are these business incubators that are popping up usually under the support or the guise of local councils. It is not unusual.

**CHAIR**—My comment about being hard nosed was in terms of corporate knowledge. It was meant as the most generous of praise.

**Ms ANNETTE ELLIS**—What is the limit of the pilot in terms of time frame? When did it start and when will it finish?

**Mr Parrett**—The pilot should have finished last June but, because we did not have the experience in the remote areas, we decided to extend it. We are hoping to be in a position to make a decision on its flow through by the end of this calendar year.

**CHAIR**—I thank the representatives of Indigenous Business Australia very much. Please give my regards to your chairman.



[12.00 pm]

**GREER, Mr Anthony John, Group Manager, Indigenous and Transitions Group, Department of Education, Science and Training**

**HOFFMAN, Mr Shane Gregory, Branch Manager, Indigenous Business Management, Department of Education, Science and Training**

**CHAIR**—Welcome. I remind you that these proceedings are regarded as proceedings of the parliament and we need to treat them accordingly. Would either of you like to make a brief opening statement or add to your submission?

**Mr Greer**—Yes, Chair. The Department of Education, Science and Training welcomes the opportunity to appear before the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs concerning its reference on Indigenous employment. Improved educational outcomes for Indigenous Australians contribute directly to improvements in a range of other spheres, including health, employment, home ownership, civic responsibility and reduced substance abuse.

Closing the educational divide between Indigenous peoples and other Australians remains one of the Australian government's highest educational priorities. In fact, the Ministerial Council on Education, Employment, Training and Youth Affairs, MCEETYA, also agreed on 12 May 2005 that improving outcomes for Indigenous students is the top priority issue for MCEETYA for the quadrennium 2005-08.

It is important to note that responsibility for the funding and delivery of education for all students, including Indigenous students, is primarily that of state and territory governments. Indigenous-specific funding provided by the Australian government is supplementary to other mainstream funds. It is intended to complement mainstream effort to accelerate Indigenous students' learning outcomes and for targeted strategic interventions towards that objective. The National Aboriginal and Torres Strait Islander Education Policy, the AEP, which is reflected in the objects of the Indigenous (Targeted Assistance) Act 2000, guides program initiatives in continuing efforts to achieve equity between Indigenous and other Australian students.

From 2005 to 2008, the Australian government is providing some \$2.1 billion for Indigenous-specific supplementary assistance to preschools, schools and tertiary providers for Indigenous education over the next four years. The Australian government's approach for 2005-08 is to direct its resources to programs that have demonstrably improved outcomes; provide greater weighting of resources towards those Indigenous students of greatest disadvantage—those in remote areas; and make mainstream programs work better for Indigenous students. Initiatives are being directed towards promoting systemic change and developing flexible whole-of-government approaches to education delivery, particularly in preparing young Indigenous children for formal schooling; improving attendance and literacy and numeracy achievement, particularly in primary schools; helping to re-engage and retain more Indigenous students to year 12 or its vocational education equivalent; lifting the effectiveness of teachers and their support staff; improving the quality of teaching and teacher practice; and doing this within a framework

of strengthened monitoring and reporting of educational outcomes, particularly at regional levels.

Despite the fact that there are still significant gaps between the performance of Indigenous and non-Indigenous students in literacy and numeracy, for instance, some improvements are encouraging. In 2003, three of the nine years 3, 5 and 7 literacy and numeracy benchmarking results were the highest yet, and four results equal the best performance so far. For instance, the proportion of Indigenous students reaching the year 5 numeracy benchmark rose from 62.8 per cent in 2000 to 67.6 per cent in 2003, and the proportion of Indigenous students reaching the year 7 reading benchmark rose from 60.1 per cent in 2001 to 66.5 per cent in 2003.

There has also been growth in the number of young Indigenous people attending preschool and school, from 122,899 in 2001 to 139,502 in 2004, an increase over that period of about 13.5 per cent. Importantly, more Indigenous students are staying on at school. The year 12 Indigenous apparent retention rate has increased from 34.7 per cent in 1999 to 39.5 per cent in 2004. But there is still a long way to go to catch up with the non-Indigenous rate, which rose from 73.2 per cent in 1999 to 76.8 per cent in 2004.

Postsecondary numbers have also risen. Of particular note is the increase in the number of Indigenous new apprenticeships from 6,260 in 2001 to 10,100 in 2004, an increase of 61 per cent. The number of Indigenous students in the vocational education and training system in 2003 was 58,087. As a percentage of all students in VET, that had increased from 3.1 per cent to 3.4 per cent in 2003. Indigenous higher education numbers have also risen, from 8,661 in 2001 to 8,895 in 2004, and the percentage of Indigenous higher education students studying at bachelor level or above rose from 67.4 per cent to 76.4 per cent.

DEST is a significant employer of Indigenous Australians. As at June 2005, DEST employs 195 Indigenous staff, which represents 9.8 per cent of DEST's total staffing. Indigenous Australians constitute about 2.6 per cent of total staff in our national office and 44 per cent of total staff in DEST's network of state and district offices, and they vary across jurisdictions. In Queensland it is as high as 55 per cent; New South Wales, 54 per cent; the Northern Territory, 47 per cent; and Western Australia, 40 per cent.

**CHAIR**—Just on that, that implies a very large percentage of your total DEST numbers is in the national office. It is 9.8 per cent and then you go to the higher figure. I was curious, and I mentioned it to my colleague, when I picked it up earlier in the submission. Can you explain that?

**Mr Greer**—The number of Indigenous staff in our national office is 43 and in the state and territory offices it is 152. Of DEST's staffing overall, the numbers make up 9.8 per cent.

**CHAIR**—Including the state offices?

**Mr Greer**—Including the state offices. The proportion in our national office is 2.6 per cent.

**Mrs VALE**—Where is the national office located?

**Mr Greer**—Here in Canberra.

**CHAIR**—Did you have any further opening remarks?

**Mr Greer**—That is it, thank you.

**CHAIR**—Thank you, that was very good. We will start with the ICCs and your connection to the ICCs. What is DEST's focus now regarding the ICCs and what is the relationship?

**Mr Greer**—We have a presence, either physical or virtual, in all of the 22 ICCs. We are physically co-located with 15 of those ICCs. With the remaining seven we have a virtual presence—that is, while we may be located in the same town, accommodation constraints or some such are preventing us from physically working out of the same building at this stage, but we are progressively working towards that. When the ICCs were initially established, seven locations out of the 22 did not have a DEST presence and we moved immediately to put staff in those seven ICCs.

**CHAIR**—What is the policy direction of the people in the ICCs? Can you give us, in some kind of order, two or three examples of what you regard those officers' responsibilities to be?

**Mr Greer**—There is a dual responsibility there. They are to work, together with the ICC manager, in a whole-of-government context to support the ICC and the ICC manager to look at whole-of-government or holistic solutions and problem brokering for initiatives that local communities might identify. Also, our presence there has a direct line responsibility back to the department, because they are required to implement and administer the suite of DEST Indigenous-specific programs that might be in that region. So it is a dual responsibility. Mr Hoffman, do you want to add to that?

**Mr Hoffman**—I think that pretty much sums it up, but certainly the staff in the network have a responsibility for delivering particularly our direct assistance supplementary programs, and of course the staff in the ICCs also have that responsibility.

**CHAIR**—With regard to shared responsibility agreements, have there been some initiatives or approaches about the education issue in terms of this supplementation?

**Mr Greer**—Yes. I will approach this from a couple of different perspectives. DEST is the lead agent, together with the New South Wales Department of Education, for the COAG trial site in Murdi Paaki, which is in western New South Wales, particularly for the 16 communities in that region that are participants in that trial. As late as this time last week, we formally signed our 10th shared responsibility agreement within that community. This was a regional partnership agreement that formalised the recognition of the Murdi Paaki regional assembly as the body that would take over from the former ATSIC regional council, which terminated on 30 June. This was the 10th SRA in that particular region. Some of those SRAs are pitched at the regional level. A number of them are pitched as local SRAs, and some of those go to education. The one in Enngonia is looking at innovative ways of distance education; that is supported by both the Commonwealth and the New South Wales government. There are others in Bourke that are also looking at education aspects. Others are looking at crime prevention through community patrols. I can get you a schedule of those, if you like.

**CHAIR**—No, but I am interested—and I mentioned it earlier this morning—in the breadth of the shared responsibility agreement and the involvement of every community, which is a major task, in a supplementary way: that people know they can in some way approach an officer of the department and endeavour to initiate, in a supplementary way, some education priorities. It is a big task across a big country.

**Mr Greer**—Yes.

**CHAIR**—I am just trying to understand the limits of such a proposal. If every Aboriginal community approached you with their education priority and then you had to work with the states and territories, I would be delighted, but I would imagine that you would be inundated. What is the reality when we talk in these grand terms?

**Mr Greer**—The Minister for Immigration and Multicultural and Indigenous Affairs has announced that there are some 70 or 80 shared responsibility agreements that have been formally entered into between communities and the Commonwealth, and others. A subset of those are of the ilk that I mentioned to you—those in COAG sites—but a number of others—

**CHAIR**—Are not necessarily in the COAG.

**Mr Greer**—are not necessarily in the COAG sites. In a number of those others, education, for instance, has surfaced as an issue identified by those particular communities. Where that has surfaced as a recognised community issue, either through the ICC and us or other agencies, we have been able to variously contribute to those SRAs. I can point to examples in Wadeye and the Kimberley where that is the case.

**CHAIR**—It is interesting that you mention Wadeye. There was a move from the community the other day to ask the Catholic system to consider withdrawing their services. Did I get that right?

**Mr Greer**—The way I read that—and I will stand corrected—in the article in the *Australian* last week was that, rather than being sourced from Wadeye, it was sourced from the Tiwi islands.

**CHAIR**—Yes, you are right.

**Mr Greer**—I think the Tiwi islanders were suggesting that they might look for alternative service provision at St Francis Xavier School there. But I think Wadeye were saying that they were reviewing their links with education providers.

**CHAIR**—So Wadeye was in that same general discussion.

**Mr Greer**—Yes, but my recollection is that that article was suggesting that Wadeye had a level of comfort with it.

**CHAIR**—I do not want to dwell on it. It was a very interesting comment and I thought: 'There's something happening here that is a little bit new and different.' I was trying to draw out what might be happening and whether the Commonwealth government might have some role. I

want to go to the 'no school, no pool' program. What is the gist of that? Has the Commonwealth government had some involvement in that?

**Mr Greer**—Yes. The no school, no pool initiative may have had its genesis in Wadeye.

**Mrs VALE**—I know it operates in Miriam-Rose Baumann's community at Daly River.

**Mr Greer**—I think it does.

**CHAIR**—I think the Western Australia government was involved too.

**Mr Greer**—Yes. My understanding is that it was a community initiative. It is a good example of what works.

**CHAIR**—My question is: is it working and how do we measure that?

**Mr Greer**—Is it working? There have been a couple of recognitions of it. The government acknowledged it as a pilot project in its election commitments and provided an addition \$5 million to roll that initiative out more broadly.

**CHAIR**—I think my electorate had something to do with it.

**Mr Greer**—I notice that the Productivity Commission, in its recent report, has identified the no school, no pool initiative as an example of good practice that it suggests could be replicated. There is a fund of about \$5 million for it.

**CHAIR**—My colleague and I have an absolutely fundamental belief, as I think most Australians would, that education is the opportunity and also the impediment. I am sure many before me and many after will say: how do we encourage people to partake of it? There is a Professor Lester in Newcastle who I suppose gave me as much insight into this as anybody. So I will not indulge myself and philosophise about this, but it seems to me we have been singularly unsuccessful—absolutely unsuccessful—and that is coming from someone who chairs a committee and wants to be positive about life. I am trying to come to grips with this as I do at all of these inquiries. Given the state-territory responsibility—which you identified very early, and I think very wisely so—the federal government, the Australian government, is supplementary. This is *deja vu*. Mr Greer, you have probably been before this committee before. We have said we value add as best we can to the states' efforts. This is a very long and final question. Have we learnt anything yet in this new super ICC model, Indigenous coordination centres, which gives us that value adding in a way or are we just, millimetre by millimetre, failing to understand—or improving, but we still have a long way to go in terms of the real thing? You would have been in this issue for a very long time, I would imagine.

**Mr Greer**—It is a process of continuous improvement and continuous learning. One of the critical messages that is coming out of ICCs, and particularly one of the critical messages that has come out of our experience with the COAG trial sites, is to learn to listen to what the community is identifying as their priorities. Then the real challenge will be how governments—either separately or, importantly, in a joined up sense—flexibly can respond, in an increasingly

comprehensive way, to the priorities and the issues of importance that the community is identifying. That has been a major lesson for us.

In relation to our experience in New South Wales another major lesson for us, and I think for New South Wales as well, has been learning how we as governments and we as officials can work better to that end. That is the critical lesson. Also in this is a realisation that many of the issues, be they in education, health or whatever—if I could just focus on education—are systemic issues. They are not issues on the side, and they need addressing in a systemic way. That means you cannot resolve, say, the systemic education issues through a reliance, or an overreliance, on relatively small amounts of Indigenous-specific funding. We have to be able to better harness the mainstream effort and make mainstream programs—be they Commonwealth or be they state and territory sourced funding—work better for Indigenous people. We need to do that within a framework within schools of high expectations. We have covered it in the report. Many of the initiatives that we are trying to support at the moment to improve outcomes for Indigenous students pretty much reflect acknowledged characteristics of highly effective schools. They are characteristics that have been identified by research—

**CHAIR**—Very much in the spirit of this inquiry.

**Mr Greer**—Yes. Essentially, the ACER, the Australian Council for Educational Research, has identified half a dozen characteristics of highly effective schools. They are: schools that have strong and effective school leadership; schools where learning is the central purpose of the school; schools where teachers are well trained and equipped; schools where there is a strong school culture; schools where there is a strong involvement and engagement of the parents and the communities; and schools that have a well-developed system to monitor and evaluate performance. If we aspire to those characteristics for all of our schools, it does not matter who comes through those schools, the life chances of those people will be immeasurably improved. Underpinning all that is how imperative it is for principals and teachers to bring high expectations into the schools. The work of Chris Sarra in Queensland, for instance, is absolute testament to that.

**Mrs VALE**—Thank you for coming, Mr Greer and Mr Hoffman. It is interesting how everything really begins with education; it is the springboard, isn't it? We keep coming up with that all the time. Even from the Indigenous people that we have spoken to in the Northern Territory there is this call and need for education and, can I say, for creative ideas to encourage increased attendance rates. You are giving us good news about increased attendance rates at school and also about greater participation in training. Have there been any really successful policies—there is never any silver bullet, is there?—that you have been able to put in place to account for your increased attendances? The 'no school, no pool' rule obviously has to be one.

**Mr Greer**—We think so. If you turn to page 6 you may see some of these. I will put it in context first. In 1998 and 1999 the Commonwealth invested between \$13 million and \$15 million in a range of strategic research projects. These were action research projects about what works, in a practicable way, for the education of Indigenous young people in the classroom. That was codified in a significant report titled *What works*, which has been the springboard for much of this government's approach to Indigenous education in the last few years, particularly through its discretionary funding.

One of the issues that came out of there was scaffolding literacy. Scaffolding literacy is a structured approach to teaching literacy to low-achieving students to enable them to catch up with the rest of their class. Analysis by Charles Darwin University has indicated that reading ability increases at an average rate of 1.73 year levels per year. An evaluation by the Australian Council for Educational Research in 2003 indicated that the outcomes of that were little short of sensational. As a consequence of that, we have taken it from a pilot program and the government has allocated about \$14 million to it in this quadrennium.

In that sense, we reached agreement only a week or so ago with the Northern Territory government. We and the Northern Territory government will be jointly funding—about \$17 million combined—the rolling out of the accelerated approach to literacy in the Northern Territory. This will be a systemic pilot; a pilot across 100 schools in the Northern Territory. It will retrain 700 teachers in this pedagogy in the Northern Territory and it will involve, between now and the end of 2008, 10,000 Indigenous young people going through it. I think 90 per cent of them will be from remote areas. That is in the government sector.

We have mirrored that through a similar arrangement with the Aboriginal controlled schools—I think it is 15 of them, the AIC schools in Western Australia. Again, that will be for this quadrennium, and I think 1,000 students will be assisted through that. We have now also put a similar arrangement in place in the Catholic education system in the Kimberley where there would be another 500 or so students. That is one model and it will be fully documented. If we can get this to work and show that it works effectively across the Territory, there are good practice applications that any jurisdiction or provider can pick up and take through.

**Mrs VALE**—That is great when you get the children to school, but how do you actually entice children to go to school in the first place? That is the hardest thing. I have heard of schools like in Walgett in western New South Wales where there is one teacher who might have 20 children in her class every day but they are not the same 20 children.

**Mr Greer**—I think there are a range of initiatives there. They run from nutritional programs through—

**Mrs VALE**—Is that actually feeding children breakfast and dinner or breakfast and lunch?

**Mr Greer**—Breakfast programs—to encouraging the presence of Indigenous AIEWs or Indigenous education workers in the classroom and the presence of Indigenous parents in the classroom. I do not think there is a silver bullet. Getting kids to school is one thing; keeping them there is another. Schools have to become more welcoming places. Curricula need to be more cultural inclusive.

**Mrs VALE**—We might have to provide more food in some of those remote communities. Offering breakfast is one thing, but to make sure the child stays at school the whole day you might have to offer something like an early tea.

**Mr Greer**—It may well be.

**Mrs VALE**—I am sure if they knew they were going to get fed at the end of the day they would stay for the day. This is the big problem. I can understand some of the new programs that

you are putting in place, especially to help accelerated learning when you have children there at school, but my concern with Indigenous children is how we get them to stay at school. This is why I went to Daly River to see Miriam-Rose Baumann and what she was doing. She is an accredited teacher in her own right and I understand that she now has a PhD. At the time I was there she was training some of the women in the community to be teachers aides, and they were preparing for an exam. What that one woman has done in her community has been nothing short of a miracle. But the children all go to school. The whole focus of the community is that the children go to school. There is no choice: they go to school. They also have the 'no school, no pool,' rule. The children front up at the school gate as they leave and put their hands out to get a stamp. The swimming pool is all fenced off and they can only get in when they show their school stamp. The whole focus of the community is that the children have to have an education. To me, getting that community demand for the education was just wonderful. As you know, Mr Greer, it does not happen in all communities. In white communities children have to go to school, there is no choice. I was just wondering about your attendance rates and what kinds of successes you have had or what policies you have put in place to encourage those attendances. I appreciate what you are doing once you get them there; it is just getting them there in the first place.

**Mr Greer**—I think it is a menu, a range of different things. It could be nutritional breakfast programs, it could be 'no school, no pool', it could be providing communities with buses as part of an attendance strategy to get children to school. A number of these have been identified as elements of what works. In that context, what the government has done recently is to introduce a whole-of school intervention program which seeks to better encourage the engagement of parents and communities with their schools to improve school outcomes at the local level. So far this year we have had 772 projects approved nationally—I said in my submission it was 753 but that has increased to 772—and many of those are focused on attendance strategies at the local level.

**Mrs VALE**—The real problem with remote communities like we have at Alice Springs where you have got this circle of town camps is a lot of the kids do not have an identifiable mum and dad; they might have a whole range of aunties and uncles. Often they do not get a meal at night and often they are up all night. I know there is a limit to what we can ask the department of education to address, but children need help to stay at school. A lot of them drop out because they cannot cope with the lock-step system of the normal state schools. It seems to me that when they do not really know where their evening meal is coming from in some cases, if there were some way that the school community could be provided with an early tea for the children, at least we would know that if they stayed the whole day they would get fed. It would also encourage them to be there and perhaps learn. I do not know if that has ever been trialled anywhere.

**Mr Greer**—I am not sure about the early tea. Certainly what we have tried, and it is clear that it does work, is the provision of nutrition and breakfast programs.

**Mrs VALE**—The kids would probably not look at it as nutritional, they would just look at it as food.

**Mr Greer**—Exactly. I know as a fact that many of the projects that have been approved under the whole-of-school intervention go to the approval of nutrition and breakfast programs,



particularly where the community and the parent community also contribute to those. Increasingly we are finding a preparedness to do that.

**CHAIR**—One of the things the committee has been told is:

Many of the existing training packages are above the level required for Indigenous learners—

this would be a bit of a combination of Commonwealth and state—

We need to ensure that more Vocational Education and Training (VET) opportunities at the certificate I and II levels are available and these are pathways to higher courses.

What about that sort of engagement? It seems a practical issue. Do you have a view about that? Is it pitched at too high a level?

**Mr Greer**—I do not think it is pitched at too high a level. A good example of that is, again, in the Productivity Commission's report, *Overcoming Indigenous disadvantage: key indicators 2005*. On page 21 of the report's overview, one of the key messages that came out was:

An education attainment of certificate level 3 or above significantly reduced an Indigenous person's chance of being unemployed.

**Mrs VALE**—What is certificate level III?

**Mr Greer**—It is an apprenticeship.

**Mrs VALE**—Is that like year 10?

**Mr Greer**—No, it is post schooling. There is an interesting table in the commission's main report that statistically supports that. I am happy to make that available to the secretariat.

**Mrs VALE**—When I was at Daly River some years ago, I found that it was very successful in educating its children. Has there been any program at all—I should probably not be asking your department this question—where other communities come to see a success story like Daly River? I found that there was such a demand from the families themselves for the education of their children. When you have a really successful idea, it is usually quite contagious as long as people know about it. The big problem with Daly River, of course, is that it is so remote for other people to have a look at it.

**Mr Greer**—I cannot speak from a whole-of-government perspective, but certainly from our perspective some of the very good things—and there is a tier of things—that are happening in Murdi Paaki are being shared with other COAG communities by visits both ways. We have had representatives from communities in Murdi Paaki going up to the cape and off to Wadeye, and vice versa.

**Mrs VALE**—You could do a story, using technology like video, on some of the success stories and get them out to other communities.

**Mr Greer**—One of the other flagship initiatives we are funding at the moment is called Dare to Lead. It is about signing up. We have just committed another \$8 million to this over the quadrennium. It is not the Commonwealth doing this; it is the Commonwealth doing this in partnership with the principals association, the APAPDC. Through this joint social coalition, the principalship is trying to sign up 5,000 principals to act as agents of change and champions for Indigenous education in their communities.

If they are a principal of a primary school, they are signing on to endeavouring to improve the year 5 literacy results by 10 per cent. The metrics are simple. If they are a principal of a secondary school, they are signing on to improve the year 12 retention rate in their schools by 10 per cent. If they are principals who do not have Indigenous students in their schools—and there are some—they are signing on to include Indigenous issues and what have you in their school curriculum. As part of that package that we have with the APAPDC, principals will move in a best practice way. They will see what is working in different communities and will be able, within this funding envelope, to be going and looking at what it is that is working out at Yuendumu.

**Mrs VALE**—And to be alerted to look.

**Mr Greer**—Absolutely. Similarly, whilst that flagship initiative is focused on the principalship—because we believe that in a lot of ways they are one of the most important sources for change; you are getting that change owned and driven there—we complement that with another package called *What works*. This is a professional development package that looks at these successful projects. Over the next four years through, I think, 400 workshops, we will be trying to run professional development for about 14,000 teachers of Indigenous students and sharing with them the best elements of what works. That will work hand in glove with the Dare to Lead project.

**Mrs VALE**—I understand that in some very remote Indigenous communities—indeed, in all communities, even villages—if you want to change a culture you educate the grandmothers and they will make sure that the grandchildren are educated. Has that ever been a policy that you have tried in any effective way?

**Mr Hoffman**—That is one of the things communities talk about. Certainly Noel Pearson has mentioned grandmothers being given more responsibility for looking after the family. People of that generation probably felt the need for a good education very strongly. My mother certainly did. If you get that expectation from older people in the community, it tends to filter through. Part of the difficulty is substance abuse and other things which cause dysfunction in the community. I guess grandparents and older people in communities have been taking a greater responsibility for looking after grandchildren and making sure they go to school.

**Mrs VALE**—It seems to be those matriarchal communities that have the greatest cultural stability. The women can say, ‘No alcohol within the community confines,’ and put some rules in place. I had an experience with three remote matriarchal communities south-west of Katherine. There was a very strong influence on the children—just like Miriam-Rose—being educated. They had a lot more control. There was some sort of inheritance history—I am not sure how it worked. The women in these three remote communities were the daughters of a very revered elder so there was that matriarchal authority. It did seem to make a difference. You have had

increased attendances at school and more success stories in training. Has that been a lever we have been able to use at this time?

**Mr Hoffman**—Our department do not provide education and training services; we fund state departments of education for schools and we fund training providers. It depends on the dynamics in a particular community and how they work, the school—

**Mrs VALE**—Perhaps I should be putting that question to other government departments.

**Mr Hoffman**—Yes, especially the state departments.

**Mrs VALE**—Thank you.

**CHAIR**—I am sure the Productivity Commission in its wisdom is correct but I have a thought about the assessment in this apprenticeship issue. A senior Aboriginal person spoke with me in recent times. He had a number of apprentices under his care through the TAFE system. When they started under the traditional mainstream system—and say he had 40 or 50 Aboriginal apprentices—he was getting about three or four people succeeding on conventional methods. Then he went back and looked at how he might do it not so conventionally. By looking at it differently he found that the actual skills these people had were sufficient, but not under conventional measurement. He moved from a 10 per cent success rate to about an 80 per cent success rate. I am a little wary about Productivity Commission analysis. Whilst we should always aspire, I fear for the interim. We are at a stage where we need to find methodology—I think you acknowledged this in other responses—and be more creative in the way we identify competencies, not only for Indigenous people but also for many other people who are disaffected and not engaged in our school system.

**Mr Greer**—I agree. There are other ways to acknowledge and recognise competencies and it might be through a recognition of prior learning that the competencies of many people, if appropriately recognised, will equate. We found that in our own department as we were going through a major training initiative for our district staff. We encouraged them to participate in an accredited—I think it was AQF III or AQF IV—certificate. These are the people who are out there at the very sharp end in remote and other types of environments. The Canberra Institute of Technology ran the assessment process. There was recognition and acknowledgment of the competencies that many of our staff probably would not recognise but in their day-to-day work they mapped into a framework of competency standards. It is that recognition of prior learning.

**CHAIR**—I hope we might adapt that further as we go.

**Mr Greer**—I leave with you some copies of the *National report to parliament on Indigenous education and training*. This is the most recent one—2003.

**CHAIR**—Thank you.

Resolved (on motion by **Mrs Vale**):

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

**Committee adjourned at 12.50 pm**